RINGMETALL SE
ANNUAL REPORT 2021

CONTENTS

English translation of the German original version.
Ringmetall cannot be held responsible for any translation errors.


BERGER GLOBAL

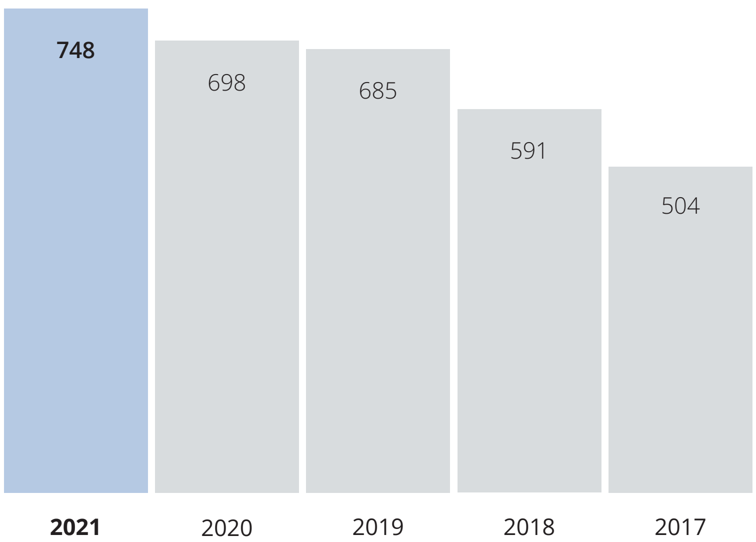
TO THE SHAREHOLDER

Key Figures for the Group

P&L KEY FIGURES EUR '000	**2021**	2020	2019	2018	2017
Revenues	**172,338**	117,972	120,581	110,567	102,348
Total Output	**173,124**	117,278	120,563	111,062	102,388
Gross Profit	**80,025**	56,887	55,455	49,517	45,356
EBITDA	**26,620**	12,180	10,029	10,431	12,041
EBIT	**20,177**	5,987	4,969	8,280	10,035
Consolidated Net Profit	**14,917**	2,735	3,022	5,156	7,135

BALANCE SHEET KEY FIGURES EUR '000	**2021**	2020	2019	2018	2017
Fixed Assets	**70,195**	66,021	63,979	48,499	34,867
Current Assets	**52,130**	35,392	34,004	32,982	39,986
Equity	**63,749**	49,589	49,999	48,537	39,102
Equity Ratio	**51.5%**	47.9%	50.0%	59.0%	51.6%
Liabilities	**51,060**	47,152	43,590	29,966	33,291
Balance Sheet Total	**123,896**	103,547	100,002	82,271	75,796

according to IFRS



OTHER KEY FIGURES

Employees
(Annual average)

The Management Board

CHRISTOPH PETRI

Christoph Petri studied business administration at the University of Nuremberg and the University of Sydney, graduating in 2006. He then began his career at a consulting and investment company in Munich that focused on medium-sized companies. In 2011, he was appointed to the Management Board of Ringmetall, where he is Spokesman of the Board and responsible for strategic investment management as well as finance, investor relations, sales and marketing.

KONSTANTIN WINTERSTEIN

Konstantin Winterstein studied at the Technical University of Darmstadt and the Technical University of Berlin, where he graduated in mechanical engineering in 1996. In 2004, he received an MBA from INSEAD in Fontainebleau and Singapore. From 1997 to 2014, he held various positions at the BMW Group. Since 2014, he has been a member of the Management Board of Ringmetall and is responsible for operational investment management as well as for human resources, IT, technology and production.

Letter from the Management Board

Dear Shareholders,
Dear Customers and Business Partners,

With 2021, another year was clearly marked by the pandemic situation. Although the availability of vaccines against COVID-19 in spring 2021 at least gave rise to confidence about the further development of the pandemic, many areas of everyday life were affected by restrictions and imponderables, some of which were extreme. In particular, the escalation of raw material prices and availability bottlenecks for numerous precursors had a dampening effect on a wide range of economic sectors and caused production losses in many companies.

As the world's leading supplier of safety-relevant packaging elements, a large number of industries around the globe depend on Ringmetall's unrestricted ability to deliver. Already in the first year of the pandemic, our production plants in several countries were classified as system-relevant in order to be able to continue production with as few restrictions as possible even in times of regional and national lockdowns. We therefore used 2020 to prepare our Group, our internal processes and our employees as well as possible for the changed economic environment. In 2021, we were able to benefit accordingly from this preparatory work.

Despite COVID-19, significant price increases for steel and other raw materials, and regionally limited availability of production-relevant raw materials and intermediate products, 2021 was the most successful year in the history of the Ringmetall Group to date. Through clever utilization of our international networks in purchasing, intelligent reallocation and thus bundling of production steps at individual locations, as well as software-supported optimization of our production capacities, we succeeded not only in advancing sales to new heights, but at the same time also in establishing our earnings at a healthy margin level.

Accordingly, the development of raw material prices had by far the greatest influence on our revenue performance in the past fiscal year. 30.0 percentage *points of the increase are attributable to the higher price levels of the steel grades and plastic granules we use. The acquisition of HOSTO Stolz GmbH & Co. KG, a high-quality competitor of the Ringmetall Group in the field of clamping ring production for the tinplate industry in Europe, which we completed on 31 May 2021, was reflected in acquisition-related revenue growth of 5.7 percent. On a purely organic basis – and we can be particularly proud of this – the Ringmetall Group grew by 10.5 percent in revenues. In addition to sustained high demand for drum closure systems, sales in the Inliner product area and especially in the Industrial Handling segment also picked up again on a sustained basis, thus leaving the more restrained order situation caused by the pandemic largely behind. It is becoming increasingly clear that with our current product mix we are developing in a much more balanced way and are noticeably less dependent on the development of individual customer industries than a few years ago. On the earnings side, more sustainable pricing and what is now a high level of production efficiency have enabled us to grow significantly faster than sales. Earnings before interest, taxes, depreciation and amortization (EBITDA) were accordingly a whole 118.6 percent up on the previous year at EUR 26.6 million.*

With this brilliant sales and earnings performance, we exceeded our own expectations last year. And we did so on several occasions. Accordingly, we significantly increased our forecast, which we published at the beginning of February 2021 and which was deliberately conservative, first in May and August and then again in October. Overall, these two steps raised our outlook by an average of 40 percent on the sales side and 108 percent on the earnings side. Driven by the extremely positive business development, Group revenues in 2021 were ultimately at the upper end of the forecast range and EBITDA was slightly above the upper end of the range.

We are all the more pleased to look back at our two business units. Both Industrial Packaging and Industrial Handling performed significantly better than in 2020. Driven by the aforementioned factors, revenues in Industrial Packaging were 47.5 percent higher than in the previous year. In addition to the strong development in the ring business, there were noticeable recovery trends in the inliner product area, particularly in the second half of the year. The segment's EBITDA also benefited not least from this and, at EUR 29.6 million, was a full 104.5 percent above the previous year. We are very pleased that, contrary to our expectations, the acquisition of HOSTO already made a clearly positive contribution to earnings in the first six months of its membership of the Group, which also underlines the value of this acquisition after only a short time.

After a subdued year in 2020, the Industrial Handling business unit benefited from rising global demand for forklift trucks and agricultural machinery. After two years characterized by rather weak sales on the part of our customers, both industries recovered noticeably in 2021. This led to a 29.8 percent increase in revenues at our Group subsidiary HSM to EUR 12.6 million. At the same time, our efforts in recent years to make our processes in this area as efficient as possible were reflected in a disproportionate increase in EBITDA, which multiplied to EUR 1.4 million.

At least with regard to the past fiscal year, it can be said that we are succeeding extremely well in mastering the multitude of current economic challenges. We have adapted well to the changes in the framework conditions for our day-to-day business brought about by COVID-19. We are generally able to pass on rising raw material prices to our customers, and in return we continue to offer high delivery reliability and product quality. And thanks to our international purchasing network, we are also able to counter regional availability restrictions of production-relevant primary products in the shortest possible time and thus always meet the demand for our products.

Letter from the Management Board

Against the backdrop of a very positive start to the year so far, the Management Board generally expects the business environment for the Ringmetall Group to remain positive in 2022. At present, rising inflation, rising energy prices and supply chain problems in a wide range of industries have had only a minor impact on Ringmetall's business development. Also, the share of sales of the Eastern European countries in the Ringmetall Group is marginal, so that the direct effects of the Russian invasion of Ukraine and also a possible expansion of the conflict to neighboring countries do not have or would not have any direct impact on the business development of the company. Nevertheless, we are convinced that future risk potentials from this generally tense economic situation should be appropriately included in the forecast for the current fiscal year 2022. The range of the earnings forecast is therefore chosen to be wider than usual at the current time and is to be narrowed further in the further course of the year. Accordingly, we are assuming consolidated revenues of EUR 180 to 200 million with EBITDA of EUR 22 to 27 million for the full year 2022. At the same time, we assess the chances for the successful conclusion of further company acquisitions as very good against the backdrop of the economic environment and the liquidity situation of the Ringmetall Group.

This estimate is based on constant raw material prices and constant exchange rates of the euro against the US dollar, the Turkish lira and the British pound in relation to the end of 2021. The forecast does not include effects from acquisitions planned in 2022, including the resulting transaction costs.

In 2021, our employees, above all in production, will continue to play a key role in the great development of our company, which is why they deserve our special thanks. With a few brief exceptions, we were able to dispense with short-time working last year and are doing everything we can to remain a fair and reliable employer for them in the future.

We thank you for accompanying us on our way in 2021 and wish you all the best for 2022 and above all health!

With kind regards

The Management Board of Ringmetall SE

Christoph Petri *Konstantin Winterstein*

The Supervisory Board

KLAUS F. JAENECKE | Chairman

After studying business administration in Frankfurt, Paris and London, Klaus Jaenecke began his professional career in 1980 at an investment company in Mexico. He then worked for the investment banks Kleinwort, Benson and Goldman Sachs in London and New York, focusing on mergers and acquisitions, before setting up his own business in this field in Munich in 1991. Klaus Jaenecke has focused for many years on good corporate governance in companies of the industrial middle class and is chairman and member of several supervisory boards.

MARKUS WENNER | Deputy Chairman

After studying law in Germany and the U.S., Markus Wenner began his career as a lawyer for the international law firm Clifford Chance in the areas of mergers & acquisitions and corporate finance. He then worked as an investment manager for GSM Industries. Today, Markus Wenner is managing partner of GCI Management Consulting, a consulting and investment company for medium-sized businesses. He is founder and co-owner of various companies as well as member of several supervisory and advisory boards.

RALPH HEUWING | Member

After studying mechanical engineering at RWTH Aachen (Germany) and MIT in Cambridge (USA), and completing an MBA at INSEAD (France), Ralph Heuwing began his professional career in 1990 as a consultant with the Boston Consulting Group. In 2001, he was appointed Managing Director and Partner. In May 2007, he became Chief Financial Officer of the listed mechanical and plant engineering company Dürr AG. Here he was responsible for the commercial areas of the Group, as well as IT, Global Sourcing and two of the five operating business units. In November 2017, he moved to Knorr-Bremse AG as Chief Financial Officer. There he was primarily responsible for preparing and executing one of the largest IPOs in Europe in 2018. Since October 2020, Ralph Heuwing has been Partner and Head of DACH at PAI Partners, one of the oldest private equity firms in Europe.

Report of the Supervisory Board

Dear Business Partners,
Dear Shareholders,

Although the year 2021 was also marked by the COVID-19 pandemic, the Ringmetall Group can look back on the most successful business year in its history thanks to the performance of all employees, its broad positioning and high customer loyalty. Revenues increased by 46.1 percent and the operating result more than doubled.

The Supervisory Board continuously monitored the measures taken to safeguard the health of our employees, as well as the general management of the 2021 business by the Management Board, and acted in an advisory capacity to the Management Board.

The Supervisory Board was able to satisfy itself at all times that the activities of the Management Board were lawful, expedient and proper. On the basis of a regular exchange of information, the Supervisory Board was involved in all significant decisions of the Management Board and was informed comprehensively in written and verbal form about all material aspects of strategy, planning, business development, risk situation and compliance.

A total of eight ordinary meetings of the Supervisory Board were held in 2021. In addition, there were numerous telephone calls and conference calls between the Management Board and the Supervisory Board. With the exception of the meeting on September 28, at which Mr. Wenner was excused, all members of the Supervisory Board attended the regular Supervisory Board meetings.

On 25 February 2021, the Supervisory Board discussed the conversion of bearer shares into registered shares as part of the change of name to an SE. Furthermore, a three-year extension of the Management Board contract of Christoph Petri until 31 December 2024 was resolved.

On 28 April 2021, in addition to the current business performance in all business areas, the Supervisory Board also discussed the individual agenda items for the upcoming Annual General Meeting and the annual financial statements. The annual financial statements, the consolidated financial statements and the combined management report were discussed in detail with the independent auditors. The auditor from Baker Tilly reported on the main findings of his audit of the annual financial statements of Ringmetall AG and the consolidated financial statements as well as the combined management report of Ringmetall AG and the Ringmetall Group and provided additional information on the past financial year and on risk management. In particular, it addressed the net assets, financial position and results of operations of Ringmetall AG and the Group. The Supervisory Board approved the results of the audit. Furthermore, the Supervisory Board also examined the annual financial statements as of 31 December 2020 of Ringmetall AG, the consolidated financial statements and the combined management report. There were no objections, so the Supervisory Board approved the annual financial statements of Ringmetall AG and the consolidated financial statements. The annual financial statements were thus adopted. Furthermore, the invitation to the Annual General Meeting, again in virtual format, and the dividend proposal were approved. The Supervisory Board and the Management Board agreed to propose to the Annual General Meeting the approval of the conversion of Ringmetall AG into a European Company SE.

In the virtual meeting on 17 May 2021, the Supervisory Board approved the acquisition of HOSTO Stolz GmbH & Co. KG.

On 16 June 2021, a constituent meeting of the Supervisory Board was held following the Annual General

Meeting, after the Annual General Meeting had resolved on the same day to convert Ringmetall AG into an SE and elected Mr. Klaus F. Jaenecke, Mr. Markus Wenner and Mr. Ralph Heuwing as members of the first Supervisory Board of Ringmetall SE. Mr. Jaenecke was elected Chairman and Mr. Wenner Deputy Chairman by the Supervisory Board. Furthermore, Mr. Christoph Petri was appointed Chairman of the Management Board and Mr. Konstantin Winterstein was appointed Member of the Management Board.

At the meeting on 28 September, strategic growth issues in particular were discussed and it was decided to put the audit out to tender again for 2022 and subsequent years.

In the virtual meeting on 27 October, the tight situation in the procurement markets was discussed and various investments in production automation were discussed and approved.

At the meeting on 29 November 2021, the focus was intensively on the strategic orientation, acquisition-driven growth, and strengthening the internal organization. After extensive discussion, the Supervisory Board also approved the 2022 budget and investment plan, as well as the medium-term planning.

The focus of the 16 December 2021 meeting was the discussion of risk management and the compliance organization.

In the course of the year, the Supervisory Board dealt intensively with the topic of corporate governance of the Ringmetall Group in addition to measures to meet the challenges posed by COVID-19. It is oriented towards a responsible and sustainable interpretation of the value creation concept and is based on the German Corporate Governance Code (GCGC) in its current version. Deviations from the requirements of the Code have been published by the Management Board and Supervisory Board of the company within the framework of a declaration of conformity pursuant to Section 161 of the German Stock Corporation Act (AktG).

The composition of the Management Board of the Company remained unchanged in the past financial year, even after conversion into an SE. Since the new elections on 30 August 2018, the composition of the Supervisory Board has also remained unchanged. The Supervisory Board did not form any committees in the reporting year.

The Annual General Meeting of 16 June 2021 elected Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Nuremberg branch, as auditor of the financial statements and consolidated financial statements for the fiscal year 2021. Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft audited the financial statements, the consolidated financial statements and the combined management report of Ringmetall AG for the fiscal year 2020 and issued the respective financial statements with an unqualified audit opinion.

In conclusion, the Supervisory Board would like to expressly thank all employees in the Group for their dedication and high level of commitment in the past fiscal year. Stay healthy! Equal thanks are due to the two members of the Company's Management Board for their high level of commitment to the benefit of the Company and its stakeholders.

Jaenecke

Klaus F. Jaenecke

Chairman of the Supervisory Board

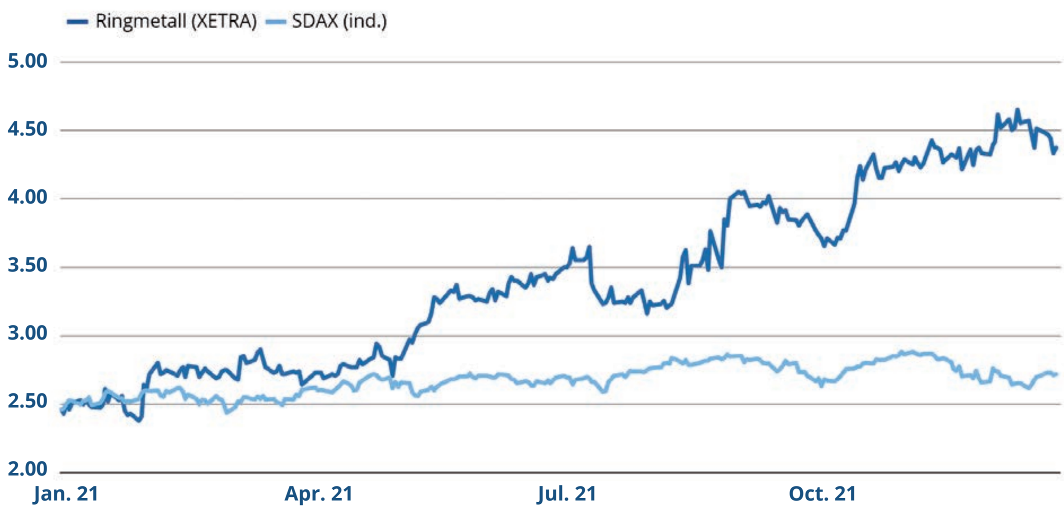
Ringmetall on the Capital Markets

In 2021, equities again benefited significantly from high demand from the global investment community. The first half of the year was dominated by the introduction of the first vaccines to protect against COVID-19. Buoyed by the hope that the vaccination campaigns could overcome the pandemic and thus create the conditions for a return to normal social and economic life, share prices rose significantly. At the same time, a large number of economic stimulus packages and the U.S. government's enormous fiscal package fueled quotations. The Dax rose above the 15,000-point threshold for the first time and was up just over 13 percent after the first six months. In the second half of the year, however, a number of negative factors slowed the rise. Vaccination rates falling short of expectations, new virus variants and, not least, the distortions in global supply chains caused by the pandemic, as well as shortages of numerous precursors, repeatedly brought the bull markets to a standstill.

Although the stock markets continued their record chase overall, the upward trend flattened out noticeably with developments in the second half of the year. The Dax reached a record high of 16,290 points in November, but ended the year at 15,885 points, a fairly small gain of 1.7 percent compared with the middle of the year. Overall, the Dax thus gained 15.8 percent in 2021, while the European Stoxx Europe 600 rose 22.5 percent. The US Dow Jones Industrial Average gained 19.7 percent.

However, one notable development compared with previous years was the significant increase in demand for value stocks. With an increase of 19.4 percent, their performance was still below that of growth stocks (+21.3 percent). Particularly compared with the previous year, there was still a significant increase in investor interest in this area. The Ringmetall share also benefited from this trend and was supported by an exceptionally strong operating performance. With an increase of 76.9 percent to a year-end price of EUR 4.37, the share was one of the clear outperformers of 2021. With its annual high (intraday) of EUR 4.90 on December 16, the share also traded close to its all-time high of EUR 4.93 from 2018.

PRICE DEVELOPMENT OF RINGMETALL AG COMPARED TO THE SDAX
FISCAL YEAR 2021



Despite unchanged limited contact possibilities due to the pandemic, the company keeps its own efforts for the dialog with private and institutional investors on a high level. As in the previous year, Ringmetall presented itself in 2021 within the framework of several virtual conferences and roadshows and also maintained close contact with existing and interested investors via video conference systems. The presentation of the company‘s results within the framework of Zoom conferences, which was introduced in 2020, has become sustainably established in the company and meets with lively participation on the part of investors and representatives of the press.

Unchanged from the previous year, Ringmetall SE was analyzed by three banks as part of equity research in 2021. In addition to Hauck & Aufhäuser and M.M. Warburg, which evaluated the company free of charge, this was the US house Stifel Financial, which accompanied Ringmetall in the course of its paid mandate. At EUR 6.50, the average fair value of the share was still almost 50 percent above the year-end price, despite the above-average share price performance in 2021. In detail, the institutions‘ recommendations as of 31 December 2021 were as follows:

Institution	Analyst	Recommendation	Price target EUR
Hauck & Aufhäuser	Christian Sandherr	Buy	6.60
Stifel Europe*	Florian Pfeilschifter	Buy	6.90
Warburg Research	Cansu Tatar	Buy	6.00

*Sponsored Research

as of 31 December 2021

As in the previous year, the 24th Annual General Meeting of the Company was held as a so-called virtual Annual General Meeting on 16 June 2021, as part of the pandemic legislation. Of the Company‘s share capital of EUR 29,069,040.00, 72.65 percent was represented at the time of voting (AGM 2020: 64.64 percent). The Management Board considers the above-average participation rate to be confirmation of the approval of the majority of shareholders for the once again virtual format of the Annual General Meeting.

In addition to the creation of a new authorized capital 2021 and the adjustment of the remuneration systems of the Management Board as well as the Supervisory Board, it was above all the conversion of the corporate form of Ringmetall AG into a European Company (Societas Europaea, SE for short) that was among the most important resolutions of the Annual General Meeting. The simultaneous conversion to registered shares will enable the company to maintain even closer contact with its shareholders in the future and to gain a better understanding of trading activities in Ringmetall shares. The existing members of the Supervisory Board of Ringmetall AG were confirmed in their positions as the first Supervisory Board of Ringmetall SE with high approval. Furthermore, an unchanged dividend distribution of 6 cents per share was resolved for the 2020 financial year. The agenda items put to the vote were again passed almost unanimously in accordance with the management‘s proposal.

In the financial year 2021, no capital market transactions were carried out that would have had an impact on the number of shares outstanding. The number of shares outstanding as of 31 December 2021, accordingly amounted to 29,069,040 shares and is thus unchanged from 31 December 2020.

COMBINED MANAGEMENT REPORT


BERGER

The Ringmetall Group

BUSINESS MODEL AND STRUCTURE

Ringmetall is a leading global specialist supplier in the packaging industry. The majority of the product portfolio is focused on high-security packaging solutions for industrial drums. While the focus is on the market for drum clamping rings, the Group is consistently expanding its influence into adjacent business areas. The aim is to hold a clear market-leading position in all areas of the core business.

Ringmetall emerged from its predecessor company, H.P.I. Holding AG, in 2015 by changing its name and adapting its business model. This in turn was founded in 1997 as an investment company. The change of legal form from Ringmetall AG to a European Company (Societas Europaea – SE) with the name Ringmetall SE was completed in 2021.

Specialized industrial holding company in the segments Industrial Packaging and Industrial Handling

Since renaming the company and adapting the business model, Ringmetall has been operating as a specialized industrial holding company in the two business areas Industrial Packaging and Industrial Handling. Ringmetall develops, produces and markets packaging solutions for use in the chemical, petrochemical and pharmaceutical industries, the food industry as well as products for warehouse logistics and the agricultural sector. In addition, Ringmetall has used its many years of expertise to develop optimized clamping rings as new efficient pipe connections, which will be used in the future in plant construction, among other applications. The related product developments are currently in the market launch phase.

Over 2,500 variants of clamping rings and over 4,000 different inliners

In the Industrial Packaging division, the Ringmetall Group manufactures packaging elements for industrial drums and multi-component systems. The product range in the Industrial Packaging division primarily includes closure clamping rings as well as inner sleeves – so-called inliners – and bag-in-box systems. In addition, the company also produces drum lids, seals, handles, complex closure units and special components to customer specifications with a wide range of dimensions, quality levels and usage profiles. The product group of clamping rings represents the proportionally largest revenue driver of the Ringmetall Group, followed by inliners and bag-in-box systems. In total, Ringmetall produces over 2,500 different variants of clamping rings and over 4,000 different variants of inliners.

In the market for industrial drums, the company focuses primarily on the special requirements of so-called open top drums, and here specifically steel drums, plastic drums, fiber drums, and pails. In 2019, the company also entered the market for inliners for industrial drums and multi-component systems. Since then, the Group has also offered product solutions in the field of Closed Top Drums (closed barrels) and for Bag-in-Box systems, a special packaging for liquids.

In the Industrial Handling business unit, the Ringmetall Group manufactures vehicle attachments for special vehicles in freight and warehouse logistics as well as in the agricultural sector. In addition to attachments for tractors, agricultural machinery and trucks, these primarily include restraint systems and trailer couplings for industrial trucks. However, lift mast parts, clutch and brake pedals with special requirement profiles, hydraulic components and complex welding assemblies are also part of the product range.

The Ringmetall Group has a holding structure in which the subsidiaries assigned to the two divisions are linked to the parent company. This Munich-based holding company, Ringmetall SE, which is listed in the General Standard, combines central Group functions. These include above all the areas of finance and group financing, investor relations, IT, strategy and corporate development, as well as the preparation and implementation of corporate acquisitions. In addition to the holding company, the Group consisted of a total of 24 companies at the end of 2021. Of these, 16 companies are operationally active, three companies are purely intermediate holding companies and four companies are administrative units. One further company is dormant.

SUBSIDIARIES AND GROUP BRANDS

Despite the superordinate structure of Ringmetall SE, the individual subsidiaries of the Group operate on the market largely independently of one another. In order to increasingly anchor the group concept in all areas of the company, the Group's Management Board has already been discussing strategic approaches for the further development of the Ringmetall Group on the basis of regular management meetings with the managing directors of the largest subsidiaries for several years. In addition, cross-company positions have been created for strategically important key areas of the drum clamping ring and inliner business. In the areas of purchasing, production and sales, the implementation of Group-wide decisions was thus ensured in each case by a centrally responsible person.

2021, a start was made on fundamentally expanding the structures in the company once again and thus raising the group approach of Ringmetall SE to a higher level. Based on the previously prevailing holding structure, individual business units were created in the company, each of which is headed by a person responsible throughout the Group. The business units were divided into a total of seven units according to their areas of responsibility: Rings Northern Europe, Rings Southern Europe, Rings North America, Inliner, Handling, Finance and Sales.

The development and manufacture of the products takes place at a total of 16 production sites worldwide. In Germany, these include the sites in Attendorn and Neunkirchen (North Rhine-Westphalia), Berg (Rhineland-Palatinate), Bürstadt (Hesse), Ernsgaden (Bavaria) and Halle (Saxony-Anhalt). Internationally, Ringmetall is also represented by sites in Valmadrera and Albavilla (Italy), Peterlee (Great Britain), Reus (Spain), Balcik (Turkey), Changshu (China) as well as sites in the USA in Birmingham (Alabama), Chicago (Illinois), Houston (Texas) and Shippensburg (Pennsylvania).

The headquarters of the company and the holding company are in Munich, Germany. As an internationally positioned group, all subsidiaries are united under the umbrella brand Ringmetall. The subsidiaries are in turn commercially active under their company names as regional and national brands. These companies include Berger Global, Berger USA, Cemsan, HOSTO, SGT, Nittel, Tesseraux and HSM. Some of the subsidiaries are subdivided into national companies from which they operate internationally.

All subsidiaries united under the umbrella brand Ringmetall

COMPANY HISTORY

Ringmetall SE was founded in 1997 under the name H.P.I. Holding AG, the predecessor company of the current company. Initially operating on the market as an investment company, the company acquired, founded and sold numerous other companies from 1998 onwards. From 2011, business activities were increasingly focused on industrial packaging and the handling of industrial goods. In 2015, the company changed its name to Ringmetall, which also marked the completion of the company's transformation into a specialist supplier in the packaging industry.

The main steps from the foundation to the current position of the Ringmetall Group are as follows:

1997
- Foundation of the company under the former name of H.P.I. Holding AG

1998
- Acquisition of August Berger Metallwarenfabrik GmbH & Co. KG, Germany
- Entry into the special packaging business

2007
- Initial public offering of the company on the Regulated Unofficial Market of the Frankfurt Stock Exchange

2012
- Expansion to China in the industrial packaging sector
- Acquisition of S.G.T. S.r.l., leading clamping ring manufacturer in Italy
- Acquisition of Cemsan MPI Limited Sirketi (majority shareholding), leading clamping ring manufacturer in Turkey
- Change to the Entry Standard of the Frankfurt Stock Exchange

2013
- Foundation of Berger Italia S.r.l. and acquisition of the clamping ring division of an Italian company
- Acquisition of HSM Sauermann GmbH & Co. KG, German metalworking specialist
- Expansion of the Industrial Handling division

2015
- Acquisition of Berger USA (formerly: Self Industries Inc.), leading clamping ring manufacturer in the USA
- Positioning as a leading specialty packaging company and change of name to Ringmetall AG
- Acquisition of Metallwarenfabrik Berger GmbH, Germany
- Expansion of the product range to include drum lids
- Acquisition of the remaining 40.0 percent of the shares of the minority shareholder of CEMSAN MPI Limited Sirketi, Turkey

2016
- Acquisition of a further 29.0 percent in the Italian subsidiary S.G.T. S.r.l.
- Acquisition of a smaller clamping ring production facility in the USA

2017
- Acquisition of Latza GmbH, clamping ring and closure manufacturer from Germany (effective 1 Aug. 2017)
- Foundation of Berger Hong Kong Limited, China, as an intermediate holding company for the subsidiary in China
- Acquisition of HongRen Packaging Equipment, clamping ring manufacturer in China, and contribution to the existing subsidiary in China (as of 1 Feb. 2018)

2018

- Change to the regulated market of the Frankfurt Stock Exchange, General Standard
- Acquisition of Nittel Halle GmbH, leading producer of molded inliners from Germany (effective 1 Jan. 2019)

2019

- Acquisition of Tesseraux Spezialverpackungen GmbH, leading producer of aluminum inliners and bag-in-box systems (as of 1 July 2019)
- Acquisition of a further 30.0 percent of the shares in Nittel B.V., Holland
- Acquisition of Sorini Ring Manufacturing Inc, clamping ring manufacturer from the USA, as part of an asset deal and contribution of business activities to the existing US subsidiary (as of 31 Dec. 2019)

2020

- Increased implementation of Group-wide corporate governance and introduction of a program to promote more sustainable business processes as well as sustainable expansion of Group digitization

2021

- Acquisition of HOSTO Stolz GmbH & Co. KG, a leading supplier in the field of clamping ring production for the tinplate industry in Europe
- Conversion into a European Company (SE) and conversion to registered shares

MARKETS AND CUSTOMERS

Global market-leading positions in the product areas drum closure systems and inliners

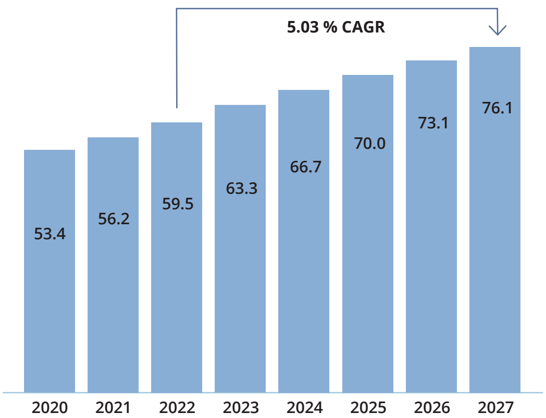
In the Industrial Packaging segment, the Ringmetall Group essentially serves the global market for industrial drums with its two product areas drum closure systems and inliners. Here, the company holds market-leading positions. With niche products in the field of bag-in-box systems, the company is also represented in the original market for consumer and wholesale packaging. Due to the still low economic significance of this product group for the Group as a whole, this market is not discussed separately.

In a February 2022 study on the global market for industrial packaging, market research institute Mordor Intelligence assumes a global market volume of USD 56.2 billion in 2021. From 2022 to 2027, the market is expected to grow at a compound annual growth rate (CAGR) of 5.0 percent to USD 76.1 billion.

The most important growth markets for the industry are in the Asia / Pacific region and are characterized by above-average market growth. Average growth is expected for the regions North America and Europe, while the regions South America and Africa should develop below average. Ringmetall is currently mainly active in the markets of Europe and North America and is steadily expanding its presence in the growth markets of the Asia / Pacific region.

Market for Industrial Packaging Sales

in EUR billion worldwide, 2020 – 2027



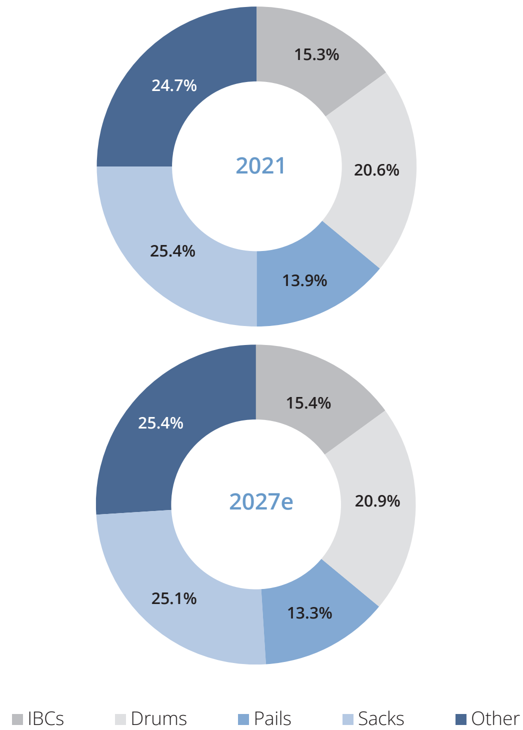
The market is segmented according to today's most important packaging units: Intermediate Bulk Containers/IBCs, Drums, Pails, Sacks and Other. Furthermore, the market is segmented according to the type of material used for the products, which is usually paperboard, plastics, metal, wood, and fiber.

In addition, the market is further differentiated according to the main industries on the customer side in which industrial packaging is used. These are generally divided into the following application areas: Automotive, Food & Beverage, Chemical & Pharmaceutical, Oil, Gas & Petrochemical, Building & Construction, and Other.

Industrial packaging by product group 2021 vs. 2027e

e = expected

Market share in %



The main general growth driver, which is continuously increasing the demand for industrial packaging solutions, is global population growth. Above all, chemicals, fertilizers and foodstuffs are benefiting from this mega-trend with increasing demand.

Drums – and especially steel drums – have clear advantages when it comes to packaging and transporting these goods and are therefore in demand with a slight upward trend. Steel drums have excellent mechanical properties due to their high strength and good protective properties, such as gas barrier properties. At the same time, steel is relatively easy to process and has consistent material properties. Steel drums are therefore preferred above all for the transportation and storage of hazardous or sensitive goods. The U.S. Department of Transportation points out that steel drums are the safest of all industrial packaging. Therefore, insurance premiums for shipments in steel drums are generally the lowest.

Against the background of a growing awareness of sustainable packaging solutions, drums play a special role as so-called Returnable Transport Packagings (RTP). RTPs are reusable packaging in which goods are transported more than once between customers and vendors. Factors such as the rising cost of packaging, damage to goods during transportation, availability of packaging materials, and the cost of disposing of packaging materials have focused companies' attention on sustainable packaging. As a result, companies have recognized the importance of drums as a sustainable and cost-effective packaging system.

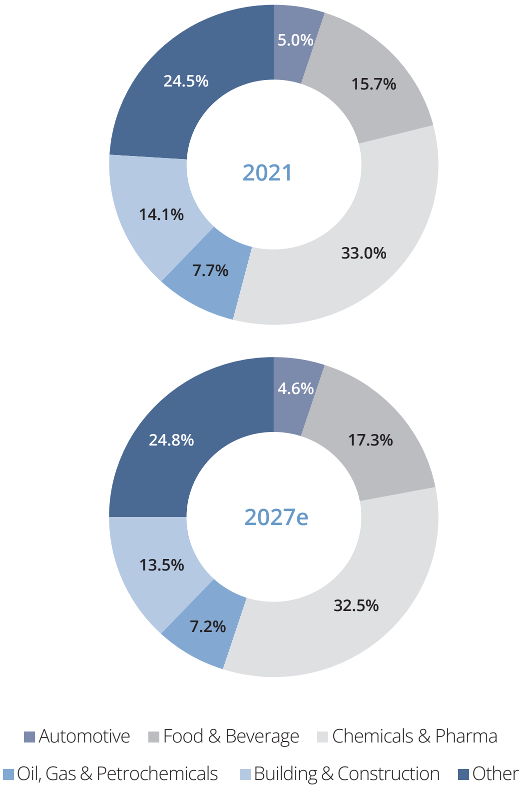
Governments around the world have therefore imposed strict regulations on the packaging of materials in end-user industries such as automotive, textiles and chemicals. The regulations require end-users to reduce their volume of packaging waste, sometimes drastically. As a result, several companies have discovered RTP instead of disposable packaging as an optimal packaging solution because it produces less waste and is therefore less harmful to the environment.

To ensure that all packaging on the market is reusable or recyclable in an economically viable manner by 2030, the European Commission, for example, is planning extensive specifications. The reusability and recyclability of packaging must therefore generally be guaranteed in the future, provided that the application of the packaging solution makes reusable products or systems generally possible.

Industrial packaging by end user 2021 vs. 2027e

e = expected

Market share in %



Ringmetall 2021 generated just under 36 percent of Group revenues with the two largest customers of the Industrial Packaging division, large internationally operating drum manufacturers. The remaining revenues of the business unit were distributed among several hundred customers. The not inconsiderable concentration of a significant share of sales on two customers is also seen by Ringmetall as an advantage, since both suppliers and customers, as globally active companies, are in a partnership based on reciprocity due to their large share of sales in their respective industries.

Reusability and recyclability of packaging should generally be guaranteed in the future

In the market for industrial packaging, the Ringmetall Group has secured its position as the global market leader in the niche segment for drum clamping rings in recent years through targeted acquisitions, with a market share of well over 50 percent. In addition, since 2019 the company has been expanding into the attractive market for inliners for industrial drums and multi-component systems. Here, the company has now advanced to become the European market leader

Global market leader in the niche segment for drum clamping rings with a market share of well over 50 percent

and plans to further expand its position through acquisitions in the future.

Competitors in the barrel clamping ring sector primarily include regionally active suppliers whose annual revenues are in the mid single-digit million range. In the market for inliners, there are few competitors of roughly similar size to Ringmetall, who, similar to the competitive situation in the clamping ring sector, do not have a global reach.

Due to the lower global market coverage, the significantly lower sales volume of regional competitors, as well as the stronger technical know-how of the Ringmetall Group – measured by the variety of machines used in production – Ringmetall is in an overall favorable competitive situation from its own perspective. Ringmetall has customer relationships that have grown over many years and accordingly has the highest level of competence in responding to complex customer requirements.

In the Industrial Handling segment, Ringmetall occupies a niche position with each of its two product groups. For industrial trucks, in particular forklifts, the company mainly produces restraint systems, chain tensioners and lift mast attachments. For agricultural machinery, especially tractors, Ringmetall produces, among other things, catch hooks, trailer couplings and stabilizers. In both product areas, the company has invested heavily in the development of its own products in recent years and considers itself well positioned in the competitive environment due to steadily increasing customer demand. Competitors include numerous medium-sized companies and corporate groups that basically sell similar products on the market.

As capital goods, material handling equipment such as forklifts and warehousing equipment are in greater demand in times of economic upturn than in periods of economic weakness. The market for this type of vehicle tends to follow the general economic cycle with a lag of six to nine months. Based on the data published by the European Industrial Truck Federation (FEM) and its World Industrial Truck Statistics WITS database, the market for industrial trucks developed comparatively heterogeneously across the individual vehicle classes. Overall, however, the number of industrial trucks sold, measured in terms of order intake, increased significantly to 2.34 million units, corresponding to growth of 42.9 percent (2020: 1.64 million units).

The Ringmetall Group's customers in this area include almost all well-known manufacturers of industrial trucks. These include manufacturers such as Jungheinrich, Kion, Still and Linde Material Handling.

The demand for agricultural machinery clearly correlates with the development of prices for the world's most important foodstuffs. Accordingly, market trends can be readily estimated on the basis of the development of the price index of the Food & Agricultural Organization (FAO) of the United Nations, FAO Food Price Index (FFPI). In fiscal 2021, the index rose comparatively steadily over the year to a 10-year high of 125.7 points, up 28.1 percent on the previous year (2020: 98.0 points).

A large number of globally active companies, such as John Deere and Deutz, are among the Ringmetall Group's customers in this product area.

COMPETITIVE STRENGTHS AND BARRIERS TO MARKET ENTRY

(Unaudited section)

The comments on competitive strengths and barriers to entry were not audited by the independent auditor and are excluded from, or not addressed in, the audit opinion, which is reproduced in the auditor's report.

With its worldwide market-leading position as a niche supplier in the packaging industry, the Ringmetall Group has an above-average position in the market. The company is constantly driving consolidation in its industries. At the same time, no new competitors have been emerging on the market to any perceptible extent for decades. Ringmetall has mature internal structures, resilient industry networks and customer relationships that have grown over decades. The special characteristics of the industrial packaging sector in general and the drum industry in particular contribute to the Group's pronounced competitive strengths and make it difficult for potential new competitors to enter the market.

Self-developed machinery

The production of packaging elements for the industrial sector requires a high degree of specialization in all areas of the value chain. Both in the product area of drum closure systems and in the product area of drum liners, the Ringmetall Group produces almost exclusively on machines developed in-house or highly customized. Individual modules of the machinery are purchased as standard components from well-known machine manufacturers. However, the assembly of these individual components to the machines used in production is carried out almost exclusively by internal specialist engineers and mechanical engineers. Ringmetall produces a comprehensive product range of more than 2,500 different clamping rings and over 4,000 different inliners and bag-in-box systems for its customers from a single source. The companies of the Ringmetall Group continuously develop new products in close coordination with their customers in order to meet changing market requirements at all times.

In recent years, Ringmetall has increasingly invested in a fundamentally new generation of machines. The machine concept can be used for all of the more than 2,500 ring types. It enables extremely short changeover times between different production batches, resulting in significantly reduced downtimes. At the same time, there is a significantly higher production speed combined with improved tolerance accuracy and thus reduced production waste. Lower energy consumption and reduced noise emissions also underline the much more sustainable production conditions.

Following the successful completion of the prototype phase, the introduction of the machines ready for series production is now taking place on a continuous basis, which will be accompanied by a noticeable modernization of the machine park in the coming years.

New machine concept for short changeover times, reduced downtimes and improved tolerance accuracy

Global production network

With 16 production sites in 7 countries on 3 continents, Ringmetall, as the world's only producer of barrel clamping rings, succeeds in supplying its internationally positioned customers on a global scale with a consistently high product quality. The individual national companies produce reliably and in the desired quantities according to clearly defined and standardized specifications. The functionality of the supply chains and compliance with production standards are systematically coordinated and monitored. At the same time, the regional subsidiaries are available as trusted contacts for customers and interested parties. This guarantees professional handling of orders across the individual subsidiaries and at the same time provides the necessary know-how to offer solutions even for complex issues.

"Just in time" production and delivery

Ability to serve individual customer orders in any batch size and to guarantee on-time delivery to any location worldwide

In a large number of industries, modern production is geared to keeping inventories of both primary products and finished goods as low as possible. This "just in time" approach, which has been established for years, is accordingly also applied in the packaging industry. The customers of the Ringmetall Group also expect short delivery times of packaging elements according to their acute order situation. The lead time is usually a maximum of five to ten working days with regard to clamping rings, lids and seals. For inliners as well as bag-in-box systems, delivery times are significantly more individual, also due to seasonal products. As a globally positioned company, Ringmetall is able to serve individual customer orders in any batch size and to guarantee on-time delivery to any location worldwide. No other company is able to deliver the variety of products expected by the market, worldwide in the same quality, in almost any quantity and within the shortest time window to any desired customer location.

Certification and regulation

In most cases, industrial packaging materials are used to transport goods that must not normally be exposed to the environment. Industrial drums are therefore subject to particularly high requirements, on the one hand to protect the environment from the contents of the drums, or on the other hand to protect the contents of the drums from environmental influences. Products from Ringmetall are therefore in most cases part of a packaging unit whose components are clearly defined and provided with a so-called UN certification by the United Nations (UN). The certification also includes all the manufacturer's details of the individual packaging components. Since the certifications are preceded by extensive tests, which are associated with a corresponding expenditure of time and money, the change of individual components of a packaging unit is usually not economical. The Ringmetall Group and its customers are accordingly bound to each other throughout the life cycle of a product.

Investment in innovation

Constant increasement of investments in the development of new products and production facilities

Ringmetall is constantly increasing its investments in the development of new products and production facilities. In addition to the continuous optimization of process flows in all areas and targeted measures to modernize machines and IT infrastructure, investments are also made in the know-how of internal development engineers and production technicians. However, the gradually increasing development expenditure is always in a healthy proportion to the company's sales development. To a large extent, this consists of personnel costs for the development engineers and production technicians involved. In addition, costs are incurred for the materials used and, in some cases, for external consulting.

In recent years, the Ringmetall Group has invested in the development of a fundamentally new generation of machines for the production of clamping rings. In 2021, the prototype phase was completed and a CE approval was granted. Since then, a total of four machines of the new generation have been built and are already in use today at the Berg production facility. In 2022, these machines are now to prove their technical superiority over older generations in continuous operation. If this proof of concept is delivered as expected, a decision will be made on the further international roll-out.

Furthermore, the version upgrade of the production monitoring software developed in cooperation to a supplementary digital production monitoring and control system was completed and implemented in 2021. It enables the Group companies to coordinate production processes even more granularly and thus contributes to continuous cost savings.

MARKETING

With its product solutions in the Industrial Packaging and Industrial Handling segments, the Ringmetall Group is one of the leading suppliers in attractive niche markets. As a manufacturer of supplier products for a manageable number of customers – predominantly manufacturers and users of industrial drums – the Group relies on close and established customer relationships as well as personal contact when marketing its products.

A classic marketing approach for consumer goods manufacturers, which relies on investments in extensive product information materials, ad placements or mailing campaigns, is only pursued selectively. Instead, Ringmetall's sales team maintains close contact with its customers and their key decision-makers by attending trade shows and industry events. Since entering the market for drum liners and bag-in-box systems, the company has also invested to an appropriate extent in its own trade show appearances at industry-relevant trade shows such as FachPack, the European Coatings Show, and BrauBeviale, all of which are held in Nuremberg, Germany. In some cases, participation takes the form of joint trade show appearances by several subsidiaries with the products inner sleeves, bag-in-box systems, and clamping rings and lids. Against the background of COVID-19, however, no trade shows are currently attended.

Due to the much more specialized market in the industrial handling sector, marketing here is carried out exclusively by directly addressing customers through development engineers of the subsidiary HSM. In personal discussions, the company presents its own development competencies and offers suitable product solutions that are oriented to the respective specifications of the vehicle manufacturers.

Compared to the size of sales, the Ringmetall Group's expenses for marketing activities are accordingly at a comparatively low level. Against the backdrop of pandemic-related restrictions, no significant expenditures for marketing were made in fiscal year 2021, as was already the case in 2020.

EMPLOYEES

The number of employees in the Ringmetall Group increased further to 748 employees (FTE, 2020: 698) on average in 2021. Of these, 178 employees (2020: 154) were allocated to administrative positions and 570 employees (2020: 544) to production. Adjusted for the increase in headcount resulting from the acquisition of HOSTO, the number of employees declined slightly. Employees who left the company as a result of natural attrition were largely replaced by temporary staff against the backdrop of the tense economic environment caused by the pandemic and the general shortage of skilled workers, which had a declining effect on the number of permanent employees.

The pandemic environment poses a number of new challenges in the area of human resources management, which the companies of the Ringmetall Group, however, also successfully mastered in the past fiscal year. On the one hand, the extensive infection control measures introduced in the Group in 2020 were further refined and improved. The measures include, for example, an equalization of peak times, during which employees typically come together in production for the majority of the time. To this end, work starts, breaks and ends were spread over several time windows. At the same time, extensive hygiene measures and spacing rules were established throughout the company and compliance with the specifications was always extensively documented. In the area of administration, the so-called "home office" was used as much as possible.

Overall, the companies of the Ringmetall Group managed to get through the past fiscal year largely without any pandemic-related cases of illness or quarantine. Only in one case did the company resort to a two-day site closure at a German production facility in order to successfully prevent the spread of a COVID-19 infection among the workforce. Overall, the implementation of the measures described above did not result in any significant increase in production and administrative costs.

Constant improvement of working conditions to make Ringmetall more attractive as an employer

Against the backdrop of the pandemic, but also the general change in the world of work accelerated by it, Ringmetall plans to offer its employees more home office options in the future. In the run-up to the pandemic, the company already created the prerequisites to enable working from a wide variety of locations by means of intelligent IT structures. This applies to all areas of activity in administration, but also in some areas of production. The progressive digitalization of the Group favors the smooth transition to modern forms of working. Ringmetall has developed practicable routines that also enable new employees to quickly familiarize themselves with all areas of the Group through a targeted training program and to build up social structures so that they can then work from home for the most part if they wish. Ringmetall is thus responding to the desire of many employees to work more flexibly and is making a further contribution to improving the CO_2 balance by reducing travel to and from the workplace.

At the same time, however, the constant improvement of working conditions is also an important means of counteracting the effects of the shortage of skilled workers in many markets. The availability of suitable personnel has been declining for years, which is why Ringmetall is working hard to make itself more attractive as an employer. In addition to the opportunity to work more flexibly, employees receive, for example, separate bonus payments in various forms for regular work commitment. Furthermore, overtime and vacation days can be saved in a separate temporary employment account and used in the form of a sabbatical lasting up to three months.

As part of in-house training, individual employees are regularly trained for a period of two to three months in special programs in the area of quality assurance and thus continuously sensitized to the special importance of consistently high production quality. In addition, new knowledge is constantly imparted, for example through deployment in changing production areas ("job rotation"), and know-how is retained in the company in the long term. This leads to an increase in deployment flexibility as well as qualification and reduces the risks that can arise from a possible monotony in the daily work routine.

Establishing knowledge transfer as quickly as possible following corporate acquisitions

There is also a continuous transfer of knowledge between Ringmetall sites. Employees are repeatedly sent to other sites for work assignments lasting several months in order to gain new impressions of the Group and to standardize best practice approaches in individual production steps at an international level. This approach has proved particularly effective in establishing knowledge transfer between the individual companies as quickly as possible following corporate acquisitions. Teams for Group-wide projects are also increasingly being made up of employees from different international locations. Middle managers are also regularly given special support in the form of internal and external seminars. In the course of the pandemic, such training courses were increasingly held in the form of webinars. External training personnel impart modern approaches to employee management within the framework of coaching sessions, thus steadily increasing an equally productive and pleasant working atmosphere at Ringmetall.

To create a group-wide corporate identity, Ringmetall relies on a uniform external image and promotes an improved sense of belonging among the workforce by producing image films. Strategic and financial corporate goals are communicated openly and regularly at all hierarchical levels. By means of the Code of Conduct, which is binding throughout the Group, it is ensured that Ringmetall communicates a uniform mission statement to its employees and that they pursue uniform values and goals irrespective of national origin and possible differences between cultural groups.

Compliance and Sustainability

Compliance and Sustainability Report

(Unaudited section)
The sustainability statements were not audited by the independent auditor and are excluded from, or not addressed in, the audit opinion, which is reproduced in the auditor's report.

The companies of the Ringmetall Group and the persons acting for them are aware of the special ecological and social responsibility that the economic activities of the Group entail. The way in which Ringmetall employees act shapes our environment and our surroundings to a not inconsiderable extent. Ringmetall is therefore convinced that the respectful treatment of fellow human beings and the careful use of resources are appropriate, on the one hand, from an ethical and moral point of view. On the other hand, it is also the only way to ensure the long-term success of the Ringmetall Group. Ringmetall therefore also officially joined the UN Global Compact in 2021, after the company had already previously declared its unreserved commitment to the ten principles of the organization.

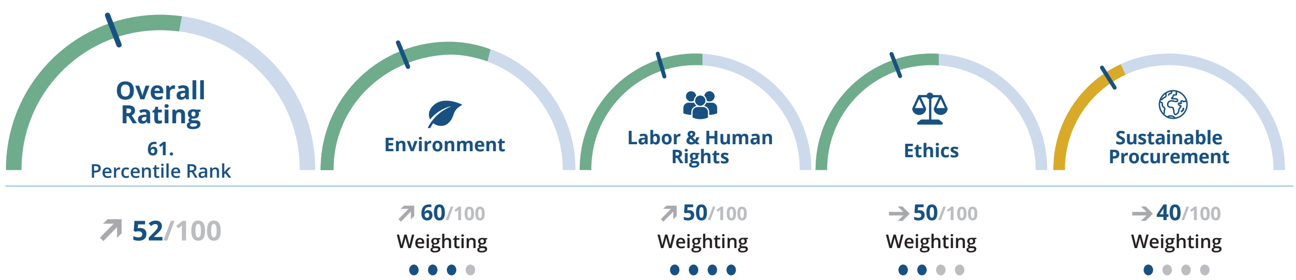
In order to make the values behind these principles comprehensible and binding for all employees, the company has drafted rules of conduct in the form of a code ("Code of Conduct") that is binding for all employees. The company monitors compliance with the Code on an ongoing basis. At the same time, the company has set up internal structures through which employees can inform themselves about the Code and help shape its further development by asking questions and making suggestions.

The central contact person for this topic is the company's internal Compliance Manager, whose position Ringmetall created in the past fiscal year. To ensure that all employees internalize and implement the compliance and sustainability guidelines of the Ringmetall Group, extensive training programs were initiated within the company with target group-specific content. A modular structure ensures adequate content depending on the area of activity and management level. The aim is to seamlessly integrate compliance-relevant topics into technical and business training courses in order to make the meaning and purpose of the guidelines even easier to understand. Participation in the training courses is mandatory and linked to control systems.

Group-wide sustainability management system is being expanded and deepened on a continuous basis

Since 2020, Ringmetall has had a group-wide sustainability management system that is being expanded and deepened on a continuous basis. In order to make the Group's efforts to operate even more sustainably traceable and measurable, Ringmetall has been certified since February 2021 by the external service provider ecovadis within the framework of a sustainability rating. This is divided into the areas of environment, labor and human rights, ethics, and sustainable procurement, each of which is given a different weighting. With an overall rating of 42 out of 100 points, the Ringmetall Group was exactly on par with the industry average based on the 2020 data. Based on the data from 2021, the overall rating already increased significantly to 52 out of 100 points. It is the company's goal to continuously improve in all areas of the rating.

ecovadis Sustainability Scorecard 2021



Sustainability performance: Insufficient Incomplete Good Advanced — Average industry rating

HUMAN RIGHTS

As a company with German roots, the observance of human rights in every respect is a matter of course for Ringmetall. Not only with regard to the Code of Conduct, all employees are bound at all times neither to violate these fundamental rights in their own actions nor to tolerate the violation by others in their own sphere of influence. In their business activities, the companies of the Ringmetall Group ensure that this also applies to suppliers and regularly check this, also in the context of plant inspections. If the company determines that other companies or their employees in the value chain of the Ringmetall Group are committing human rights violations and these are not immediately stopped, this will result in the immediate termination of the business relationship. The same applies to the company's own employees, whose employment relationship will be immediately warned or terminated in the event of violations.

EMPLOYEES

The company does its utmost to make working conditions and the general working environment attractive

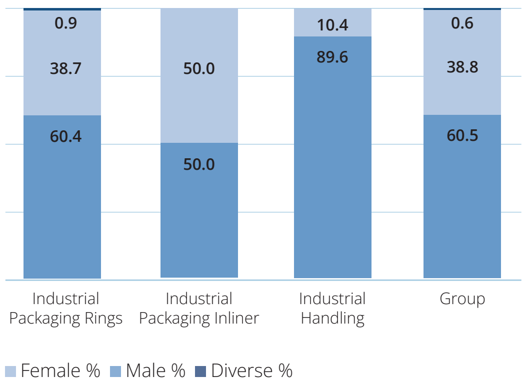
The Ringmetall Group fully recognizes the right of all employees to freedom of association and the recognition of collective bargaining. This includes the right to join trade unions and to elect employee representatives. The company categorically rejects any form of forced or child labor and expects the same behavior from its suppliers and customers. Ringmetall therefore fully supports the conventions of the International Labor Organization (ILO) number 138 and 182 as a minimum standard for the protection against child labor. Ringmetall actively advocates the equal treatment of all employees with regard to ethnic origin, gender, sexual orientation or religion and supports any measures that are conducive to diversity within the Ringmetall Group.

The company does its utmost to make working conditions and the general working environment equally attractive for both male and female employees. At the same time, the company strives to employ as balanced a proportion of female and male employees as possible.

This is very successful in the area of administrative activities. As of the end of 2021, the Ringmetall Group employed 49.0 percent female and 50.4 percent male employees in this area. A further 0.6 percent are diverse.

In production, the ratio of female to male employees depends very much on the exact field of activity. Due to the physically demanding work in the metalworking subsidiaries, the proportion of female staff here is well below 50.0 percent. In the clamping ring production area, the proportion of female employees at the end of the year was 35.8 percent, and in the industrial handling area as low as 1.9 percent. In the plastics processing plants, on the other hand, the picture remains more balanced. In the inliner production sector, the proportion of women was 50.4 percent at the end of the year. Overall, 36.2 percent of employees in production are female, 63.2 percent male and 0.6 percent diverse.

Employee Relation



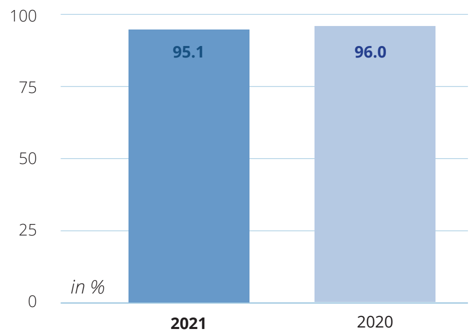
At the same time, Ringmetall tries to respond as best as possible to the family needs of employees by offering flexible working time models or the option of a "home office". In addition, well-equipped social and rest rooms are available for work breaks and also receive appropriate attention in the modernization planning of sites.

ENVIRONMENT

The companies of the Ringmetall Group strive to handle any kind of resources as sparingly as possible and thus to make the environmental impact emanating from the company as little negative as possible. Ringmetall makes it its business to continuously expand and improve its environmental management. As a manufacturing company, particular attention is paid to ensuring that the use of raw materials results in as little production waste or scrap as possible. However, since this is not entirely avoidable, the company makes sure that all reusable materials are consistently recycled. Depending on the material used and the production step, different amounts of scrap are generated. A direct comparison of recycling rates over the years is therefore not possible in every case. In general, over 95 percent of the company's production scrap is recycled.

In 2021, the recycling rate for the Group as a whole declined minimally from 96.0 percent to 95.1 percent. The decline is exclusively attributable to a reduction in the production scrap of recyclable waste, so that the proportion of non-recyclable waste was higher. At the same time, however, it was also possible to reduce the total volume of non-recyclable waste in relation to the production volume.

Recycling rate of the production scrap

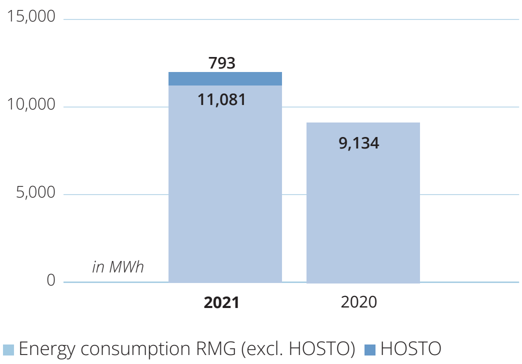


The direct energy demand of the Ringmetall Group is rather low compared to a large number of other manufacturing companies. One reason for this is the high proportion of preliminary products prepared specifically for the production purpose, such as steel sheets cut to various widths and thicknesses. In the inliner product area, energy requirements are disproportionately higher. This is mainly due to energy-intensive production steps, such as the thermoforming of molded inliners or the extrusion of PE film. By consistently modernizing production facilities and improving the energy efficiency of its real estate portfolio, Ringmetall is attempting to continuously reduce the energy requirements of its individual sites.

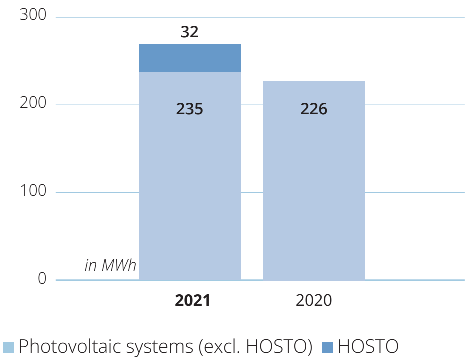
Ringmetall is converting the energy supply of its subsidiaries to the use of sustainable energy sources as far as possible. Currently, one of the 16 production sites already obtains its energy requirements almost entirely from renewable sources. By 2023, all electricity supply contracts are to be converted accordingly, insofar as this is possible depending on regional conditions. At three sites, Ringmetall already produces its own electricity from solar energy through the use of photovoltaic systems.

Converting the energy supply of subsidiaries to the use of sustainable energy sources as far as possible

Energy consumption electricity

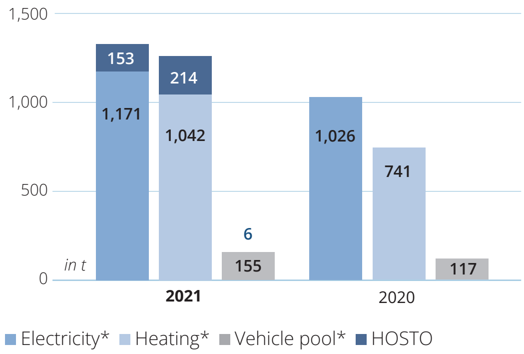


Power generation from photovoltaic systems

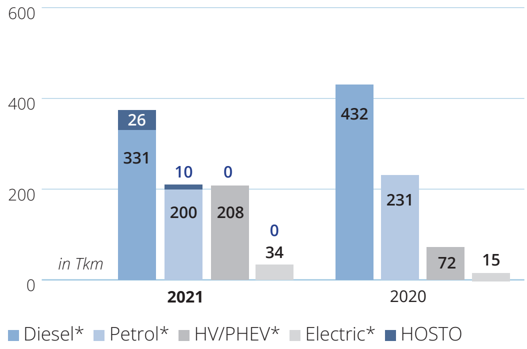


Ringmetall also pays attention to continuously reducing the CO_2 emissions of the Group with regard to the fuels required for heating. Heating systems are converted from heating oil to gas or – if local conditions permit – systems for fuels from renewable raw materials, such as wood pellets, are installed.

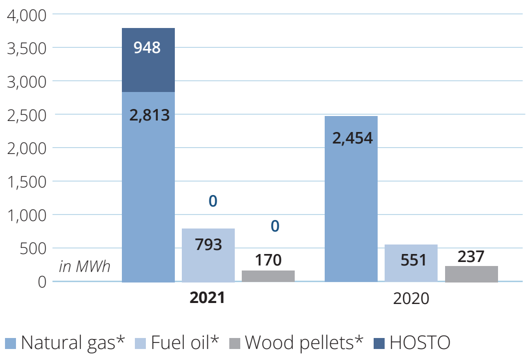
CO_2-Emissions



Distance covered by engine type

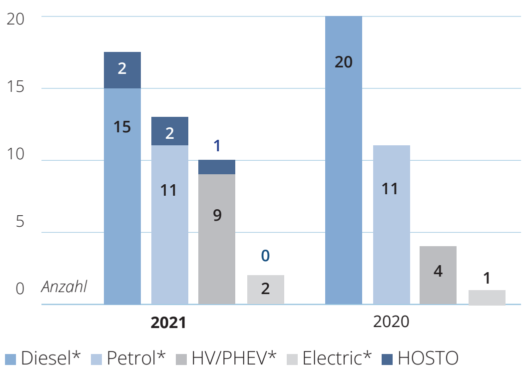


Energy consumption heating



Since 2020, Ringmetall has been aiming to optimize the Group's vehicle fleet in terms of its CO_2 emissions. The vehicles are almost exclusively company cars that are made available to employees of the company. When leasing contracts expire, the company endeavors to include only new vehicles in the fleet that do not run on fossil fuels, or only run on fossil fuels in part. In addition, Ringmetall also provides e-bikes instead of company cars at various locations.

Vehicle fleet by engine type



*excl. HOSTO

ANTI-CORRUPTION

Ringmetall has defined clear behavioral guidelines within the framework of the Code of Conduct in order to protect the company as best as possible against corruption. These are implemented throughout the Group, whereby individual measures are always adapted to the respective national legal peculiarities. Benefits of any kind are prohibited in the Group if they are intended to influence decision-makers in an improper way. This applies in particular with regard to decision-makers of a government authority. Ringmetall is of the opinion that corruption is not a trivial offense, but a very serious form of crime.

In order to identify these and other forms of criminal behavior within the Group, Ringmetall introduced a whistleblowing system in 2021. Ringmetall has thus already decided to introduce a secure anonymous whistleblowing system in advance of the still pending national implementation of EU legislation. It is intended to enable employees and external third parties to report observed abuses such as corruption, abuse of authority, discrimination or even harassment to the Group before they turn to the authorities or the media if necessary. An anonymous channel ensures the greatest possible protection for whistleblowers.

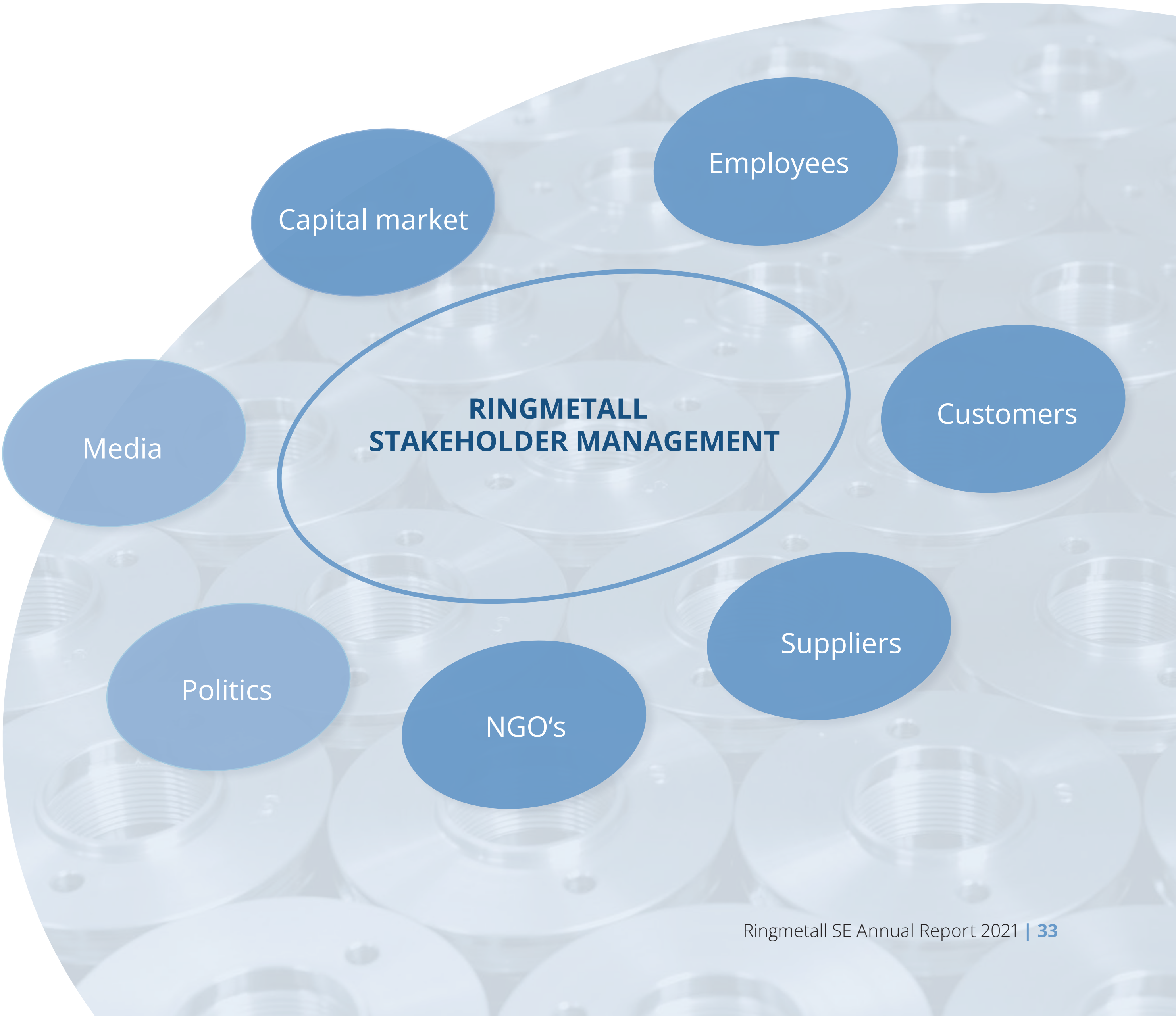
STAKEHOLDER MANAGEMENT

Ringmetall communicates openly and transparently with its internal and external stakeholders and actively seeks regular exchange with these target groups. Due to the size of the company, stakeholder groups have emerged in the past with whom current topics are discussed on a regular basis and those with whom contact is more case-related. In particular, exchanges with employees, customers, suppliers, the media and the capital market take place on a very regular basis. At clearly defined intervals, company representatives discuss current company developments, answer questions and receive criticism and suggestions, which in turn can be used to take concrete measures to consistently develop Ringmetall further. In addition, however, the company is also in contact with representatives of non-profit organizations or politics, if a need for discussion develops here. Ringmetall consistently develops the exchange with its stakeholders in order to continue to incorporate the expectations of the individual groups into the strategic development of the company in the future.

Ringmetall is consistently developing the exchange with its stakeholders

NON-FINANCIAL STATEMENT

As part of this combined management report, Ringmetall publishes a combined non-financial statement for Ringmetall SE and the Group in accordance with Sections 315b, 315c HGB in conjunction with Sections 289b to 289e HGB. The contents of the non-financial statement can be found throughout the combined management report, but in particular in the sections "The Ringmetall Group – Competitive Strengths and Barriers to Market Entry" and "Sustainability Report". These contents were not part of the audit of the consolidated financial statements and the combined management report.



OVERALL ECONOMIC SITUATION

In its Annual Economic Report 2022, the German Federal Ministry for Economic Affairs and Energy (BMWi) sees the German economy facing major challenges. Until spring 2021, economic development was primarily characterized by the pandemic and corresponding containment measures. The successful vaccination campaign enabled almost all sectors of the economy to recover towards the summer. However, supply bottlenecks and material shortages, which impacted the industrial economy in particular, played an increasing role in the course of the year. In the fall of 2021 there was a further sharp increase in the number of infections, as a result of which the economic recovery suffered a noticeable setback in the final quarter. As a result, price-adjusted gross domestic product (GDP) rose at a rate of 2.7 percent in 2021. Despite this erosion of economic development compared with 2020, however, it is obvious, according to the BMWi, that the economic consequences of the pandemic will be felt for longer than the immediate health crisis.

The IMF expects growth to weaken to 4.4 percent in the current fiscal year

According to its January 2021 economic outlook, the International Monetary Fund (IMF) sees the global economy in a worse starting position than expected at the beginning of 2022. After an increasing brightening of the overall economic situation, the Omicron variant has again led to restrictions, while supply bottlenecks and a significant increase in inflation are again weakening the environment. After global growth of 5.9 percent in 2021, the IMF accordingly expects growth to weaken to 4.4 percent in the current fiscal year.

The chemical and pharmaceutical industry performed much better in 2021 than expected by the German Chemical Industry Association (VCI). Despite the COVID-19 pandemic and supply bottlenecks, as well as recent soaring prices for energy and raw materials, the industry performed strongly in 2021, according to the VCI, with growth across almost all product areas. Compared with the previous year, production rose by 4.5 percent, while sales increased by 15.5 percent against a backdrop of significantly higher producer prices. The basis for the increase was a general recovery in demand at the overall global level, but also in particular for vaccines produced in Germany.

According to the German Engineering Federation (VDMA), the mechanical and plant engineering sector in Germany performed excellently in a difficult 2021. However, despite well-filled order books, expectations had not been fully met due to supply bottlenecks. While incoming orders increased by 34 percent in real terms in the first ten months of 2021, production rose by a weaker-than-hoped 7.2 percent in real terms in the same period. The VDMA economists therefore estimate price-adjusted production growth of 7.0 percent in 2021, but at the same time are raising their forecast for 2022 from 5.0 percent to 7.0 percent.

BUSINESS PERFORMANCE OF THE GROUP

With 2021, another year was clearly marked by the pandemic situation. Despite COVID-19, significant price increases for steel and other raw materials, and regionally partly restricted availability of production-relevant raw materials, 2021 was the most successful year in the history of the Ringmetall Group to date (measured in terms of Group revenues and Group earnings). At EUR 172.3 million, the Group's revenues were up 46.1 percent on the previous year (2020: EUR 118.0 million), while EBITDA more than doubled to EUR 26.6 million (2020: EUR 12.2 million). The EBITDA margin in relation to total operating performance increased accordingly to 15.4 percent, up significantly from 10.4 percent in the previous year.

The following analysis refers to the consolidated financial statements as of 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Industrial Packaging Division

The Industrial Packaging segment with its product areas of clamping rings and inliners recovered noticeably in 2021 and made significant gains in both product areas in terms of revenue and earnings contributions. While revenues of both product areas increased significantly as a result of higher raw material prices, their organic growth – particularly in the clamping rings area – was also at an above-average level. The acquisition of HOSTO effective 31 May 2021 also boosted sales and, to a minor extent, earnings. In addition to the positive business development, the efficiency enhancement measures of recent years were also reflected in rising segment EBITDA. Optimized personnel utilization, lower scrap rates in production and an increased share of automated production steps had a positive impact on earnings.

Industrial Handling Business Segment

In the Industrial Handling Segment, a clearly noticeable turnaround in the demand situation for the company's products, which had been subdued for a long time, became apparent from the second quarter onwards. The segment's revenues and earnings performance was correspondingly positive in the further course of the year. Demand increased here both in the area of product solutions for material handling equipment and in the area of product solutions for the agricultural machinery sector. Based on an unchanged positive business environment, the temporarily subdued demand in the Industrial Handling Business Unit appears to have been overcome with the development in the past fiscal year.

2021 was the most successful year in the history of the Ringmetall Group

RESULTS OF OPERATIONS OF THE GROUP

	2021		2020		Change	
	EUR '000	**%**	EUR '000	%	EUR '000	%
Revenue	**172,338**	**99.5**	**117,972**	**100.6**	**54,366**	**46.1**
Change in inventories of finished goods and work in progress	786	0.5	-694	-0.6	1,480	-213.3
Total output	173,124	100.0	117,278	100.0	55,846	47.6
Other income	1,984	1.1	804	0.7	1,180	146.8
Cost of materials						
Cost of raw materials and supplies	88,352	51.0	55,324	47.2	33,028	59.7
Cost of purchased services	4,747	2.7	5,068	4.3	-321	-6.3
Personnel expenses	38,026	22.0	31,458	26.8	6,568	20.9
Depreciations	6,443	3.7	6,193	5.3	250	4.0
Other operating expenses	17,354	10.0	14,010	11.9	3,344	23.9
Operating expenses	**154,922**	**89.5**	**112,053**	**95.5**	**42,869**	**38.3**
Result from investments accounted for using the equity method	-9	0.0	-42	0.0	33	-78.6
EBITDA	**26,620**	**15.4**	**12,180**	**10.4**	**14,440**	**118.6**
EBIT	**20,177**	**11.7**	**5,987**	**5.1**	**14,190**	**237.0**
Finance income	223	0.1	14	0.0	209	1,492.9
Finance costs	865	0.5	1,721	1.5	-856	-49.7
Financial result	**-642**	**-0.4**	**-1,707**	**-1.5**	**1,065**	**-62.4**
Net income for the year from continuing operations before taxes	**19,535**	**11.3**	**4,280**	**3.6**	**15,255**	**356.4**
Income tax expense	4,618	2.7	1,545	1.3	3,073	198.9
Consolidated net income for the year	**14,917**	**8.6**	**2,735**	**2.3**	**12,182**	**445.4**

Consolidated revenues at the upper end of the forecast for the reporting year

Consolidated revenues amounted to EUR 172.3 million in 2021 (2020: EUR 118.0 million). This was at the upper end of the forecast for the reporting year of EUR 163.0 to 173.0 million, which was raised on 18 October 2021. Particularly against the backdrop of significantly rising raw material prices, it was necessary to concretize the revenues forecast during the year. Of consolidated revenues, EUR 50.3 million (2020: EUR 39.3 million) were generated in Germany, EUR 49.4 million (2020: EUR 29.6 million) in the USA and EUR 72.6 million (2020: EUR 49.1 million) in foreign markets outside the USA. At EUR 159.8 million (2020: EUR 108.3 million), the Industrial Packaging segment accounted for 92.7 percent of total revenues (2020: 91.8 percent). Of the change in the Industrial Packaging segment, 6.2 percentage points or EUR 6.7 million resulted from acquisition effects, 32.6 percentage points or EUR 35.3 million from commodity price development and 8.7 percentage points or EUR 9.5 million from organic development. At EUR 12.6 million, the Industrial Handling Segment's contribution to total revenues was significantly higher than in the previous year (2020: EUR 9.7 million).

Other income increased by EUR 1.2 million to EUR 2.0 million in the reporting year. This is mainly due to government COVID-19 loans in the USA amounting to EUR 0.8 million, which were granted in the previous year and forgiven in the current fiscal year.

The cost of materials increased to EUR 93.1 million in the reporting year (2020: EUR 60.4 million) and, at 53.8 percent of total output, was correspondingly slightly above the previous year's figure (2020: 51.5 percent). This development was driven exclusively by the Industrial Packaging segment, where the cost of materials ratio increased from 51.6 percent in 2020 to 54.1 percent in 2021. The overall performance of the Packaging Rings product line, which has the highest share of steel in the Industrial Packaging segment's revenues, increased to 87.1 percent (2020: 82.6 percent). In the Industrial Handling segment, the cost of materials ratio was 50.0 percent in the reporting year (2020: 50.2 percent). Excluding HOSTO, which will be consolidated for the first time in 2021, the cost of materials was EUR 89.5 million in the reporting year, or 53.9 percent of total operating performance instead of 53.8 percent. For the Industrial Packaging segment, to which the activities of HOSTO are allocated, the cost of materials ratio excluding HOSTO would then be 54.2 percent compared to 54.1 percent.

Personnel expenses, including purchased services for temporary workers, amounted to EUR 38.0 million in 2021 (2020: EUR 31.5 million). The personnel expense ratio improved from 26.8 percent in the previous year to 22.0 percent despite the increase in the number of employees due to the acquisition of HOSTO. In addition to the price-related increases in total output caused by raw materials, other efficiency improvements such as the modernization of the machinery, software-supported production planning and optimized production processes are responsible for the positive development.

Compared to the previous year, other expenses increased from EUR 14.0 million to EUR 17.4 million. This was mainly due to the increase in logistics costs of EUR 6.1 million (31 December 2020: EUR 4.5 million), which was in line with revenues. In relation to total operating performance, however, these expenses decreased from 11.9 percent to 10.0 percent. At just under 2 percent of total output, expenses for consulting and other external services remained virtually unchanged in relative terms compared with the previous year. In absolute terms, however, these costs increased by EUR 0.8 million, in particular for the change of legal form of Ringmetall AG to a European Company (Societas Europaea, SE) and for acquisitions and interim management. The other miscellaneous expenses did not change significantly compared to the previous year.

__Earnings before interest, taxes, depreciation and amortization (EBITDA) were significantly higher than in the previous year__

At EUR 26.6 million, earnings before interest, taxes, depreciation and amortization (EBITDA) were significantly higher than in the previous year, by EUR 14.4 million or 118.6 percent. In relation to total performance, the EBITDA margin improved to 15.4 percent (2020: 10.4 percent). EUR 29.6 million of EBITDA (2020: EUR 14.5 million) is attributable to the Industrial Packaging segment, with EUR 0.7 million resulting from the acquisition of HOSTO, and EUR 1.4 million (2020: EUR 0.3 million) to the Industrial Handling segment. The main reasons for this development in the Industrial Packaging and Industrial Handling segments are the improved personnel expenses and other expenses in relation to total operating performance. The expectations communicated by the Management Board for the development of EBITDA of EUR 24.0 to 26.0 million were slightly exceeded.

The Group's depreciation and amortization amounted to EUR 6.4 million (2020: EUR 6.2 million). The slight increase of EUR 0.2 million is attributable to the acquisition of HOSTO.

After deduction of income taxes, the consolidated net profit for the year amounted to EUR 14.9 million

Profit before income taxes increased to EUR 19.5 million in the reporting year (2020: EUR 4.3 million).

The financial result amounted to EUR -0.6 million (2020: EUR -1.7 million) and was incurred almost exclusively in Industrial Packaging at segment level and in Ringmetall SE at holding company level. The financial result includes interest income and interest expenses. Foreign currency effects related to financing are reported within the financial result. The positive development of the financial result is mainly due to positive exchange rate effects for Ringmetall and the syndicated loan agreement.

After deduction of income taxes, **the consolidated net profit for the year** amounted to EUR 14.9 million (2020: EUR 2.7 million).

FINANCIAL SITUATION OF THE GROUP

	31.12.2021		31.12.2020		Change	
ASSETS	**EUR '000**	**%**	EUR '000	%	EUR '000	%
Intangible assets	2,842	2.3	2,915	2.8	-73	-2.5
Goodwill	33,734	27.2	32,300	31.2	1,434	4.4
Property, plant and equipment	33,395	27.0	30,604	29.6	2,791	9.1
Investments accounted for using the equity method	57	0.0	66	0.1	-9	-13.6
Other non-current assets	167	0.1	136	0.1	31	22.8
Deferred tax assets	1,571	1.3	2,134	2.1	-563	-26.4
Total non-current assets	**71,766**	**57.9**	**68,155**	**65.8**	**3,611**	**5.3**
Inventories	21,734	17.5	12,202	11.8	9,532	78.1
Trade receivables	23,575	19.0	15,150	14.6	8,425	55.6
Contract assets	636	0.5	435	0.4	201	46.2
Other current assets	1,182	1.0	870	0.8	312	35.9
Current tax receivables	430	0.3	510	0.5	-80	-15.7
Cash and bank balances	4,573	3.7	6,225	6.0	-1,652	-26.5
Total current assets	**52,130**	**42.1**	**35,392**	**34.2**	**16,738**	**47.3**
Total assets	**123,896**	**100.0**	**103,547**	**100.0**	**20,349**	**19.7**

EQUITY AND LIABILITIES	31.12.2021		31.12.2020		Change	
	EUR '000	**%**	EUR '000	%	EUR '000	%
Share capital	29,069	23.5	29,069	28.1	0	0.0
Capital reserves	16,664	13.4	16,664	16.1	0	0.0
Currency translation differences recognized outside profit or loss	-507	-0.4	-1,765	-1.7	1,258	-71.3
Revaluation of severance payment obligati-ons and others	67	0.1	39	0.0	28	71.8
Consolidated result carryforward	17,415	14.1	4,713	4.6	12,702	269.5
Non-controlling interests	1,041	0.8	869	0.8	172	19.8
Total equity	**63,749**	**51.5**	**49,589**	**47.9**	**14,160**	**28.6**
Provisions for post-employment benefits	804	0.6	844	0.8	-40	-4.7
Other provisions	155	0.1	0	0.0	155	0.0
Financial liabilities	23,600	19.0	26,855	25.9	-3,255	-12.1
Thereof liabilities from finance leases	*9,970*	*8.0*	*11,341*	*11.0*	*-1,371*	*-12.1*
Deferred tax liabilities	2,489	2.0	2,352	2.3	137	5.8
Total non-current liabilities	**27,048**	**21.8**	**30,051**	**29.0**	**-3,003**	**-10.0**
Other provisions	5,639	4.6	3,610	3.5	2,029	56.2
Current tax liabilities	1,993	1.6	789	0.8	1,204	152.6
Financial liabilities	7,983	6.4	7,330	7.1	653	8.9
Thereof liabilities from finance leases	*2,283*	*1.8*	*2,149*	*2.1*	*134*	*6.2*
Trade payables	14,882	12.0	10,153	9.8	4,729	46.6
Other liabilities	2,602	2.1	2,025	2.0	577	28.5
Total current liabilities	**33,099**	**26.7**	**23,907**	**23.1**	**9,192**	**38.4**
Total liabilities	**60,147**	**48.5**	**53,958**	**52.1**	**6,189**	**11.5**
Total equity and liabilities	**123,896**	**100.0**	**103,547**	**100.0**	**20,349**	**19.7**

The Group's total assets increased significantly by 19.7 percent to EUR 123.9 million as of 31 December 2021

The Group's total assets increased significantly by 19.7 percent to EUR 123.9 million as of 31 December 2021 (31 December 2020: EUR 103.5 million). At EUR 2.8 million (31 December 2020: EUR 2.9 million), intangible assets were virtually unchanged from the previous year. The decrease results from scheduled amortization. Goodwill increased by EUR 1.4 million to EUR 33.7 million (31 December 2020: EUR 32.3 million). EUR 0.9 million of this is attributable to the acquisition of HOSTO and the remaining change results from currency effects. Property, plant and equipment increased by EUR 2.8 million from EUR 30.6 million to EUR 33.4 million. This is largely due to additions resulting from the acquisition of HOSTO for buildings and land in the amount of EUR 1.5 million and machinery and equipment in the amount of EUR 3.0 million. Investments accounted for using the equity method amount to EUR 0.1 million and are at the previous year's level. There was no significant change in other non-current assets. Deferred tax assets decreased from EUR 2.1 million in the previous year to EUR 1.6 million. This is mainly the result of the utilization of loss carryforwards. As a result, total non-current assets increased by 5.3 percent to EUR 71.8 million (31 December 2020: EUR 68.2 million).

Total current assets increased significantly by EUR 16.7 million from EUR 35.4 million in the previous year to EUR 52.1 million. This is mainly due to the increase in inventories to EUR 21.7 million (31 December 2020: EUR 12.2 million) as a result of the sharp rise in raw material prices and the acquisition of HOSTO in the amount of EUR 1.0 million. Tincreased significantly in December 2021 comprade receivables increased by EUR 8.4 million to EUR 23.6 million due to the sharp rise in prices and significant growth in business volume. At the same time, order intake and thus also revenues ared to the same month in 2020. As a result, contract assets also increased from EUR 0.4 million to EUR 0.6 million. **Other current assets** increased from EUR 0.9 million to EUR 1.2 million. At EUR 0.2 million, the increase is mainly attributable to the acquisition of HOSTO. Current tax receivables remained virtually unchanged at EUR 0.4 million. Cash and cash equivalents amounted to EUR 4.6 million as of the reporting date (31 December 2020: EUR 6.2 million). At EUR 63.7 million, Group equity was 28.6 percent higher than in the previous year (31 December 2020: EUR 49.6 million), which is attributable to the massive increase in earnings. Despite a significant increase in total assets, the equity ratio grew to 51.5 percent (31 December 2020: 47.9 percent).

As part of the scheduled repayment of liabilities to banks associated with the syndicated loan, non-current liabilities, primarily non-current liabilities to banks, decreased from EUR 30.1 million to EUR 27.0 million as of 31 December 2021. Provisions similar to pensions and deferred tax liabilities did not change significantly. In contrast, current liabilities increased to EUR 33.1 million (31 December 2020: EUR 23.9 million). The main reason for this is the sharp increase in trade payables of EUR 14.9 million (31 December 2020: EUR 10.2 million) due to higher raw material prices and a demand-driven increase in purchasing volumes compared to the previous year. Other provisions increased from EUR 3.6 million to EUR 5.6 million, mainly due to personnel-related provisions and provisions for consulting services. Current tax liabilities of EUR 2.0 million (31 December 2020: EUR 0.8 million) mainly include income taxes. Current financial liabilities increased from EUR 7.3 million to EUR 8.0 million. EUR 0.3 million of this is attributable to the expansion of the scope of consolidation by HOSTO.

The following analysis of the net assets, financial position and results of operations of Ringmetall SE is based on its annual financial statements prepared in accordance with German commercial law.

RESULTS OF OPERATIONS OF THE SE

	2021 EUR '000	2020 EUR '000	Change	
			EUR '000	%
Sales	943	772	171	22.2
Other operating income	37	33	4	12.1
Personnel expenses	-2,040	-1,284	-756	58.9
Depreciation	-4	-4	0	0.0
Other operating expenses	-2,284	-1,422	-862	60.6
Profits received on the basis of a Profit transfer agreement	13,945	4,308	9,637	223.7
Other interest and similar income	325	79	246	311.4
Interest and similar expenses	-445	-302	-143	47.4
Earnings before taxes	**10,477**	**2,180**	**8,297**	**380.6**
Taxes on income	-695	-126	-569	451.6
Earnings after taxes	**9,782**	**2,054**	**7,728**	**376.2**
Other taxes	-1	-1	0	0.0
Net income for the year	**9,781**	**2,053**	**7,728**	**376.4**
Retained profits brought forward from the previous year	12,132	11,823	309	2.6
Retained Earnings	**21,913**	**13,876**	**8,037**	**57.9**

The company generated net income of EUR 9.8 million in fiscal year 2021 which was EUR 7.7 million higher the previous year

The company generated net income of EUR 9.8 million in fiscal year 2021. This was EUR 7.7 million higher than the net profit for the previous year. The following factors had a significant impact on the net profit for the year:

Intercompany services of EUR 0.9 million were up on the previous year's figure of EUR 0.8 million. The increase was due to additional positions created in sales and controlling, the costs of which were allocated.

Personnel expenses amounted to EUR 2.0 million, up EUR 0.8 million on the previous year. This was mainly due to higher performance-related compensation and an increase in the number of employees as a result of newly created positions.

Other operating expenses increased by EUR 0.9 million year-on-year to EUR 2.3 million. The increase in costs is mainly due to legal and consulting fees for the transformation of Ringmetall AG into a European Company (Socieatas Europaea, SE) as well as for acquisitions and interim management.

Income from profit transfers increased by EUR 9.6 million to EUR 13.9 million and relates to August Berger Metallwarenfabrik GmbH.

Ringmetall SE generated interest income of EUR 0.3 million, which is mainly attributable to affiliated companies, and was offset by interest expenses of EUR 0.4 million.

Income taxes of EUR 0.7 million are significantly higher than the previous year's figure (31 December 2020: EUR 0.1 million) due to the result of EUR 9.8 million. Ringmetall SE can use loss carryforwards for the fiscal year, so that the income taxes result from the application of the minimum taxation.

FINANCIAL SITUATION OF THE SE

	31.12.2021		31.12.2020		Change	
	EUR '000	**%**	EUR '000	%	EUR '000	%
Assets						
Property, plant and equipment	6	0.0	7	0.0	-1	-14.3
Financial assets	51,367	54.5	51,367	71.5	0	0.0
Fixed assets	**51,373**	**54.5**	**51,374**	**71.5**	**-1**	**0.0**
Receivables from affiliated companies	42,461	45.1	19,641	27.3	22,820	116.2
Other fixed asset	224	0.2	274	0.4	-50	-18.2
Cash on hand, Bank balances	12	0.0	17	0.0	-5	-29.4
Current Assets	**42,697**	**45.3**	**19,932**	**27.7**	**22,765**	**114.2**
Deferred income	18	0.0	24	0.0	-6	-25.0
Deferred tax assets	153	0.2	550	0.8	-397	-72.2
Other assets	**171**	**0.2**	**574**	**0.8**	**-403**	**-70.2**
	94,241	**100.0**	**71,880**	**100.0**	**22,361**	**31.1**
Equity						
Share capital	29,069	30.8	29,069	40.4	0	0.0
Capital reserves	17,042	18.1	17,042	23.7	0	0.0
Revenue reserves						
Legal reserves	1,155	1.2	1,155	1.6	0	0.0
Other revenue reserves	1,728	1.8	1,728	2.4	0	0.0
Net profit of the year	21,913	23.3	13,876	19.3	8,037	57.9
Equity capital	**70,907**	**75.2**	**62,870**	**87.5**	**8,037**	**12.8**

	31.12.2021		31.12.2020		Change	
	EUR '000	**%**	EUR '000	%	EUR '000	%
Provisions						
Provisions for taxes	295	0.3	0	0.0	295	0.0
Other provisions	1,767	1.9	1,100	1.5	667	60.6
Total Provisions	**2,062**	**2.2**	**1,100**	**1.5**	**962**	**87.5**
Liabilities						
Liabilities to banks	17,615	18.7	7,791	10.8	9,824	126.1
Trade payables	148	0.2	95	0.1	53	55.8
Liabilities to affiliated companies	3,484	3.7	0	0.0	3,484	0.0
Other liabilities	25	0.0	24	0.0	1	4.2
Total liabilities	**21,272**	**22.6**	**7,910**	**11.0**	**13,362**	**168.9**
Debt capital	**23,334**	**24.8**	**9,010**	**12.5**	**14,324**	**159.0**
	94,241	**100.0**	**71,880**	**100.0**	**22,361**	**31.1**

At EUR 94.2 million, total assets were significantly higher than in the previous year. On the assets side, this was mainly due to the increase in receivables to EUR 42.5 million (31 December 2020: EUR 19.6 million) as a result of the profit transfer and loans to subsidiaries.

The changes in equity result from the net profit for the year and dividend payments. The equity ratio of 75.2 percent, which remains very good, decreased compared to the previous year due to the higher balance sheet total (31 December 2020: 87.5 percent). The sharp increase in other provisions from EUR 1.1 million to EUR 1.8 million is mainly attributable to personnel-related provisions and provisions for consulting services. Liabilities to banks increased by EUR 9.8 million year-on-year to EUR 17.6 million. This results from the syndicated loan agreement signed in December 2020, under which Ringmetall SE assumed bank liabilities that were previously reported by another Group company. Liabilities to affiliated companies in the amount of EUR 3.5 million are due to the introduction of cash pooling. Ringmetall SE, as the cash pool administrator, reports the liquidity transferred to it here.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FINANCIAL SITUATION OF THE GROUP

EUR '000	**2021**	2020
Cash flow from operating activities	**14,070**	**12,184**
Cash flow from investing activities		
Inflows from the disposal of property, plant and equipment and of intangible assets	97	81
Outflows for investments in property, plant and equipment and investments in intangible assets	-3,148	-1,648
Outflows for additions to the scope of consolidation in the previous year and in the current financial year	-5,578	-
	-8,629	**-1,567**
Cash flow from financing activities		
Inflows from the borrowing of financial loans	5,106	3,874
Outflows from borrowing financial loans and Outflows for the redemption of financial loans/leases	-10,120	-9,593
Outflows to owners (dividend payment)	-2,204	-2,122
	-7,218	**-7,841**
Cash and cash equivalents at the end of the period		
Cash-effective change in cash and cash equivalents (Subtotal from the above cash flows)	-1,777	2,776
Effect of exchange rates on cash	125	-142
Changes in cash and cash equivalents due to changes in the scope of consolidation	0	-
Cash and cash equivalents 1 January	6,225	3,591
Cash and cash equivalents 31 December	**4,573**	**6,225**
Composition of cash and cash equivalents		
Cash and cash equivalents	4,573	6,225
Current liabilities to bank	0	0
	4,573	**6,225**

The cash inflow from operating activities amounted to EUR 14.1 million, an increase of EUR 1.9 million or 15.5 percent compared to the previous year. EBITDA contributed EUR 26.6 million to this cash inflow, with the increase in trade receivables and inventories having an offsetting effect. Cash flow from investing activities amounted to EUR -8.6 million for the financial year and resulted primarily from the acquisition of HOSTO and investments in machinery.

Cash flow from financing activities amounted to EUR -7.2 million in 2021. This was due to borrowings of EUR 5.1 million, which were offset by repayments of EUR 10.1 million and a dividend of EUR 2.2 million.

As a result of the effects described above, the Group's cash and cash equivalents decreased by EUR 1.6 million to EUR 4.6 million as of the balance sheet date.

The Group was able to meet its payment obligations at all times.

Overall, the development of the net assets, financial position and results of operations is in line with or slightly exceeds management's expectations and is considered to be good.

FINANCIAL POSITION OF RINGMETALL SE

As a result of the syndicated loan agreement, Ringmetall SE's liabilities to banks increased to EUR 17.6 million (31 December 2020: EUR 7.8 million), although this transaction was non-cash. This was offset by significantly higher receivables from affiliated companies amounting to EUR 42.5 million (31 December 2020: EUR 19.6 million), with most of the increase also being non-cash. Cash and cash equivalents amounted to EUR 0.01 million as of the reporting date. Ringmetall SE was able to meet its payment obligations at all times.

INVESTMENTS

The most significant investments in the reporting year included:

- Acquisition of shares in HOSTO Stolz GmbH & Co. KG and HOSTO Stolz Verwaltungs GmbH in the amount of EUR 6.2 million.
- Investments for the new machine generation for the production of clamping rings in the amount of approximately EUR 0.8 million.
- New production line in the Industrial Handling segment in the amount of EUR 0.4 million.
- Investments in IT infrastructure amounting to EUR 0.2 million, including the implementation of the Group-wide standardized ERP system at a subsidiary.
- Acquisition of Blitz 21-966 GmbH (GmbH shell) for EUR 0.03 million in preparation for the acquisition of the business operations and production facilities and real estate of Rhein-Plast GmbH.

The investments were financed from current cash flow and loans.

INTERNAL CONTROL SYSTEM / FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

The Group has an internal management information system for planning, controlling and reporting. The management information system ensures transparency regarding current business developments and guarantees permanent reconciliation with corporate planning. Planning covers a period of three years, one year of which is planned in great detail. In addition to the corporate strategy, sales and EBITDA primarily form the central reference parameters for operational management; accordingly, sales and EBITDA are the key financial performance indicators. With regard to Ringmetall SE itself, there are no significant financial and non-financial performance indicators. Rather, those of the Group are also used for Ringmetall SE.

Despite COVID-19 2021 was the most successful year in the history of the Ringmetall Group to date

With regard to the comparison of the forecast with the actual values for the key financial performance indicators sales and EBITDA, reference is made to the explanations in the net assets and results of operations and within the forecast report.

Customer satisfaction with regard to product quality and service is of elementary importance for Ringmetall and therefore a significant non-financial performance indicator. The global quality management system ensures the company's high quality standards. Each national company is responsible for the quality of its products and services. The companies are supported in this by the overarching central quality management system. Thus, central specifications for the systems are defined, internal quality audits are carried out and training measures are monitored. As a result of these measures, the complaint rate for the clamping rings product area was reduced from 0.2 percent in the previous year to well below 0.1 percent in the fiscal year and is therefore below target.

This figure includes complaints caused by upstream products and/or external services. The rate is below the planning range despite the integration of a new production facility in Germany. In the inliner product area, the complaint rate rose slightly in the year under review compared with the previous year, from 0.1 percent to 0.2 percent. This was due to inaccurate production samples provided by a customer for an order placed. The complaint rate for the year under review for the inliner product area is therefore higher than planned.

The number of employees (FTE) is another key non-financial performance indicator. As of 31 December 2021, the Industrial Packaging segment employed around 705 FTE (31 December 2020: 605 FTE) and the Industrial Handling segment around 49 FTE (31 December 2020: 60 FTE), which is within the planned range. The increase in the Industrial Handling Segment is mainly due to the acquisition of HOSTO and the associated increase of 72 FTE.

In addition, there are other key figures, including employee fluctuation, which are set in the context of external influencing factors, such as location-related macroeconomic development trends. Overall, Ringmetall observes a low level of employee turnover throughout the Group compared with the rest of the industry. Despite the pandemic, an increase in the employment situation was recorded in the national companies of the Ringmetall Group. Therefore, the company continues to face a shortage of skilled workers. This particularly affects the sites located in economically strong regions, such as the German sites in the Karlsruhe (Berg site) and Ingolstadt (Ernsgaden site) regions.

OVERALL ASSESSMENT

Despite COVID-19, significant price increases for steel and other raw materials, and regionally limited availability of production-relevant raw materials and intermediate products, 2021 was the most successful year in the history of the Ringmetall Group to date. Through clever utilization of international networks in purchasing, intelligent reallocation and thus bundling of production steps at individual locations, as well as software-supported optimization of production capacities, it was possible not only to advance sales to new heights, but also to establish earnings at a healthy margin level at the same time.

Accordingly, the development of raw material prices had by far the greatest influence on revenue performance in the past fiscal year. 30.0 percentage points of the increase can be attributed to the higher price levels of the steel grades and plastic granules used. The acquisition of HOSTO, a high-quality competitor of the Ringmetall Group in the field of clamping ring production for the tinplate industry in Europe, which was completed on 31 May 2021, was reflected in acquisition-related sales growth of 5.7 percent. On a purely organic basis, the Ringmetall Group grew 10.5 percent in sales. In addition to sustained high demand for drum closure systems, sales in the Inliner product area and above all in the Industrial Handling segment also picked up again on a sustained basis, thus leaving the more subdued order situation caused by the pandemic largely behind. It is becoming increasingly clear that Ringmetall is developing in a much more balanced manner with its current product mix and is noticeably less dependent on the development of individual customer industries than it was a few years ago. On the earnings side, more sustainable pricing and a now high level of production efficiency have resulted in the company growing significantly faster than revenues. Earnings before interest, taxes, depreciation and amortization (EBITDA) were accordingly a whole 118.6 percent up on the previous year at EUR 26.6 million.

With this revenue and earnings development, Ringmetall exceeded its own expectations last year. And this several times over. Accordingly, the forecast published at the beginning of February 2021, which was deliberately conservative, was significantly increased first in May and August and then again in October. Overall, Ringmetall has thus raised the outlook on the sales side by an average of 40 percent and on the earnings side by an average of 108 percent. Supported by the extremely positive business development, Group revenues in 2021 were ultimately at the upper end of the forecast range and EBITDA was slightly above the upper end of the range.

Both Industrial Packaging and Industrial Handling performed significantly better than in 2020, with Industrial Packaging sales up 47.5 percent year-on-year, driven by the aforementioned factors. In addition to the strong development in the ring business, there were noticeable recovery trends in the inliner product area, particularly in the second half of the year. The segment's EBITDA also benefited not least from this and, at EUR 29.6 million, was a full 104.5 percent up on the previous year. It is pleasing to note that, contrary to the company's own expectations, the acquisition of HOSTO already made a clearly positive contribution to earnings in the first six months of its membership of the Group, which also underlines the intrinsic value of this acquisition after only a short time.

Ringmetall exceeded its own expectations regarding its revenue and earnings development

After a subdued year in 2020, the Industrial Handling business unit benefited from a global increase in demand for forklift trucks and agricultural machinery. After two years characterized by rather weak sales on the part of our customers, both industries recovered noticeably in 2021. This led to a 29.8 percent increase in sales at Group subsidiary HSM to EUR 12.6 million. At the same time, efforts in recent years to make processes in this area as efficient as possible were reflected in a disproportionate increase in EBITDA, which multiplied to EUR 1.4 million.

As a rule, Ringmetall can pass on rising raw material prices to its customers, who in return can rely on unchanged high delivery reliability and product quality. Due to its international purchasing network, the company is also able to counter regional availability restrictions of production-relevant primary products in the shortest possible time and thus always meet the demand for its products.

STRUCTURE AND PROCESSES OF THE RISK AND OPPORTUNITY MANAGEMENT SYSTEM

The Group's business areas are exposed to economic fluctuations and market cycles in their respective regions and sectors. The Group-wide identification and analysis of risks and opportunities is therefore an elementary component of sustainable and responsible Group management. In order to achieve strategic goals, it is of fundamental importance to identify, assess and manage risks and opportunities in good time. Accordingly, the management system implemented at Ringmetall actively involves the management of the individual business units and subsidiaries in corporate management. The principles and specifications of the opportunity and risk management system are specified at Group level. In addition to the Management Board, the management and middle management of the individual subsidiaries are responsible for implementing the individual requirements.

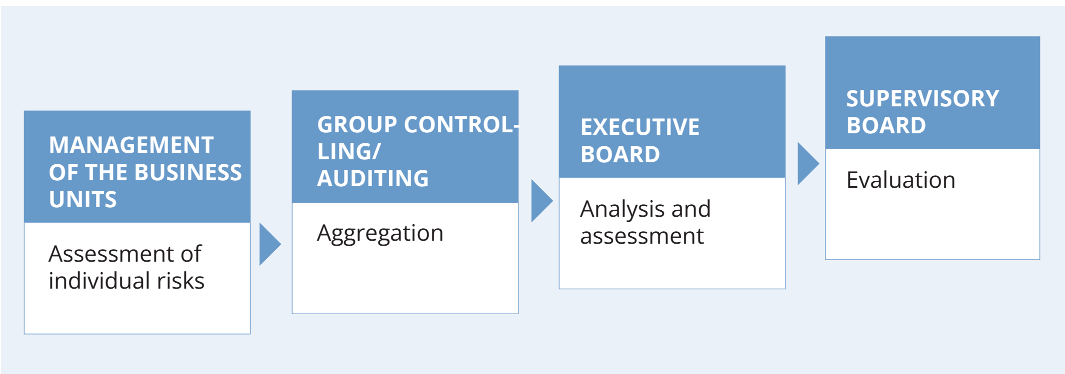
The risk management system established throughout the Group was further developed in a targeted manner in 2021. Against the background of the COVID-19 pandemic, risk monitoring was further expanded in the course of the year. In addition to even more intensive monitoring of selected key figures, biweekly conference calls were held with the managing directors of the subsidiaries. The software-based solution established in the Group was used for the risk assessment itself. The software provides clearly defined categories to optimally support the targeted evaluation and addressing of risks. This ensures that risks are recorded as completely as possible and increases the Group-wide comparability of individual risk scenarios. A key objective is to monitor all strategic, operational, legal and financial potential negative deviations (risks), identify them accordingly at an early stage and manage them accordingly. Potential positive deviations (opportunities) are analyzed and recorded separately using further processes.

Organization of risk management

Holistic system of different control instances

The risk management system of the Ringmetall Group represents a holistic system of different control instances through the involvement of the Supervisory Board, the Management Board, Group Controlling/Internal Audit and the management of the business units and subsidiaries. The allocation of the central core tasks of the individual instances is as follows:

PROCESS OF RISK REPORTING



Further development of the opportunity and risk management system

The continuous development of the opportunity and risk management system is carried out in close consultation between the Management Board and the Supervisory Board. A core element is the assessment of opportunities and risks and the measures derived from this.

The management of the business units identifies and records the risks of the operating units using the software-based risk management system. As part of the recording process, an initial assessment is carried out by assigning risks to predefined categories. The aggregation, further assessment and presentation of risks is carried out centrally at Group level. The risk assessment is the product of the probability of occurrence and the assessed potential extent of damage. Mitigating measures are identified, evaluated and responsibilities assigned in meetings between central management and the Management Board. Based on this, the final assessment is made by the Management Board and subsequently submitted to the Supervisory Board.

In addition, acute risks from day-to-day operations that have a high probability of occurrence and a high potential for damage are communicated immediately to Group Controlling and the Management Board. In line with the procedure described above, measures are then decided to limit and mitigate the risks identified in this way. Intensified risk management in connection with COVID-19 was also maintained this year, in particular through fortnightly conference calls between the Management Board and the management of the subsidiaries.

The risk management system is divided into integrated planning, reporting and control systems. This subdivision makes it possible to identify and assess significant risks at an early stage and subsequently to counter them with appropriate measures. Monthly reporting informs the respective managing directors and the Management Board about the status of the companies.

Internal guidelines for the approval of investments by the Management Board or Supervisory Board above a certain order volume represent a further risk prevention measure. Contracts to be concluded or obligations to be entered into that deviate from the normal case (for example, a particularly high order value, comparatively long contract term, etc.) must also be agreed in advance with Group Controlling and, if necessary, with a legal expert and approved by the Management Board.

Internal audits are carried out at the individual companies on an ad hoc basis. The main components of these audits are the review of the recoverability, valuation and completeness of balance sheet items and compliance with internal guidelines. This type of internal audit is carried out specifically at companies where the ERP system or merely the financial accounting software is being converted. Reporting is made directly to the Board of Management.

Assessment of the risks

For a clear assessment of the extent to which identified potential risks must be classified as material, the risks are classified according to their estimated probability of occurrence and their impact. At this stage, an assessment is made within the framework of the so-called gross assessment, i.e. without possible or already initiated countermeasures being included in the assessment. The scales for measuring the assessment criteria are illustrated below.

Overview of risk categorization:

Degree of potential impact	Probability of occurrence					
5.0	low	medium	medium	medium high	high	high
2.0	low	low	medium	medium high	medium high	high
1.0	low	low	medium	medium	medium high	high
0.5	low	low	low	medium	medium	medium high
0.2	low	low	low	low	medium	medium high
0.1	low	low	low	low	low	medium
	0.1	0.2	0.5	1	2	12
	1	2	3	4	5	6

	Probability of occurrence of the risk		Quantification
1	Unlikely	Once every 10 years	< 100 EUR'000
2	Seldom	Once every 5 years	> 200 EUR'000
3	Occasionally	Once every 2 years	> 500 EUR'000
4	Regulary	Once a year	> 1,000 EUR'000
5	Frequently	Twice a year	> 2,000 EUR'000
6	Very frequently	Monthly	> 5,000 EUR'000

Treatment and monitoring of risks

Responsibilities are assigned to the risks as part of the risk assessment. At the same time, an analysis is made of the effectiveness of possible countermeasures and the general acceptability of a risk, taking into account all the given circumstances. The analysis always takes into account the interests of all target groups involved, such as customers, employees and investors.

The assessment of the effectiveness and thus the monitoring of the respective countermeasures is the responsibility of the persons in charge. In addition to documentation as part of the next risk assessment, information is provided in management meetings if there is a significant negative change in the previously made assessment.

Key features of the internal control and risk management system, in relation to the consolidated financial reporting process

Continuous optimization of control processes and systems in the IT sector

Within the group-wide control system of the Ringmetall Group, the Internal Control System ("ICS") related to accounting is a central component. Ensuring compliance with regulations and guidelines relevant for the Ringmetall Group – internally as well as externally – is the central objective. These regulations and guidelines are binding for all subsidiaries of the Group. Possible effects of new regulations on the Ringmetall Group are analyzed together with external consultants. Implementation and corresponding monitoring are then carried out by internal instances.

The existing control processes and systems in the area of IT are also being optimized through steadily progressing centralization. The central Group

ERP system, which has already been introduced at most subsidiaries, is also being steadily implemented. Access authorizations are clearly regulated and centrally monitored. The Group also makes use of the expertise of selected external specialists in the area of IT.

The preparation of the individual financial statements and reporting to the central finance department is usually carried out by the accounting departments of the national companies. In isolated cases, these are supported by local, external specialists. Corresponding regulations and guidelines are issued by the central finance department of the Ringmetall Group.

For the preparation of the consolidated financial statements, the reported data of the individual companies are imported into a consolidation tool. The reported financial statements are reviewed by Group headquarters. If necessary, adjustments are made to the accounting policies of the Ringmetall Group. By means of these systems and controls, Ringmetall ensures with reasonable assurance that the Group accounting process complies with the law.

The central finance department of the Ringmetall Group monitors liquidity, interest rate and currency risks throughout the Group. Ensuring liquidity is also the responsibility of the head office. In order to reduce the interest rate risk on variable-interest loans, appropriate hedging transactions are concluded where necessary. Forward exchange transactions are only entered into if, in the opinion of Group Headquarters, significant cash flows in foreign currencies are expected and there are risks due to high exchange rate fluctuations. In accordance with internal guidelines, no transactions involving financial instruments are used for speculative purposes.

OVERALL RISK

Number of individual risks decreased by nine individual risks

Compared with year-end 2020, the number of individual risks, regardless of classification, has decreased by nine individual risks despite COVID-19. This is due to successful risk management and aggregation, for example of pandemic risks. The "high" risk class remained unchanged in terms of the number of individual risks, while the numbers of "medium-high", "medium" and "low" risks decreased accordingly. Overall, the Ringmetall Group therefore has an improved risk situation compared to 2020.

With regard to general risks that could result from general changes in the market, the customer and supplier environment, or also adjustments in regulatory areas, Ringmetall conducts regular reviews. These include, among other things, changed requirements for products due to technical innovations, legal requirements or changed entry barriers for competitors. Risks arising from general social demands on the Group as well as legal and political developments are also regularly analyzed.

Significant individual risks

The following section presents individual risks which, from a current perspective, could have a sustained impact on the Group's earnings over a period of twelve months. These risks have been assessed in the analysis as "high," "medium," or "medium. Unless mentioned separately, the assessment of a possible impact on the financial position and results of operations has changed only insignificantly compared with the previous year.

General market risk

A market risk arises from the fact that the overall economic and/or industry-specific development is negative compared to the planning or forecast. Periodic fluctuations in overall economic activity may also have an impact on the global transport of goods and the markets for industrial trucks and agricultural machinery relevant to the Industrial Handling segment. The outbreak of the pandemic led to previously unimagined dynamics in many areas, making reliable planning more difficult overall. These include, for example, strong fluctuations in the availability of raw materials combined with high price volatility. Furthermore, temporary border closures, whether announced or implemented, can lead to a shortage of resources at very short notice. In such times, customers have a much stronger tendency to postpone investments or even cancel them altogether. Consolidations of customers or even insolvencies of customers may also occur within industries. The strategy pursued by the Management Board of the Ringmetall Group of broadening the product portfolio, albeit with a focus on the packaging industry, shows its stabilizing advantages for the overall development of the Group, especially in times of crisis. Care is also taken at all times to design cost structures in such a way that it is possible to respond to fluctuations in demand. Nevertheless, sustained declines in sales would have a negative impact on earnings.

Various sectors of the economy performed better than expected in 2021 despite the pandemic. The approval of vaccines to protect against COVID-19 are also sustained positive signals for the economy. At the same time, it is not yet possible to estimate what economic effects will arise once government support measures expire. The extent to which this could have a negative impact on the economic development of the Ringmetall Group depends on the segment. The Management Board classifies the risk of a sustained negative impact for the Industrial Handling segment as "high". Although the segment has again developed consistently positively in 2021 and is also currently in a stable environment. By contrast, the segment with clamping rings and drum liners is relatively crisis-proof. The risk rating is therefore "medium".

The invasion of sovereign Ukraine by Russian forces in February 2022 has left a clear mark on the global economy. The European Union and its partners have imposed numerous sanctions against Russia, and further sanctions cannot currently be ruled out. In addition, risks are to be expected, particularly in connection with supply chains, with a view to sales markets or against the backdrop of existing risks from cyber attacks.

However, market activities in these countries are manageable, so Ringmetall assumes that the losses can be compensated. Furthermore, it can be assumed that a further increase in energy, logistics and material costs will be felt due to the Russia-Ukraine conflict, which may not be fully passed on to customers.

Ringmetall operates a plant in Turkey. The production focus of this location remains on the local Turkish market, although cross-border sales potential has increased significantly. Due to the continuing political uncertainties within Turkey and the ongoing political tensions between Turkey and other countries, both the Turkish currency and the Turkish economic situation remain under pressure. As a result, the Turkish subsidiary's net sales to third-party customers in 2021 remained at a consistently low level compared with the previous fiscal year. The volatile Turkish currency had a strong negative impact on earnings in 2021.

As no sustained improvement in the political environment is currently foreseeable, the risk in relation to Turkey is still classified as "high".

Competitive risks (sales and procurement risks)

Immanent in a market with several suppliers is the risk of not achieving the planned targets in general and earnings targets in particular due to increasing competitive pressure. Despite the strong market position of the Ringmetall Group, the company's respective sales markets can be described as price-sensitive overall. This price or margin pressure can intensify, caused by a wide variety of effects. If the steel price indices, which in the past served as a basis for price negotiations, and the effectively realizable steel purchase prices develop in opposite directions, this can have a sustained negative impact on margins in the clamping rings segment. To counteract this, the Company again tends to set its selling prices independently of the development of the relevant steel price indices, but is generally oriented to them. In the course of the COVID-19 pandemic and currently due to the Ukraine crisis, the availability of raw materials, especially with regard to steel, represents a significant competitive factor. Here in particular, the Group's production sites in various countries and its procurement expertise give it a clear competitive advantage over its mostly much smaller local competitors. The constantly growing quality and service requirements of our customers represent a barrier to growth and market entry for our competitors, particularly in the industrial packaging segment. Nevertheless, additional competitive

Despite a strong market position the company's respective sales markets are price-sensitive

pressure may also arise here in the future. In this respect, the risk in the inliner segment is higher than in the clamping rings segment, also due to the much higher transportability of the products.

The Ringmetall Group takes a variety of approaches to minimize competitive risks and to further strengthen and expand its own market position. Increasing efficiency at the production sites, further expanding cooperation between the production sites and developing alternative sources of raw materials are elementary in this respect. Furthermore, Ringmetall invests in product innovations and continuously looks for opportunities to expand and strengthen its market position in growth regions.

Overall, the competition risks continue to be classified as "medium".

Risks from digitalization and "Industry 4.0"

Investment in the digitalization and automation of internal processes and production steps

The topics of digitalization and "Industry 4.0" present industrial companies worldwide with a number of new challenges, which have become rather greater against the backdrop of the pandemic. From Ringmetall's perspective, it is still not possible to sufficiently assess the extent to which this could result in disruptive changes for the business model. Ringmetall invests sustainably in the digitalization and automation of internal processes and production steps. Ringmetall will continue to deal with the topic and the resulting challenges in detail in the future. The development of a new software for production monitoring, which was successfully completed in 2018, is constantly being supplemented by further tools and was accordingly converted to the new release ("LEANFOCUS II") as planned in 2021. Furthermore, this software will be successively rolled out at further production sites. Significant progress was made in the development and modernization of specific production equipment in the past fiscal year. This relates in particular to a new generation of profiling lines for clamping rings. Despite comprehensive measures, the Management Board is still unable to conclusively assess whether the investments are extensive enough to meet future requirements and thus defend and expand the current competitive position. Due to the not fully recognizable effects of possible economic changes that could result from the topics of "digitalization" and "Industry 4.0", Ringmetall continues to see this as a risk that is still classified as "medium".

Cluster risks from major customers

Ringmetall generated almost 40 percent of its sales revenue in fiscal year 2021 with its three largest customers, all of which are globally active corporate groups. The company generated the remaining revenues with several hundred customers.

In the Industrial Packaging segment in particular, however, the not inconsiderable concentration of a significant share of sales on two customers (just under 40 percent of segment revenues in 2021 and 2020) can also be seen as an advantage. Both suppliers and customers, as globally active companies, are in a mutual dependency with the Ringmetall Group due to their large share of sales in their respective industries. Since the end of 2018, Ringmetall has invested sustainably in the expansion of the Industrial Packaging segment through the acquisition and integration of companies in the "Inliner" segment. Even though the aforementioned major customers continue to represent significant shares of sales, their percentage share of the Group's total sales is roughly unchanged. Irrespective of this, the loss of one or more major customers or a significant decline in orders from these customers could lead to a significant drop in sales.

Taking all relevant factors into account, the risk of dependence on major customers continues to be classified as "medium".

Risks from raw materials and intermediate products

In the course of its business activities, Ringmetall has a high demand for various raw materials, which are purchased from different suppliers and subsequently processed. This mainly concerns steel, various components such as closures for the finished articles, and thermoplastics (polyethylenes). To this end, Ringmetall conducts negotiations with various suppliers in order to obtain what it considers to be the most favorable offer and also to avoid becoming dependent. Framework agreements with a maximum duration of six months as a rule have been concluded with some suppliers in order to ensure continuous supply and a certain degree of price stability on the purchasing side. In this context, the customers, for their part, monitor the developments in raw material prices on the various markets and are therefore also the basis for pricing.

As a result of the COVID-19 pandemic, monitoring of the raw material markets and exchanges with suppliers were significantly intensified. There was also much greater coordination within the Group on the situation in the supply chain. Furthermore, inventories of certain raw materials and finished goods were increased in a targeted manner.

The risk is assessed as "medium" for the reasons outlined.

Failure of production equipment / Risks in production

Ringmetall has several production sites in Germany and other countries in the Industrial Packaging segment. Inliners are currently manufactured at two sites in Germany. The Industrial Handling Segment continues to produce at only one location in Germany. Based on an analysis of the facilities and production equipment, neuralgic points were identified and, where technically or economically feasible, appropriate alternatives were created. Nevertheless, in the worst case scenario, delivery delays may occur in the event of damage to or destruction of production facilities. In the Industrial Packaging segment, Ringmetall has a large number of fully automated lines for the production of heavy-duty clamping rings as well as clamping ring types with a very high quantity as well as further automatic production lines for closures, various inliners as well as bag-in-box systems and other applications. Even though each of these clamping rings can equally be produced on conventional lines at several locations, the failure of a fully automated line could lead to delivery delays. This applies analogously to most of the inliners mentioned.

Extensive precautions have been taken to reduce risks in production in connection with the pandemic. In addition to appropriate hygiene concepts, these include multi-shift models in working hours, the strict separation of individual shifts, and distance regulations. Nevertheless, there is a fundamental risk that individual production sites could be affected by significant production restrictions or even complete production stoppages. This could be due to supply problems on the part of our suppliers, who supply us with the steel or other starting materials needed for production. On the other hand, several or all skilled workers at a site could be absent for health or quarantine reasons, making it significantly more difficult or impossible to maintain production. Furthermore, delivery delays may occur due to logistical problems, for example if truck drivers are absent due to health reasons or border controls hold up delivery traffic. On a positive note, however, Ringmetall has already been classified by the relevant authorities in many regions as an important supplier to system-relevant industries. This ensures that the company can continue to produce in its plants even in the event of factory closures ordered by the authorities, as was the case in Italy in the past. Rising energy costs can be partially offset by price increases and efficiency improvements.

__Ringmetall classified in many regions as an important supplier to system-relevant industries__

Overall, Ringmetall counters these production risks with quality management and its defined processes, including systematic maintenance. Therefore, the risk is classified as "medium".

Risks from IT systems failure

Ringmetall relies on information technology, i.e. IT systems and networks or electronic data processing systems, for its business and operational activities. Sensitive business information and other proprietary information is also stored and processed in these systems and networks. Due to the continuous expansion of the Group, the ever more intensive use of information technology, including in production, and increasing requirements for data storage and processing, the relevance of IT systems is constantly growing. These systems are vulnerable to failures caused by fire, floods, power outages, failure of telecommunications equipment, malware, burglaries and similar events or security breaches. Even before the pandemic, Ringmetall made intensive use of mobile working options at individual sites. Thanks to this knowledge and also experience, mobile working could be quickly implemented at further sites in order to increase the safety of employees.

Implementing and systematically expanding advanced security technologies

Ringmetall has taken measures with regard to these risks by implementing as well as systematically expanding advanced security technologies, internal controls, resilient networks and data centers, and a recovery process. Thus, this risk is classified as "medium" in the overall assessment.

Personnel risks

For Ringmetall, motivated and qualified specialists and managers are elementary for sustainable entrepreneurial success. Topics such as digitalization, diverging training and qualification standards in the countries in which Ringmetall operates lead to challenges in the recruitment and continuous training of employees, but also offer opportunities. In order to counteract the risks arising from a corresponding shortage, Ringmetall repeatedly uses complementary channels to further improve its recruitment process and constantly implements additional measures to increase its attractiveness as an employer. Especially investments in IT architecture as well as modern production facilities are also sustainable positive signals to the whole team. As a result of the constant expansion of the scope of consolidation, the employment opportunities for specialists and managers continue to increase, both in terms of technical aspects and location options. Also due to the constantly growing requirements, the internal as well as external further and advanced training possibilities are constantly extended. The range of international assignments successfully offered in previous years had to be significantly reduced in the fiscal year due to COVID-19. On the other hand, the advantages of increased flexibility and diversity with regard to working time models and mobile working became particularly apparent during the pandemic. This gave employees the opportunity to respond flexibly to their individual family situations. This was particularly effective in production-related areas and administration, and contributed to increased security for the entire workforce with regard to infection risks.

The classification of this risk is very dependent on the respective location. Overall, the risk is classified as "medium" from a Group perspective.

BREXIT

The BREXIT in 2021 and thus the exit of Great Britain from the European Union, does not have any substantial consequences for the Ringmetall Group. However, this cannot yet be conclusively assessed, particularly with regard to the form of trade relations. One of the essential measures at the UK location is the build-up or a comparatively high inventory of raw materials and primary products in order to continue to guarantee the company's ability to deliver. The BREXIT did not have any negative impact on earnings in 2021.

In view of the size of the site in the UK compared with the Group as a whole, the Management Board has therefore downgraded the risk from "medium" to "low".

Legal and tax risks

The Ringmetall Group is exposed to legal and tax risks. If specific regulatory requirements are placed on the products produced, for example due to their use in the transport of hazardous goods, production is subject to certain regulations. If relevant standards or laws are not complied with, this may, under certain circumstances, be associated with significant fines and reputational risks. With its subsidiaries, Ringmetall SE operates in many countries worldwide and is therefore subject to a large number of different legal regulations as well as tax laws. Diverging legal interpretations by tax authorities, especially with regard to cross-border transactions, may be subject to considerable uncertainty.

Any changes in the regulations and laws relevant to the Ringmetall Group are monitored together with the external tax advisors and lawyers and appropriate measures are initiated if necessary.

From a Group perspective, the risk is classified as "medium", although this is very much dependent on the location.

Overall assessment

The Management Board assesses the risk situation of the Group with regard to the risks inherent in the business model as essentially improved, despite the sustained macroeconomic impact of the COVID-19 pandemic. With regard to the Ringmetall Group, it should be noted that the business model has so far proved to be extremely crisis-proof in most areas. No individual risks have been identified that could jeopardize the continued existence of the Ringmetall Group. This applies analogously to an overall view of all risks. The countermeasures adopted for significant risks as well as internal controls are regularly analyzed by the Management Board. Against the backdrop of the ongoing pandemic, the further development and effects of which remain unquantifiable, the Management Board will continue to pay increased attention to risk management in 2021. For further details, please refer to the comments in the report on expected developments.

OPPORTUNITIES

In addition to the aforementioned risks, a number of opportunities also arise from the business model and market position of the Ringmetall Group. Opportunities are considered to be those developments that may lead to a positive deviation from strategic planning and thus to an additional improvement in the net assets, financial position and results of operations. The order of the opportunities does not necessarily correlate with the current assessment of their significance for the Group.

Company acquisitions

Company acquisitions are a central component of Ringmetall's business model and represent the largest growth driver. They open up the opportunity for the company to grow in a targeted manner in specific regions of the world and in specific product areas. Since the organic growth of the industries in which Ringmetall is active is limited and the market entry barriers can always be described as high, acquisitions are almost the only way to grow quickly. Only very selectively does the company decide to expand into a new market by setting up its own branches. The only example of this in the past is the market entry in China, which can be attributed to the special conditions of this market.

Since the IPO in 2007, a large part of the sales growth has been generated by acquisitions. Accordingly, the company also proceeds with routine in the M&A process – from process initiation, due diligence and financing, to the final integration of an acquisition. In 2019, the Ringmetall Group entered the market for inliners via acquisitions, thus already acquiring a dominant market position in Europe. This was further strengthened by the acquisition of Rhein-Plast GmbH in February 2022. Through further active consolidation of the market, Ringmetall will also have the opportunity to take the leading position worldwide in the market for inliners in the future. The acquisition of HOSTO in May 2021 also further strengthened the drum clamping rings business.

Opening up new markets

The development of new markets is an important component of Ringmetall's strategic corporate development

In order to grow faster than the market and thus generate synergies even beyond the mere size of the company, the development of new markets is an important component of Ringmetall's strategic corporate development. Due to the low chances – caused by the high market entry barriers – to open up new markets quickly through organic growth, Ringmetall usually develops them through acquisitions. The development is divided into three directions:

- new customer groups and sales regions
- new production sites and regions
- new products and product groups

Ringmetall sees high opportunities in the development of new markets to expand its own well-established structures with additional structures and to establish its own best practice approach in these as well. In this way, Ringmetall will succeed in improving margins by leveraging synerg ies and increasing efficiency in new markets and making these markets additionally more attractive.

Further development of production technologies

As a niche supplier in the market for industrial packaging, Ringmetall has a highly specialized machine park. All production machines are developed in-house or assembled from standard components and adapted to a high degree to the respective application. The further development of production machines up to their complete new development represents an important part of Ringmetall's value chain. On the one hand, this enables the company to continuously keep the market entry barriers for potential competitors at a high level. On the other hand, they represent an important means of making production more efficient and thus increasing production output and improving production efficiency. As described above in the section on competitive strengths, Ringmetall has completed the prototype phase of a new type of modular ring profiling line and successfully launched it in 2021.

Synergies and efficiency gains

Ringmetall continuously examines internal and external processes for potential to leverage intra-group synergies or increase efficiencies. For example, production processes are regularly analyzed in order to increase the utilization of machines, reduce set-up times or optimize employee qualifications. The further development of production facilities or the relocation of production parts to sites optimized according to regional aspects are also continuously driven forward. The advancing digitalization of the production industries also offers Ringmetall the opportunity to additionally benefit from efficiency increases as a result of the investments made here.

RISK REPORTING WITH REGARD TO THE USE OF FINANCIAL INSTRUMENTS

The main risks to which the Group is exposed as a result of its financial instruments include cash flow risks, liquidity risks and default risks. The aim of corporate policy is to avoid or limit these risks as far as possible. The handling of these risks has already been dealt with in detail in the corresponding sections of the risk report. If necessary, Ringmetall uses derivative financial instruments to hedge against interest rate and market risks. In addition, securities and derivatives may be traded to a limited extent as part of retention activities. An appropriate description of this can be found in the notes to the consolidated financial statements.

Forecast Report

The assumptions underlying the forecast report are based primarily on the company's internal budget planning and the statements and forecasts of current publications by major economic institutions. These include the German Federal Ministry for Economic Affairs and Energy (BMWi), the European Central Bank (ECB), the International Monetary Fund (IMF), and leading trade associations such as the German Engineering Federation (VDMA) and the German Chemical Industry Association (VCI). In addition, the generally perceived mood on the capital markets and the current mood on the customer side are incorporated into the decision-making process.

Given the very positive start to the year so far, the Management Board generally expects the business environment for the Ringmetall Group to remain positive in 2022. At present, Ringmetall has seen only minor effects on its business development from rising inflation, rising energy prices, and supply chain problems in various industries, such as orders for stock. Also, the share of revenues from Eastern European countries in the Ringmetall Group is marginal, so that the direct effects of the Russian invasion of Ukraine and possible indirect consequences in neighboring countries are considered to be minor. However, the Management Board is convinced that future risk potentials from this generally tense economic situation should be appropriately included in the forecast for the current fiscal year 2022. The range of the earnings forecast is therefore chosen to be wider than usual at the current time and is to be narrowed further in the further course of the year. Accordingly, the Management Board is assuming consolidated sales of EUR 180 to 200 million with EBITDA of EUR 22 to 27 million for the full year 2022.

The Management Board generally expects the business environment for the Ringmetall Group to remain positive in 2022

The forecast is based on unchanged raw material prices and exchange rates compared with 2021. It also does not include the effects of acquisitions planned for 2022, including the resulting transaction costs. With regard to material and personnel expenses as well as other expenses, the development is expected to correlate with revenues.

Against the backdrop of the current economic environment and the liquidity situation of the Ringmetall Group, the opportunities for the successful conclusion of further company acquisitions are assessed as good. Acquisitions made during the period covered by this annual report are not included in this forecast.

Other Legal Disclosures

CORPORATE GOVERNANCE STATEMENT

The corporate governance statement (Section 289a HGB) includes the declaration of conformity with the German Corporate Governance Code, information on corporate governance practices, and a description of the working methods of the Management Board and Supervisory Board. The explanations in this regard have been made permanently available on the Company's website at www.ringmetall.de/investor-relations/corporate-governance/. A separate presentation in the combined management report has therefore been dispensed with.

Disclosures in accordance with section 315a and 289a HGB

Composition of the subscribed capital

The subscribed capital of Ringmetall SE as of 31 December 2021 amounts to EUR 29,069,040. It is divided into 29,069,040 registered no-par value shares, each with a notional interest in the share capital of EUR 1.00. The development of the subscribed capital is shown in the notes to the consolidated financial statements.

Each share confers one vote and, with the exception of any new shares not entitled to dividends, an equal share in the profits in accordance with the dividend distribution resolved by the Annual General Meeting. The rights and obligations arising from the shares are based on the statutory provisions, in particular sections 12, 53a et seq., 118 et seq. and 186 of the German Stock Corporation Act. As of 31 December 2021, the company held no shares in treasury.

Restrictions affecting voting rights or the transfer of shares

The Company is not entitled to any rights from treasury shares. In cases covered by Section 136 of the German Stock Corporation Act (AktG), the voting rights attached to the shares concerned are excluded by law.

Statutory provisions and provisions of the articles of association on the appointment and dismissal of members of the management board and on amendments to the articles of association

Members of the Management Board are appointed and dismissed on the basis of sections 84 and 85 of the German Stock Corporation Act (AktG). Pursuant to Section 84 of the German Stock Corporation Act, members of the Management Board are appointed by the Supervisory Board for a maximum term of five years. However, the Supervisory Board of Ringmetall SE has decided to limit the appointment of Management Board members to three years as a rule. A repeated appointment or extension of the term of office, in each case for a maximum of five years, is permissible.

In accordance with § 6 of the Articles of Association, the Management Board consists of one or more persons. The number of members is determined by the Supervisory Board. Pursuant to § 84 (2) of the Stock Corporation Act, the Supervisory Board may appoint a member of the Management Board as Chairman. If a required member of the Management Board is missing, the member shall be appointed by the court in urgent cases at the request of an interested party in accordance with § 85 (1) of the Stock Corporation Act. The Supervisory Board may revoke the appointment to the Management Board and the appointment as Chairman of the Management Board in accordance with § 84 (3) of the Stock Corporation Act if there is good cause.

In accordance with § 179 of the Stock Corporation Act, the Articles of Association can only be amended by a resolution of the Annual General Meeting. Unless mandatory provisions of the law stipulate

otherwise, resolutions of the Annual General Meeting – with the exception of elections – are adopted by a simple majority of the votes cast and, where applicable, by a simple majority of the capital represented, in accordance with Section 133 of the German Stock Corporation Act, Section 17 (1) of the Articles of Association. Pursuant to Section 179 (2) of the German Stock Corporation Act, a majority of 75.0 percent of the capital stock represented is required to amend the purpose of the Company; the Articles of Association do not make use of the option of specifying a larger capital majority for this purpose. Pursuant to Art. 17 par. 2 of the Articles of Association, the Supervisory Board may resolve amendments to the Articles of Association that relate solely to their wording. Pursuant to Art. 181 par. 3 of the Stock Corporation Act, amendments to the Articles of Association become effective upon entry in the Commercial Register.

Powers of the management board to issue or repurchase shares

At the Annual General Meeting on 30 August 2018, the Management Board was authorized, with the approval of the Supervisory Board, to increase the share capital by up to EUR 3,975,200.00 against cash contributions and/or contributions in kind until 31 July 2023, whereby shareholders' subscription rights may be excluded (Authorized Capital 2018).

At the Annual General Meeting on 14 June 2019, the Management Board was authorized pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) to acquire treasury shares up to a total of 10.0 percent of the current share capital of EUR 29,069,040.00 until 31 May 2024, subject to the approval of the Supervisory Board. The shares acquired hereunder, together with treasury shares already held by the Company or attributable to it pursuant to Secs. 71 a et seq. of the Stock Corporation Act, may at no time exceed 10.0 percent of the capital stock. The authorization may be exercised in whole or in part, in which case also on several occasions, for one or more purposes. The authorization may not be used for trading in treasury shares.

At the Annual General Meeting on 16 June 2021, the Management Board was authorized, with the approval of the Supervisory Board, to increase the share capital by up to EUR 5,813,800.00 by issuing new no-par value registered shares (common shares) on one or more occasions until 31 May 2026, if necessary also excluding subscription rights (Authorized Capital 2021/I).

Material agreements subject to a change of control

Ringmetall SE has not entered into any agreements in fiscal year 2021 that contain provisions for the event of a change of control, such as may occur, among other things, as a result of a takeover bid.

DEPENDENT COMPANY REPORT PURSUANT TO SECTION 312 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

The Management Board has prepared a dependent company report in accordance with Section 312 of the German Stock Corporation Act (AktG) and issued the following conclusion in this respect:

"The Management Board of Ringmetall SE declares that, according to the circumstances known to it at the time when the legal transactions were carried out or measures were taken or omitted, the Company received adequate consideration for each legal transaction and was not disadvantaged by the fact that measures were taken or omitted."

INSURANCE OF THE LEGAL REPRESENTATIVES

"To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements and the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the Group, respectively, and the combined management report includes a fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the principal opportunities and risks associated with the expected development of the Company and the Group."

Munich, April 27, 2022

Christoph Petri
Spokesman of the Management Board

Konstantin Winterstein
Member of the Management Board

THE RINGMETALL GROUP

Consolidated Balance Sheets

As of 31.12.2021

ASSETS EUR '000	Notes	**31.12.2021**	31.12.2020
Non-current assets			
Intangible assets	15	2,842	2,915
Goodwill	14, 15	33,734	32,300
Property, plant and equipment	16	33,395	30,604
Investments accounted for using the equity method	5	57	66
Other non-current assets	17	167	136
Deferred tax assets	12	1,571	2,134
Total non-current assets		**71,766**	**68,155**
Current assets			
Inventories	18	21,734	12,202
Trade receivables	19	23,575	15,150
Contract assets	20	636	435
Other current assets	21	1,182	870
Current tax receivables	21	430	510
Cash and cash equivalents	22	4,573	6,225
Total current assets		**52,130**	**35,392**
Total assets		**123,896**	**103,547**

LIABILITIES EUR '000	Notes	**31.12.2021**	31.12.2020
Equity			
Share capital	23	29,069	29,069
Capital reserves	23	16,664	16,664
Currency translation differences recognized outside profit or loss	23	-507	-1,765
Revaluation of severance payment obligations and others	23	67	39
Consolidated result carryforward		17,415	4,713
Non-controlling interests	23	1,041	869
Total equity		**63,749**	**49,589**
Non-current liabilities			
Provisions for post-employment benefits	24	804	844
Other provisions		155	0
Financial liabilities	26	23,600	26,855
Deferred tax liabilities	12	2,489	2,352
Total non-current liabilities		**27,048**	**30,051**
Current liabilities			
Other provisions	25	5,639	3,610
Current tax liabilities		1,993	789
Financial liabilities	26	7,983	7,330
Trade payables	27	14,882	10,153
Other liabilities	27	2,602	2,025
Total current liabilities		**33,099**	**23,907**
Total liabilities		**60,147**	**53,958**
Total equity and liabilities		**123,896**	**103,547**

Consolidated Profit & Loss Statement

From 1.1. to 31.12.2021

EUR '000	Notes	**2021**	2020
Revenue	9	172,338	117,972
Other income	9	1,984	804
Change in inventories of finished goods and work in progress	18	786	-694
	10	**175,108**	**118,082**
Cost of materials	10	-93,099	-60,392
Personnel expenses	10	-38,026	-31,458
Other expenses	10	-17,061	-13,753
Other taxes	10	-293	-257
Result from investments accounted for using the equity method	5	-9	-42
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**26,620**	**12,180**
Depreciation, amortization and write-downs	15, 16	-6,443	-6,193
Earnings before interest and taxes (EBIT)		**20,177**	**5,987**
Finance income	11	223	14
Finance costs	11	-865	-1,721
Net income for the year from continuing operations before taxes		**19,535**	**4,280**
Income tax expense	12	-4,618	-1,545
Consolidated net income for the year		**14,917**	**2,735**
Consolidated net income for the year attributable to:			
Shareholders of Ringmetall SE	13	14,446	2,388
Non-controlling interests	13	471	347
Earnings per share			
Basic earnings per share (EUR)	13	0.50	0.08
Diluted earnings per share (EUR)	13	0.50	0.08

Consolidated Statement of Comprehensive Income

From 1.1. to 31.12.2021

EUR '000	Notes	**2021**	2020
Consolidated net income for the year		14,917	2,735
Items in other comprehensive income that could affect expenses or income in the future:			
Foreign business currency translation differences	7, 23	1,269	-890
Items of other comprehensive income that will not be recognized as expenses or income in the future:			
Result from the revaluation of the severance payment obligations	24	37	21
Income tax attributable to components of other comprehensive income	12	-9	-5
Other comprehensive income		**1,297**	**-874**
Total comprehensive income		**16,214**	**1,861**
Total comprehensive income attributable to:			
Shareholders of Ringmetall AG		15,732	1,529
Non-controlling interests		482	332

Consolidated Statement of Cash Flows

From 1.1. to 31.12.2021

EUR '000	Notes	**2021**	2020
1. Cash flow from operating activities			
Consolidated net income	13	14,917	2,735
Depreciation	15, 16	6,443	6,193
Income tax expense and deferred taxes	12	4,618	1,545
Gain (-)/loss (+) on asset disposals	9	-68	-6
Result from at equity	5	9	42
Net interest income	11	642	1,707
Cash flow before interest, taxes and refinancing		**26,561**	**12,216**
Increase (-)/decrease (+) in inventories and trade receivables		-12,327	1,084
Increase (+)/decrease (-) in provisions		1,520	674
Increase (-)/decrease (+) in trade payables, other liabilities and accruals		1,004	252
Assets acquired from company acquisitions		5,234	-
Increase (+)/decrease (-) in the statement of financial position – non-cash		-5,168	-238
Cash flow before interest and taxes		**16,824**	**13,988**
Income taxes paid		-2,754	-1,804
Cash Flow from operating activities		**14,070**	**12,184**
2. Cash flow from investment activities			
Inflows from the disposal of property, plant and equipment		97	81
Proceeds from imposals of intangible assets		-	-
Outflows for investments in property, plant and equipment		-2,779	-1,252
Outflows for investments in intangible assets		-369	-396
Outflows for additions to the scope of consolidation in the previous year		-	-
Outflows for additions to the scope of consolidation in the financial year		-5,549	-
Outflows for additions to the scope of consolidation in the current financial year		-29	-
Cash flow from investment activities		**-8,629**	**-1,567**

EUR '000	Notes	2021	2020
3. Cash flow from financing activities			
Inflows from borrowing financial loans		5,106	3,874
Outflows for the redemption of financial loans		-7,317	-5,901
Payments from the redemption of leasing		-2,243	-2,156
Outflows to owners (dividend payment)		-2,204	-2,122
Interest paid*		-783	-1,550
Interest received*		223	14
Cash flow from financing activities		**-7,218**	**-7,841**
4. Cash and cash equivalents at end of period			
Cash change in cash and cash equivalents (sub-totals 1-3)		-1,777	2,776
Effect of exchange rates on cash		125	-142
Changes in cash and cash equivalents due to changes in the consolidation group		0	-
Cash and cash equivalents at the beginning of the period		6,225	3,591
Cash and cash equivalents at end of period**		**4,573**	**6,225**
5. Composition of cash and cash equivalents			
Cash and cash equivalents	22	4,573	6,225
Current liabilities to banks		0	0
Cash and cash equivalents at end of period		**4,573**	**6,225**

* For better understanding, interest paid and received is shown under cash flow from financing activities and not under cash flow from operating activities.
** Of the cash and cash equivalents, an amount of EUR 278 thousand (2020: EUR 359 thousand) is attributable to non-controlling interests.

Consolidated Statement of Changes in Equity

As of 31.12.2021

EUR '000	Notes	Share capital	Capital reserves	Currency translation reserve
As of 01.01.2020 (IFRS)		**29,069**	**16,664**	**-890**
Consolidated net profit for 2020	13	-	-	-
Capital increase	23	-	-	-
Dividend payments/distributions		-	-	-
Other comprehensive income	23	-	-	-875
Change in scope of consolidation		-	-	-
Total transactions with owners of the company		**-**	**-**	**-875**
As of 31.12.2020 (IFRS)		**29,069**	**16,664**	**-1,765**
As of 01.01.2021 (IFRS)		**29,069**	**16,664**	**-1,765**
Consolidated net profit for 2021	13	-	-	-
Capital increase	23	-	-	-
Dividend payments/distributions		-	-	-
Other comprehensive income	23	-	-	1,258
Change in scope of consolidation		-	-	-
Total transactions with owners of the company		**-**	**-**	**1,258**
As of 31.12.2021 (IFRS)		**29,069**	**16,664**	**-507**

Revaluation of severance obligation	Effect of first-time adoption of IFRS 15	Retained earnings	Total	Non-controlling interests	Total equity
1	**22**	**4,069**	**48,935**	**1,064**	**49,999**
-	-	2,388	**2,388**	347	**2,735**
-	-	-	**-**	-	**-**
-	-	-1,744	**-1,744**	-527	**-2,271**
16	-	-	**-859**	-15	**-874**
-	-	-	**-**	-	**-**
16	**-**	**644**	**-215**	**-195**	**-410**
17	**22**	**4,713**	**48,720**	**869**	**49,589**
17	**22**	**4,713**	**48,720**	**869**	**49,589**
-	-	14,446	**14,446**	471	**14,917**
-	-	-	**-**	-	**-**
-	-	-1,744	**-1,744**	-310	**-2,054**
28	-	-	**1,286**	11	**1,297**
-	-	-	**-**	-	**-**
28	**-**	**12,702**	**13,988**	**172**	**14,160**
45	**22**	**17,415**	**62,708**	**1,041**	**63,749**

Notes

1. GENERAL INFORMATION

Ringmetall SE (hereinafter: “Ringmetall”) is a leading specialist supplier in the packaging industry with production and sales locations worldwide. The main activities of Ringmetall and its subsidiaries are assigned to the business areas Industrial Packaging and Industrial Handling. Ringmetall assumes a superordinate function in the organizational structure as the managing holding company. It combines central Group functions.

It was entered in the Munich Commercial Register (HRB 118683) of the Munich District Court as H.P.I. Holding Aktiengesellschaft on December 2, 1997. Following the change of legal form to a European stock corporation (Societas Europaea, or SE for short), Ringmetall SE is now registered under the number HRB 268321 of the Munich Local Court. The registered office of the company is Munich. The address is Innere Wiener Straße 9, 81667 Munich.

The consolidated financial statements of Ringmetall are prepared in euros. Unless otherwise stated, all figures are in EUR thousand. Amounts are rounded in accordance with standard commercial practice.

2. PRINCIPLES OF ACCOUNTING

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. In addition, the provisions of German commercial law applicable under Section 315e (1) of the German Commercial Code (HGB) have been taken into account in the preparation of the consolidated financial statements. The principles of recognition, measurement and presentation are applied uniformly by all companies within the scope of consolidation. The presentation in the consolidated statement of income is based on the nature of expense method. To improve presentation and information, the income statement has been expanded to include the subtotals “earnings before interest, taxes, depreciation and amortization (EBITDA)” and “profit from operating activities (EBIT)”.

The Executive Board of Ringmetall SE approved the 2021 consolidated financial statements for publication on 27 April 2022 [date of approval for submission to the Supervisory Board by management].

Details of significant accounting policies including changes in accounting policies can be found in note 7.

The Management Board assumes that the company will continue as a going concern. The consolidated financial statements give a true and fair view of the net assets, financial position and results of operations.

3. REPORTING CURRENCY

These consolidated financial statements are prepared in euros, the functional currency of Ringmetall SE (parent company) and are presented in thousands of euros (EUR thousand), which may result in rounding differences.

4. DISCRETIONARY DECISIONS AND ESTIMATES

In certain cases, it is necessary to apply estimation- and assumption-sensitive accounting policies. These involve complex and subjective assessments and the use of assumptions, some of which relate to matters that are inherently uncertain and subject to change. Such estimate- and assumption-sensitive accounting policies may change over time and have a significant impact on Ringmetall’s net assets, financial position and results of operations. Furthermore, they may contain estimates that Ringmetall could have made differently in the same reporting period for equally understandable reasons. Ringmetall points out that future events often deviate from forecasts and that estimates routinely require adjustments.

4.1 Discretionary decisions, assumptions and estimates

Information on judgments made in the application of accounting policies and information on assumptions and estimation uncertainties that have a significant effect on the amounts recognized in the consolidated financial statements or whose change may have a significant effect on the presentation of the Group's net assets, financial position and results of operations are included in the notes below:

- Note 7 – Impact of new standards and interpretations not yet adopted on the Group's financial position and performance: In assessing the potential impact of standards not yet adopted on the Group's financial position and performance, the Group makes a cursory evaluation, whereas when adoption is mandatory, a detailed assessment of the scope of application is made,
- Note 12 – Recognition of deferred tax assets: Uncertainty regarding future taxable profit,
- Note 14 – Assumptions regarding parameters used in the calculation of impairment tests of goodwill,
- Note 19 – Assumptions regarding impairment for expected credit losses for financial assets measured at amortized cost, and
- Notes 24 and 25 – Provisions: significant assumptions regarding the probability of utilization, the extent of the outflow of resources and in determining the interest rate.

All estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial effect on the company and are believed to be reasonable under the circumstances.

4.2 Determination of fair values

A number of accounting standards require the determination of fair values for financial and non-financial assets and liabilities.

The Group has established a policy regarding the determination of fair values. This includes in-house monitoring of all significant fair value measurements.

In determining the fair value of an asset or liability, the Group uses observable market data to the extent possible. Based on the inputs used in the valuation techniques, fair values are categorized into different levels in the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Valuation inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3: Valuation inputs for assets or liabilities that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability can be categorized into different levels of the fair value hierarchy, the fair value measurement is categorized in its entirety into the level of the fair value hierarchy that corresponds to the lowest level input that is significant to the measurement as a whole.

The Group recognizes reclassifications between different levels of the fair value hierarchy at the end of the reporting period in which the change occurred.

Further information on the assumptions used in determining fair values is included in the notes below:

- Note 6 – Expansion of the scope of consolidation / acquisition of assets,
- Note 7 – Significant Accounting Policies and
- Note 29 – Financial instruments.

5. DIRECTORY OF SUBSIDIARIES AND ASSOCIATED COMPANIES

For accounting policies, see note 7.

All subsidiaries of Ringmetall SE are listed below.

The consolidated financial statements as of 31 December 2021 include all entities over which Ringmetall SE can exercise direct or indirect control. Control exists when Ringmetall SE is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

The following subsidiaries are held by Ringmetall SE (directly/indirectly) and are fully consolidated in the consolidated financial statements as of 31 December 2021:

NAME OF THE COMPANY	Office	Country	Share in capital (%)
August Berger Metallwarenfabrik GmbH	Berg	Germany	100.00
Berger Closing Rings (Changshu) Co., Ltd.	Changshu	China	100.00
Berger Group Europe Iberica, S.L.	Reus	Spain	100.00
Berger Group US Inc. (vormals Berger US Inc.)	Birmingham	USA	100.00
Berger Italia S.r.l.	Valmadrera	Italy	100.00
Berger US Inc. (vormals Self Industries Inc.)	Birmingham	USA	100.00
Cemsan Metal Parts Manufacturing Industry Trade Ltd. Company	Gebze-Kocaeli	Turkey	100.00
Fidum Verwaltungs GmbH	Munich	Germany	100.00
Fieder Verwaltungs GmbH	Munich	Germany	100.00
Hollandring B.V.	Vaassen	Netherlands	100.00
HOSTO Stolz GmbH & Co. KG	Neunkirchen	Germany	100.00
HOSTO Stolz Verwaltungs GmbH	Neunkirchen	Germany	100.00
HSM GmbH & Co. KG	Ernsgaden	Germany	100.00
Latza GmbH	Attendorn	Germany	100.00
Nittel Halle GmbH	Halle (Saale)	Germany	100.00
Tesseraux Spezialverpackungen GmbH	Bürstadt	Germany	100.00
Berger Hong Kong Limited	Hong Kong	China	80.00
Nittel B.V.	Moerdijk	Netherlands	80.00
Nittel France SARL	Merignac	France	80.00
S.G.T. S.r.l.	Albavilla	Italy	80.00
Berger Closures Limited	Peterlee	UK	75.57

If non-controlling interests are held in one of the subsidiaries listed above, Ringmetall refers to the disclosures in the consolidated income statement with regard to the share of profit or loss. Further financial data are not disclosed as they are of minor importance for the Group as a whole.

As of 31 December 2021, the following company is included at equity due to significant influence:

NAME AND REGISTERED OFFICE OF THE COMPANY	Location	Country	Share in capital (%)
Nittel UK Ltd.	Southport	UK	50.00

In the reporting year, a result of EUR -9 thousand (2020: EUR -42 thousand) was generated from Nittel UK Ltd.

The following subsidiaries are not included by Ringmetall in the consolidated financial statements as of 31 December 2021 due to their minor significance (individually and in total) for the net assets, financial position and results of operations:

COMPANY	Location	Country	Share in capital (%)
Berger Verwaltung GmbH i.L.*	Berg	Germany	100.00
Rhein-Plast GmbH (formerly Blitz 21-966 GmbH)	Bad Dürkheim (formerly Munich)	Germany	100.00
HSM Verwaltungs GmbH	Ernsgaden	Germany	100.00

* The company was liquidated on 18.01.2022.

6. EXPANSION OF THE SCOPE OF CONSOLIDATION / ACQUISITION OF ASSETS

Acquisition HOSTO

In May 2021, the Ringmetall Group concluded the negotiations for the purchase and, upon signing in May 2021, acquired 100 percent of the limited partner shares and voting rights of HOSTO Stolz GmbH & Co. KG and 100 percent of the shares and voting rights in HOSTO Stolz Verwaltungs GmbH.

In addition, the movable assets previously leased by HOSTO and the land on which the production facility is located were purchased (hereinafter collectively referred to as "HOSTO") .

A total purchase price of EUR 6,150 thousand was agreed, of which a partial amount is payable as a vendor loan.

Ringmetall obtained dominance and thus control over HOSTO as of 19 May 2021. For simplification reasons, the initial consolidation took place as of 31 May 2021.

With HOSTO, Ringmetall strengthens its market position and expands its production know-how. HOSTO has its production site in Neunkirchen. With around 70 employees, the company produces mainly clamping and retaining rings in addition to a wide range of different wire and strip bending parts and eyelets. The HOSTO companies have been allocated to the Industrial Packaging segment. The acquisition of HOSTO represents a business combination within the meaning of IFRS 3, as the acquired assets and liabilities constitute a business operation. Accordingly, the business combination has been accounted for using the purchase method. The identifiable assets acquired and liabilities assumed are measured at their fair values. In this purchase price allocation, all hidden reserves and liabilities were disclosed. The purchase price allocation essentially involves determining the fair value of all acquired assets and liabilities. The difference between the identifiable assets acquired and the liabilities assumed resulted in the total identifiable net assets acquired. The positive difference between the purchase price and the total identifiable net assets acquired resulted in goodwill of EUR 916 thousand.

The goodwill results mainly from the expected synergies in market development and from the expected earnings potential of the newly acquired production site in Neunkirchen. Payments totaling EUR 5,549 thousand have been made up to 31 December 2021, excluding interest, and EUR 601 thousand still remain as (unconditional) purchase price liabilities.

Acquisition HOSTO EUR '000	**Carrying amount (according to HGB) before purchase price allocation**	**Fair value according to purchase price allocation**
Intangible assets and property, plant and equipment	4,663	5,274
Inventory	1,274	1,384
Receiables and other assets	4,368	4,447
Financial liabilities	-874	-874
Other provisions	-624	-624
All other liabilities	-4,302	-4,302
Deferred taxes	35	-71
Total identifiable net assets	**4,540**	**5,234**
Goodwill		
Purchase price		6,150
Total identifiable net assets		5,234
Positive difference		**916**
Net paid cash		**-5,549**

The receivables and other assets acquired listed above are recognized at their nominal amount (HGB).

For tax purposes, this resulted in goodwill of EUR 1,376 thousand for which full tax deductibility is expected.

Transaction costs of EUR 98 thousand were incurred in connection with the transaction and have been expensed.

Since the acquisition date, HOSTO has generated revenues of EUR 6,707 thousand and a profit of EUR 314 thousand, which are included in the consolidated statement of comprehensive income.

Deferred taxes relate to temporary differences between the identified assets and liabilities acquired and the portion of goodwill expected to be deductible. They result from the transaction costs which had to be capitalized for tax purposes as incidental acquisition costs.

7. SIGNIFICANT ACCOUNTING AND VALUATION METHODS

7.1 Changes in accounting and valuation methods

The accounting and valuation methods are basically unchanged from the previous year.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND INTERPRETATIONS (IFRIC) TO BE APPLIED FOR THE FIRST TIME IN THE FINANCIAL YEAR AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Reform of Reference Rates – Phase 2
- Amendments to IFRS 16, Rental Concessions in Connection with COVID-19 for the Financial Year 2021
- Amendments to IFRS 16, Rental Concessions in Connection with COVID-19 for the 2022 financial year.

The standards, clarifications and interpretations mandatory from 1 January 2021, had only an immaterial impact on the presentation of the Group's financial position, financial performance or earnings per share.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Reference Rate Reform – Phase 2. In August 2020, the IASB adopted amendments to Reference Rate Reform (IBOR Reform) – Phase 2. The amendments provide temporary relief when a reference interest rate (IBOR – Interbank Offered Rate) is replaced by an alternative near risk-free rate (RFR – Risk-free Rate) and this has an impact on financial reporting.

Amendments to IFRS 16, Lease Concessions in Connection with COVID-19 for the Fiscal Years 2021 and 2022. In May 2020, the IASB issued an amendment to IFRS 16 that contains a temporary optional relief for lessees that are granted lease concessions in connection with COVID-19. As a practical expedient, a lessee can defer the assessment of whether a lessor's pandemic lease concession constitutes a lease modification and waive the application of the accounting requirements for contract modifications. In March 2021, the IASB extended the application option for this relief by one year until 30 June 2022. The EU Commission adopted this extension in Regulation (EU) 2021/1421 dated 30 August 2021. Ringmetall has decided not to apply the optional relief for lessees.

PUBLISHED BUT NOT YET MANDATORY INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND INTERPRETATIONS (IFRIC) AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The following standards and amendments to standards have already been endorsed by the European Union but are not effective until financial statements after 31 December 2021.

- Amendments to IFRS 3, Reference to the Framework (effective from 1 January 2022)
- Amendments to IAS 8, Definition of Accounting Estimates (effective from 1 January 2023)
- Amendments to IAS 16, Revenue recognition before an asset is in its working condition (effective from 1 January 2022)
- Amendments to IAS 37, Onerous Contracts - Costs of Fulfilling a Contract (effective from 1 January 2022).
- Annual improvements process (2018 - 2020), amendment to IFRS 1, IFRS 9 and IAS 41 (effective from 1 January 2022)
- IFRS 17, Insurance Contracts (effective from 1 January 2023

Amendments to IAS 37, Onerous contracts – costs of fulfilling a contract. In May 2020, the IASB issued amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets, Onerous Contracts – Costs of Fulfilling a Contract, to specify that the costs of fulfilling a contract include all directly attributable costs. These include the additional costs incurred to perform the contract, such as direct labor and materials, and an inclusion of other costs that are directly attributable to the performance of the contract. General and administrative costs are not directly related to the contract and are therefore not included in contract fulfillment costs unless the contract specifically provides for them to be passed on to the customer. The Group will apply these amendments to contracts for which not all obligations have been settled at the beginning of the fiscal year in which it first applies the amendments. Ringmetall does not expect the amendments that have been endorsed but are not yet applicable to have a material impact on the consolidated financial statements.

The following standards and amendments to standards have been adopted by the IASB and the IFRS Interpretations Committee, but have not yet been endorsed by the European Union. They are only applicable for financial statements after 31 December 2021.

- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective from 1 January 2023)
- Amendments to IAS 12: Deferred Taxes Relating to Assets and Liabilities Arising from a Single Transaction (effective from 1 January 2023)
- Amendments to IFRS 17: Comparative Information on "First-time Adoption of IFRS 17 and IFRS 9" (effective from 1 January 2023)
- Amendments to IAS 1, Classification of Liabilities as Current or Non-Current (effective from 1 January 2023)

Amendments to IAS 12, Deferred Taxes Relating to Assets and Liabilities Arising from a Single Transaction. In May 2021, the IASB issued amendments to IAS 12 that specify how an entity accounts for income taxes, including deferred taxes. Under certain circumstances, entities are exempt from recognizing deferred taxes when they recognize assets or liabilities for the first time (initial recognition exemption). Previously, there was some uncertainty as to whether the exemption applied to transactions relating to leases (when a lessee recognizes an asset and a liability at the inception of the lease) and asset retirement obligations (when an entity recognizes a liability and includes the asset retirement costs in the cost of the asset). The amendments clarify that this exemption does not apply and that entities must recognize deferred tax on such transactions. This is addressed by the newly inserted IAS 12.22A. The amendment is effective for fiscal years beginning on or after 1 January 2023, with early adoption permitted. Ringmetall does not expect any material impact due to these amendments.

Amendments to IAS 1, Classification of liabilities as current or non-current. In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to clarify the requirements for classifying liabilities as current or non-current. The amendments clarify that the classification of liabilities is based on the rights that exist at the end of the reporting period. The classification is independent of both management's expectations and any events. It is also clarified what is meant by "settlement" of a liability in IAS 1. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively.

The new or amended IFRS pronouncements mentioned in the above list (before and after endorsement) have, according to current estimates, only an immaterial impact on the presentation of Ringmetall's net assets, financial position and results of operations.

Ringmetall has not voluntarily early adopted any of the new or amended pronouncements mentioned. In the case of first-time application during the year, the aforementioned standards and interpretations are generally applied as of 1 January of the following fiscal year. The adoption of these regulations by the EU is a prerequisite.

7.2 PRINCIPLES OF CONSOLIDATION

Inclusion of subsidiaries

In addition to Ringmetall SE, the consolidated financial statements include all material subsidiaries over which Ringmetall SE can exercise control by way of full consolidation. Control is deemed to exist if the Company:

- can exercise control over the investee,
- is exposed to variable returns from its involvement, and
- has the ability to affect the amount of returns from its involvement by virtue of its power over the investee.

The results of subsidiaries acquired during a fiscal year are recognized accordingly in the consolidated statement of income and other comprehensive income from the actual date of acquisition. Where necessary, the financial statements of the subsidiaries are adjusted to bring the accounting policies into line with those used within the Group.

All intercompany assets, liabilities, equity, income, expenses and cash flows relating to transactions between Group companies are eliminated in full on consolidation.

Non-controlling interests in the profit or loss and equity of subsidiaries are presented separately in the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of comprehensive income and the consolidated statement of changes in equity.

Changes in the Group's ownership interest in existing subsidiaries

Changes in Ringmetall SE's ownership interest in subsidiaries that do not result in a loss of control over that subsidiary are accounted for as equity transactions. Non-controlling interests are adjusted to reflect the change in the ownership interest of the shareholders. Any difference between the amount of this adjustment and the fair value is to be offset against the equity attributable to the shareholders of the parent company.

Acquisition of businesses (business combinations)

Acquisitions of businesses are accounted for using the purchase method. The consideration transferred in a business combination is measured at fair value. The consideration transferred in a business combination is measured at fair value, being the aggregate of the acquisition-date fair values of the assets given, liabilities incurred by the previous owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are expensed as incurred.

The identifiable assets acquired and liabilities assumed are generally measured at their fair values.

If the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree exceeds the remeasured net assets of the acquiree at the acquisition date, goodwill is recognized. In the opposite case, any negative difference must be recognized immediately in profit or loss.

Non-controlling interests that currently convey ownership rights and grant the holder the right to receive a pro rata share of the net assets of the entity in the event of liquidation are measured at the relevant proportion of the identifiable net assets upon addition.

If the initial accounting for a business combination has not been completed at the end of a financial year, Ringmetall discloses provisional amounts for the items not yet finally determined.

If new information becomes known during the measurement period that sheds light on the circumstances at the acquisition date, the amounts recognized provisionally are corrected or additional assets or liabilities are recognized if necessary.

Investments accounted for using the equity method

The Group includes one associate as defined in IAS 28. An associate is an entity over which Ringmetall has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the entity. This does not constitute control or joint control over the decision-making processes. The results, assets and liabilities of the associate are included in these financial statements using the equity method. Accordingly, investments in associates are initially recognized in the consolidated statement of financial position at cost, adjusted for changes in the Group's share of profit or loss and other comprehensive income of the associate after the date of acquisition. Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognized as goodwill. The goodwill associated with the associated company is allocated according to its economic affiliation, and is generally included in the carrying amount of the investment. This is neither amortized nor subjected to a separate impairment test. After application of the equity method, Ringmetall determines at each reporting date whether it is necessary to recognize an impairment loss on its investment in the associates. The investor's recognized share of post-acquisition profits or losses is appropriately adjusted, for example, for additional amortization of depreciable assets of the associate based on the excess of their fair values over their carrying amounts at the acquisition date.

7.3 Foreign currency

Ringmetall translates the assets and liabilities of foreign subsidiaries whose functional currency is not the euro at the mean spot exchange rate at the end of the reporting period. Expenses and income, on the other hand, are translated at average exchange rates for the year. Differences arising on translation are recognized in equity and reclassified to profit or loss when the gain or loss on disposal of a foreign subsidiary is recognized. Items in the consolidated statement of cash flows are translated at average exchange rates during the year, while cash and cash equivalents are translated at the average spot exchange rate at the end of the reporting period.

Translation differences arising from monetary items are generally recognized in profit or loss in the period in which they occur.

Goodwill arising on the acquisition of a foreign operation and adjustments to the fair values of identifiable assets and liabilities are treated as assets or liabilities of the foreign operation in accordance with IAS 21 and translated at the closing rate. Resulting translation differences are recognized in equity.

The exchange rates used for the translation of the major currencies in the Group are shown in the table:

		Balance sheet closing rate		**P&L average rate**	
1 EURO		**31.12.2021**	31.12.2020	**2021**	2020
Great Britain	GBP	0,8395	0,9046	0,8600	0,8892
China	CNY	7,2161	8,0154	7,6342	7,8709
Turkey	TRY	12,7877	9,0506	10,4668	8,0438
USA	USD	1,1325	1,2283	1,1835	1,1413

All business units operate almost entirely in their respective national home markets, with the result that transactions in foreign currencies are of minor importance. Where financing is required, it is generally in local currency.

7.4 Revenue recognition

Ringmetall generates its revenues almost exclusively from the two segments Industrial Packaging and Industrial Handling. In the Industrial Packaging segment, this involves the production and sale of clamping rings, the associated closures and, since 2019, also the production and sale of drum liners. In the Industrial Handling segment, this relates to revenue from the production and marketing of vehicle attachments for special vehicles used in logistics, warehouse logistics and agriculture. All these sales represent revenue within the meaning of IFRS 15 "Revenue from Contracts with Customers". Ringmetall supplies exclusively to corporate customers. Contracts are concluded with these customers, which form the basis for the supply relationship.

The performance obligations are fulfilled at the time when the customer has obtained control over the goods. Revenue is recognized at this point in time. The point in time when the power of disposal is transferred is generally determined on the basis of the agreed terms of the contract, in particular the Incoterms. In the case of transactions via consignment warehouses, in certain contracts the transfer of control is already completed upon delivery to the consignment warehouse, so that economic control is transferred to the consignment customer prior to legal ownership.

Assets not yet invoiced to customers ("contract assets" in accordance with IFRS 15 "Appendix A") are generally reported under "assets from customer contracts", referred to as "contract assets" in the statement of financial position. Advance payments received that are to be classified as "Contract Liabilities" in accordance with IFRS 15 would be reported under "Liabilities from customer contracts". Such "contract liabilities" are not included in these consolidated financial statements.

If the customer withdraws goods from the consignment warehouse, the product delivery is invoiced to the customer and the contract asset is derecognized in favor of a trade receivable.

Revenue from the sale is measured at the fair value of the consideration received or receivable, which are the prices agreed in the customer contracts. Payments are generally due in 30 to 60 days – in individual cases up to 90 days due to country-specific circumstances – and do not include financing components.

7.5 Personnel expenses

Temporary workers are reported under personnel expenses. This corresponds to the economic conditions in the Group.

7.6 Financial income and financing expenses

Interest income is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income results from compounding the respective carrying amount with the corresponding effective interest rate. The effective interest rate is the rate that exactly discounts expected future cash receipts through the expected life of the financial asset to the net carrying amount of the asset when it is initially recognized.

Dividend income from shares or investments is recognized when the entity's legal right to receive payment is established.

Finance costs are recognized in profit or loss in the period in which they are incurred.

7.7 Income taxes

Income tax expense represents the sum of current tax expense and deferred taxes.

Current or deferred taxes are recognized in the consolidated income statement. If current or deferred taxes result from the initial accounting for a business combination, the tax effects are included in the accounting for the business combination.

A. Current taxes

Current tax expense is determined based on taxable income for the year. Taxable income differs from net income as reported in the consolidated statement of income in respect of those items of income and expense that will become taxable or deductible in

future years or never. The Group's liability for current taxes is calculated based on the tax rates that have been enacted or substantively enacted by the balance sheet date.

B. Deferred taxes

Deferred taxes are recognized for differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences; deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. Such deferred tax assets and deferred tax liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor net income.

Deferred tax assets are recognized for tax loss carryforwards to the extent that it is probable, based on a projection of future taxable profit, that the losses can be utilized for tax purposes within the next five years.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from temporary differences associated with investments in subsidiaries are recognized only to the extent that it is probable that sufficient taxable profit will be available against which the temporary differences can be utilized. In addition, it must be probable that these temporary differences will reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed each year at the balance sheet date and reduced in value if it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured using enacted tax rates and laws that are expected to apply when the liability is settled or the asset is realized. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to settle the liability or realize the asset.

In order to determine deferred tax assets, assumptions have to be made regarding future taxable income and the timing of the realization of the deferred tax assets. For this purpose, the planned operating results and the effects on earnings of the reversal of taxable temporary differences are taken into account. However, as future business performance is uncertain and in part cannot be influenced by Ringmetall, the measurement of deferred taxes is subject to uncertainty.

7.8 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the financial year. Diluted earnings per share are calculated assuming that all potentially dilutive financial instruments and share-based payment plans are converted or exercised.

7.9 Intangible assets

A. Acquired intangible assets

Acquired intangible assets with a definite useful life are measured at cost less accumulated amortization and impairment losses. Amortization is charged to expense on a straight-line basis over the expected useful life. The estimate of the expected useful life and the amortization method are reviewed at each reporting date and, if necessary, adjusted with effect for the future.

The useful lives of software on which the calculation of amortization is based are between three and five years.

B. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognized separately from goodwill and measured at fair value at the acquisition date.

In subsequent periods, intangible assets acquired in a business combination are measured at their fair values less accumulated amortization and impairment losses.

C. Goodwill

As part of the first-time adoption of IFRS, goodwill determined in previous years in accordance with the principles of the German Commercial Code (HGB) was retained in accordance with the simplification rules as of 1 January 2016.

Ringmetall recognizes the goodwill resulting from a business combination at the acquisition date in the amount of the difference between the revalued net assets of the acquired business on the one hand and the sum of consideration given at fair value of any shares held in the business prior to the business combination and the value of the non-controlling interests on the other.

Goodwill is not subject to amortization. Impairment tests are performed regularly to identify potential impairment requirements. For the purpose of impairment testing, goodwill is allocated, on acquisition, to each of the Group's cash-generating units (or groups thereof) that are expected to benefit from the synergies of the combination.

The cash-generating units considered are essentially identical to the legal entities of the respective divisions.

Cash-generating units to which a portion of goodwill has been allocated must be tested for impairment at least annually. If there are indications that a unit may be impaired, it may be necessary to perform impairment tests more frequently. If the recoverable amount of a cash-generating unit is less than the carrying amount of the unit, the impairment loss shall be allocated first to the carrying amount of goodwill allocated to the unit and then to the other assets on a pro rata basis based on the relative proportions of their carrying amounts. The recoverable amount is the higher of value in use and fair value less costs to sell.

Any impairment loss on goodwill is recognized directly in the income statement within depreciation and amortization. An impairment loss recognized for goodwill may not be reversed in future periods.

On disposal of a cash-generating unit, the pro rata carrying amount of goodwill disposed of is included in the determination of profit or loss on disposal.

7.10 Property, plant and equipment

A. Land and buildings

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are measured at cost less accumulated straight-line depreciation and impairment losses. Depreciation on buildings is recognized in profit or loss. Buildings and related leasehold improvements are depreciated over a useful life of 5 – 50 years. Land is not depreciated.

B. Other property, plant and equipment

Technical equipment and machinery, office and business equipment and other assets are stated at cost less accumulated depreciation and recognized impairment losses.

Depreciation is calculated by depreciating the cost of assets on a straight-line basis over their useful lives. Expected useful lives, residual values and depreciation methods are reviewed at each reporting date. Any necessary changes in estimates are taken into account by adjusting the depreciation schedule for the future.

The following useful lives were used as the basis for determining the depreciation of property, plant and equipment and rights of use:

- Technical equipment and machinery: 3 – 10 years
- Other equipment, factory and office equipment: 3 – 15 years
- Rights of use: 5 – 25 years

The depreciation rules described above also apply to assets held by Ringmetall under leases. However, if there is no reasonable certainty that ownership will pass to the lessee at the end of the lease, the assets are depreciated over the shorter of the lease term and their expected useful lives.

7.11 Impairment of property, plant and equipment and intangible assets other than goodwill

At each reporting date, the Group reviews the carrying amounts of property, plant and equipment and intangible assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of any impairment loss. If the recoverable amount of an individual asset cannot be estimated, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In determining the value in use, the estimated future cash flows are discounted at a pre-tax rate.

If the estimated recoverable amount of an asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. The impairment loss is recognized immediately in profit or loss.

If the impairment loss subsequently reverses and a reversal of the impairment loss is permitted under the relevant IFRS standard, the carrying amount of the asset or cash-generating unit is increased to the most recent estimate of its recoverable amount. The increase in the carrying amount is limited to the amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years and had regular amortization been continued. A reversal of an impairment loss is recognized immediately in profit or loss.

7.12 Research and development costs

Internally generated intangible assets are initially measured at cost. Research costs are not included in production costs and are expensed in the period in which they are incurred.

Own work capitalized is subject to a finite useful life and is amortized over its expected useful life (generally within 3 to 10 years).

In the fiscal year, only immaterial expenses for research and development were recognized in the consolidated income statement. These expenses were incurred in connection with the further development of production.

7.13 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is measured using the average cost method. Production cost includes directly attributable direct costs and overheads.

Net realizable value represents the estimated selling price of inventories less all estimated costs necessary for completion and disposal.

7.14 Financial instruments

Financial assets and financial liabilities are recognized in the consolidated statement of financial position when Ringmetall becomes a party to the contractual provisions of the financial instrument.

Classification and measurement of financial assets and financial liabilities

IFRS 9 provides for the classification of financial assets (debt instruments only) based on both the business model used for the financial assets concerned and the contractual cash flow characteristics of the individual financial asset (Solely Payments of Principal and Interest (SPPI) criterion). No order is specified for this test.

Business models

Under IFRS 9, the following three business models are possible:

- Intention to hold ("Hold to collect") – financial assets held with the intention of collecting the contractual cash flows,
- Hold to Collect and Sell – financial assets held for the purpose of both collecting and selling the contractual cash flows,
- Other ("other") – financial assets held with the intent to trade or that do not meet the criteria of the other two categories.

The assessment of the business model requires a review based on facts and circumstances at the time of that assessment. The basic model at Ringmetall is "held for trading". Despite allocation to this business model, unplanned sales are possible in the normal course of business.

In principle, the Company can exercise the following irrevocable options upon initial recognition of a financial asset:

- the Company may irrevocably elect to recognize changes in the fair value of an investment in equity instruments that are neither held for trading nor contingent consideration recognized by an acquirer in a business combination in accordance with IFRS 3 in other comprehensive income; and
- the Company may irrevocably elect to designate as at fair value through profit or loss a financial asset that would have been measured at either amortized cost or fair value through other comprehensive income using the above criteria, provided that this eliminates or significantly reduces any measurement or recognition inconsistency.

Financial assets at amortized cost (AC)

A financial asset that is a debt instrument is classified as "at amortized cost" (AC) and measured accordingly in subsequent periods if the financial asset is held in a "hold-to-maturity" business model and the contractual cash flows meet the SPPI criterion. In addition, a possible fair value option may not have been applied, although this is only possible if it avoids measurement and recognition inconsistencies and is not applied at Ringmetall.

Ringmetall therefore recognizes financial assets at amortized cost on initial recognition. Subsequent measurement is based on the expected credit loss model (ECL model).

Financial assets at fair value through other comprehensive income (FVOCIr)

A financial asset that is a debt instrument is classified and measured as FVOCIr ("fair value through other comprehensive income with recycling") if the financial asset is held in a "hold to sell" business model and the contractual cash flows meet the SPPI criterion. In addition, a possible fair value option recognized in profit or loss may not have been applied, although this is only possible if it avoids measurement and recognition inconsistencies and is not applied at Ringmetall.

Ringmetall therefore measures these financial assets at fair value, with all changes in fair value recognized in "Other comprehensive income". Interest components (using the effective interest method) and currency translation effects are recognized in profit or loss.

Unrealized gains and losses are only reclassified to the income statement upon disposal of the financial asset.

Financial assets at fair value through profit or loss (FVPL)

Any financial asset (debt instrument) that is held for trading or does not fall into the "intention to hold" or "intention to hold and sell" business models is allocated to the "other" business model, as are derivatives and equity instruments, and measured at fair value through profit and loss ("FVPL"). Ringmetall does not make use of the option of recognition in other comprehensive income.

In addition, any financial asset (debt instruments), even if it meets the "intention to hold" or "intention to hold and sell" business model, that does not meet the SPPI criterion must be measured at fair value through profit or loss.

Financial instruments are included here and held for trading if they exist primarily for the purpose of short-term disposal with regard to short-term profit-taking.

Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

Impairment and risk provisioning under IFRS 9

The impairment rules under IFRS 9 are applied to AC or FVOCIr valued debt instruments, trade receivables, contract assets and off-balance sheet commitments such as loan commitments and financial guarantees ("impairment-relevant financial instruments").

In this context, the approach to determining impairment losses and the allowance for credit losses consists of an expected credit loss model (ECL model under IFRS 9), in which the allowance for credit losses is recognized upon initial recognition of the impairment-relevant financial instrument based on the expectations of potential credit losses prevailing at that time.

Ringmetall uses the simplified approach for trade receivables and contract assets from IFRS 15. For this purpose, the necessary impairments are determined in an impairment table based on historical default rates on maturity categories, supplemented by current information and expectations. Trade accounts receivable are grouped by geographical area as payment terms vary by geographical area.

Phased approach to determining expected defaults

IFRS 9 specifies a three-step approach for the impairment of impairment-relevant financial instruments that were classified as not credit-impaired at the time of origination or acquisition. This involves a time-slice-based calculation of the ECL using the probability of default (PD), expected exposure at default (EAD) and loss-given-default (LGD), taking into account the effective interest rate as part of the discounting process.

This approach can be summarized as follows:

- Level 1: An allowance is recognized in the amount of expected defaults within 12 months. This corresponds to the portion of expected defaults from default events expected to occur within 12 months of the balance sheet date, provided that there has been no increase in the risk of default since initial recognition.
- Level 2: An allowance is recognized in the amount of the expected defaults within the entire remaining term if there has been a significant increase in the default risk since initial recognition. This corresponds to the portion of expected defaults from default events expected within the remaining term after the balance sheet date and leads accordingly to a higher allowance for losses on loans and advances compared to level 1 if the remaining term is longer than 12 months.
- Level 3: for financial assets that already had an impaired credit rating upon acquisition or origination, only the cumulative changes in credit losses expected over the term since initial recognition are recognized as an impairment loss at the reporting date.

Significant increase in default risk

Ringmetall determines whether there has been a significant increase in default risk since initial recognition on the basis of appropriate and reliable forward-looking information that is available without undue cost or effort. In particular, default probabilities determined by rating agencies are taken into account in assessing creditworthiness.

Notwithstanding the above disclosure, a significant increase is rebuttably presumed under IFRS 9 if a debtor is more than 30 days in arrears. Ringmetall deviates from this, as it can also be proven on the basis of historical data that debtors up to 60 days in arrears also do not have an increased risk of default.

The basis for classification in Level 1 or Level 2 of the ECL model is the debtors' arrears. Changes in the arrears of the debtors concerned are also taken into account.

Impairment-relevant financial instruments in Level 3

A default with regard to a financial asset is determined on the basis of the recoverable cash flows. There were no financial assets with impaired credit ratings in the financial year under review.

Derivatives

Derivatives are generally assigned to the "other" category and are measured and recognized at fair value through profit or loss. Valuation effects are recognized in profit or loss. The valuation is based on generally accepted valuation models, such as the Black-Scholes model or the Heath-Jarrow-Morton model framework.

Hedge accounting is not applied at Ringmetall.

7.15 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank balances with an initial remaining term of up to three months, and checks, bills of exchange and payments in transit.

7.16 Equity

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial instruments issued by Group companies are classified as financial liabilities or equity in accordance with the substance of the contractual arrangement and the definitions.

7.17 Provisions similar to pensions

Provisions for termination benefit obligations are measured in accordance with IAS 19, taking into account the mortality tables of the respective country, age- and gender-specific characteristics, and other demographic parameters. Defined benefit plans do not exist.

7.18 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount of the provision recognized is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If a provision is measured on the basis of the cash flows estimated to be required to settle the obligation, these cash flows must be discounted if the interest effect is material.

7.19 Leases

Ringmetall as lessee leases certain assets, in particular real estate, machinery, and operating and office equipment. At the inception of the lease, Ringmetall assesses whether the lease is a lease as defined by IFRS 16. A lease is an agreement that gives the right to control the use of an identified asset for a certain period of time in return for payment of a consideration. Under IFRS 16, all leases must generally be recognized in the consolidated statement of financial position: for leases, an asset in the form of a right-of-use asset and a lease liability for the outstanding lease payments must be recognized.

Rights-of-use assets recognized in property, plant and equipment are stated at cost less accumulated depreciation and any necessary impairment losses. If necessary, the cost of the respective rights of use is adjusted when the lease liabilities are remeasured. The cost of a right of use is determined as the present value of all future lease payments plus lease payments made at or before the commencement of the lease term and, if stipulated in the respective contract, the contract termination costs and the estimated costs of dismantling or restoring the leased asset.

Right-of-use assets are amortized on a straight-line basis over the shorter of the lease term and the expected useful life of the asset.

If ownership of the leased asset is transferred to Ringmetall at the end of the lease term, or if the cost includes the exercise of a purchase option, depreciation is determined on the basis of the expected useful economic life of the leased asset.

The rights of use are also tested for impairment.

The initial recognition of lease liabilities allocated to financing liabilities is determined as the present value of the lease payments to be made. In subsequent measurement, the carrying amount of the lease liability is compounded and reduced by the lease payments made.

The amortization of the right-of-use assets is allocated to depreciation and amortization in accordance with IFRS 16. The accretion of the lease liability is recognized in interest expense. In accordance with IFRS 16, the following options exist: the recognition of a right of use and a lease liability may be waived for leases with a term of up to twelve months (short-term leases) and for leases of low-value assets (value of less than EUR 5 thousand each).

Ringmetall makes use of these options. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the term of the lease.

Ringmetall may act as lessor and classifies these leases as operating leases or finance leases.

7.20 Government grants

Government grants are recognized at fair value if there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants include, for example, income subsidies or social security contributions for short-time allowances. If short-time allowance is a personal benefit for the employee, the corresponding payments are transitory items. Another example is low-interest government loans for which the interest benefit is distributed ratably over the term. Government grants are recognized in other income.

8. BUSINESS SEGMENTS

The Management Board is the chief operating decision maker in accordance with IFRS 8. For management purposes, the Group is divided into the Industrial Packaging and Industrial Handling operating segments, based on the products offered by the segments.

Both segments also represent the reportable segments.

The Industrial Packaging business segment specializes in the development, production and marketing of packaging elements for the drum industry. The product range, which focuses exclusively on industrial drums, includes not only the clamping ring, the lid, and the seal, but also handles, closure units, and requirement-specific special components. Since 2019, the product portfolio has also included the manufacture and sale of drum inner sleeves.

The second business segment, Industrial Handling, produces and markets application-oriented vehicle attachments for special vehicles in freight and warehouse logistics. This segment develops and produces restraint systems, lift mast parts and clutch and brake pedals for tractors, trucks and, above all, industrial trucks. However, complex welded assemblies and trailer coupling systems as well as hydraulic components are also part of the product range.

The Management Board assesses the operating segments on the basis of EBITDA. EBITDA represents earnings before interest, taxes, depreciation and amortization.

Sales

Sales between the segments are carried out at market prices. Sales to external customers, which are reported to the Management Board, are measured using the same principles as in the income statement.

	2021			2020		
EUR '000	Segment revenues	Intra- and intersegmental revenues	Revenues from external clients	Segment revenues	Intra- and intersegmental revenues	Revenues from external clients
Industrial Packaging	172,460	12,675	159,785	117,842	9,545	108,297
Industrial Handling	12,553	-	12,553	9,675	-	9,675
Other	943	943	-	772	772	-
Total	**185,956**	**13,618**	**172,338**	128,289	10,317	117,972

For further information on revenues, please refer to Note 9.1.

Segment results

EUR '000	**2021**	2020
Industrial Packaging	28,953	13,806
Industrial Handling	1,255	231
Other	-3,593	-1,861
EBITDA before consolidation	**26,615**	**12,176**
Consolidation effects on EBITDA	5	4
EBITDA	**26,620**	**12,180**
Depreciation Property, plant and equipment and intangible assets	-6,443	-6,193
EBIT	**20,177**	**5,987**
Financing result	-642	-1,707
Earnings before income taxes	**19,535**	**4,280**
Income tax expense	-4,618	-1,545
Net results	**14,917**	**2,735**

Assets

The amounts of assets reported to the Management Board are measured in the same way as in the consolidated financial statements. These assets are allocated to the segments according to their business activities. Geographical allocation is not of significance to the Management Board here.

EUR '000	**31.12.2021**	31.12.2020
Industrial Packaging	30,872	20,871
Industrial Handling	1,265	953
Other	42,472	19,658
Segment assets before consolidation	**74,609**	**41,482**
Reconciliation consolidated balance sheet	-45,825	-19,672
Not distributed:		
Property, plant and equipment	33,395	30,604
Intangible assets	2,842	2,915
Goodwill	33,734	32,300
Deferred tax assets	1,571	2,134
Inventory	21,734	12,202
Current tax receivables	430	510
Others assets	1,406	1,072
Assets according to consolidated balance sheet	**123,896**	**103,547**

Segment assets comprise trade receivables, contract assets and bank balances. Trade receivables include assets from customer contracts in full, with EUR 22,541 thousand (31 December 2020: EUR 14,492 thousand) attributable to the Industrial Packaging segment and EUR 1,034 thousand (31 December 2020: EUR 658 thousand) to the Industrial Handling segment. Contract assets in the amount of EUR 636 thousand (31 December 2020: EUR 435 thousand) are fully attributable to the Industrial Packaging segment.

Liabilities

Segment liabilities are measured in the same way as in the consolidated financial statements. These liabilities are allocated to the segments according to their business activities.

EUR '000	**31.12.2021**	31.12.2020
Industrial Packaging	41,445	36,016
Industrial Handling	2,823	2,303
Other	21,260	7,894
Segment liabilities before consolidation	**65,528**	**46,213**
Reconciliation consolidated balance sheet	-32,014	-15,365
Not distributed:		
Financial liabilities leasing	12,253	13,490
Financial liabilities other loans	698	-
Pension provisions	804	844
Deferred tax liabilities	2,489	2,352
Other liabilities	2,602	2,025
Other provisions	5,794	3,610
Current tax liabilities	1,993	789
Liabilities according to consolidated balance sheet	**60,147**	**53,958**

Segment liabilities comprise trade accounts payable and financial liabilities.

Group-wide information

The total non-current assets other than deferred tax assets are attributable to the following countries:

	31.12.2021 Total non-current assets that are not deferred taxes				
EUR '000	**Total**	Germany	USA	Italy	Other
Property, plant and equipment	2,842	2,649	-	47	146
Intangible assets	33,734	16,316	12,722	4,520	176
Goodwill	33,395	22,307	3,239	5,774	2,075
Other non-current assets and investments accounted for using the equity method	224	121	-	103	-
Total non-current assets excluding deferred taxes	**70,195**	**41,393**	**15,961**	**10,444**	**2,397**

	31.12.2020 Total non-current assets that are not deferred taxes				
EUR '000	**Total**	Germany	USA	Italy	Other
Property, plant and equipment	2,915	2,560	-	46	309
Intangible assets	32,300	14,242	12,204	4,520	1,334
Goodwill	30,604	18,709	3,196	6,387	2,312
Other non-current assets and investments accounted for using the equity method	202	91	-	111	-
Total non-current assets excluding deferred taxes	**66,021**	**35,602**	**15,400**	**11,064**	**3,955**

The regional breakdown of net sales from transactions with non-Group customers is as follows:

	2021				2020			
EUR '000	Germany	USA	Italy / UK	Rest	Germany	USA	Italy / UK	Rest
Industrial Packaging	38,375	49,406	24,335	47,669	30,127	29,616	14,016	34,538
Industrial Handling	11,930	-	-	623	9,159	-	-	516
Other	-	-	-	-	-	-	-	-
Total	**50,305**	**49,406**	**24,335**	**48,292**	39,286	29,616	14,016	35,054

In the Industrial Packaging segment, sales in the amount of EUR 30,848 thousand (2020: EUR 20,357 thousand) and EUR 30,451 thousand (2020: EUR 20,789 thousand), respectively, are based on business with two customers. In the Industrial Handling segment, sales of EUR 7,397 thousand (2020: EUR 5,208 thousand) were generated with one customer.

9. REVENUES AND OTHER OPERATING INCOME

9.1 Revenues

EUR '000	2021	2020
Clamping rings, lids, etc.	139,054	89,340
Drum inliners	20,731	18,957
Vehicle attachment parts, etc	12,553	9,675
Total	**172,338**	**117,972**

The Group's principal activity is the manufacture and sale of clamping rings, related closures and, since 2019, also drum liners (Industrial Packaging segment) and the production and marketing of vehicle attachments for special vehicles used in logistics and warehouse logistics as well as agriculture (Industrial Handling segment).

The Group generated revenue from contracts with customers in accordance with IFRS 15 in the amount of EUR 172,338 thousand (2020: EUR 117,972 thousand). All revenue in both segments is generated and recognized on a point-in-time basis in the reporting year, as in the previous year.

9.2 Other operating income

EUR '000	2021	2020
Income from the waiver of liabilities	809	-
Income from the release of provisions and allowance for doubtful accounts	354	246
Income from the private use of company vehicles	146	140
Income from contribution	83	94
Rental income	19	88
Insurance income	80	78
Other own work capitalized	37	22
Profit / loss on disposal of property, plant and equipment	68	6
Other income	388	130
Total	**1,984**	**804**

Other income increased by EUR 1,180 thousand. This increase mainly results from government COVID-19 loans in the USA in the amount of EUR 809 thousand, which were granted in the previous year and waived in the current fiscal year.

Income from grants and reimbursements includes lump-sum reimbursements of social security contributions from short-time working allowances applied for in the amount of EUR 0 thousand (2020: EUR 22 thousand).

The income from rental income results from the leasing of rooms and other space. Accordingly, this is an operating lease for Ringmetall as lessor.

Other income in the amount of EUR 388 thousand mainly comprises compensation payments.

10. OPERATING EXPENSES

10.1 Cost of material

EUR '000	2021	2020
Cost of raw materials and supplies	88,352	55,324
Cost of purchased services	4,747	5,068
Total	**93,099**	**60,392**

The cost of purchased services includes in particular expenses for energy and purchased services.

10.2 Personnel expenses

EUR '000	2021	2020
Wages and salaries	27,379	23,734
Social security contributions	5,880	5,209
Temporary workers	4,767	2,515
Total	**38,026**	**31,458**

Temporary employees are reported under personnel expenses. This corresponds to the economic approach from the Group's perspective.

Social security contributions include expenses for pension insurance amounting to EUR 1,367 thousand (2020: EUR 1,220 thousand).

The average number of employees has increased from 698 to 748 in 2021 compared to 2020.

The average number of temporary workers employed increased to 128 in 2021 (2020: 73 temporary workers).

10.3 Other expenses and other taxes

EUR '000	2021	2020
Expenses for the issue of goods	6,071	4,501
Expenses for administration and EDP	3,348	3,067
Expenses for consultancy and other external services	3,095	2,323
Expenses for machinery and tools	2,417	2,175
Expenses related to buildings	1,673	1,461
Other taxes	457	226
Other expenses	293	257
Total	**17,354**	**14,010**

Compared to the previous year, other expenses increased by EUR 3,344 thousand. This was mainly due to the increase of EUR 1,570 thousand in expenses for the issue of merchandise, in line with sales. Expenses for consulting and other external services increased by EUR 772 thousand. The main factors here were the change of legal form of Ringmetall AG into a European Company (Societas Europaea, SE) as well as acquisitions and interim management. There were no significant changes in other expenses compared with the previous year. Expenses in connection with buildings are not part of the leasing contracts but mainly relate to ancillary costs.

11. INVESTMENT AND FINANCIAL RESULT

11.1 FINANCE INCOME

EUR '000	**2021**	2020
Interest income	5	14
Exchange rate effects from financing activities	218	-
Total	**223**	**14**

Interest income mainly includes exchange rate effects from financing activities.

11.2 Finance costs

EUR '000	**2021**	2020
Interest on current account and bank loans (not from related parties)	587	810
Interest on liabilities from finance leases	278	326
Interest effect from the compounding of provisions	-	572
Taxes, contributions, fees and others	-	13
Total	**865**	**1,721**

The significant decrease in finance costs is mainly due to the fact that there were no expenses from exchange rate effects in connection with financing in fiscal 2021. In the reporting year, these effects resulted in income, see Note 11.1. Furthermore, interest expense for bank loans decreased. The decrease in interest expense is the result of a lower interest rate for the syndicated loan agreement.

12. INCOME TAXES

Ringmetall SE is subject to domestic corporate income tax and trade tax. The corporate income tax rate applicable for the fiscal years 2021 and 2020 is 15.0 percent. In addition, a solidarity surcharge of 5.5 percent is levied. Trade income tax in 2021 is unchanged from the previous year at 17.2 percent of taxable income.

The domestic subsidiaries, insofar as they are corporations, are also subject to domestic corporate income tax, the solidarity surcharge and trade tax. The domestic partnership is only subject to trade tax. Depending on the individual assessment rate, the trade income tax amounts to between 10.5 percent and 17.2 percent of taxable income.

In the case of the foreign subsidiaries, the tax rates applicable or already enacted at the balance sheet date are used to calculate deferred taxes. Depending on the country, the tax rates range from 15.0 percent to 27.9 percent.

In the Group, several years have not yet been finally assessed for tax purposes. Ringmetall believes that it has made sufficient provision for these open assessment years. It cannot be ruled out that tax payments may be made that exceed the provisions recognized in the financial statements.

Due to future court rulings or changes in the opinion of the tax authorities, it cannot be ruled out that tax payments may have to be made for past years

12.1 Income taxes recognized in profit and loss

Taxes on income are composed as follows:

EUR '000	**2021**	2020
Actual tax expense		
Current year	-3,953	-1,969
Adjustments for previous years	-65	-14
	-4,018	**-1,983**
Deferred tax income		
Thereof from occurrence or reversal of temporary differences	-181	215
Thereof loss carryforwards	-419	223
	-600	**438**
Tax expense	**-4,618**	**-1,545**

Deferred tax expense mainly relates to temporary differences in the recognition and measurement of assets and liabilities under IFRS, as well as to consolidation adjustments recognized in profit or loss and changes in the recognition of tax loss carryforwards. They are calculated on the basis of the tax rates that apply or are expected to apply under the current legal situation in the individual countries at the time of realization.

12.2 Reconciliation of the effective tax rate

The Group tax rate for fiscal 2021 is unchanged from the previous year at 33.0 percent.

The reconciliation from the expected to the reported tax result is shown below:

EUR '000	**2021**	**%**	2020	%
Profit before taxes	19,535		4,280	
Taxes based on the domestic tax rate of the parent company	-6,442	-33.0	-1,411	-33.0
Differences in tax rates	1,169	6.0	379	8.8
Change of tax rates	3	0.0	6	0.1
Non-deductible expenses	-56	-0.3	-233	-5.4
Non-taxable income	228	1.2	0	0.0
Losses and temporary differences for which no tax assets could be recognized	-35	-0.2	-721	-16.8
Temporary differences for which no tax assets could be accounted for	49	0.3	0	0.0
Actual taxes relating to other periods	-65	-0.3	-14	-0.3
Reduction of deferred tax expense due to previously unrecognized tax losses	506	2.6	438	10.2
Foreign tax benefit	0	0.0	42	1.0
Other tax effects	24	0.1	-30	-0.7
Effective tax expense	**-4,618**	**-23.6**	**-1,545**	**-36.1**

The decrease in the effective tax rate in the reporting year compared to the previous year is mainly due to the reduction in deferred tax expense due to previously unrecognized tax losses.

12.3 Unrecognized deferred tax assets

At the end of the reporting period, the Group has unrecognized taxes on loss carryforwards of EUR 757 thousand (2020: EUR 1,517 thousand), the underlying loss carryforwards amount to EUR 3,783 thousand (2020: EUR 7,750 thousand).

In the reporting period, EUR 609 thousand of these tax loss carryforwards were not recognized for loss carryforwards expiring in 2022, EUR 1,835 thousand for loss carryforwards expiring in the period 2023 to 2026, EUR 24 thousand for loss carryforwards expiring in the period 2027 to 2030, and EUR 1,315 thousand for loss carryforwards that can be carried forward indefinitely.

Deferred tax assets were not capitalized on the basis of corporate planning, taking into account usability and recoverability.

Ringmetall SE does not recognize deferred tax liabilities for retained earnings of subsidiaries if these earnings are considered likely to be permanently invested and Ringmetall has the ability to control the distributions, whereby a distribution of these earnings is not planned in the future. Furthermore, there are also no plans to dispose of the relevant shares.

12.4 Changes in deferred taxes during the year

Deferred tax assets and liabilities show the following development:

Deferred tax assets EUR '000	**31.12.2021**	31.12.2020
Intangible assets	913	641
Property, plant and equipment	606	636
Inventory	181	108
Other liabilities	220	75
Other assets	26	29
Tax loss carryforwards	785	1,179
Total	**2,731**	**2,668**
Netting of deferred tax assets and liabilities	-1,160	-534
Deferred tax assets after netting	**1,571**	**2,134**

Deferred tax liabilities EUR '000	**31.12.2021**	31.12.2020
Intangible assets	1,364	1,008
Property, plant and equipment	1,575	1,752
Trade receivables	172	121
Other liabilities	537	-
Other assets	1	5
Total	**3,649**	**2,886**
Netting of deferred tax assets and liabilities	-1,160	-534
Deferred tax liabilities after netting	**2,489**	**2,352**

Deferred taxes are capitalized to the extent that it is probable that future taxable income will be generated in line with business expectations.

In Germany, the establishment of a fiscal unity with persistently profitable Group companies is intended to enable the future offsetting of tax losses in the Industrial Packaging segment within the planning period of five years. In the first quarter of 2021, a further profit and loss transfer agreement was concluded with a subsidiary for this purpose; further profit and loss transfer agreements will be concluded as soon as the loss carryforwards of the future controlled companies have been used up.

The net amount of deferred taxes developed as follows:

EUR '000	**2021**	2020
Deferred tax assets, net at 1. January	**-218**	**-614**
Changes in the consolidated group	-106	-
Change in deferred taxes due to Revaluation of severance payment obligations, recognised in other comprehensive income	-9	-5
Currency translation effects	15	-38
Deferred tax expenses/income	-600	439
Deferred tax assets, net at 31. December	**-918**	**-218**

13. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13.1 Net income from continuing operations

EUR '000	**2021**	2020
Shareholders of the parent company	14,446	2,388
Non-controlling interests	471	347
Consolidated net profit	**14,917**	**2,735**

13.2 Earnings per share

	2021	2020
a) Undiluted earnings per share	Euro per share	Euro per share
From continuing operations	0.50	0.08
From discontinued operations	-	-
Total undiluted earnings per share	**0.50**	**0.08**

The net income and weighted average number of ordinary shares used in the calculation of basic earnings per share are presented below.

	2021	2020
Group earnings attributable to the shareholders of Ringmetall SE	14,446	2,388
Weighted average number of ordinary shares to calculate undiluted earnings per share	29,069	29,069
b) Diluted earnings per share	Euro per share	Euro per share
From continuing operations	0.50	0.08
From discontinued operations	-	-
Total diluted earnings per share	**0.50**	**0.08**

The calculation uses the consolidated net profit for the year attributable to the shareholders of Ringmetall SE.

In the reporting year, there were no option programs for employees, convertible bonds or other circumstances that would lead to a dilution of earnings per share, so that basic earnings per share and diluted earnings per share are identical.


LOVE

14. GOODWILL

14.1 Reconciliation of the book value

EUR '000	**2021**	2020
Acquisition cost	35,530	33,613
Accumulated impairment losses	-1,796	-1,313
Balance at end of year	**33,734**	**32,300**
Acquisition cost		
Balance at beginning of year	33,613	34,759
Additional amounts recognized from business combinations	916	-
Effects of exchange rate differences	1,001	-1,146
Balance at end of year	**35,530**	**33,613**
Accumulated impairment losses		
Balance at beginning of year	1,313	1,842
Impairment losses recognized during the year	-	-
Effects of exchange rate differences	483	-529
Balance at end of year	**1,796**	**1,313**

The accumulated impairment losses relate in the amount of EUR 820 thousand to Cemsan Metal Parts Manufacturing Industry Trade Ltd. Company and in the amount of EUR 493 thousand to Metallwarenfabrik Berger GmbH, which was merged with Latza GmbH in 2019. These impairment losses – recognized in previous years – are the result of regular goodwill impairment tests.

14.2 Assignment of goodwill to cash-generating units

Goodwill resulting from a business combination is recognized at the value resulting from the purchase price allocation less any necessary impairment losses and is presented separately in the consolidated statement of financial position. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the synergies of the combination.

At the respective measurement date (= closing date), the recoverable amount of each cash-generating unit carrying goodwill is determined based on a value-in-use calculation using cash flow projections based on financial budgets determined and approved by management and compared to its carrying amount. A detailed plan was used as a basis for the first year, which was extrapolated in a simplified extrapolation with an average growth potential of up to 10.0 percent for two further years. The growth factor applied depends on the extent to which a country or business area was or is affected by the COVID-19 pandemic and the corresponding effects for the near future, which are, however, no longer expected in the medium term. Growth rates of up to 10 percent result from the fact that the detailed planning period takes into account COVID-19-related effects that are no longer expected in subsequent years. Periods not included in the planning calculations are represented by recognizing the residual value (terminal value). Cash flows after the three-year period are assumed to be subject to a growth rate of 0.0 percent (31 December 2020: 0.0 percent). The cash flows are discounted using the risk-adjusted pre-tax interest rate of the respective cash-generating units of 6.0 percent to 8.0 percent (31 December 2020: 6.0 percent to 8.0 percent), which is based on the weighted average cost of capital (WACC). The weighted average cost of capital takes into account a cost of capital of 8.5 percent (31 December 2020: 8.2 percent) and a cost of debt of 1.5 percent (31 December 2020: 1.8 percent). The calculation is based on the capital asset pricing model (CAPM), taking into account current market expectations. Specific peer group information for beta factors, capital structure data and borrowing cost rates were used to determine the risk-adjusted interest rates for impairment testing purposes.

Goodwill is composed as follows as of the balance sheet date:

EUR '000	**31.12.2021**	31.12.2020
August Berger Metallwarenfabrik GmbH	834	834
Berger Closures Limited	176	176
Berger Italia S.r.l.	2,658	2,658
Berger US Inc.	12,722	12,204
HOSTO Stolz GmbH & Co. KG	916	-
HSM GmbH & Co. KG	3,973	3,973
Packaging Inliner	9,332	9,332
Latza GmbH	1,261	1,261
S.G.T. S.r.l.	1,862	1,862
Total	**33,734**	**32,300**

The cash-generating unit Packaging Inliner comprises the legal entities of the Nittel companies and Tesseraux. Operational management of the companies is carried out by a common group of people. The overriding objective is to bring the companies closer together in order to leverage synergies in all relevant areas of the business.

The strategic management and alignment of the companies as well as the preparation and pursuit of a business area strategy is carried out at the Packaging Inliner level, and reports are submitted to management and the Supervisory Board at this level. This division is part of the Industrial Packaging segment and is therefore smaller than the segment.

All goodwill recognized results mainly from synergies in market development. This can result, for example, from the development of new regions or new products. There is also earnings potential from acquired production sites.

Basic assumptions for calculating the value in use of the business units
The following section explains the basic assumptions on which management has based its cash flow forecasts for goodwill impairment testing.

There are estimation uncertainties in the following assumptions – on which the calculation of the value in use of the cash-generating units is based:

Business plan – The business plan was prepared on the basis of estimates of future business development by management. These estimates were based on past experience.

Budgeted gross profit margins – Gross profit margins are determined on the basis of the average gross profit margins achieved in the immediately preceding financial year and increased to take account of expected efficiency improvements.

Price increase of raw materials/goods – To account for the price increase, it was mainly assumed that the Group will be able to pass on price increases of raw materials/goods purchased through selling prices. The basic assumptions made are consistent with those of external sources of information.

The Group did not determine the fair value less costs to sell, as the values in use already exceeded the carrying amounts of the individual cash-generating units.

Sensitivity of the assumptions made
The calculated values in use significantly exceeded the carrying amounts of the cash-generating units.

Management believes that no reasonably possible change in any of the key assumptions used to determine the value in use of the cash-generating units could cause the carrying amount of the cash-generating unit to exceed its recoverable amount.

15. INTANGIBLE ASSETS AND GOODWILL

15.1 Reconciliation of the book value

For accounting policies, see Notes 7.9. and 7.11.

2021 EUR '000	Software	Goodwill	Intangibles in origination	**Total**
Acquisition and production costs				
As of 01.01.2021	**5,062**	**33,613**	**-**	**38,675**
Acquisitions through business combinations	726	-	-	726
Additions	369	916	-	1,285
Transfers	-	-	-	-
Disposals	-3	-	-	-3
Currency translation	13	1,001	-	1,014
As of 31.12.2021	**6,167**	**35,530**	**-**	**41,697**
Accumulated depreciation and impairment charges				
As of 01.01.2021	**-2,147**	**-1,313**	**-**	**-3,460**
Acquisitions through business combinations	-	-	-	-
Additions	-1,182	-	-	-1,182
Transfers	-	-	-	-
Disposals	3	-	-	3
Currency translation	1	-483	-	-482
As of 31.12.2021	**-3,325**	**-1,796**	**-**	**-5,121**
Book values				
As of 31.12.2021	**2,842**	**33,734**	**-**	**36,576**

2020 EUR '000	Software	Goodwill	Intangibles in origination	**Total**
Acquisition and production costs				
As of 01.01.2020	**4,692**	**34,759**	**-**	**39,451**
Acquisitions through business combinations	-	-	-	-
Additions	396	-	-	396
Transfers	-	-	-	-
Disposals	-9	-	-	-9
Currency translation	-17	-1,146	-	-1,163
As of 31.12.2020	**5,062**	**33,613**	**-**	**38,675**
Accumulated depreciation and impairment charges				
As of 01.01.2020	**-1,103**	**-1,842**	**-**	**-2,945**
Acquisitions through business combinations	-	-	-	-
Additions	-1,061	-	-	-1,061
Transfers	-	-	-	-
Disposals	7	-	-	7
Currency translation	10	529	-	539
As of 31.12.2020	**-2,147**	**-1,313**	**-**	**-3,460**
Book values				
As of 31.12.2020	**2,915**	**32,300**	**-**	**35,215**

16. PROPERTY, PLANT AND EQUIPMENT

16.1 Reconciliation of the book value

For accounting policies, see Notes 7.10. A and 7.10 B and 7.11.

2021 EUR '000	Land and buildings	Technical equipment and machinery	Other systems, POE*	Property, plant and equipment in origination	**Total**
Acquisition and production costs					
As of 31.12.2020	**26,999**	**41,694**	**6,967**	**596**	**76,256**
Acquisitions through business combinations	1,500	2,613	435	-	4,548
Additions	201	2,169	697	773	3,840
Transfers	30	853	14	-897	0
Disposals	-333	-2,131	-255	-	-2,719
Currency translation	142	192	34	-	368
As of 31.12.2021	**28,539**	**45,390**	**7,892**	**472**	**82,293**
Accumulated depreciation and impairment charges					
As of 31.12.2020	**-7,965**	**-32,595**	**-5,092**	**-**	**-45,652**
Acquisitions through business combinations	-	-	-	-	-
Additions	-1,944	-2,347	-794	-176	-5,261
Transfers	-	-	-	-	-
Disposals	206	1,732	255	-	2,193
Currency translation	-56	-95	-27	-	-178
As of 31.12.2021	**-9,759**	**-33,305**	**-5,658**	-176	**-48,898**
Book values					
As of 31.12.2021	**18,780**	**12,085**	**2,234**	**296**	**33,395**

* Plant and office equipment

2020 EUR ‘000	Land and buildings	Technical equipment and machinery	Other systems, POE*	Property, plant and equipment in origination	**Total**
Acquisition and production costs					
As of 31.12.2019	**19,833**	**41,864**	**7,366**	**441**	**69,504**
Acquisitions through business combinations	-	-	-	-	-
Additions	7,359	660	834	256	9,109
Transfers	30	765	-700	-96	0
Disposals	-	-1,118	-486	-	-1,604
Currency translation	-223	-477	-47	-6	-753
As of 31.12.2020	**26,999**	**41,694**	**6,967**	**596**	**76,256**
Accumulated depreciation and impairment charges					
As of 31.12.2019	**-6,019**	**-30,802**	**-5,529**	**-**	**-42,350**
Acquisitions through business combinations	-	-	-	-	-
Additions	-2,011	-2,351	-770	-	-5,132
Transfers	-16	-682	698	-	0
Disposals	-	1,014	467	-	1,481
Currency translation	81	226	42	-	349
As of 31.12.2020	**-7,965**	**-32,595**	**-5,092**	-	**-45,652**
Book values					
As of 31.12.2020	**19,034**	**9,099**	**1,875**	**596**	**30,604**

* Plant and office equipment

The capitalized rights of use are reported in the respective asset class in which the asset underlying the lease would have to be reported.

For reasons of clarity, the development of the carrying amounts of the rights of use is presented in the following table:

2021 EUR '000	Land and Buildings	Technical equipment and machinery	Operating and office equipment	**Total**
Rights of use				
As of 01.01.2021	**14,688**	**2,250**	**1,096**	**18,034**
Revaluation	-	-	-	-
Additions	44	699	318	1,061
Disposals	-333	-181	-163	-677
Currency translation	1	-	-9	-8
As of 31.12.2021	**14,400**	**2,768**	**1,242**	**18,410**
Accumulated depreciation				
As of 01.01.2021	**-3,083**	**-973**	**-498**	**-4,554**
Revaluation	-	-	-	-
Additions	-1,565	-360	-304	-2,229
Disposals	206	181	165	552
Currency translation	65	-	5	70
As of 31.12.2021	**-4,377**	**-1,152**	**-632**	**-6,161**
Book values				
As of 31.12.2021	**10,023**	**1,616**	**610**	**12,249**

2020 EUR '000	Land and Buildings	Technical equipment and machinery	Operating and office equipment	**Total**
Rights of use				
As of 01.01.2020	**7,489**	**2,250**	**652**	**10,391**
Revaluation	2	-	38	40
Additions	7,386	-	434	7,820
Disposals	-	-	-28	-28
Currency translation	-189	-	-	-189
As of 31.12.2020	**14,688**	**2,250**	**1,096**	**18,034**
Accumulated depreciation				
As of 01.01.2020	**-1,396**	**-649**	**-216**	**-2,261**
Revaluation	-89	-12	-13	-114
Additions	-1,661	-312	-299	-2,272
Disposals	-	-	25	25
Currency translation	63	-	5	68
As of 31.12.2020	**-3,083**	**-973**	**-498**	**-4,554**
Book values				
As of 31.12.2020	**11,605**	**1,277**	**598**	**13,480**

The marginal borrowing rates used to determine the lease liabilities and thus also the rights of use at the time of recognition in the financial year 2021 range between 1.18 and 5.89 percent.

As of 31 December 2021, there were no indications of any impairment requirement for the rights of use.

Expenses for short-term leases of EUR 30 thousand or those based on a low-value asset of EUR 17 thousand amounted to EUR 47 thousand (2020: EUR 93 thousand). The total amount of lease payments for the financial year was EUR 2,253k.

17. OTHER NON-CURRENT ASSETS

Other non-current assets include the following items:

EUR '000	31.12.2021	31.12.2020
Other non-current financial assets	167	136
Total	**167**	**136**

Other non-current assets mainly comprise shares in affiliated companies that are not consolidated and assets relating to pension provisions recognized as liabilities (see note 24), although these do not constitute plan assets within the meaning of IAS 19.

18. INVENTORIES

EUR '000		31.12.2021	31.12.2020
	Gross value	14,974	6,902
	Depreciation	-259	-123
Raw materials and supplies	**Book value**	**14,715**	**6,779**
	Gross value	1,996	1,696
	Depreciation	-49	-15
Work in progress	**Book value**	**1,947**	**1,681**
	Gross value	5,327	3,817
	Depreciation	-255	-75
Finished products	**Book value**	**5,072**	**3,742**
Total		**21,734**	**12,202**

Finished goods include merchandise in the amount of EUR 1,723 thousand (31 December 2020: EUR 914 thousand), which is not included in the change in inventories.

Some of the inventories are subject to retention of title by suppliers. Part of the inventories from the inliner product area was pledged as collateral. For details of the collateral, please refer to section 26.2.

Income from the reversal of impairment losses recognized in the income statement amounted to EUR 41 thousand (2020: EUR 6 thousand). This mainly results from the sale or consumption of inventories previously written down.

19. TRADE RECEIVABLES

Trade receivables are amounts owed by customers for goods sold in the ordinary course of business. They are generally due for payment within 30 to 60 days – in individual cases up to 90 days due to country-specific circumstances – and are therefore classified as current. Trade receivables are initially recognized at the amount of the unconditional consideration. They do not contain any financing components. The Group holds trade receivables to collect the contractual cash flows and measures them at amortized cost.

The corresponding carrying amounts at year-end are as follows:

EUR '000	**31.12.2021**	31.12.2020
Trade receivables	23,731	15,278
Impairments for expected credit losses	-156	-128
Total	**23,575**	**15,150**

The risk of bad debts is limited by credit checks and a dunning system. In the operating business, outstanding receivables are continuously monitored on a location-specific, i.e. decentralized, basis.

The expected credit losses on trade accounts receivable are calculated using an allowance table. Based on future expectations, credit losses on trade receivables are estimated over the entire contractual period during which Ringmetall is exposed to default risk. Trade receivables have been grouped by geographical area as payment terms vary by geographical area.

In fiscal year 2021, as in previous years, trade accounts receivable losses were incurred only to an insignificant extent.

Age structure of overdue receivables (nominal values):

EUR '000	**31.12.2021**	31.12.2020
61 to 90 days	99	86
91 to 180 days	81	162
More than 180 days	3	6
Total	**183**	**254**

Changes in the allowance for expected credit losses:

EUR '000	**2021**	2020
Balance at beginning of year	**128**	**258**
Impairment on expected credit losses	12	-
Amounts received from depreciated receivables during the financial year	**140**	**258**
Adjustment for expected credit losses	13	97
Depreciated receivables due to irrecoverability	-	-222
Changes in exchange rate	3	-5
Balance at end of year	**156**	**128**

Age structure of impaired receivables (nominal values):

EUR '000	**31.12.2021**	31.12.2020
0 to 30 days	1,169	1,247
31 to 60 days	57	375
61 to 90 days	99	86
91 to 180 days	81	162
More than 180 days	3	6
Total	**1,409**	**1,876**

20. CONTRACT ASSETS

EUR '000	**31.12.2021**	31.12.2020
Contract assets	636	435
Total	**636**	**435**

Contract assets are those assets from customer contracts that have not yet been invoiced to customers. They result from deliveries of Ringmetall products to customers' consignment stores. As a result, the customers immediately gain physical possession of the assets and control is deemed to have been transferred.

These contract assets are entirely from the Industrial Packaging segment.

21. OTHER CURRENT ASSETS AND CURRENT TAX RECEIVABLES

EUR '000	**31.12.2021**	31.12.2020
Deferrals	215	298
Other receivables	967	572
Other current non-financial assets	**1,182**	**870**
Current tax receivables	430	510

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of 31 December 2021 comprise the following:

EUR '000	**31.12.2021**	31.12.2020
Bank balances and cash on hand	4,573	6,225
Balance at end of year	**4,573**	**6,225**

The fair value of cash and cash equivalents corresponds to the carrying amount.

23. EQUITY

The development of equity in the 2021 financial year is shown in the consolidated statement of changes in equity.

23.1 Subscribed capital

EUR '000	**31.12.2021**	31.12.2020
Subscribed capital	29,069	29,069
The subscribed capital is composed as follows:		
Bearer shares of EUR 1 each	29,069,040	29,069,040

a) Fully paid-up ordinary shares

EUR '000	Anzahl Anteile	Gezeichnetes Kapital	Aufgeld
As of 01.01.2020	29,069,040	29,069	16,664
Capital increase	-	-	-
Stand as of 31.12.2020	29,069,040	29,069	16,664
Capital increase	-	-	-
Stand As of 31.12.2021	**29,069,040**	**29,069**	**16,664**

The fully paid-in ordinary shares have a nominal value of EUR 1.00, carry one voting right each and are entitled to dividends.

Ringmetall SE does not hold any treasury shares.

In the 2018 financial year, the share capital was increased by EUR 1,384,240.00 from EUR 27,684,800.00 to EUR 29,069,040.00 by resolution of the Supervisory Board on 14 August 2018 in accordance with Section 5 of the Articles of Association (Share Capital, Authorized Capital). 1,384,240 no-par value bearer shares with an arithmetical share in the share capital of EUR 1.00 were issued.

At the Annual General Meeting on 30 August 2018, the Management Board was authorized until 31 July 2023, with the approval of the Supervisory Board, to increase the share capital by up to EUR 3,975,200.00 in exchange for cash contributions and/or contributions in kind, whereby shareholders' subscription rights may be excluded (Authorized Capital 2018/I).

At the Annual General Meeting on 16 June 2021, the Management Board was authorized, with the approval of the Supervisory Board, to increase the share capital on one or more occasions by up to EUR 5,813,808 against cash contributions and/or contributions in kind until 31 May 2026, whereby shareholders' subscription rights may be excluded (Authorized Capital 2021/I).

Due to the exclusion of subscription rights to the authorized capital, a future dilution of earnings per share is unlikely.

23.2 Capital reserve

EUR '000	**2021**	2020
Balance at beginning of year	16,664	16,664
Additions from premiums	-	-
Costs associated with the capital increase	-	-
Balance at end of year	**16,664**	**16,664**

The capital reserve mainly includes premiums from the issue of shares.

23.3 Currency translation reserve

EUR '000	**2021**	2020
Balance at beginning of year	-1,765	-890
Changes in the financial year	1,258	-875
Balance at end of year	**-507**	**-1,765**

The currency translation reserve contains the differences from the currency translation of the financial statements of foreign subsidiaries recognized directly in equity. The portion attributable to non-controlling interests from currency translation not affecting profit or loss amounts to EUR 11 thousand (December 31, 2020: EUR -15 thousand) and is included in the non-controlling interests.

23.4 Other result

Other comprehensive income relates to differences arising from the currency translation of the financial statements of foreign subsidiaries and the effects of the remeasurement in connection with the recognition of severance obligations.

Deferred taxes are calculated on the revaluation in connection with the recognition of severance obligations, which are generally not recognized in profit or loss in the income statement, but as other comprehensive income in the statement of comprehensive income.

23.5 Non-controlling shareholders

EUR ‘000	**2021**	2020
Balance at beginning of year	869	1,064
Share in the net result	471	347
Distributions	-310	-527
Other changes	11	-15
Balance at end of year	**1,041**	**869**

24. PROVISIONS SIMILAR TO PENSIONS

Under pensions and similar obligations, obligations are shown which are based on legal foundations in Italy at the Group companies S.G.T. S.r.l. Albavilla, Italy, and Berger Italia S.r.l. Valmadrera, Italy. These are so-called “Trattamento di Fine Rapporto (TFR)“ or severance payment obligations which the Italian companies have towards their employees. Employees in Italy are generally entitled to a severance payment. In this context, the reason for the “separation from the employee“ is irrelevant. A claim to payment from TFR arises in every employment relationship. It is a supplementary pension entitlement under public law that is not negotiable.

The corresponding funds for the TFR must be recognized by the companies as a provision for future company liabilities. When the TFR is paid out, therefore, there are primarily no expenses due to the consumption of the provision; there is only a cash outflow. The TFR refers, among other things, to the salary amount received by the employee. To secure the obligations, the Group holds corresponding restricted cash through an insurance institution. As of the reporting date, Ringmetall was not aware of any circumstances that would lead to the obligations becoming due within 12 months after the reporting date, nor are any such circumstances expected. Accordingly, the pension-like provisions are disclosed under non-current liabilities.

24.1 Valuation of severance payment obligations

The provision for severance obligations corresponds to the total amount of the individual claims accumulated by the employees on the respective valuation date, less advance payments already made, and corresponds to the amount that would be due upon termination of the respective employment relationship on the valuation date.

The valuation of severance obligations is carried out in accordance with IAS 19. Corresponding actuarial reports are available for the Group companies S.G.T. S.r.l. Albavilla, Italy, and Berger Italia S.r.l. Valmadrera, Italy, as of the valuation dates 31 December 2021 and 31 December 2020.

In accordance with the requirements of IAS 19, particular consideration is given to the date on which the corresponding severance obligations will be incurred and a quantification is carried out taking into account an average present value calculation.

The underlying parameters are gender and qualification as well as age and length of service. As part of the valuation process, the future obligations are calculated in terms of amount and timing, taking into account the economic and demographic parameters and premises. With regard to the demographic parameters, a further distinction is made between termination, occupational disability and death.

In the calculations according to IAS 19, the termination benefit obligations are determined for the respective measurement dates with the respective defined or underlying premises and assumptions on the basis of the defined remaining term of the TFR cash flows and the remaining average expected working life in years.

The calculation of foreign obligations was based on mortality tables of the respective country. The probability of fluctuation was estimated on an age- and gender-specific basis. The expected return on plan assets was estimated prudently on the basis of historical values.

	Foreign countries 2021	Foreign countries 2020
Discount rate	0.98%	0.34%
Inflation rate	2.00%	2.00%
Probability of advance payments	7.03% Berger Italia/2.75% S.G.T.	6.27% Berger Italia/2.49% S.G.T.
Annual payment amounts	30-60 EUR '000	0-37 EUR '000
Remaining term of TFR cash flows	10.62-15.46 years	11.23-16.82 years
Average expected remaining working time	15 resp. 18 years	15 resp. 19 years

24.2 Development of severance payment obligations

The provision for severance obligations developed as follows:

EUR '000	**2021**	2020
As of 1.1.	844	830
Current service cost	-90	-37
Interest expense	7	3
Reappraisal	-37	-21
Other changes	80	69
As of 31.12.	**804**	**844**

The annual expense for the addition to the termination benefit obligation is allocated to personnel expenses in the consolidated income statement in accordance with the nature of expense method. The interest expense is presented within the financial result. The result from the remeasurement of the termination benefit obligation and the deferred taxes thereon are presented within other comprehensive income in equity.

The following effects would have resulted on the provision for severance obligations recognized as of 31 December 2021 and 31 December 2020 if the calculation parameters (discount factor 0.98 percent, 2020: 0.34 percent) had changed as follows:

Sensitivity analysis of severance obligations

EUR '000	31.12.2021	31.12.2020
Discount rate 0.73% (-0.25%)	+16	+20
Discount rate 1.23% (+0.25%)	-16	-20

25. OTHER PROVISIONS

For accounting policies, see Note 7.18.

2021 EUR '000	Vacation pay / Overtime	Other personnel	Consultancy	Warranty risks	Other	Total
As of 1.1.	**732**	**1,440**	**661**	**136**	**641**	**3,610**
Changes in the scope of consolidation	106	369	-	21	113	609
Provisions used	-676	-1,373	-525	-90	-656	-3,320
Reversal of unused provisions	-3	-112	-117	-25	-46	-303
Increase of provisions	699	3,211	718	41	588	5,257
Reassessment	-	-50	6	8	-23	-59
As of 31.12.	**858**	**3,485**	**743**	**91**	**617**	**5,794**

2020 EUR '000	Vacation pay / Overtime	Other personnel	Consultancy	Warranty risks	Other	Total
As of 1.1.	**796**	**1,235**	**408**	**66**	**445**	**2,950**
Changes in the scope of consolidation	-	-	-	-	-	-
Provisions used	-650	-922	-406	-11	-361	-2,350
Reversal of unused provisions	-	-118	-26	-12	-13	-169
Increase of provisions	705	1,176	567	105	691	3,244
Reassessment	-119	69	118	-12	-121	-65
As of 31.12.	**732**	**1,440**	**661**	**136**	**641**	**3,610**

Personnel-related provisions include in particular accrued amounts for vacation entitlements and earned overtime. The increase is mainly due to higher other personnel-related provisions for increased vacation and overtime entitlements.

Other personnel-related provisions include provisions for management bonuses and estimated amounts in connection with employee departures. The increase is mainly due to higher management bonuses.

Other personnel-related provisions include provisions for partial retirement totaling EUR 262 thousand as of 31 December 2021. The non-current portion of this provision amounting to EUR 155 thousand is recognized in the balance sheet under non-current liabilities.

The provision for consulting includes anticipated obligations in connection with services received. A significant portion includes accrued costs due to the audit of the consolidated financial statements, tax advice and consulting services in connection with the extension and optimization of Group financing.

The provision for warranty risks is based on the Executive Board's best estimate of the future outflow and mainly takes into account individual case-related transactions.

Revaluation includes effects relating to currency differences and reassessments of existing provisions.

26. FINANCIAL LIABILITIES

26.1 Terms and liabilities schedule

EUR '000	Notes	31.12.2021	31.12.2020
Non-current liabilities			
Bank loans	26.2	13,281	15,514
Other loans		349	-
Liabilities from leasing agreements	26.4	9,970	11,341
Total		**23,600**	**26,855**
Current liabilities			
Bank loans	26.2	5,351	5,181
Other loans		349	-
Liabilities from leasing agreements	26.4	2,283	2,149
Total		**7,983**	**7,330**

The amounts reported under other loans include the vendor loans from the purchase of the limited partnership interests and from the purchase of the movable assets as disclosed in Note 6 "Acquisition of HOSTO". Half of the amounts are due in fiscal years 2022 and half in fiscal year 2023 and are measured at the repayment amount.

Information on the extent to which the Group is exposed to interest rate, currency and liquidity risks is presented in Note 29.3.

The classification of debt into current and non-current is based on the repayment schedules.

26.2 Secured bank loans

The outstanding loans have the following terms:

EUR '000		Currency	Interest rate	Maturity year	31.12.2021 Nominal value	31.12.2021 Book value	31.12.2020 Nominal value	31.12.2020 Book value
Ringmetall SE	A	EUR	EURIBOR +2.00%	2021 – 2025	13,500	13,500	-	-
	B/C	EUR			4,115	4,115	7,304	7,304
		EUR	7.50%	2021	0	0	487	487
August Berger Metallwarenfabrik GmbH	A	EUR	EURIBOR +1.75%	2021 – 2025	-	-	9,000	9,000
	B	EUR			-	-	575	575
	C	EUR			-	-	337	337
Berger US Inc.		USD/EUR	1.00%	2022	-	-	777	777
Cemsan Metal Parts Manufacturing Industry Trade Ltd. Company		TRY/EUR	18.00%	2022	136	136	192	192
SGT s.r.l.		EUR	2.50%	2023	58	58	110	110
		EUR	1.00%	2022	460	460	163	163
HOSTO Stolz GmbH & Co. KG		EUR	2.40%	2026	175	175	-	-
		EUR	1.95%	2026	136	136	-	-
Berger Closing Rings (Changshu) Co., Ltd.		CNY/EUR	5.65%	2022	52	52	277	277
Nittel Halle GmbH		EUR	1.85%	2021	-	-	10	10
		EUR	EURIBOR +4.25%	2021 – 2025	-	-	963	963
Tesseraux Spezial-verpackungen GmbH		EUR	EURIBOR +1.80%	2021	-	-	500	500
Total					**18,632**	**18,632**	**20,695**	**20,695**

The bank loans are secured by land and buildings in the amount of EUR 1,811 thousand (31 December 2020: EUR 1,487 thousand), as well as other non-current assets in the amount of EUR 2,981 thousand (31 December 2020: EUR 2,483 thousand) and current assets in the amount of EUR 8,994 thousand (31 December 2020: EUR 9,656 thousand). The values stated correspond to the carrying amounts.

In December 2020, a new syndicated loan agreement was concluded with the existing banks with effect from 1 January 2021. In addition to optimizing the financing structure, this also created financial resources for possible company acquisitions. Previously, bank financing was mainly provided by the Group subsidiary August Berger Metallwarenfabrik GmbH; now, Ringmetall SE is primarily the contractual partner of the financing banks.

In the consolidated financial statements as of 31 December 2021, the effects of the new syndicated loan agreement are mainly reflected in a shift of bank loans to Ringmetall SE. Furthermore, new funds in the amount of EUR 4,500 thousand were raised.

The breakdown into tranches A, B and C shows the different tranches of the same syndicated loan agreement.

26.3 Violations of covenants from financial liabilities

There were no breaches of covenants relating to financial liabilities as of the reporting date.

26.4 Liabilities from leasing

At the end of the reporting period, liabilities from leases relate to assets financed in the form of buildings on land owned by third parties, technical equipment and machinery, and operating and office equipment. The lease term is generally based on the useful economic life of the assets. However, in the case of leases for buildings on land owned by third parties, account is taken of corporate strategy factors.

With regard to the interest rates used for discounting, please refer to the comments on rights of use in Note 16.

The maturities of the lease liabilities range between 2022 and 2034 (31 December 2020: between 2021 and 2034) and are due as follows:

	Future minimum payments		Interest payments		Present value of future minimum payments	
EUR '000	**31.12.2021**	31.12.2020	**31.12.2021**	31.12.2020	**31.12.2021**	31.12.2020
Less than 1 year	2,524	2,414	241	265	2,283	2,149
Between 1 and 5 years	6,689	7,371	556	623	6,133	6,748
More than 5 years	4,168	5,068	331	475	3,837	4,593
Total	**13,381**	**14,853**	**1,128**	**1,363**	**12,253**	**13,490**

The decrease in liabilities from leases mainly results from scheduled repayments of EUR 2,243 thousand, which were partly offset by the conclusion of new leases.

The present value of future minimum payments corresponds to the carrying amount in the statement of financial position.

As in the prior-year period, there were no contingent lease payments in the reporting period.

27. TRADE PAYABLES AND OTHER LIABILITIES

CURRENT: EUR '000	31.12.2021	31.12.2020
Trade payables	14,882	10,153
Other liabilities	2,602	2,025
Total	**17,484**	**12,178**

Other liabilities include liabilities of EUR 62 thousand (31 December 2020: EUR 60 thousand) to an affiliated company that is not included in the consolidated financial statements.

For information on the Group's currency and liquidity risks with regard to trade payables and other liabilities, please refer to note 29.3.

28. CAPITAL MANAGEMENT

The Group's objective is to maintain a strong capital base in order to maintain the confidence of investors, creditors and the markets and to ensure the sustainable development of the Company.

The Executive Board aims to achieve a balance between increasing returns, while optimizing the ratio of equity to debt, and the benefits of a stable capital base.

The Group monitors capital using a ratio of adjusted net debt to equity. Adjusted net debt principally comprises interest-bearing liabilities to banks as well as lease liabilities less cash and cash equivalents.

The equity ratio is as follows:

EUR '000	31.12.2021	31.12.2020
Interest-bearing loans	18,632	20,695
Leasing liabilities	12,253	13,490
Minus cash and cash equivalents	-4,573	-6,225
Net debt	**26,312**	**27,960**
Equity	**63,749**	**49,589**
Total assets	**123,896**	**103,547**
Equity ratio	51.5%	47.9%

29. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

29.1 Classifications and fair values

The following table shows the carrying amounts and classification of financial assets and financial liabilities in accordance with IFRS 9.

EUR '000	IFRS 9 Valuation category	**IFRS 9 Book value 31.12.2021**	IFRS 9 Book value 01.01.2021
Assets			
Other non-current financial assets	AC	167	136
Trade receivables	AC	23,575	15,150
Contract assets	AC	636	435
Cash and cash equivalents	AC	4,573	6,225
Total		**28,951**	**21,946**
Liabilities			
Non-current financial liabilities	FLAC	23,600	26,855
Trade payables	FLAC	14,882	10,153
Current financial liabilities	FLAC	7,983	7,330
Total		**46,465**	**44,338**

29.2 Determination of fair value

Valuation techniques and significant unobservable inputs

The following table presents the valuation techniques used in determining Level 2 and Level 3 fair values and the significant unobservable inputs used:

Financial instruments not measured at fair value

Kind	Valuation Method	Significant unobservable inputs
Other financial liabilities*	Discounted cash flows in a DCF method using market interest rates and term of the liability	Margin surcharge on interest

** Other financial liabilities include secured and unsecured bank loans, unsecured bonds and finance lease liabilities. As the fair value corresponds to the carrying amount of financial instruments that are not measured at fair value, no further disclosures are made.*

29.3 Financial risk management

The Group is exposed to the following risks from the use of financial instruments:

- Default risk (see B)
- Liquidity risk (see C)
- market risk (see D).

A. Principles of risk management

The Management Board is responsible for establishing and monitoring the Group's risk management system. To this end, the Management Board has established an internal specialist committee responsible for monitoring and further developing the Group's risk management guidelines. This committee reports regularly to the Management Board on its activities. The principles of the risk management system can be applied to financial risks; reference is made in this respect to the risk report in the Group management report.

The Group's risk management guidelines have been developed to identify and analyze the Group's risks, to implement appropriate risk limits and controls, and to monitor the development of risks and compliance with limits. The risk management guidelines and the risk management system are regularly reviewed to address changes in market conditions and the Group's activities. The training and management standards in place, as well as the associated processes, are designed to ensure a target-oriented control environment in which all employees understand their respective roles and responsibilities.

The Supervisory Board monitors the Management Board's compliance with Group risk management policies and processes and the effectiveness of the risk management system with regard to the risks to which the Group is exposed.

B. Default risk

Default risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Default risk generally arises from trade receivables. These receivables are mainly trade receivables from the sale of goods. They are exclusively short-term receivables which are generally settled within one to two months.

The carrying amounts of the financial assets correspond to the maximum default risk.

The Group's default risk is mainly influenced by the individual characteristics of the customers. However, the Management Board also takes into account the characteristics of the entire customer base, including the default risk of the industry and the countries in which the customers operate, as these factors can also influence the default risk.

The majority of the Group's customers are global corporations. For none of these customers has it been necessary to recognize an impairment loss to date. In order to monitor the risk of default, the main focus is on timely billing, which is usually done by the customer, and timely payment of the invoice.

The Management Board estimates on a case-by-case basis whether overdue amounts are still collectible in full. This assessment is based on past payment history, assessment of creditworthiness based on published financials, if available, and the amount of existing receivables. Overall, the Group has experienced bad debt losses only to a minor extent.

Cash and cash equivalents

The Group has cash and cash equivalents of EUR 4,573 thousand as of 31 December 2021 (31 December 2020: EUR 6,225 thousand). This amount therefore represents the maximum default risk with regard to these assets. Cash and cash equivalents are held at various banks or financial institutions in the countries in which the Group operates, but the majority are held in Germany.

C. Liquidity risk

Liquidity risk describes the risk that the Group will not be able to meet its obligations when they fall due. Liquidity risks from financial liabilities do not arise, as the Group has cash and cash equivalents of EUR 4,573 thousand (31 December 2020: EUR 6,225 thousand) at the balance sheet date. In addition, cash flows are expected with a high degree of certainty that can service the interest and redemption payments and the financial liabilities therefrom on a maturity-equivalent basis. In the final instance, responsibility for liquidity management lies with the Management Board, which has established an appropriate concept for managing short-, medium- and long-term financing and liquidity requirements. The Group manages liquidity risks by holding appropriate reserves and by constantly monitoring the forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

IFRS 7 further requires a maturity analysis for both derivative and non-derivative financial liabilities. The following maturity analysis shows the extent to which the undiscounted cash flows related to the liabilities as of 31 December 2021 and 31 December 2020, respectively, affect the Group's future liquidity situation.

Significance of liquidity risk

The following table presents the remaining contractual maturities of financial liabilities at the reporting date, including estimated interest payments. These are gross undiscounted amounts including estimated interest payments, but without presentation of the effect of offsetting.

31.12.2021 EUR '000	Book value	Nominal value	**Total**	< 1 year	1 to 5 years	> 5 years
Bank loans incl. interest rate swaps	18,632	18,632	18,632	5,351	13,281	-
Liabilities from leasing agreements	12,253	13,381	13,381	2,524	6,689	4,168
Total	**30,885**	**32,013**	**32,013**	**7,875**	**19,970**	**4,168**

31.12.2020 EUR '000	Book value	Nominal value	**Total**	< 1 year	1 to 5 years	> 5 years
Bank loans incl. interest rate swaps	20,695	20,695	20,695	5,181	15,514	-
Liabilities from leasing agreements	13,490	14,853	14,853	2,414	7,371	5,068
Total	**34,185**	**35,548**	**35,548**	**7,595**	**22,885**	**5,068**

As disclosed in note 26.2, the Group mainly has bank loans that contain covenants. A future breach of the covenants may result in loans having to be repaid earlier than indicated in the table above.

Interest payments on floating rate loans in the above table have been based on a fixed interest rate. They reflect market conditions for forward interest rates at the end of the fiscal year. These may change as market interest rates change.

D. Market Risk

Market risk is the risk that market prices, for example exchange rates, interest rates or share prices, will change, thereby affecting the Group's earnings or the value of financial instruments held. The objective of market risk management is to manage and control market risk within acceptable ranges while optimizing returns.

To manage market risk, the Group enters into financial liabilities. All transactions are carried out within the guidelines of the Risk Management Committee. At the end of the reporting period, no risk concentrations are seen for the Group's companies.

Currency risk

Various business transactions in the Group are denominated in foreign currencies. Risks therefore arise from exchange rate fluctuations. Exchange rate risks are managed by specifically controlling payment flows in foreign currencies and, in individual cases, by means of forward exchange transactions.

The carrying amount of the Group's monetary assets and liabilities denominated in foreign currencies at the reporting date is:

Currency in '000	**31.12.2021**		31.12.2020	
	Assets	**Liabilities**	Assets	Liabilities
USD	6,450	2,461	4,962	2,222
GBP	1,564	457	1,193	362
TRY	401	487	342	337
CNY	933	330	880	575
HKD	1	-	1	-

The following table shows the effect on the income statement of an assumed exchange rate change of +/-1000 basis points with all other variables held constant for monetary assets and liabilities denominated in foreign currencies:

	31.12.2021				31.12.2020			
	Assets		**Liabilities**		Assets		Liabilities	
	Basis points				Basis points			
Currency in '000	**-1000**	**+1000**	**-1000**	**+1000**	-1000	+1000	-1000	+1000
USD	-645	645	-246	246	-496	496	-222	222
GBP	-156	156	-46	46	-119	119	-36	36
TRY	-40	40	-49	49	-34	34	-34	34
CNY	-93	93	-33	33	-88	88	-57	57
HKD	0	0	-	-	0	0	-	-

Interest rate risk
The Group is mainly exposed to interest rate risk in connection with the financing of acquisitions. Bank loans with variable interest rates, which are listed in note 26.2, result in an interest rate-related cash flow risk.

The following table shows the effects on the income statement of an assumed change in interest rates of +/-25 basis points with all other variables held constant:

					31.12.2021 Basis points		31.12.2020 Basis points	
EUR '000		Currency	Interest rate	Maturity year	**+25**	**-25**	+25	-25
Ringmetall SE	A	EUR	EURIBOR +2.00%	2021-2025	600	-600	-	-
	B/C	EUR	EURIBOR +2.00%	2021-2025	50	-50	520	-520
August Berger Metallwarenfabrik GmbH	A	EUR	EURIBOR +1.75%	2021-2025	-	-	641	-641
	B	EUR	EURIBOR +1.75%	2021-2025	-	-	41	-41
	C	EUR	EURIBOR +1.75%	2021-2025	-	-	24	-24
Nittel Halle GmbH		EUR	EURIBOR +4.25%	2021-2025	-	-	69	-69
Tesseraux Spezial-verpackungen GmbH		EUR	EURIBOR +1.8%	2021	-	-	3	-3
Total					**650**	**-650**	**1,298**	**-1,298**

30. OTHER FINANCIAL OBLIGATIONS

The Group has the following financial obligations that are not included in the consolidated statement of financial position:

	31.12.2021			31.12.2020		
EUR '000	< 1 Year	1 to 5 Years	> 5 Years	< 1 Year	1 to 5 Years	> 5 Years
Obligation from outstanding orders	26,041	-	-	6,547	-	-
Service contracts	680	1,515	21	458	1,065	32
short-term & low value lease	50	58	-	22	16	0
Total	**26,771**	**1,573**	**21**	**7,027**	**1,081**	**32**

31. RELATED COMPANIES AND PERSONS

At Ringmetall, the shareholders are generally considered to be the ultimate controlling party.

Due to the syndicate agreement existing between the main shareholders, the two main shareholders together constitute the Ultimate Controlling Party of Ringmetall.

Related parties are non-consolidated subsidiaries and persons who can exercise significant influence on the financial and operating policies of the Ringmetall Group. The latter include all persons in key positions as well as their close family members. In the Ringmetall Group, these are the members of the Management Board and the Supervisory Board.

The group of related parties has not changed in the financial year 2021 compared to 31 December 2020. In the reporting period, no new contracts were concluded with key management personnel, members of the Supervisory Board or other related parties, nor were any significant changes made to existing contracts that have a material impact on the net assets, financial position and results of operations of the company.

A. TRANSACTIONS WITH MEMBERS OF THE MANAGEMENT IN KEY POSITIONS

The members of the Management Board hold 59.00 percent (31 December 2021) of the voting rights of the Company.

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence were as follows:

	Sale of goods / services		Purchase of goods / services	
EUR '000	**2021**	2020	**2021**	2020
Ringmetall SE	-	-	34	38
Subsidiaries of Ringmetall SE	-	-	-	14
Total	**0**	**0**	**34**	**52**

	Receivables from related parties		Payables to related parties	
EUR '000	**31.12.2021**	31.12.2020	**31.12.2021**	31.12.2020
Ringmetall SE	-	-	10	4
Subsidiaries of Ringmetall SE	-	-	-	-
Total	**0**	**0**	**10**	**4**

B. TRANSACTIONS WITH MEMBERS OF THE SUPERVISORY BOARD

The aggregate value of transactions and outstanding balances related to members of the Supervisory Board and companies over which they have control or significant influence were as follows:

	Values of business transactions		Balances outstanding as of 31.12.	
EUR '000	**2021**	2020	**2021**	2020
Remuneration	148	130	44	29
Reimbursement of expenses	-	-	-	-
Total	**148**	**130**	**44**	**29**

C. BUSINESS TRANSACTIONS WITH OTHER RELATED PARTIES

EUR '000	Sale of goods / services		Purchase of goods / services	
	2021	2020	**2021**	2020
Ringmetall SE	-	-	-	-
Subsidiaries of Ringmetall SE	-	-	-	-
Total	**-**	**-**	**-**	**-**

EUR '000	Receivables from related parties		Payables to related parties	
	31.12.2021	31.12.2020	**31.12.2021**	31.12.2020
Ringmetall SE	-	-	-	-
Subsidiaries of Ringmetall SE	-	-	-	-
Total	**-**	**-**	**-**	**-**

D. TRANSACTIONS WITH ASSOCIATED COMPANIES

EUR '000	Nittel UK Ltd.	
	2021	2020
Revenues	809	914
Other operating income	-	24
Total	**809**	**938**

In addition, as of the balance sheet date, the Group has receivables from Nittel UK Ltd. in the amount of EUR 183 thousand (2020: EUR 228 thousand) and liabilities in the amount of EUR 1 thousand (2020: EUR 6 thousand).

32. EMPLOYEES

In fiscal 2021, the Group employed an average of 748 employees (2020: 698 employees).

	Employees	Workers	Total
Average number of employees 2020	**154**	**544**	**698**
Additions from company acquisitions	13	59	72
	167	**603**	**770**
Admin	82	5	87
Sales	23	0	23
Production	73	565	638
Average number of employees 2021	**178**	**570**	**748**

33. EVENTS AFTER THE BALANCE SHEET DATE

Acquisition Rhein-Plast GmbH

In January 2022, Ringmetall reached an agreement with Rhein-Plast GmbH to acquire the company's business operations, production facilities and real estate as part of an asset deal. With a good 80 employees and annual sales of around EUR 13 million, Rhein-Plast produces mono films made of polyethylene (PE) at its plants in Bad Dürkheim, Germany, and in addition to extrusion and printing, also offers film converting in a low-germ and low-particle cleanroom environment. The company also offers a wide product portfolio of polyethylene bags and sacks. Rhein-Plast's customers are mainly companies from the pharmaceutical and biotech industries. Around one-third of its customers are also in the chemical and food industries, the automotive and electronics sectors, and other industries.

With Rhein-Plast GmbH, which is part of the Group as of 1 February 2022 (acquisition date), Ringmetall is for the first time expanding its production vertically into the area of production-relevant preliminary products. In this way, it should be possible in the future to control and ensure the quality of the required mono films made of polyethylene already in the manufacturing process. With a production capacity at Rhein-Plast of currently around 6,000 metric tons of PE per year at a current utilization rate of 50 percent, Ringmetall also ensures maximum supply capability in times of looming raw material shortages on all sides. The company is assigned to the Group's Industrial Packaging segment. For the current fiscal year, the Executive Board expects a sales contribution of EUR 12 million with a balanced earnings contribution at the level of EBITDA.

In connection with the acquisition and takeover of the assets and less liabilities of Rhein-Plast GmbH, the employees and the existing production know-how were also acquired. Due to the acquired substantial processes of the existing production units, the acquisition of Rhein-Plast represents a business combination according to IFRS 3. The documents required for the allocation of the purchase price were not available at the time of preparation, so that no information can be provided on the fair values of the assets and liabilities acquired or on any positive or negative differences that may arise.

Ukraine crisis

The invasion of sovereign Ukraine by Russian forces in February 2022 is leaving a significant mark on the global economy. Numerous sanctions have been imposed on Russia by the European Union and its partners – further sanctions cannot currently be ruled out. In addition, risks are to be expected, particularly in connection with supply chains, with a view to sales markets or against the backdrop of existing risks from cyber attacks.

However, market activities in these countries are manageable, so Ringmetall assumes that the losses can be compensated. Furthermore, it can be assumed that a further increase in energy, logistics and material costs will be felt due to the Russia-Ukraine conflict, which may not be fully passed on to customers.

34. RIGHT OF ELIGIBILITY ACCORDING TO §§ 264 ABS. 3 RESPECTIVELY 264B HGB

The following domestic subsidiaries in the legal form of a corporation or commercial partnership will make use of the exemption provisions pursuant to Section 264 (3) and Section 264b of the German Commercial Code (HGB) and will therefore refrain from preparing notes to the financial statements and a management report as well as from publishing annual financial statements and a management report for the financial year 2021:

- August Berger Metallwarenfabrik GmbH, Berg
- HOSTO Stolz GmbH & Co. KG
- HSM GmbH & Co. KG, Ernsgaden

35. ACCORDING TO § 315e HGB

The Management Board proposes to distribute a dividend of EUR 2,616,213.60, i.e. 9 cents per share, to the shareholders of Ringmetall SE from the net retained profits of Ringmetall SE of EUR 21,912,653.18. The remaining amount of EUR 19,296,439.58 will be carried forward.

Fee of the auditor of the consolidated financial statements

At the Annual General Meeting on 16 June 2021, the shareholders of Ringmetall SE appointed Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft as auditor. The fee charged by the auditor for the fiscal year for the audit of the consolidated financial statements including the audit of the annual financial statements as of 31 December 2021, as well as the subsequent charges from the previous year total EUR 181 thousand (2020: EUR 181 thousand). In addition to the aforementioned audit services, further expenses of EUR 69 thousand (2020: EUR 26 thousand) for other certification services have been taken into account.

36. EXECUTIVE BODIES OF THE COMPANY

A. MEMBERS OF THE MANAGEMENT BOARD

Christoph Petri	
Spokesman of the Management Board	since 01.04.2011
Domicile	Hamburg, Germany
Occupational Profession	Merchant

Supervisory board mandates and memberships in comparable supervisory bodies according to § 285 No. 10 HGB at:
• Montega AG

Konstantin Winterstein	
Member of the Management Board	since 01.10.2014
Domicile	Munich, Germany
Occupational Profession	Engineer

Supervisory board mandates and memberships in comparable supervisory bodies according to § 285 No. 10 HGB at:
• Clariant AG, Switzerland

The compensation of the Executive Board in fiscal years 2021 and 2020 is composed as follows:

	2021			2020		
Management Board EUR '000	**Total remune-ration**	**thereof not perfor-mance-related**	**thereof perfor-mance-related**	Total remune-ration	thereof not perfor-mance-related	thereof perfor-mance-related
Mr. Christoph Petri (Spokesman of the Management Board)	644	237	407	355	236	119
Mr. Konstantin Winterstein	644	237	407	355	236	119
Total	**1,288**	**474**	**814**	**710**	**472**	**238**

In fiscal year 2021, a total of EUR 798 thousand (2020: EUR 612 thousand) was paid to members of the Management Board.

B. MEMBERS OF THE SUPERVISORY BOARD

Klaus F. Jaenecke, Munich	
Chairman	since 30.08.2018
Profession	Self-employed management consultant, Munich
Remuneration in 2021:	65 EUR ‘000

Supervisory board mandates and memberships in comparable supervisory bodies according to § 285 No. 10 HGB at:
- Hansa Heemann AG, Rellingen
- Hansgrohe SE, Schiltach
- Wintersteiger AG, Ried im Innkreis, Austria

Markus Wenner, Munich	
Member	since 01.09.2014
Deputy Chairman	since 30.06.2016
Profession	Managing Director of GCI Management Consulting GmbH and of MuM Industriebeteiligungen GmbH
Remuneration in 2021:	45 EUR ‘000

Supervisory board mandates and memberships in comparable supervisory bodies according to § 285 No. 10 HGB at:
- Traumhaus AG, Wiesbaden
- Wolftank Adisa Holding AG, Innsbruck, Austria
- TeleService Holding AG, Munich
- aifinyo AG, Dresden
- Value-Holdings Capital Partners AG, Gersthofen
- Metriopharm AG, Zurich, Switzerland

Ralph Heuwing, Munich	
Member	since 30.08.2016
Profession	Partner und Head of DACH der int. Private Equity Gesellschaft PAI Partners, Munich
Remuneration in 2021:	38 EUR ‘000

Supervisory board mandates and memberships in comparable supervisory bodies according to § 285 No. 10 HGB at:
- Management Capital Holding AG, Munich, Member of the Supervisory Board
- Apleona GmbH, Neu-Isenburg, Member of the Supervisory Board
- Hoberg & Driesch GmbH, Düsseldorf, Member of the Shareholders’ Committee
- Hoberg & Driesch GmbH & Co. KG Röhrengroßhandel/
- Hoberg und Driesch Beteiligungs GmbH, Düsseldorf, Member of the Advisory Boards
- Chiron Group SE, Tuttlingen, Member of the Administrative Board
- Chiron-Werke GmbH & Co. KG/Chiron-Werke Beteiligungsgesellschaft mbH, Tuttlingen, Member of the Advisory Boards

37. GERMAN CORPORATE GOVERNANCE CODE

The Executive Board and the Supervisory Board of Ringmetall SE have issued a declaration pursuant to Section 161 AktG and made it permanently available to shareholders on Ringmetall's website (www.ringmetall.de) in the Investor Relations section.

Munich, April 27, 2022

Christoph Petri
Spokesman of the Management Board

Konstantin Winterstein
Member of the Management Board


SPEZIAL

Independent Auditor's Certificate

To Ringmetall SE, Munich

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT

Audit opinions

We have audited the consolidated financial statements of Ringmetall SE and its subsidiaries (the Group) – comprising the consolidated balance sheet as of December 31, 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the fiscal year from January 1, 2021 through December 31, 2021 as well as the notes to the consolidated financial statements, including a summary of significant accounting methods. Furthermore, we have audited Ringmetall SE's consolidated management report for the fiscal year from January 1, 2021 through December 31, 2021. In accordance with German legal requirements, we have not audited the presentations contained in the consolidated management report's sections "Competitive strengths and market entry barriers" as well as "Compliance and sustainability report" and "Non-financial declaration" as well as the legal representatives' compliance statement contained in the consolidated management report's section "Other legally required disclosures".

According to our assessment based on our audit's findings,

- the attached consolidated financial statements comply, in all material respects, with the IFRS as adopted by the EU, and the additional legal requirements pursuant to Art. 315e Sec. 1 HGB (German Commercial Code) and provides, in compliance with these requirements, a true and fair view of the Group's assets and financial position as of December 31, 2021, and of its profit situation for the fiscal year from January 1, 2021 through December 31, 2021; and
- the attached consolidated management report as a whole provides a true and fair view of the Group's position. In all material respects, this consolidated management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of the Group's future development. Our audit opinion on the consolidated management report does not cover the content of the aforementioned legal representatives' compliance statement and the presentation in the consolidated management report's sections "Competitive strengths and market entry barriers", "Compliance and sustainability report" and "Non-financial declaration".

Pursuant to Art. 322 Sec. 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the consolidated financial statements' and the consolidated management report's legal compliance.

Basis for our audit opinions

We have conducted our audit of the consolidated financial statements and of the consolidated management report in accordance with Art. 317 HGB and the EU Audit Regulation (No. 537/2014, hereinafter referred to as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for the Audit of Financial Statements issued by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer "IDW"). Our responsibilities under these requirements and principles are further described in our audit certificate's section "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Consolidated Management Report". We are independent of the Group companies in accordance with the requirements pursuant to European law as well as German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 Sec. 2 lit. f of the EU Audit Regulation, we declare that we have not provided any non-audit services prohibited under Article 5 Sec. 1 of the EU Audit Regulation. We believe the audit evidence we have obtained is sufficient and appropriate in order to provide a basis for our audit opinions on the consolidated financial statements and on the consolidated management report.

Key audit matters in connection with the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from January 1, 2021 through December 31, 2021. These matters have been taken into account in connection with our audit of the consolidated financial statements as a whole, and in forming our audit opinion related herewith; we do not express a separate audit opinion on these matters.

From our perspective, the following matters were of most significance during our audit:

- Valuation of goodwill
- Valuation of inventories

We have structured our presentation of these key audit matters as follows:

1.) Facts and problems
2.) Audit approach and findings
3.) Reference to further information

In the following, we will present these key audit matters:

A. Valuation of goodwill

1) Ringmetall SE's consolidated financial statements include goodwill in the amount of KEUR 33,734. The goodwill's share in total assets amounts to 27.2 % and has as such a significant influence on the Group's assets.

   As part of the first-time application of IFRS, the Group has retained the goodwill determined in previous years according to the principles of the HGB in accordance with the simplification regulations as of January 1, 2016. For business combinations that have taken place after the initial application, Ringmetall sets the goodwill at the difference between the revalued net assets of the acquired business and the total of consideration given at fair value of any shares held in the business before the business combination and the value of the non-controlled shareholders.

   The Group reviews goodwill for impairment annually. To do this, Ringmetall calculates the value in use of the goodwill-carrying cash-generating units on the basis of a discounted cash flow method. If the calculated value in use of the cash-generating unit is greater than its carrying amount, the Group does not calculate the fair value less costs of sale. For the 2021 financial year, the value in use for all goodwill-carrying cash-generating units was higher than their book value. A possible need for impairment depends to a large extent on how the legal representatives assess the future cash inflows to the respective cash-generating units. There is scope for discretion, in particular with regard to the allocation of goodwill to the respective cash-generating units, the underlying planning and the determination of the discount rates used.

2) We assessed the methodology used to perform the impairment tests on the basis of the provisions pursuant to IAS 36 and verified the mathematical accuracy of the valuation model used. As part of the audit of the individual use value calculations, we verified the main underlying assumptions. In particular, we conducted interviews and reviewed Supervisory Board minutes. We assessed the discount rates applied with the involvement of valuation experts. We assessed the allocation of goodwill to individual cash-generating units mainly on the basis of internal reporting and interviews. Overall, the audit procedures described and other procedures performed enabled us to satisfy ourselves that the valuation of goodwill in the consolidated financial statements was appropriate.

3) Ringmetall's information on the accounting of goodwill is contained in Section "7.9. C. Goodwill" under "Significant accounting and valuation methods", no. 14 "Goodwill", and No. 15 "Intangible assets and goodwill" in the consolidated notes.

B. Revenue recognition

1) As a manufacturing group, Ringmetall SE reports sales revenues of KEUR 172,338 in its consolidated financial statements. These relate to the worldwide sale of barrel clamping rings, lids, inner barrel covers, vehicle components and like goods. Sales are recognized at a point in time as soon as the necessary requirements for this are met. Distribution takes place via numerous foreign and domestic subsidiaries. The processes and the systems that support them can differ from one company to another, so that this circumstance must be taken into account in the course of the audit by means of sufficient and appropriate audit procedures. Furthermore, the final and package audits of foreign subsidiaries are partly carried out by auditors who are not part of the Baker Tilly network, and other companies are not audited at all. As part of the audit of the consolidated financial statements, it must therefore be ensured that the audit procedures carried out abroad are appropriate and sufficient in order to be able to use the results in the context of the audit of the consolidated financial statements and, if necessary, to carry out additional audit procedures and also to ensure that for the remaining unaudited part of the consolidated sales additional audit procedures are carried out as part of the audit of the consolidated financial statements or the unaudited part does not exceed a reasonable level.

2) As part of our audit, we either included the sales-related processes ourselves or gained an understanding of the inclusion of the subarea auditors. Furthermore, at our discretion, we carried out functional tests and/or substantive and analytical audit procedures or used the results of the audit procedures carried out by the auditors of the subdivisions. In doing so, we have taken into account that the processes can be designed differently for each subsidiary and that different audit procedures may therefore have to be carried out. We have gained an understanding of the component auditors in relation to the use of the results of component auditors. To this end, we were in close contact with the subarea auditors and in some cases assessed their working papers and, at the auditor's discretion, instructed additional audit procedures or carried them out ourselves. In our opinion, the processes implemented in the group are suitable for correctly showing the realization of sales in accordance with the accounting regulations and for showing the sales in the consolidated financial statements correctly.

3) Ringmetall's disclosures on the accounting of sales are in section "7.4 Revenue recognition" and under "9.1 Revenue".

Other information

The legal representatives are responsible for other information. Other information comprises:

- the letter by the Management Board,
- the report by the Supervisory Board,
- the declaration on corporate governance,
- the presentations in the section "Competitive strengths and market entry barriers" in the consolidated management report,
- the presentations in the section "Compliance and sustainability report",
- the presentations in the section "Non-financial declaration",
- the responsibility statement by the legal representatives.

Our audit opinions on the consolidated financial statements and on the consolidated management report do not cover such other information, and consequently we do not express an audit opinion or any other form of audit conclusion thereupon.

In connection with our audit, our responsibility is to read the other information and, in doing so, to assess whether the other information

- is materially inconsistent with the consolidated financial statements, with the consolidated management report or our knowledge obtained during the audit; or
- otherwise seems to have been materially misstated.

Legal Representatives' and the Supervisory Board's Responsibilities for the Consolidated Financial Statements and the Consolidated Management Report

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS as adopted by the EU and the additional requirements pursuant to Art. 315e Sec. 1 HGB and that the consolidated financial statements, in compliance with these requirements, provide a true and fair view of the Group's net assets, financial position, and profit situation. Furthermore, the legal representatives are responsible for such internal controls they have deemed necessary in order to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

When preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility to disclose, as applicable, matters related to the going concern principle. Furthermore, they are responsible for financial reporting on a going concern basis unless they intend to liquidate the Group or to discontinue business operations or in case there is no realistic alternative but to do so.

Furthermore, the legal representatives are responsible for the preparation of the consolidated management report that, as a whole, provides a true and fair view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for such arrangements and measures (systems) they have considered necessary in order to enable the preparation of a consolidated management report in accordance with the applicable German legal requirements and in order to be able to provide sufficient appropriate evidence for the statements made in the consolidated management report.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Consolidated Management Report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the consolidated management report as a whole presents a true and fair view of the Group's position and is, in all material respects, consistent with the consolidated financial statements and the knowledge obtained during our audit, complies with German legal requirements and appropriately presents the opportunities and risks of the Group's future development, as well as to issue an audit report that includes our audit opinions on the consolidated financial statements and on the consolidated management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit con-ducted in accordance with Art. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for the Audit of Financial Statements promulgated by the IDW will always detect any material misstatement. Misstatements can arise from fraud or error and are considered material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and the consolidated management report.

We exercise professional judgment and maintain professional skepticism throughout the entire audit. We also:

- identify and assess the risks of material misstatements in the consolidated financial statements and the consolidated management report, whether due to fraud or error, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting any material misstatements resulting from fraud is higher than for those resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;

- obtain an understanding of the internal control system relevant for the audit of the consolidated financial statements and of arrangements and measures relevant for the audit of the consolidated management report, in order to plan audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems;
- evaluate the appropriateness of accounting methods applied by the legal representatives and the reasonableness of estimates made by the legal representatives as well as the related disclosures;
- draw conclusions on the appropriateness of the going concern principle applied by the legal representatives and, based on the audit evidence obtained, whether there is a material uncertainty in connection with events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in the audit certificate to the related disclosures in the consolidated financial statements or the consolidated management report or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit certificate. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements, in compliance with IFRS as adopted by the EU and the additional requirements pursuant to Art. 315e Sec. 1 HGB, provide a true and fair view of the Group's net assets, financial position and profit situation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group in order to express audit opinions on the consolidated financial statements and on the consolidated management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions;
- evaluate the consolidated management report's consistency with the consolidated financial statements, its conformity with German law, and its presentation of the Group's position;
- perform audit procedures on the prospective information presented by the legal representatives in the consolidated management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We discuss with those charged with governance, inter alia, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control system we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and discuss with them all relationships and other matters that may reasonably be expected to affect our independence and, where applicable, the applied safeguards.

From the matters discussed with those charged with governance, we determine those matters that were of most importance in the audit of the current reporting period's consolidated financial statements and are therefore the key audit matters. We describe these matters in our audit certificate unless the matter's public disclosure should be precluded by any law or other regulation.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Note on the Audit of the Electronic Reproductions of the Annual Financial Statements and the Consolidated Management Report prepared for the Purposes of Disclosure pursuant to Art. 317 Sec. 3a HGB

Audit opinion

Pursuant to Art. 317 Sec. 3a HGB, we have performed an audit in order to determine with reasonable assurance whether the reproductions of the consolidated financial statements and the consolidated management report (hereinafter also referred to as the "ESEF documents") contained in the file "Ringmetall Konzern 31.12.2021" which is retrievable by the issuer in the protected client portal, and prepared for disclosure purposes comply in all material respects with the requirements pursuant to Art. 328 Sec. 1 HGB regarding the electronic reporting format ("ESEF format"). In accordance with German legal requirements, such audit extends only to the conversion of the information contained in the consolidated financial statements and the consolidated management report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the aforementioned file.

According to our assessment, the reproductions of the consolidated financial statements and the consolidated management report contained in the aforementioned attached file and prepared for disclosure purposes comply, in all material respects, with the electronic reporting format requirements pursuant to Art. 328 Sec. 1 HGB. We do not express an audit opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file beyond the scope of this audit opinion and our audit opinions on the attached consolidated financial statements and the attached consolidated management report for the fiscal year from January 1, 2021 to December 31, 2021 contained in the preceding "Report on the audit of the consolidated financial statements and the group management report".

Basis for our audit opinion

We conducted our audit of the reproductions of the consolidated financial statements and the consolidated management report contained in the above-mentioned attached file in accordance with Art. 317 Sec. 3a HGB and in compliance with the draft IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purpose of Disclosure pursuant to Art. 317 Sec. 3a HGB (IDW PS 410 (10.2021)). Our responsibility in accordance with such standard is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice complies with the quality assurance system requirements of the IDW Quality Assurance Standard: Requirements to Quality Assurance in Auditing Practice (IDW QS 1).

Legal representatives' and Supervisory Board's responsibilities for the ESEF documents

The Company's legal representatives are responsible for the preparation of the ESEF documents containing the electronic reproductions of the consolidated financial statements and the consolidated management report in accordance with Art. 328 Sec. 1 sentence 4 no. 1 HGB and for the certification of the consolidated financial statements in accordance with Art. 328 Sec. 1 sentence 4 no. 2 HGB.

Furthermore, the legal representatives are responsible for such internal controls they have deemed necessary in order to enable the preparation of the ESEF documents that are free from any material non-compliance, whether due to fraud or error, with the provisions pursuant to Art. 328 Sec. 1 HGB regarding the electronic reporting format.

The Company's legal representatives are also responsible for submitting the ESEF documents together with the audit certificate and the attached audited consolidated financial statements and audited consolidated management report as well as other documents to be disclosed to the operator of the Federal Gazette.

The Supervisory Board is responsible for monitoring the preparation of the ESEF documents as part of the reporting process.

Auditor's responsibilities for the audit of the ESEF documents

Our objective is to obtain reasonable assurance as to whether the ESEF documents are free from any material non-compliance, whether due to fraud or error, with the requirements pursuant to Art. 328 Sec. 1 HGB. We exercise professional judgment and maintain professional skepticism throughout the entire audit. We also:

- identify and assess the risks of material non-compliance with the requirements pursuant to Art. 328 Sec. 1 HGB, whether due to fraud or error, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion;
- obtain an understanding of the internal controls relevant for the audit of the ESEF documents in order to plan audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these controls;
- assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents complies with the requirements of Delegated Regulation (EU) 2019/815 as amended at the reporting date regarding the technical specification for this file;
- assess whether the ESEF documents allow a consistent XHTML reproduction of the audited consolidated financial statements and the audited consolidated management report;
- assess whether the markup of the ESEF documents with inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 in the version applicable on the reporting date is an appropriate and complete machine-readable XBRL Copy XHTML rendering enabled.

Other information pursuant to Article 10 EU Audit Regulation

We were elected as group auditors by the Annual General Meeting on June 16, 2021. We were engaged by the Supervisory Board on December 7, 2021. We have served as Ringmetall SE's group auditors without interruption since the fiscal year 2017.

We have not provided tax advisory services and valuation services that individually or cumulatively have an impact on the financial statements we have audited. We only performed an auditor's review of the interim consolidated financial statements as of June 30, 2021 and the interim group management report for the period from January 1, 2021 to June 30, 2021 and provided other confirmation services for compliance with the covenants agreed with lenders and in the context of the conversion into the Societas Europaea. These services have no influence on the audited financial statements. The Supervisory Board approved all non-audit services provided.

We declare that the audit opinions contained in this audit certificate are consistent with the additional report to the audit committee pursuant to Article 11 EU Audit Regulation (audit report).

Other matters – use of the audit opinion

Our auditor's report should always be read in connection with the audited annual financial statements and the audited management report as well as the audited ESEF documents. The annual financial statements and management report converted to the ESEF format - including the versions to be published in the Federal Gazette - are merely electronic reproductions of the audited annual financial statements and the audited management report and do not replace them. In particular, the ESEF note and our audit opinion contained therein can only be used in connection with the audited ESEF documents provided in electronic form.

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Ms. Alexandra Dittus.

Nuremberg, April 27, 2022

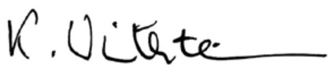
Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Edenhofer German CPA	Dittus German CPA

DECLARATION OF THE LEGAL REPRESENTATIVES

"We assure to the best of our knowledge that, in accordance with the applicable accounting principles, the financial statements and the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the company or of the group and that the business performance, including the results of operations, in the combined management report, and the position of the company or of the group is presented in such a way as to give a true and fair view and to describe the material opportunities and risks of the anticipated development of the company or the group."

Munich, April 27, 2022



Christoph Petri
Spokesman of the Management Board

Konstantin Winterstein
Member of the Management Board

THE RINGMETALL SE

Balance Sheets

as of 31.12.2021

ASSETS EUR		**31.12.2021**	**31.12.2020**
A. Fixed assets			
I. Intangible assets 1. Purchased concessions, industrial and similar rights and assets and licenses in such rights and assets		1.00	1.00
II. Tangible assets 1. Other equipment, operating and office equipment		5,753.00	7,177.00
III. Financial assets 1. Shares in affiliated companies		51,367,260.46	51,367,260.46
B. Current assets			
I. Receivables and other assets			
1. Receivables from affiliated companies	42,460,782.55		19,641,502.64
2. Other assets	223,670.64		274,082.59
		42,684,453.19	19,915,585.23
II. Cash-in-hand and bank balances		11,597.94	16,529.65
C. Prepaid expenses		18,469.03	23,832.28
D. Deferred tax assets		153,294.26	550,084.12
		94,240,828.88	**71,880,469.74**

LIABILITIES EUR		**31.12.2021**	**31.12.2020**
A. Equity			
I. Subscribed capital		29,069,040.00	29,069,040.00
II. Capital reserves		17,041,911.50	17,041,911.50
III. Revenue reserves			
1. Legal reserves	1,154,800.00		1,154,800.00
2. Other revenue reserves	1,727,585.77		1,727,585.77
		2,882,385.77	2,882,385.77
IV. Net retained profits		21,912,653.18	13,876,408.97
B. Provisions			
1. Tax provisions	295,692.00		0.00
2. Other provisions	1,766,700.00		1,100,550.00
		2,062,392.00	1,100,550.00
C. Liabilities			
1. Liabilities to banks	17,615,311.28		7,790,796.76
2. Trade payables	147,744.37		94,836.36
3. Liabilities to affiliated companies	3,483,865.86		0.00
4. Other liabilities	25,524.92		24,540.38
		21,272,446.43	7,910,173.50
		94,240,828.88	**71,880,469.74**

Profit & Loss Statement

as of 31.12.2021

PROFIT & LOSS STATEMENT EUR		**2021**	2020
1. Sales		943,148.22	771,936.00
2. Operating Result		943,148.22	771,936.00
3. Other operating income		36,659.42	33,417.66
4. Personnel expenses a) Wages and salaries b) Social security, post-employment and other employee benefit costs	-1,945,292.39 -95,291.51		-1,206,124.83 -77,508.89
		-2,040,583.90	-1,283,633.72
5. Amortization and write-downs a) of intangible fixed assets and depreciation and writedowns of tangible fixed assets		-4,235.00	-4,209.51
6. Other operating expenses		-2,284,299.56	-1,422,344.14
7. Income from investments		0.00	0.00
8. Arofits received under profit-pooling, profit transfer or partial profit transfer agreements		13,945,187.39	4,307,624.61
9. Other interest and similar income		325,243.41	79,196.88
10. Interest and similar expenses		-444,623.05	-301,982.29
11. Taxes on income		-695,115.14	-126,360.03
12. Earnings after taxes		**9,781,381.79**	**2,053,645.46**
13. Other taxes		-995.18	-641.00
14. Net income for the year		**9,780,386.61**	**2,053,004.46**
15.Retained profits brought forward from the previous year		12,132,266.57	11,823,404.51
16. Net retained profits		**21,912,653.18**	**13,876,408.97**

NOTES

I. PREVIOUS NOTE

The annual financial statements of Ringmetall SE, Munich, as of 31 December 2021, and the combined management report for the period from 1 January 2021, to 31 December 2021, have been prepared in accordance with the provisions of German commercial law as set out in Sections 242 et seq. HGB, taking into account the supplementary provisions for large corporations. As a capital market-oriented company within the meaning of Section 264d HGB, the Company is deemed to be a large company pursuant to Section 267 (3) sentence 2 HGB. In addition, the provisions of the German Stock Corporation Act have been observed. The Company is registered with the Munich Local Court under the commercial register number HRB 268321.

II. ACCOUNTING AND VALUATION PRINCIPLES

Intangible assets and property, plant and equipment acquired for valuable consideration have been valued at acquisition cost less depreciation and amortization based on use.

Financial assets consist of shares in affiliated companies. They are measured at the lower of cost or fair value due to expected permanent impairment. If the conditions for permanent impairment are met, impairment losses are recognized.

Receivables and other assets are measured at their nominal amount. Receivables are valued taking into account all identifiable risks.

Cash and cash equivalents are stated at their nominal amount.

Prepaid expenses relate to expenditures prior to the balance sheet date which represent expenses for a certain period after this date. They are reversed on a straight-line basis in accordance with the passage of time.

Deferred taxes

Deferred taxes result from timing differences in valuation between the commercial and tax balance sheets. The capitalization also takes into account existing corporate income tax and trade tax loss carryforwards that are expected to be realized within the next five years.

In order to determine deferred tax assets, assumptions have to be made regarding future taxable income and the timing of the realization of the deferred tax assets. For this purpose, the planned operating business results and the effects on earnings of the reversal of taxable temporary differences are taken into account. However, as future business developments are uncertain and in some cases cannot be influenced by Ringmetall, the measurement of deferred taxes is subject to uncertainty.

The deferred tax assets recognized as of the reporting date result from loss carryforwards.

The tax rate applied to deferred taxes amounts to a total of 32.975 percent for corporation tax, solidarity surcharge and trade tax.

Equity is carried at its nominal amount. It consists of subscribed capital, additional paid-in capital, retained earnings and unappropriated profit.

Accruals take account of all identifiable risks and uncertain obligations on the basis of prudent business judgment at the necessary settlement amount.

Liabilities are stated at the settlement amount.

With regard to foreign currency translation, it should be noted that the assets and liabilities concerned are translated at the respective mean spot exchange rate at the time of valuation. Subsequent measurement of assets and liabilities denominated in foreign currencies with a remaining term of more than one year is carried out at the closing date in accordance with the imparity principle, according to which exchange rate losses are expensed and exchange rate gains are not recognized.

In preparing the annual financial statements, assumptions and estimates were made which affected the recognition, presentation and measurement of the assets, liabilities and expenses reported. The underlying assumptions and estimates mainly relate to the calculation of deferred taxes and the measurement of provisions.

III. DISCLOSURES ON CERTAIN BALANCE SHEET ITEMS AND THE INCOME STATEMENT

Fixed assets
The breakdown and development of non-current assets and depreciation and amortization for the financial year are shown in the statement of changes in non-current assets (appendix to the notes). The list of shareholdings pursuant to Section 285 No. 11 HGB in conjunction with Section 16 (4) AktG is presented in a separate annex.

Affiliation
Receivables from affiliated companies represent trade receivables in the amount of EUR 832 thousand (2020: EUR 486 thousand) and other assets in the amount of EUR 41,629 thousand (2020: EUR 19,156 thousand). They have a remaining term of up to one year.

The liabilities to affiliated companies also represent other liabilities in the full amount.

Shareholders' equity
The share capital amounts to EUR 29,069,040.00 and is divided into 29,069,040 no-par value bearer shares (one no-par value share thus corresponds to an arithmetical share in the share capital of EUR 1.00 each). In the 2018 financial year, the share capital was increased by EUR 1,384,240.00 from EUR 27,684,800.00 to EUR 29,069,040.00 by resolution of the Supervisory Board on 14 August 2018 in accordance with Section 5 of the Articles of Association (Share Capital, Authorized Capital). 1,384,240 no-par value bearer shares with a notional interest in the share capital of EUR 1.00 were issued.

At the Annual General Meeting on 30 August 2018, the Management Board was authorized until 31 July 2023, with the approval of the Supervisory Board, to increase the share capital by up to EUR 3,975,200 in exchange for cash contributions and/or contributions in kind, whereby shareholders' subscription rights may be excluded (Authorized Capital 2018/I).

At the Annual General Meeting on 16 June 2021, the Management Board was authorized, with the approval of the Supervisory Board, to increase the share capital on one or more occasions by up to EUR 5,813,808 against cash contributions and/or contributions in kind until 31 May 2026, whereby shareholders' subscription rights may be excluded (Authorized Capital 2021/I).

The capital reserve results from gains on sales of treasury shares and the premium from capital increases.

The unappropriated profit for 2021 developed as follows:

EUR	31.12.2021
Profit carryforward	13,876,408.97
Profit carryforward	-1,744,142.40
Net income	9,780,386.61
Balance sheet profit	**21,912,653.18**

On 16 June 2021, the Annual General Meeting resolved to appropriate the retained earnings for 2020 in the amount of EUR 13,876 thousand as follows: Distribution of a dividend of 6 cents per no-par share. Total distribution in the amount of EUR 1,744 thousand. The remaining retained earnings of EUR 12,132 thousand were carried forward to new account.

As of the balance sheet date, there are amounts blocked from distribution in the amount of EUR 153 thousand, which relate exclusively to deferred tax assets.

Accruals

Other accruals mainly include legal and consulting fees, personnel costs and expenses for auditing and financial statement costs.

Liabilities

The maturity of liabilities is shown in the following schedule of liabilities:

Type of liability as of 31.12.2021 EUR		Amount	thereof with a remaining maturity < 1 year	thereof with a remaining maturity 1 to 5 years
To banks	**2021**	**17,615,311.28**	**4,576,302.01**	**13,039,009.27**
	2020	7,790,796.76	7,790,796.76	0.00
From trade payables	**2021**	**147,744.37**	**147,744.37**	**0.00**
	2020	94,836.36	94,836.36	0.00
To affiliated companies	**2021**	**3,483,865.86**	**3,483,865.86**	**0.00**
	2020	0.00	0.00	0.00
Other liabilities	**2021**	**25,524.92**	**25,524.92**	**0.00**
	2020	24,540.38	24,540.38	0.00
Total	**2021**	**21,272,446.43**	**8,233,437.16**	**13,039,009.27**
	2020	7,910,173.50	7,910,173.50	0.00

Other liabilities include tax liabilities in the amount of EUR 21 thousand (2020: EUR 22 thousand).

As in the previous year, revenue was generated exclusively in Germany and relates to intra-Group recharges.

Other operating income does not include any income relating to other periods for the current financial year. In the previous year, income relating to other periods in the amount of EUR 1 thousand was mainly attributable to cost reimbursements from previous years.

Other operating expenses include expenses relating to other periods, mainly resulting from costs relating to the previous year, in the amount of EUR 0 thousand (2020: EUR 2 thousand).

Income from profit and loss transfer agreements
Income from profit and loss transfer agreements relates to the profit transfer from August Berger Metallwarenfabrik GmbH, Berg.

Interest income
Interest income includes interest from affiliated companies in the amount of EUR 325 thousand (2020: EUR 72 thousand).

Taxes on income and earnings
Income taxes include expenses from the reversal of deferred taxes in the amount of EUR 397 thousand (2020: EUR 133 thousand).

IV. OTHER DISCLOSURES

Other financial obligations
Other financial obligations result from continuing obligations (rental and leasing transactions) with an annual expense of EUR 52 thousand. The total obligation until the end of the term amounts to EUR 87 thousand. The rental and leasing transactions serve to improve the liquidity situation and the equity ratio. These are also the main advantages of the business. Risks exist in the contractual obligations arising from the agreements, as any significant technical progress in the leased and rented assets cannot be compensated for by new acquisitions.

Number of employees
The average number of employees in commercial positions during the financial year was 7 (2020: 6 employees).

Corporate bodies

MANAGEMENT BOARD EUR '000	Profession	Total remuneration in 2021	thereof not performance-related	thereof performance-related
Mr. Christoph Petri (Spokesman of the Management Board)	Merchant	645	238	407
Mr. Konstantin Winterstein	Engineer	645	238	407
Total remuneration		**1,290**	**476**	**814**

Die The members of the Management Board, Christoph Petri and Konstantin Winterstein are members of the administrative and supervisory bodies of the following companies and enterprises:

Christoph Petri:
Supervisory Board of Montega AG

Konstantin Winterstein:
Supervisory Board of Clariant AG, Switzerland

Supervisory Board EUR '000		Main Profession	Remuneration in 2021	Membership in other supervisory boards / controlling boards
Klaus F. Jaenecke	Chairman	Self-employed management consultant, Munich	65	Hansa Heemann AG, Rellingen Hansgrohe SE, Schiltach Wintersteiger AG, Ried im Innkreis, Austria
Markus Wenner	Deputy Chairman	Managing Director of GCI Management Consulting GmbH and of MuM Industriebeteiligungen GmbH, Wuppertal	45	Traumhaus AG, Wiesbaden Wolftank Adisa Holding AG, Innsbruck, Austria TeleService Holding AG, Munich aifinyo AG, Dresden Value-Holdings Capital Partners AG, Gersthofen Metriopharm AG, Zurich, Switzerland
Ralph Heuwing		Member of the Management Board of Knorr-Bremse AG	38	Management Capital Holding AG, Munich, Member of the Supervisory Board Apleona GmbH, Neu-Isenburg, Member of the Supervisory Board Hoberg & Driesch GmbH, Düsseldorf Hoberg & Driesch GmbH & Co. KG Röhrengroßhandel/ Hoberg und Driesch Beteiligungs GmbH, Düsseldorf Chiron Group SE, Tuttlingen Chiron-Werke GmbH & Co. KG/Chiron-Werke Beteiligungsgesellschaft mbH, Tuttlingen
Total remuneration			**148**	

The auditor's fee for 2021 amounts to EUR 181 thousand (2020: EUR 181 thousand) for audit services and EUR 69 thousand (2020: EUR 26 thousand) for other assurance services.

Consolidated financial statements

As the parent company, Ringmetall SE, Munich, prepares the consolidated financial statements for the largest and smallest group of companies. They are submitted to the operator of the electronic Federal Gazette and published in the electronic Federal Gazette.

Proposal for the appropriation of earnings

The Supervisory Board and Executive Board propose to distribute a dividend of 9 cents per share from the Company's unappropriated net income and to carry forward the remaining amount to new account. The planned distribution amount is 2,616,213.60 EUR.

Corporate Governance – Declaration on corporate governance pursuant to arts. 289f HGB, 161 AktG

The corporate governance statement (§ 289a HGB) includes the declaration of conformity with the German Corporate Governance Code, information on corporate governance practices and a description of the working methods of the Executive Board and Supervisory Board. The statements in this regard have been made permanently available on the Company's website at www.ringmetall.de/investor-relations/corporate-governance. A separate presentation in the combined management report has therefore been dispensed with.

Subsequent events

The invasion of sovereign Ukraine by Russian forces in February 2022 is leaving a clear mark on the global economy. The European Union and its partners have imposed numerous sanctions against Russia – further sanctions cannot currently be ruled out. In addition, risks are to be expected, particularly in connection with supply chains, with a view to sales markets or against the backdrop of existing risks from cyber attacks.

However, market activities in these countries are manageable, so Ringmetall assumes that the losses can be compensated. Furthermore, it can be assumed that a further increase in energy, logistics and material costs will be felt due to the Russia-Ukraine conflict, which may not be fully passed on to customers.

Munich, April 27, 2022

Christoph Petri	Konstantin Winterstein
Spokesman of the Management Board	Member of the Management Board

Business interests

as of 31.12.2021

	Location	Country	Share in capital (%)		Equity EUR '000	Net result EUR '000
Inland						
August Berger Metallwarenfabrik GmbH	Berg	Germany	100.00		16,000	0
Fieder Verwaltungs GmbH	Munich	Germany	100.00		-14	-3
Fidum Verwaltungs GmbH	Munich	Germany	100.00		18,546	115
Latza GmbH	Attendorn	Germany	100.00	1)	2,356	1,097
HSM GmbH & Co. KG	Ernsgaden	Germany	100.00		873	574
HSM Verwaltungs GmbH	Ernsgaden	Germany	100.00		61	3
Nittel Halle GmbH	Halle (Saale)	Germany	100.00	3)	5,753	0
Tesseraux Spezialverpackungen GmbH	Bürstadt	Germany	100.00	3)	2,559	0
HOSTO Stolz GmbH & Co. KG	Neunkirchen	Germany	100.00	1), 5)	282	96
HOSTO Stolz Verwaltungs GmbH	Neunkirchen	Germany	100.00	1), 5)	121	3
Rhein-Plast GmbH (vormals Blitz 21,966 GmbH)	Bad Dürkheim	Germany	100.00	3)	25	0
Abroad						
Berger Closures Limited	Peterlee	Great Britain	75.57	1)	2,058	1,343
Hollandring B.V.	Vaassen	Netherlands	100.00	1)	174	-9
Berger Group Europe Iberica, S.L.	Reus	Spain	100.00	1)	1,556	582
Cemsan Metal Parts Manufacturing Industry Trade Ltd. Company	Gebze-Kocaeli	Turkey	100.00	1)	-154	-312
S.G.T. S.r.l.	Albavilla	Italy	80.00	1)	3,119	1,473
Berger Closing Rings (Changshu) Co., Ltd.	Changshu	China	80.00	1), 4)	335	-96
Berger Italia S.r.l.	Valmadrera	Italy	100.00	1)	6,155	2,603
Berger Group US Inc. (formerly Berger US Inc.)	Birmingham	USA	100.00	1)	12,804	2,957
Berger US Inc. (formerly Self Industries Inc.)	Birmingham	USA	100.00	1), 2)	13,964	3,567
Berger Hong Kong Limited	Hong Kong	China	80.00	1)	1,410	-1
Nittel UK Ltd.	Southport	Great Britain	50.00	3)	134	17
Nittel B.V.	Moerdjik	Netherlands	80.00	3)	536	214
Nittel France SARL	Merignac	France	80.00	3)	155	-40

1) held indirectly via August Berger Metallwarenfabrik GmbH
2) held indirectly via Berger US Inc.
3) held indirectly via Fidum Verwaltungs GmbH
4) held indirectly via Berger Hong Kong Limited
5) hull financial year from 01.03.2021 to 31.12.2021

The currency translation for the companies was as follows:

	Currency	EURO
Berger Closures Limited and Nittel UK Ltd.		
Equity at average exchange rate:	1 GBP	= 1.19121 EUR
Net income for the year at year's average exchange rate:	1 GBP	= 1.16279 EUR
Cemsan Metal Parts Manufacturing Industry Trade Ltd. Company		
Equity at average exchange rate:	1 TRY	= 0.07820 EUR
Net income for the year's average exchange rate:	1 TRY	= 0.09554 EUR
Berger Closing Rings (Changshu) Co. Ltd.		
Equity at average exchange rate:	1 CNY	= 0.13858 EUR
Net income for the year at year's average exchange rate:	1 CNY	= 0.13099 EUR
Berger US Inc. (formerly Self Industries Inc.) and Berger Hong Kong Limited		
Equity at average exchange rate:	1 USD	= 0.88302 EUR
Net income for the year at year's average exchange rate:	1 USD	= 0.84493 EUR

Development of capital assets

in the financial year 2021

CAPITAL ASSETS EUR	**Acquisition cost / Production costs**			
	As of 01.01.2021	Additions	Disposals	As of 31.12.2021
I. Intangible assets				
Purchased licenses, industrial property rights and similar rights and assets as well as licenses to such rights and assets	10,640.00	0.00	0.00	10,640.00
Total intangible assets	**10,640.00**	**0.00**	**0.00**	**10,640.00**
II. Property, plant and equipment				
Other plant, factory and office equipment	33,768.64	2,811.00	0.00	36,579.64
Total property, plant and equipment	**33,768.64**	**2,811.00**	**0.00**	**36,579.64**
III. Investments				
1. Shares in affiliated companies	53,595,300.23	0.00	0.00	53,595,300.23
Total financial assets	**53,595,300.23**	**0.00**	**0.00**	**53,595,300.23**
Total capital assets	**53,639,708.87**	**2,811.00**	**0.00**	**53,642,519.87**

Depreciations				Book values	
As of 01.01.2021	Additions	Disposals	As of 31.12.2021	As of 31.12.2021	As of 31.12.2020
10,639.00	0.00	0.00	10,639.00	1.00	1.00
10,639.00	**0.00**	**0.00**	**10,639.00**	**1.00**	**1.00**
26,591.64	4,235.00	0.00	30,826.64	5,753.00	7,177.00
26,591.64	**4,235.00**	**0.00**	**30,826.64**	**5,753.00**	**7,177.00**
2,228,039.77	0.00	0.00	2,228,039.77	51,367,260.46	51,367,260.46
2,228,039.77	**0.00**	**0.00**	**2,228,039.77**	**51,367,260.46**	**51,367,260.46**
2,265,270.41	**4,235.00**	**0.00**	**2,269,505.41**	**51,373,014.46**	**51,374,438.46**

Independent Auditor's Certificate

To Ringmetall SE, Munich

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT

Audit opinions

We have audited Ringmetall SE's annual financial statements – comprising the balance sheet as of December 31, 2021 and the income statement for the fiscal year from January 1, 2021 through December 31, 2021 as well as the notes to the annual financial statements, including a presentation of accounting and valuation methods. Furthermore, we have audited Ringmetall SE's consolidated management report for the fiscal year from January 1, 2021 through December 31, 2021. In accordance with German legal requirements, we have not audited the presentations contained in the consolidated management report's sections "Competitive strengths and market entry barriers" as well as "Compliance and sustainability report" and "Non-financial declaration", the statement on corporate governance contained in the consolidated management report's section "Other legally required information" as well as the legal representatives' responsibility statement contained in the consolidated management report's section "Legal representatives' responsibility statement".

According to our assessment based on our audit's findings,

- the attached annual financial statements comply, in all material respects, with the requirements pursuant to German commercial law as applicable to corporations and provide, in compliance with German generally accepted accounting principles, a true and fair view of the Company's assets and financial position as of December 31, 2021, and of its profit situation for the fiscal year from January 1, 2021 through December 31, 2021; and
- the attached consolidated management report as a whole provides a true and fair view of the Group's position. In all material respects, this consolidated management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of the Group's future development. Our audit opinion on the consolidated management report does not cover the content of the aforementioned presentations contained in the consolidated management report's sections "Competitive strengths and market entry barriers" as well as "Compliance and sustainability report" and "Non-financial declaration", the statement on corporate governance contained in the consolidated management report's section "Other legally required information" as well as the legal representatives' responsibility statement contained in the consolidated management report's section "Legal representatives' responsibility statement".

Pursuant to Art. 322 Sec. 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the annual financial statements' and the consolidated management report's legal compliance.

Basis for our audit opinions

We have conducted our audit of the annual financial statements and of the consolidated management report in accordance with Art. 317 HGB and the EU Audit Regulation (No. 537/2014, hereinafter referred to as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for the Audit of Financial Statements issued by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer "IDW"). Our responsibilities under these requirements and principles are further described in our audit certificate's section "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Consolidated Management Report". We are independent of the Company in accordance with the requirements pursuant to European law as well as German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 Sec. 2 lit. f of the EU Audit Regulation, we declare that we have not provided any non-audit services prohibited under Article 5 Sec. 1 of the EU Audit Regulation. We believe the audit evidence we have obtained is sufficient and appropriate in order to provide a basis for our audit opinions on the annual financial statements and on the consolidated management report.

Key audit matters in connection with the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the fiscal year from January 1, 2021 through December 31, 2021. These matters have been taken into account in connection with our audit of the annual financial statements as a whole, and in forming our audit opinion related herewith; we do not express a separate audit opinion on these matters.

From our perspective, the following matters were of most significance during our audit:

- Valuation of shares in affiliated companies
- Recognition and valuation of receivables from affiliated companies

We have structured our presentation of these key audit matters as follows:

1.) Facts and problems
2.) Audit approach and findings
3.) Reference to further information

In the following, we will present these key audit matters:

A. Valuation of shares in affiliated companies

1.) In the annual financial statements, shares in affiliated companies in the amount of KEUR 51,367 are reported under the balance sheet item "financial assets". This corresponds to 54.5 % of net assets. In light of this and due to the overall significant effects of the financial assets' depreciations on Ringmetall SE's assets, financial position and profit situation, the valuation of shares in affiliated companies was of particular importance within the scope of our audit. Ringmetall SE subjects all shares in affiliated companies to an annual impairment test in order to identify and determine any potential need for depreciations due to permanent impairment. The impairment test is performed at the level of the respective legal entity. For this purpose, Ringmetall SE first determines an overall enterprise value using the discounted cash flow (DCF) method on the basis of earnings and cash flow forecasts, which are based on a one-year detailed plan with simplified projection for the next four financial years and the perpetual annuity (terminal value). The enterprise value adjusted for debt is subsequently compared with the relevant carrying amount. If the enterprise value is at least equal to the carrying amount, financial assets are not revalued. If it is below the carrying amount, the carrying amount is depreciated to the lower enterprise value. For impairment losses recognized in the past, an annual review is performed on the same basis in order to determine whether a corresponding appreciation is required. The outcome of these valuations is highly dependent on the legal representatives' estimate of the respective customer relationships' future cash inflows, as well as on the discount rates used in each case. The valuation is therefore subject to significant uncertainties.

2.) Within the scope of our audit of the financial assets' valuation, we examined, inter alia, the methodological approach to the impairment test and the calculation of the future cash flows' or enterprise values' present value. In doing so, we critically assessed the valuation's underlying parameters and the planning and checked their plausibility, and computationally verified the result. In our opinion, the valuation parameters and assumptions applied by the legal representatives, taking into account the available information, are all in all suitable for the examination of the financial assets' valuation. In our view, the underlying data and parameters provide an appropriate basis for identifying a possible need for depreciation.

3.) The Company's information on financial assets is contained in the notes' section "Accounting and valuation principles" as well as the section "Notes on certain balance sheet items and on the income statement" and in the assets analysis.

B. Recognition and valuation of receivables from affiliated companies

1.) The Company's annual financial statements include receivables from affiliated companies in the amount of KEUR 42,461 which corresponds to 45.1 % of net assets. As such, receivables from affiliated companies constitute a material part of net assets. The assessment of the affiliated companies' creditworthiness and a comprehensive consideration of the related evaluation of the affiliated companies' economic development, which is largely discretionary, is therefore of major importance within the scope of the valuation of receivables from affiliated companies and as such of particular importance in Ringmetall SE's annual financial statements. In our opinion, this fact is of particular importance for the audit.

2.) Within the scope of our audit, we examined through audit procedures based upon information provided to us, the reported receivables' consistency with the respective affiliated companies' corresponding liabilities. In addition, we verified the credit assessment based on the respective subsidiary's corporate planning and critically assessed the underlying planning and assumptions of such planning. We also applied our auditor's judgment in identifying potentially risky receivables. We consider the assumptions made for the valuation of receivables from affiliated companies to be appropriate.

3.) The Company's information on receivables from affiliated companies are contained in the notes' section "Notes on certain balance sheet items and on the income statement".

Other information

The legal representatives and the Supervisory Board are responsible for other information. Other information comprises:

- the report by the Management Board,
- the report by the Supervisory Board,
- the declaration on corporate governance,
- the presentations in the section „Competitive strengths and market entry barriers" in the consolidated management report,
- the presentations in the section „Compliance and sustainability report",
- the presentations in the section „Non-financial declaration",
- the responsibility statement made by the legal representatives, pursuant to Art. 264 Sec. 2 sentence 3 HGB to the best of their knowledge, that the annual financial statements provide a true and fair view of the asses, financial position and profit situation,
- but not the annual financial statements, the notes' statements audited as to their content, and our related audit certificate.

Our audit opinions on the annual financial statements and on the consolidated management report do not cover such other information, and consequently we do not express an audit opinion or any other form of audit conclusion thereupon.

In connection with our audit, our responsibility is to read the other information and, in doing so, to assess whether the other information

- is materially inconsistent with the annual financial statements, with the consolidated management report or our knowledge obtained during the audit; or
- otherwise seems to have been materially misstated.

Legal Representatives' and the Supervisory Board's Responsibilities for the Annual Financial Statements and the Consolidated Management Report

The legal representatives are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements pursuant to German commercial law and that the annual financial statements, in compliance with German generally accepted accounting standards, provide a true and fair view of the Company's net assets, financial position, and profit situation. Furthermore, the legal representatives are responsible for such internal controls they have, in accordance with German generally accepted accounting standards, deemed necessary in order to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

When preparing the annual financial statements, the legal representatives are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility to disclose, as applicable, matters related to the going concern principle. Furthermore, they are responsible for financial reporting on a going concern basis unless otherwise required due to actual or legal circumstances.

Furthermore, the legal representatives are responsible for the preparation of the consolidated management report that, as a whole, provides a true and fair view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for such arrangements and measures (systems) they have considered necessary in order to enable the preparation of a consolidated management report in accordance with the applicable German legal requirements and in order to be able to provide sufficient appropriate evidence for the statements made in the consolidated management report.

The Supervisory Board is responsible for monitoring the Company's financial reporting process for the preparation of the annual financial statements and the consolidated management report.

Legal Representatives' and the Supervisory Board's Responsibilities for the Annual Financial Statements and the Consolidated Management Report

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the consolidated management report as a whole presents a true and fair view of the Company's position and is, in all material respects, consistent with the annual financial statements and the knowledge obtained during our audit, complies with German legal requirements and appropriately presents the opportunities and risks of the Company's future development, as well as to issue an audit report that includes our audit opinions on the annual financial statements and on the consolidated management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Art. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for the Audit of Financial Statements promulgated by the IDW will always detect any material misstatement. Misstatements can arise from fraud or error and are considered material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and the consolidated management report.

We exercise professional judgment and maintain professional skepticism throughout the entire audit. We also:

- identify and assess the risks of material misstatements in the annual financial statements and the consolidated management report, whether due to fraud or error, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting any material misstatements resulting from fraud is higher than for those resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- obtain an understanding of the internal control system relevant for the audit of the annual financial statements and of arrangements and measures relevant for the audit of the consolidated management report, in order to plan audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems;
- evaluate the appropriateness of accounting methods applied by the legal representatives and the reasonableness of estimates made by the legal representatives as well as the related disclosures;
- draw conclusions on the appropriateness of the going concern principle applied by the legal representatives and, based on

the audit evidence obtained, whether there is a material uncertainty in connection with events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in the audit certificate to the related disclosures in the annual financial statements or the consolidated management report or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit certificate. However, future events or conditions may cause the Company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements, in compliance with German generally accepted accounting principles, provide a true and fair view of the Company's net assets, financial position and profit situation;
- evaluate the consolidated management report's consistency with the annual financial statements, its conformity with German law, and its presentation of the Company's position;
- perform audit procedures on the prospective information presented by the legal representatives in the consolidated management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We discuss with those charged with governance, inter alia, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control system we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be expected to affect our independence and, where applicable, the applied safeguards.

From the matters discussed with those charged with governance, we determine those matters that were of most importance in the audit of the current reporting period's annual financial statements and are therefore the key audit matters. We describe these matters in our audit certificate unless the matter's public disclosure should be precluded by any law or other regulation.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Note on the Audit of the Electronic Reproductions of the Annual Financial Statements and the Consolidated Management Report prepared for the Purposes of Disclosure pursuant to Art. 317 Sec. 3a HGB

Audit opinion

Pursuant to Art. 317 Sec. 3a HGB, we have performed an audit in order to determine with reasonable assurance whether the reproductions of the annual financial statements and the consolidated management report (hereinafter also referred to as the "ESEF documents") contained in the file "Jahresabschluss Ringmetall_31.12.2021" which is retrievable by the issuer in the protected client portal, and prepared for disclosure purposes comply in all material respects with the requirements pursuant to Art. 328 Sec. 1 HGB regarding the electronic reporting format ("ESEF format"). In accordance with German legal requirements, such audit extends only to the conversion of the information contained in the annual financial statements and the consolidated management report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the aforementioned file.

According to our assessment, the reproductions of the annual financial statements and the consolidated management report contained in the aforementioned attached file and prepared for disclosure purposes comply, in all material respects, with the electronic reporting format requirements pursuant to Art. 328 Sec. 1 HGB. We do not express an audit opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file beyond the scope of this audit opinion and our audit opinions on the attached annual financial statements and the attached consolidated management report for the fiscal year from January 1, 2021 to December 31, 2021 contained in the preceding "Report on the audit of the annual financial statements and the group management report".

Basis for our audit opinion

We conducted our audit of the reproductions of the annual financial statements and the consolidated management report contained in the above-mentioned attached file in accordance with Art. 317 Sec. 3a HGB and in compliance with the draft IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purpose of Disclosure pursuant to Art. 317 Sec. 3a HGB (IDW PS 410 (10.2021)). Our responsibility in accordance with such standard is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice complies with the quality assurance system requirements of the IDW Quality Assurance Standard: Requirements to Quality Assurance in Auditing Practice (IDW QS 1).

Legal representatives' and Supervisory Board's responsibilities for the ESEF documents

The Company's legal representatives are responsible for the preparation of the ESEF documents containing the electronic reproductions of the annual financial statements and the consolidated management report in accordance with Art. 328 Sec. 1 sentence 4 no. 1 HGB.

Furthermore, the Company's legal representatives are responsible for such internal controls they have deemed necessary in order to enable the preparation of the ESEF documents that are free from any material non-compliance, whether due to fraud or error, with the provisions pursuant to Art. 328 Sec. 1 HGB regarding the electronic reporting format.

The Company's legal representatives are also responsible for submitting the ESEF documents together with the audit certificate and the attached audited annual financial statements and audited consolidated management report as well as other documents to be disclosed to the operator of the Federal Gazette.

The Supervisory Board is responsible for monitoring the preparation of the ESEF documents as part of the reporting process.

Auditor's responsibilities for the audit of the ESEF documents

Our objective is to obtain reasonable assurance as to whether the ESEF documents are free from any material non-compliance, whether due to fraud or error, with the requirements pursuant to Art. 328 Sec. 1 HGB. We exercise professional judgment and maintain professional skepticism throughout the entire audit. We also:

- identify and assess the risks of material non-compliance with the requirements pursuant to Art. 328 Sec. 1 HGB, whether due to fraud or error, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion;

- obtain an understanding of the internal controls relevant for the audit of the ESEF documents in order to plan audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these controls;

- assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents complies with the requirements of Delegated Regulation (EU) 2019/815 as amended at the reporting date regarding the technical specification for this file;

- assess whether the ESEF documents allow a consistent XHTML reproduction of the audited annual financial statements and the audited consolidated management report.

Other information pursuant to Article 10 EU Audit Regulation

We were elected as group auditors by the Annual General Meeting on June 16, 2021. We were engaged by the Supervisory Board on December 7, 2021. We have served as Ringmetall SE's group auditors without interruption since the fiscal year 2017.

We have not provided tax advisory services and valuation services that individually or cumulatively have an impact on the financial statements we have audited. We only performed an auditor's review of the interim consolidated financial statements as of June 30, 2021 and the interim group management report for the period from January 1, 2021 to June 30, 2021 and provided other confirmation services for compliance with the covenants agreed with lenders and in the context of the conversion into the Societas Europaea. These services have no influence on the audited financial statements. The Supervisory Board approved all non-audit services provided.

We declare that the audit opinions contained in this audit certificate are consistent with the additional report to the audit committee pursuant to Article 11 EU Audit Regulation (audit report).

Other matters – use of the audit opinion

Our auditor's report should always be read in connection with the audited annual financial statements and the audited management report as well as the audited ESEF documents. The annual financial statements and management report converted to the ESEF format - including the versions to be published in the Federal Gazette - are merely electronic reproductions of the audited annual financial statements and the audited management report and do not replace them. In particular, the ESEF note and our audit opinion contained therein can only be used in connection with the audited ESEF documents provided in electronic form.

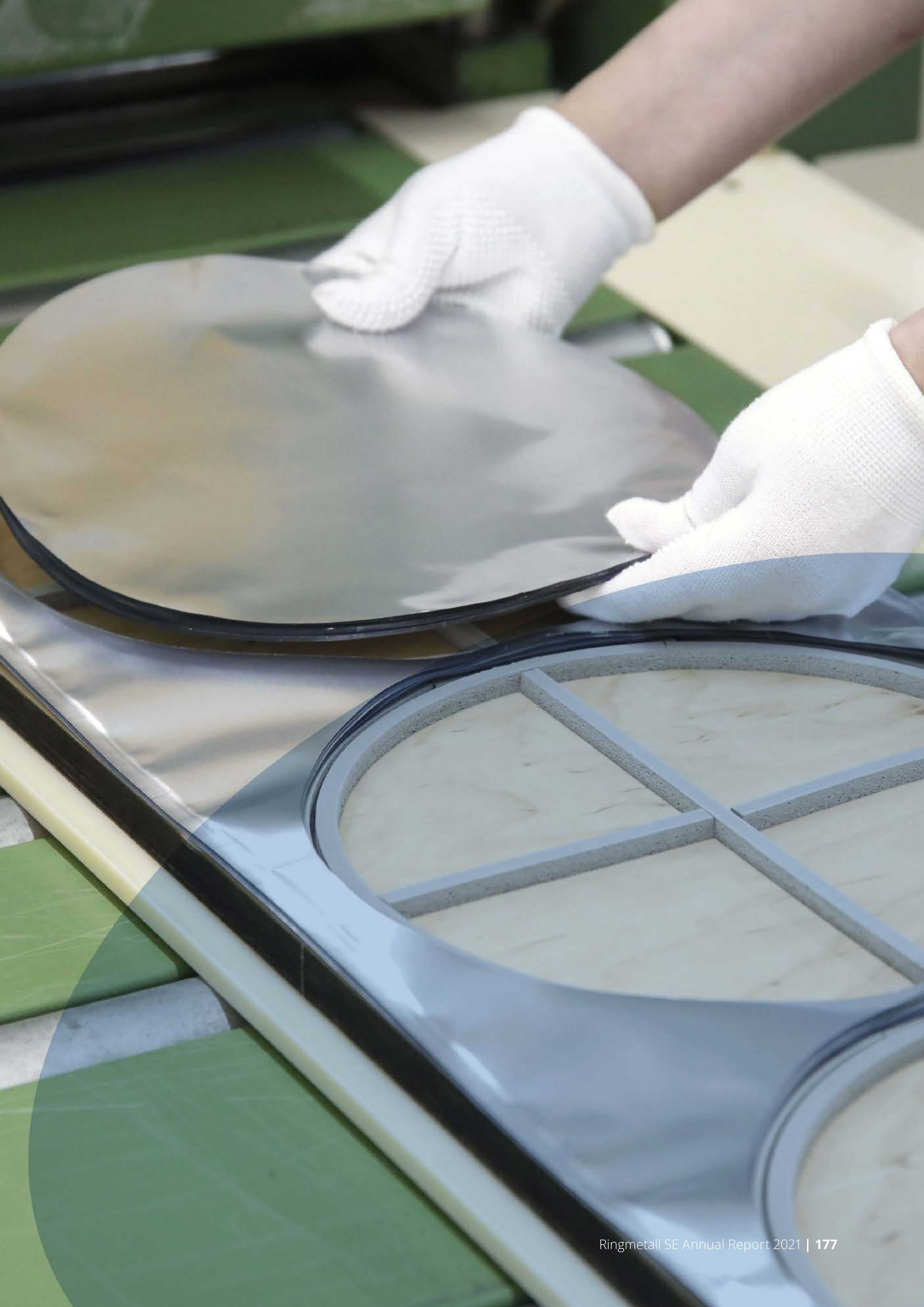
RESPONSIBLE AUDITOR

The auditor responsible for the audit is Ms. Alexandra Dittus.

Nuremberg, April 27, 2022

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Edenhofer	Dittus
German CPA	German CPA



SUPPLEMENTARY INFORMATION


TESSERAUX
SPEZIALverpackungen

References

- Allied Market Research – Research zu Global Industrial Packaging Market – Global Opportunity Analysis and Industry Forecast, 2015 – 2023, Client Report
- Berger Gruppe
- Federal Ministry for Economic Affairs and Energy – Annual Economic Report 2022
- Deutsche Börse – Price data Ringmetall SE and stock exchange indices
- Food and Agriculture Organization of the United Nations – Food Price Indices
- International Monetary Fund – World Economic Outlook Update January 2021
- Hauck & Aufhäuser Privatbankiers AG – Equity Research on Ringmetall SE by Analyst Christian Sandherr
- HSM GmbH & Co. KG
- Stifel Europe Bank AG – Equity Research on Ringmetall SE by Analyst Florian Pfeilschifter
- FEM – WORLD INDUSTRIAL TRUCKS STATISTICS 2021/Q4
- Mordor Intelligence – Industrial Drums Market 2021 and Forecast 2022 – 2027
- VCI e.V. – Press release 16.12.2021, Balance sheet of the chemical-pharmaceutical industry 2021
- Warburg Research GmbH – Equity Research on Ringmetall SE by Analyst Cansu Tatar

Photos
Ringmetall SE
Changshu Guxi Culture Media Co., Ltd.
Fotowerkhaus
Peter Latik
Detlef Szillat
Alice Tentori

Concept and Realization:
Sinnbüro Kommunikation
sinnbuero.de

Motho-Design
motho-design.com

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Imprint

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