RINGMETALL SE
ANNUAL REPORT 2022

CONTENTS

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

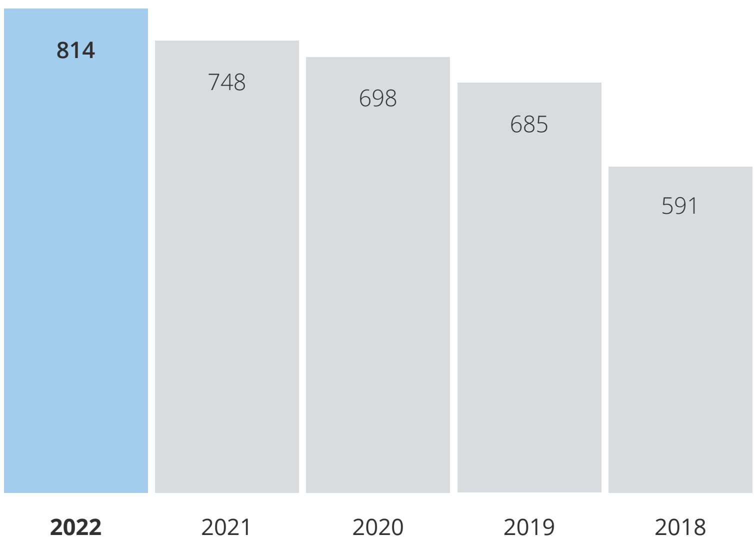
TO THE SHAREHOLDER

KEY FIGURES FOR THE GROUP

P&L KEY FIGURES EUR ,000	**2022**	2021	2020	2019	2018
Revenues	**213,511**	172,338	117,972	120,581	110,567
Total Output	**216,535**	173,124	117,278	120,563	111,062
Gross Profit	**91,715**	80,025	56,887	55,455	49,517
EBITDA	**28,300**	26,620	12,180	10,029	10,431
EBIT	**21,283**	20,177	5,987	4,969	8,280
Consolidated Net Profit	**15,920**	14,917	2,735	3,022	5,156

BALANCE SHEET KEY FIGURES EUR ,000	**2022**	2021	2020	2019	2018
Fixed Assets	**73,462**	70,195	66,021	63,979	48,499
Current Assets	**56,775**	52,130	35,392	34,004	32,982
Equity	**77,464**	63,749	49,589	49,999	48,537
Equity Ratio	**59.0%**	51.5%	47.9%	50.0%	59.0%
Liabilities	**45,057**	51,060	47,152	43,590	29,966
Balance Sheet Total	**131,341**	123,896	103,547	100,002	82,271

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 Management 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,

After 2020 and 2021 were dominated by the pandemic, from today's perspective we can be confident that the global community will have succeeded in overcoming the challenges of the pandemic in 2022 and finally put COVID-19 behind it. At the same time that the pandemic is subsiding, however, the world is already facing new, far more profound problems. With Russia's attack on Ukraine in February 2022, Europe is once again a theater of war for the first time in several decades, and the world as a whole seems to be falling back into an East-West conflict long thought to have been overcome. The sum of the economic upheavals resulting from this clearly exceeds the challenges of previous years.

Global supply chain problems are becoming entrenched and are weighing on the chances of a buoyant return to growth. Energy prices are highly volatile with a noticeable upward trend. This in turn is leading to rampant inflation, necessitating interest rate hikes by central banks and thus affecting growth forecasts worldwide.

As the world's largest producer of drum closure systems for the globally most used industrial packaging – the industrial drum – Ringmetall's development is closely linked to the development of the general global economy. The constant mega-trends of global growth, population growth and urbanization, ensure steady growth for Ringmetall itself, which additionally benefits from accentuated acquisitions and the consolidation of target markets.

In purely operational terms, Ringmetall can therefore look back on another extremely pleasing fiscal year overall. Group revenue grew significantly by 23.9 percent to EUR 213.5 million and earnings before interest, taxes, depreciation and amortization (EBITDA) also increased by 6.3 percent to EUR 28.3 million. As can be seen from the below-average increase in earnings, a key driver of the revenue growth was the significantly higher level of raw material prices. However, we were largely able to pass these on to our customers in the form of price increases. In the clamping rings product area, there were signs of a general calming of the market environment of the previous year, which could be described as rather heated. Here we successfully completed the integration of HOSTO, our acquisition from 2021, with whose operational development we are extremely satisfied. In the inliner sector, demand increased significantly throughout the year. Here, too, we successfully integrated our acquisition from February 2022, Rhein-Plast, and further expanded the machinery of this subsidiary with investments. In addition, we prepared for our expansion into the North American market with the acquisition of Protective Lining, a leading manufacturer of polyethylene inliners in the USA, which we successfully completed at the beginning of January 2023. So, overall, we have again achieved great things with our team and brought Ringmetall quite a bit forward again.

Since the fourth quarter, however, it has become apparent that the high energy prices, supply chain issues, and sharp cost increases are significantly impacting many of our end-user industries, with the chemical industry leading the way. Overall, this led to declining volumes in the clamping rings product area. At the same time, demand in the inliner area proved to be still robust, enabling us to compensate for some of the demand-related effects on sales. Nevertheless, this changed product mix led to a weakened margin situation at Group level in the short term, as was observed in the year-end quarter.

Even though this development is largely in line with our expectations expressed in the forecasts for the full year and we have aligned our internal processes as well as possible to the current environment, the multitude of general economic challenges and the discussions about possible recessionary tendencies make us look ahead with increased caution to the fiscal year 2023 ahead of us. After a subdued start to the year, we sense a high degree of uncertainty among our end customers. In addition, average steel prices in 2022 were significantly higher than year-end levels. This is an effect which will have a negative impact on revenue development in the year-on-year comparison between 2022 and 2023. At the same time, however, we are positive that 2023 should be a good year for acquisitions and are in a number of promising discussions.


BERGER

LETTER FROM THE MANAGEMENT BOARD

However, as potential acquisitions are not included in our forecasts, we are assuming Group revenues of between EUR 195 million and EUR 220 million for 2023 as a whole, with EBITDA in the range of EUR 22 million to EUR 28 million. This already includes the revenue and earnings contribution from the acquisition of Protective Lining announced on January 9, 2023. The forecast is based on unchanged raw material prices and exchange rates compared with year-end 2022. As already mentioned, it also does not include the effects of acquisitions planned for 2023, including transaction costs.

It is to be hoped that the war in Ukraine will have an outcome as soon as possible that is based on fundamental democratic values, thus creating a basis on which the basic principles of the global economic order can once again be applied. Even if the echoes of the economic discord are likely to reverberate for some years to come, peace is certainly always the most important cornerstone of social and economic coexistence.

Last but not least, we would like to take this opportunity to thank our employees for their great commitment in the past fiscal year, as well as the shareholders of our Company, for their loyal support and the open and inspiring exchange. We wish you all the best for 2023, good health and peace in the near future.

Munich, April 2023

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 with an investment company in Mexico. This was followed by positions at the investment banks Kleinwort, Benson and Goldman Sachs in London and New York with a focus on mergers & acquisitions, before he set 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 USA, 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 several companies and member of various supervisory and advisory boards.

MONIKA DUSSEN | Member

Monika Dussen studied industrial engineering at the Karlsruhe Institute of Technology (KIT) and the Institut National Polytechnique de Grenoble (INPG). In her professional career, she first gained experience in the field of conception and implementation support of transformation processes in German medium-sized companies. Later, she accompanied transition and realignment phases both in an advisory capacity and by taking over C-level positions on an interim basis. Most recently, she was Chief Performance Officer of a pan-European manufacturer in the automotive and commercial vehicle industry. She is also a partner in Struktur Management Partner GmbH.

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 2007, he became Chief Financial Officer of the listed mechanical and plant engineering company Dürr AG, where his responsibilities included the commercial areas of the Group and two of the five operating business units. In 2017, he moved to Knorr-Bremse AG as Chief Financial Officer, where 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 Partner,
Dear shareholders,

I am pleased to present to you the report of the Supervisory Board of Ringmetall Group for the year 2022. In the past year, the Ringmetall Group recorded the most successful business year in its history. Revenue increased by 23.9 percent to EUR 213.5 million and the operating result (EBIT) reached EUR 21.3 million.

The Supervisory Board monitored the conduct of business by the Management Board and all measures to safeguard the health of employees. The Board acted in an advisory capacity to the Management Board and was always able to satisfy itself as to the legality, appropriateness and regularity of its activities and was kept fully informed of important decisions and aspects of strategy, planning, business development, risk situation and compliance.

A total of five ordinary meetings of the Supervisory Board were held in 2022, attended by all members – with the exception of the meeting on December 1, at which Mr. Wenner was excused but submitted a written vote. In addition, there were numerous telephone calls and conference calls between the Management Board and the Supervisory Board.

At the meeting on January 13, 2022, the conclusion of the purchase agreement for the assets of Rhein-Plast GmbH was discussed and approved.

On April 27, 2022, in addition to the current business performance in all business areas, the development of the organizational structure, 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 auditors from Baker Tilly reported on the main findings of their audit and provided additional information on the past fiscal year and on risk management. In particular, he addressed the net assets, financial position and results of operations of Ringmetall SE and the Group. The Supervisory Board approved the results of the audit. Furthermore, the Supervisory Board also examined the annual financial statements as of December 31, 2021 of Ringmetall SE, the consolidated financial statements and the combined management report. There were no objections, so the Supervisory Board approved the annual financial statements of Ringmetall SE 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.

On June 20, 2022, a meeting of the Supervisory Board was held following the Annual General Meeting. Monika Dussen was welcomed as a new member of the extended Supervisory Board of SE. The constituent meeting with the election of Klaus Jaenecke as Chairman and Markus Wenner as Deputy Chairman took place by circulation following registration of the amendment to the Articles of Association. In addition to discussing the current business situation, various order scenarios for the second half of the year were analyzed.

At the meeting on September 29, strategic, organic and inorganic growth issues were discussed in particular, and the acquisition of the assets of Riva Franco e Figli was discussed and resolved. It was resolved to form an Audit Committee with Markus Wenner as Chairman and Ralph Heuwing and Klaus Jaenecke as additional members. In addition, the target for the proportion of women on the Supervisory Board was set at 25 percent. By contrast, the target for the proportion of women on the Management Board was set at 0 percent, as there are no plans to expand the proven Management Board or to fill new positions on the Board.

The focus of the December 1, 2022 meeting was on strategic alignment, acquisitive growth and strengthening the internal organization. Following extensive discussion, the Supervisory Board also approved the budget and the 2023 investment plan as well as the medium-term planning. In addition, the risk management and compliance organization were discussed.


TESSERAUX
SPEZIALverpackungen

REPORT OF THE SUPERVISORY BOARD

In the course of the year, the Supervisory Board dealt intensively with the topic of corporate governance of the Ringmetall Group. 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 Company's Management Board and Supervisory Board in a declaration of conformity pursuant to Section 161 of the German Stock Corporation Act (AktG). The composition of the Company's Management Board remained unchanged in the past fiscal year.

The Supervisory Board was expanded by resolution of the Annual General Meeting and elected for a five-year term of office. The existing members were confirmed in office and supplemented by Ms. Dussen. The Supervisory Board formed a new Audit Committee in the reporting year.

The Annual General Meeting on June 20, 2022 elected BDO AG, Wirtschaftsprüfungsgesellschaft, Stuttgart, as auditors of the financial statements and consolidated financial statements for fiscal year 2022 and as auditors for any review of the financial reports during the year.

The Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft audited the annual financial statements, the consolidated financial statements and the combined management report of Ringmetall SE for the 2021 financial year and issued an unqualified audit opinion on the respective financial statements.

In conclusion, the Supervisory Board would like to expressly thank all employees in the Group for their commitment and high level of dedication 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.

Munich, April 2023

For the Supervisory Board

Klaus F. Jaenecke
Chairman of the Supervisory Board

RINGMETALL ON THE CAPITAL MARKETS

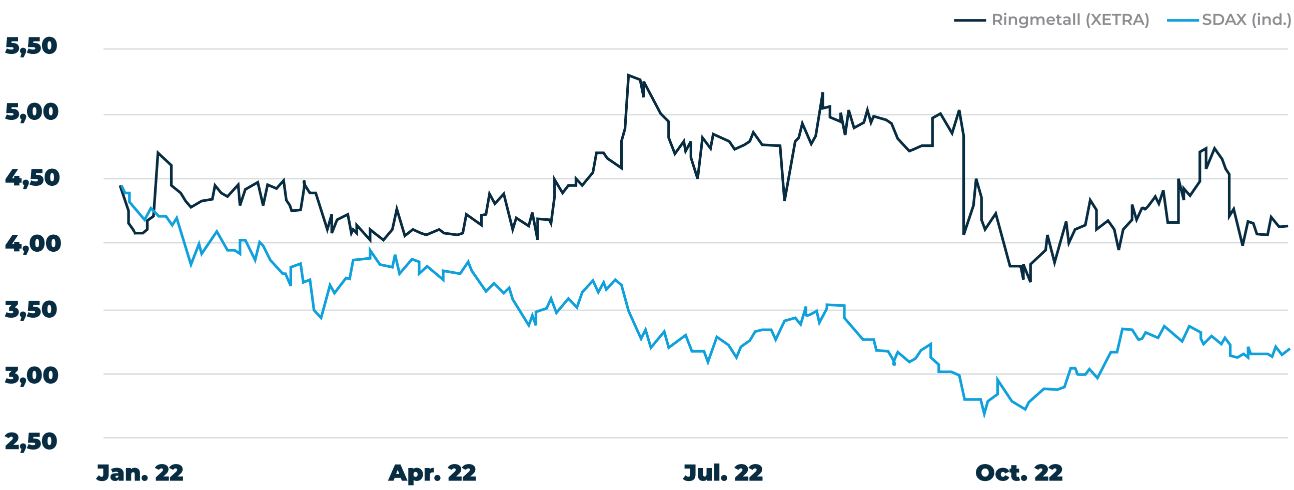
While at the beginning of 2022 the capital markets were still focusing on developments in connection with the COVID 19 pandemic, the focus shifted abruptly with the Russian attack on Ukraine on February 24. From then on, the course of the war and its impact on global economic development essentially shaped price developments in the global financial centers. Triggered by the war in Ukraine, prices for energy and numerous raw materials rose sharply and proved to be a key driver of a substantial increase in inflation. In the months following the start of the war, this resulted in several substantial increases in key interest rates both in the USA and in Europe. As a result, the world's major stock indices fell sharply for much of the year. Any countermovements were short-lived and intense. It was not until October that the markets managed to break away from their lows and start a countermovement that lasted in total through the end of 2022.

The MSCI World ended the year down 20.7 percent at 2,598 points, while the German DAX 40 selection index fell 12.3 percent to 13,923 points. The SDAX lost disproportionately heavily, ending the year down 27.3 percent to 11,925 points. By contrast, the Ringmetall SE share managed to remain largely stable despite the negative capital market environment. After ending the year 2021 at a price of EUR 4.37, it even marked a new all-time high of EUR 5.28 on XETRA closing price basis in June 2022. Ultimately, however, it also had to pay tribute to the overall weak sentiment towards small-cap shares in particular and ended the year at a closing price of EUR 4.15, a drop of 5.0 percent over the year as a whole.

After communication with investors in 2020 and 2021 was largely virtual within the framework of video conferences due to the pandemic, the Company also increasingly used the possibility of face-to-face meetings with existing and interested investors again with the end of the pandemic restrictions in 2022. Unchanged, however, even after the end of the pandemic restrictions, the publication of the Company's results was presented on a regular basis via video conferences. This type of conference arrangement, which was born out of necessity, has to date resulted in a sustainably higher level of coverage compared with traditional telephone conferences and is accordingly to be retained in this form in the future.

As in the previous year, Ringmetall SE 2022 was analyzed by three institutions within equity research studies. In addition to Hauck & Aufhäuser and Warburg Research, which evaluate the Company free of charge, this was SMC Research, which accompanies Ringmetall in the course of a paid mandate. The research contract with Stifel Europe was terminated by Ringmetall in the course of a change of the analyst in 2022. The decision for a contract with SMC Re-

SHARE PRICE DEVELOPMENT OF RINGMETALL SE COMPARED TO THE SDAX



search is also based on the clear focus of this provider on a research format especially for private investors. Ringmetall thus underlines its own efforts to also provide this investor Group with even better information on the Company in the future. At EUR 6.27, the average price target was around 50 percent above the year-end price, despite the once again above-average share price performance in 2022. In detail, the recommendations of the institutions as of February 28, 2023 were as follows:

Institution	Analyst	Recommendation	Price target
Hauck & Aufhäuser	Christian Sandherr	Buy	6.30
SMC Research*	Holger Steffen	Buy	6.50
Warburg Research	Cansu Tatar	Buy	6.00

*Sponsored Research

as of 28 February 2023

As in the two previous years, the Company's 25th Annual General Meeting was held as a virtual general meeting in Munich on June 20, 2022. Of the Company's share capital of EUR 29,069,040.00, 77.42 percent was represented at the time of voting (AGM 2021: 72.65 percent). Once again, the quota was significantly higher than in the previous year and significantly higher than the quotas of past attendance events. The Management Board of Ringmetall SE considers this to be the shareholders' approval of the virtual format. According to the current status, the Annual General Meeting 2023 will again be held as a purely virtual event. Then, however, with extended technical possibilities, which should further improve communication with the shareholders. A dividend payout of 9 cents per share was resolved for the 2021 financial year, representing a 50 percent increase in the payout compared with the previous year (for 2020: 6 cents per share). The agenda items put to the vote were again passed almost unanimously in accordance with the management's proposal.

No capital market transactions were carried out in fiscal 2022 that would have had an impact on the number of shares outstanding. Accordingly, the number of shares outstanding at December 31, 2022 was 29,069,040, unchanged from December 31, 2021.


QS

COMBINED MANAGEMENT REPORT FOR THE FISCAL YEAR 2022

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 clearly 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. In 2021, the change of legal form from Ringmetall AG to a European Company (Societas Europaea - SE) with the name Ringmetall SE was completed.

Since changing the Company's name and adapting its business model, Ringmetall has been operating as a specialized industrial holding company in the two business segments Industrial Packaging and Industrial Handling. Ringmetall develops, produces and markets packaging solutions for use in the chemical, pharmaceutical and food industries, 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 tube connections that will find future use in plant construction, among other areas. The related product developments are currently in the market launch phase.

In the Industrial Packaging division, the Ringmetall Group produces 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 Group's proportionally largest revenue contributor, 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 inner liners for industrial drums and multi-component systems. Since then, the Group has also offered product solutions for closed top drums (closed drums) and other packaging solutions such as bag-in-box systems, a special packaging for liquids.

In the Industrial Handling business unit, the Ringmetall Group manufactures vehicle attachments for special vehicles used in freight and warehouse logistics as well as in the agricultural sector. In addition to attachments and trailer couplings for tractors, agricultural machinery and trucks, these include above all restraint systems 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 publicly 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 2022. Of these, 17 companies are operationally active, three companies are purely intermediate holding companies and four companies operate as administrative units.

SUBSIDIARIES AND GROUP BRANDS

Despite the superordinate structure of Ringmetall SE, the individual business units and the associated subsidiaries of the Group operate largely independently on the market. In order to nevertheless anchor the Group idea in all areas of the Company, the Group's Management Board has already established for several years that strategic approaches to the further development of the Ringmetall Group are discussed together with the managing directors of the largest subsidiaries on the basis of regular management meetings. Five business units were created in the divisions to further optimize decision-making processes. In addition, cross-company positions were created for central areas of responsibility such as Finance & Controlling, IT, Development and Compliance in order to ensure the implementation of group-wide decisions and uniform standards by a central responsible person in each case.

In 2022, the approach was continued to consistently expand the structures in the Company and thus raise the Group approach of Ringmetall SE to a higher level. Thus, individual business units have been established in the Company, each headed by a responsible person. The business units have been divided into a total of five units according to their areas of responsibility: Rings Northern Europe & Asia Pacific, Rings Southern Europe & Middle East, Rings USA, Industrial Packing Liner and Industrial Handling.

Product development and manufacturing takes place at a total of 18 production sites worldwide (including Protective Lining, USA). In Germany, these include the sites in Attendorn and Neunkirchen (North Rhine-Westphalia), Bad Dürkheim and 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), New York (New York) 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 include Berger Global, Berger USA, Cemsan, HOSTO, S.G.T. as well as Nittel, Protective Lining, Rhein-Plast, Tesseraux and HSM. Some of the subsidiaries are subdivided into national companies from which they operate internationally.

COMPANY HISTORY (unaudited)

Ringmetall SE was founded in 1997 under the name H.P.I. Holding AG, the predecessor company of the current Company. Initially operating in 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 positioning of the Ringmetall Group are as follows (unaudited):

1997

- Foundation of the Company under the former name 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
- 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 leading special 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 (as of August 1, 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 February 1, 2018)

2018

- Change to the regulated market of the Frankfurt Stock Exchange, General Standard
- Acquisition of Nittel Halle GmbH and its subsidiaries, leading producer of form inliners from Germany (as of January 1, 2019)

2019

- Acquisition of Tesseraux Spezialverpackungen GmbH, leading producer of aluminum inliners and bag-in-box systems (as of July 1, 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 December 31, 2019)

2020

- Increased implementation of group-wide corporate governance and introduction of a program to promote more sustainable business processes and 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 to a European Company (SE) and conversion to registered shares

2022

- Acquisition of Rhein-Plast GmbH, a leading supplier of polyethylene inliners, as part of an asset deal
- Acquisition of Riva Franco e Figli SNC, a smaller producer of tension rings based in Italy
- Preparation of the acquisition of Protective Lining Corporation, a leading producer of polyethylene inliners in the USA (closing on January 6, 2023)

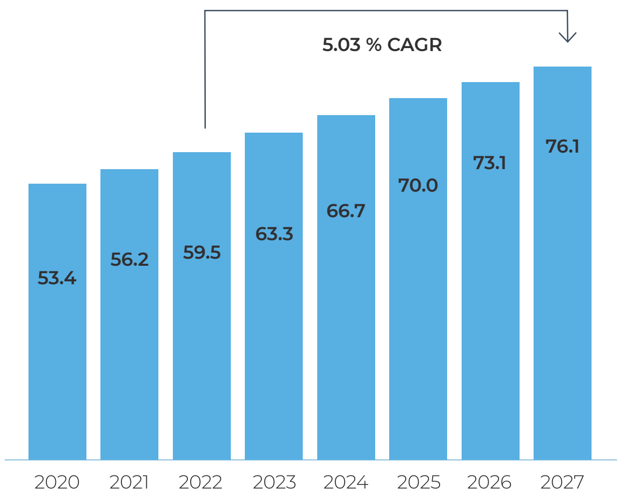
MARKETS AND CUSTOMERS

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. The same applies to the product group of tube connections, which is currently still in the market launch phase.

In a February 2022 study on the global market for industrial packaging, the 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 key growth markets of the industry are located in the Asia Pacific region and are characterized by above-average market growth. Average growth is expected for the North America and Europe regions, while the South America and Africa regions are expected to 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
Revenue in EUR billion worldwide, 2020-2027

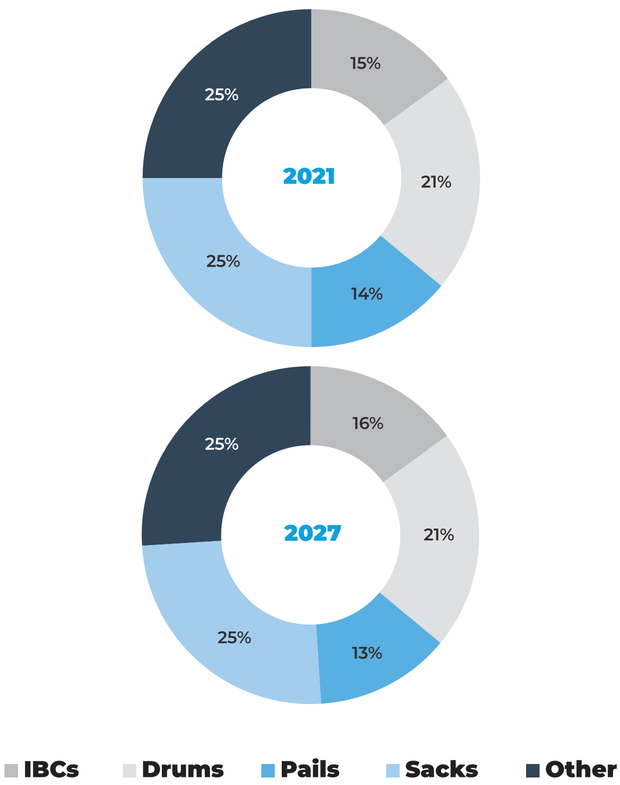


The market is segmented according to today‘s most important packaging units: Intermediate Bulk Containers/ IBCs, Drums, Pails, Sacks and Other. Furthermore, the market is segmented according to the type of material used for the products, and here usually according to the main material groups Paperboard, 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 categorized into Automotive, Food & Beverage, Chemical & Pharmaceutical, Oil, Gas & Petrochemical, Building & Construction, and Other. The main overriding 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.

The overriding main 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.

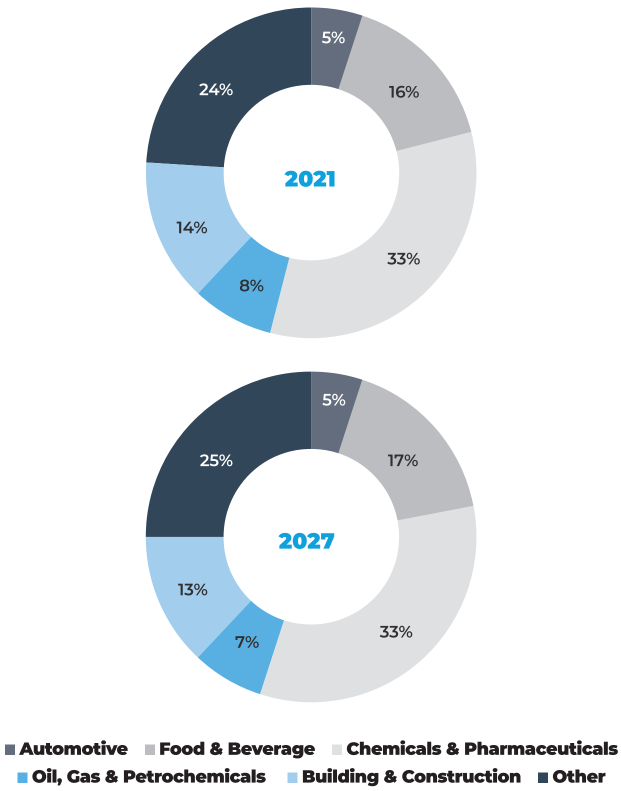
Industrial packaging by product group 2021 vs. 2027
Market share in %



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. As a result, insurance premiums for shipments in steel drums are generally the lowest.

Against the backdrop of a growing awareness of sustainable packaging solutions, drums have a special role to play 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.

Industrial packaging by end user 2021 vs. 2027
Market share in %



Governments worldwide have imposed strict regulations on the packaging of materials in end-use industries such as automotive, textiles and chemicals. The regulations require end-users to reduce their volume of packaging waste, sometimes significantly. 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 in the EU is recyclable or reused to a significantly greater extent by 2030, the European Commission also presented a comprehensive legislative proposal at the end of 2022. The reusability and recyclability of packaging must therefore be generally guaranteed in the future, provided that the application of the packaging solution makes reusable products or systems generally possible. For the first time, the proposal contains uniform target values for packaging waste per member state and per capita. These are to be reduced by 15 percent by 2040 compared with 2018.

Ringmetall generated nearly 30 percent of Group revenue in 2022 with the Industrial Packaging business unit's two largest customers, large internationally operating drum manufacturers. The remaining revenue of the business unit was distributed among several hundred customers. The not inconsiderable concentration of a significant share of revenues on two customers is also seen by Ringmetall as an advantage in this context, since both suppliers and customers, as globally active companies, are in a partnership based on reciprocity due to their large share of revenues in their respective industries.

In the market for industrial packaging, 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 inner sleeves for industrial drums and multi-component systems. Here, the Company has now risen to become the European market leader and plans to continuously expand its position through further acquisitions.

Competitors in the drum liner sector mainly include regionally active suppliers whose annual revenues are in the single-digit million range. In the market for inliners, there are few competitors of roughly similar size 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 revenue volume of the regional competitors, and 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 long-standing customer relationships and the corresponding competence to respond to complex customer requirements.

In the Industrial Handling segment, Ringmetall occupies a niche position with its two product groups. For industrial trucks, especially 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 sell fundamentally 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 truck tends to follow the general economic cycle with a lag of six to nine months. Based on an analysis by the market research platform Research and Markets, the global market for material handling equipment grew again in the past fiscal year. The market researchers assume that the global market for forklift trucks could grow by 10.2 percent from USD 51.0 billion in 2021 to USD 56.2 billion in 2022. It is expected to grow at a compound annual growth rate (CAGR) of 8.2 percent through 2028. Ringmetall Group's customers in this sector include almost all well-known manufacturers of industrial trucks.

Demand for agricultural machinery clearly correlates with the development of prices for the world's most important foodstuffs. Accordingly, market trends can be easily 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 2022, the index rose again to a new high, reaching 132.3 points in December, 5.3 percent above the previous year (2021: 125.7 points). A large number of globally active companies, including John Deere and Deutz, are among the Ringmetall Group's customers in this product area.

COMPETITIVE STRENGTHS AND BARRIERS TO MARKET ENTRY

With its global market-leading position as a niche supplier in the packaging industry, the Ringmetall Group has a position in the market that has been consolidated over many years. The Company is continuously driving consolidation in its industries. At the same time, no new competitors have emerged for years that are active on the market to any perceptible extent.

Ringmetall has established 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.

Machinery and production know-how

The production of industrial packaging elements 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. Although individual modules of the machinery are purchased as standard components from well-known machine manufacturers, the assembly of these individual components to the machines used in production is carried out almost exclusively by internal engineers and machine builders.

Ringmetall produces for its customers a comprehensive product range of more than 2,500 different clamping rings and more than 4,000 different inner sleeves and bag-in-box systems 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 the product segment of drum clamping rings, 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 short changeover times between different production batches, resulting in significantly reduced downtimes. At the same time, a significantly higher production speed is evident, combined with improved tolerance accuracy and thus reduced production scrap. These machine features also enable more efficient and new drum clamping ring concepts for the market , which are currently in Ringmetall's development pipeline.

Following the successful completion of the prototype phase, the introduction of the machines ready for series production has been taking place continuously since 2021, which will be accompanied by a noticeable modernization of the machine park in the coming years. In addition, the Company is increasingly raising the level of automation in individual, mainly high-volume production areas through the use of industrial robots. In this way, the Group is increasing its production efficiency while continuously reducing potential risks from a further worsening shortage of skilled workers in individual regions.

Global production network and short lead times

With a comprehensive network of production sites in seven countries on three continents, Ringmetall, as the world's only producer of drum clamping rings, succeeds in supplying its internationally positioned customers on a global scale with consistent product quality across the entire product range and within short lead times. 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 the professional handling of orders across the individual subsidiaries and at the same time provides the necessary know-how to offer solutions to complex problems.

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 reflected in the packaging industry in extremely short lead times between order and delivery.

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, related to clamping rings, lids and seals. For inner sleeves 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 guarantee on-time delivery to any location worldwide. No other company in the Industrial Packaging segment 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 be exposed to the environment as a rule. 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 the specification of all 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

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 machinery 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 profitable ratio to the Company's revenue development. This consists mainly 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, the new generation machines have been continuously introduced into production. Since 2022, these machines have been running at full capacity in regular production operations, thus underpinning their technical superiority over older machine generations. Accordingly, the further roll-out, also at international locations, will continue in the future.

Extensive investment was also made in production monitoring software to supplement digital production monitoring and control. It enables the Group companies to coordinate production processes even more granularly and thus contributes to continuous cost savings. The software is regularly enhanced on the basis of the Group's specifications and thus leads to a continuous increase in production efficiency.

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 approach in product marketing. A classic marketing approach for consumer goods manufacturers, which relies on extensive brochures, 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 also invests to an appropriate extent in its own trade show appearances at industry-relevant trade shows such as FachPack, the European Coatings Show, and also BrauBeviale, all of which take place in Nuremberg (Germany). In some cases, participation takes the form of joint trade show appearances by several subsidiaries with the products inliners, bag-in-box systems, and clamping rings and lids.

Due to the still much more specialized market in the industrial handling sector, marketing here is carried out exclusively by directly addressing customers through development engineers from 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 revenue, the expenses of the Ringmetall Group for marketing activities are accordingly at a comparatively low level. After no significant expenditures were made for marketing in 2020 and 2021 due to the pandemic, the expenditures in 2022 were slightly higher but still insignificant. As in the past, they mainly related to expenses for trade show appearances.

EMPLOYEES

The number of employees in the Ringmetall Group increased further to 814 employees (FTE, 2021: 748) on average in 2022. Of these, 202 employees (2021: 178) were allocated to administrative positions and 612 employees (2021: 570) to production. The continuous improvement in the pandemic situation – also against the backdrop of increasing vaccination coverage in many industrialized nations – meant that significant parts of the protective measures could be eased or lifted in 2022. The number of pandemic-related illnesses also decreased noticeably over the course of the year and was also at a low level overall.

Against the backdrop of the pandemic, but also the general change in the world of work accelerated by it, Ringmetall gave employees from many areas the opportunity to work from home for a significant part of their working hours („home office"). In the run-up to the pandemic, the Company had already created the conditions to enable employees to work 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 for a more flexible working environment and is making a further contribution to improving the CO2 balance by reducing travel to and from the workplace.

At the same time, however, the continuous 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. New knowledge is also 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.

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 to 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, which has proved successful. External training personnel impart modern approaches to employee management within the framework of coaching sessions, thus steadily enhancing 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 team spirit among the workforce by producing image films and providing internal information through newsletters. 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 REPORT

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.

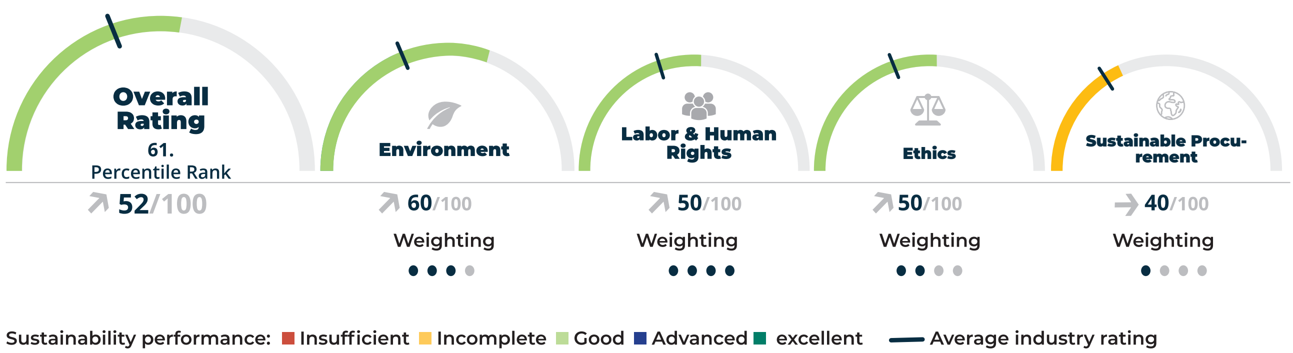
The companies of the Ringmetall Group and their employees are aware of the special ecological and social responsibility that the economic activities of the Group entail. The way in which Ringmetall employees act shapes the social environment and the environment in general to a not inconsiderable extent. Ringmetall is therefore convinced that the respectful treatment of fellow human beings and the careful use of resources are, on the one hand, appropriate from an ethical and moral point of view, and, on the other hand, represent the optimal conduct in every respect in order to ensure the corporate success of the Ringmetall Group in the long term. Ringmetall has been an official member of the UN Global Compact since 2021, after the Company had already committed itself unreservedly 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 of Conduct on an ongoing basis. At the same time, the Company has set up internal structures through which employees can obtain information about the Code and help shape its further development by asking questions and making suggestions.

The central contact person for this topic area is the Company's internal Compliance Manager, whose position Ringmetall already created in 2021. In 2022, the position was expanded to include responsibility for the area of sustainability in order to specifically implement the requirements of the European Union with regard to corporate sustainability reporting (Corporate Sustainability Reporting Directive, CSRD) by 2024. To ensure that all employees internalize and implement the compliance and sustainability guidelines of the Ringmetall Group, extensive training programs were initiated in 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.

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 with regard to more sustainable management traceable and measurable, Ringmetall has been certified since February 2021 by the external service provider ecovadis as part 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. Based on the 2021 data, the overall rating of the Ringmetall Group increased significantly to 52 out of 100 points (2021: 42 points). The next assessment is planned for mid-2023, with the aim of continuously improving in all areas of the rating.

ecovadis Sustainability Scorecard 2022



HUMAN RIGHTS

Compliance with human rights represents a fundamental part of Ringmetall's self-image in every respect. 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 within their own sphere of influence. In their actions, 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

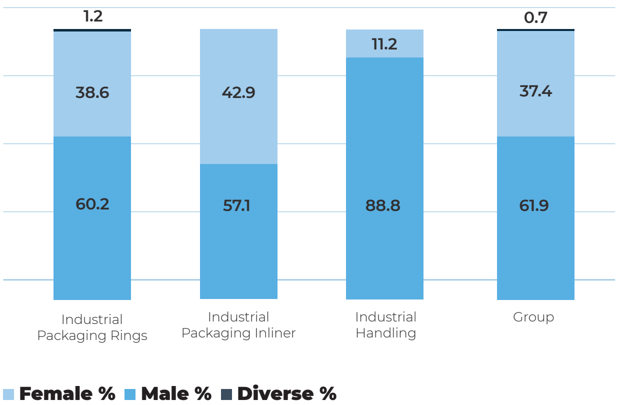
The Ringmetall Group fully recognizes the right of all employees to freedom of association and the recognition of collective bargaining. This includes the right to join trade unions and to elect employee representatives. The Company categorically rejects any form of forced or child labor and expects 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 strives to make working conditions and the general working environment equally attractive for employees. At the same time, the Company strives to employ as balanced a proportion of female and male employees as possible.

In the area of administrative activities, this is succeeding very well. As of the end of 2022, the Ringmetall Group employed 45.6 percent female and 53.9 percent male employees here. Another 0.5 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 35.9 percent, and in the industrial handling area as low as 1.6 percent. In the plastics processing companies, on the other hand, the picture remains more balanced. In the inliner production area, the proportion of women was 44.7 percent at the end of the year. Overall, 35.0 percent of employees in production are female, 64.2 percent male and 0.8 percent diverse.

Diversity in the Ringmetall Group

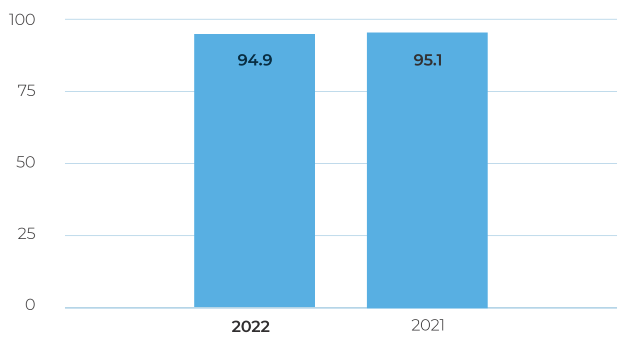


At the same time, Ringmetall tries to respond as best as possible to the family needs of employees through flexible working time models or the possibility of „home office". In addition, well-equipped social and rest rooms are available for work breaks and also receive appropriate attention in the modernization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

ENVIRONMENT

The companies of the Ringmetall Group strive to handle any kind of resources as sparingly as possible and thus to keep the negative environmental influences emanating from the companies as low 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 always possible. In general, around 95 percent of the Company's production scrap is recycled.

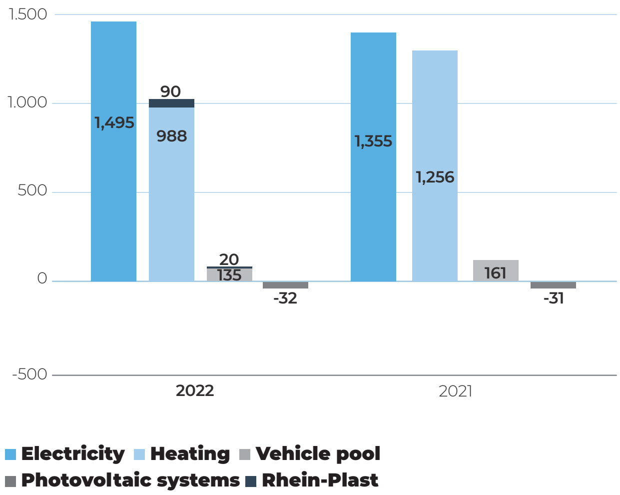
Recycling rate of production scrap [%]



In 2022, the recycling rate for the Group as a whole was 94.9 percent, almost identical to the previous year's rate of 95.1 percent. Ringmetall also succeeded in reducing the total volume of non-recyclable waste in relation to the production volume this year.

The Ringmetall Group considers itself obligated to make its contribution to the global reduction of greenhouse gas emissions. CO_2 emissions arise in the Group companies mainly in the context of the production process through the use of electrical power or through the use of different energy sources for heating the office and production areas. The levers for reducing emissions therefore lie in these two areas in particular.

CO_2 eq emission [t]

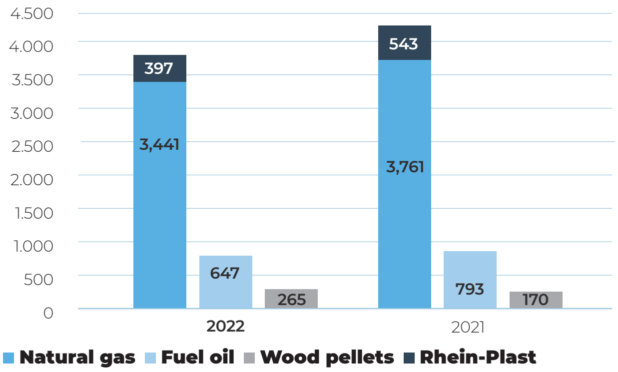


in t	2022 Group excl. Rhein-Plast	2022 Rhein-Plast	2021
Heating	988	90	1,256
Vehicle pool	135	20	161
Photovoltaic systems	-32	0	-31
Scope 1	**1,091**	**110**	1,386
Strom	1,495	0	1,355
Scope 1	**1,495**	**0**	1,355
Scope 1+2	2,586	110	2,741

CO_2 emissions in the reporting period were 1.7 percent lower overall than in the previous year; adjusted for the acquisition of Rhein-Plast, they were even 5.7 percent lower. In subsequent years, efforts will be made to expand the existing system of key performance indicators for recording CO_2 emissions in line with the standards of the Global Reporting Initiative. In addition, clear targets in line with the CSRD are to be defined in fiscal 2023 and their development clearly communicated.

With regard to the fuels required for heating, Ringmetall pays attention to continuously further reducing the CO_2 emissions (measured as CO_2 equivalent, CO_2-eq) of the Group. Heating systems are converted from heating oil to systems for fuels from renewable raw materials, such as wood pellets, where possible. Alternatively, the first step will be to switch to natural gas.

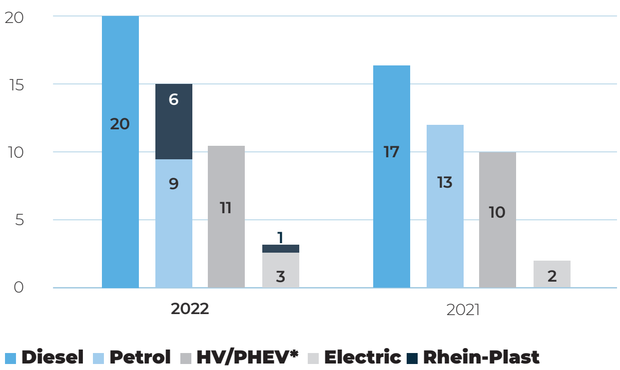
Energy consumption heating [MWh]



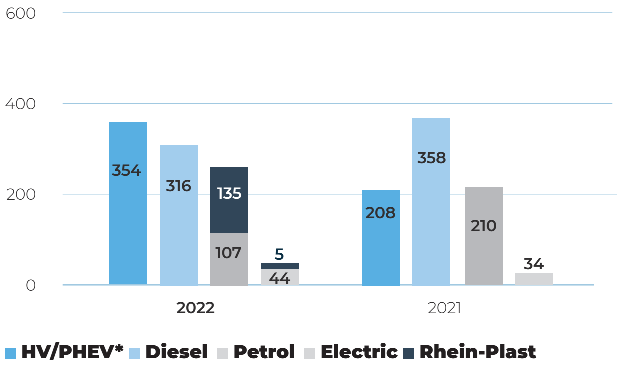
By consistently improving the energy efficiency of its real estate portfolio, Ringmetall is attempting to continuously reduce the energy requirements of the individual sites. CO_2 emissions in this area, adjusted for the acquisition of Rhein-Plast, were 21.4 percent below those of the previous year.

Since 2020, Ringmetall has consistently optimized the Group's vehicle fleet in terms of its CO_2 emissions. The vehicles used are almost exclusively company cars made available to employees of the Group. 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 them in part.

Vehicle fleet by drive type



Annual mileage by drive type [tkm]

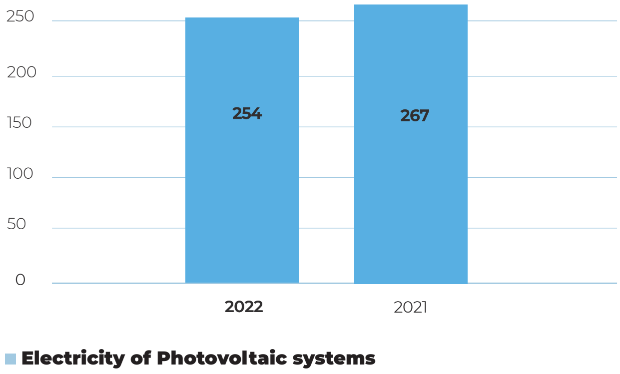


In the 2022 financial year, delivery problems at various vehicle manufacturers meant that we had to deviate from this intention. Nevertheless, it was possible to convert vehicle usage areas with high annual mileage completely to hybrid or electric drives. As a result, hybrid vehicles have represented the largest group when considering distance traveled by engine type since this fiscal year 2022. As a result of the measures taken, CO_2 emissions in this area, adjusted for the acquisition of Rhein-Plast, were reduced by 16.4 percent. In addition, Ringmetall also makes lease bikes available to employees on request at various locations.

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 specifically prepared 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 polyethylene film. Energy requirements are an important selection criterion in the investment process when modernizing and procuring new equipment.

*HV/PHEV: Hybrids/plug-in hybrids

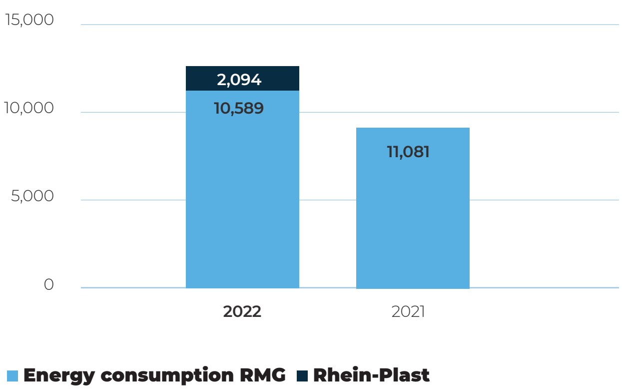
Electricity generated via photovoltaic systems [MWh]



Another component in the reduction of CO_2 emissions is the use of photovoltaic systems. Ringmetall already produces its own electricity from solar energy at three sites by using photovoltaic systems. Particularly in fiscal year 2022, which was characterized by rising and volatile energy prices, this enabled the Company to pursue not only ecological but also economic goals in the form of more stable electricity prices. The Company's own plants already covered 2.0 percent of the Group's total electricity requirements in 2022. Ringmetall plans to equip up to two additional sites with photovoltaic systems in 2023.

When purchasing energy, the Ringmetall Group pursues the approach of reducing the share of fossil fuels in the energy mix. Adjusted for the purchase of Rhein-Plast, the purchase of electricity decreased slightly compared to the previous year. The main reason for this is a change in the product mix compared with the previous year, which is also reflected in changes in the focus of production.

Energy consumption electricity [MWh]



Due to the sudden energy crisis in 2022, the Ringmetall Group suffered a setback with regard to its efforts to reduce CO_2 emissions. Emissions from the purchase of electricity increased by 10.3 percent compared to the previous year due to a change in the electricity mix. Of the electricity purchased by the production sites in the reporting period, 49.4 percent came from renewable sources. In the case of contracts that expired or were terminated during the fiscal year, security of supply at predictable prices had to be given top priority. As a result, the electricity mix purchased changed to the detriment of CO_2 emissions.

The goal for subsequent years is to reduce the CO_2 footprint again. Despite this, the electricity requirements of a further site were completely switched to the use of sustainable energy sources. As a result, two of the total of 18 production sites now obtain all their energy from renewable sources, and a further three sites obtain more than half of their energy from renewable sources.

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 manner. 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 this and other forms of criminal behavior within the Group, Ringmetall introduced a whistleblowing system in 2021 via a leading external provider. Ringmetall has thus already decided to introduce a secure anonymous whistleblowing system in advance of the pending national implementation of EU legislation. It is intended to enable employees and external third parties to report observed grievances such as corruption, abuse of authority, discrimination or even harassment to the Group. 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.

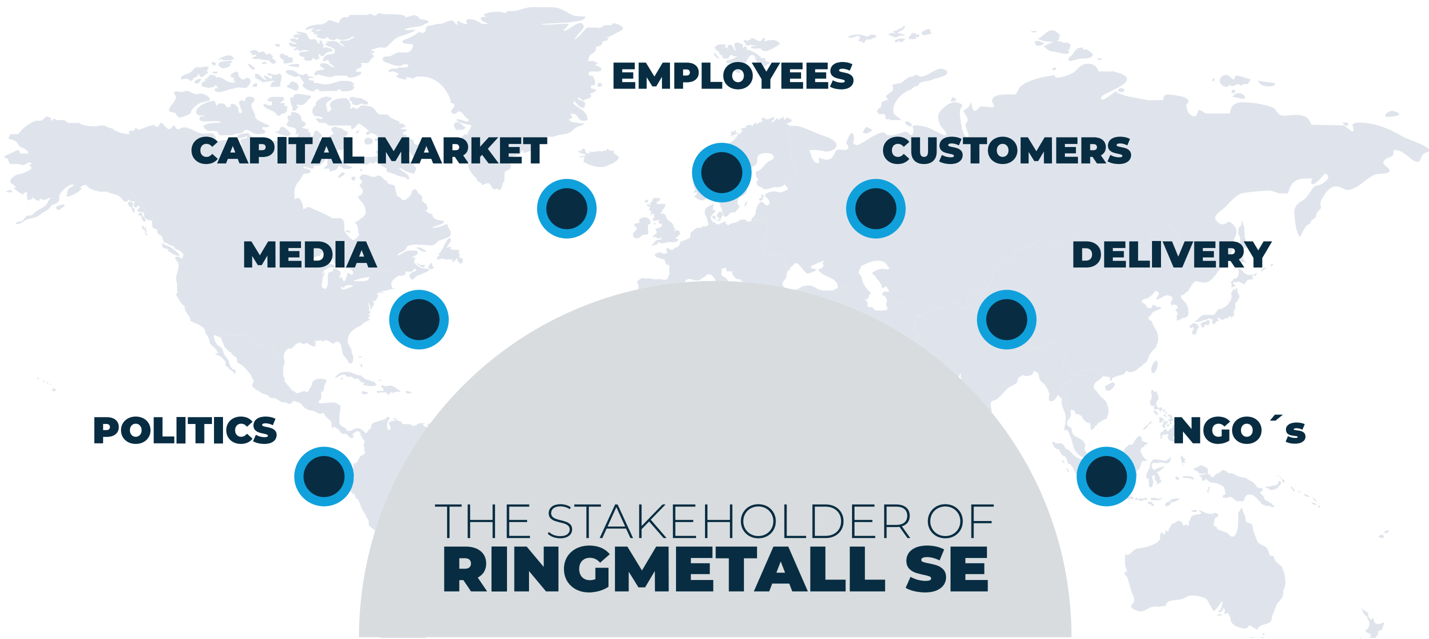
NON-FINANCIAL STATEMENT

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 in the sections „The Ringmetall Group – Business Model and Structure“, „The Ringmetall Group – Competitive Strengths and Barriers to Market Entry“ and „Compliance and Sustainability Report“ and here under „EU Taxonomy“. The marked contents in the section „The Ringmetall Group – Business Model and Structure“ as well as the sections „The Ringmetall Group – Competitive Strengths and Market Entry“ and „Compliance and Sustainability Report“ were not part of the audit of the management report.

EU taxonomy

An important objective of the Sustainable Growth Financing Action Plan („Sustainable Finance“) under the European Green Deal is to redirect capital flows into sustainable investments. Against this background, the EU Taxonomy Regulation (EU 2020/852) came into force in mid-2020. As a uniform and legally binding classification system, it is intended to determine which economic activities in the EU are considered taxonomy-compliant and thus „environmentally sustainable“ with regard to six environmental objectives defined by the regulation (climate protection, adaptation to climate change, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems). Companies that are required to prepare a non-financial statement are obliged to apply it. According to Article 8 of the Taxonomy Regulation, the taxonomy-compliant shares of environmentally sustainable economic activities in revenues, investments and operating expenses must be reported annually.

The corresponding tables are attached to the consolidated management report.



ECONOMIC REPORT

OVERALL ECONOMIC SITUATION

In its Annual Economic Report 2023, the German Federal Ministry of Economics and Climate Protection (BMWK) assumes that the Russian attack on Ukraine marks a turning point in many respects and will also have long-term economic effects. The past year has shown that the transformation to an ecologically, socially sustainable and innovation-driven economy as well as independence from individual suppliers of fossil fuels in favor of sustainable energy supply is more necessary than ever. In 2022, Germany's gross domestic product (GDP) had increased by 1.9 percent in price-adjusted terms, according to preliminary calculations by the Federal Statistical Office, decisively influenced by the Russian war of aggression and its effects. In its annual projection for 2023, the German government expects price-adjusted GDP to increase by 0.2 percent. The starting situation at the turn of the year was more favorable than assumed in the fall projection. Nevertheless, there were still high uncertainties for the German economy.

In its January 2023 World Economic Outlook, the International Monetary Fund (IMF) tends to see risks rather than opportunities. On the positive side, a stronger stimulus from pent-up demand in numerous economies or a faster decline in inflation are conceivable. On the downside, a slowed recovery in China, a possible escalation of the Ukraine war, and a tightening of global financing options could exacerbate the global debt problem. Global growth is expected to fall from an estimated 3.4 percent in 2022 to 2.9 percent in 2023 and then rise to 3.1 percent in 2024, he said. This puts the 2023 forecast below the historical average (2000-19) of 3.8 percent. Global inflation is expected to fall from 8.8 percent in 2022 to 6.6 percent in 2023 and 4.3 percent in 2024, which would still be above the pre-pandemic (2017-19) level of about 3.5 percent.

Despite numerous obstacles, according to the industry association (VDMA), the German mechanical and plant engineering sector is drawing a positive balance for 2022 and is looking ahead to the coming year with confidence. High inflation and the Ukraine war with its consequences would continue to burden the industry for a long time, material bottlenecks and difficulties in the supply chain would persist, and protectionism would return in more and more countries. For 2022, the VDMA is assuming real production growth of 1 percent. Similarly, the industry association is sticking to its previous forecast for 2023, according to which a slight real production decline of 2 percent is expected. However, this is a far cry from the setbacks of previous years and demonstrates the robustness of the industry.

BUSINESS PERFORMANCE OF THE GROUP

Ringmetall can once again look back on a very pleasing business year overall. Group revenues grew significantly by 23.9 percent to EUR 213.5 million and earnings before interest, taxes, depreciation and amortization (EBITDA) also increased by 6.3 percent to EUR 28.3 million. Since the fourth quarter, however, it has become apparent that high energy prices, supply chain issues and sharp cost increases are posing significant challenges for many end-user industries, particularly the chemical industry. Overall, this led to declining volumes in the clamping rings product area. At the same time, demand in the inliner area proved to be still robust, so that part of the demand-related revenue effects could be compensated. Nevertheless, this changed product mix led to a weakened margin situation at Group level in the short term, as observed in the year-end quarter. Accordingly, the EBITDA margin of 13.1 percent was down on the prior-year figure of 15.4 percent.

The following analysis refers to the consolidated financial statements as of December 31, 2022, which have been prepared in accordance with International Financial Reporting Standards („IFRS") as applied in the European Union.

Industrial Packaging segment

In 2022, the Industrial Packaging segment with its product areas of clamping rings and inliners increased revenues in the amount of EUR 197.2 million (2021: EUR 159.7 million) in both product areas as well as earnings in the product area of inliners. While revenues of both product areas increased substantially as a result of higher raw material prices, their organic growth – especially in the clamping rings area – was also at a level below the prior-year period. The acquisition of HOSTO on May 31, 2021, the acquisition of Rhein-Plast in February of the reporting period and the transfer of Riva Franco e Figli in October 2022 had the effect of increasing revenues and earnings. In addition to the positive business performance, the efficiency enhancement measures of recent years were reflected above all in rising segment EBITDA. Improved personnel utilization, low scrap rates in production and an increased proportion of automated production steps had a positive impact on earnings. In addition, the acquisition of Rhein-Plast in the reporting period resulted in a one-time positive special effect („bargain purchase") in the amount of EUR 1.2 million.

Industrial Handling segment

The Industrial Handling segment continued its positive trend from the previous year with revenues of EUR 16.3 million (2021: EUR 12.6 million). Demand increased here both in the area of product solutions for industrial trucks and in the area of product solutions for the agricultural machinery sector. Based on an unchanged positive business environment, the temporarily restrained demand of previous years in the Industrial Handling Business Unit appears to have been completely overcome with the development in the past fiscal year.

Consolidated revenue amounted to EUR 213.5 million in 2022 (2021: EUR 172.3 million). This was in the middle of the forecast for the reporting year of EUR 205.0 to 225.0 million (original guidance EUR 180.0 to 200.0 million), which was raised on September 14, 2022. Particularly against the backdrop of the very good results achieved in the first eight months of the reporting period, the revenue and earnings forecast was raised significantly on September 14. Of consolidated revenue, EUR 69.1 million (2021: EUR 50.3 million) was attributable to Germany, EUR 60.0 million (2021: EUR 49.4 million) to the USA and EUR 84.4 million (2021: EUR 72.6 million) to markets outside Germany and the USA. At EUR 197.2 million (2021: EUR 159.7 million), the Industrial Packaging segment accounted for 92.4 percent of total revenue (2021: 92.7 percent). EUR 14.3 million of the change in the Industrial Packaging segment resulted from acquisition effects. At EUR 16.3 million, the Industrial Handling Segment's contribution to total revenue was significantly higher than in the previous year (2021: EUR 12.6 million). Other income increased by EUR 0.6 million to EUR 2.6 million in the reporting year. This was mainly due to the favorable acquisition of Rhein-Plast GmbH, which contributed a positive special effect of EUR 1.2 million to other income.

The **cost of materials** rose to EUR 124.8 million in the reporting year (2021: EUR 93.1 million) and, at 57.6 percent of total operating performance, was correspondingly slightly higher than in the previous year (2021: 53.8 percent). This development was observed across all segments. The cost of materials ratio in the Industrial Packaging segment was 58.0 percent. Excluding Rhein-Plast, which was consolidated for the first time in the 2022 reporting year, the cost of materials ratio was 58.9 percent in the Industrial Packaging segment. The cost of materials ratio also increased in the Industrial Handling Segment from 50.0 percent in the previous year to 53.7 percent. The share of total output of the Rings product area in total Group output reduced to 73.3 percent (2021: 80.7 percent). The main reason for this was the strong growth of the Liners product area. Accordingly, the share of total output of the Liners product area in total Group output rose from 11.9 percent in the previous year to 19.0 percent. Of this, 6.9 percent is attributable to the acquisition of Rhein-Plast. In the Industrial Handling Segment, total operating performance as a percentage of total Group operating performance was 7.7 percent in the reporting year (2021: 7.3 percent).

Personnel expenses, including purchased services for temporary workers, amounted to EUR 46.1 million in 2022 (2021: EUR 38.0 million). The personnel expense ratio improved from 22.0 percent in the previous year to 21.3 percent in the reporting period, despite the increase in the number of employees due to the acquisition of Rhein-Plast. In addition to the price-related increases in total output caused by raw materials, other efficiency improvements were responsible for the positive development, such as the modernization of machinery, software-supported production planning and optimized production processes.

RESULTS OF OPERATIONS OF THE GROUP

	2022		2021		Change	
	EUR ,000	%	EUR ,000	%	EUR ,000	%
Revenue	**213,511**	**98,6**	**172,338**	**99.5**	**41,173**	**23.9**
Change in inventories of finished goods and work in progress	3,024	1.4	786	0.5	2,238	284.7
Total output	216,535	100.0	173,124	100.0	43,411	25.1
Other income	2,626	1.2	1,984	1,1	642	32.4
Cost of materials						
Cost of raw materials and supplies	118,062	54.5	88,352	51.0	29,710	33.6
Cost of purchased services	6,758	3.1	4,747	2.7	2,011	42.4
Personnel expenses	46,104	21.3	38,026	22.0	8,078	21.2
Depreciations	7,017	3.2	6,443	3.7	574	8.9
Other operating expenses	19,937	9.2	17,354	10.0	2,583	14.9
Operating expenses	**197,878**	**91.4**	**154,922**	**89.5**	**42,956**	**27.7**
Result from investments accounted for using the equity method	-	-	-9	0.0	9	-100.0
EBITDA	**28,300**	**13.1**	**26,620**	**15.4**	**1,680**	**6.3**
EBIT	**21,283**	**9.8**	**20,177**	**11.7**	**1,106**	**5.5**
Finance income	4	0.0	223	0.1	-219	-98.2
Finance costs	733	0.3	865	0.5	-132	-15.3
Financial result	**-729**	**-0.3**	**-642**	**-0.4**	**-87**	**13.6**
Net income for the year from continuing operations before taxes	**20,554**	**9.5**	**19,535**	**11.3**	**1,019**	**5.2**
Income tax expense	4,634	2,1	4,618	2.7	16	0.3
Consolidated net income for the year	**15,920**	**7,4**	**14,917**	**8.6**	**1,003**	**6.7**

Compared to the previous year, **other expenses** increased from EUR 17.4 million to EUR 19.9 million. This was mainly due to the acquisition of Rhein-Plast in the amount of EUR 2.6 million. In relative terms, other expenses as a percentage of total management decreased from 10.0 percent in the previous year to 9.2 percent. This was due in particular to strict cost management, especially in the consulting area.

Earnings before **interest, taxes, depreciation and amortization (EBITDA)** were EUR 1.7 million or 6.3 percent higher than in the previous year at EUR 28.3 million. In relation to total performance, the EBITDA margin fell to 13.1 percent (2021: 15.4 percent). EUR 30.3 million of EBITDA (2021: EUR 29.6 million) was attributable to the Industrial Packaging segment, of which EUR 3.4 million resulted from the acquisition of Rhein-Plast, and EUR 1.1 million (2021: EUR 1.4 million) to the Industrial Handling segment. The reason for this development in Industrial Packaging, and in particular in the Rings product area, was a weaker fourth quarter compared to the previous year. In the Industrial Handling Segment, the decline was due to a shortage of skilled workers. The guidance communicated by the Management Board for the development of EBITDA of EUR 26.0 to 32.0 million (original guidance EUR 22.0 to 27.0 million was met.

The Group's **depreciation** and amortization amounted to EUR 7.0 million (2021: EUR 6.4 million). The increase of EUR 0.6 million is mainly attributable to the acquisition of Rhein-Plast.

Earnings before income taxes increased to EUR 20.6 million in the reporting year (2021: EUR 19.5 million).

The **financial result** amounted to EUR -0.7 million (2021: EUR -0.6 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.

After deduction of income taxes, the **consolidated net** profit for the year amounted to EUR 15.9 million (2021: EUR 14.9 million).

ASSETS AND LIABILITIES OF THE GROUP

ASSETS	31.12.2022		31.12.2021		Change	
	EUR ,000	%	EUR ,000	%	EUR ,000	%
Intangible assets	3,707	2.8	2,842	2.3	865	30.4
Goodwill	34,137	26.9	33,734	27.2	403	4.4
Property, plant and equipment	35,332	26.0	33,395	27.0	1,937	5.8
Investments accounted for using the equity method	0	0.0	57	0.0	-57	-100.0
Other non-current assets	286	0.2	167	0.1	119	71.3
Deferred tax assets	1,104	0.8	1,571	1.3	-467	-29.7
Total non-current assets	**74,566**	**56.8**	**71,766**	**57.9**	**2,800**	**3.9**
Inventories	25,721	19.6	21,734	17.5	3,987	18,3
Trade receivables	21,282	16.2	23,575	19.0	-2,293	-9.7
Contract assets	354	0.3	636	0.5	-282	-44.3
Other current assets	1,068	0.8	1,182	1.0	-114	-9.6
Current tax receivables	231	0.2	430	0.3	-199	-46.3
Cash and bank balances	8,119	6.2	4,573	3.7	3,546	77.5
Total current assets	**56,775**	**43.2**	**52,130**	**42.1**	**4,645**	**8.9**
Total assets	**131,341**	**100.0**	**123,896**	**100.0**	**7,445**	**6.0**

EQUITY AND LIABILITIES	31.12.2022		31.12.2021		Change	
	EUR ,000	%	EUR ,000	%	EUR ,000	%
Share capital	29,069	22.1	29,069	23.5	0	0.0
Capital reserves	16,664	12.7	16,664	13.4	0	0.0
Currency translation differences recognized outside profit or loss	470	0.4	-507	0.4	977	192.7
Revaluation of severance payment obligations and others	173	0.1	67	0.1	106	158.2
Retained earnings	30,024	22.9	17,415	14.1	12,609	72.4
Non-controlling interests	1,064	0.8	1,041	0.8	23	2.2
Total equity	**77,464**	**59.0**	**63,749**	**51.5**	**13,715**	**21.5**
Provisions for post-employment benefits	760	0.6	804	0.6	-44	-5.5
Other provisions	172	0.1	155	0.1	17	0.0
Financial liabilities	21,357	16.3	23,600	19.0	-2,243	-9.5
Thereof liabilities from leases	*8,661*	*6.6*	*9,970*	*8.0*	*-1,309*	*-13.1*
Deferred tax liabilities	2,262	1.7	2,489	2.0	-227	-9.1
Total non-current liabilities	**24,551**	**18.7**	**27,048**	**21.8**	**-2,497**	**-9.2**
Other provisions	5,626	4.3	5,639	4.6	-13	-0.2
Current tax liabilities	1,816	1.4	1,993	1.6	-177	-8.9
Financial liabilities	8,638	6.6	7,983	6.4	655	8.2
Thereof liabilities from leases	*2,391*	*1.8*	*2,283*	*1.8*	*108*	*4.7*
Trade payables	10,713	8.2	14,882	12.0	-4,169	-28.0
Other liabilities	2,533	1.9	2,602	2.1	-69	-2.7
Total current liabilities	**29,326**	**22.3**	**33,099**	**26.7**	**-3,773**	**-11.4**
Total liabilities	**53,877**	**41.0**	**60,147**	**48.5**	**-6,270**	**-10.4**
Total equity and liabilities	**131,341**	**100.0**	**123,896**	**100.0**	**7,445**	**6.0**

The Group's **total assets** increased by 6.0 percent to EUR 131.3 million as of December 31, 2022 (December 31, 2021: EUR 123.9 million). Intangible assets increased by 30.4 percent year-on-year to EUR 3.7 million (Dec. 31, 2021: EUR 2.8 million). The main reason for this is the transfer of Riva Franco e Figli to Berger Italia. Goodwill increased by EUR 0.4 million to EUR 34.1 million (Dec. 31, 2021: EUR 33.7 million). This change resulted from currency effects. Property, plant and equipment increased by EUR 1.9 million from EUR 33.4 million to EUR 35.3 million. This is largely attributable to additions for buildings and land in the amount of EUR 1.6 million due to the acquisition of Rhein-Plast. Investments accounted for using the equity method decreased to EUR 0, as the company Nittel UK is no longer required and is accordingly in liquidation. Deferred tax assets decreased from EUR 1.6 million in the previous year to EUR 1.1 million. This was mainly due to the utilization of loss carryforwards. As a result, total non-current assets increased by 3.9 percent to EUR 74.6 million (Dec. 31, 2021: EUR 71.8 million).

Total **current assets** increased by 8.9 percent from EUR 52.1 million in the previous year to EUR 56.8 million. This resulted from the increase in inventories to EUR 25.7 million (Dec. 31, 2021: EUR 21.7 million), primarily in the area of work in progress and finished goods, with the item increasing by a total of EUR 1.2 million due to the acquisition of Rhein-Plast. Another factor is the increased cash and cash equivalents of EUR 8.1 million (Dec. 31, 2021: EUR 4.5 million). Due to the weak last quarter of 2022 in the Rings product area, trade receivables decreased by EUR 2.3 million to EUR 21.3 million. Contract assets also decreased by EUR 0.3 million to EUR 0.4 million, as warehouses as well as consignment stocks of customers were significantly reduced in the last quarter of 2022. Other current assets remained almost unchanged at EUR 1.1 million.

At EUR 77.5 million, **consolidated equity** was 21.5 percent higher than in the previous year (December 31, 2021: EUR 63.7 million), which is mainly attributable to the consolidated result. Despite an increase in total assets, the equity ratio rose by 7.5 percent to 59.0 percent (Dec. 31, 2021: 51.5 percent).

Non-current liabilities declined from EUR 27.0 million to EUR 24.6 million as of December 31, 2022, as part of the scheduled repayment of bank liabilities related to a syndicated loan and the reduction in non-current lease liabilities. Provisions similar to pensions and deferred tax liabilities remained almost unchanged. Current liabilities decreased by EUR 3.8 million from EUR 33.1 million in the previous year to EUR 29.3 million. The main reason for this is the sharp decline in trade payables of EUR 10.7 million (Dec. 31, 2021: EUR 14.9 million), due to a weaker last quarter in 2022 compared to the previous year and demand-related lower purchasing volumes. Other provisions, current tax liabilities and other liabilities were hardly changed compared to the previous year. Current financial liabilities increased from EUR 8.0 million to EUR 8.6 million. Of this amount, EUR 0.6 million is attributable to the transfer of Riva Franco e Figli to Berger Italia.

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

	2022	2021	Change	
	EUR ,000	EUR ,000	EUR ,000	%
Sales	826	943	-117	-12.4
Other operating income	214	37	177	478.4
Personnel expenses	-2,097	-2,040	-57	2.8
Depreciation	-4	-4	0	0.0
Other operating expenses	-1,609	-2,284	675	-29.6
Income from investments	73	0	73	0.0
Profits received on the basis of a Profit transfer agreement	12,255	13,945	-1,690	-12.1
Other interest and similar income	333	325	8	2.5
Interest and similar expenses	-416	-445	29	-6.5
Earnings before taxes	**9,575**	**10,477**	**-902**	-8.6
Taxes on income	-31	-695	664	-95.5
Earnings after taxes	**9,544**	**9,782**	**-238**	-2.4
Other taxes	-1	-1	0	0.0
Net income for the year	**9,543**	**9,781**	**-238**	-2.4
Retained profits brought forward from the previous year	19,297	12,132	7,165	59.1
Retained Earnings	**28,840**	**21,913**	**6,927**	31.6

The Company generated net income of EUR 9.5 million in fiscal year 2022, slightly below the previous year‘s level. The following factors had a significant influence on the annual result:

Revenue and other operating income comprise inter-company services and charges within the Group. In total, revenue and other operating income were only slightly higher than in the previous year at EUR 1.0 million.

Personnel expenses amounted to EUR 2.1 million and were thus slightly above the previous year‘s level.

Other operating expenses fell by EUR 0.7 million year-on-year to EUR 1.6 million. The decrease in costs is mainly due to legal and consulting fees, which were significantly higher in the previous year due to the change of legal form of Ringmetall AG into a European Company (Societas Europaea, SE).

Income from the profit transfer decreased by EUR 1.7 million to EUR 12.3 million and relates to August Berger Metallwarenfabrik GmbH.

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

Ringmetall SE can use loss carryforwards for the fiscal year, so that income taxes result from the application of minimum taxation.

ASSETS AND LIABILITIES OF THE SE

	31.12.2022		31.12.2021		Veränderung	
	EUR ,000	%	EUR ,000	%	EUR ,000	%
Assets						
Property, plant and equipment	5	0.0	6	0.0	-1	-16.7
Financial assets	51,367	52.6	51,367	54.5	0	0.0
Fixed assets	**51,372**	**52.6**	**51,373**	**54.5**	**-1**	**0.0**
Receivables from affiliated companies	44,189	45.2	42,461	45.1	1,728	4.1
Other fixed asset	249	0.3	224	0,2	25	11.2
Cash on hand, Bank balances	1,773	1.8	12	0,0	1,761	14.675.0
Current Assets	**46,211**	**47.3**	**42,697**	**45.3**	**3,514**	**8.2**
Deferred income	22	0.0	18	0.0	4	22.2
Deferred tax assets	122	0.1	153	0.2	-31	-20.3
Other assets	**144**	**0.1**	**171**	**0.2**	**-27**	**-15.8**
	97,727	**100.0**	**94,241**	**100.0**	**3,486**	**3.7**
Equity						
Share capital	29,069	29.7	29,069	30.8	0	0.0
Capital reserves	17,042	17.4	17,042	18.1	0	0.0
Revenue reserves						
legal reserves	1,155	1.2	1,155	1.2	0	0.0
Other revenue reserves	1,728	1.8	1,728	1.8	0	0.0
Net profit of the year	28,840	29.5	21,913	23.3	6,927	31.6
Equity capital	**77,834**	**79.6**	**70,907**	**75.2**	**6,927**	**9.8**

	31.12.2022		31.12.2021		Veränderung	
	EUR ,000	**%**	EUR ,000	%	EUR ,000	%
Provisions						
Provisions for taxes	295	0.3	295	0.3	0	0.0
Other provisions	1,978	2.0	1,767	1.9	211	11.9
Total Provisions	**2,273**	**2.3**	**2,062**	**2.2**	**211**	**10.2**
Liabilities						
Liabilities to banks	17,399	17.8	17,615	18.7	-216	-1.2
Trade payables	163	0.2	148	0.2	15	10.1
Liabilities to affiliated companies	6	0.0	3,484	3.7	-3,478	-99.8
Other liabilities	52	0.1	25	0.0	27	108.0
Total liabilities	**17,620**	**18.1**	**21,272**	**22.6**	**-3,652**	**-17.2**
Debt capital	**19,893**	**20.4**	**23,334**	**24.8**	**-3,441**	**-14.7**
	97,727	**100.0**	**94,241**	**100.0**	**3,486**	**3.7**

At EUR 97.7 million, total assets were slightly higher than in the previous year. On the assets side, this was mainly due to the increase in cash and cash equivalents to EUR 1.8 million (Dec. 31, 2021: EUR 0.0 million) and receivables from affiliated companies to EUR 44.2 million (Dec. 31, 2021: EUR 42.5 million).

The changes in equity result from the net profit for the year and dividend payments. The equity ratio, which remains very good, improved from 75.2 percent in the previous year to 79.6 percent. The increase in other provisions from EUR 1.8 million to EUR 2.0 million is mainly due to personnel-related provisions. Liabilities to banks remained virtually unchanged compared with the previous year at EUR 17.4 million. Liabilities to affiliated companies decreased to EUR 0.0 million. This is due to the introduction of cash pooling. Ringmetall SE, as the cash pool leader, reported the liquidity transferred to it here in the previous year.


BERGER

FINANCIAL POSITION OF THE GROUP

EUR ,000	2022	2021
Cash flow from operating activities	**18,439**	**14,070**
Cash flow from investing activities		
Inflows from the disposal of property, plant and equipment and of intangible assets	179	97
Outflows for investments in property, plant and equipment and investments in intangible assets	-2,642	-3,148
Outflows for additions to the scope of consolidation in the previous year and in the current financial year	-4,820	-5,578
	-7,283	**-8,629**
Cash flow from financing activities		
Inflows from the borrowing of financial loans	6,069	5,106
Outflows for the redemption of financial loans/leases	-10,362	-10,120
Outflows to owners (dividend payment)	-3,260	-2,204
	-7,553	**-7,218**
Cash and cash equivalents at the end of the period		
Cash-effective change in cash and cash equivalents (Subtotal from the above cash flows)	3,603	-1,777
Effect of exchange rates on cash	-82	125
Changes in cash and cash equivalents due to changes in the scope of consolidation	25	0
Cash and cash equivalents 1 January	4,573	6,225
Cash and cash equivalents 31 December	**8,119**	**4,573**
Composition of cash and cash equivalents		
Cash and cash equivalents	8,119	4,573
Current liabilities to bank	0	0
	8,119	**4,573**

The cash inflow from operating activities amounted to EUR 18.4 million, an increase of EUR 4.3 million or 31.1 percent compared to the previous year. EBITDA contributed EUR 28.3 million to this cash inflow, as did the decrease in trade receivables, with the increase in inventories having an offsetting effect. Cash flow from investing activities amounted to EUR -7.3 million for the financial year and resulted primarily from the acquisitions of Rhein-Plast and Riva Franco e Figli as well as investments in machinery.

Cash flow from financing activities amounted to EUR -7.6 million in 2022. This was due to borrowings of EUR 6.1 million, which were offset by repayments of EUR 6.9 million and dividends of EUR 3.3 million.

As a result of the effects described above, the Group's cash and cash equivalents increased by EUR 3.5 million to EUR 8.1 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 meets or exceeds management's expectations and is considered to be very good.

FINANCIAL POSITION OF THE SE

Ringmetall SE's liabilities to banks amounted to EUR 17.4 million (Dec. 31, 2021: EUR 17.6 million) and are thus almost unchanged from the previous year. On the other hand, receivables from affiliated companies amounted to EUR 44.2 million (Dec. 31, 2021: EUR 42.5 million). Cash and cash equivalents amounted to EUR 1.8 million as of the reporting date. Ringmetall SE was able to meet its payment obligations at all times.

INVESTMENTS

The most significant investments, all in the Industrial Packaging segment, in the year under review included:

- Acquisition of Rhein-Plast GmbH in the amount of EUR 3.8 million
- Acquisition of Riva Franco e Figli in the amount of EUR 1.3 million
- New production plant in the Packaging Inliner division in the amount of EUR 0.2 million

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 with regard to current business developments and guarantees permanent reconciliation with corporate planning. Planning covers a period of three years, of which the first year is planned in great detail. In addition to the corporate strategy, revenue and EBITDA primarily form the central reference parameters for operational management; accordingly, revenue 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.

With regard to the comparison of the forecast with the actual values for the most significant financial performance indicators of revenue 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 fundamental importance to 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. Thanks to these measures, the complaint rate for the clamping rings product area was kept well below 0.1 percent in the reporting year. This figure includes complaints caused by upstream products and/or external services. In the inliner product area, the complaint rate rose from 0.2 percent in the previous year to 0.5 percent in the year under review. This was due to shortages on procurement markets and the resulting qualification of suppliers. 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 December 31, 2022, the Industrial Packaging segment employed around 766 FTE (Dec. 31, 2021: 705 FTE) and the Industrial Handling segment around 48 FTE (Dec. 31, 2021: 49 FTE), which is within the planned range. The increase in the Industrial Handling Segment is mainly due to the acquisition of Rhein-Plast and the associated increase of 83 FTE.

In addition, there are other key figures, including employee turnover, 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

During 2022, most countries succeeded in overcoming the COVID-19 pandemic and its associated constraints. However, with Russia's attack on Ukraine in February 2022, global supply chain problems became entrenched and continue to weigh on large parts of the corporate value chain today. Rising energy prices, increasing inflation and a rising interest rate environment are also having a significant dampening effect on economic growth prospects.

Over long stretches of the past fiscal year 2022, the Ringmetall Group came through this environment extremely well due to sustained high customer demand. In the course of the fourth quarter, the persistently negative environment was then reflected in a clearly perceptible uncertainty on the part of the Company's end customer industries. First and foremost in the chemical industry. Fluctuating order patterns in the industry consequently made production planning more difficult in the final weeks of the financial year, which had a negative impact on profitability in this period. However, looking at the year as a whole, the Ringmetall Group can look back on a very pleasing financial year overall.

Group revenue grew significantly by 23.9 percent to EUR 213.5 million. The revenue growth was again significantly influenced by a substantial increase in raw material prices. These contributed 16.6 percent to growth. Acquisitions accounted for a further 15.7 percent of growth, namely the purchases of Rhein-Plast and Riva Franco e Figli in 2022 and the acquisition of HOSTO during the year in 2021.

Purely organically, Group revenue declined by 8.4 percent in 2022, which was also mainly related to reductions in inventories built up by customers in 2021. In the Industrial Packaging segment, the Rings product area developed very positively, particularly in the first half of the year, but had to absorb volume declines in the further course of the year. The product area Inliner, which benefited from a significant increase in demand particularly in the second half of the year, developed in the opposite direction after a rather declining demand in the pandemic years. Overall, the Industrial Handling segment grew significantly year-on-year and benefited from increasing order volumes from its biggest customer.

Earnings before interest, taxes, depreciation and amortization (EBITDA) also increased by 6.3 percent to EUR 28.3 million. Against the backdrop of the disproportionate increase in revenues, the EBITDA margin was down on the previous year at 13.1 percent. In addition to the optimal alignment of production processes to the environment, earnings were also impacted by a major non-recurring effect. This resulted mainly from a bargain purchase in connection with the acquisition of Rhein-Plast GmbH and contributed positive income of EUR 1.2 million.

The positive business development led the Company to significantly raise its original forecast for revenue and EBITDA development in 2022 to EUR 205 and 225 million (previously: EUR 180 to 200 million) and EUR 26 to 32 million (previously: EUR 22 to 27 million), respectively, on September 14. The business figures published in the consolidated financial statements are roughly in the middle of the adjusted forecast ranges in terms of both revenues and EBITDA.

Particularly against the backdrop of the generally difficult economic environment, the Management Board of Ringmetall SE assesses the business development of Ringmetall SE and the Group in the reporting period as very good.

OPPORTUNITY AND RISK REPORT

STRUCTURE AND PROCESSES OF THE OPPORTUNITY AND RISK MANAGEMENT SYSTEM

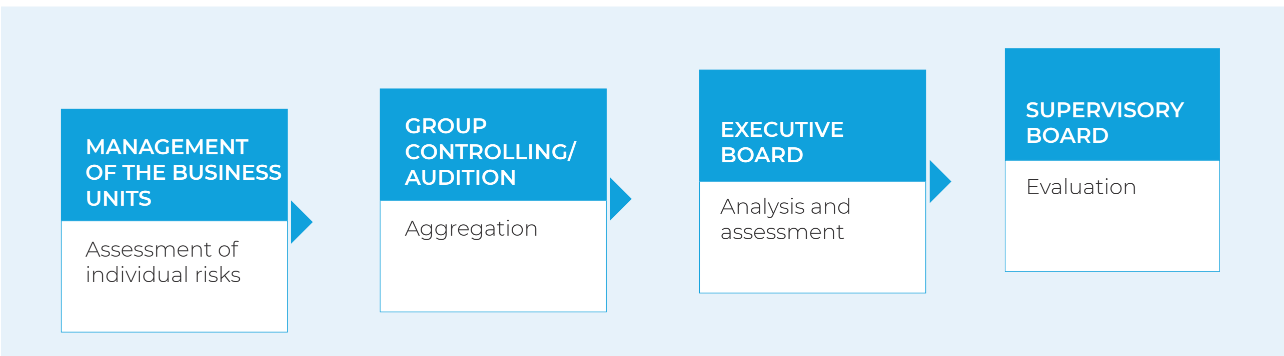
The Group's business areas are exposed to economic fluctuations and market cycles in their respective regions and sectors. The Group-wide identification and analysis of risks and opportunities is therefore an elementary component of sustainable and responsible Group management and affects Ringmetall SE to the same extent. 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, responsibility for implementing the individual requirements lies with the management and middle management of the individual subsidiaries.

The risk management system established throughout the Group was also developed further in a targeted manner in 2022. During the COVID 19 pandemic, risk monitoring was further expanded. In addition to even more intensive monitoring of selected key figures, telephone conferences were held every two weeks 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

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



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 areas uses the software-based risk management system to identify and record the risks of the operating units. 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 potential for damage if they are highly likely to occur 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. The strengthened risk management system established during COVID-19 was also maintained and further developed 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 enables significant risks to be identified and assessed at an early stage and subsequently countered 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 Management Board.

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.

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

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 to the Ringmetall Group – both internal and external – 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 bodies.

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

The existing control processes and systems in the area of IT are also optimized through steadily progressing centralization. The central Group ERP system, which has already been introduced at most subsidiaries, is also being steadily developed further and implemented at additional subsidiaries. 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 mostly carried out by the accounting departments of the national companies. In isolated cases, these are supported by local, external specialists. Appropriate 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. A review of the reported financial statements is carried out by Group headquarters. If necessary, adjustments are made to comply with the Ringmetall Group's accounting policies. By means of these systems and controls, Ringmetall ensures with reasonable assurance that the Group accounting process complies with the law.

The Ringmetall Group's central finance department 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 to be 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

Compared with year-end 2021, the number of individual risks, regardless of classification, has decreased by two individual risks in the „medium" risk category. This is due to successful risk management and the elimination of risks that were aggregated. All risk classes except for „medium" remained unchanged from the previous year. The Ringmetall Group therefore has a slightly improved risk situation overall compared with 2021.

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 carries out 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 material handling equipment and agricultural machinery relevant to the Industrial Handling segment. The outbreak of the pandemic, the Russian war of aggression on Ukraine, signs of recession and high inflation 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 and energy combined with high price volatility. In these times, customers have a much greater tendency to postpone investments or even cancel them altogether. There may also be consolidation of customers or even insolvency of customers within some 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 on 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 revenues would have a negative impact on earnings.

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 any losses can be compensated comparatively easily. In addition, it can be assumed that a further increase in energy, logistics and material costs will be felt due to the Ukraine war, which may not be fully passed on to customers.

Ringmetall is active with one plant in Turkey. The production focus of this location remains largely on the local Turkish market, although cross-border sales already account for more than one third of total revenues. As a result of 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 2022 remained at virtually the same level as in the previous fiscal year. As no sustained improvement in the political environment is currently foreseeable, the risk in relation to Turkey continues to be 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 pressure on prices and margins can be exacerbated 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 as a result of the Ukraine war, the availability of raw materials, especially steel, is a key 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, locally operating competitors. The steadily 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 pressure may also arise here in the future. In this respect, the risk in the inliner segment is higher than in the clamping ring 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 competitive risks continue to be classified as „medium“.

RISKS FROM DIGITALIZATION AND „INDUSTRY 4.0“

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, will be steadily supplemented by additional tools and will be further integrated into the existing ERP system in 2023. In addition, 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 around one-third of its revenue in fiscal year 2022 with its three largest customers, all of which are globally active corporate groups. The Company generated the remaining revenues with several hundred customers.

Particularly in the Industrial Packaging segment, however, the not inconsiderable concentration of a significant share of revenue on two customers (just under one third of segment revenue) 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 revenue 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 predominantly in the „Inliner“ segment. Even though the aforementioned major customers continue to represent significant shares of revenue, their percentage share of total Group revenue has declined. 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 revenue.

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

RISKS FROM RAW MATERIALS AND I NTERMEDIATE PRODUCTS

In the course of its business activities, Ringmetall has a high demand for various raw materials, which are procured 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, generally with a maximum duration of six months, 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 development of 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.

The risk from raw materials and intermediate products is assessed as „medium“ for the reasons described.

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 three locations 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 number of pieces and 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 could equally be produced on conventional lines at several locations, the failure of a fully automated line would possibly lead to delivery delays. This applies analogously to most of the inliners mentioned.

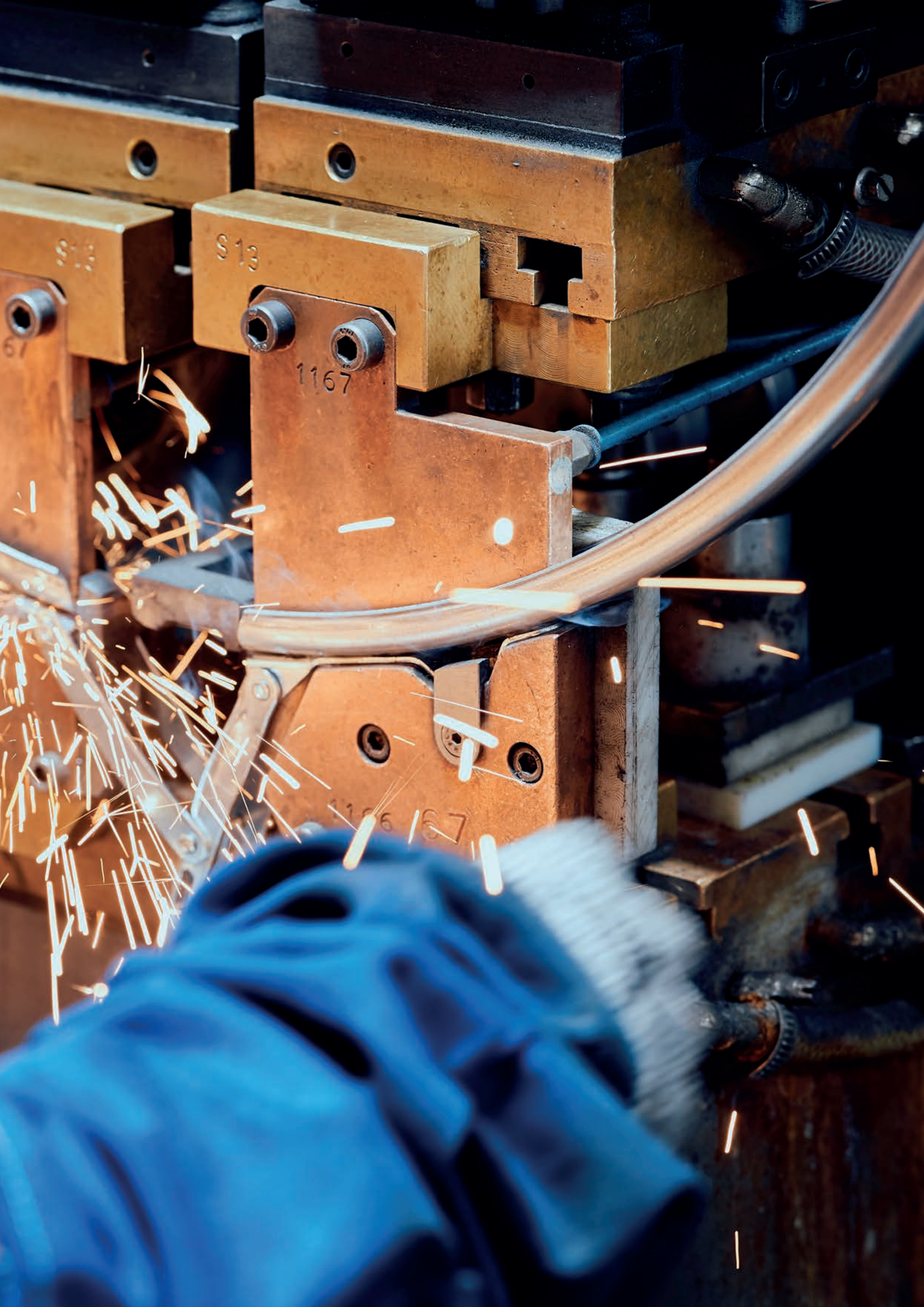
Extensive precautions have been taken to reduce production risks in connection with the pandemic. In addition to appropriate hygiene concepts, these include multi-shift models in working hours, the strict separation of individual shifts, and spacing regulations. Nevertheless, there is a fundamental risk 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 provide us with the steel or other starting materials required 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 at 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.

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 additional sites in order to increase employee safety.

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 as well as a recovery process. Thus, this risk is classified as „medium“ in the overall assessment.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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 as well as 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 the 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, internal as well as external training and further education opportunities are constantly being expanded. 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 safety for the entire workforce with regard to infection risks. Ringmetall is also increasingly using industrial robots to reduce the risk of absenteeism.

The classification of personnel risks is very dependent on the respective location. Overall, the risk is classified as „medium“ from a Group perspective.

LEGAL AND TAX RISKS

The Ringmetall Group is exposed to legal and tax risks. Insofar as specific regulatory requirements are placed on the products, for example due to their use in the transport of hazardous goods, the products are subject to certain regulations. If relevant standards or laws are not complied with, this may be associated with significant penalties and reputational risks under certain circumstances. 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 external tax advisors and lawyers and appropriate measures are initiated if necessary.

From the Group‘s point of view, 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 lasting macroeconomic effects of the COVID-19 pandemic, the war between Russia and Ukraine, high inflation and signs of recession. The Ringmetall Group‘s business model has so far proven to be extremely crisis-proof. 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 war, high inflation and signs of recession, the further development and effects of which remain unquantifiable, the Management Board will continue to pay increased attention to risk management in 2023. For further information, please refer to the forecast report.

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. The organic growth potential of the markets in which the Ringmetall Group is active is generally in the low to mid single-digit percentage range. At the same time, the market entry barriers for newly established subsidiaries in regions that are still underrepresented are high. Acquisitions are accordingly the only option for growing significantly faster than the market. Only very selectively does the Company decide to expand into a new market by setting up its own branches. The only example so far from 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 revenue 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, Ringmetall Group entered the market for inliners via acquisitions, thus already acquiring a dominant market position in Europe. This will be further consolidated by the acquisition of Protective Lining Corp. in the USA in January 2023. Further active consolidation of the market will open up the opportunity for Ringmetall to take the leading position worldwide in the market for inliners in the future. The acquisition of Riva Franco e Figli in Italy in October 2022 also further strengthened the drum clamping rings business.

DEVELOPMENT OF NEW MARKETS

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 main directions:

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

Ringmetall sees great 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 succeeds in achieving margin improvements by leveraging synergies and increasing efficiency in new markets and additionally making these markets 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 self-developed, respectively constructed from standard components and adapted to the respective application to a high degree. The further development of production machines up to their complete new development represents an important part of Ringmetall's value-added 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 novel modular ring profiling line and successfully launched it in 2021 and 2022.

SYNERGIES AND EFFICIENCY GAINS

Ringmetall continuously examines internal and external processes for potentials to leverage intra-group synergies or to increase efficiencies. For example, production processes are regularly reviewed, also with the support of analysis tools, in order to increase the utilization of machines, reduce set-up times, or also 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 ongoing 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 the Group arising from financial instruments include cash flow risks as well as liquidity 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 relevant 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.


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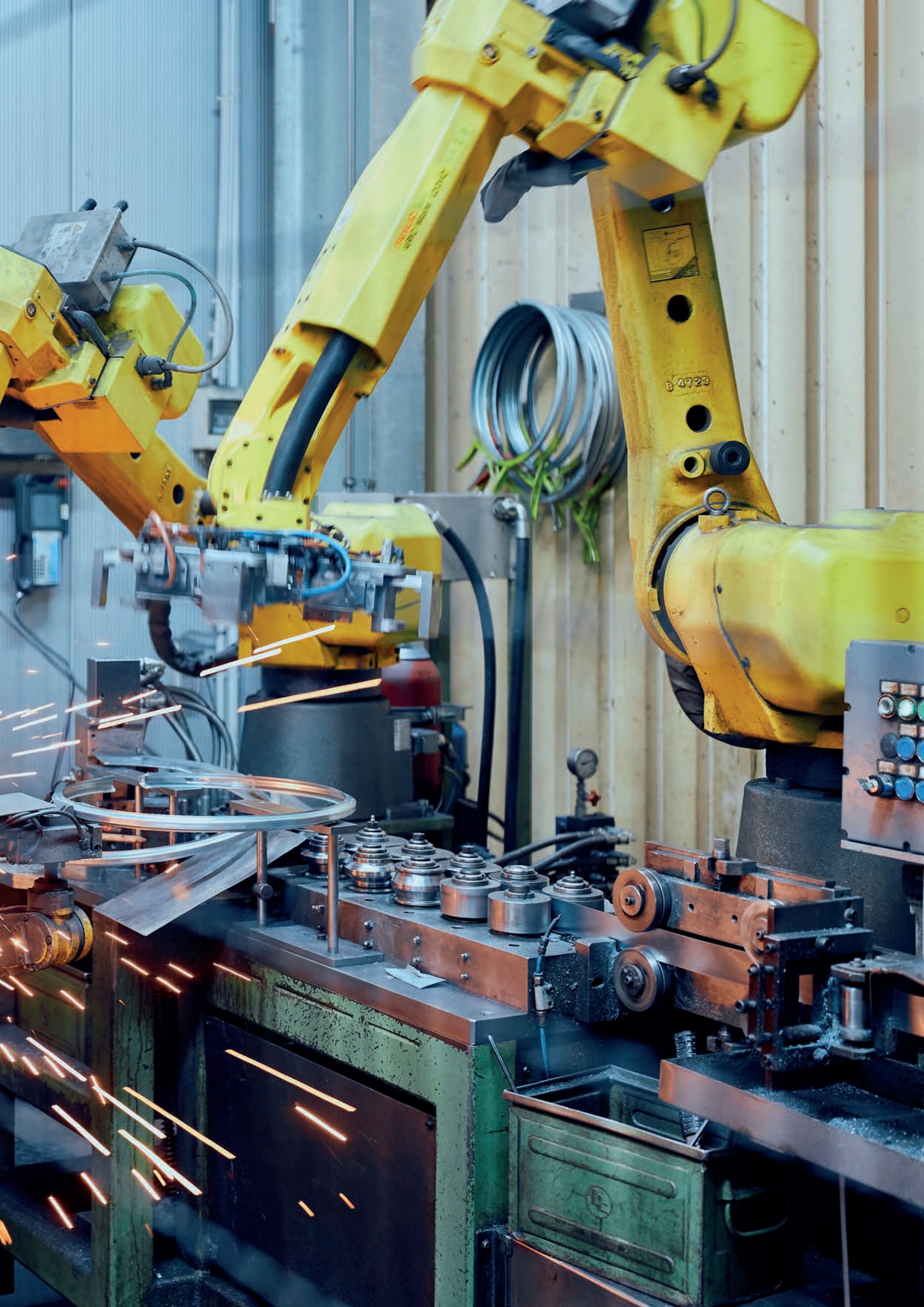
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OUTLOOK REPORT

The assumptions underlying the outlook 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 sentiment on the customer side are incorporated into the decision-making process. Despite an overall positive start to the year, the Management Board of Ringmetall SE anticipates a challenging fiscal year 2023. The war in Ukraine, continued high inflation, high energy prices and ongoing distortions in the general supply chains in a wide range of industries result in an increased level of uncertainty in the Company's end customer industries, above all in the chemical industries. In addition, average steel prices in 2022 are significantly higher than year-end levels, which would already lead to declining revenues if volumes remained constant. Accordingly, the Management Board expects Group revenues of EUR 195 to 220 million and EBITDA of EUR 22 to 28 million for the full year 2023. The Management Board takes a positive view of the opportunities for the successful conclusion of further corporate acquisitions. Financially, the Company considers itself well equipped for this and assumes that it will be able to make possible acquisitions from its free liquidity and free cash flow. The outlook is based on unchanged raw material prices and exchange rates compared to year-end 2022. It also does not include effects from acquisitions planned in 2023, including transaction costs.

OTHER LEGAL DISCLOSURES

CORPORATE GOVERNANCE STATEMENT

The corporate governance statement (Section § 289f and section 315d 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-governace/. 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 December 31, 2022 amounts to EUR 29,069,040. It is divided into 29,069,040 no-par value registered shares, each with a notional interest in the share capital of EUR 1.00. The development of 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 (AktG). As of December 31, 2022, the Company held no shares in treasury. Each of the members of the Management Board holds more than 10 percent of the voting rights in the Company.

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 Section 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. In accordance with § 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 absent, 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 may 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 appropriate, by a simple majority of the capital represented, in accordance with § 133 Stock Corporation Act, § 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 August 30, 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 July 31, 2023, whereby shareholders' subscription rights may be excluded (Authorized Capital 2018).

At the Annual General Meeting on June 14, 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 May 31, 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 account for more than 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 June 16, 2021, the Management Board was authorized, with the approval of the Supervisory Board, to increase the capital stock by up to EUR 5,813,800.00 by issuing new no-par value registered shares (common shares) on one or more occasions, if necessary with the exclusion of subscription rights, until May 31, 2026 (Authorized Capital 2021/I).

MATERIAL AGREEMENTS SUBJECT TO A CHANGE OF CONTROL

Ringmetall SE has not entered into any agreements in fiscal year 2022 that contain provisions in the event of a change of control, such as could occur as a result of a takeover bid, among other things.

DEPENDENCY REPORT PURSUANT TO § 312 AKTG

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

„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, the Company received appropriate consideration for each legal transaction. Measures were not necessary.“

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, 2023

Christoph Petri Spokesman of the Management Board	Konstantin Winterstein Member of the Management Board

APPENDIX EU TAXONOMY

In the following, the taxonomy-compliant shares of ecologically sustainable economic activities in revenues, investments and operating expenses are shown.

REVENUES

			Substantial contribution criteria						DNSH-criteria („Does Not Significantly Harm")								
Economic activities	Total revenues	Proportion of revenues	Climate change mitigation	Climate change adaotation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaotation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of revenue	Category Enabling activity (E)/Transitional activity (T)
	as in EUR M	in %	in %	in %	in %	in %	in %	in %	Yes/No	Yes/No	Yes/No	in %	Yes/No	Yes/No	Yes/No	in %	E/T
A. Taxonomy-eligible activities																	
A.1 Environmentally sustainable activities (Taxonomy-aligned)	0	0.0															
Revenues of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0.0															
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																	
Revenues of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																	
Total A.1 + A.2	**0**	**0.0**															
B. Taxonomy-non-eligible activities	213.5	100.0															
Revenues of Taxonomy-non-eligible activities	213.5	100.0															
Total A + B	**213.5**	**100.0**															

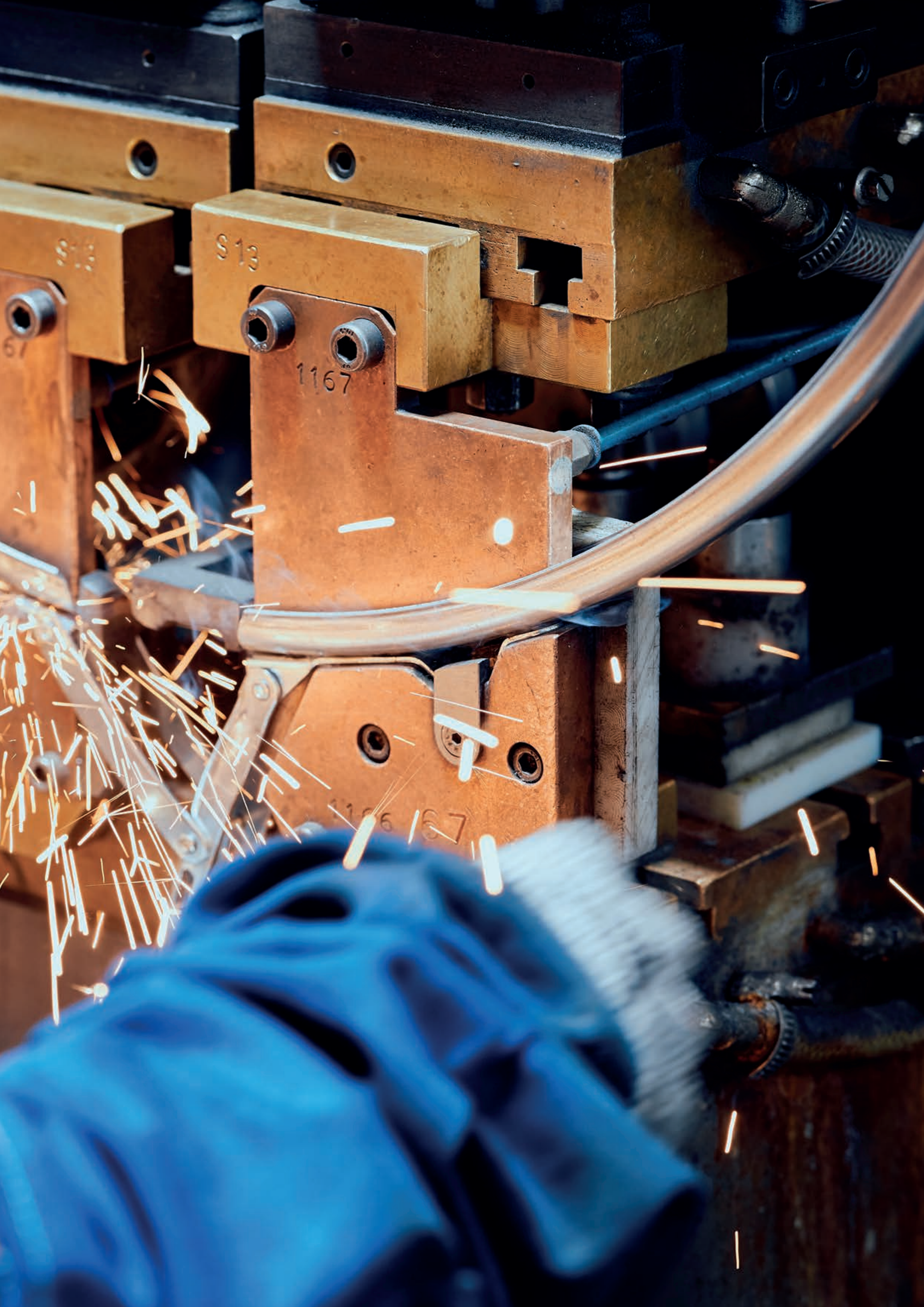
INVESTMENTS

			Substantial contribution criteria						DNSH-criteria („Does Not Significantly Harm")								
Economic activities	Absolute Investitionen	Anteil Investitionen	Climate change mitigation	Climate change adaotation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaotation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of revenue	Category Enabling activity (E)/Transitional activity (T)
	as in EUR M	in %	in %	in %	in %	in %	in %	in %	Yes/No	Yes/No	Yes/No	in %	Yes/No	Yes/No	Yes/No	in %	E/T
A. Taxonomy-eligible activities																	
A.1 Environmentally sustainable activities (Taxonomy-aligned)	0	0.0															
Revenues of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0.0															
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																	
Revenues of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																	
Total A.1 + A.2	**0**	**0.0**															
B. Taxonomy-non-eligible activities	4.5	100.0															
Revenues of Taxonomy-non-eligible activities	4.5	100.0															
Total A + B	**4.5**	**100.0**															

OPERATING EXPENSES

			Substantial contribution criteria						DNSH-criteria („Does Not Significantly Harm")								
Economic activities	Absolute Betriebsausgaben	Anteil Betriebsausgaben	Climate change mitigation	Climate change adaotation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaotation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of revenue	Category Enabling activity (E)/Transitional activity (T)
	as in EUR M	in %	in %	in %	in %	in %	in %	in %	Yes/No	Yes/No	Yes/No	in %	Yes/No	Yes/No	Yes/No	in %	E/T
A. Taxonomy-eligible activities																	
A.1 Environmentally sustainable activities (Taxonomy-aligned)	0	0.0															
Revenues of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0.0															
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																	
Revenues of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																	
Total A.1 + A.2	**0**	**0.0**															
B. Taxonomy-non-eligible activities	3.4	100.0															
Revenues of Taxonomy-non-eligible activities	3.4	100.0															
Total A + B	**3.4**	**100.0**															

THE RINGMETALL GROUP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CONSOLIDATED BALANCE SHEETS

As of 31.12.2022

ASSETS EUR ,000	Notes	31.12.2022	31.12.2021
Non-current assets			
Intangible assets	15	3,707	2,842
Goodwill	14 | 15	34,137	33,734
Property, plant and equipment	16	35,332	33,395
Investments accounted for using the equity method	5	-	57
Other non-current assets	17	286	167
Deferred tax assets	12	1,104	1,571
Total non-current assets		**74,566**	**71,766**
Current assets			
Inventories	18	25,721	21,734
Trade receivables	19	21,282	23,575
Contract assets	20	354	636
Other current assets	21	1,068	1,182
Current tax receivables	21	231	430
Cash and cash equivalents	22	8,119	4,573
Total current assets		**56,775**	**52,130**
Total assets		**131,341**	**123,896**

LIABILITIES EUR ,000	Notes	31.12.2022	31.12.2021
Equity			
Share capital	23	29,069	29,069
Capital reserves	23	16,664	16,664
Currency translation differences recognized outside profit or loss	23	470	-507
Revaluation of severance payment obligations and others	23	173	67
Retained earnings		30,024	17,415
Non-controlling interests	23	1,064	1,041
Total equity		**77,464**	**63,749**
Non-current liabilities			
Provisions for post-employment benefits	24	760	804
Other provisions		172	155
Financial liabilities	26	21,357	23,600
Deferred tax liabilities	12	2,262	2,489
Total non-current liabilities		**24,551**	**27,048**
Current liabilities			
Other provisions	25	5,626	5,639
Current tax liabilities		1,816	1,993
Financial liabilities	26	8,638	7,983
Trade payables	27	10,713	14,882
Other liabilities	27	2,533	2,602
Total current liabilities		**29,326**	**33,099**
Total liabilities		**53,877**	**60,147**
Total equity and liabilities		**131,341**	**123,896**

CONSOLIDATED PROFIT & LOSS STATEMENT

From 1.1. to 31.12.2022

EUR ,000	Notes	2022	2021
Revenue	9	213,511	172,338
Other income	9	2,626	1,984
Change in inventories of finished goods and work in progress	18	3,024	786
	10	219,161	175,108
Cost of materials	10	-124,820	-93,099
Personnel expenses	10	-46,104	-38,026
Other expenses	10	-19,530	-17,061
Other taxes	10	-407	-293
Result from investments accounted for using the equity method	5	-	-9
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**28,300**	**26,620**
Depreciation	15 | 16	-7,017	-6,443
Earnings before interest and taxes (EBIT)		**21,283**	**20,177**
Finance income	11	4	223
Finance costs	11	-733	-865
Net income for the year from continuing operations before taxes		**20,554**	**19,535**
Income tax expense	12	-4,634	-4,618
Consolidated net income for the year		**15,920**	**14,917**
Consolidated net income for the year attributable to:			
Shareholders of Ringmetall SE	13	15,225	14,446
Non-controlling interests	13	695	471
Earnings per share			
Basic earnings per share (EUR)	13	0.52	0.50
Diluted earnings per share (EUR)	13	0.52	0.50

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

From 1.1. to 31.12.2022

EUR ,000	Notes	**2022**	2021
Consolidated net income for the year		**15,920**	**14,917**
Items in other comprehensive income that could affect expenses or income in the future:			
Foreign business currency translation differences	7, 23	949	1,269
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	140	37
Income tax attributable to components of other comprehensive income	12	-34	-9
Other comprehensive income		1,055	1,297
Total comprehensive income		**16,975**	**16,214**
Total comprehensive income attributable to:			
Shareholders of Ringmetall SE		16,308	15,732
Non-controlling interests		667	482

CONSOLIDATED STATEMENT OF CASH FLOWS

From 1.1. to 31.12.2022

EUR ,000	Notes	2022	2021
1. Cash flow from operating activities			
Consolidated net income	13	15,920	14,917
Depreciation	15 | 16	7,017	6,443
Income tax expense and deferred taxes	12	4,634	4,618
Gain (-) on asset disposals	9	-25	-68
Result from at equity	5	0	9
Net interest income	11	729	642
Cash flow before interest, taxes and refinancing		**28,275**	**26,561**
Increase (-)/decrease (+) in inventories and trade receivables		28	-12,327
Increase (+)/decrease (-) in provisions		-40	1,520
Increase (-)/decrease (+) in trade payables, other liabilities and accruals		-4,397	1,004
Assets acquired from company acquisitions		6,268	5,234
Increase (+)/decrease (-) in the statement of financial position – non-cash		-6,783	-5,168
Cash flow before interest and taxes		**23,351**	**16,824**
Income taxes paid		-4,912	-2,754
Cash Flow from operating activities		**18,439**	**14,070**
2. Cash flow from investment activities			
Inflows from the disposal of property, plant and equipment		179	97
Outflows for investments in property, plant and equipment		-2,384	-2,779
Outflows for investments in intangible assets		-258	-369
Outflows for additions to the scope of consolidation in the previous year		-301	-
Outflows for additions to the scope of consolidation in the financial year		-4,519	-5,549
Outflows for additions to the scope of consolidation in the current financial year		-	-29
Cash flow from investment activities		**-7,283**	**-8,629**

EUR ,000	Notes	2022	2021
3. Cash flow from financing activities			
Inflows from borrowing financial loans		6,069	5,106
Outflows for the redemption of financial loans		-6,923	-7,317
Payments from the redemption of leasing		-2,710	-2,243
Outflows to owners (dividend payment)		-3,260	-2,204
Interest paid*		-733	-783
Interest received*		4	223
Cash flow from financing activities		**-7,553**	**-7,218**
4. Cash and cash equivalents at end of period			
Cash change in cash and cash equivalents (sub-totals 1-3)		3,603	-1,777
Effect of exchange rates on cash		-82	125
Changes in cash and cash equivalents due to changes in the consolidation group		25	0
Cash and cash equivalents at the beginning of the period		4,573	6,225
Cash and cash equivalents at end of period**		**8,119**	**4,573**
5. Composition of cash and cash equivalents			
Cash and cash equivalents	22	8,119	4,573
Current liabilities to banks		0	0
Cash and cash equivalents at end of period		**8,119**	**4,573**

(*) 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 366 thousand (2021: EUR 278 thousand) is attributable to non-controlling interests.

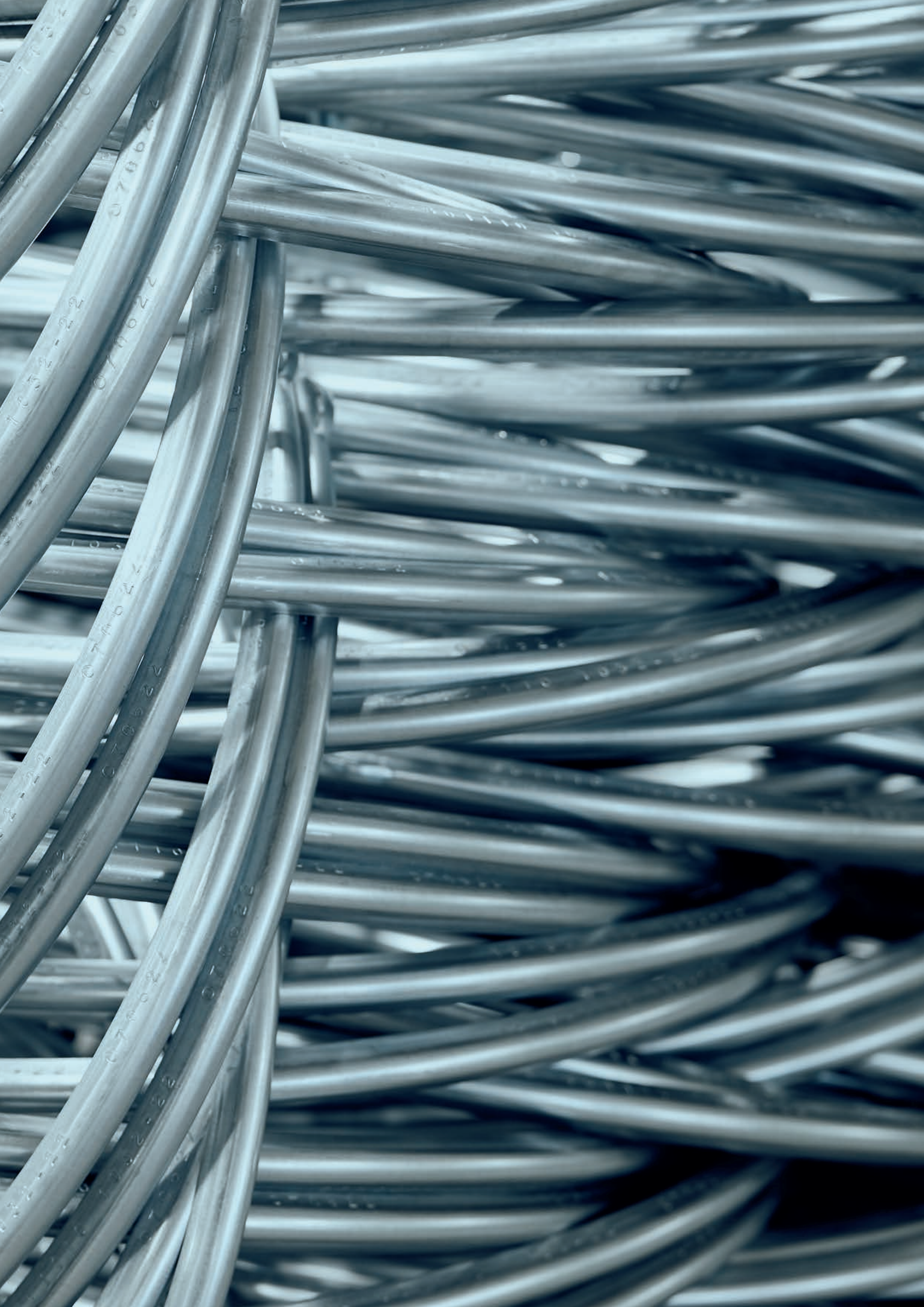
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As of 31.12.2022

EUR ,000	Notes	Share capital	Capital reserves	Currency translation reserve
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**

EUR ,000	Notes	Share capital	Capital reserves	Currency translation reserve
As of 01.01.2022 (IFRS)		**29,069**	**16,664**	**-507**
Consolidated net profit for 2022	13	-	-	-
Capital increase	23	-	-	-
Dividend payments/distributions		-	-	-
Other comprehensive income	23	-	-	977
Change in scope of consolidation		-	-	-
Total transactions with owners of the Company		**-**	**-**	**977**
As of 31.12.2022 (IFRS)		**29,069**	**16,664**	**470**

Revaluation of severance obligation	Effect of first-timeadoption of IFRS 15	Retained earnings	Total	Non-controlling interests	Total equity
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**
45	**22**	**17,415**	**62,708**	**1,041**	**63,749**
-	-	15,225	**15,225**	695	15,920
-	-	-	**-**	-	-
-	-	-2,616	**-2,616**	-644	-3,260
106	-	-	**1,083**	-28	1,055
-	-	-	**-**	-	-
106	**-**	**12,609**	**13,692**	**23**	**13,715**
151	**22**	**30,024**	**76,400**	**1,064**	**77,464**



NOTES FOR THE FISCAL YEAR 2022

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 Management Board of Ringmetall SE approved the 2022 consolidated financial statements for publication on April 27, 2023 [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 k), 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 goodwill impairment tests,
- Note 19 – Assumptions related to 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.

Wenn die zur Bestimmung des beizulegenden Zeitwertes eines Vermögenswertes oder einer Verbindlichkeit verwendeten Inputfaktoren in unterschiedliche Stufen der Fair-Value-Hierarchie eingeordnet werden können, wird die Bewertung zum beizulegenden Zeitwert in ihrer Gesamtheit der Stufe der Fair Value-Hierarchie zugeordnet, die dem niedrigsten Inputfaktor entspricht, der für die Bewertung insgesamt wesentlich ist.

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, please refer to note 7.

All subsidiaries of Ringmetall SE are listed below.

The consolidated financial statements as of December 31, 2022 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 investments in subsidiaries are held by Ringmetall SE (directly/indirectly) and are fully consolidated in the consolidated financial statements as of December 31, 2022:

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	München	Germany	100.00
Fieder Verwaltungs GmbH	München	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
Rhein-Plast GmbH	Bad Dürkheim	Germany	100.00
Tesseraux Spezialverpackungen GmbH	Bürstadt	Germany	100.00
Berger Hong Kong Limited	Hong Kong	China	80.00

* The company was liquidated on 31 December 2022 and is in liquidation.

NAME OF THE COMPANY	Office	Country	Share in capital (%)
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.

Until year-end 2022, the following company was included at equity due to significant influence:

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

At the end of the reporting year, Nittel UK Ltd. is in liquidation. The Company's customers were divided up on the basis of an agreement between Ringmetall and the shareholder who held the other 50 percent of the shares in Nittel UK Ltd. Accordingly, a customer list was booked in at Ringmetall and, in return, the shareholding in Nittel UK Ltd. was derecognized. Overall, these transactions resulted in income which is recognized in other income. In fiscal year 2021, a result of EUR -9 thousand was generated from the company.

The following subsidiaries are not included by Ringmetall in the consolidated financial statements as of December 31, 2022 due to their minor significance (individually and in total) for the net assets, financial position and results of operations:

COMPANY	Office	Country	Share in capital (%)
Berger Verwaltung GmbH i.L.*	Berg	Germany	100.00
HSM Verwaltungs GmbH	Ernsgaden	Germany	100.00
Protective Lining, Inc.	New York	USA	100.00

* The company was liquidated on 7 January 2022

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

Acquisition Rhein-Plast

The Ringmetall Group acquired the business operations, the operating land and buildings as well as selected assets and minor liabilities of RP Abwicklungsgesellschaft mbH i. L. (formerly Rhein-Plast GmbH) as of February 1, 2022. This business operation as well as the operating land, buildings, assets and liabilities were contributed to Rhein-Plast GmbH (formerly Blitz 21-966 GmbH).

In connection with the acquisition and takeover of these assets and liabilities of Rhein-Plast GmbH (hereinafter referred to as „Rhein-Plast"), the existing employment relationships and the existing production know-how were also taken over. As a result, the substantial processes of Rhein-Plast were taken over, so that the acquisition of Rhein-Plast constitutes a business combination in accordance with IFRS 3.

A total purchase price of EUR 3,840 thousand was agreed, which was paid in full.

Rhein-Plast produces mono films from polyethylene granules (PE) at its plant in Bad Dürkheim, Germany, and in addition to extrusion and printing also offers conversion of films 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 primarily companies from the pharmaceutical and biotech industries. About one third of the customers are also from the chemical and food industries, the automotive and electronics sectors, and other industries. With Rhein-Plast, 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.

Ringmetall gained dominance and thus control over Rhein-Plast on February 1, 2022. The initial consolidation took place on this date. As part of the purchase price allocation, the acquisition costs of all assets and liabilities were compared with their fair values. The difference between the identifiable assets acquired and the liabilities assumed results in the total identifiable net assets acquired. After a critical review, the difference between the purchase price and the total identifiable net assets acquired resulted in a negative difference, which was fully recognized in profit or loss as other income in the amount of EUR 1,153 thousand. As Rhein-Plast had been in insolvency proceedings in self-administration since September 1, 2021, this advantageous acquisition could be realized.

Acquisition Rhein-Plast EUR ‘000	**Carrying amount (according to HGB) before purchase price allocation**	**Fair value according to purchase price allocation**
Properties and buildings	1,590	2,610
Technical plant and machinery	1,572	1,686
Inventory	1,312	1,385
Receivables and other assets	1	1
Financial liabilities	-23	-159
Deferred taxes		-530
Total identifiable net assets	**4,452**	**4,993**
Goodwill		
Purchase price		3,840
Total identifiable net assets		4,993
Negative difference		**-1,153**
Net paid cash		**3,840**

Transaction costs of EUR 128 thousand were incurred in connection with the transaction and expensed.

Since the acquisition date, Rhein-Plast has generated revenue of EUR 14,301 thousand and contributed earnings of EUR 2,556 thousand, which are included in the consolidated statement of comprehensive income. In the financial year 2022, Rhein-Plast had 83 employees.

Deferred taxes relate to temporary differences between the tax and IFRS valuations of the identified assets and liabilities acquired.

Acquisition of Riva

On October 14, 2022, the Ringmetall Group acquired the business operations, customer base and selected assets of Riva Franco & Figli s.n.c. (hereinafter referred to as „Riva") in Calolziocorte, Italy. Riva is a small company in the clamping ring production and was integrated into the Italian Group company Berger Italia S.r.l.. As the production know-how and substantial processes of Riva were taken over, the acquisition of Riva represents a business combination in accordance with IFRS 3.

A purchase price of EUR 1,304 thousand was agreed, of which EUR 1,045 thousand relates to Riva's customer base and EUR 259 thousand to other assets, mainly machinery and inventories.

The first tranche of the purchase price of EUR 679 thousand was paid in fiscal year 2022. The remainder of the purchase price of EUR 625 thousand was due in March 2023.

Ringmetall assumed dominance and thus control over Riva on October 14, 2022. The initial consolidation took place on this date. As part of the purchase price allocation, the acquisition costs of all assets were compared with their fair values. The identified assets represent the total identifiable acquired net assets of Riva. After critical review and comparison of the purchase price and these acquired net assets, no material difference was identified.

Transaction costs incurred in connection with this transaction were immaterial.

The purchase price allocation is preliminary with regard to intangible assets in accordance with IFRS 3.45.

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 3, Reference to the Framework
- Amendments to IAS 16, Revenue recognition before an asset is ready for use
- Amendments to IAS 37, onerous contracts – costs of fulfilling a contract
- Annual Improvements Procedure (2018-2020), amendments to IFRS 1, IFRS 9 and IAS 41

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 administrative costs are not directly related to the contract and are therefore not included in contract performance costs unless a pass-through to customers is specifically provided for in the contract.

The standards, clarifications and interpretations required to be applied from January 1, 2022 had no impact or no material impact on the presentation of the Group's financial position or performance or on earnings per share.

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

The following standards and amendments to standards have already been adopted by the European Union, but are not effective until financial statements after December 31, 2022.

- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective from January 1, 2023)
- Amendments to IAS 8, Definition of Accounting Estimates (effective from January 1, 2023)
- Amendments to IAS 12, Deferred Taxes Relating to Assets and Liabilities Arising from a Single Transaction (effective from January 1, 2023)
- Amendment to IFRS 17, Comparative Information on „First-time Adoption of IFRS 17 and IFRS 9“ (effective from January 1, 2023)
- IFRS 17, Insurance Contracts (effective from January 1, 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, which 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 January 1, 2023, with early application permitted. Ringmetall does not expect any material impact due to these amendments.

Ringmetall also does not expect any material impact on the consolidated financial statements from the other amendments that have already been published but are not yet applicable.

The following 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 to financial statements after December 31, 2022.

- Amendment to IFRS 16, Lease Liability in a Sale and Leaseback Transaction (effective from January 1, 2024).
- Amendments to IAS 1, Classification of Liabilities as Current or Non-Current (effective from January 1, 2024).

Amendments to IFRS 16, Lease Liability in a Sale and Leaseback Transaction. In September 2022, the IASB issued amendments to IFRS 16. According to the amendment, the seller/lessee must recognize a lease liability under the leaseback obligation in accordance with IFRS 16 on the date of disposal, even if all payments for the lease are variable and do not depend on an index or a rate. For subsequent measurement, no gain or loss is recognized to the extent that it relates to the retained right-of-use asset. The subsequent measurement of the right-of-use asset arising from the leaseback obligation is based on the general provisions of IFRS 16.29-35. The amendments are effective for annual periods beginning on or after January 1, 2024 and are to be applied retrospectively.

Amendments to IAS 1, Classification of Liabilities as Current or Non-Current. In October 2022, 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 liabilities are to be classified as non-current if the reporting entity has the right at the reporting date to defer settlement of the liability for at least twelve months. The assessment of this right is based on the circumstances at the end of the reporting period, so that contractual terms to be fulfilled in the future are not to be taken into account. The amendments are effective for annual periods beginning on or after January 1, 2024 and shall be applied retrospectively.

According to current estimates, the new or amended IFRS pronouncements mentioned in the above list (before and after endorsement) have no or no material impact on the presentation of Ringmetall‘s net assets, financial position and results of operations. Ringmetall has not voluntarily applied any of the above-mentioned new or amended standards in advance. In the case of first-time application during the year, the aforementioned standards and interpretations are generally applied as of January 1 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 included one associate as defined in IAS 28 until the end of 2022. 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 translation purposes for the major currencies in the Group are shown in the table:

		Balance sheet closing rate		P&L average rate	
1 EURO		**31.12.2022**	31.12.2021	**2022**	2021
UK	GBP	0.8853	0.8395	0.8526	0.8600
China	CNY	7.3926	7.2161	7.0801	7.6342
Turkey	TRY	19.9760	12.7877	17.3853	10.4668
USA	USD	1.0676	1.1325	1.0539	1.1835

All business units operate almost entirely in their respective national home markets, so 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 revenue 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 at which 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 before 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 employees are reported under personnel expenses. This corresponds to the economic circumstances 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 also results from the compounding of 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 and deferred taxes are generally recognized in the consolidated income statement. If current and / 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 the taxable income for the respective fiscal year. Taxable income differs from net income as reported in the consolidated statement of income with respect to 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 for the year attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the 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 January 1, 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 determine possible impairment requirements. For the purpose of impairment testing, goodwill is allocated, on acquisition, to each of the Group's cash-generating units (or groups of cash-generating units) 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:

- 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 presented 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 limited 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 determined 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 intention of trading 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“. The interest components (using the effective interest method) and currency translation effects are recognized in profit or loss. Unrealized gains and losses are not reclassified to profit or loss until the 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 (FLAC)
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 risk provision compared to level 1, provided 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 lease term.

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 mainly focuses on industrial drums, includes the clamping ring, lid, and seal as well as handles, closure units, and requirement-specific special components. Since 2019, the product portfolio has also included the manufacture and sale of drum liners.

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.

Revenue

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.

	2022			2021		
EUR ,000	Segment revenues	Intra- and intersegmental revenues	Revenues from external clients	Segment revenues	Intra- and intersegmental revenues	Revenues from external clients
Industrial Packaging	212,157	14,974	197,183	172,460	12,675	159,785
Industrial Handling	16,328	-	16,328	12,553	-	12,553
Other	826	826	-	943	943	-
Total	**229,311**	**15,800**	**213,511**	**185,956**	**13,618**	**172,338**

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

Segment results

EUR ,000	**2022**	2021
Industrial Packaging	29,667	28,953
Industrial Handling	917	1,255
Other	-2,285	-3,593
EBITDA before consolidation	**28,299**	**26,615**
Consolidation effects on EBITDA	1	5
EBITDA	**28,300**	**26,620**

EUR ,000	2022	2021
Depreciation Property, plant and equipment and intangible assets	-7,017	-6,443
EBIT	**21,283**	**20,177**
Financing result	-729	-642
Earnings before income taxes	**20,554**	**19,535**
Income tax expense	-4,634	-4,618
Net results	**15,920**	**14,917**

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	31.12.2022	31.12.2021
Industrial Packaging	26,822	30,872
Industrial Handling	1,182	1,265
Other	45,962	42,472
Segment assets before consolidation	**73,966**	**74,609**
Reconciliation consolidated balance sheet	-44,211	-45,825
Not distributed:		
Property, plant and equipment	35,332	33,395
Intangible assets	3,707	2,842
Goodwill	34,137	33,734
Deferred tax assets	1,104	1,571
Inventory	25,721	21,734
Current tax receivables	231	430

EUR ,000	31.12.2022	31.12.2021
Others assets	1,354	1,406
Assets according to consolidated balance sheet	**131,341**	**123,896**

Segment assets consist of trade receivables, contract assets and bank balances. Trade receivables include assets from customer contracts in full, with EUR 20,100 thousand (December 31, 2021: EUR 22,541 thousand) attributable to the Industrial Packaging segment and EUR 1,182 thousand (December 31, 2021: EUR 1,034 thousand) to the Industrial Handling segment. Contract assets amounting to EUR 354 thousand (Dec. 31, 2021: EUR 636 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	31.12.2022	31.12.2021
Industrial Packaging	39,498	41,445
Industrial Handling	3,253	2,823
Other	17,569	21,260
Segment liabilities before consolidation	**60,320**	**65,528**
Reconciliation consolidated balance sheet	-31,882	-32,014
Not distributed:		
Financial liabilities leasing	11,052	12,253
Financial liabilities other loans	1,218	698
Pension provisions	760	804
Deferred tax liabilities	2,262	2,489
Other liabilities	2,533	2,602
Other provisions	5,798	5,794
Current tax liabilities	1,816	1,993
Liabilities according to consolidated balance sheet	**53,877**	**60,147**

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:

	31.12.2022 Total non-current assets that are not deferred taxes				
EUR ,000	**Gesamt**	Germany	USA	Italy	Other
Property, plant and equipment	3,707	2,417	-	1,175	115
Goodwill	34,137	16,316	13,125	4,520	176
Intangible assets	35,332	25,360	2,988	5,181	1,803
Investments accounted for using the equity method and other non-current assets	286	40	140	106	-
Total non-current assets excluding deferred taxes	**73,462**	**44,133**	**16,253**	**10,982**	**2,094**

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

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

	2022				2021			
EUR ,000	Germany	USA	Italy/UK	Other	Germany	USA	Italy/UK	Other
Industrial Packa-ging	53,309	60,026	25,871	57,977	38,375	49,406	24,335	47,669
Industrial Handling	15,747	-	-	581	11,930	-	-	623
Other	-	-	-	-	-	-	-	-
Total	**69,056**	**60,026**	**25,871**	**58,558**	50,305	49,406	24,335	48,292

In the Industrial Packaging segment, revenue in the amount of EUR 31,244 thousand (2021: EUR 30,848 thousand) and EUR 30,430 thousand (2021: EUR 30,451 thousand), respectively, are based on business with two customers. In the Industrial Handling segment, revenue of EUR 9,508 thousand (2021: EUR 7,397 thousand) was generated with one customer.

9. REVENUES AND OTHER OPERATING INCOME

9.1. REVENUES

EUR ,000	2022	2021
Clamping rings, lids, etc.	156,709	139,054
Drum inliners	40,474	20,731
Vehicle attachment parts, etc.	16,328	12,553
Total	**213,511**	**172,338**

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 213,511 thousand (2021: EUR 172,338 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	2022	2021
Income from advantageous purchase	1,153	0
Income from the release of provisions and allowance for doubtful accounts	251	354
Income from the private use of company vehicles	187	146
Income from contribution	165	83
Insurance income	41	80
Other own work capitalized	34	37
Income from the waiver of liabilities	33	809
Profit / loss on disposal of property, plant and equipment	25	68
Rental income	22	19
Other income	715	388
Total	**2,626**	**1,984**

Other income increased by EUR 642 thousand. The main reason for this is the income from the favorable purchase of RheinPlast in the amount of EUR 1,153 thousand, see the comments under Note 6. This special effect significantly exceeds the special effect of EUR 809 thousand reported in the previous year from the waiver of the government COVID-19 loan in the USA.

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

Compared with the previous year, miscellaneous other income includes income from the liquidation of Nittel UK Ltd.

10. OPERATING EXPENSES

10.1. COST OF MATERIAL

EUR ,000	2022	2021
Cost of raw materials and supplies	118,062	88,352
Cost of purchased services	6,758	4,747
Total	**124,820**	**93,099**

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

10.2. PERSONNEL EXPENSES

EUR ,000	2022	2021
Wages and salaries	32,189	27,379
Social security contributions	7,248	5,880
Temporary workers	6,667	4,767
Total	**46,104**	**38,026**

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 in the amount of EUR 1,798 thousand (2021: EUR 1,367 thousand).

The average number of employees increased from 748 to 814 in 2022 compared to 2021.

The average number of temporary workers employed increased to 217 in 2022 (2021: 128 temporary workers).

10.3. OTHER EXPENSES AND OTHER TAXES

EUR ,000	2022	2021
Expenses for the issue of goods	7,116	6,071
Expenses for administration and EDP	4,638	3,348
Expenses for administration and EDP	3,070	2,417
Expenses for machinery and tools	2,529	3,095
Expenses related to buildings	1,859	1,673
Other expenses	318	457
Other taxes	407	293
Total	**19,937**	**17,354**

Compared to the previous year, other expenses increased by EUR 2,583 thousand.

This was mainly due to the increase of EUR 1,045 thousand in expenses for the issue of merchandise, in line with revenue. Administrative and IT expenses increased by EUR 1,290 thousand. One reason for this is the acquisition of Rhein-Plast.

Expenses for consulting and other external services decreased by EUR 566 thousand. In the previous year, expenses for the change of legal form of Ringmetall AG to a European Company (Societas Europaea, SE) were reported here. In addition, consulting costs were saved.

Expenses for machinery and tools increased by EUR 653 thousand. This was mainly due to expenses incurred in connection with the latest acquisitions, HOSTO and Rhein-Plast.

Expenses in connection with buildings mainly relate to ancillary costs.

11. INVESTMENT AND FINANCIAL RESULT

11.1. FINANCE INCOME

EUR ,000	**2022**	2021
Interest income	4	5
Exchange rate effects from financing activities	-	218
Total	**4**	**223**

The significant decrease in financial income is mainly due to the fact that in fiscal year 2022 there was no income from exchange rate effects in connection with financing, after offsetting as required. In the reporting year, these effects resulted in low expenses, please refer to Note 11.2.

11.2. FINANCE COSTS

EUR ,000	**2022**	2021
Interest on current account and bank loans (not from related parties)	455	587
Interest on liabilities from finance leases	249	278
Exchange rate effects from financing activities	29	-
Total	**733**	**865**

The decrease in finance costs is mainly due to lower interest expenses for bank loans. The lower interest expenses are 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 2022 and 2021 is 15.0 percent. In addition, a solidarity surcharge of 5.5 percent is levied. The trade income tax in 2022 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. Domestic partnerships are 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 tax. 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	**2022**	2021
Actual tax expense		
Current year	-4,997	-3,953
Adjustments for previous years	9	-65
	-4,988	**-4,018**
Deferred tax income		
thereof from occurrence or reversal of temporary differences	507	-181
thereof loss carryforwards	-153	-419
	354	**-600**
Tax expense	**-4,634**	**-4,618**

Deferred tax income mainly relates to temporary differences in the recognition and measurement of assets and liabilities in accordance with IFRS, as well as from consolidation transactions recognized in profit or loss and changes in the recognition of 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 2022 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	**2022**	**%**	2021	%
Profit before taxes	20,554		19,535	
Taxes based on the domestic tax rate of the parent company	-6,778	-33.0	-6,442	-33.0
Differences in tax rates	1,646	7.9	1,169	6.0
Change of tax rates	-1	0.0	3	0.0
Non-deductible expenses	-103	-0.5	-56	-0.3
Non-taxable income	382	1.9	228	1.2
Losses and temporary differences for which no tax assets could be recognized	-12	-0.4	-35	-0.2
Temporary differences for which no tax assets could be accounted for	50	0.3	49	0.3
Actual taxes relating to other periods	9	0.0	-65	-0.3
Reduction of deferred tax expense due to previously unrecognized tax losses	213	1.0	506	2.6
Foreign tax benefit	0	0.0	0	0.0
Other tax effects	-40	0.2	24	0,1
Effective tax expense	**-4,634**	**-22.6**	**-4,618**	**-23.6**

The decrease in the effective tax rate in the reporting year compared to the previous year is mainly due to the tax rate differences and 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 310 thousand (2021: EUR 757 thousand), the underlying loss carryforwards amount to EUR 1,341 thousand (2021: EUR 3,783 thousand).

In the reporting period, EUR 334 thousand of these tax loss carryforwards were not recognized on loss carryforwards that will expire in 2023, EUR 968 thousand on loss carryforwards that will expire in the period from 2024 to 2027, EUR 17 thousand on loss carryforwards that will expire in the period from 2028 to 2031, and EUR 22 thousand on 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 shares in question.

12.4. CHANGES IN DEFERRED TAXES DURING THE YEAR

Deferred tax assets and liabilities show the following development:

Deferred tax assets EUR ,000	31.12.2022	31.12.2021
Intangible assets	995	913
Property, plant and equipment	272	606
Inventory	379	181
Other liabilities	52	220
Other assets	32	26
Tax loss carryforwards	687	785
Total	**2,417**	**2,731**
Netting of deferred tax assets and liabilities	-1,313	-1,160
Deferred tax assets after netting	**1,104**	**1,571**

Deferred tax liabilities EUR ,000	31.12.2022	31.12.2021
Intangible assets	1,328	1,364
Property, plant and equipment	1,871	1,575
Trade receivables	125	172
Other liabilities	223	537
Other assets	29	1
Total	**3,576**	**3,649**
Netting of deferred tax assets and liabilities	-1,313	-1,160
Deferred tax liabilities after netting	**2,263**	**2,489**

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. 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	2022	2021
Deferred tax assets, net at 1. January	**-918**	**-218**
Changes in the consolidated Group	-530	-106
Change in deferred taxes due to Revaluation of severance payment obligations, recognised in other comprehensive income	-34	-9
Currency translation effects	-30	15
Deferred tax expenses/income	353	-600
Deferred tax assets, net at 31. December	**-1,159**	**-918**

13. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13.1. NET INCOME FROM CONTINUING OPERATIONS

EUR ,000	2022	2021
Shareholders of the parent company	15,225	14,446
Non-controlling interests	695	471
Consolidated net profit	**15,920**	**14,917**

13.2. EARNINGS PER SHARE

	2022	2021
a) Undiluted earnings per share	Euro per share	Euro per share
from continuing operations	0.52	0.50
from discontinued operations	-	-
Total undiluted earnings per share	**0.52**	**0.50**

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

	2022	2021
Group earnings attributable to the shareholders of Ringmetall SE	15,225	14,446
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	0.52	0.50
from discontinued operations	-	-
Total diluted earnings per share	**0.52**	**0.50**

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.

14. GOODWILL

14.1. RECONCILIATION OF THE BOOK VALUE

EUR ,000	2022	2021
Acquisition cost	36,310	35,530
Accumulated impairment losses	-2,173	-1,796
Balance at end of year	**34,137**	**33,734**
Acquisition cost		
Balance at beginning of year	35,530	33,613
Additional amounts recognized from business combinations	-	916
Effects of exchange rate differences	780	1,001
Balance at end of year	**36,310**	**35,530**
Accumulated impairment losses		
Balance at beginning of year	1,796	1,313
Impairment losses recognized during the year	377	483
Balance at end of year	**2,173**	**1,796**


BERGER

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. This was based on a detailed plan 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. Periods not included in the planning calculations are shown by applying the terminal value. Cash flows after the three-year period are assumed to be subject to a growth rate of 0.0 percent (December 31, 2021: 0.0 percent). The cash flows are discounted using the risk-adjusted pre-tax interest rate of the respective cash-generating units of 6.9 percent to 9.7 percent (December 31, 2021: 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 10.3 percent (Dec. 31, 2021: 8.5 percent) and a cost of debt of 3.4 percent (Dec. 31, 2021: 1.5 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	**31.12.2022**	31.12.2021
August Berger Metallwarenfabrik GmbH	834	834
Berger Closures Limited	176	176
Berger Italia S.r.l.	2,658	2,658
Berger US Inc.	13,125	12,722
HOSTO Stolz GmbH & Co. KG	916	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	**34,137**	**33,734**

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; 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 used in the calculation of the value in use of the cash-generating units:

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.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15. INTANGIBLE ASSETS AND GOODWILL

15.1. RECONCILIATION OF THE BOOK VALUE

For accounting policies, see Notes 7.9. and 7.11.

2022 EUR ,000	Software	Goodwill	Intangibles in origination	Total
Acquisition and production costs				
As of 1.1.2022	**6,167**	**35,530**	**-**	**41,697**
Acquisitions through business combinations	1,215	-	-	1,215
Additions	855	-	-	855
Transfers	-	-	-	-
Disposals	-7	-	-	-7
Currency translation	-14	780	-	766
As of 31.12.2022	**8,216**	**36,310**	**-**	**44,526**
Accumulated depreciation and impairment charges				
As of 1.1.2022	**-3,325**	**-1,796**	**-**	**-5,121**
Acquisitions through business combinations	-	-	-	-
Additions	-1,202	-	-	-1,202
Transfers	-	-	-	-
Disposals	7	-	-	7
Currency translation	11	-377	-	-366
As of 31.12.2022	**-4,509**	**-2,173**	**-**	**-6,682**
Book values				
As of 31.12.2022	**3,707**	**34,137**	**-**	**37,844**

2021 EUR ,000	Software	Goodwill	Intangibles in origination	Total
Acquisition and production costs				
As of 1.1.2021	**5,062**	**33,613**	**-**	**38,675**
Acquisitions through business combinations	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 1.1.2021	**-2,147**	**-1,313**	**-**	**-3,460**
Erwerbe durch Unternehmenszusammenschlüsse	-	-	-	-
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**

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.

2022 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 1.1.2022	**28,539**	**45,390**	**7,892**	**472**	**82,293**
Acquisitions through business combinations	2,682	1,259	284	105	4,330
Additions	168	1,722	961	810	3,661
Transfers	187	148	-163	-172	0
Disposals	-217	-715	-331	-176	-1,439
Currency translation	3	-21	-30	-	-48
As of 31.12.2022	**31,362**	**47,783**	**8,613**	**1,039**	**88,797**
Accumulated depreciation and impairment charges					
As of 1.1.2022	**-9,759**	**-33,305**	**-5,658**	**-176**	**-48,898**
Acquisitions through business combinations	-	-	-	-	-
Additions	-2,097	-2,807	-911	-	-5,815
Transfers	-	-	-	-	-
Disposals	34	568	313	176	1,091
Currency translation	41	95	21	-	157
As of 31.12.2022	**-11,781**	**-35,449**	**-6,235**	**0**	**-53,465**
Book values					
As of 31.12.2022	**19,581**	**12,334**	**2,378**	**1,039**	**35,332**

* plant and office equipment

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 1.1.2021	**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 1.1.2021	**-7,965**	**-32,595**	**-5,092**	**0**	**-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

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:

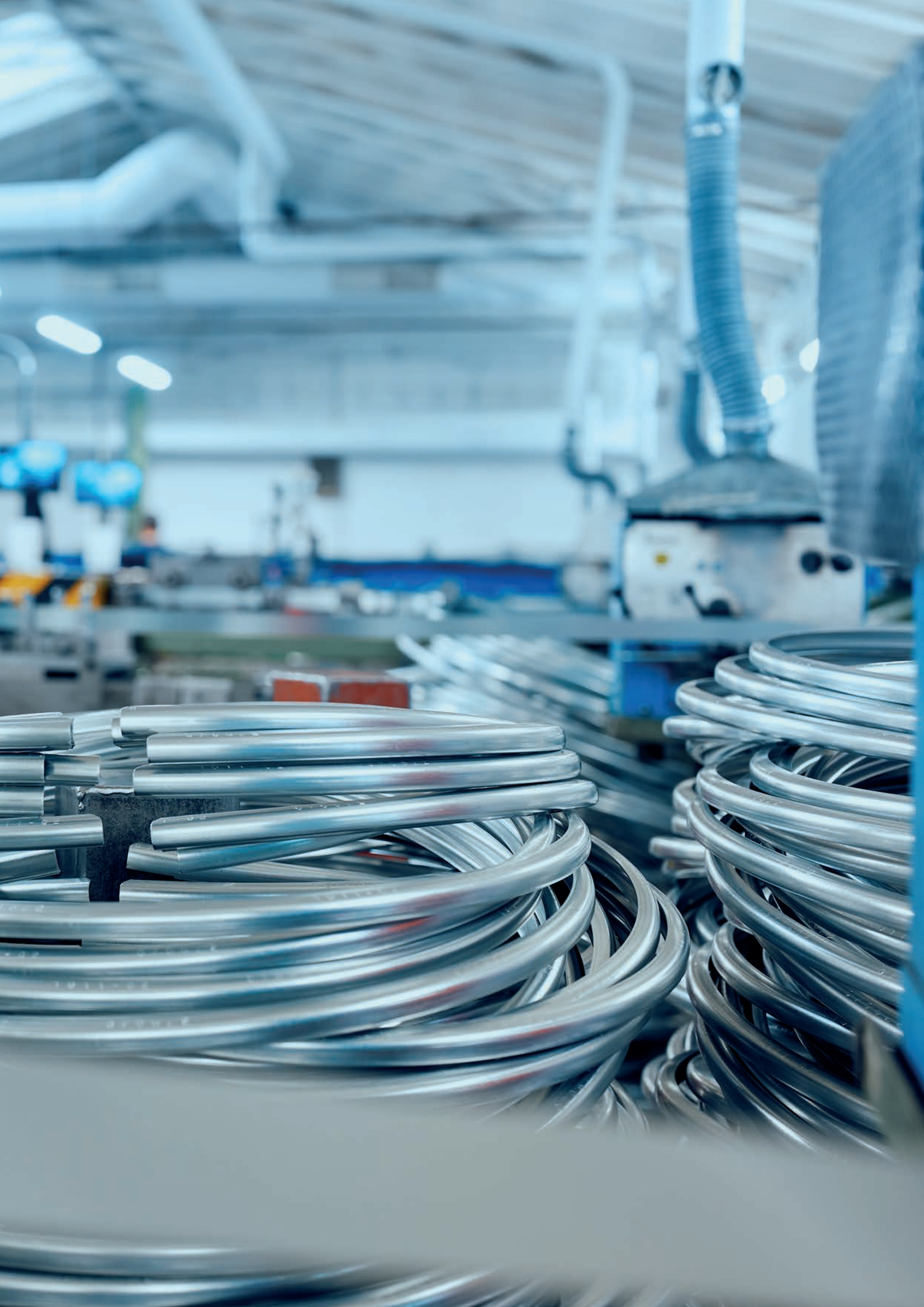
2022 **EUR ,000**	Land and Buildings	Technical equipment and machinery	Operating and office equipment	Total
Rights of use				
As of 1.1.2022	**14,400**	**2,768**	**1.242**	**18.410**
Revaluation	-	136	-	136
Additions	110	842	324	1,276
Disposals	-217	-	-164	-381
Currency translation	35	-6	-5	24
As of 31.12.2022	**14,328**	**3,740**	**1,397**	**19,465**
Accumulated depreciation				
As of 1.1.2022	**-4,377**	**-1,152**	**-632**	**-6,161**
Revaluation	-	-	-	-
Additions	-1,614	-389	-337	-2,340
Disposals	34	-	153	187
Currency translation	21	1	2	24
As of 31.12.2022	**-5,936**	**-1,540**	**-814**	**-8,290**
Book values				
As of 31.12.2022	**8,392**	**2,200**	**583**	**11,175**

2021 EUR ,000	Land and Buildings	Technical equipment and machinery	Operating and office equipment	Total
Rights of use				
As of 1.1.2021	**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 1.1.2021	**-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**

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 2022 range between 1.18 and 5.89 percent.

As of December 31, 2022, there were no indications of any impairment requirement for the rights of use.

Expenses for short-term leases of EUR 23 thousand or those based on a low-value asset of EUR 51 thousand amounted to EUR 74 thousand (2021: EUR 47 thousand). The total amount of lease payments for the fiscal year was EUR 2,784 thousand (2021: EUR 2,253 thousand).



17. OTHER NON-CURRENT ASSETS

Other non-current assets include the following items:

EUR ,000	31.12.2022	31.12.2021
Other non-current financial assets	286	167
Total	**286**	**167**

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		31.12.2022	31.12.2021
	Gross value	15,968	14,974
	Depreciation	-992	-259
Raw materials and supplies	**Book value**	**14,976**	**14,715**
	Gross value	3,579	1,996
	Depreciation	-68	-49
Work in progress	**Book value**	**3,511**	**1,947**
	Gross value	7,402	5,327
	Depreciation	-168	-255
Finished products	**Book value**	**7,234**	**5,072**
Total		**25,721**	**21,734**

Finished goods include merchandise amounting to EUR 2,425 thousand (December 31, 2021: EUR 1,723 thousand), which is not included in the change in inventories.

Some of the inventories are subject to retention of title by suppliers. Some of the inventories in the packaging inliner product area have been pledged as collateral. For details of the collateral, please refer to section 26.2.

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	**31.12.2022**	31.12.2021
Trade receivables	21,441	23,731
Impairments for expected credit losses	-159	-156
Total	**21,282**	**23,575**

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 2022, as in previous years, trade accounts receivable losses were incurred only to an insignificant extent.

Age structure of overdue receivables (nominal values):

EUR ,000	**31.12.2022**	31.12.2021
61 to 90 days	282	99
91 to 180 days	330	81
More than 180 days	51	3
Total	**663**	**183**

Changes in the allowance for expected credit losses:

EUR ,000	**2022**	2021
Balance at beginning of year	**156**	128
Impairment on expected credit losses	0	12
Amounts received from depreciated receivables during the financial year	**156**	140
Adjustment for expected credit losses	1	13
Depreciated receivables due to irrecoverability	-1	-
Changes in exchange rate	3	3
Balance at end of year	**159**	**156**

Age structure of impaired receivables (nominal values):

EUR ,000	31.12.2022	31.12.2021
0 to 30 days	2,509	1,169
31 to 60 days	474	57
61 to 90 days	282	99
91 to 180 days	330	81
More than 180 days	51	3
Total	**3,646**	**1,409**

20. CONTRACT ASSETS

EUR ,000	31.12.2022	31.12.2021
Contract assets	354	636
Total	**354**	**636**

Contract assets are those assets from customer contracts that have not yet been invoiced to customers. They result from deliveries of Ringmetall Group products to customers' consignment stores. As a result, the customers come into physical possession of the assets and the power of disposal (control) is deemed to be transferred at this point in time.

These contract assets are entirely from the Industrial Packaging segment.

21. OTHER CURRENT ASSETS AND CURRENT TAX RECEIVABLES

EUR ,000	31.12.2022	31.12.2021
Deferrals	258	215
Other receivables	810	967
Other current non-financial assets	**1,068**	**1,182**
Current tax receivables	231	430

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of 31 December 2022 comprise the following:

EUR ,000	**31.12.2022**	31.12.2021
Bank balances and cash on hand	8,119	4,573
Balance at end of year	**8,119**	**4,573**

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

23. EQUITY

The development of equity in fiscal year 2022 is presented in the consolidated statement of changes in equity.

23.1. SUBSCRIBED CAPITAL

EUR ,000	**31.12.2022**	31.12.2021
Subscribed capital Kapital	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	No. of shares	Subscribed Capital	Premium
As of 1.1.2021	29,069,040	29,069	16,664
Capital increase	-	-	-
As of 31.12.2021	29,069,040	29,069	16,664
Capital increase	-	-	-
As of 31.12.2022	**29,069,040**	**29,069**	**16,664**

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

Ringmetall SE does not hold any treasury shares.

In fiscal year 2018, by resolution of the Supervisory Board of August 14, 2018, the share capital was increased by 1,384,240.00 euros from 27,684,800.00 euros to 29,069,040.00 euros 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 share in the capital stock of 1.00 euro were issued.

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

At the Annual General Meeting on June 16, 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 5,813,808.00 against cash contributions and/or contributions in kind until May 31, 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	**2022**	2021
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	**2022**	2021
Balance at beginning of year	-507	-1,765
Changes in the financial year	977	1,258
Balance at end of year	**470**	**-507**

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 -28 thousand (December 31, 2021: EUR 11 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	2022	2021
Balance at beginning of year	1,041	869
Share in the net result	695	471
Distributions	-644	-310
Other changes	-28	11
Balance at end of year	**1,064**	**1,041**

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 December 31, 2022 and December 31, 2021.

In accordance with the requirements of IAS 19, particular consideration is given to the point in time at which the corresponding severance obligations arise 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 2022	Foreign countries 2021
Discount rate	3.18% resp. 3.15%	0.98%
Inflation rate	2.00%	2.00%
Probability of advance payments	6.86% Berger Italia / 1.66% S.G.T.	7.03% Berger Italia / 2.75% S.G.T.
Annual payment amounts	8-18 EUR ,000	30-60 EUR ,000
Remaining term of TFR cash flows	9.36-14.15 years	10.62-15.46 years
Average expected remaining working time	14 resp. 17 years	15 resp. 18 years

24.2. DEVELOPMENT OF SEVERANCE PAYMENT OBLIGATIONS

The provision for severance obligations developed as follows:

EUR ,000	**2022**	2021
As of 1.1.	804	844
Current service cost	-26	-90
Interest expense	22	7
Reappraisal	-98	-37
Other changes	58	80
As of 31.12.	**760**	**804**

The annual expense for the addition to the severance payment obligation is allocated to personnel expenses in the consolidated income statement in accordance with the nature of the 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 December 31, 2022 and December 31, 2021 if the calculation parameters (discount factor 3.18 and 3.15 percent, respectively, 2021: 0.98 percent) had changed as follows:

Sensitivity analysis of severance obligations

EUR ,000	31.12.2022	31.12.2021
Discount rate 2.93% or 2.90% (-0.25%)	+13	+16
Discount rate 3.43% or 3.40% (+0.25%)	-13	+16

25. OTHER PROVISIONS

For accounting policies, see Note 7.18.

2022 EUR ,000	Vacation pay / Overtime	Other personnel	Consultancy	Warranty risks	Other	Total
As of 1.1.	**858**	**3,485**	**743**	**91**	**617**	**5,794**
Changes in the scope of consolidation	-	-	-	-	-	-
Provisions used	-758	-2,390	-613	-	-564	-4,325
Reversal of unused provisions	-	-141	-80	-	-	-221
Increase of provisions	729	2,435	568	77	798	4,607
Reassessment	-2	-62	2	3	2	-57
As of 31.12.	**827**	**3,327**	**620**	**171**	**853**	**5,798**

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**

Other personnel-related provisions include provisions for management bonuses and estimated amounts in connection with the departure of employees. In addition, provisions for partial retirement totaling EUR 276 thousand (Dec. 31, 2021: EUR 262 thousand) are included here as of December 31, 2022. The non-current portion of these provisions totaling EUR 111 thousand (Dec. 31, 2021: EUR 155 thousand) is reported under non-current liabilities in the statement of financial position.

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 as well as optimization of Group financing.

The provision for warranty risks is based on the Management 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	31.12.2022	31.12.2021
Non-current liabilities			
Bank loans	26.2	12,464	13,281
Other loans		232	349
Liabilities from leasing agreements	26.4	8,661	9,970
Total		**21,357**	**23,600**
Current liabilities			
Bank loans	26.2	5,261	5,351
Other loans		986	349
Liabilities from leasing agreements	26.4	2,391	2,283
Total		**8,638**	**7,983**

The amounts recognized in other loans mainly include the second purchase price installment for the assets of Riva Franco e Figli mentioned in Note 6 under „Acquisition of Riva" and, from the acquisition of HOSTO in fiscal 2021, the remainder of the vendor loans from the purchase of the limited partnership interests and from the purchase of the movable assets. These amounts were or are due in fiscal 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.

Liabilities are classified as current and non-current in accordance with the repayment schedules.

26.2. SECURED BANK LOANS

The outstanding loans have the following terms:

					31.12.2022		31.12.2021	
EUR ,000		Currency	Interest rate	Maturity year	Nominal value	Book value	Nominal value	Book value
Ringmetall SE	A	EUR	EURIBOR +1.00%	2023 -2025	9,000	9,000	13,500	13,500
	B/C	EUR			8,400	8,400	4,115	4,115
		EUR	7.50%	2021	-	-	0	0
Berger Italia S.r.l.		EUR	0.60%	2023	69	69	-	-
Cemsan Metal Parts Manufacturing Industry Trade Ltd. Company		TRY/EUR	40.00%	2022	-	-	136	136
S.G.T. S.r.l.		EUR	2.50%	2023	5	5	58	58
		EUR	1.00%	2022	-	-	460	460
HOSTO Stolz GmbH & Co. KG		EUR	2.40%	2026	133	133	175	175
		EUR	1.95 -2.00%	2026	104	104	136	136
Berger Closing Rings (Changshu) Co., Ltd.		CNY/EUR	5.65%	2022	-	-	52	52
Rhein-Plast GmbH		EUR	3.92%	2023	9	9	-	-
		EUR	3.53%	2024	5	5	-	-
Total					**17,725**	**17,725**	**18,632**	**18,632**

The bank loans are secured by land and buildings in the amount of EUR 1,710 thousand (Dec. 31, 2021: EUR 1,811 thousand), as well as other non-current assets in the amount of EUR 2,563 thousand (Dec. 31, 2021: EUR 2,981 thousand) and current assets in the amount of EUR 6,996 thousand (Dec. 31, 2021: EUR 8,994 thousand). The values stated correspond to the carrying amounts.

In order to optimize the financing structure and to create the financial resources for possible company acquisitions, Ringmetall SE concluded a syndicated loan agreement in December 2020. Under this loan agreement, Ringmetall is obliged to comply with the financial ratios (covenants) gearing and equity ratio within certain limits specified in the agreement.

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 financed assets 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 2023 and 2034 (December 31, 2021: between 2022 and 2034) and are due as follows:

	Future minimum payments		Interest payments		Present value of future minimum payments	
EUR ,000	**31.12.2022**	31.12.2021	**31.12.2022**	31.12.2021	**31.12.2022**	31.12.2021
Less than 1 year	2,600	2,524	209	241	2,391	2,283
Between 1 and 5 years	6,198	6,689	597	556	5,601	6,133
More than 5 years	3,286	4,168	226	331	3,060	3,837
Total	**12,084**	**13,381**	**1,032**	**1,128**	**11,052**	**12,253**

The decrease in liabilities from leases mainly results from scheduled repayments of EUR 2,444 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. VERBINDLICHKEITEN AUS LIEFERUNGEN UND LEISTUNGEN UND SONSTIGE VERBINDLICHKEITEN

CURRENT: EUR ,000	**31.12.2022**	31.12.2021
Trade payables	10,713	14,882
Other liabilities	2,533	2,602
Total	**13,246**	**17,484**

Other liabilities include liabilities of EUR 66 thousand (December 31, 2021: EUR 62 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 Management 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 and lease liabilities less cash and cash equivalents.

The equity ratio is as follows:

EUR ,000	**31.12.2022**	31.12.2021
Interest-bearing loans	17,725	18,632
Leasing liabilities	11,052	12,253
Minus cash and cash equivalents	-8,119	-4,573
Net debt	**20,658**	**26,312**
Equity	77,464	63,749
Total assets	**131,341**	**123,896**
Equity ratio	59.0%	51.5%

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 31.12.2022**	IFRS 9 Book value 01.01.2022
Assets			
Other non-current financial assets	AC	286	167
Trade receivables	AC	21,282	23,575
Contract assets	AC	354	636
Cash and cash equivalents	AC	8.119	4,573
Total		**30,041**	**28,951**
Liabilities			
Non-current financial liabilities	FLAC	21,357	23,600
Trade payables	FLAC	10,713	14,882
Current financial liabilities	FLAC	8,638	7,983
Total		**40,708**	**46,465**

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 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 Consolidated 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 existing training and management standards and 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 assesses 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

At December 31, 2022, the Group held cash and cash equivalents in the amount of EUR 8,119 thousand (December 31, 2021: EUR 4,573 thousand). This sum 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 8,119 thousand at the balance sheet date (December 31, 2021: EUR 4,573 thousand). 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 forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

IFRS 7 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 December 31, 2022 and December 31, 2021, respectively, affect the Group's future liquidity situation.

Significance of liquidity risk

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

31.12.2022 EUR ,000	Book value	Nominal value	Total	< 1 year	1 to 5 years	> 5 years
Bank loans incl. interest rate swaps	17,725	17,725	17,725	5,261	12,464	-
Liabilities from leasing agreements	11,052	12,084	12,084	2,600	6,198	3,286
Total	**28,777**	**29,809**	**29,809**	**7,861**	**18,662**	**3,286**
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**

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.

The interest payments for variable-rate loans in the above table are 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 when necessary. All transactions are carried out within the guidelines of the risk management system. At the end of the reporting period, no concentrations of risk were identified among Group companies.

Currency risk
Various business transactions in the Group are denominated in foreign currencies. The Group is therefore exposed to risks from exchange rate fluctuations. These exchange rate risks are countered by the targeted management of cash 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 as of the reporting date is:

Currency in ,000	31.12.2022		31.12.2021	
	Assets	Liabilities	Assets	Liabilities
USD	7,851	2,346	6,450	2,461
GBP	1,574	245	1,564	457
TRY	334	44	401	487
CNY	1,018	329	933	330
HKD	1	-	1	-

The following table shows the effects 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:

	31.12.2022				31.12.2021			
	Assets		Liabilities		Assets		Liabilities	
	Basis points				Basis points			
Currency in ,000	-1000	+1000	-1000	+1000	-1000	+1000	-1000	+1000
USD	-785	785	-235	235	-645	645	-246	246
GBP	-157	157	-25	25	-156	156	-46	46
TRY	-33	33	-4	4	-40	40	-49	49
CNY	-102	102	-33	33	-93	93	-33	33
HKD	0	0	-	-	0	0	-	-

Interest rate risk

The Group is mainly exposed to interest rate risk in connection with the financing of acquisitions. The 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:

					31.12.2022 Basis points		31.12.2021 Basis points	
EUR ,000		Currency	Interest rate	Maturity year	+25	-25	+25	-25
Ringmetall SE	A	EUR	EURIBOR +1,00%	2023-2025	338	-338	600	-600
	B/C	EUR			315	-315	50	-50
Total					**653**	**-653**	**650**	**-650**

30. OTHER FINANCIAL OBLIGATIONS

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

	31.12.2022			31.12.2021		
EUR ,000	< 1 Year	1 to 5 Years	> 5 Years	< 1 Year	1 to 5 Years	> 5 Years
Obligation from outstanding orders	16,173	-	-	26,041	-	-
Service contracts	1,243	1,096	31	680	1,515	21
short-term & low value lease	76	56	-	50	58	-
Total	**17,492**	**1,152**	**31**	**26,771**	**1,573**	**21**

31. RELATED COMPANIES AND PERSONS

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

Related parties are non-consolidated subsidiaries and persons who can exercise a significant influence on the financial and business policy 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 was expanded in fiscal year 2022 to include Monika Dussen, who has been a member of the Supervisory Board since August 23, 2022. The term of office of Konstantin Winterstein as a member of the Management Board of Ringmetall SE and the existing Management Board contract with the Company were extended until September 30, 2026. Beyond this, no new contracts were concluded with key management personnel, members of the Supervisory Board or other related parties during the reporting period, nor were any significant changes made to existing contracts that would have a material impact on the net assets, financial position and results of operations of the Company.

A. TRANSACTIONS WITH MEMBERS OF MANAGEMENT IN KEY POSITIONS

The members of the Management Board hold 59.00 percent (December 31, 2022) of the voting rights of the Company.

The summarized values 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	**2022**	2021	**2022**	2021
Ringmetall SE	-	-	43	34
Subsidiaries of Ringmetall SE	-	-	-	-
Total	**-**	**-**	**43**	**34**

	Receivables from related parties		Payables to related parties	
EUR ,000	**31.12.2022**	31.12.2021	**31.12.2022**	31.12.2021
Ringmetall SE	-	-	17	10
Subsidiaries of Ringmetall SE	-	-	-	-
Total	**-**	**-**	**17**	**10**

B. TRANSACTIONS WITH MEMBERS OF THE SUPERVISORY BOARD

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

	Sale of goods / services		Balances outstanding as of 31.12.	
EUR ,000	**31.12.2022**	2021	**2022**	2021
Remuneration	188	148	98	44
Reimbursement of expenses	-	-	-	-
Total	**188**	**148**	**98**	**44**

C. BUSINESS TRANSACTIONS WITH OTHER RELATED PARTIES

EUR ,000	Sale of goods / services		Purchase of goods / services	
	2022	2021	**2022**	2021
Ringmetall SE	-	-	-	-
Subsidiaries of Ringmetall SE	-	-	-	-
Total	**-**	**-**	**-**	**-**

EUR ,000	Receivables from related parties		Payables to related parties	
	31.12.2022	31.12.2021	**31.12.2022**	31.12.2021
Ringmetall SE	-	-	-	-
Subsidiaries of Ringmetall SE	-	-	-	-
Total	**-**	**-**	**-**	**-**

D. TRANSACTIONS WITH ASSOCIATED COMPANIES

EUR ,000	Nittel UK Ltd.	
	2022	2021
Revenues	399	809
Other operating income	-26	-14
Total	**373**	**795**

In addition, as at the balance sheet date, the Group has receivables from Nittel UK Ltd. in the amount of EUR 0 thousand .(EUR 183 thousand). As at the balance sheet date, there are no liabilities to Nittel UK (2021: EUR 1 thousand :2021)

As of the balance sheet date, the Group has no receivables (2021: EUR 183 thousand) and no liabilities (2021: EUR 1 thousand) due from Nittel UK Ltd.

32. EMPLOYEES

In fiscal 2022, the Group employed an average of 814 employees (2021: 748 employees).

	Employees	Workers	Total
Average number of employees 2021	**178**	**570**	**748**
Additions from company acquisitions	22	66	88
	200	**636**	**836**
Admin	101	23	124
Sales	27	0	27
Production	74	589	663
Average number of employees 2022	**202**	**612**	**814**

33. EVENTS AFTER THE BALANCE SHEET DATE

ACQUISITION PROTECTIVE LINING

On January 6, 2023, Ringmetall acquired the business operations and production facilities of Protective Lining Corp., New York, a leading manufacturer of polyethylene liners in the USA, in an asset deal and contributed them to Protective Lining, Inc. of New York. With a good 50 employees and annual revenue of around USD 9 million, Protective Lining mainly produces round-bottom and block-bottom bags for various customer industries based on self-extruded polyethylene films at its plant in Brooklyn.

With Protective Lining, which will be part of the Group as of January 6, 2023 (acquisition date), Ringmetall is expanding into the North American market for the first time in the area of drum liners and now wants to drive forward the consolidation of the US market for drum liners due to Protective Lining's market positioning.

For the current fiscal year, the Management Board expects a revenue contribution of USD 9 million and EBITDA of USD 0 million.

In connection with the acquisition and assumption of the assets and less liabilities of Protective Lining, the employees and existing production know-how were also acquired. Due to the acquired substantial processes of the existing production units, the acquisition of Protective Lining constitutes a business combination according to IFRS 3. The documents required for the allocation of the purchase price are 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.

OTHER

Effective March 31, 2023, the remaining 20 percent of the shares in Nittel France SARL were acquired.

34. RIGHT OF ELIGIBILITY ACCORDING TO §§ 264 ABS. 3 RESP. 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, if applicable, a management report, as well as from disclosing annual financial statements and, if applicable, a management report for the financial year 2022:

- August Berger Metallwarenfabrik GmbH, Berg
- Latza GmbH, Attendorn
- HOSTO Stolz GmbH & Co. KG, Neunkirchen
- Nittel Halle GmbH, Halle (Saale)
- Tesseraux Spezialverpackungen GmbH, Bürstadt
- Rhein-Plast GmbH, Bad Dürkheim
- HSM GmbH & Co. KG, Ernsgaden

35. ACCORDING TO § 315E HGB

The Management Board proposes to distribute a dividend of EUR 2,906,904.00, i.e. 10 cents per share, to the shareholders of Ringmetall SE from the net retained profits of Ringmetall SE of EUR 28,839,554.98. The remaining amount of EUR 25,932,650.98 will be carried forward.

36. FEE OF THE GROUP AUDITOR

The shareholders of Ringmetall SE elected BDO AG Wirtschaftsprüfungsgesellschaft as auditor at the Annual General Meeting on June 20, 2022. 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 well as the audits of the annual financial statements of the German subsidiaries as of December 31, 2022 totaled EUR 295 thousand (of which EUR 173 thousand for the consolidated financial statements and the annual financial statements of Ringmetall SE). In addition to the aforementioned audit services, further expenses in the amount of EUR 5 thousand for other certification services have been taken into account.

37. 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
Profession	Merchant

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

- Montega AG, Hamburg

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

Supervisory board mandates and memberships in comparable supervisory bodies according to § 285 No. 10 HGB at
- der Clariant AG, Muttenz (Switzerland)

The compensation of the Management Board in fiscal years 2022 and 2021 is as follows:

	2022			2021		
EUR ,000	Total remunera-tion	thereof not perfor-mance-related	thereof perfor-mance-related	Total remuner-ation	thereof not perfor-mance-related	thereof perfor-mance-related
Mr. Christoph Petri (Spokesman of the Management Board)	726	238	488	644	237	407
Mr. Konstantin Winterstein	726	238	488	644	237	407
Total	**1,452**	**476**	**976**	**1,288**	**474**	**814**

In fiscal year 2022, a total of EUR 996 thousand (2021: EUR 798 thousand) was paid to members of the Management Board.

B. MEMBERS OF THE SUPERVISORY BOARD

Klaus F. Jaenecke, München	
Chairman	since 30.08.2018
Profession	Self-employed management consultant, Munich
Remuneration in 2022:	70 EUR ,000

Supervisory board mandates and memberships in comparable supervisory bodies according to § 285 No. 10 HGB at:
- Hansgrohe SE, Schiltach
- Wintersteiger AG, Ried im Innkreis, Austria
- ArMiD – Aufsichtsräte Mittelstand in Deutschland e. V., Frankfurt am Main

Markus Wenner, München	
Member	since 01.09.2014
Deputy Chairman	since 30.06.2016
Profession	Managing Director of GCI Management, Munich Consulting GmbH and of MuM Industriebeteiligungen GmbH, Wuppertal
Remuneration in 2022:	50 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
- aifinyo AG, Dresden
- Value-Holdings Capital Partners AG, Gersthofen
- Metriopharm AG, Zurich, Switzerland

Ralph Heuwing, München	
Member	since 30.08.2016
Profession	Partner und Head of DACH der int. Private Equity Gesellschaft PAI Partners, Munich
Remuneration in 2022:	45 EUR ,000

Supervisory board mandates and memberships in comparable supervisory bodies according to § 285 No. 10 HGB in:
- 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
- Chiron Group SE, Tuttlingen, Member of the Administrative Board

Monika Dussen, Hamburg	
Member	since 23.08.2022
Profession	Partner of Struktur Management Partner GmbH, Cologne
Remuneration in 2022:	23 EUR ,000

Supervisory board mandates and memberships in comparable supervisory bodies according to § 285 No. 10 HGB in:
- Member of the Advisory Board of Willy Mederer GmbH & Co. KG
- Member of the Advisory Board of Mederer Holding Beteiligungs GmbH

38. GERMAN CORPORATE GOVERNANCE CODE

The Management 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, 2023

Christoph Petri
Spokesman of the
Management Board

Konstantin Winterstein

INDEPENDENT AUDITOR’S REPORT

To Ringmetall SE, Munich

VERMERK ÜBER DIE PRÜFUNG DES KONZERNABSCHLUSSES UND DES ZUSAMMENGEFASSTEN LAGEBERICHTS

AUDIT OPINIONS

We have audited the consolidated financial statements of Ringmetall SE , Munich, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2022, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1, 2022 to December 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In addition, we have audited the combined management report of Ringmetall SE for the financial year from January 1, 2022 to December 31, 2022. In accordance with the German legal requirements we have not audited the content of those parts of the combined management report listed in section “OTHER INFORMATION”.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2022, and of its financial performance for the financial year from January 1, 2022 to December 31, 2022, and
- the accompanying combined management report as a whole provides an appropriate view of the Group’s position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the combined management report listed in section “OTHER INFORMATION”.

Pursuant to § 322 (3) sentence 1 HGB (German Commercial Code), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT” section of our auditor’s report. We are independent of the Group entities in accordance with the requirements of European law and 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 (2) letter (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED 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 financial year from January 1, 2022 to December 31, 2022 These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

We have identified the following matters as key audit matters to be disclosed in our auditor's report:

1. Impairment of goodwill
2. Presentation and disclosures relating to the acquisition of Rhein-Plast GmbH

1. IMPAIRMENT OF GOODWILL

Matter

In caption „goodwill" of the consolidated financial statements Ringmetall SE discloses goodwill amounting to kEUR 34,137, which is 26.0% of total assets. Goodwill were allocated to cash-generating units.

The Company conducts an impairment test for each cash-generating units including goodwill annually on November 30 or in addition when triggering events for an impairment occur. The valuation is based on a model using the discounted cashflow method. For any book value of a cash-generating unit exceeding the carrying amount an impairment is recorded.

Basis for the assessment of an impairment of goodwill are future cashflows that are derived from the detailed business plans for each company of the Group as prepared by management. These business plans are based on assumptions over future market developments as well as revenue growth and cost trends.

The impairment test for goodwill is complex and involves multiple estimates and judgements to be made by management, specifically regarding future cashflows, growth rate for the terminal value and the discount rate used. Based on the significance of the book value of goodwill for the consolidated financial statements of Ringmetall SE and the material uncertainties related to the valuation we identified a key audit matter.

Ringmetall SE disclosed information relating to goodwill in Section 7.9 and 7.11 on pages 83 and 85 as well in Sections 14 and 15 on pages 102 ff and 105 ff of the notes to the consolidated financial statements.

Auditor's Response and Observations

As part of our audit we assessed the appropriateness of key assumptions and parameters involving judgment. Together with our valuation specialists, we also assessed the appropriateness of the valuation model used for the impairment test of shares in affiliated companies.

We obtained an understanding of the planning approach and planning process. We also obtained an understanding of the key assumptions made by management in the business plan. For the detailed planning phase we compared future cashflows to the business plans as approved by the supervisory board. Based on an analysis of deviations from budgets in the past and for the current year we assessed the accuracy of the Company´s budgeting process. We retraced the underlying assumptions of the business plan and the growth rates used for cashflows beyond the detailed planning phase by comparing these to historical trends and current industry specific expectations.

In addition, we questioned the discount rates used by comparing those to average capital cost of a peer group. Using an own valuation model, we conducted, together with our valuation specialists, an own estimate of the fair values of the shares in affiliated companies and compared those with the estimates made by management. Regarding the impact of possible changes in capital cost and growth rates used for the terminal value, we conducted an own sensitivity analysis of the estimated fair values.

We concluded, that the impairment test for shares in affiliated companies as conducted by management and the related judgements and estimates can be retraced and that they are within an acceptable range of values.

2. PRESENTATION AND DISCLOSURES RELATING TO THE ACQUISITON OF REIN-PLAST GMBH

Matter

As of February 1, 2022, Ringmetall acquired the business including property and specific assets and liabilities from RP Abwicklungsgesellschaft mbH i. L. (formerly Rhein-Plast GmbH) by way of an an asset deal. The business including property, assets and liabilities were brought in to Rhein-Plast GmbH (formerly Blitz 21-966 GmbH), which was subsequently renamed Rhein-Plast.

Together with the sale and transfer of these assets and liabilities of Rhein-Plast mbH workforce and existing production know-how were transferred. The sale was accounted for as a business combination in accordance with IFRS 3.

Sales price was kEUR 3,840. The acquired assets and liabilities were recorded using the fair value at the date of the transfer. Considering the fair values of assets and liabilities and deferred tax liabilities the net assets identified were kEUR 4,993, resulting in a negative difference of kEUR -1,153, that was recorded as profit in the profit-and-loss-statement.

Due to the material impact of the sale and transfer on the earning position of Ringmetall Group and the judgements required in identification and valuation of transferred assets and liabilities this sale and transfer was identified as a key audit matter for our audit.

Ringmetall SE disclosed information on the business combination in section 6 “Extension of consolidated subsidiaries / Acquisition of assets” on page 73 in the notes to the consolidated financial statements.

Auditor’s Response and Observations

As part of our audit of the business combination we read and retraced the contractual arrangement and reconciled the sales price to proof of payment. We assessed the correctness of the acquisition date as used for the consolidated financial statements.

We inquired management, read external expert opinions for material assets and additional information, conducted an on-site inspection for the purpose of retracing that all acquired assets and liabilities were identified and recorded. We also appreciated the external assessments prepared for the measurement of the acquired assets at fair value. In doing so, we also acknowledged the professional suitability of the experts. In addition, we have verified the completeness and accuracy of the disclosures required by IFRS 3.

Overall we concluded, that the identification of assets and liabilities by management was appropriately conducted.

OTHER INFORMATION

The executive directors or the supervisory board are responsible for the other information. The other information comprises

- the separately published corporate governance statement pursuant to § 289f and § 315d of the German Commercial Code (HGB), which is referred to in the section „Corporate governance statement“
- the insurance companies pursuant to §§ 264 (2) sentence 3, 289 (1) sentence 5, 315 (1) sentence 5 HGB to the annual financial statements, consolidated financial statements and combined management report
- the representations identified separately in the section entitled ‚Business model and structure‘,
- the descriptions set out in the section entitled ‚Competitive strengths and barriers to entry‘ of the combined management report,
- the disclosures contained in the „Compliance and Sustainability Report“ section of the Combined Management Report and in the Annex to the Combined Management Report „Annex EU Taxonomy“, which is referred to in the „Compliance and Sustainability Report“ section

- the disclosures on the combined non-financial statement contained in the „Compliance and Sustainability Report“ section, subsection „Non-financial statement“ of the combined management report,
- the remaining parts of the annual report with the exception of the audited consolidated financial statements and combined management report as well as our auditor‘s report

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

In connection with our audit, our responsibility is to read the other information and thereby acknowledge whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report, or our knowledge obtained in the audit or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate 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. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

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

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

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

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able 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 give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the combined 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 consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors 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 opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT, PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH § 317 (3A) HG.

Assurance Opinion

We have performed assurance work in accordance with § 317 (3a) HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "Ringmetall SE KAP 2022" and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1, 2022 to December 31, 2022 contained in the "Report on the audit of the consolidated financial statements and of the combined management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file identified above in accordance with § 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 (3a) HGB (IDW AsS 410 (06.2022). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards, which implement the IAASB's International Standards on Quality Management.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents with the electronic renderings of the consolidated financial statements and the combined management report in accordance with § 328 (1) sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 (1) sentence 4 No. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this electronic file.
- evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited combined management report.
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as Group auditor by the consolidated general meeting on June 20, 2022. We were engaged by the supervisory board on July 27, 2022. We have been the Group auditor of the Ringmetall SE without interruption since the financial year 2022.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

In addition to the financial statement audit, we have provided to Group entities the following services that are not disclosed in the consolidated financial statements or in the combined management report for the audited entity or its controlled entities:

- Review of the consolidated interim financial statements as of June 30, 2022 and the interim Group management report for the period from January 1, 2022 to June 30, 2022
- other verification services for compliance with covenants agreed with creditors.

OTHER MATTER — USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the assured ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format – including the versions to be published in the German Federal Gazette – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Prof. Dr. Stefan Uebensee.

Stuttgart, April 27, 2023

BDO AG
Wirtschaftsprüfungsgesellschaft

gez. Stratmann	gez. Prof. Dr. Uebensee
Wirtschaftsprüfer	Wirtschaftsprüfer
(German CPA)	(German CPA)

THE RINGMETALL SE


NITTEL

BALANCE SHEETS

as of 31.12.2022

ASSETS EUR ,000		31.12.2022	31.12.2021
A. Fixed assets			
I. Intangible assets Purchased concessions, industrial and similar rights and assets and licenses in such rights and assets		1.00	1.00
II. Tangible assets Other equipment, operating and office Equipment		5,174.00	5,753.00
III. Financial assets 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	44,189,279.59		42,460,782.55
2. Other assets	248,565.63		223,670.64
		44,437,845.22	42,684,453.19
II. Cash-in-hand and bank balances		1,772,766.14	11,597.94
C. Prepaid expenses		22.065.31	18,469.03
D. Deferred tax assets		122,015.49	153,294.26
		97,727,127.62	**94,240,828.88**

LIABILITIES EUR ,000		31.12.2022	31.12.2021
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		28,839,554.98	21,912,653.18
B. Provisions			
1. Tax provisions	295,692.00		295,692.00
2. Other provisions	1,977,700.00		1,766,700.00
		2,273,392.00	2,062,392.00
C. Liabilities			
1. Liabilities to banks	17,399,998.00		17,615,311.28
2. Trade payables	162,688.54		147,744.37
3. Liabilities to affiliated companies	6,315.18		3,483,865.86
4. Other Liabilities	51,841.65		25,524.92
		17,620,843.37	21,272,446.43
		97,727,127.62	**94,240,828.88**

PROFIT AND LOSS STATEMENT

as of 31.12.2022

PROFIT & LOSS STATEMENT EUR ,000		2022	2021
1. Sales		825,600.00	943,148.22
2. Operating Result		825,600.00	943,148.22
3. Other operating income		214,468.91	36,659.42
4. Personnel expenses			
a) Wages and salaries	-1,998,269.76		-1,945,292.39
b) Social security, post-employment and other employee benefit costs	-98,326.58		-95,291.51
		-2,096,596.34	-2,040,583.90
5. Amortization and write-downs Of intangible fixed assets and depreciation and writedowns of tangible fixed assets		-3,814.12	-4,235.00
6. Other operating expenses		-1,609,213.67	-2,284,299.56
7. Income from investments		72,902.72	0.00
8. Profits received under profit-pooling, profit transfer or partial profit transfer agreements		12,255,354.55	13,945,187.39
9. Other interest and similar income		333,457.60	325,243.41
10. Interest and similar expenses		-416,537.63	-444,623.05
11. Taxes on income		-31,278.91	-695,115.14
12. Earnings after taxes		**9,544,343.11**	**9,781,381.79**
13. Other taxes		-1,227.71	-995.18
14. Net income for the year		**9,543,115.40**	**9,780,386.61**
15. Retained profits brought forward from the previous year		19,296,439.58	12,132,266.57
16. Net retained profits		**28,839,554.98**	**21,912,653.18**

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2022

I. PRELIMINARY NOTE

The annual financial statements of Ringmetall SE, Munich, as of December 31, 2022, and the combined management report for the period from January 1, 2022, to December 31, 2022, have been prepared in accordance with the provisions of German commercial law pursuant to 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 consideration were measured at cost less depreciation and amortization based on use.

Financial assets comprise 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 financial statements, assumptions and estimates have been made which have 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 fixed assets and depreciation and amortization for the financial year are shown in the statement of changes in fixed 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 simultaneously represent trade receivables in the amount of EUR 928 thousand (2021: EUR 832 thousand) and other assets in the amount of EUR 43,262 thousand (2021: EUR 41,629 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 August 14, 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 August 30, 2018, the Management Board was authorized until July 31, 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 June 16, 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 May 31, 2026, whereby shareholders‘ subscription rights may be excluded (Authorized Capital 2021/I).

The capital reserve results from gains on disposals of treasury shares and the premium from capital increases.

The retained earnings 2022 developed as follows:

EUR ,000	31.12.2022
Profit carryforward	21,912,653.18
Distribution of a dividend	-2,616,213.60
Net income	9,543,115.40
Balance sheet profit	**28,839,554.98**

On June 20, 2022, the Annual General Meeting resolved to appropriate the unappropriated profit for 2021 in the amount of EUR 21,913 thousand as follows: Distribution of a dividend of 9 cents per no-par share. Total distribution in the amount of EUR 2,616 thousand. The remaining unappropriated profit of EUR 19,297 thousand was carried forward to new account.

As of the balance sheet date, there are amounts blocked from distribution in the amount of EUR 122 thousand, which relate exclusively to deferred tax assets.

Accruals

Other accruals mainly include personnel expenses, legal and consulting fees, 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 AT 31.12.2022 EUR ,000			thereof with a remaining maturity	
		Amount	< 1 year	1 to 5 years
To banks	**2022**	**17,399,998.00**	**5,100,000.00**	**12,299,998.00**
	2021	17,615,311.28	4,576,302.01	13,039,009.27
From trade payables	**2022**	**162,688.54**	**162,688.54**	**0.00**
	2021	147,744.37	147,744.37	0.00
To affiliated companies	**2022**	**6,315.18**	**6,315.18**	**0.00**
	2021	3,483,865.86	3,483,865.86	0.00
Other liabilities	**2022**	**51,841.65**	**51,841.65**	**0.00**
	2021	25,524.92	25,524.92	0.00
Total	**2022**	**17,620,843.37**	**5,320,845.37**	**12,299,998.00**
	2021	21,272,446.43	8,233,437.16	13,039,009.27

Other liabilities include tax liabilities of EUR 42 thousand (2021: EUR 21 thousand).

As in the previous year, revenue was generated exclusively in Germany and relates to intra-group recharges.

Other operating income includes income relating to other periods, mainly resulting from the reimbursement of costs from previous years, in the amount of EUR 20 thousand (2021: EUR 0 thousand).

Other operating expenses do not include any expenses relating to other periods, neither in the current financial year nor in the previous year.

Income from investments relates to income from the investment in HSM GmbH & Co. KG, Ernsgaden.

Income from profit and loss transfer agreements relates to the profit transfer from August Berger Metallwarenfabrik GmbH, Berg.

Interest income includes interest from affiliated companies in the amount of EUR 332 thousand (2021: EUR 325 thousand).

Interest expenses include interest from affiliated companies in the amount of EUR 39 thousand (2021: EUR 0 thousand).

Income taxes include expenses from deferred taxes in the amount of EUR 31 thousand (2021: EUR 397 thousand).

IV. OTHER DISCLOSURES

Other financial obligations

Other financial obligations result from continuing obligations (rental and leasing transactions) with an expense p.a. of EUR 77 thousand. The total obligation until the end of the term amounts to EUR 236 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 that may occur cannot be compensated for by new acquisitions.

Other financial obligations

There are loss absorption obligations with three subsidiaries for the financial years 2022 and 2023. Due to the current economic situation, utilization is not expected.

Number of employees

The average number of employees employed on a commercial basis during the financial year is 7 (2021: 7 employees).

Corporate bodies

MANAGEMENT BOARD: EUR ,000	Profession	**Total remuneration in 2022**	thereof not performance-related	thereof performance-related
Mr. Christoph Petri (Spokesman of the Management Board)	Merchant	726	238	488
Mr. Konstantin Winterstein	Engineer	726	238	488
Gesamtbezüge		**1,452**	**476**	**976**

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 2022**	Membership in other supervisory boards / controlling boards
Klaus F. Jaenecke	Chairman	Self-employed management consultant, Munich	70	Hansgrohe SE, Schiltach; Wintersteiger AG, Ried im Innkreis, Öster-reich
Markus Wenner	Deputy Chairman	Managing Director of GCI Management Consulting GmbH and of MuM Industrie-beteiligungen GmbH, Wuppertal	50	Traumhaus AG, Wiesbaden; Wolftank Adisa Holding AG, Innsbruck, Österreich; aifinyo AG, Dresden; Value-Holdings Capital Partners AG, Gersthofen; Metriopharm AG, Zürich, Schweiz
Ralph Heuwing		Member of the Management Board of Knorr-Bremse AG	45	Management Capital Holding AG, München, Mitglied des Aufsichtsrats Apleona GmbH, Neu-Isenburg, Mitglied des Aufsichtsrats Hoberg & Driesch GmbH, Düsseldorf, Mit-glied des Gesellschafterausschusses Hoberg & Driesch GmbH & Co. KG Röhrengroßhandel Hoberg und Driesch Beteiligungs GmbH, Düsseldorf, Mitglied der Beiräte Chiron Group SE, Tuttlingen, Verwaltungsratsmitglied Chiron-Werke GmbH & Co. KG Chiron-Werke Beteiligungsgesellschaft mbH, Tuttlingen, Mitglied der Beiräte
Monika Dussen		Partner of Struktur Management Partner GmbH, Köln	23	Willy Mederer GmbH & Co. KG Mederer GmbH Mederer Holding Beteiligungs GmbH
Total remuneration			**188**	

The auditor's fee for 2022 amounts to EUR 173 thousand (2021: EUR 181 thousand) for audit services and EUR 5 thousand (2021: EUR 69 thousand) for other assurance services.

Consolidated financial statements

Ringmetall SE, Munich, as the parent company, prepares the consolidated financial statements for the largest and smallest group of companies. They are submitted to the operator of the electronic company register and published in the electronic company register.

Proposal for the appropriation of earnings

The Supervisory Board and the Management Board propose to distribute a dividend of 10 cents per no-par share from the Company's unappropriated net income and to carry forward the remaining amount to new account.

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 Management 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-governacne. A separate presentation in the combined management report has therefore been dispensed with.

Supplementary report

In January 2023, the business operations of Protective Lining Corporation, headquartered in New York, NY (USA), were acquired in the course of an asset deal. It was incorporated into the subsidiary Berger US Inc. Revenue growth of $9 million is expected for fiscal year 2023 as a result of this transaction.

Munich, April 27, 2023

Christoph Petri Spokesman of the Management Board	Konstantin Winterstein Member of the Management Board

BUSINESS INTERESTS

As of 31.12.2022

	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		197	211
Fidum Verwaltungs GmbH	Munich	Germany	100.00		19,163	617
Latza GmbH	Attendorn	Germany	100.00	1)	2,967	611
HSM GmbH & Co. KG	Ernsgaden	Germany	100.00		964	163
HSM Verwaltungs GmbH	Ernsgaden	Germany	100.00		63	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)	347	65
HOSTO Stolz Verwaltungs GmbH	Neunkirchen	Germany	100.00	1)	127	5
Rhein-Plast GmbH	Bad Dürkheim	Germany	100.00	3)	3,603	1,388
Abroad						
Berger Closures Limited	Peterlee	UK	75.57	1)	1,758	1,266
Hollandring (BV) Besloten Vennootschap	Vaassen	Netherlands	100.00	1)	171	-3
Berger Group Europe Iberica, S.L.	Reus	Spain	100.00	1)	1,650	393
Cemsan Metal Parts Manufacturing Industry Trade Ltd. Company	Gebze-Kocaeli	Turkey	100.00	1)	390	113
S.G.T. S.r.l.	Albavilla	Italy	80.00	1)	2,908	1,688
Berger Closing Rings (Changshu) Co., Ltd.	Changshu	China	80.00	1) 4)	166	-168
Berger Italia S.r.l.	Valmadrera	Italy	100.00	1)	5,476	1,821
Berger Group US Inc.	Birmingham	USA	100.00	1)	13,582	6,452
Berger US Inc.	Birmingham	USA	100.00	1) 2)	15,255	6,901
Berger Hong Kong Limited	Hong Kong	China	80.00	1)	1,185	-314
Nittel B.V.	Moerdjik	Netherlands	80.00	3)	390	354
Nittel France SAR	Merignac	France	80.00	3)	154	-1

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.

The currency translation for the companies was as follows:

	Currency	EURO
Berger Closures Limited und Nittel UK Ltd.		
Equity at average exchange rate:	1 GBP	1.12951
Net income for the year at year's average exchange rate:	1 GBP	1.17287
Cemsan Metal Parts Manufacturing Industry Trade Ltd. Company		
Equity at average exchange rate:	1 TRY	0.05006
Net income for the year's average exchange rate:	1 TRY	0.05752
Berger Closing Rings (Changshu) Co., Ltd.		
Equity at average exchange rate:	1 CNY	0.13527
Net income for the year's average exchange rate:	1 CNY	0.14124
Berger US Inc. (vormals Self Industries Inc.) und Berger Hong Kong Limited		
Equity at average exchange rate:	1 USD	0.93668
Net income for the year's average exchange rate:	1 USD	0.94887

DEVELOPMENT OF CAPITAL ASSETS

in the financial year 2022

CAPITAL ASSETS EUR	Acquisition cost / Production costs			
	As of 01.01.2022	Additions	Disposals	**Stand 31.12.2022**
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	36,579.64	3,235.12	0.00	39,814.76
Total property, plant and equipment	**36,579.64**	**3,325.12**	**0.00**	**39,814.76**
III. Investments				
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	**53,642,519.87**	**3,325.12**	**0.00**	**53,645,754.99**

Depreciations				Book values	
As of 01.01.2022	Additions	Disposals	**As of 31.12.2022**	**As of 31.12.2022**	As of 31.12.2021
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**
30,826.64	3,814.12	0.00	34,640.76	5,174.00	5,753.00
30,826.64	**3,814.12**	**0,00**	**34,640.76**	**5,174.00**	**5,753.00**
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**
2,269,505.41	**3,814.12**	**0.00**	**2,273,319.53**	**51,372,435.46**	**51,373,014.46**

INDEPENDENT AUDITOR'S REPORT

TO RINGMETALL SE, MUNICH

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the annual financial statements of Ringmetall SE, Munich, which comprise the balance sheet as at December 31, 2022, the statement of profit or loss for the financial year from January 1, 2022 to December 31, 2022 and notes to the annual financial statements, including the presentation of the recognition and measurement policies.

In addition, we have audited the combined management report of Ringmetall SE for the financial year from January 1, 2022 to December 31, 2022. In accordance with the German legal requirements, we have not audited the content of the parts of the combined management report listed in section "OTHER INFORMATION".

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2022 and of its financial performance for the financial year from January 1, 2022 to December, 31, 2022 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of those parts of the combined management report listed in section "OTHER INFORMATION".

Pursuant to § 322 (3) sentence 1 HGB (German Commercial Code), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the annual financial statements and of the combined management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and 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 (2) letter (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the combined management report.

KEY AUDIT MATTERS IN 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 financial year from January 1, 2022 to December 31, 2022. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

We have identified the following matter as key audit matter to be disclosed in our auditor's report:

IMPAIRMENT OF SHARES IN AFFILIATED COMPANIES

Matter

Within the caption "Finanzanlagen" of the financial statements of Ringmetall SE, shares in affiliated companies amounting to kEUR 51,367 (52% of total assets) are included. The assessment of an impairment of shares in affiliated companies includes multiple judgements and estimates to be made by management. Basis of the assessment of an impairment of shares in affiliated companies are the future cash flows, as presented in the business plans prepared by management and approved by the supervisory board for the respective subsidiaries. These budgets are based on assumptions on future market developments as well as revenue growth and cost trends. Fair values of shares in affiliated companies are determined using a discounted cashflow model. For this purpose, Ringmetall SE determines a fair value for the subsidiary based on a detailed budget for the following year, a simplified extrapolation over the next four years, followed by a terminal value. The book value is compared to the fair value less the carrying amount of liabilities. In addition to the estimates of future cashflows made by management the discount rate used and the underlying parameters used in the valuation have a significant impact.

Due to uncertainties relating to these judgements and estimates made by management and the total amount of the line item we determined the impairment of shares in affiliated companies a key audit matter in our audit.

Ringmetall SE disclosed information on "Finanzanlagen" in Sections II. "Accounting and valuation principles", III. "Long term assests" and in Section "Development of long term assets" in the annex to the financial statements.

Auditor's Response and Observations

As part of our audit we assessed the appropriateness of key assumptions and parameters involving judgment. Together with our valuation specialists, we also assessed the appropriateness of the valuation model used for the impairment test of shares in affiliated companies.

We obtained an understanding of the planning approach and planning process. We also obtained an understanding of the key assumptions made by management on the future market development and for revenue growth and cost trends. For the detailed planning phase we compared future cashflows to the business plans as approved by the supervisory board. Based on an analysis of deviations from the budgets in the past and for the current year we assessed the accuracy of the Company´s budgeting process. We retraced the underlying assumptions of the business plan and the growth rates used for cashflows beyond the detailed planning phase by comparing these to historical trends and current industry specific expectations.

In addition, we questioned the discount rates used by comparing those to average capital cost of a peer group. Using an own valuation model, we, together with our valuation specialists, made an own estimate of the fair values of the shares in affiliated companies and compared those with the estimates made by management. Regarding the impact of possible changes in capital cost and growth rates used for the terminal value, we conducted an own sensitivity analysis of the estimated fair values.

We concluded that the impairment test for shares in affiliated companies as conducted by management and the related judgements and estimates can be retraced and that they are within an acceptable range of values.

OTHER INFORMATION

The executive directors or the supervisory board are responsible for the other information. The other information comprises:

- the separately published corporate governance statement pursuant to § 289f and § 315d of the German Commercial Code (HGB), which is referred to in the section „Corporate governance statement“
- the insurance companies pursuant to §§ 264 (2) sentence 3, 289 (1) sentence 5, 315 (1) sentence 5 HGB to the annual financial statements, consolidated financial statements and combined management report
- the representations identified separately in the section entitled ‚Business model and structure‘,
- the descriptions set out in the section entitled ‚Competitive strengths and barriers to entry‘ of the combined management report,
- the disclosures contained in the „Compliance and Sustainability Report“ section of the Combined Management Report and in the Annex to the Combined Management Report „Annex EU Taxonomy“, which is referred to in the „Compliance and Sustainability Report“ section
- the disclosures on the combined non-financial statement contained in the „Compliance and Sustainability Report“ section, subsection „Non-financial statement“ of the combined management report,
- the remaining parts of the annual report with the exception of the audited consolidated financial statements and combined management report as well as our auditor‘s report

Our audit opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and thereby acknowledge whether the other information

- is materially inconsistent with the annual financial statements, with the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ANNUAL FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate 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. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

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

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able 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 give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- evaluate the consistency of the combined management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors 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 assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE ANNUAL FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT, PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH § 317 (3A) HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 (3a) HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "Ringmetall SE EA 2022" and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the combined management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying combined management report for the financial year from January 1, 2022 to December 31, 2022 contained in the "Report on the audit of the annual financial statements and of the combined management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the annual financial statements and the combined management report contained in the file identified above in accordance with § 317 (3a) HGB and the IDW Assurance Standard: Assurance

Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards, which implement the IAASB's International Standards on Quality Management.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents with the electronic renderings of the annual financial statements and the combined management report in accordance with § 328 (1) sentence 4 No. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this electronic file.
- evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited combined management report.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as auditor by the annual ge¬ne¬ral meeting on June 20, 2022. We were engaged by the supervisory board on July 27, 2022. We have been the auditor of the Ringmetall SE without interruption since the financial year 2022.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

In addition to the financial statement audit, we have provided to the audited Company or companies under that Company's control the following services that are not disclosed in the annual financial statements or in the combined management report:

- Review of the consolidated interim financial statements as of June 30, 2022 and the interim Group management report for the period from January 1, 2022 to June 30, 2022
- other verification services for compliance with covenants agreed with creditors.

OTHER MATTER — USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as the assured ESEF documents. The annual financial statements and the combined management report converted to the ESEF format – including the versions to be published in the German Federal Gazette – are merely electronic renderings of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Prof. Dr. Stefan Uebensee.

Stuttgart, April 27, 2023

BDO AG
Wirtschaftsprüfungsgesellschaft

Stratmann	Prof. Dr. Uebensee
Wirtschaftsprüfer	Wirtschaftsprüfer
(German CPA)	(German CPA)

SUPPLEMENTARY INFORMATION

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