



# ANNUAL REPORT 2023

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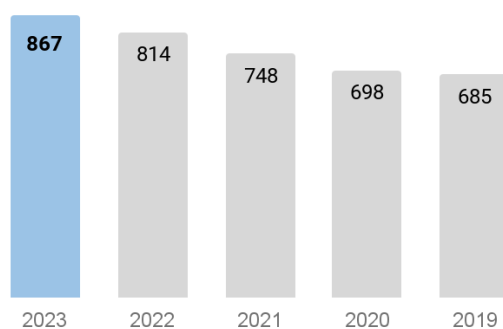
## TO THE SHAREHOLDERS

### KEY FIGURES FOR THE GROUP

<b>P&amp;L KEY FIGURES</b>						
EUR `000	<b>2023</b>	2022	2021	2020	2019	
Revenues	<b>181,584</b>	213,511	172,338	117,972	120,581	
Total output	<b>180,161</b>	216,535	173,124	117,278	120,563	
Gross profit	<b>90,252</b>	91,715	80,025	56,887	55,455	
EBITDA	<b>19,156</b>	28,300	26,620	12,180	10,029	
EBIT	<b>11,289</b>	21,283	20,177	5,987	4,969	
Consolidated net profit	<b>6,330</b>	15,920	14,917	2,735	3,022	
Earnings per share (EUR)	<b>0.20</b>	0.52	0.50	0.08	0.09	
Dividend per share (EUR)	<b>0.10</b>	0.10	0.09	0.06	0.06	

<b>BALANCE SHEET KEY FIGURES</b>						
EUR `000	<b>31.12.2023</b>	31.12.2022	31.12.2021	31.12.2020	31.12.2019	
Fixed assets	<b>77,509</b>	73,462	70,195	66,021	63,979	
Current assets	<b>53,178</b>	56,775	52,130	35,392	34,004	
Equity	<b>79,217</b>	77,464	63,749	49,589	49,999	
Equity ratio	<b>60.0%</b>	59.0%	51.5%	47.9%	50.0%	
Liabilities	<b>44,456</b>	45,057	51,060	47,152	43,590	
Balance sheet total	<b>131,982</b>	131,341	123,896	103,547	100,002	

### AVERAGE NUMBER OF EMPLOYEES PER YEAR (FTE)



## THE MANAGEMENT BOARD



### **Christoph Petri**

Christoph Petri studied business administration at the University of Nuremberg and the University of Sydney and graduated in 2006 with a degree in business administration. He then began his career at a consulting and investment company in Munich focusing 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, finance, investor relations, sales and marketing.



### **Konstantin Winterstein**

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

## LETTER FROM THE MANAGEMENT BOARD

Dear shareholders,

Dear customers and business partners,

The last few years have presented us all with challenges and led to many upheavals. COVID-19, Russia's invasion of Ukraine, rising energy costs and a general rise in inflation and - in response to all of this - a significant increase in the interest rate environment last year. It is quite remarkable how amazingly resilient the global economy is proving to be in the face of this multitude of changes. Looking at Europe, Germany and some industries in particular, the effects of this challenging environment are evident in some cases though. All in all, however, the economy is proving to be robust.

The 2023 financial year proved to be challenging for Ringmetall as well. Important customer industries for us, such as the chemical and pharmaceutical industries, clearly felt the economic headwind in the past fiscal year. For much of the year, we were therefore also confronted with declining demand for our products. However, following the above-average performance in 2022, we anticipated a weaker trend and initiated countermeasures in the form of cost-cutting measures and production adjustments at an early stage. Despite declines in revenues and earnings, we can therefore also look back on a robust and, given the circumstances, satisfactory company performance overall.

Our Group revenue declined by 15.0 percent to EUR 181.6 million. The revenue growth from our very successful acquisitions of Protective Lining in the USA and Liner Factory and IDF in Germany was offset by a double-digit percentage fall in steel prices. However, the noticeably weakened economic environment was reflected in subdued demand from key customer industries, as mentioned above. The sale of our Group subsidiary HSM as of 30 June 2023, which also saw us part with our Industrial Handling business division, was also reflected in a lower revenue base in the second half of 2023. On a comparable basis, i.e. adjusted for HSM's share of revenue in the 2022 and 2023 financial years, the decline in revenue therefore amounted to just -12.1 percent.

At EUR 19.2 million, our earnings before interest, taxes, depreciation and amortization (EBITDA) were 32.3 percent lower than in the previous year, which corresponds to an EBITDA margin of 10.6 percent in relation to total operating performance. In connection with the sale of HSM, there were one-off deconsolidation effects amounting to EUR -4.6 million. From a purely operational perspective, EBITDA therefore declined only slightly more than Group revenue, although we were confronted with a noticeable reduction in production capacity utilization. Not least because of the shortage of skilled workers, we made a conscious decision not to cut back on our core workforce despite a lower order volume. This is also because this is the only way we will be able to increase our production volume quickly enough when the economic environment improves again.

After a record year in 2022, we therefore had to adjust to a much more difficult economic environment at record speed in 2023. Simultaneously, we made a conscious decision to sell our Group subsidiary HSM and thus become a pure packaging specialist. Due to the associated one-off effects, our corporate development appears less attractive at first glance. However, a closer look reveals that we have held up well in a difficult environment.

At the same time, we are receiving the first positive signals from the market. Our business performance in the final weeks of the 2023 financial year and at the start of 2024 gives us reasons for hope for the current financial

year. At this point in time, we cannot rule out the possibility that this development is just a short-term countermovement. Nevertheless, we would like to include these positive signals in our outlook. Our guidance for 2024 therefore reflects both a pessimistic and an optimistic scenario in the form of wider forecast ranges. For the 2024 financial year, we therefore expect Group revenue of between EUR 170 million and EUR 195 million with EBITDA of between EUR 20 million and EUR 27 million. As the year progresses, we plan to make these forecasts more specific and thus reduce the ranges.

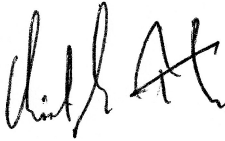
In 2023, we further strengthened and internationalized Ringmetall through successful acquisitions. With the acquisition of Protective Lining in the USA, we have successfully entered the US market in the liner product segment, which represents another milestone in our company's history. And the market environment remains extremely attractive for further acquisitions. Against the backdrop of our continued solid financial position, we are therefore confident that we will be able to successfully exploit the opportunities that present themselves in 2024.

We would like to take this opportunity to express our sincere thanks to our fantastic team of employees. Even in these difficult times, they have once again achieved great things with their outstanding commitment in the past financial year. We would also like to thank our company's shareholders and our business partners for their long-standing support. We wish you all the best, success and, above all, good health for 2024.

Munich, April 2024

With kind regards

The Management Board of Ringmetall SE



Christoph Petri  
Spokesman of the  
Management Board



Konstantin Winterstein  
Member of the  
Management Board

## THE SUPERVISORY BOARD



**Klaus F. Jaenecke** (Chairman)

After studying business administration in Frankfurt, Paris and London, Klaus Jaenecke began his professional career in 1980 at an investment company in Mexico. This was followed by positions at the investment banks Kleinwort Benson and Goldman Sachs in London and New York with a focus on mergers and acquisitions, before he set up his own business in this field in Munich in 1991. For many years, Klaus Jaenecke has focused on good corporate governance in companies in the industrial SME sector 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 commercial 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 companies. He is the founder and co-owner of various companies and a 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 initially gained experience in the design and implementation support of transformation processes in German SMEs. Later, she accompanied phases of change and reorganization both in an advisory capacity and by taking over C-level positions on an interim basis. Today, she is a partner at Struktur Management Partner, a consulting firm specializing in turnaround management. She is also a member of the advisory board of food manufacturer Willy Mederer.



**Ralph Heuwing** (Member)

After studying mechanical engineering at RWTH Aachen (Germany) and MIT in Cambridge (USA) as well as an MBA at INSEAD (France), Ralph Heuwing began his professional career in 1990 as a consultant at the Boston Consulting Group. He was appointed Managing Director and Partner in 2001. In 2007, he became CFO of the listed mechanical and plant engineering company Dürr, where his responsibilities included the Group's commercial divisions and two of the five operating divisions. In 2017, he moved to Knorr-Bremse as CFO, where he was primarily responsible for the preparation and implementation of 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 companies in Europe.



## REPORT OF THE SUPERVISORY BOARD

Dear business partners,  
Dear shareholders,

After a record year in 2022, the Ringmetall Group can once again look back on a very successful financial year with a revenue of EUR 181.6 million and earnings of EUR 19.2 million. In 2023, the Supervisory Board monitored the general management of the Company by the Management Board as well as all measures to safeguard the health of employees and provided advice to the Management Board.

The Supervisory Board was always able to satisfy itself of the legality, appropriateness and regularity of the Management Board's activities and was kept fully informed of important decisions and aspects of strategy, planning, business development, risk situation and compliance.

A total of four ordinary meetings and two extraordinary meetings of the Supervisory Board were held, which were attended by all members - with the exception of the meeting on 9 February, at which Mr. Wenner was excused, and the meeting on 28 June, at which Mr. Heuwing was excused. However, both submitted their votes in writing. In addition, there were numerous telephone calls and conference calls between the Management Board and the Supervisory Board.

An external evaluation of the Supervisory Board of Ringmetall SE and its Committee 2023 was commissioned for the first time in March 2023 in accordance with Section D.12 GCGC and carried out using a digital questionnaire for the Supervisory Board and the Management Board.

On 9 February 2023, the Supervisory Board discussed and approved a mandate for the conclusion of the purchase agreement for Liner Factory. It resolved to extend Konstantin Winterstein's term of office until 30 September 2026 and to reassign various management positions in the Group companies.

On 27 April 2023, the Supervisory Board discussed the current course of business in all divisions, the development of the organizational structure, 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 auditor.

The auditor from BDO reported on the key findings of its audit and provided additional information on the last financial year and 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.

The Supervisory Board also examined the annual financial statements of Ringmetall SE as at 31 December 2022, 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.

The Supervisory Board was also presented with the results of the efficiency review by ECBE - European Center for Board Effectiveness, a consulting firm that supported the Supervisory Board in the design, implementation and analysis of the evaluation.

An extraordinary meeting of the Supervisory Board was held on 12 June 2023. The focus was on the acquisition of SVD Verpackungen, which was approved by the Supervisory Board after detailed consideration and discussion.

No Supervisory Board meeting was held following the Annual General Meeting on 20 June.

Shortly afterwards, on 28 June 2023, another extraordinary meeting of the Supervisory Board was held. The Board voted in favor of the sale of HSM GmbH & Co.

At the meeting on 13 September strategic, organic and inorganic growth topics were discussed in particular. The Management Board also presented two investment projects. One was in automation and the other was the acquisition of an expansion site in Halle.

The strategy meeting on 30 November 2023 was held at the two Italian subsidiaries in Lecco. The focus was on the strategic direction, growth through acquisitions and strengthening the internal organization. There was also a detailed explanation of the revised monthly reporting. Following intensive discussions, the Supervisory Board also approved the 2024 budget and the 2024 investment plan as well as the medium-term plan. Risk management and the compliance organization were also discussed.

Over the course of the year, the Supervisory Board dealt intensively with the topic of corporate governance at the Ringmetall Group. It is geared towards a responsible and sustainable interpretation of the concept of value creation and is based on the current version of the German Corporate Governance Code (GCGC). The Management Board and Supervisory Board of the company have published any deviations from the requirements of the Code in a declaration of compliance in accordance with Section 161 AktG.

The composition of the company's Management Board and Supervisory Board remained unchanged in the past financial year.

The Annual General Meeting on 20 June 2023 elected BDO SE, Wirtschaftsprüfungsgesellschaft, Stuttgart, as the auditor of the financial statements and consolidated financial statements for the 2023 financial year and as the auditor for any review of the interim financial reports.

BDO SE Wirtschaftsprüfungsgesellschaft audited the annual financial statements, the consolidated financial statements and the combined management report of Ringmetall SE for the 2022 financial year and issued the respective financial statements with an unqualified audit opinion.

Finally, the Supervisory Board would like to expressly thank all employees in the Group for their commitment and high level of motivation in the past financial year. Stay healthy! We would also like to thank the company's two Management Board members for their great commitment to the benefit of the company and its stakeholders.

Munich, April 2024

For the Supervisory Board



**Klaus F. Jaenecke**  
Chairman of the Supervisory Board



## RINGMETALL ON THE CAPITAL MARKET

At first glance, the stock market year 2023 was a year with a classic annual pattern and, with growth in the DAX of around 20 percent, a very good return. Significant price gains in the first four months were followed by a sideways phase. A new interim high in June was then followed by a price slide in August and September with a subsequent year-end rally.

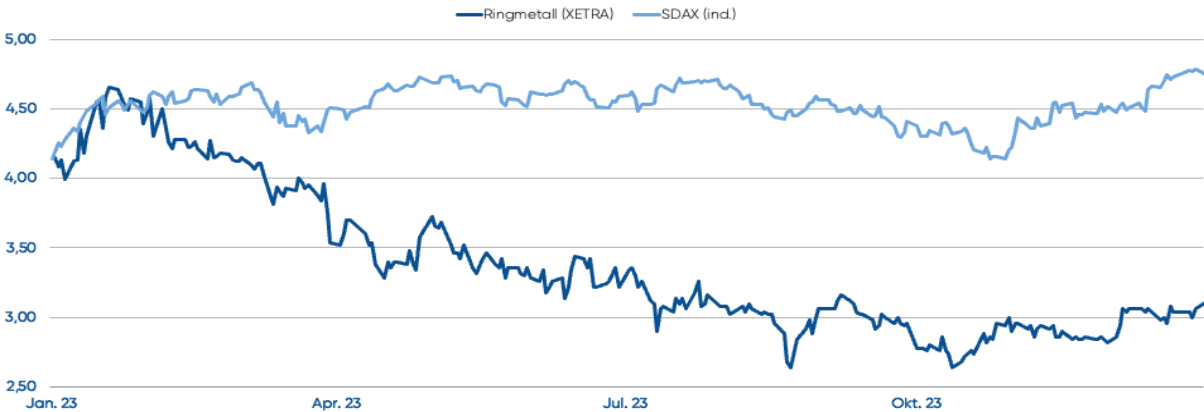
At the same time, the general economic environment was characterized by the effects of persistently high inflation, the resulting change in the interest rate environment and persistently high energy costs. The possibility of the global economy slipping into recession therefore hung over the stock markets like the sword of Damocles.

Against the backdrop of this increased probability of recession, interest in equities was rather heterogeneous: while stocks with high market capitalization ("large caps") and high average stock market turnover met with lively interest from investors, stocks with low market capitalization ("small & micro caps") and below-average stock market turnover were comparatively avoided by investors.

A look at the development of the most important stock market indices illustrates this trend. The MSCI World rose by 22.3 percent to 3,179 points in 2023. The German DAX 40 gained 20.3 percent to 16,752 points. The SDAX selection index for small caps was up slightly less at 17.1 percent to 13,960 points.

As a specialist in the packaging industry with a significant share of sales from the chemical industry, the Ringmetall Group is one of the absolute early cyclical players in terms of its economic sensitivity. There were already signs of a slowdown in operating business performance at the start of 2023. In combination with the low market capitalization and low stock market turnover, 2023 was a difficult year for the company's shares. From its high of EUR 4.65 on 20 January to its lows of EUR 2.64 on 23 August and 13 October, the share price showed a clearly negative trend. Only when operations began to normalize was the share price able to recover from its lows and close the year at EUR 3.06, down 26.3 percent for the year as a whole.

Share price performance of Ringmetall SE compared to the SDAX



Despite the challenging environment, the Ringmetall Group endeavored to maintain a high level of transparency in its communications and presented the company's current situation and possible future development potential in numerous individual and group meetings with investors. The quarterly video conferences held to publish the latest company figures also continued to attract a high level of participation from investors.

With regard to the research situation on the share, the career change of one of the company's analysts led Warburg Research to discontinue coverage in the course of 2023. At the end of 2023, the Ringmetall share was therefore only actively covered by one analyst. In his last update of the year on 7 November 2023, analyst Holger Steffen from SMC Research continued to recommend the share as a buy with a price target of EUR 5.60.

### Equity Research on Ringmetall SE

Institution	Analyst	Recommendation	Price target
SMC Research	Holger Steffen	Buy	5,60 EUR
*Sponsored Research			as of 28 February 2024

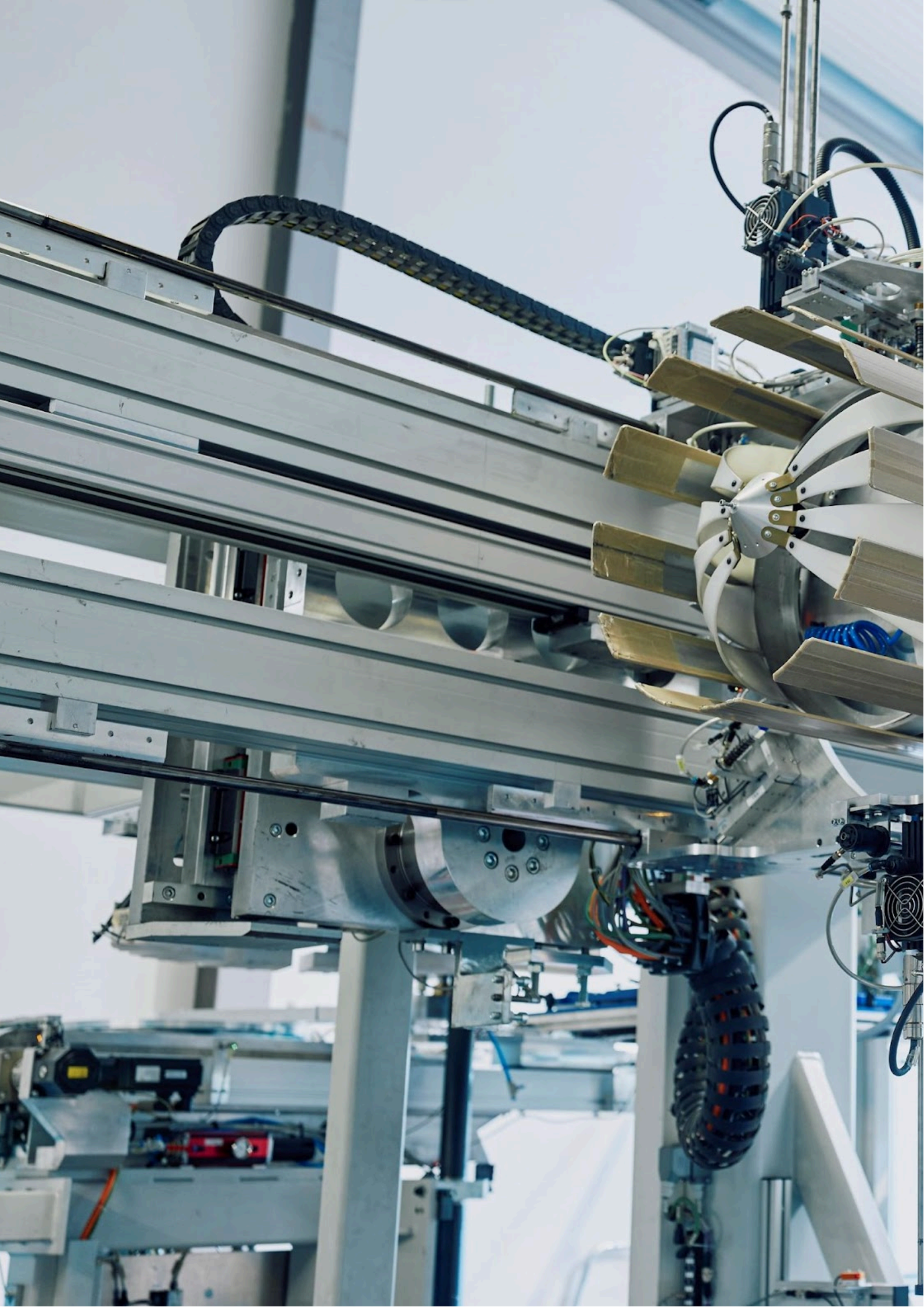
The company's 26th Annual General Meeting was again held as a virtual Annual General Meeting in 2023 and took place in Munich on 20 June 2023. Of the company's share capital of EUR 29,069,040.00, 67.3 percent was represented at the time of the vote (AGM 2022: 77.4 percent).

put to the vote. As in the previous year, the agenda items put to the vote were adopted with high approval rates in accordance with the management's proposal.

Following the dynamic business development in 2022 with a significant increase in Group revenue of 23.9 percent to EUR 213.5 million and a 6.3 percent increase in EBITDA to EUR 28.3 million, the Annual General Meeting voted in favor of a further increase in the dividend to a total of EUR 2,906,904.00 or EUR 0.10 per outstanding share (previous year: EUR 0.09 per share).

No capital market transactions were carried out in the 2023 financial year that would have had an impact on the number of shares outstanding. Accordingly, the number of shares outstanding as at 31 December 2023 amounted to 29,069,040 shares, unchanged from 31 December 2022.

In addition to the agenda items regularly put to the vote at ordinary Annual General Meetings on the appropriation of net profit, the discharge of the Management Board and Supervisory Board, the election of the auditor and the approval of the remuneration report, two amendments to the Articles of Association relating to the holding of Annual General Meetings in virtual form and the participation of Supervisory Board members were





# COMBINED MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2023

## THE RINGMETALL GROUP

### BUSINESS MODEL AND STRUCTURE

Ringmetall is one of the world's leading specialist suppliers in the packaging industry. The product portfolio mainly comprises closure systems for industrial drums, liners for industrial drums and packaging solutions for the beverage industry.

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 primarily in the industrial packaging market. Here, the company develops, produces and markets packaging solutions for use primarily in the chemical, pharmaceutical and food industries.

Until mid-2023, the company was also a manufacturer of vehicle attachments for warehouse logistics and the agricultural sector in its Industrial Handling division. With effect from 30 June 2023, the business activities in this area were sold and the Industrial Handling business division was closed. The 2023 Annual Report will therefore refer to this business division for the last time.

In the Industrial Packaging division, the Ringmetall Group manufactures packaging elements for industrial drums and for applications in the beverage industry.

The product range in the Industrial Packaging division primarily includes closure systems and inner

liners for industrial drums. In addition, the company also produces lids, gaskets, handles, complex closure units and special components for industrial drums according to customer requirements with a wide range of dimensions, quality levels and usage profiles.

The company also produces inner liners for special applications in the beverage industry. These include beer tank liners and bag-in-box systems, a special packaging for liquids.

The closure systems product area accounts for the largest proportion of the Group's sales, followed by liners and, subsequently, packaging solutions for the beverage industry. In total, Ringmetall produces over 2,500 different variants of clamping rings and over 4,000 different variants of liners.

While the focus of business activities is on the market for closure systems for industrial drums, the Group is systematically expanding its activities into adjacent business areas. The aim is to be a clear market leader in all business areas.

In the market for closure systems for industrial drums, the company focuses primarily on the special requirements of so-called open top drums, in particular steel drums, plastic drums, fiber drums and pails.

Since entering the market for inner liners for industrial drums and multi-component systems in 2019, the Group has also been offering packaging solutions for the beverage industry.

In the Industrial Handling division, the Ringmetall Group produced vehicle attachments for special



vehicles in freight and warehouse logistics as well as in the agricultural sector until mid-2023. In addition to add-on parts and trailer couplings for tractors, agricultural machinery and trucks, these primarily include restraint systems for industrial trucks. However, lift mast parts, clutch and brake pedals with special requirement profiles, hydraulic components and complex welded assemblies were also part of the product range.

The Ringmetall Group is organized as a group with a holding structure. The subsidiaries are linked to the holding company. This Munich-based holding company, Ringmetall SE, which is listed in the General Standard of the German Stock Exchange, combines central Group functions.

## SUBSIDIARIES AND GROUP BRANDS

Despite the overarching structure of Ringmetall SE, the individual business units and the assigned subsidiaries of the Group operate largely independently on the market. In order to nevertheless anchor the Group concept in all areas of the company, the Group's Management Board has for some years now been discussing strategic approaches to the further development of the Ringmetall Group together with the managing directors of the largest subsidiaries at regular management meetings. Five business units were created in the divisions in order 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 that Group-wide decisions and uniform standards are implemented by a central manager in each case.

In 2023, the approach of systematically expanding the internal company structures was continued. The divisions were divided into individual business units, each of which is headed by a manager. The business units were divided into a total of five units according

This primarily includes the areas of finance and Group financing, investor relations, IT, strategy and corporate development as well as the preparation and implementation of company acquisitions. In addition to the holding company, the Group consisted of a total of 22 companies at the end of 2023. Of these, 16 companies are operationally active, four companies are purely intermediate holding companies and two companies act as administrative units.

The complete Group structure of Ringmetall SE as at 31 December 2023 is presented as an appendix to the notes to the consolidated financial statements in this report.

to their areas of responsibility: Rings Northern Europe & Asia Pacific, Rings Southern Europe & Middle East, Rings USA, Industrial Packing Liner and Industrial Handling.

As part of the sale of the Group subsidiary HSM GmbH & Co. KG and the associated closure of the Industrial Handling division as of June 30, 2023, the number of business units was reduced by the corresponding unit from five to four. Products are developed and manufactured at a total of 19 production sites worldwide. In Germany, these include the sites in Ahaus, Attendorn, Ennepetal and Neunkirchen (North Rhine-Westphalia), Bad Dürkheim and Berg (Rhineland-Palatinate), Bürstadt (Hesse) and Halle (Saxony-Anhalt). Ringmetall is also represented internationally with locations in Valmadrera and Albavilla (Italy), Peterlee (UK), Reus (Spain), Balçık (Turkey), Changshu (China) and locations in the USA in Birmingham (Alabama), Chicago (Illinois), Houston (Texas), New York (New York) and Shippensburg (Pennsylvania).

The company and the Group holding are headquartered in Munich, Germany. As an

international group, all subsidiaries are united under the umbrella brand Ringmetall. The subsidiaries are in turn commercially active under their own names as regional and national brands. These include Berger Global, Berger USA, Cemsan, HOSTO and S.G.T. brands in the closure systems product area and

the Liner Factory, Nittel, Protective Lining, Rhein-Plast and Tesseraux brands in the liner product area. 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 today's company. Initially operating on the market as a holding 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. The company was renamed Ringmetall in 2015 and its industrial handling activities were sold in 2023, completing its repositioning as a specialist provider in the packaging industry.

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

### 1997

- Foundation of the predecessor company H.P.I. Holding AG

### 1998

- Acquisition of August Berger Metallwarenfabrik GmbH & Co KG, manufacturer of clamping rings based in Germany
- Acquisition of August Berger Metallwarenfabrik GmbH & Co KG, manufacturer of clamping rings based in Germany
- Entry into the special packaging business

### 2007

- IPO on the open market of the Frankfurt Stock Exchange

### 2012

- Expansion in China in the Industrial Packaging division
- Acquisition of S.G.T. S.r.l., manufacturer of clamping rings based in Italy
- Majority stake in Cemsan MPI Limited Sirketi, clamping ring manufacturer based in Turkey
- Change to the Entry Standard of the Frankfurt Stock Exchange

### 2013

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

### 2015

- Acquisition of Self Industries Inc., leading clamping ring manufacturer in the USA
- Positioning as a specialist in the packaging industry, change of name to Ringmetall AG
- Acquisition 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
- 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

## 2018

- Change to the regulated market of the Frankfurt Stock Exchange, General Standard
- Acquisition of Nittel Halle GmbH and its subsidiaries, manufacturer of form liners based in Germany

## 2019

- Acquisition of Tesseraux Spezialverpackungen GmbH, manufacturer of aluminum liners and bag-in-box systems
- Acquisition of a further 30.0 percent of the shares in Nittel B.V., Netherlands
- Acquisition of Sorini Ring Manufacturing Inc., clamping ring manufacturer from the USA, as part of an asset deal and contribution of the business activities to the existing US subsidiary

## 2020

- Increased implementation of Group-wide corporate governance and introduction of a project to promote more sustainable corporate processes and sustainable expansion of Group digitalization

## 2021

- Acquisition of HOSTO Stolz GmbH & Co KG, manufacturer of clamping rings for the tinplate industry based in Germany
- Conversion into a European Company (SE) and conversion to registered shares

## 2022

- Acquisition of Rhein-Plast GmbH, manufacturer of polyethylene liners based in Germany
- Acquisition of Riva Franco e Figli SNC, manufacturer of clamping rings based in Italy

## 2023

- Acquisition of Protective Lining Corporation, manufacturer of polyethylene liners based in the USA
- Acquisition of Liner Factory GmbH & Co. KG, manufacturer of specialty liners based in Germany
- Acquisition of the business operations of IDF GmbH & Co. KG in the field of containment solutions based in Germany
- Disposal of HSM GmbH & Co. KG and closure of the Industrial Handling segment

## MARKETS AND CUSTOMERS

In the Industrial Packaging division, the Ringmetall Group primarily serves the global market for industrial drums with its closure systems and liners product areas. Here, the company holds market-leading positions at global and European level.

In the product area of packaging solutions for the beverage industry, the company is also active in the market for consumer and wholesale packaging for beverages. As a comparatively small supplier, Ringmetall is active in a market that is primarily dominated by large global corporations. Even though Ringmetall is consciously active in niche areas, the company still occupies market-leading positions in some areas. This is the case, for example, in the area of beer tank liner, a special type of liner that is used in large beverage tanks in the catering industry.

### Market for industrial packaging

In a February 2024 study on the global market for industrial packaging, the market research company IMARC Group forecasts a global market volume of USD 62 billion in 2023. From 2024 to 2032, the market is expected to grow at a compound annual growth rate (CAGR) of 3.3 percent to USD 83 billion.

The market is experiencing stable growth, driven by increasing global industrial activity in the emerging

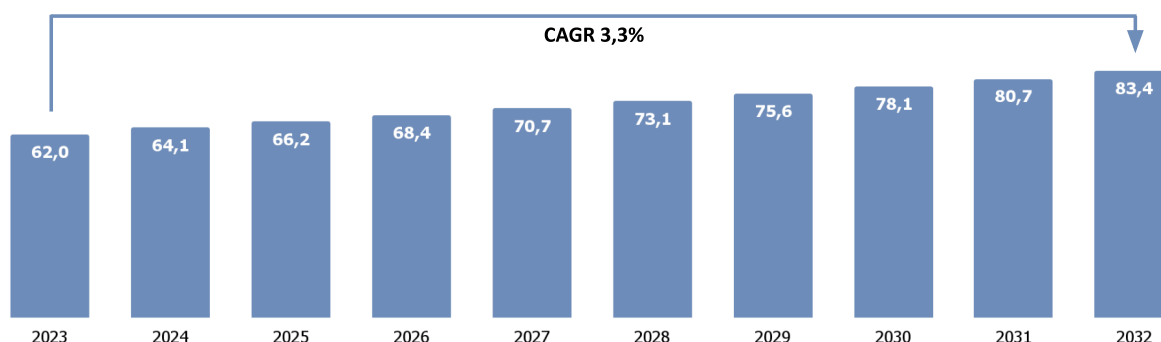
markets. In addition, globalization as a whole is acting as a further growth-promoting factor, increasing the need for continuously more efficient packaging for global trade.

The increasing focus of the economy on sustainability aspects and the tightening of legal requirements are also leading to rising demand for reusable industrial drums and therefore the company's products.

Technological innovation, for example in the areas of intelligent packaging and the use of sustainable materials, is a continuous driver of market growth. In addition, the development of packaging and protection technologies that improve the functionality and efficiency of industrial packaging supports market growth.

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

**Global market for industrial packaging (revenue in USD billion worldwide, 2024 - 2032)**

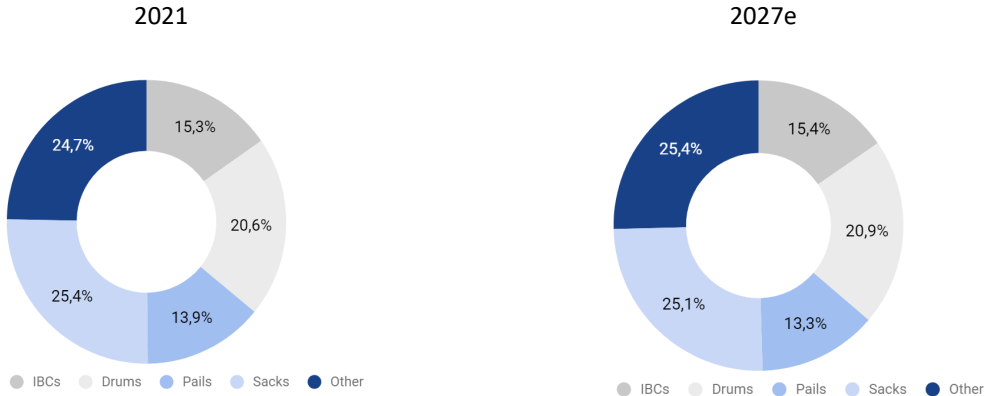


The market is also subdivided according to the main customer industries in which industrial packaging is used. These are generally divided into the following application areas: Automotive, Food & Beverage, Chemical & Pharmaceutical, Oil, Gas & Petrochemical, Building & Construction and Other. The overriding main growth driver, which is causing

demand for industrial packaging solutions to continue to rise, is global population growth. Above all, chemicals, fertilizers and food are benefiting from this mega trend with rising demand.

**Industrial packaging by product group 2021 vs. 2027**

Market share in %



Drums - and steel drums in particular - have clear advantages when it comes to packaging and transporting these goods and are therefore in slightly increasing demand. Thanks to their high stability, steel drums have excellent mechanical properties and good protective characteristics, 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 for the transportation and storage of hazardous or sensitive goods. The US Department of Transportation points out that steel drums are the safest of all industrial packaging. Therefore, insurance premiums for transportation in steel drums are generally the lowest.

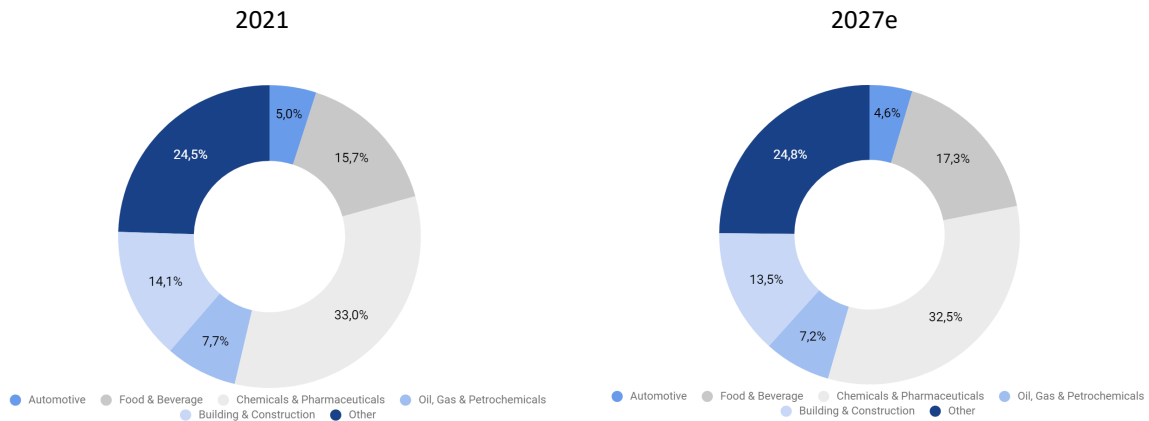
availability of packaging material and the cost of disposing of packaging material have drawn companies' attention to sustainable packaging. As a result, companies have recognized the importance of drums as a sustainable and cost-effective packaging system.

Against the backdrop of a growing awareness of sustainable packaging solutions, drums play a special role as returnable transport packaging (RTP). RTPs are reusable packaging in which goods are transported more than once between customers and sellers. Factors such as rising packaging costs, damage to goods during transportation, the

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

## Industrial packaging by end user 2021 vs. 2027

Market share in percent



In order to ensure that all packaging in the EU is recyclable or reused to a significantly greater extent by 2030, the European Commission is planning to replace the current EU Packaging Directive with a regulation on packaging and packaging waste. As part of the circular economy, all packaging placed on the market in the EU should be recyclable or reusable in future.

The reusability and recyclability of packaging must therefore generally be guaranteed in future, provided that the application of the packaging solution makes reusable products or systems generally possible. The current status of the regulation also contains uniform target values for packaging waste per member state and per capita. These are to be reduced by 15 percent by 2040 compared to 2018 levels.

In 2023, Ringmetall generated over 25 percent of Group revenue with the Industrial Packaging division's two largest customers, both large international drum manufacturers. The rest of the division's revenue was spread across several hundred customers. Ringmetall also sees the not inconsiderable concentration of a significant share of sales with two customers as an advantage. As

globally active companies, both sides are in a partnership based on mutuality due to their considerable share of sales in their respective industries.

In recent years, the Ringmetall Group has secured its position as the global market leader in the niche segment for drum clamping rings in the industrial packaging market through targeted acquisitions, with a market share of well over 50 percent. Since 2019, the company has also been expanding into the attractive market for inner liners for industrial drums and multi-component systems. The company has now become the European market leader in this area and plans to continuously expand its position through further acquisitions.

Competitors in the field of drum clamping rings are mainly regional suppliers with annual revenues in the single-digit million range. There are few competitors of a similar size in the market for liners.

Due to the lower global market coverage, the significantly lower sales volume of regional competitors and the stronger technical expertise 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 expertise to respond to complex customer requirements.

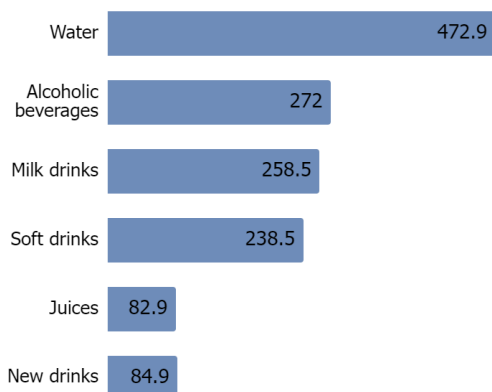
### Market for beverage packaging

In a recent study, the market research company Mordor Intelligence estimates the global market for beverage packaging at USD 143 billion in 2023. The market is expected to grow by an average of 4.2 percent to USD 183 billion by 2029. The market size reflects the value of consumption of beverage packaging in all end consumer sectors and is calculated in real terms. The market study collects data on packaging such as bottles, cans, pouches, cartons and beer kegs.

The market for beverage packaging is considered to be highly fragmented, with both global players and small and medium-sized companies represented. Takeovers and mergers therefore ensure constant change in the industry.

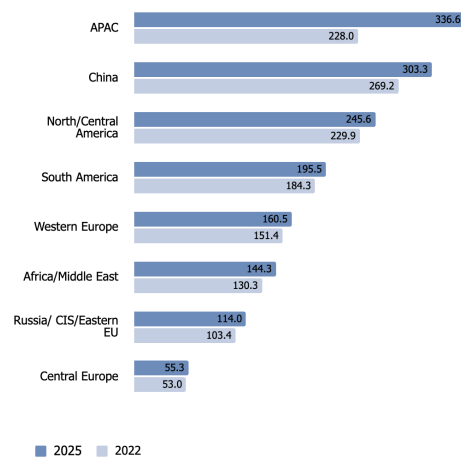
In general, beverage packaging offers tamper evidence and protection for the liquids it contains and meets the physical, chemical or biological requirements of beverages. They also guarantee fast and reliable distribution of products along the entire value chain.

*Global consumption of packaged beverages in 2022, by type [bn liters]*



The beverage industry is generally at the forefront of the packaging industry and regularly invests heavily in the expansion and modernization of the industry. The packaging industry for packaged and bottled water, as the most important sub-sector of the beverage industry, is experiencing rapid growth as public awareness of the need for pure drinking water increases.

*Global consumption of packaged beverages 2022/2025e, by region [bn liters]*



The online platform Statista has determined that the consumption of packaged water was over 472 billion liters in 2022, making it the most consumed packaged beverage type in the world. In second and third place are packaged alcoholic beverages and milk beverages.

The Asia-Pacific region holds considerable development potential in the demand for beverage packaging and represents one of the most promising regions. In India, beverage packaging has experienced significant growth in recent years. Some of the key factors driving the market growth include the rapid changes in beverage packaging trends. Novel packaging techniques have been introduced on a significant scale. New trends in beverage packaging focus on the structural change of packaging materials and the development of new

active systems that can interact with the product or its environment, customer acceptance, safety and improving the preservation of various beverages.

Total global consumption of packaged beverages amounted to around 1.4 trillion liters in 2022. The world's largest single market, China, consumed around 269 billion liters in 2022 and is expected to reach an estimated 303 billion liters by 2025, according to Statista.

The key factors for future growth are urbanization, dynamic youth and their growing share of the

working population, rising disposable income and improved connectivity, especially in smaller cities. Government directives have brought about a new development in the beverage packaging market. As packaging waste is considered harmful to the environment, efforts are being made to reduce the amount of waste generated. This has driven the industry towards recyclable and more sustainable packaging options.

## COMPETITIVE STRENGTHS AND BARRIERS TO MARKET ENTRY (unaudited)

With its global market-leading position as a niche supplier in the packaging industry, the Ringmetall Group has consolidated its position in the market over many years. In order to further consolidate and expand this position, the company is continuously driving forward market consolidation in its sectors.

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 Ringmetall Group's core business areas.

### **Many years of production expertise and in-house developed machinery**

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 closure systems and in the product area of liners, the Ringmetall Group produces almost exclusively on self-developed or highly customized machines. Individual modules of the machinery are sourced as

standard components from well-known mechanical engineering companies. However, the assembly of these individual components into the machines used in production is carried out almost exclusively by in-house specialist engineers and mechanical engineers. Ringmetall produces a comprehensive product range of over 2,500 different clamping rings and over 4,000 different inner liners and bag-in-box systems for its customers from a single source. The companies of the Ringmetall Group continuously develop new products in close cooperation with their customers in order to meet changing market requirements at all times.

In the product area of closure systems, Ringmetall has invested heavily 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 shorter changeover times between different production batches, which leads to reduced downtimes. At the same time, a higher production speed is combined with improved tolerance accuracy and thus reduced production waste. These machine features also enable more efficient and new barrel 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 machines ready for series production has been taking place continuously since 2021, which will be accompanied by a noticeable modernization of the machinery in the coming years. In addition, the company is increasingly raising the level of automation in individual, particularly high-volume production areas through the use of industrial robots. In this way, the Group is increasing its production efficiency and at the same time continuously reducing potential risks arising from a worsening shortage of skilled workers in individual regions.

### **Global production network in response to short lead times in the industry**

With a largely comprehensive network of production sites in seven countries on three continents, Ringmetall is the only manufacturer of drum clamping rings in the world that is able to supply its international customers on a global level with consistent product quality across the entire product range and within short lead times. The individual national companies produce reliably and in the required 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 processing of orders across the individual subsidiaries and also provides the necessary expertise to offer solutions for complex issues.

In many industries, modern production is geared towards keeping stocks of both primary products and finished goods as low as possible. This just-in-time approach, which has been established for years, is also reflected in the packaging industry

in extremely short lead times between order and delivery.

The Ringmetall Group's customers also expect short delivery times for industrial packaging in line with their current order situation. The lead time is usually a maximum of five to ten working days for clamping rings, lids and seals. Delivery times for inner sleeves and bag-in-box systems are much more individual, partly due to seasonal products.

As a globally positioned company, Ringmetall is able to handle individual customer orders in any batch size and guarantee on-time delivery to any location worldwide. No other company in the industrial packaging sector is in a position to deliver the variety of products expected by the market worldwide in the same quality, in almost any quantity and within the shortest possible time frame to any desired customer location.

### **Regulations and legal requirements form a tight regulatory framework**

In most cases, industrial packaging materials are used to transport goods that must not be exposed to the environment. Industrial drums are therefore subject to particularly high requirements in order to protect the environment from the contents of the drums on the one hand, and to protect the contents of the drums from environmental influences on the other.

In most cases, Ringmetall products are therefore part of a packaging unit whose components are clearly defined and have been awarded UN certification by the United Nations. The certification also includes all the manufacturer's details of the individual packaging components. As the certifications are preceded by extensive tests, which are associated with a corresponding amount of time and expense, changing individual components of a packaging unit is generally not economical. Accordingly, the Ringmetall Group and its customers

are bound to each other throughout the life cycle of a product.

### **Increased efficiency through technological progress**

Ringmetall is constantly increasing its investments in the development of new products and production facilities. In addition to the continuous optimization of processes in all areas and targeted measures to modernize machinery and IT infrastructure, investments are also being made in the expertise of internal development engineers and production technicians.

However, the gradual increase in development costs is always in a profitable relationship to the company's sales development. This mainly consists of personnel costs for the development engineers and production technicians involved. Costs are also 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. The prototype phase was completed in 2021 and CE approval was granted. Since then, the machines of the new generation have been continuously introduced into production. These machines have been fully operational in regular production since 2022, underlining their technical superiority over older generations of machines. Accordingly, the further roll-out, including at international locations, will continue in the future.

Extensive investments were 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 developed 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 divisions (until 30 June 2023), the Ringmetall Group is one of the leading providers 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, established customer relationships and a personal approach when marketing its products. A classic marketing approach for consumer goods manufacturers, which relies on extensive brochures, advertisements or mailing campaigns, is only pursued selectively. Instead, the Ringmetall sales team maintains close contact with its customers and their key decision-makers by attending trade fairs and industry events. Since entering the market for liners and bag-in-box

systems, the company has also invested to an appropriate extent in its own trade fair appearances at industry-relevant trade fairs such as FachPack, the European Coatings Show and BrauBeviale, all of which take place in Nuremberg (Germany). In some cases, several subsidiaries participate as a joint trade fair presence with the products inner liners, bag-in-box systems, clamping rings and lids. Accordingly, the Ringmetall Group's expenditure on marketing activities is at a comparatively low level compared to the size of sales. After no significant expenditure on marketing was made in 2020 and 2021 due to the pandemic, expenditure has been slightly higher again since 2022, but remains at a very low level overall. As in the past, this mainly related to expenses for trade fair appearances.

## PERSONNEL

The average number of employees in the Ringmetall Group rose to 867 in 2023 (FTE, 2022: 814). The number of temporary workers was reduced due to the economic downturn and weaker demand. Of the employees, 235 employees (2022: 219) were assigned to administrative positions and 632 employees (2022: 595) to production.

COVID-19 no longer had a significant impact on the Ringmetall Group's business operations in the past financial year. There were certainly absences of individual employees due to COVID-19-related illnesses. However, these staff absences did not have a significant impact on production processes.

The company also offers many of its employees the opportunity to work from home for significant parts of their working hours ("home office"). During the pandemic, the company has had good overall experience with this form of working and sees it as a good opportunity to position itself as an attractive employer in the competition for qualified staff in front of potential applicants.

The ongoing digitalization of the Group is facilitating the smooth transition to modern ways 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 establish social structures so that they can then work from home for the most part if they wish. In this way, Ringmetall is responding to the desire of many employees for a more flexible working environment and making a further contribution to improving the CO2 balance by reducing journeys to and from work.

According to the company, the continuous improvement of working conditions is an important means of counteracting the effects of the shortage of skilled workers in many markets. The availability of suitable personnel has been decreasing 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 separate bonus payments in various forms for regular work, for example. Furthermore, overtime and vacation days can be saved in a separate working time 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 being imparted, for example through deployment in different production areas ("job rotation"), and know-how is retained within the company in the long term. This leads to an increase in flexibility and qualifications and reduces the risks that can arise from a possible monotony in day-to-day work.

There is also a continuous transfer of knowledge between the Ringmetall sites. Employees are regularly sent to other locations for work assignments lasting several months in order to gain new insights into the Group and to standardize best practice approaches for individual production steps at an international level. This approach has proven to be particularly effective in transferring knowledge between the individual companies as quickly as possible following company acquisitions. Teams for Group-wide projects are also increasingly being put together from employees from different international locations. Middle management is furthermore regularly given special support in the form of internal and external seminars. During the pandemic, such training was increasingly held in the form of webinars, which has also proven its worth in post-COVID times. External training staff teach modern approaches to managing employees as part

of coaching sessions, thereby steadily increasing a productive and pleasant working environment at Ringmetall.

To create a Group-wide corporate identity, Ringmetall relies on a uniform external image and promotes an improved sense of togetherness among the workforce through the production of image films and internal information via newsletters. Strategic

and financial corporate goals are communicated openly and regularly at all hierarchical levels. The Code of Conduct, which is binding throughout the Group, ensures that Ringmetall communicates a uniform mission statement to its employees and that they pursue uniform values and goals regardless of national origin and possible differences between cultures.

## COMPLIANCE AND SUSTAINABILITY REPORT

*The statements on compliance and sustainability were not audited by the independent auditor and are excluded from the audit opinion or are not the subject of 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 Group's economic activities 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 is not only appropriate from an ethical and moral point of view, but also represents the optimal behavior in every respect to ensure the long-term success of the Ringmetall Group. Ringmetall has been an official member of the UN Global Compact since 2021, after the company had already fully committed itself to the organization's ten principles.

In order to make the values behind these principles comprehensible to all employees, the company has drawn up rules of conduct in the form of a Code of Conduct, which 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 find out about the Code and help shape its further development by asking questions and making suggestions.

The central point of contact in this area is the company's internal Compliance Manager, whose position Ringmetall created in 2021. In 2022, the position was expanded to include responsibility for sustainability in order to specifically implement the European Union's Corporate Sustainability Reporting Directive (CSRD) by 2024.

To ensure that all employees internalize and implement the Ringmetall Group's compliance and sustainability guidelines, extensive training programs with target group-specific content have been initiated within the company. A modular structure ensures the appropriate content for each 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.

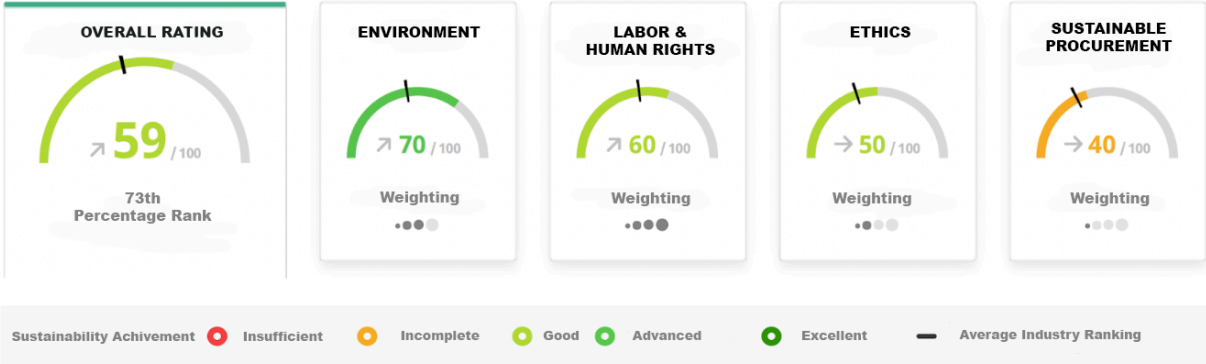
Since 2020, Ringmetall has had a group-wide sustainability management system that is continuously optimized and expanded. In order to make the Group's efforts with regard to more sustainable business practices comprehensibly measurable, Ringmetall has been certified by the

external service provider EcoVadis as part of a sustainability rating since 2021.

The rating 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 data from 2023, the Ringmetall Group's overall rating increased further to 59 out of 100 points (2022: 52 points).

This put Ringmetall in 73rd place and once again above the industry average. Ringmetall SE was awarded the EcoVadis silver medal for its efforts, following bronze in 2022. This means that the company is now among the top 25 percent of all companies certified by Ecovadis.

**EcoVadis Sustainability Scorecard 2023**



**HUMAN RIGHTS**

Compliance with human rights is 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 violations 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 checks this visibly as part of plant inspections.

At the end of 2023, the Ringmetall Group also introduced a Code of Conduct for suppliers of the Group and its subsidiaries. This Code of Conduct is intended to anchor the Group's understanding of values more deeply in the company's supply chain and at the same time support the implementation of measures. If it is determined that other companies in the Ringmetall Group's value chain or their employees violate the Code, i.e. commit human rights violations, and these are not immediately

remedied, this will result in the immediate termination of the business relationship. The same applies to our own employees, whose employment relationship will be immediately warned or terminated in the event of violations.

Including the leading indices such as the Global Rights Index, Human Rights Index and Children's Rights Index, the human rights of the Group-wide supplier countries were analyzed for the first time in the 2023 financial year. The results of the analysis are incorporated into Group-wide measures in the area of human rights. Against the background of its own company size, the implementation of the German Supply Chain Due Diligence Act is not yet mandatory for the Ringmetall Group. However, Ringmetall is already endeavoring to implement individual approaches to the requirements of the National Action Plan for Business and Human Rights on a voluntary basis and in this way make a contribution to successful implementation.

## 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) numbers 138 and 182 as a minimum standard for 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 promote diversity within the Ringmetall Group.

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

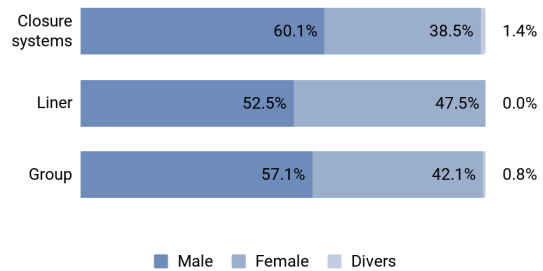
This works very well in the area of administrative activities. At the end of 2023, the Ringmetall Group employed 41.8 percent female and 57.7 percent male employees in this area. A further 0.5 percent are diverse.

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 employees here is below 50 percent.

## ENVIRONMENT

The companies of the Ringmetall Group strive to use all types of resources as sparingly as possible and thus to minimize the negative environmental impact of the companies. Ringmetall is committed

### *Diversity in the Ringmetall Group*



In the area of clamping ring production, the proportion of female employees was 37.0 percent at the end of the year. In the plastics processing companies, on the other hand, the picture remains more balanced. In the area of inliner production, the proportion of women was 50.2 percent at the end of the year. Overall, 42.1 percent of employees in production are female, 57.1 percent are male and 0.8 percent are diverse.

At the same time, Ringmetall tries to meet the family needs of its employees as well as possible by offering flexible working time models or the option of working from home. In addition, well-equipped social and relaxation rooms are available for work breaks and are also given appropriate attention in the modernization planning of sites.

to continuously expanding and improving its environmental management. As a manufacturing company, particular attention is paid to ensuring that the use of raw materials results in the lowest

possible proportion of production waste or rejects. However, as this is not entirely avoidable, the company ensures that all reusable materials are consistently recycled. Depending on the material used and the production step, different quantities of waste are generated. It is therefore not always possible to directly compare recycling rates over the years. In general, around 95 percent of the company's production waste is sent for recycling.

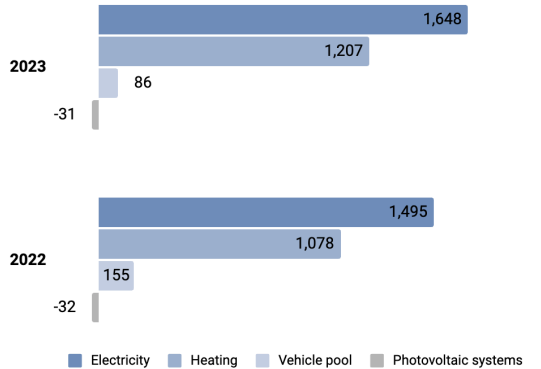
In 2023, the recycling rate improved slightly to 96.2 percent compared to 94.9 percent in 2022. Ringmetall once again succeeded in reducing the total amount of non-recyclable waste in relation to production volume this year.

*Recycling rate of production scrap*



The Ringmetall Group is committed to making its contribution to the global reduction of greenhouse gas emissions. CO<sub>2</sub> emissions are mainly generated in the Group companies as part of the production process through the use of electricity and the use of various energy sources for heating office and production areas. The levers for reducing emissions therefore lie in these two areas in particular.

*CO<sub>2</sub>-eq-Emission [t]*



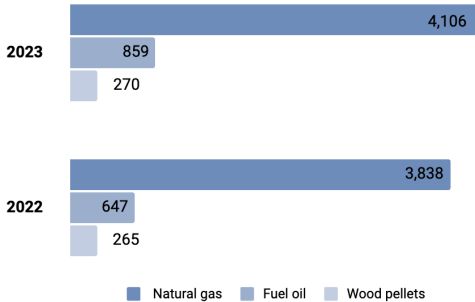
CO<sub>2</sub> emissions in the reporting period were 7.9 percent higher overall than in the previous year, and 1.8 percent higher than in the previous year when adjusted for the changes in the scope of consolidation in the financial year.

*CO<sub>2</sub>-eq emissions by scope*

in t	2023		2022
	Group excl. acquisitions	Acquisitions	
Heating	1,115	92	1,078
Vehicle pool	83	3	155
Photovoltaic systems	-31	-1	-32
<b>Scope 1</b>	<b>1,167</b>	<b>94</b>	<b>1,201</b>
Electricity	1,577	71	1,495
<b>Scope 2</b>	<b>1,577</b>	<b>71</b>	<b>1,495</b>
<b>Scope 1 + 2</b>	<b>2,744</b>	<b>165</b>	<b>2,696</b>

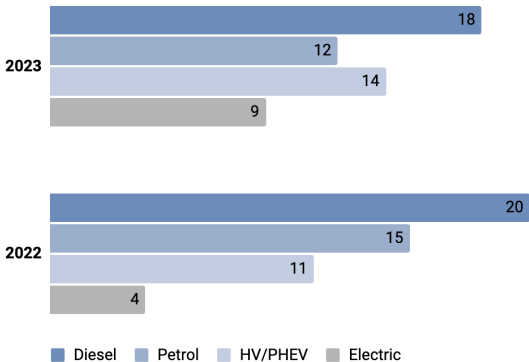
When it comes to the fuels required for heating, Ringmetall strives to continuously reduce the Group's CO<sub>2</sub> emissions (measured as CO<sub>2</sub> equivalent, CO<sub>2</sub> -eq). Where possible, heating systems are converted from heating oil to systems for fuels made from renewable raw materials, such as wood pellets. Alternatively, the first step is to switch to natural gas. CO<sub>2</sub> emissions in this area, adjusted for the acquisitions made in the financial year, were 3.4 percent higher than in the previous year.

*Energy consumption heating [MWh]*

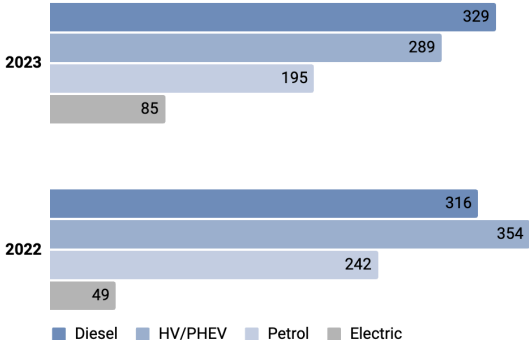


Since 2020, Ringmetall has been consistently optimizing the Group's vehicle fleet in terms of its CO<sub>2</sub> emissions. The vehicles used are almost exclusively company cars that are made available to employees of the Group. When leasing contracts expire, the company endeavors to only include new vehicles in the fleet that are not or only partially powered by fossil fuels.

Vehicle fleet by drive type [number of vehicles]



Annual mileage by drive type [km '000]



This approach was consistently pursued in the 2023 financial year. The number of vehicles with combustion engines was further reduced by replacing them with vehicles with hybrid or electric drives. The number of vehicles powered purely by fossil fuels was therefore also further reduced in this financial year. As a result of the measures taken, CO<sub>2</sub> emissions in this area were reduced by 11.6 percent, adjusted for the acquisitions of the financial year and the disposal of HSM. In addition,

Ringmetall also makes lease bikes available to employees at various locations on request. So far, 50 employees have taken advantage of this offer.

The Ringmetall Group's direct energy requirements are rather low compared to many other manufacturing companies. One reason for this is the high proportion of pre-products prepared specifically for the production purpose, such as steel sheets cut to different widths and thicknesses. Energy requirements are much higher in the liner product area. This is mainly due to energy-intensive production steps, such as the deep-drawing of form liners or the extrusion of polyethylene films. Energy requirements are an important selection criterion in the investment process when modernizing and installing new systems.

Another building block in the reduction of CO<sub>2</sub> emissions is the use of photovoltaic systems. Further investments were consistently made in this area and another site was equipped with photovoltaic systems in 2023. Adjusted for the disposal of the Ernsgraden site with one system, Ringmetall now produces its own electricity from solar energy at four sites. In 2023, the company's own systems already covered 2.3 percent of the Group's total electricity requirements.

Electricity generated via own photovoltaic systems [MWh]



When purchasing energy, the Ringmetall Group pursues the approach of reducing the proportion of fossil fuels in the energy mix. Adjusted for the acquisitions made during the financial year, the purchase of electricity fell compared to the previous year. This is mainly due to a change in the product mix compared to the previous year.



As a result of the ongoing energy crisis, the Ringmetall Group suffered a setback in its efforts to reduce CO2 emissions.

*Energy consumption electricity [MWh]*



Emissions from the purchase of electricity increased by 5.5 percent compared to the previous year due to a change in the electricity mix. 39.7 percent of the electricity purchased by the production sites in the reporting period came from renewable energy sources. This is mainly due to

the conversion of an electricity contract at a German production site. In the case of contracts that expired or were terminated in the financial year, security of supply at predictable prices was the primary criterion. As a result, the electricity mix purchased changed to the detriment of CO2 emissions

The aim for subsequent years is to reduce the CO2 footprint again. In the past financial year, one of the 19 production sites obtained all of its energy and a further four sites obtained more than half of their energy from renewable sources.

**FIGHTING CORRUPTION**

Ringmetall has defined clear rules of conduct as part of the Code of Conduct in order to protect the company from corruption in the best possible way. These are implemented throughout the Group, whereby individual measures are always adapted to the respective national legal requirements. Benefits of any kind are prohibited within the Group if they are intended to influence decision-makers in an improper manner. This applies in particular to decision-makers of a government authority.

Ringmetall believes that corruption is not a trivial offense, but a very serious form of crime. In order to identify corruption and other forms of criminal behavior within the Group, Ringmetall introduced

a whistleblowing system in 2021 via a leading external provider. It is intended to enable employees and external third parties to report observed grievances such as corruption, abuse of office, discrimination or harassment to the Group. An anonymized channel ensures the greatest possible protection for the whistleblower.

Similar to the human rights analysis, Ringmetall also carried out a corruption analysis of the supplier countries for the first time in 2023. The procedure will be repeated for customer countries in the following year. The results of the analysis will then be incorporated into the design of anti-corruption measures.

# STAKEHOLDER MANAGEMENT



Ringmetall communicates openly and transparently with its internal and external stakeholders and actively seeks regular exchanges 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-specific. The exchange with employees, customers, suppliers, the media and the capital market takes place very regularly. At clearly defined intervals, company representatives discuss current company developments, answer questions and gather criticism and suggestions, from which concrete measures can then be taken to consistently develop Ringmetall further. In addition, the company is also in contact with representatives of non-profit organizations and politicians. Ringmetall continues to develop the exchange with its stakeholders in order 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 in the entire combined management report in the sections "The Ringmetall Group - Business Model and Structure", "The Ringmetall Group - Competitive Strengths and Market Entry Barriers" and "Compliance and Sustainability Report" and here under "Non-financial statement". 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 barriers" and "Compliance and sustainability report" including the annex to the EU taxonomy and the "Non-financial statement" were not part of the audit of the management report.

### EU taxonomy

An important objective of the action plan for financing sustainable growth ("Sustainable Finance") as part of the European "Green Deal" is to redirect capital flows into sustainable investments. Against this backdrop, the EU Taxonomy Regulation (EU 2020/852) came into force in mid-2020. As a standardized and legally binding classification system, it is intended to determine which economic activities in the EU are considered taxonomy-compliant and therefore "environmentally sustainable" with regard to six environmental objectives defined by the regulation (climate change mitigation, 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 have to prepare a non-financial statement are obliged to apply them. According to Article 8 of the Taxonomy Regulation, the taxonomy-compliant shares of environmentally sustainable economic activities in

revenue, investments and operating expenses must be reported annually.

For the 2023 financial year, information on the taxonomy conformity and capability of the environmental protection and climate change adaptation objectives must be provided; with regard to the other four environmental objectives, the assessment of taxonomy capability is sufficient. Revenues, capital expenditure (CapEx) and operating expenses (OpEx) are reported according to their respective target allocation.

### Analysis of the taxonomy capability

Both product areas of Ringmetall, closure systems and liners, protect both the products from the environment and the environment from the products. The list of potentially taxonomy-eligible activities was analyzed on the basis of economic activities. In the area of revenue and operating expenses, no revenue and expenses in accordance with the categories of the EU taxonomy could be identified.

	Taxonomy capable, but not Taxonomy capable	Taxonomy compliant	Not taxonomy capable
Revenue	0 %	0 %	100 %
Capital Expenditures (CapEx)	12 %	1 %	87 %
Operational Expenditures (OpEx)	0 %	0 %	100 %

### Revenue

Revenue amounted to EUR 181.6 million in 2023. The total forms the denominator under the EU Taxonomy Regulation. The sum of taxonomy-eligible revenue forms the numerator. No taxonomy-eligible revenue was identified for the past financial year.

In-depth analyses of individual sales are planned for subsequent years, particularly in the area of the environmental objective of the circular economy.

### **Capital expenditure (CapEx)**

The denominator of investment expenditure is the sum of additions to Group property, plant and equipment, intangible assets and leases. Additions to the scope of consolidation are not taken into account. In total, the denominator for 2023 is investments amounting to EUR 6.8 million. The sum of the taxonomy-eligible capital expenditure results in the numerator. Ringmetall made investments in 2023 that belong to the groups 4.1 Power generation using photovoltaic technology, 6.3 Transportation by motorcycles, passenger cars and light commercial vehicles, 7.3 Installation, maintenance and repair of energy-efficient appliances. All investments other than those relating to 6.3 Transport by motorbikes, passenger cars and light commercial vehicles can contribute to climate protection.

### **Operating expenses (OpEx)**

Operating expenses consist of expenses for building renovation measures, maintenance and repair of property, plant and equipment and short-term leasing obligations. The sum of these expenses is the denominator. In the numerator, the taxonomy-eligible costs are recognized.

### **Analysis of taxonomy conformity**

Turnover and expenditure are only considered taxonomy-compliant if they make a significant contribution to the implementation of one or more environmental objectives and at the same time do not compromise any of the environmental objectives. The final step is to check whether the minimum level of protection can be met.

#### *Economic activity 4.1 Power generation with photovoltaic technology*

The planned photovoltaic system was installed at Nittel in 2023. The investment costs amounted to

EUR 633 thousand. The system supports Nittel in expanding the use of climate-neutral energy resources.

#### *Economic activity 6.3 Transportation by motorcycles, passenger cars and light commercial vehicles*

The Group prefers to lease taxonomy-compliant vehicles. Due to a lack of information regarding taxonomy compliance, the vehicles could not be identified as compliant.

#### *Economic activity 7.3 Installation, maintenance and repair of energy-efficient appliances*

To improve energy management, a heat recovery system was installed at Nittel at an investment cost of EUR 205 thousand, which allows the waste heat from the machines to be used efficiently in the subsequent production process. No climate-damaging coolants or similar substances are used in the machine.

### **Minimum protection**

The recommendations of the Platform on Sustainable Finance with regard to human rights, anti-corruption, fair competition and taxes are taken into account when assessing minimum protection. The minimum protection requirements are communicated internally through a separate Code of Conduct and externally through a Code of Conduct for Suppliers. In addition, the Ringmetall Group's whistleblower reporting system, to which internal and external persons can submit reports of potential violations, provides a further building block for compliance with the minimum protection requirements. Group-wide risk analyses and precautionary measures, e.g. recording working hours and training, are carried out at regular intervals.

The corresponding tables are attached to the combined management report.



# ECONOMIC REPORT

## OVERALL ECONOMIC SITUATION

In its report on the economic situation in Germany in January 2024, the Federal Ministry for Economic Affairs and Climate Protection (BMWK) assumes that the phase of economic weakness will continue at the turn of the year 2023/24. After a price, seasonally and calendar-adjusted decline in gross domestic product (GDP) at the end of 2023, current early indicators do not yet point to a rapid economic recovery. According to the BMWK, the decline in GDP for 2023 as a whole was 0.3 percent. However, with a downward trend in inflation, rising real wages and a gradual recovery in the global economy, key negative factors for the German economy should ease over the course of this year and a recovery driven primarily by the domestic economy should set in. Incoming domestic orders have recently shown signs of stabilizing in key areas. However, weak foreign demand, particularly from the eurozone, continues to weigh on the economy. The economy is not expected to recover until later in the year, when there is a domestic economic upturn and exports pick up again.

According to the International Monetary Fund (IMF), the global economic recovery from the COVID-19 pandemic, Russia's invasion of Ukraine and the cost of living crisis is proving surprisingly resilient, according to the World Economic Outlook of January 2024. Inflation is falling faster than expected from its peak in 2022, with the impact on employment and economic activity being lower than expected. This reflected favorable supply-side developments and central bank tightening, which had kept inflation expectations at a firm level. High interest rates to combat inflation and reduced fiscal support in light of high debt levels are likely to weigh on growth in 2024. Global growth is expected to be 3.1 percent in

2024 and 3.2 percent in 2025. However, the forecast for 2024/25 is below the historical (2000 – 2019) average of 3.8 percent, as the higher interest rate environment and lower government subsidies are weighing on economic activity and the underlying productivity growth is low. Inflation is falling faster than expected in most regions as supply-side problems and tight monetary policy have been overcome. Overall global inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025.

In terms of sectors, companies in the chemical and pharmaceutical industries represent the largest end user group of the Ringmetall Group's products. In its World Chemistry Report of February 2024, the German Chemical Industry Association (VCI) described the global production trend for chemicals in December as stagnating. Positive impetus would come primarily from Asia. Production capacities are being expanded. In America and especially in Europe, the situation remained tense at the end of the year. The global production trend for pharmaceuticals has recently declined slightly, although it is still at a high level. Demand for pharmaceuticals remained stable. Global production of chemicals and pharmaceuticals increased by 2.3 percent in 2023, while it declined by 0.3 percent in Europe.

## BUSINESS PERFORMANCE OF THE GROUP

The following analysis of the Ringmetall Group's business performance relates to the consolidated financial statements as at 31 December 2023, which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

### Business performance in 2023

The 2023 financial year proved to be challenging for the Ringmetall Group. For much of the year, the company was confronted with declining demand for our products due to the economic situation. Group revenue fell by 15.0 percent to EUR 181.6 million (2022: EUR 213.5 million). The revenue growth from the acquisitions of Protective Lining in the USA and IDF and Liner Factory in Germany was offset by a double-digit percentage decline in steel prices which is leading to a decline in sales at Ringmetall due to the dependence of sales prices on the price of steel. The weakened economic environment, particularly in the second half of 2023, was also reflected in subdued demand from key customer industries, especially the chemical industry. The sale of the Group subsidiary HSM as at 30 June 2023 was also reflected in a lower revenue base in the second half of 2023. There were also one-off deconsolidation effects of EUR -4.6 million in connection with the sale of HSM.

Earnings before interest, taxes, depreciation and amortization (EBITDA) fell disproportionately by 32.3 percent to EUR 19.2 million

(2022: EUR 28.3 million). The EBITDA margin in relation to total operating performance therefore fell to 10.6 percent after 13.1 percent in the previous year.

### Comparison with forecast

On 7 February 2023, the company published its guidance for the full year 2023, in which it assumed Group revenue of between EUR 195 million and EUR 220 million with EBITDA of between EUR 22 million and EUR 28 million. As this guidance was published - as usual - on the basis of raw material prices and exchange rates as at 31 December of the previous year and excluding the effects of M&A transactions, the company published a new guidance on 30 June 2023 following the sale of the Group subsidiary HSM. This included the effects from the transactions of the year (the acquisition of Protective Lining, the acquisition of Liner Factory and the sale of HSM) as well as the effects from the change in the relevant raw material prices and exchange rates from the first half of the year and also reflected the current economic situation. Accordingly, the Management Board now forecasts Group revenue in the range of EUR 175 to 195 million with EBITDA in the range of EUR 13 to 18 million for the 2023 financial year.

At EUR 181.6 million, Group revenue was in the lower half of the adjusted forecast range. At EUR 19.2 million, EBITDA was slightly above the adjusted forecast range.

	Forecast from 07.02.2023	Forecast from 30.06.2023	Business performance 2023
Group revenue	195 - 220 Mio. EUR	175 - 195 Mio. EUR	181.6 Mio. EUR
Group EBITDA	22 - 28 Mio. EUR	13 - 18 Mio. EUR	19.2 Mio. EUR



### Development in the business divisions

At EUR 173.3 million, revenue in the Industrial Packaging division was down 12.1 percent on the previous year (2022: EUR 197.2 million). The growth in revenue from the acquisitions of Protective Lining on 6 January 2023 and Liner Factory on 1 June 2023 and the containment solutions business of IDF on 1 November 2023 in the Liner product area was offset by a significant decline in raw material prices, primarily steel prices. The weakened economic environment was also reflected in an organic decline in revenue in all product areas.

Against the backdrop of consistent cost management, which included a significant reduction in temporary employment contracts, as well as a slightly positive earnings contribution from the acquired companies, EBITDA fell by 11.6 percent to EUR 26.8 million (2022: EUR 30.3 million). At 15.6 percent, the EBITDA margin in relation to total operating performance was slightly above the previous year's level (2022: 15.2 percent).

The Industrial Packaging division's share of Group revenue amounted to 95.4 percent in 2023 (2022: 92.4 percent).

The Industrial Handling segment was closed with the sale of the subsidiary HSM on 30 June 2023. Accordingly, segment revenue fell by 49.4 percent to EUR 8.3 million (2022: EUR 16.3 million).

From a purely operational perspective, the division's sales performance in the first half of the year was also characterized by the challenging economic environment.

EBITDA was similarly significantly lower at EUR 0.5 million (2022: EUR 1.1 million). The one-off deconsolidation effects of EUR -4.6 million

arising in connection with the sale reduced earnings at Group level.

The division's share of Group revenue amounted to 4.6 percent (2022: 7.6 percent).

## RESULTS OF OPERATIONS OF THE GROUP

### CONSOLIDATED INCOME STATEMENT

	2023		2022		Change	
	EUR '000	%	EUR '000	%	EUR '000	%
<b>Group revenue</b>	<b>181,584</b>	<b>100.8</b>	<b>213,511</b>	<b>98.6</b>	<b>-31,927</b>	<b>-15.0</b>
Change in inventories of finished goods and work in progress	-1,423	-0.8	3,024	1.4	-4,447	-147.1
Total output	180,161	100.0	216,535	100.0	-36,374	-16.8
Other income	1,105	0.6	2,626	1.2	-1,521	-57.9
Cost of raw materials and supplies	84,641	47.0	118,062	54.5	-33,421	-28.3
Cost of purchased services	5,268	2.9	6,758	3.1	-1,490	-22.0
Personnel expenses	47,672	26.5	46,104	21.3	1,568	3.4
Other operating expenses	24,529	13.6	19,937	9.2	4,592	23.0
<b>EBITDA</b>	<b>19,156</b>	<b>10.6</b>	<b>28,300</b>	<b>13.1</b>	<b>-9,144</b>	<b>-32.3</b>
Depreciation and amortization	7,867	4.4	7,017	3.2	850	12.1
<b>EBIT</b>	<b>11,289</b>	<b>6.3</b>	<b>21,283</b>	<b>9.8</b>	<b>-9,994</b>	<b>-47.0</b>
Financial income	86	0.0	4	0.0	82	2,050.0
Financial expense	1,767	1.0	733	0.3	1,034	141.1
<b>Financial result</b>	<b>-1,681</b>	<b>-0.9</b>	<b>-729</b>	<b>-0.3</b>	<b>-952</b>	<b>130.6</b>
<b>Net income for the year from continuing operations before taxes</b>	<b>9,608</b>	<b>5.3</b>	<b>20,554</b>	<b>9.5</b>	<b>-10,946</b>	<b>-53.3</b>
Income tax expense	3,278	1.8	4,634	2.1	-1,356	-29.3
<b>Consolidated net income for the year</b>	<b>6,330</b>	<b>3.5</b>	<b>15,920</b>	<b>7.4</b>	<b>-9,590</b>	<b>-60.2</b>

**Group revenue** declined by -15.0 percent to EUR 181.6 million in the past financial year (2022: EUR 213.5 million). The decline is mainly due to a drop in demand caused by the economic situation, which affected all of the company's product areas. The discontinuation of HSM in the second half of the year also contributed to the decline in revenue. The **Germany** region accounted for EUR 55.9 million or 30.8 percent of total **Group revenue** (2022: EUR 69.1 million, 32.4 percent).

74.9 million or 41.2 percent of Group revenue were generated in markets **outside Germany and the USA (2022: EUR 84.4 million, 39.5 percent)**. The USA accounted for EUR 50.8 million in revenue, which corresponds to 28.0 percent of Group revenue (2022: EUR 60.0 million, 28.1 percent).

Against the backdrop of a reduction in inventories, **total output** fell slightly disproportionately. It

declined by -16.8 percent to EUR 180.2 million (2022: EUR 216.5 million).

The **cost of materials**, i.e. the sum of raw materials, consumables and supplies as well as purchased services, fell by 28.0 percent to EUR 89.9 million (2022: EUR 124.8 million) against the backdrop of the lower total output. The cost of materials thus amounted to 49.9 percent of total output (2022: 57.6 percent). The disproportionately large decline in the cost of materials in relation to revenue is mainly due to falling raw material prices, particularly in relation to steel.

At EUR 47.7 million, **personnel expenses** including purchased services for temporary workers were 3.4 percent higher (2022: EUR 46.1 million). Against the backdrop of the cyclical slowdown in demand, the company significantly reduced the number of temporary workers in the course of 2023, although the acquisitions also added employees. On the other hand, savings in the permanent workforce were not made - also in light of the general shortage of skilled workers - in order to be able to quickly increase production again at any time if demand returns to normal. As a result, the ratio of personnel expenses to total output increased to 26.5 percent (2022: 21.3 percent).

At EUR 24.5 million, **other operating expenses** were 23.0 percent higher than in the previous year (2022: EUR 19.9 million). The increase was significantly influenced by the acquisitions of Protective Lining, Liner Factory and IDF, which were completed in the 2023 financial year, as well as the sale of HSM and the associated closure of the Industrial Handling division at EUR 4.6 million. Other expenses thus amounted to 13.6 percent of total output (2022: 9.2 percent).

Earnings before interest, taxes, depreciation and amortization (**EBITDA**) fell by 32.3 percent to

EUR 19.2 million (2022: EUR 28.3 million), mainly due to the aforementioned expenses for corporate transactions. The EBITDA margin as a percentage of total revenue decreased to 10.6 percent (2022: 13.1 percent) due to the effects described above.

Depreciation and amortization increased by 12.1 percent to EUR 7.9 million in 2023 (2022: EUR 7.0 million). The increase is mainly due to the aforementioned corporate transactions and the investments made. At EUR 11.3 million, earnings before interest and taxes (**EBIT**) were 47.0 percent down on the previous year (2022: EUR 21.3 million).

At EUR -1.7 million, the **financial result** in the past financial year was significantly more negative than in the previous year (2022: EUR -0.7 million). The company finances its company acquisitions from cash flow and loans without fixed interest rates. Against the backdrop of a significantly increased interest rate environment and rising loans, interest expenses also increased noticeably in the past fiscal year.

In addition to interest income and interest expenses, the financial result also includes foreign currency effects in connection with financing.

At EUR 9.6 million, **earnings before taxes** in the reporting year were 53.3 percent lower than in the previous year (2022: EUR 20.6 million). After deducting income taxes, **consolidated net income for the year** was 60.2 percent lower at EUR 6.3 million (2022: EUR 15.9 million).

Based on the total number of 29,069,040 shares outstanding, this resulted in **earnings per share of** EUR 0.20 for the 2023 financial year (2022: EUR 0.52).

## FINANCIAL POSITION OF THE GROUP

### CONSOLIDATED BALANCE SHEET (ASSETS)

ASSETS	31.12.2023		31.12.2022		Change	
	EUR '000	%	EUR '000	%	EUR '000	%
Intangible assets	6,075	4.6	3,707	2.8	2,368	63.9
Goodwill	35,918	27.2	34,137	26.0	1,781	5.2
Property, plant and equipment	35,141	26.6	35,332	26.9	-191	-0.5
Other non-current assets	375	0.3	286	0.2	89	31.1
Deferred tax assets	1,295	1.0	1,104	0.8	191	17.3
<b>Total non-current assets</b>	<b>78,804</b>	<b>59.7</b>	<b>74,566</b>	<b>56.8</b>	<b>4,238</b>	<b>5.7</b>
Inventories	19,141	14.5	25,721	19.6	-6,580	-25.6
Trade receivables	23,473	17.8	21,282	16.2	2,191	10.3
Contract assets	326	0.2	354	0.3	-28	-7.9
Other current assets	3,266	2.5	1,068	0.8	2,198	205.8
Current tax receivables	188	0.1	231	0.2	-43	-18.6
Cash and bank balances	6,784	5.1	8,119	6.2	-1,335	-16.4
<b>Total current assets</b>	<b>53,178</b>	<b>40.3</b>	<b>56,775</b>	<b>43.2</b>	<b>-3,597</b>	<b>-6.3</b>
<b>Total assets</b>	<b>131,982</b>	<b>100.0</b>	<b>131,341</b>	<b>100.0</b>	<b>641</b>	<b>0.5</b>

## CONSOLIDATED BALANCE SHEET (LIABILITIES)

EQUITY AND LIABILITIES	31.12.2023		31.12.2022		Change	
	EUR '000	%	EUR '000	%	EUR '000	%
Share capital	29,069	22.0	29,069	22.1	0	0.0
Capital reserves	16,664	12.6	16,664	12.7	0	0.0
Currency translation differences recognized outside profit or loss	-460	-0.3	470	0.4	-930	-197.9
Revaluation of severance payment obligations and others	164	0.1	173	0.1	-9	-5.2
Retained earnings	32,936	25.0	30,024	22.9	2,912	9.7
Non-controlling interests	844	0.6	1,064	0.8	-220	-20.7
<b>Total equity</b>	<b>79,217</b>	<b>60.0</b>	<b>77,464</b>	<b>59.0</b>	<b>1,753</b>	<b>2.3</b>
Provisions for post-employment benefits	1,115	0.8	760	0.6	355	46.7
Other provisions	63	0.0	172	0.1	-109	-63.4
Financial liabilities	19,209	14.6	21,357	16.3	-2,148	-10.1
<i>Thereof liabilities from leases</i>	<i>6,719</i>	<i>5.1</i>	<i>8,661</i>	<i>6.6</i>	<i>-1,942</i>	<i>-22.4</i>
Deferred tax liabilities	2,285	1.7	2,262	1.7	23	1.0
<b>Total non-current liabilities</b>	<b>22,672</b>	<b>17.2</b>	<b>24,551</b>	<b>18.7</b>	<b>-1,879</b>	<b>-7.7</b>
Other provisions	4,846	3.7	5,626	4.3	-780	-13.9
Current tax liabilities	1,465	1.1	1,816	1.4	-351	-19.3
Financial liabilities	12,091	9.2	8,638	6.6	3,453	40.0
<i>Thereof liabilities from leases</i>	<i>1,813</i>	<i>1.4</i>	<i>2,391</i>	<i>1.8</i>	<i>-578</i>	<i>-24.2</i>
Trade payables	9,305	7.1	10,713	8.2	-1,408	-13.1
Other liabilities	2,386	1.8	2,533	1.9	-147	-5.8
<b>Total current liabilities</b>	<b>30,093</b>	<b>22.8</b>	<b>29,326</b>	<b>22.3</b>	<b>767</b>	<b>2.6</b>
<b>Total liabilities</b>	<b>52,765</b>	<b>40.0</b>	<b>53,877</b>	<b>41.0</b>	<b>-1,112</b>	<b>-2.1</b>
<b>Total equity and liabilities</b>	<b>131,982</b>	<b>100.0</b>	<b>131,341</b>	<b>100.0</b>	<b>641</b>	<b>0.5</b>

The Group's **total assets** increased only marginally by 0.5 percent to EUR 132.0 million as at 31 December 2023 (31 December 2022: EUR 131.3 million). **Intangible assets** increased by EUR 2.4 million to EUR 6.1 million (31 December 2022: EUR 3.7 million). This corresponds to an increase of 63.9 percent compared to the previous year. This is due to the company's acquisitions.

**Goodwill** increased by EUR 1.8 million to EUR 35.9 million (31 December 2022: EUR 34.1 million). This corresponds to an increase of 5.2 percent. This change is also largely attributable to the Corporate acquisitions. **Property, plant and equipment** of EUR 35.1 million (31 December 2022: EUR 35.3 million) is almost unchanged compared to the previous year.

**Deferred tax assets** increased from EUR 1.1 million in the previous year to EUR 1.3 million. This is mainly due to the increase in loss carryforwards. Total **non-current assets** therefore increased by 5.7 percent to EUR 78.8 million (31 December 2022: EUR 74.6 million).

Total **current assets** fell by 6.3 percent from EUR 56.8 million in the previous year to EUR 53.2 million. This was due to the 25.6 percent decrease in **inventories** to EUR 19.1 million (31 December 2022: EUR 25.7 million), primarily in the area of raw materials and supplies and unfinished products. This is due to inventory reduction effects and the sale of HSM. **Trade receivables** increased by EUR 2.2 million to EUR 23.5 million (31 December 2022: EUR 21.3 million). This is mainly due to the expansion of the scope of consolidation and extensions of payment terms in the USA. **Contract assets** decreased slightly by EUR 0.1 million to EUR 0.3 million (31 December 2022: EUR 0.4 million) due to the reduction in customers' consignment warehouses. **Other current assets** increased by EUR 2.2 million to EUR 3.3 million (31 December 2022: EUR 1.1 million). This is mainly due to advance payments for machines in the Liner product area. **Current tax receivables of EUR 0.2 million** (31 December 2022: EUR 0.2 million) have hardly changed compared to the previous year. **Cash** and cash equivalents of EUR 6.8 million (31 December 2022: EUR 8.1 million) decreased by 16.4 percent due to the expansion of the scope of consolidation as a result of acquisitions

At EUR 79.2 million, **Total equity** was up 2.3 percent on the previous year (31 December 2022: EUR 77.5 million), which is mainly attributable to the group's profit carryforward. Despite an increase in total assets, the **equity ratio rose** by 1.0 percent to 60.0 percent (31 December 2022: 59.0 percent).

The **long-term liabilities** decreased significantly, primarily due to the reduced long-term leasing obligations from EUR 24.6 million to EUR 22.7 million as of December 31, 2023, representing a decrease of 7.7 percent. **Pensions and similar provisions** increased by 46.7 percent to EUR 1.1 million (31 December 2022: EUR 0.8 million) due to the expansion of the scope of consolidation. **Deferred tax liabilities** of EUR 2.3 million (31 December 2022: EUR 2.3 million) remained almost unchanged. **Current liabilities** increased by 2.6 percent to EUR 30.1 million (31 December 2022: EUR 29.3 million). This was due to an increase in liabilities to banks as part of the acquisitions. This was offset by the 13.9 percent decrease in **other provisions** to EUR 4.8 million (31 December 2022: EUR 5.6 million). **Current tax liabilities** also decreased by 19.3 percent to EUR 1.5 million (31 December 2022: EUR 1.8 million). **Trade payables** decreased by 13.1 percent to EUR 9.3 million (31 December 2022: EUR 10.7 million) due to a lower purchasing volume as a result of demand. **Other liabilities** decreased only marginally by 5.8 percent to EUR 2.4 million (31 December 2022: EUR 2.5 million).



EXTRUDER 10

EXTRUDER 11

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## FINANCIAL POSITION OF THE GROUP

### CONSOLIDATED CASH FLOW STATEMENT

	2023	2022	Change	
	EUR '000	EUR '000	EUR '000	%
<b>Cash flow from operating activities</b>	<b>22,134</b>	<b>18,439</b>	<b>3,695</b>	<b>20.0</b>
Inflows from the disposal of property, plant and equipment	201	179	22	12.3
Outflows for investments in property, plant and equipment/ intangible assets	-3,960	-2,642	-1,318	49.9
Outflows for additions to the scope of consolidation	-14,831	-4,820	-10,011	207.7
<b>Cash flow from investing activities</b>	<b>-18,590</b>	<b>-7,283</b>	<b>-11,307</b>	<b>155.3</b>
Inflows from the borrowing of financial loans	8,806	6,069	2,737	45.1
Inflows/Outflows from financial loans, leasing and interest	-10,362	-10,362	0	0.0
Outflows for dividends	-3,556	-3,260	-296	9.1
<b>Cash flow from financing activities</b>	<b>-5,112</b>	<b>-7,553</b>	<b>2,441</b>	<b>-32.3</b>
Cash-effective change in cash and cash equivalents (Subtotal from the above cash flows)	-1,568	3,603	-5,171	-143.5
Effect of exchange rates	-198	-82	-116	141.5
Changes in cash and cash equivalents due to changes in the scope of consolidation	431	25	406	1624.0
<b>Cash and cash equivalents 1 January</b>	<b>8,119</b>	<b>4,573</b>	<b>3,546</b>	<b>77.5</b>
<b>Cash and cash equivalents 31 December</b>	<b>6,784</b>	<b>8,119</b>	<b>-1,335</b>	<b>-16.4</b>
thereof cash and cash equivalents	6,784	8,119	-1,335	-16.4
thereof current liabilities to bank	0	0	0	

**Cash flow from operating activities** amounted to EUR 22.1 million, up 20.0 percent on the previous year (2022: EUR 18.4 million). To this cash inflow, the EBITDA of 19.2 million EUR as well as the reduction of inventories have contributed.

At EUR -18.6 million, **cash flow from investing activities** was 155.3 percent higher than in the previous year (2022: EUR -7.3 million) and was primarily due to the expansion of the scope of consolidation with Protective Lining, IDF and Liner Factory as well as investments in machinery.

At EUR -5.1 million, **cash flow from financing activities** was 32.3 percent below the previous year (2022: EUR -7.6 million). It was mainly characterized by the raising of funds in the amount of EUR 8.8 million (2022: EUR 6.1 million), loan repayments in the amount of EUR 6.2 million and the dividend distribution of EUR 3.6 million.

**Cash and cash equivalents as at 31 December** decreased by 16.4 percent to EUR 6.8 million as at the reporting date (2022: EUR 8.1 million) as a result of the effects described above.



The Group was able to meet its payment obligations at all times. The Management Board considers the development of the net assets,

financial position and results of operations to be very good overall, in line with its expectations.

## INVESTMENTS

The most significant investments in the reporting year included

- Acquisition Protective Lining at EUR 6.7 million
- Acquisition Liner Factory at EUR 6.0 million
- Acquisition IDF (containment) at EUR 2.3 million

- Purchase of a solar plant at EUR 0.6 million

The investments were all made in the Industrial Packaging division and financed from current cash flow and by taking out loans.

## INTERNAL MANAGEMENT SYSTEM /

### FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

The Ringmetall Group has an internal management information system for planning, controlling and reporting. The management information system ensures transparency regarding current business developments and guarantees permanent comparison with corporate planning.

The planning calculation covers a period of three years, of which the first year is planned in great detail. In addition to the corporate strategy, sales and EBITDA are the key benchmarks for operational management. Accordingly, sales and EBITDA are the key financial performance indicators.

No key financial and non-financial performance indicators have been defined in relation to Ringmetall SE. Instead, the Group's performance indicators are also used for the planning, management and reporting of Ringmetall SE.

For a comparison of the guidance with actual business performance, please refer to the comments in the earnings position, net assets and forecast report with regard to the most important financial performance indicators of sales and EBITDA.

Customer satisfaction with regard to product quality and service is of fundamental importance to Ringmetall and is 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. This defines central specifications for the systems, carries out internal quality audits and monitors training measures. Thanks to these measures, the complaints rate for the closure systems product area was kept well below 0.1 percent in the reporting year. This includes complaints caused by preliminary products and/or external services. In the liner product area, the complaint rate remained constant at 0.5 percent in the reporting year compared to the previous year and is therefore in line with planning.

Another non-financial performance indicator is the number of employees (full-time equivalent, FTE). In the 2023 financial year, the Industrial Packaging division employed an average of 843 people (previous year: 766) and the Industrial Handling

division employed 24 people (previous year: 48). The decline in the Industrial Handling business division is due to the sale of the Group subsidiary HSM as at 30 June 2023. There are also other key figures, including employee turnover, which are set in the context of external influencing factors. These are, for example, location-related macroeconomic

## OVERALL STATEMENT

In 2023, the recovery of the global economy from the COVID-19 pandemic, Russia's invasion of Ukraine and the cost of living crisis proved to be surprisingly resilient, according to the World Economic Outlook of January 2024. In Europe and Germany, however, the return to pre-crisis levels is less dynamic than in most other regions of the world, especially compared to the USA. In terms of sectors, growth in the key customer industries of chemicals and pharmaceuticals is set to decline significantly and stagnate in 2023 compared to previous years.

Accordingly, the 2023 financial year proved to be challenging for the Ringmetall Group. For much of the year, the company was confronted with a noticeable decline in demand for its products. This trend only bottomed out towards the fourth quarter, with signs of recovery towards the end of the year. However, following the above-average performance in 2022, the company had anticipated a downward trend and initiated countermeasures to reduce costs at an early stage. Despite declines in sales and earnings, the company can therefore look back on a robust and, given the circumstances, satisfactory overall performance.

Group revenue declined by 15.0 percent to EUR 181.6 million (2022: EUR 213.5 million). The revenue growth from the acquisitions of Protective Lining in the USA and Liner Factory in Germany was offset by a double-digit percentage decline in steel prices. The weakened economic environment,

development trends. Overall, employee turnover in the Ringmetall Group can be classified as low.

The company continues to be confronted with the general problem of a shortage of skilled workers at numerous locations. This particularly affects sites located in economically strong regions, such as the German regions of Karlsruhe (Berg site).

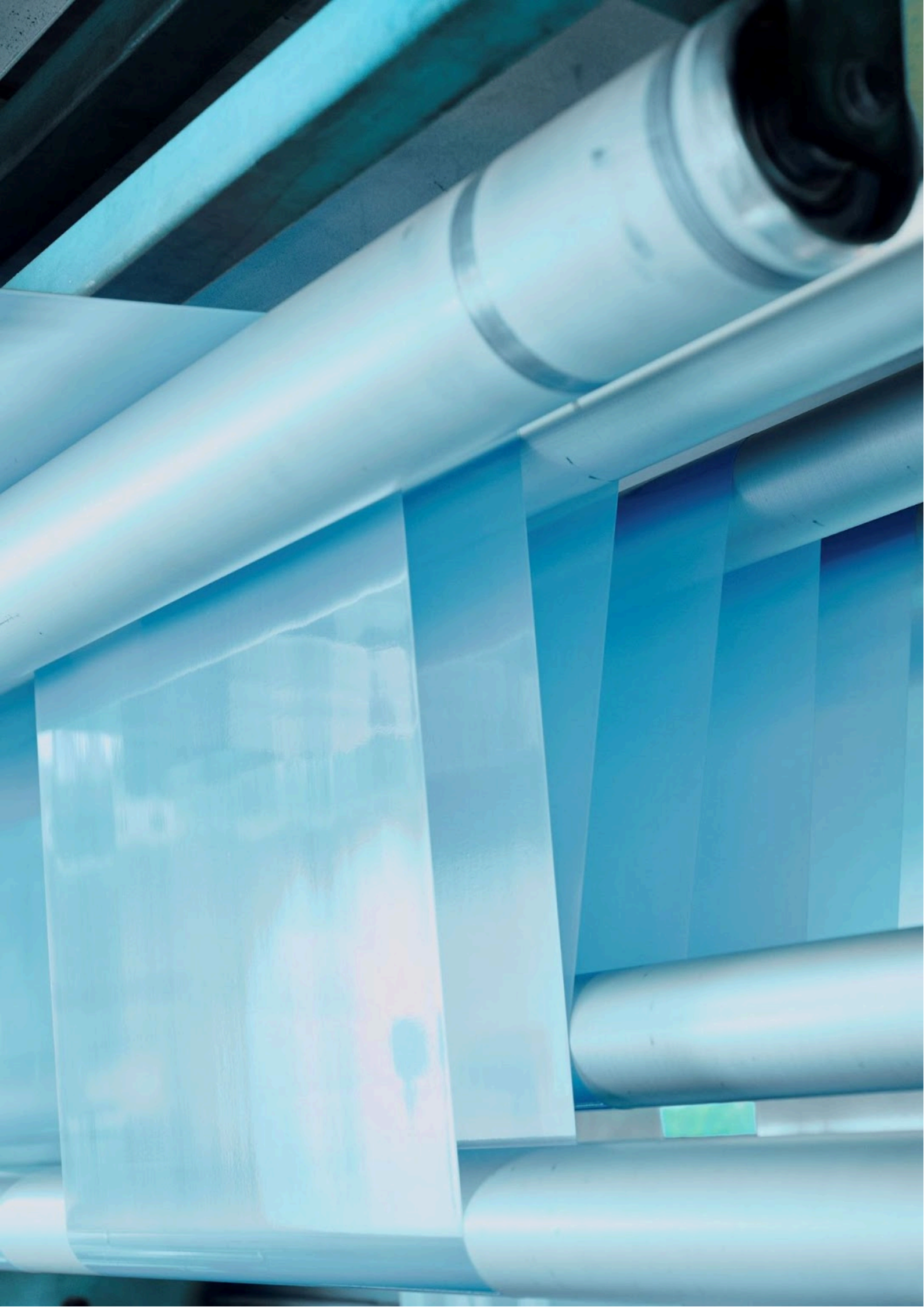
particularly in the second half of 2023, was also reflected in subdued demand from key customer industries, especially the chemical industry. The sale of the Group subsidiary HSM as at 30 June 2023 was also reflected in a lower revenue base in the second half of 2023. Adjusted for HSM's share of revenue in the 2022 and 2023 financial years, the year-on-year decline in revenue amounted to -12.1 percent.

At EUR 19.2 million, earnings before interest, taxes, depreciation and amortization (EBITDA) were 32.3 percent lower than in the previous year (2022: EUR 28.3 million), which corresponds to an EBITDA margin of 10.6 percent in relation to total output (2022: 13.1 percent). In connection with the sale of the Group subsidiary HSM as at 30 June 2023, there were one-off deconsolidation effects of EUR -4.6 million. From a purely operational perspective, EBITDA therefore declined only slightly more than Group revenue, although the company recorded a noticeable reduction in production capacity utilization. Against the backdrop of a shortage of skilled workers, the company decided against cutting back on its core workforce despite a lower order volume in order to be able to quickly increase production volumes again in view of an improved economic environment.

On 7 February 2023, the company published its guidance for the full year 2023, in which it assumed Group revenue of between EUR 195 million and EUR 220 million with EBITDA of between EUR 22 million and EUR 28 million. As this guidance was published - as usual - on the basis of raw material prices and exchange rates as at 31 December of the previous year and excluding the effects of M&A transactions, the company published a new guidance following the sale of Group subsidiary HSM on 30 June 2023. This included the effects from all three transactions of the year (the acquisitions of Protective Lining and Liner Factory, as well as the sale of HSM) as well as the effects from the change in the relevant raw material prices and exchange rates from the first

half of the year and also reflected the current economic situation. Accordingly, the Management Board is now forecasting Group revenue in the range of EUR 175 to 195 million with EBITDA in the range of EUR 13 to 18 million for the 2023 financial year. The business figures published in the consolidated financial statements are in the lower half of this range in terms of revenue and above the upper end of this range in terms of EBITDA.

Particularly in light of the generally challenging business environment, the Management Board considers the business development of Ringmetall SE and the Group to be good overall in the reporting period.



# OPPORTUNITY AND RISK REPORT

## Structure and processes of the opportunity and risk management system

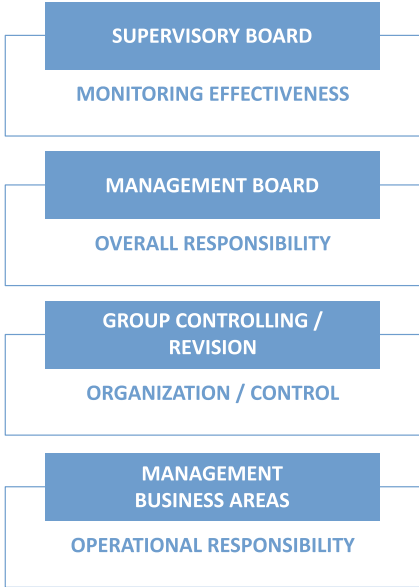
The Group's divisions are exposed to economic fluctuations and market cycles in the respective regions and industries. The Group-wide identification and analysis of opportunities and risks is therefore an elementary component of sustainable and responsible Group management and affects Ringmetall SE to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

The risk management system established throughout the Group was further developed in a targeted manner in 2023. In addition to even more intensive monitoring of selected key figures, bi-weekly conference calls were held with the managing directors of the subsidiaries. The software-based solution established within the Group was used for the risk assessment itself. The software provides clearly defined categories in order 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 at an early stage and manage them accordingly.

Potential positive deviations (opportunities) are analyzed and recorded separately using additional processes.

## Organization of risk management

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



## Risk reporting process

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

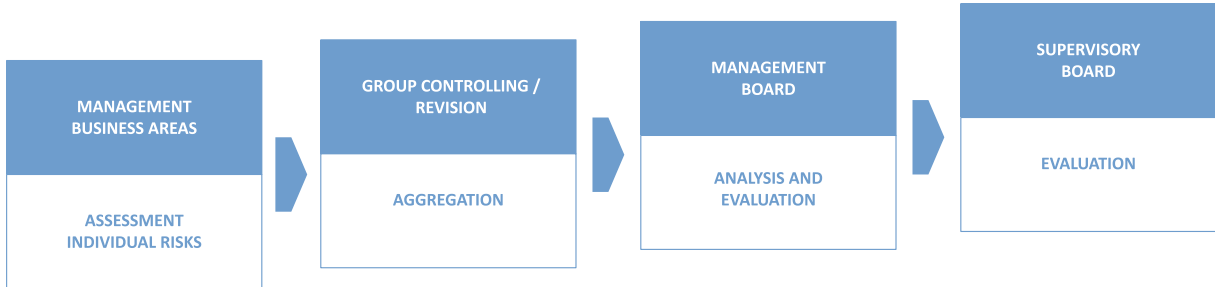
The management of the divisions determines and records the risks of the operating units using the software-based risk management system. As part of the recording process, an initial assessment is

made by assigning risks to predefined categories. The aggregation, further evaluation 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 carried out by the Management Board and then presented to the Supervisory Board.

In addition, acute risks from day-to-day operations with a high probability of occurrence and a high potential for damage are immediately communicated to Group Controlling and the Management Board. In line with the procedure described above, measures are then adopted to

limit and mitigate the risks identified in this way. The enhanced risk management 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 makes it possible to identify and assess significant risks at an early stage and then counter them with appropriate measures. Monthly reporting informs the respective managing directors and the Management Board about the status of the companies



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

As part of internal audits, audits are carried out at the individual companies on an ad hoc basis. Key components are the review of the recoverability,

valuation and completeness of balance sheet items as well as compliance with internal guidelines. This type of internal audit is carried out specifically at companies where the ERP system or merely the software for financial accounting 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.

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 on a gross basis, i.e. without taking into account possible or already implemented countermeasures. The scales for measuring the assessment criteria are illustrated below.

		Probability of occurrence					
Degree of potential impact	5	low	medium	medium	medium-high	high	high
	2	low	low	medium	medium-high	medium-high	high
	1	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
		1	2	3	4	5	6

	Probability of occurrence	Risk	Quantification
1	Unlikely	Once every 10 years	< 100 kEUR
2	Rarely	Once every 5 years	> 200 kEUR
3	Occasionally	Once every 2 years	> 500 kEUR
4	Regularly	Once a year	> 1,000 kEUR
5	Frequently	Twice a year	> 2,000 kEUR
6	Very frequently	Monthly	> 5,000 kEUR

**Treatment and monitoring of risks**

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

The assessment of effectiveness and therefore the monitoring of the respective countermeasures is the responsibility of those responsible. In addition

to documentation as part of the next risk assessment, information is provided at management meetings if there is a significant negative change to the previous assessment.

**Key features of the internal control and risk management system in relation to the Group accounting process**

The internal control system ("ICS") is a central component of the Ringmetall Group's group-wide control system in relation to accounting. 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. The existing control processes and systems in the area of IT are also being optimized through ongoing centralization. The central Group ERP system, which has already been introduced at most subsidiaries, is also being continuously developed and implemented at other subsidiaries. Access authorizations are clearly regulated and monitored centrally. The Group also uses the expertise of selected external specialists in the area of IT.

The individual financial statements are usually prepared and reported to the central finance department by the accounting departments of the national companies. In some cases, these are supported by local, external specialists. The central finance department of the Ringmetall Group issues corresponding regulations and guidelines.

To prepare the consolidated financial statements, the data reported by the individual companies is imported into a consolidation tool. The reported financial statements are reviewed by Group

headquarters. If necessary, adjustments are made to the accounting guidelines of the Ringmetall Group. By means of these systems and controls, Ringmetall ensures with reasonable certainty that the Group accounting process complies with the law.

The central finance department of the Ringmetall Group monitors liquidity, interest rate and currency risks across the Group. The head office is also responsible for ensuring liquidity. Appropriate hedging transactions are concluded as required to reduce the interest rate risk for variable-interest loans. Forward exchange transactions are only concluded 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 with financial instruments are used for speculative purposes.

#### **Total risk**

The number of individual risks remained unchanged compared to the end of 2022. In the classification, the "medium-high" risk class has increased by one individual risk and, in turn, the "medium" risk class has decreased by one individual risk. Risk management therefore continues to be successful. The Ringmetall Group's risk situation is virtually unchanged compared to 2022.

Ringmetall regularly conducts reviews with regard to general risks that could arise from general changes in the market, the customer and supplier environment or adjustments in regulatory areas. 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 lasting impact on the Group result over a period of twelve months. These risks were assessed as "high", "medium-high" or "medium" in the analysis. Unless specifically mentioned, the assessment of a potential impact on the assets, financial and earnings position has changed only insignificantly compared to the previous year.

#### **General market risk**

A market risk arises if the overall economic and/or sector-specific development is negative compared to the planning or forecast. Periodic fluctuations in macroeconomic activity can also have an impact on the global transportation of goods, among other things. The outbreak of the pandemic, the Russian war of aggression in Ukraine, signs of recession and high inflation have 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 stronger tendency to postpone investments or even cancel them altogether. There may also be customer consolidations or even customer insolvencies within some industries. The strategy pursued by the Ringmetall Group's Management Board of broadening the product portfolio, albeit with a focus on the packaging industry, is having a stabilizing effect on the Group's overall development, particularly in times of crisis. Care is also always taken to design cost structures in such a way that it is possible to react to fluctuations in demand. Nevertheless, a sustained decline in sales would have a negative impact on earnings.

The invasion of sovereign Ukraine by Russian forces in February 2022 has left a clear mark on the global economy. The European Union and its partners



have imposed numerous sanctions against Russia - further sanctions cannot be ruled out at present. The significant escalation of the Middle East conflict between Israel and Palestine is also leading to an increase in risks at a global political level. Risks from cyber attacks are also to be expected.

However, the Ringmetall Group's market activities in these countries are manageable, meaning that the company expects to be able to compensate for any sales losses relatively easily. In contrast, it can be assumed that a further increase in energy and logistics costs will be felt as a result of armed conflicts, which may not be able to be passed on in full to customers.

Ringmetall operates one plant in Turkey. The production focus of this location remains largely on the local Turkish market. Cross-border sales are declining. Both the Turkish currency and the Turkish economy remain under pressure due to the ongoing political uncertainties in the country and the continuing political tensions between Turkey and other countries. As there are currently no signs of a sustained improvement in the political environment, the risk in Turkey is still classified as "high".

Overall, the general market risks are still classified as "medium".

#### **Competitive risks (sales and procurement risks)**

In a market with several suppliers, there is an immanent risk of not achieving the planned targets in general and earnings targets in particular due to increasing competitive pressure. Despite the Ringmetall Group's strong market position, 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 served as the basis for price negotiations in the past, and the steel purchase prices that can

actually be realized develop in opposite directions, this can have a lasting negative impact on margins in the closure systems segment. In order to counteract this, the company is once again tending to set its sales prices independently of the development of the relevant steel price indices, but is generally guided by them. The constantly growing quality and service requirements of our customers represent a barrier to growth and market entry for our competitors. Nevertheless, additional competitive pressure may also arise here in the future. In this respect, the risk in the liner segment is higher than in the clamping ring segment, partly due to the far greater transportability of the products.

The Ringmetall Group consistently strives to minimize its competitive risks and to further strengthen and expand its market position. Increasing efficiency in the production facilities, further expanding cooperation between the production facilities and developing alternative sources of supply for raw materials are therefore fundamental. Ringmetall also invests in product innovations and is constantly looking for opportunities to expand and strengthen its market position in growth regions.

Overall, the competitive risks are still 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 even 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 to the business model. Ringmetall is investing sustainably in the digitalization and automation of internal company processes and production steps. Ringmetall will continue to address this topic and

the resulting challenges in detail in the future. The development of new software for production monitoring, which was successfully completed in 2018, is constantly being supplemented with additional tools and will be further integrated into the existing ERP system in 2024. This software will also be successively rolled out at other production sites. Significant progress was made in the development and modernization of specific production systems in the past financial year. This relates in particular to a new generation of profiling systems 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 discernible effects of possible economic changes that could result from the areas of "digitalization" and "Industry 4.0", Ringmetall continues to see this as a risk that is still classified as "medium".

#### **Cluster risks due to major customers**

Ringmetall generated over a quarter of its revenue in the 2023 financial year with its two largest customers - all global corporate groups. The company generated the remaining revenue with several hundred customers. However, the not inconsiderable concentration of a significant share of sales with two customers (over a quarter of the division's sales) can also be seen as an advantage. As globally active companies, both suppliers and customers are mutually dependent on the Ringmetall Group due to their large share of sales in their respective industries. Since the end of 2018, Ringmetall has invested sustainably through acquisitions and the integration of companies, primarily in the "Liner" segment. Even though the aforementioned major customers continue to account for a significant share of sales, their percentage share of the Group's total sales has declined. Irrespective of this, the loss of one or

more key customers or a significant decline in orders from these customers could lead to a significant drop in sales.

Taking all relevant factors into account, the risk of dependence on major customers is still classified as "medium".



### **Risks from raw materials and preliminary products**

As part of its business activities, Ringmetall has a high demand for various

raw materials, which are sourced from various suppliers and then processed further. This primarily concerns steel, various components such as closures for finished articles and thermoplastics (polyethylene). To this end, Ringmetall conducts negotiations with various suppliers in order to obtain what it considers to be the most favorable offer and to avoid any dependencies. Framework agreements 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 themselves monitor the development of raw material prices on the various markets and therefore also form the basis for pricing.

As a result of the COVID-19 pandemic, monitoring of the raw materials markets and exchanges with suppliers were significantly intensified. There was also much greater coordination within the Group regarding the situation in the supply chain.

The risk from raw materials and primary products is assessed as "medium" for the reasons outlined above.

### **Failure of production facilities / risks in production**

Ringmetall's Industrial Packaging division has several production sites in Germany and other countries. Liners are currently manufactured at five locations in Germany. Neuralgic points were identified on the basis of an analysis of the facilities and production equipment and, where technically or economically feasible, appropriate alternatives were created. Nevertheless, in the

worst-case scenario, damage to or destruction of production facilities can lead to delays in delivery. In the closure systems and liners product area, Ringmetall has a large number of fully automated systems for the production of heavy clamping rings as well as clamping ring types with a very high quantity and other automatic production systems for closures, various inliners, bag-in-box systems and other applications. Even if each of these clamping rings could also be manufactured on conventional systems at several locations, the failure of a fully automated system would potentially lead to delivery delays. The same applies to most of the inliners mentioned above.

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

### **Risks due to failure of IT systems**

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 protected 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 demands on data storage and processing, the relevance of IT systems is constantly growing. These systems are susceptible to failures caused by fire, flooding, power outages, failure of telecommunications equipment, malware, break-ins and similar events or security breaches. Even before the pandemic, Ringmetall was already making intensive use of the option of mobile working at individual sites. Thanks to this knowledge and experience, mobile working was quickly implemented at other locations in order to increase employee safety.

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

#### **Personnel risks**

For Ringmetall, motivated and qualified specialists and managers are fundamental to sustainable business success. Issues such as digitalization and diverging training and qualification standards in the countries in which Ringmetall operates lead to challenges in the recruitment and ongoing training of employees, but also offer opportunities. In order to counteract the risks arising from a corresponding shortage, Ringmetall repeatedly uses additional channels to further improve its recruitment process and is constantly implementing further measures to increase its attractiveness as an employer. Investments in IT architecture and modern production facilities in particular also send out positive signals to the entire team in the long term. The constant expansion of the scope of consolidation continues to increase the employment opportunities for specialists and managers, both in terms of technical aspects and location options. Internal and external training and development opportunities are also constantly being expanded due to the constantly growing requirements. The successfully practiced offer for international assignments as well as flexible working time models and mobile working is advantageous. This gives employees the opportunity to react flexibly to individual family situations. Ringmetall is also increasingly using industrial robots to reduce the risk of downtime. The classification of personnel risks is highly 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. Some products are subject to specific and regulatory requirements, for example due to their use in the transportation of hazardous goods. Failure to comply with relevant standards or laws may result in significant fines and reputational risks. With its subsidiaries, Ringmetall SE operates in many countries worldwide and is therefore subject to a large number of different legal regulations and tax laws. Divergent interpretations of the law by tax authorities, particularly with regard to cross-border transactions, can be subject to considerable uncertainty.

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

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

#### **Overall assessment**

The Management Board considers the Group's risk situation in relation to the risks inherent in the business model to remain essentially good, despite the geopolitical situation, 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 and internal controls adopted for significant risks are regularly analyzed by the Management Board. In light of the geopolitical situation, 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 2024. Please also refer to the comments in the forecast report.

### **Opportunities**

In addition to the aforementioned risks, there are also a number of opportunities arising from the Ringmetall Group's business model and market position. Opportunities are considered to be those developments that could 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. We consider the prospects to be good.

### **Company acquisitions**

Company acquisitions are a central component of Ringmetall's business model and represent the biggest growth driver. They give the company the opportunity to grow 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 barriers to market entry for newly established subsidiaries in regions that are still underrepresented are high. Acquisitions are therefore the only option for growing significantly faster than the market.

Since the IPO in 2007, a large part of the growth in turnover has been generated through acquisitions. The company's approach to the M&A process is correspondingly experienced - from process initiation, due diligence and financing to the final integration of an acquisition. In 2019, the Ringmetall Group entered the market for liners through acquisitions and has already acquired a dominant market position in Europe. This will be further consolidated through the acquisitions of Protective Lining in the USA in January 2023, Liner

Factory in June 2023 and the containment division of IDF GmbH & Co.KG in November 2023. Further active consolidation of the market opens up the opportunity for Ringmetall to become the global leader in the market for liners in the future.

### **Opening up new markets**

In order to grow faster than the market and thus generate synergies beyond the pure size of the company, the development of new markets is an important component of Ringmetall's strategic corporate development. Due to the high barriers to market entry, there are few opportunities to tap into new markets quickly through organic growth, so Ringmetall generally does so through acquisitions.

The development is divided into three directions:

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

Ringmetall sees 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. This will enable Ringmetall to improve margins by leveraging synergies and increasing efficiency in new markets and making these markets even more attractive.

### **Further development of production technologies**

As a niche provider in the industrial packaging market, Ringmetall has a highly specialized machine park. All production machines are developed in-house or constructed from standard components and highly adapted to the respective application. The further development of production machines through to their complete redevelopment represents an important part of Ringmetall's value chain. On the one hand, this

enables the company to continuously maintain the market entry barriers for potential competitors at a high level. Secondly, they are an important means of making production more efficient and thus increasing production output and production efficiency. As described above in the section on competitive strengths, Ringmetall has completed and successfully launched the prototype phase of a new type of modular ring profiling system.

### **Synergies and efficiency gains**

Ringmetall continuously examines internal and external processes for potential to leverage Group-internal synergies or increase efficiency. For example, production processes are regularly reviewed with the support of analysis tools in order to increase the utilization of machines, reduce set-up times or optimize employee qualifications. The further development of production facilities or the relocation of production parts to locations optimized from a regional

perspective are also being continuously driven forward. The ongoing digitalization of the production industries also offers Ringmetall the opportunity to benefit from additional efficiency gains as a result of the investments made here.

### **Risk reporting in relation 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 corresponding sections of the risk report. If necessary, Ringmetall uses derivative financial instruments to hedge against interest rate and market risks. In addition, securities and derivatives may be traded to a limited extent as part of retention activities. An appropriate description of this can be found in the notes to the consolidated financial statements.





## DEVELOPMENT OF RINGMETALL SE

### RESULTS OF OPERATIONS OF THE SE (according to HGB)

#### INCOME STATEMENT (SE)

	2023	2022	Change	
	EUR '000	EUR '000	EUR '000	%
<b>Revenue</b>	<b>2,659</b>	<b>826</b>	<b>1,833</b>	<b>221.9</b>
Other operating income	325	214	111	51.9
Personnel expenses	-2,085	-2,097	12	0.6
Depreciation and amortization	-8	-4	-4	-100.0
Other operating expenses	-10,788	-1,609	-9,179	-570.5
Income from investments	0	73	-73	-100.0
Profits received on the basis of a profit transfer agreement	10,428	12,255	-1,827	-14.9
Other interest and similar income	1,404	333	1,071	321.6
Interest and similar expenses	-1,075	-416	-659	-158.4
<b>Earnings before taxes</b>	<b>860</b>	<b>9,575</b>	<b>-8,715</b>	<b>-91.0</b>
Taxes on income	428	-31	459	1,480.6
<b>Earnings after taxes</b>	<b>1,288</b>	<b>9,544</b>	<b>-8,256</b>	<b>-86.5</b>
Other taxes	-1	-1	0	0.0
<b>Net income for the year</b>	<b>1,287</b>	<b>9,543</b>	<b>-8,256</b>	<b>-86.5</b>
Profit carried forward from the previous year	25,933	19,297	6,636	34.4
<b>Retained Earnings</b>	<b>27,220</b>	<b>28,840</b>	<b>-1,620</b>	<b>-5.6</b>

The company generated **net income** of EUR 1.3 million in the 2023 financial year, which was significantly below the previous year's level. This was mainly due to the sale of HSM and the resulting disposal of the financial investment in Ringemetall SE. **Revenue** and **other operating income** are made up of intra-Group services and allocations within the Group. In the reporting year, the expenses to be allocated within the Group were largely charged directly to Ringemetall SE and passed on from there to the respective Group companies. Other operating expenses therefore increased accordingly. Revenue and other

operating income therefore increased by a total of EUR 1.9 million to EUR 3.0 million.

**Personnel expenses** amounted to EUR 2.1 million and were therefore slightly below the previous year's level. **Other operating expenses** increased to EUR 10.8 million. The increase is mainly due to the sale of the Group subsidiary HSM. **Income from the profit transfer** decreased to EUR 10.4 million and relates to August Berger Metallwarenfabrik GmbH. Ringemetall SE generated **interest income of EUR 1.4 million**, mainly attributable to affiliated companies, which was offset by **interest expenses of EUR 1.1 million**. Ringemetall SE can report income of EUR 0.4 million

from the reversal of deferred **taxes** for the financial year.

## BALANCE SHEET OF THE SE (according to HGB)

### BALANCE SHEET (SE) (ASSETS)

ASSETS	31.12.2023		31.12.2022		Veränderung	
	EUR '000	%	EUR '000	%	EUR '000	%
Property, plant and equipment	23	0.0	5	0.0	18	360.0
Financial assets	44,336	45.0	51,367	52.6	-7,031	-13.7
<b>Non-current assets</b>	<b>44,359</b>	<b>45.0</b>	<b>51,372</b>	<b>52.6</b>	<b>-7,013</b>	<b>-13.7</b>
Receivables from affiliated companies	52,935	53.7	44,189	45.2	8,746	19.8
Other non-current asset	614	0.6	249	0.3	365	146.6
Cash and cash equivalents	10	0.0	1,773	1.8	-1,763	-99.4
<b>Current Assets</b>	<b>53,559</b>	<b>54.4</b>	<b>46,211</b>	<b>47.3</b>	<b>7,348</b>	<b>15.9</b>
Deferred income	56	0.1	22	0.0	34	154.5
Deferred tax assets	551	0.6	122	0.1	429	351.6
<b>Other assets</b>	<b>607</b>	<b>0.6</b>	<b>144</b>	<b>0.1</b>	<b>463</b>	<b>321.5</b>
<b>Total Assets</b>	<b>98,525</b>	<b>100.0</b>	<b>97,727</b>	<b>100.0</b>	<b>798</b>	<b>0.8</b>

At EUR 98.5 million, **total assets** were slightly above the previous year's level. On the assets side, **shares in affiliated companies** decreased by EUR 7.0 million to EUR 44.3 million (31 December 2022: EUR 51.4 million) due to the sale. At the same time, **receivables from affiliated companies** increased to EUR 52.9 million (31 December 2022: EUR 44.2 million) as funds were made available for acquisitions.

Cash and cash equivalents amounted to EUR 0.0 million as at the reporting date.

The changes in **equity** result from the annual result. The **equity ratio**, which remains very good, fell slightly to 77.4 percent.

**Liabilities to banks** increased by EUR 2.8 million to EUR 20.2 million compared to the previous year due to loans taken out to finance the acquisitions.

**Liabilities to affiliated companies** increased to EUR 0.4 million. This is due to services that charged to Ringmetall SE by individual companies and then allocated to the corresponding Group companies.

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

## BALANCE SHEET (SE) (LIABILITIES)

LIABILITIES	31.12.2023		31.12.2022		Change	
	EUR '000	%	EUR '000	%	EUR '000	%
Subscribed Capital	29,069	29.5	29,069	29.7	0	0.0
Capital reserve	17,042	17.3	17,042	17.4	0	0.0
Legal reserve	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	27,220	27.6	28,840	29.5	-1,620	-5.6
<b>Equity</b>	<b>76,214</b>	<b>77.4</b>	<b>77,834</b>	<b>79.6</b>	<b>-1,620</b>	<b>-2.1</b>
Provisions for taxes	0	0.0	295	0.3	-295	-100.0
Other provisions	1,552	1.6	1,978	2.0	-426	-21.5
<b>Total Provisions</b>	<b>1,552</b>	<b>1.6</b>	<b>2,273</b>	<b>2.3</b>	<b>-721</b>	<b>-31.7</b>
Liabilities to banks	20,206	20.5	17,399	17.8	2,807	16.1
Trade payables	64	0.1	163	0.2	-99	-60.7
Liabilities to affiliated companies	442	0.4	6	0.0	436	7,266.7
Other liabilities	47	0.0	52	0.1	-5	-9.6
<b>Total liabilities</b>	<b>20,759</b>	<b>21.1</b>	<b>17,620</b>	<b>18.0</b>	<b>3,139</b>	<b>17.8</b>
<b>Debt capital</b>	<b>22,311</b>	<b>22.6</b>	<b>19,893</b>	<b>20.4</b>	<b>2,418</b>	<b>12.2</b>
<b>Total liabilities</b>	<b>98,525</b>	<b>100.0</b>	<b>97,727</b>	<b>100.0</b>	<b>798</b>	<b>0.8</b>

## FINANCIAL POSITION OF RINGMETALL SE

The liabilities of Ringmetall SE to credit institutions amounted to 20.2 million EUR (31.12.2022: 17.4 million EUR), showing a slight increase compared to the previous year. In contrast, receivables from affiliated companies amounted to 52.9 million EUR

(31.12.2022: 44.2 million EUR). As of the reporting date, the company's cash and cash equivalents stood at 0.0 million EUR. Ringmetall SE was able to meet its payment obligations at all times.

## FORECAST REPORT

The assumptions underlying the forecast report are essentially based 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 Climate Protection (BMWK), the International Monetary Fund (IMF) and leading trade associations, in particular the German Chemical Industry Association (VCI). In addition, the generally perceptible mood on the capital markets and current customer sentiment are also taken into account in the decision-making process.

The Management Board views the business performance in the final weeks of the 2023 financial year and at the start of 2024 as a positive signal for improved business performance in the current financial year. At the same time, it cannot be ruled out at this point in time that this development will only be a short-term countermovement. Accordingly, the Management

Board's forecast reflects both a pessimistic and an optimistic scenario in the form of the forecast ranges. For the 2024 financial year, the Management Board therefore expects Group revenue of between EUR 170 million and EUR 195 million with earnings before interest, taxes, depreciation and amortization (EBITDA) of between EUR 20 million and EUR 27 million. The Management Board intends to specify the forecast later in the year. The forecast is based on unchanged raw material prices and exchange rates compared to the end of 2023. It also does not include the effects of acquisitions planned for 2024, including the resulting transaction costs.

The Management Board continues to view the market environment as positive for the successful completion of further company acquisitions. The company believes that it is well equipped financially for this and assumes that it will be able to make potential acquisitions from its free liquidity and credit line.

## FURTHER LEGAL INFORMATION

### **Corporate governance declaration**

The corporate governance declaration (in accordance with Section 289f et seq. and Section 315d HGB) includes the declaration of compliance 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 relevant information has been made permanently available on the company's website at [www.ringmetall.de/investor-relations/corporate-governance/](http://www.ringmetall.de/investor-relations/corporate-governance/). They are therefore not presented separately in the combined management report.

### **Disclosures pursuant to Sections 315a and 289a HGB**

#### **Composition of the subscribed capital**

The subscribed capital of Ringmetall SE as of 31 December 2023 amounts to EUR 29,069,040.00. It is divided into 29,069,040 registered shares with a notional interest in the share capital of EUR 1.00 each. 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 of the profit 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 at 31 December 2023, no shares were held in treasury. Each of the Management Board members 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 the cases of Section 136 of the German Stock Corporation Act, voting rights from 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). In accordance with 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. Reappointment or extension of the term of office, in each case for a maximum of five years, is permitted.

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 Section 84 (2) of the German Stock Corporation Act, the Supervisory Board may appoint a member of the Management Board as Chairman. If a required member of the Management Board is missing, the member is appointed by the court in urgent cases in

accordance with Section 85 (1) of the German Stock Corporation Act at the request of one of the parties involved. The Supervisory Board can revoke the appointment to the Management Board and the appointment as Chairman of the Management Board in accordance with Section 84 (3) of the German Stock Corporation Act if there is good cause.

In accordance with Section 179 of the German Stock Corporation Act, the Articles of Association can only be amended by a resolution of the Annual General Meeting. Unless otherwise stipulated by mandatory legal provisions, resolutions of the Annual General Meeting - with the exception of elections - are passed with a simple majority of the votes cast and, if applicable, with a simple majority of the capital represented in accordance with Section 133 of the German Stock Corporation Act and Section 17 (1) of the Articles of Association. A majority of 75.0 percent of the share capital represented is required to change the purpose of the company in accordance with Section 179 (2) of the German Stock Corporation Act; the Articles of Association do not make use of the option of determining a larger capital majority for this purpose. Amendments to the Articles of Association that only affect the wording can be resolved by the Supervisory Board in accordance with Section 17 (2) of the Articles of Association. Amendments to the Articles of Association become effective upon entry in the commercial register in accordance with Section 181 (3) of the German Stock Corporation Act.

#### **Powers of the Management Board to issue or buy back shares**

At the Annual General Meeting on June 14, 2019, the Executive Board was authorized until 31 May 2024 pursuant to Section 71 para. 1 no. 8 of the German Stock Corporation Act (AktG), with the approval of the Supervisory Board, to purchase treasury shares of up to a total of 10.0 percent of

the current share capital of EUR 29,069,040.00. The shares acquired in this way, together with treasury shares already held by the company or attributable to it in accordance with Sections 71 a et seq. of the German Stock Corporation Act, may at no time account for more than 10.0 percent of the share capital. The authorization may be exercised in whole or in part, in this case also several times, for one or more purposes. The authorization may not be used for trading in treasury shares.

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

**Significant agreements subject to a change of control**

Ringmetall SE has not concluded any agreements in the 2023 financial year that contain provisions for the event of a change of control, as could occur as a result of a takeover bid, among other things.

**Dependent company report pursuant to Section 312 AktG**


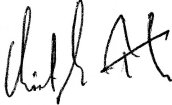
The Management Board has prepared a dependent company report in accordance with Section 312 of the German Stock Corporation Act (AktG) and issued the following conclusion:

" The Management Board of Ringmetall SE declares that the company, under the circumstances known to it at the time the legal transactions were carried out, the company received appropriate consideration for each legal transaction. No measures have been taken or omitted at the instigation of or in the interests of the controlling company or its affiliated companies."

**Responsibility statement of the legal representatives**

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements and 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, 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, 29 April 2024



Christoph Petri

Konstantin Winterstein

**Spokesman of the Management Board**

**Member of the Management Board**

## EU TAXONOMY (Appendix to the sustainability reporting)

The following table shows the taxonomy compliant shares of environmentally sustainable economic activities in revenue, investments and operating expenses.

### Revenue

<i>Economic activities</i>	Absolute revenue		Criteria for a significant contribution						DNSH criteria ("Do not significantly harm")								
	in EUR m	in %	Climate protection	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Climate protection	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Minimum protection	Taxonomy compliant revenue share in 2023	Category: Enabling activity (E) / Transitional activity (T)
			in %						Yes/No						Yes/No	in %	E/T
A. Taxonomy compliant activities (taxonomy compliant)																	
A.1 Ecologically sustainable activities (taxonomy compliant)	0	0															
Revenue from environmentally sustainable activities (taxonomy compliant) (A.1)	0	0															
A.2 Taxonomy eligible, but not environmentally sustainable activities (not taxonomy compliant activities)																	
Revenue from taxonomy eligible but not environmentally sustainable activities (not taxonomy compliant) (A.2)																	
<b>Total A.1 and A.2</b>	<b>0</b>	<b>0</b>															
B. Not taxonomy eligible activities	181.6	100.0															
<b>Revenue from not taxonomy eligible activities</b>	<b>181.6</b>	<b>100.0</b>															
<b>Total A and B</b>	<b>181.6</b>	<b>100.0</b>															

## Capital Expenditures (CapEx)

			Criteria for a significant contribution					DNSH criteria ("Do not significantly harm")									
	Absolute investments	Share of investments	Climate protection	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Climate protection	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Minimum protection	Taxonomy compliant revenue share in 2023	Category: Enabling activity (E) / Transitional activity (T)
<i>Economic activities</i>	in EUR m	in %	in %					Yes/No					Yes/No	in %	E/T		
A. Taxonomy compliant activities (taxonomy compliant)																	
A.1 Ecologically sustainable activities (taxonomy compliant)																	
4.1 Power generation with photovoltaic technology	0.6	8.8	100.0						Yes	Yes	Yes	Yes	Yes	Yes	8.8%	E	
7.3 Installation, maintenance and repair of energy-efficient appliances	0.2	2.9	100.0						Yes	Yes	Yes	Yes	Yes	Yes	2.9%	E	
<b>Investments in environmentally sustainable Activities (taxonomy compliant) (A.1)</b>	<b>0.8</b>	<b>11.7</b>	<b>100.0</b>						<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>11.7%</b>	<b>E</b>	
A.2 Taxonomy eligible, but not environmentally sustainable activities (not taxonomy compliant activities)																	
6.3 Transportation with motorcycles, passenger cars and light commercial vehicles	0.1	1.5															
<b>Investments in taxonomy eligible but not environmentally sustainable activities (not taxonomy compliant) (A.2)</b>	<b>0.1</b>	<b>1.5</b>															
<b>Total A.1 and A.2</b>	<b>0.9</b>	<b>13.2</b>	<b>100.0</b>														
B. Not taxonomy eligible activities	5.9	86.8															
<b>Investments in not taxonomy eligible activities</b>	<b>5.9</b>	<b>86.8</b>															
<b>Total A and B</b>	<b>6.8</b>	<b>100.0</b>															



## Operational Expenditures (OpEx)

Economic activities	Absolute operating expense		Criteria for a significant contribution						DNSH criteria ("Do not significantly harm")					Minimum protection			
	in EUR m	in %	Climate protection	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Climate protection	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Yes/No	in %	E/T
A. Taxonomy compliant activities (taxonomy compliant)																	
A.1 Ecologically sustainable activities (taxonomy compliant)																	
Operation expense for environmentally sustainable activities (taxonomy compliant) (A.1)	0	0															
A.2 Taxonomy eligible, but not environmentally sustainable activities (not taxonomy compliant activities)	0	0															
Operational expense for taxonomy eligible but not environmentally sustainable activities (not taxonomy compliant) (A.2)																	
<b>Total A.1 and A.2</b>																	
B. Not taxonomy eligible activities	2.9	100.0															
<b>Operational expense for not taxonomy eligible activities</b>	<b>2.9</b>	<b>100.0</b>															
<b>Total A and B</b>	<b>2.9</b>	<b>100.0</b>															

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2023

### CONSOLIDATED BALANCE SHEET (ASSETS)

as of 31 December

<b>ASSETS</b>				
EUR '000		Notes	<b>31.12.2023</b>	31.12.2022
Intangible assets		15	6,075	3,707
Goodwill		14 15	35,918	34,137
Property, plant and equipment		16	35,141	35,332
Other non-current assets		17	375	286
Deferred tax assets		12	1,295	1,104
<b>Total non-current assets</b>			<b>78,804</b>	<b>74,566</b>
Inventories		18	19,141	25,721
Trade receivables		19	23,473	21,282
Contract assets		20	326	354
Other current assets		21	3,266	1,068
Current tax receivables		21	188	231
Cash and cash equivalents		22	6,784	8,119
<b>Total current assets</b>			<b>53,178</b>	<b>56,775</b>
<b>Total assets</b>			<b>131,982</b>	<b>131,341</b>

## CONSOLIDATED BALANCE SHEET (LIABILITIES)

as of 31 December

<b>LIABILITIES</b>			
EUR '000	Notes	<b>31.12.2023</b>	31.12.2022
Subscribed capital	23	29,069	29,069
Capital reserve	23	16,664	16,664
Currency translation differences recognized outside profit or loss	23	-460	470
Revaluation of severance payment obligations and others	24	164	173
Retained earnings		32,936	30,024
Non-controlling interests	23	844	1,064
<b>Total equity</b>		<b>79,217</b>	<b>77,464</b>
Provisions for post-employment benefits	24	1,115	760
Other provisions		63	172
Financial liabilities	26	19,209	21,357
Deferred tax liabilities	12	2,285	2,262
<b>Total non-current liabilities</b>		<b>22,672</b>	<b>24,551</b>
Other provisions	25	4,846	5,626
Current tax liabilities		1,465	1,816
Financial liabilities	26	12,091	8,638
Trade payables	27	9,305	10,713
Other liabilities	27	2,386	2,533
<b>Total current liabilities</b>		<b>30,093</b>	<b>29,326</b>
<b>Total liabilities</b>		<b>52,765</b>	<b>53,877</b>
<b>Total equity and liabilities</b>		<b>131,982</b>	<b>131,341</b>

## CONSOLIDATED INCOME STATEMENT

from 1 January to 31 December

EUR '000	Notes	2023	2022
<b>Group revenue</b>	<b>9</b>	<b>181,584</b>	<b>213,511</b>
Change in inventories of finished goods and work in progress	18	-1,423	3,024
Total output		<b>180,161</b>	<b>216,535</b>
Other income	9	1,105	2,626
Cost of materials	10	-89,909	-124,820
Personnel expenses	10	-47,672	-46,104
Other expenses	10	-24,128	-19,530
Other taxes	10	-401	-407
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>		<b>19,156</b>	<b>28,300</b>
Depreciation and amortization	15 16	-7,867	-7,017
<b>Earnings before interest and taxes (EBIT)</b>		<b>11,289</b>	<b>21,283</b>
Financial income	11	86	4
Financial expense	11	-1,767	-733
<b>Consolidated net income before taxes</b>		<b>9,608</b>	<b>20,554</b>
Ertragsteueraufwand	12	-3,278	-4,634
<b>Consolidated net income for the year</b>		<b>6,330</b>	<b>15,920</b>
Consolidated net income for the year attributable to:			
Shareholders of Ringmetall SE	13	5,820	15,225
Non-controlling interests	13	510	695
Earnings per share			
Basic earnings per share (EUR)	13	0.20	0.52
Diluted earnings per share (EUR)	13	0.20	0.52

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

from 1 January to 31 December

EUR `000	Notes	2023	2022
<b>Consolidated net income for the year</b>		<b>6,330</b>	<b>15,920</b>
Items in other comprehensive income that could affect expenses or income in the future:			
Foreign business currency translation differences	7, 23	-978	949
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	-8	140
Income tax attributable to components of other comprehensive income	12	-1	-34
Other comprehensive income		-987	1,055
<b>Total comprehensive income</b>		<b>5,343</b>	<b>16,975</b>
Total comprehensive income attributable to:			
Shareholders of Ringmetall SE		4,881	16,308
Non-controlling interests		462	667

## CONSOLIDATED CASH FLOW STATEMENT

from 1 January to 31 December

EUR '000	Notes	2023	2022
<b>Consolidated net income</b>	13	<b>6,330</b>	<b>15,920</b>
Depreciation of non-current assets	15, 16	7,867	7,017
Income tax expense and deferred taxes	12	3,278	4,634
Gain (-) on asset disposals	9	-55	-25
Net interest income	11	1,681	729
<b>Cash flow before interest, taxes and refinancing</b>		<b>19,101</b>	<b>28,275</b>
Increase (-)/decrease (+) in inventories and trade receivables		4,060	28
Increase (+)/decrease (-) in provisions		-1,164	-40
Increase (-)/decrease (+) in trade payables, other liabilities and accruals		3,655	-4,397
Assets acquired from company acquisitions		8,834	6,268
Assets disposed in the sale of companies		-1,362	-
Increase (+)/decrease (-) in the statement of financial position – non-cash		-6,836	-6,783
<b>Cash flow before interest and taxes</b>		<b>26,288</b>	<b>23,351</b>
Income taxes paid		-4,154	-4,912
<b>Cash flow from operating activities</b>		<b>22,134</b>	<b>18,439</b>
Inflows from the disposal of property, plant and equipment		201	179
Outflows for investments in property, plant and equipment		-3,707	-2,384
Outflows for investments in intangible assets		-253	-258
Outflows for additions to the scope of consolidation in the previous year		-974	-301
Outflows for additions to the scope of consolidation in the financial year		-13,857	-4,519
<b>Cash flow from investment activities</b>		<b>-18,590</b>	<b>-7,283</b>
Inflows from borrowing financial loans		8,806	6,069
Outflows for the redemption of financial loans		-6,155	-6,923
Payments from the redemption of leasing		-2,526	-2,710
Outflows to owners (dividend payment)		-3,556	-3,260
Interest paid *		-1,767	-733
Interest received*		86	4
<b>Cash flow from financing activities</b>		<b>-5,112</b>	<b>-7,553</b>
Change in cash and cash equivalents (sub-totals 1-3)		-1,568	3,603
Effect of exchange rates on cash		-198	-82
Changes in cash and cash equivalents due to changes in consolidation group		431	25
Cash and cash equivalents at the beginning of the period		8,119	4,573
<b>Cash and cash equivalents at end of period**</b>		<b>6,784</b>	<b>8,119</b>
Cash and cash equivalents	22	6,784	8,119
Current liabilities to banks		0	0
<b>Cash and cash equivalents at end of period</b>		<b>6,784</b>	<b>8,119</b>

\* 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 386 thousand (2022: EUR 366 thousand) is attributable to non-controlling interests.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

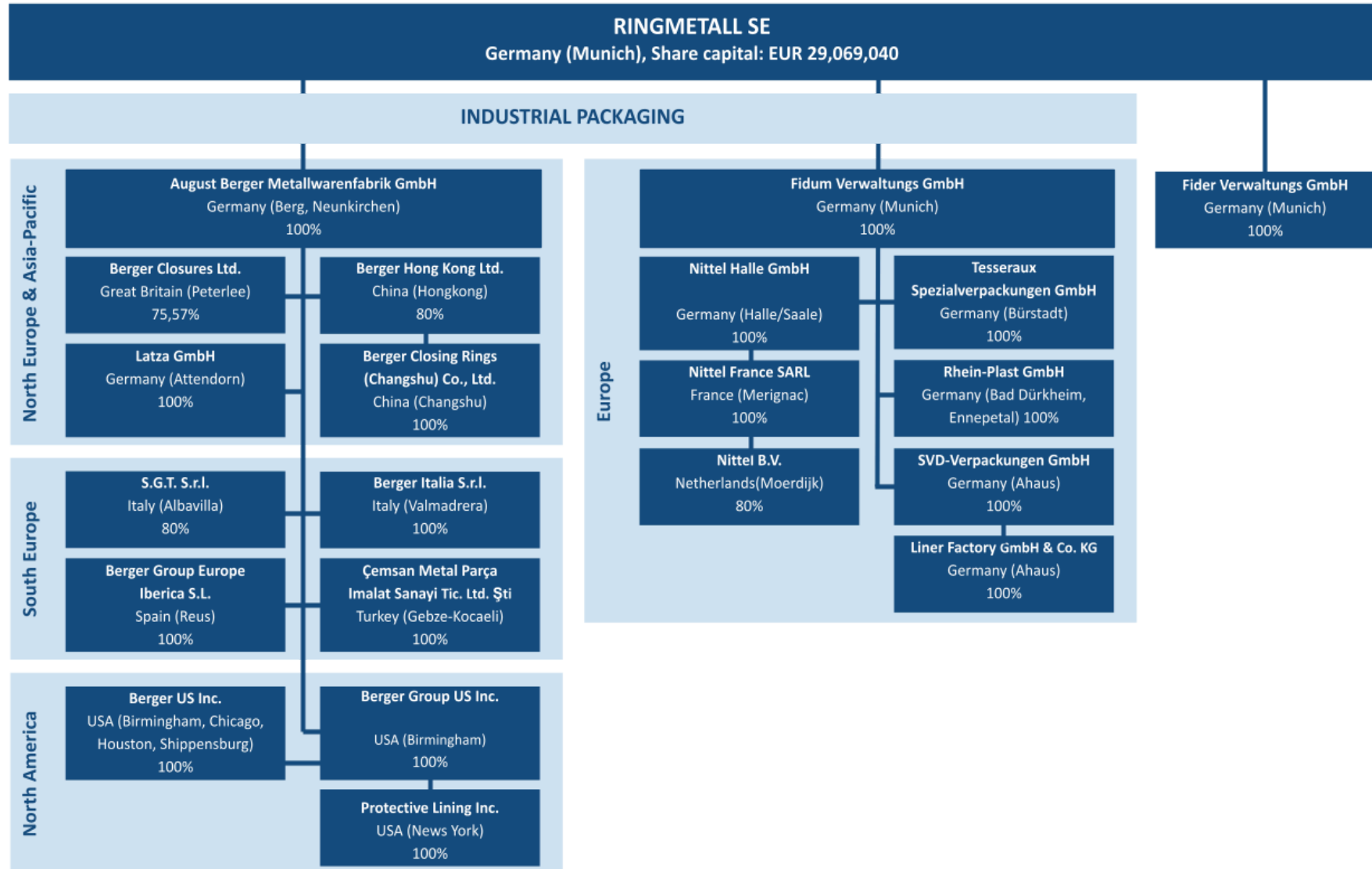
as of 31 December

	Notes	Subscribed capital	Capital reserves	Currency translation reserve	Revaluation of severance obligation	Effect of first-time adoption of IFRS 15	Retained earnings	Total	Non-controlling interests	Total equity
EUR `000										
<b>As of 01.01.2022 (IFRS)</b>		<b>29,069</b>	<b>16,664</b>	<b>-507</b>	<b>45</b>	<b>22</b>	<b>17,415</b>	<b>62,708</b>	<b>1,041</b>	<b>63,749</b>
Consolidated net profit for 2022	13	-	-	-	-	-	15,225	15,225	695	15,920
Capital increase	23	-	-	-	-	-	-	-	-	-
Dividend payments		-	-	-	-	-	-2,616	-2,616	-644	-3,260
Other comprehensive income	23	-	-	977	106	-	-	1,083	-28	1,055
Change in scope of consolidation		-	-	-	-	-	-	-	-	-
<b>Total transactions with owners of the company</b>		<b>-</b>	<b>-</b>	<b>977</b>	<b>106</b>	<b>-</b>	<b>12,609</b>	<b>13,692</b>	<b>23</b>	<b>13,715</b>
<b>As of 31.12.2022 (IFRS)</b>		<b>29,069</b>	<b>16,664</b>	<b>470</b>	<b>151</b>	<b>22</b>	<b>30,024</b>	<b>76,400</b>	<b>1,064</b>	<b>77,464</b>

	Notes	Subscribed capital	Capital reserves	Currency translation reserve	Revaluation of severance obligation	Effect of first-time adoption of IFRS 15	Retained earnings	Total	Non-controlling interests	Total equity
EUR `000										
<b>As of 01.01.2023 (IFRS)</b>		<b>29,069</b>	<b>16,664</b>	<b>470</b>	<b>151</b>	<b>22</b>	<b>30,024</b>	<b>76,400</b>	<b>1,064</b>	<b>77,464</b>
Consolidated net profit for 2023	13	-	-	-	-	-	5,820	5,820	510	6,330
Capital increase	23	-	-	-	-	-	-	-	-	-
Dividend payments		-	-	-	-	-	-2,907	-2,907	-649	-3,556
Other comprehensive income	23	-	-	-930	-9	-	-	-939	-48	-987
Change in scope of consolidation		-	-	-	-	-	-	-	-33	-33
<b>Total transactions with owners of the company</b>		<b>-</b>	<b>-</b>	<b>-930</b>	<b>-9</b>	<b>-</b>	<b>2,912</b>	<b>1,973</b>	<b>-220</b>	<b>1,753</b>
<b>As of 31.12.2023 (IFRS)</b>		<b>29,069</b>	<b>16,664</b>	<b>-460</b>	<b>142</b>	<b>22</b>	<b>32,936</b>	<b>78,373</b>	<b>844</b>	<b>79,217</b>



## GROUP STRUCTURE



# GROUP NOTES FOR THE FINANCIAL YEAR 2023

## 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 allocated to the Industrial Packaging and - until June 30, 2023 - Industrial Handling divisions.

With the sale of HSM GmbH & Co. KG, the only operating company in the Industrial Handling business division, on June 30, 2023, this business division was closed.

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 Company (Societas Europaea, SE for short), Ringmetall SE is now registered under the number HRB 268321 of the Munich Local Court. The company's registered office is in Munich. The address is Innere Wiener Straße 9, 81667 Munich.

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

## 2. ACCOUNTING PRINCIPLES

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the EU. In addition, the provisions of commercial law to be applied in accordance with Section 315e (1) HGB were taken into account in the preparation of the consolidated financial statements. The principles of recognition, measurement and disclosure are applied uniformly by all companies within the scope of consolidation. The consolidated income statement is presented using 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 "Earnings before interest and taxes (EBIT)".

The Management Board of Ringmetall SE approved the consolidated financial statements 2023 for publication on April 23, 2024 [date of approval for submission to the Supervisory Board by the management].

Details of the 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. DISPLAY CURRENCY

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

## 4. DISCRETIONARY DECISIONS AND ESTIMATES

In certain cases, it is necessary to apply accounting policies that are sensitive to estimates and assumptions. These involve complex and subjective assessments and the use of assumptions, some of which relate to matters that are inherently uncertain and may be 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. They may also 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 discretionary decisions in the application of accounting policies and information on assumptions and estimation uncertainties that have a material effect on the amounts recognized in the consolidated financial statements or whose change could have a material effect on the presentation of the Group's net assets, financial position and results of operations are contained in the notes below:

- Note 7 - Effects of new standards and interpretations that have not yet been applied on the Group's net assets, financial position and results of operations: As part of the assessment of how standards that have not yet been applied may affect the Group's net assets, financial position and results of operations, the Group carries out a cursory assessment, whereas a detailed examination of the scope of application is carried out when application is mandatory,
- Note 12 - Recognition of deferred tax assets: Uncertainty regarding future taxable income,
- Note 14 - Assumptions relating to parameters used in the calculation of goodwill impairment tests,
- Note 19 - Impairment assumptions for expected credit losses for financial assets measured at amortized cost and financial assets measured at fair value through profit or loss.
- Notes 24 and 25 - Provisions: significant assumptions regarding the probability of utilization, the extent of the outflow of resources and the determination of the interest rate.

All estimates and discretionary decisions are reviewed on an ongoing basis and are based on past experience and other factors, including expectations of future events that could have a financial impact on the company and are considered appropriate under the given 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 defined a concept for determining fair values. This includes the internal monitoring of all significant fair value measurements.

When determining the fair value of an asset or liability, the Group uses observable market data as far as possible. Based on the input factors used in the valuation techniques, the fair values are categorized into different levels in the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) on active markets for identical assets and liabilities
- Level 2: Measurement parameters that are not the quoted prices included in Level 1, but which can be observed for the asset or liability either directly (as a price) or indirectly (as a derivative of prices)
- Level 3: Valuation parameters for assets or liabilities that are not based on observable market data.

If the inputs used to determine the fair value of an asset or liability can be categorized into different levels of the fair value hierarchy, the fair value measurement is allocated in its entirety to 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 to determine the fair values can be found in the notes below:

- Note 6 - Changes in the scope of consolidation / acquisition and sale of assets
- Note 7 - Significant accounting policies and valuation methods
- Note 29 - Financial instruments.

## **5. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

See note 7 for information on accounting policies.

All subsidiaries of Ringmetall SE are listed below.

The consolidated financial statements as of December 31, 2023 include all companies in which Ringmetall SE can exercise direct or indirect control over the financial and business policy. 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 included in the consolidated financial statements by way of full consolidation from the date on which control is transferred to the Group. They are deconsolidated at the date on which control ends.

The following investments in subsidiaries are held by Ringmetall SE (directly / indirectly) and are included in the consolidated financial statements as at December 31, 2023 by way of full consolidation:

SUBSIDIARY	Location	Country	Share of capital (%)
August Berger Metallwarenfabrik GmbH	Berg/Pfalz	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
Çemsan Metal Parça İmalat Sanayi Tic. Ltd. Şti	Gebze/Kocaeli	Turkey	100.00
Fidum Verwaltungs GmbH	München	Germany	100.00
Fieder Verwaltungs GmbH	München	Germany	100.00
Latza GmbH	Attendorn	Germany	100.00
Liner Factory GmbH & Co. KG	Ahaus	Germany	100.00
Liner Factory Verwaltungs GmbH	Ahaus	Germany	100.00
Nittel France SARL	Merignac	France	100.00
Nittel Halle GmbH	Halle/Saale	Germany	100.00
Protective Lining, Inc.	New York	USA	100.00
Rhein-Plast GmbH	Bad Dürkheim	Germany	100.00
SVD-Verpackungen GmbH	Ahaus	Germany	100.00
Tesseraux Spezialverpackungen GmbH	Bürstadt	Germany	100.00
Berger Hong Kong Limited	Hong Kong	China	80.00
Nittel B.V.	Moerdijk	Netherlands	80.00
S.G.T. S.r.l.	Albavilla	Italy	80.00
Berger Closures Limited	Peterlee	Great Britain	75.57

HOSTO Stolz Verwaltungs GmbH, based in Neunkirchen, was merged with August Berger Metallwarenfabrik GmbH by way of merger by absorption in accordance with the merger agreement dated July 5, 2023 and the approval resolutions of its shareholders' meeting and the shareholders' meeting of the transferring legal entity on the same day with retroactive effect from January 1, 2023 (merger date). The merger became effective upon entry in the register of the acquiring August Berger Metallwarenfabrik GmbH on July 12, 2023. HOSTO Stolz Verwaltungs GmbH, previously entered in the commercial register of the Siegen district court under HRB 3880, thus ceased to exist. On July 21, 2023, the accrual of HOSTO Stolz GmbH & Co. KG to August Berger Metallwarenfabrik GmbH was also entered in the commercial register. With the entry of the accrual, HOSTO Stolz GmbH & Co. KG was deleted from the commercial register, as the entire assets of HOSTO Stolz GmbH & Co. KG were transferred to the sole shareholder, August Berger Metallwarenfabrik GmbH, by way of universal succession.

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 earnings. No further financial data is disclosed as this is of minor importance for the Group as a whole.

## **6. CHANGES IN THE SCOPE OF CONSOLIDATION / ACQUISITION AND SALE OF ASSETS**

### *Acquisition of Protective Lining*

On January 6, 2023 (acquisition date), Ringmetall acquired the business operations and production facilities of Protective Lining Corp, New York, a leading manufacturer of polyethylene liners in the USA, as part of an asset deal and contributed them to Protective Lining, Inc, New York (hereinafter: "Protective Lining"). With Protective Lining, Ringmetall is expanding into the North American market for the first time in the field of drum liners and now intends to drive forward the consolidation of the US market for drum liners on the basis of Protective Lining's market positioning. At its plant in Brooklyn, Protective Lining mainly produces round bottom and block bottom bags for various customer industries on the basis of self-extruded polyethylene films. The company is part of the Industrial Packaging division.

In connection with the acquisition and takeover of the assets of Protective Lining, the employees and their vacation obligations as well as the existing production know-how were also acquired. Due to the substantial processes acquired from the existing production units, the acquisition of Protective Lining constitutes a business combination in accordance with IFRS 3.

Ringmetall obtained control and thus control over Protective Lining as at January 6, 2023. The initial consolidation took place on January 1, 2023.

The identifiable assets acquired and liabilities assumed were measured at fair value. All hidden reserves and liabilities were disclosed in this purchase price allocation. The purchase price allocation essentially comprises the determination of the fair value of all acquired assets and liabilities. The difference between the identifiable assets and the assumed liabilities results in the total identifiable net assets acquired.

Goodwill has arisen as a positive difference between the purchase price and the total identifiable net assets acquired, see the following table:

<b>Acquisition of Protective Lining EUR `000</b>	<b>Carrying amount before purchase price allocation</b>	<b>Fair value according to purchase price allocation</b>
Intangible assets - customer base	-	2,805
Technical equipment and machinery	1,171	1,171
Inventories	234	234
Liabilities from vacation obligations	-57	-57
Deferred taxes	-	-732
<b>Total identifiable net assets</b>	<b>1,348</b>	<b>3,421</b>
<b>Positive / negative difference</b>		
Purchase price		6,735
Total identifiable net assets		3,421
<b>Positive difference</b>		<b>3,314</b>
<b>Net cash and cash equivalents paid</b>		<b>6,735</b>

Preliminary transaction costs of EUR 50 thousand were incurred in connection with the transaction, which were recognized as an expense.

Since the acquisition date, Protective Lining has generated revenue of EUR 7,552 thousand and earnings after taxes of EUR 335 thousand, which are included in the consolidated statement of comprehensive income. In the 2023 financial year, Protective Lining, Inc. had an average of 62 employees.

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

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

#### *Acquisition of SVD-Verpackungen GmbH and its subsidiary Liner Factory GmbH & Co. KG*

With effect from June 1, 2023, Ringmetall acquired all shares in SVD-Verpackungen GmbH and thus also in its manufacturing subsidiary Liner Factory GmbH & Co. KG (hereinafter: "Liner Factory") and its management company based in Ahaus. At this point in time, the acquisition date, Ringmetall assumed control over the SVD Group and the initial consolidation took place.

The Liner Factory primarily supplies customers from the food and beverage industry with its product solutions. It primarily manufactures form liners, aseptic liners and technical liners made of polyethylene or aluminum foil, which are able to protect high-quality, hygroscopic products from moisture, water vapor, UV radiation, oxygen

and odor transfer and can also be individually adapted for octabins, cartons or big bags, depending on customer requirements. The company also manufactures beer tank inliners. This will expand the product portfolio.

The acquisition of these companies constitutes an acquisition within the meaning of IFRS 3. The identifiable assets acquired and liabilities assumed were measured at fair value. All hidden reserves and liabilities were disclosed in this purchase price allocation. The purchase price allocation essentially comprises the determination of the fair value of all acquired assets and liabilities. The difference between the identifiable assets and the assumed liabilities results in the total identifiable net assets acquired. The positive difference between the purchase price and the total identifiable net assets acquired resulted in goodwill of EUR 2,074 thousand.

<b>Acquisition of SVD Group EUR `000</b>	<b>Carrying amount before purchase price allocation</b>	<b>Fair value according to purchase price allocation</b>
Intangible assets	99	697
Property, plant and equipment	220	1,453
Financial assets	26	250
Inventories	1,928	1,928
Receivables and other assets	2,142	2,142
Cash and bank balances	925	925
Deferred tax assets	21	21
Pension provisions	-343	-343
Tax provisions	-134	-134
Other provisions	-457	-457
Liabilities	-2,259	-2,259
Deferred tax liabilities	-31	-297
<b>Total identifiable net assets</b>	<b>2,137</b>	<b>3,926</b>
<b>Positive / negative difference</b>		
Purchase price		6,000
Total identifiable net assets		3,926
<b>Positive difference</b>		<b>2,074</b>
<b>Net cash and cash equivalents paid</b>		<b>4,800</b>

The portion of the purchase price that has not yet been paid is reported as a vendor loan under other loans. This loan is interest-bearing and is due in the 2024 financial year.

Preliminary transaction costs of EUR 121 thousand were incurred in connection with the transaction, which were recognized as an expense.



Since joining the Group, the SVD Group has generated revenue of EUR 4,398 thousand and earnings after tax of EUR 545 thousand, which are included in the consolidated statement of comprehensive income. During this period, the Liner Factory employed an average of 25 people.

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

The purchase price allocation is provisional with regard to intangible assets and potential obligations in accordance with IFRS 3.45.

#### *Acquisition IDF*

Effective November 1, 2023 (acquisition date), the Ringmetall Group acquired the business operations, customer base and selected assets of the packaging division of Ennepetal-based IDF GmbH & Co. KG (hereinafter referred to as "IDF"). IDF is a small company that manufactures packaging solutions for containment processes in the pharmaceutical, chemical and food industries. The acquired business operations were integrated into the German Group company Rhein-Plast GmbH and thus extends the production depth. As the production expertise and substantial processes of IDF were taken over, the acquisition of IDF constitutes a business combination in accordance with IFRS 3.

<b>Acquisition of IDF EUR `000</b>	<b>Carrying amount before purchase price allocation</b>	<b>Fair value according to purchase price allocation</b>
Intangible assets		581
Property, plant and equipment	624	624
Inventories	162	162
Receivables and other assets	121	121
Deferred tax assets		167
Deferred tax liabilities		-168
<b>Total identifiable net assets</b>	<b>907</b>	<b>1,487</b>
<b>Positive / negative difference</b>		
Purchase price		2,289
Total identifiable net assets		1,487
<b>Positive difference</b>		<b>802</b>
<b>Net cash and cash equivalents paid</b>		<b>2,289</b>

A purchase price of EUR 2,289 thousand was agreed, which was paid in full in the 2023 financial year.

Ringmetall assumed control and thus control of the acquired business operations on November 1, 2023. 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 the acquired packaging division of IDF.

A critical review and comparison of the purchase price and the net assets acquired resulted in a positive difference of EUR 802 thousand.

Only insignificant transaction costs were incurred in connection with this transaction.

Since joining the Group in November 2023, IDF has generated no significant revenue and only a small contribution to earnings, which are included in the consolidated statement of comprehensive income. IDF had an average of two employees in the 2023 financial year.

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

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

#### *Acquisition of the remaining 20 percent of the shares in Nittel France SARL*

The remaining 20 percent of the shares in Nittel France SARL were acquired with effect from March 31, 2023. This company was already fully consolidated in the past under the disclosure of non-controlling interests. Accordingly, the carrying amounts of the assets and liabilities remain unchanged. The acquisition of the remaining shares results in a shift in value between the majority shareholder Ringmetall and the non-controlling interests in equity and is therefore to be classified as a transaction between owners.

#### *Sale and deconsolidation of HSM GmbH & Co. KG*

On June 30, 2023, Ringmetall sold HSM GmbH & Co. KG (hereinafter "HSM"). As a result, the Industrial Handling segment - which consisted solely of HSM - was also closed. As a result, the Ringmetall Group is now only active in the Industrial Packaging division, the packaging industry - in the areas of clamping rings / steel and liners / plastic - and intends to strengthen and expand these areas.

This sale resulted in a one-off negative deconsolidation effect of EUR 4,606 thousand, which is reported under other expenses.

#### *Deconsolidation of Hollandring B.V.*

Hollandring B.V. was liquidated. The company was therefore deconsolidated as at June 30, 2023.

## **7. SIGNIFICANT ACCOUNTING AND VALUATION METHODS**

### **7.1 Changes in accounting and valuation methods**

The accounting and valuation methods were basically the same as in the previous year.

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

- Amendments to IAS 1 and IFRS Practice Statement, disclosure of accounting policies

- Amendments to IAS 8, Definition of Accounting Estimates
- Amendment to IAS 12, Deferred taxes relating to assets and liabilities arising from a single transaction
- Amendment to IAS 12, International Tax Reform - Pillar 2 Model Rules
- Amendments to IFRS 17, comparative information for "First-time adoption of IFRS 17 and IFRS 9"
- IFRS 17, Insurance Contracts

Amendments to IAS 12, Deferred Taxes Relating to Assets and Liabilities Arising from a Single Transaction In May 2021, the IASB published amendments to IAS 12, which specify how an entity should account for income taxes, including deferred taxes. Under certain circumstances, companies 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 (where a lessee recognizes an asset and a liability at the inception of the lease) and asset retirement obligations (where 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 regulated by the newly inserted paragraph IAS 12.22A. The amendment applies to financial years beginning on or after January 1, 2023. For Ringmetall, this does not result in any change in accounting; deferred taxes have always been recognized in the above-mentioned cases.

Amendments to IAS 12, International Tax Reform - Pillar Two Model Rules (Pillar Two) In March 2022, the OECD published technical guidance on its global minimum tax of 15 percent, which was agreed as the second "pillar" of a project to address the tax challenges of the digitalization of the economy. These guidelines explain the application and functioning of the Global Anti-Base Erosion (GloBE) rules, which were agreed and published in December 2021. These rules provide for a coordinated system to ensure that multinational enterprises with a turnover of more than EUR 750 million pay a tax of at least 15 percent on the income generated in each jurisdiction in which they operate. In 2023, the IASB created a mandatory temporary exemption in IAS 12 with regard to the recognition of deferred taxes, provided these are in connection with the OECD's Pillar Two Model Rules. The implementation of the minimum taxation rules in the countries concerned has led to uncertainties and application issues, particularly with regard to deferred taxes, which prompted the IASB to make the amendment. However, specific disclosure requirements are required to help users of financial statements better understand an entity's exposure to income taxes related to the implementation of the Pillar 2 rules - even in periods when the legislation implementing these rules is not yet in force. This amendment is effective for annual reporting periods beginning on or after January 1, 2023.

IFRS 17, Insurance Contracts In May 2017, the IASB published IFRS 17 Insurance Contracts, which contains principles for recognition, measurement, presentation and disclosure requirements in relation to insurance contracts. IFRS 17 must be applied to all types of insurance contracts (i.e. life insurance, property insurance, direct insurance and reinsurance) and to certain guarantees and financial instruments with discretionary participation features from January 1, 2023, regardless of the type of issuing company. Individual exceptions apply with regard to the scope of application.

The standards, clarifications and interpretations whose application is mandatory from January 1, 2023 had no or no material impact on the presentation of the Group's net assets, financial position and results of operations or on earnings per share.

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

The following standards and amendments to standards have already been adopted by the European Union, but are only applicable for financial statements after December 31, 2023

- 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 published amendments to IFRS 16. According to the amendment, the seller/lessee must recognize a lease liability from the leaseback obligation in accordance with IFRS 16 on the date of sale, even if all payments for the lease are variable and do not depend on an index or a rate. In subsequent measurement, no gain or loss is realized if it relates to the retained right-of-use asset. The subsequent measurement of the right-of-use asset from the leaseback obligation is based on the general provisions of IFRS 16.29-35. The amendments apply to financial years 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 published 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 to defer settlement of the liability for at least twelve months at the reporting date. The assessment of this right is based on the circumstances at the end of the reporting period, meaning that contractual terms to be fulfilled in the future do not have to be taken into account. The amendments apply to financial years beginning on or after January 1, 2024 and are to be applied retrospectively.

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

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 for financial statements after December 31, 2023.

- Amendment to IAS 7 and IFRS 7, Supplier Financing Arrangements (effective from January 1, 2024)
- Amendments to IAS 21, Lack of Exchangeability (effective from January 1, 2025)

**Amendments to IAS 7 and IFRS 7, Supplier Financing Arrangements** In May 2023, the IASB published amendments to IAS 7 and IFRS 7 to clarify the characteristics of supplier financing arrangements and to require additional disclosures about such arrangements. The disclosure requirements for the amendments are intended to help users of financial statements understand the effects of supplier financing arrangements on an entity's liabilities, cash flows and liquidity risk. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted.

**Amendment to IAS 21, Lack of Exchangeability** The amendment concerns the determination of the exchange rate in the event of long-term lack of exchangeability, as IAS 21 did not previously contain any corresponding provisions. The standard is supplemented by requirements for assessing whether a currency can be exchanged for another currency, guidance on determining the exchange rate if such an exchange is not possible and additional corresponding disclosure requirements.

According to current estimates, the new or amended IFRS pronouncements have no material impact on the presentation of the net assets, financial position and results of operations.

Ringmetall has not voluntarily applied any of the aforementioned new or amended regulations ahead of time. The aforementioned standards and interpretations are generally applied as of January 1 of the following financial year in the case of first-time application during the year. The prerequisite is the adoption of these regulations by the EU.

## **7.2 Principles of consolidation**

### **Inclusion of subsidiaries**

In addition to Ringmetall SE, all material subsidiaries over which Ringmetall SE can exercise control are included in the consolidated financial statements by way of full consolidation. Control exists if the company:

- can exercise power of disposal over the investee,
- is exposed to fluctuating returns from its investment and
- can influence the level of returns due to its power of disposal.

The results of subsidiaries acquired during the course of a financial year are recognized in the consolidated income statement and other comprehensive income from the actual date of acquisition. If necessary, the annual financial statements of the subsidiaries are adjusted in order to align the accounting and valuation methods with the methods used in the Group.

All intragroup assets, liabilities, equity, income, expenses and cash flows in connection with transactions between Group companies are eliminated in full on consolidation.

Non-controlling interests in the earnings and equity of subsidiaries are shown separately in the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income and the consolidated statement of changes in equity.

### **Change in the Group's shareholding in existing subsidiaries**

Changes in Ringmetall SE's ownership interests in subsidiaries that do not lead to a loss of control over this subsidiary are recognized as equity transactions. The non-controlling interests are adjusted to the changed shareholding quota of the shareholders. Any difference between the amount of this adjustment and the fair value is offset against the equity attributable to the shareholders of the parent company.

### **Acquisition of business operations (business combinations)**

The acquisition of business operations is accounted for using the purchase method. The consideration transferred in a business combination is measured at fair value. This is determined by the sum of the fair values of the assets transferred at the acquisition date, the liabilities assumed from the former owners of the acquired company and the equity instruments issued by the Group in exchange for control of the acquired company. Acquisition-related costs are recognized as expenses.

The identifiable assets acquired and liabilities assumed are generally recognized at fair value.

If the sum of the consideration transferred, the amount of all non-controlling interests in the acquired company and the fair value of the equity interest in the acquired company previously held by the acquirer exceeds the revalued net assets of the acquisition object at the time of acquisition, goodwill must be recognized. Any

negative difference arising in the opposite case must be recognized immediately as income in the income statement.

Non-controlling interests that currently convey ownership rights and grant the holder the right to receive a proportionate share of the company's net assets in the event of liquidation are measured at the corresponding share of the identifiable net assets upon addition.

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

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

#### Investments accounted for using the equity method

An associate as defined by IAS 28 was included in the Group until the end of 2022. An associate is a company 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 company. This does not constitute control or joint control of the decision-making processes. The result, assets and liabilities of the associated company are included in these financial statements using the equity method. Accordingly, investments in associates are initially recognized in the consolidated balance sheet at cost, adjusted for changes in the Group's share of the associate's profit or loss and other comprehensive income after the acquisition date. Any excess of the cost of acquiring the interest over the acquired interest in the fair value of the identifiable assets, liabilities and contingent liabilities 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 on each balance sheet date whether it is necessary to recognize an impairment loss for its shares in the associated companies. The investor's share of post-acquisition profits or losses is adjusted appropriately, for example for additional depreciation and 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. Income and expenses, on the other hand, are translated at the average monthly exchange rates. The differences resulting from the translation are recognized in equity and reclassified to profit or loss when the gain or loss from the sale of a foreign subsidiary is recognized. The items in the consolidated cash flow statement are translated at average monthly exchange rates, while cash and cash equivalents are translated at the mean spot exchange rate at the end of the reporting period.

Translation differences 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 to translate the balance sheet items for the main currencies in the Group are shown in the following table:

1 EURO		Closing rate	
		31.12.2023	31.12.2022
Great Britain	GBP	0.8691	0.8853
China	CNY	7.8509	7.3926
Turkey	TRY	32.6531	19.9760
USA	USD	1.1050	1.0676

The individual items in the income statement were translated using the respective monthly average exchange rate of the European Central Bank. Until June 30, 2023, the average exchange rates for the respective reporting period were used.

All sub-divisions operate almost entirely in their respective country-specific domestic markets, meaning that transactions in foreign currencies are of secondary importance. Where financing is required, this is generally in local currency.

According to the International Monetary Fund (IMF), Turkey has been a hyperinflationary country since April 2022. This was taken into account in the currency translation.

#### 7.4 Revenue recognition

Ringmetall generates its revenue almost exclusively from the Industrial Packaging and Industrial Handling segments (until June 30, 2023). The Industrial Packaging segment consists of two product areas. One product area includes the manufacture and sale of clamping rings and the associated closures, and since 2021 products for pipes and pipe connections have also been manufactured. The other product area deals with the production and sale of drum liners. Monofoils have also been produced and sold in this division since 2022. In the Industrial Handling segment, revenue was generated from the production and marketing of vehicle attachments for special vehicles in logistics, warehouse logistics and agriculture.

All of 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 obtains control of the goods. Revenue is recognized at this point in time. The time of transfer of control is generally determined on the basis of the agreed contract terms, in particular the Incoterms. In the case of transactions via consignment warehouses, the transfer of control is already completed upon delivery to the consignment warehouse for certain contracts, meaning 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 balance sheet. 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.

The proceeds from the sale are measured at the fair value of the consideration received or to be received, which are the prices agreed in the customer contracts. The 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 any financing components.

## **7.5 Personnel expenses**

Der Ausweis der Leiharbeitenden erfolgt im Personalaufwand. Dies entspricht den wirtschaftlichen Gegebenheiten im Konzern.

## **7.6 Financial income and financial 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 reliably measured. Interest income also results from the compounding of the respective carrying amount with the corresponding effective interest rate. The effective interest rate is the interest rate used to discount the expected future cash inflows over the term of the financial asset to the net carrying amount of this asset on initial recognition.

Dividend income from shares or investments is recognized when the company's legal claim to payment has arisen.

Financing expenses are recognized in the income statement 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 of a business combination, the tax effects are included in the accounting of the business combination.

### **A. Current taxes**

The current tax expense is calculated on the basis of the taxable income for the respective financial year. Taxable income differs from the net profit for the year from the consolidated income statement with regard to those expenses and income that will become taxable or tax-deductible in later years or never. The Group's liabilities for current taxes are calculated on the basis of the tax rates applicable or soon to be applicable.

### **B. Deferred taxes**

Deferred taxes are recognized for the differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases in the calculation 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 (except in the case of business combinations) of other assets and liabilities resulting from events that affect neither the taxable income nor the net profit for the year.

Deferred taxes on loss carryforwards are recognized if it is probable, based on planning of future taxable results, that the losses can be used for tax purposes within the next five years.

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

Deferred tax assets arising from temporary differences in connection with shares in subsidiaries are only recognized to the extent that it is probable that sufficient taxable income will be available against which the claims arising from the temporary differences can be utilized. It must also be possible to assume that these temporary differences will reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed each year on the reporting date and reduced in value if it is no longer probable that sufficient taxable income will be available to realize the claim in full or in part.

Deferred tax liabilities and tax assets are determined on the basis of the expected tax rates and tax 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 arise from the manner in which the Group expects to settle the liability or realize the asset at the reporting date.

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

## **7.8 Earnings per share**

Basic earnings per share are calculated by dividing the consolidated net profit for the year attributable to the shareholders of the parent company by the weighted average number of shares in circulation during the financial year. Diluted earnings per share are calculated on the assumption 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 determinable useful life are measured at cost less accumulated amortization and impairment losses. Amortization is charged on a straight-line basis over the expected useful life and recognized as an expense. The estimate of the expected useful life and the amortization method are reviewed at each reporting date and adjusted with effect for the future if necessary.

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

#### B. Intangible assets acquired as part of a business combination

Intangible assets acquired as part of a business combination are recognized separately from goodwill and measured at fair value at the time of acquisition.

In subsequent periods, intangible assets acquired as part of a business combination are measured at fair value less accumulated amortization and impairment losses.

#### C. Goodwill

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

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

Goodwill is not subject to scheduled amortization. Impairment tests are carried out regularly to determine possible impairment requirements. For the purpose of impairment testing, goodwill is allocated on acquisition to those cash-generating units (or groups) of the Group that are expected to benefit from the synergies of the business combination.

The cash-generating units under review are essentially identical to the legal units of the respective sub-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 is impaired, it may be necessary to carry out 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 is first allocated to the carrying amount of the goodwill allocated to the unit and then pro rata to the other assets based on the relative ratio 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 under depreciation and amortization. An impairment loss recognized for goodwill may not be reversed in future periods.

When a cash-generating unit is sold, the outgoing pro rata carrying amount of the goodwill is taken into account when determining the gain 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 the income statement. A useful life of 5-50 years is assumed for buildings and associated leasehold improvements. Land is not depreciated.

#### B. Other property, plant and equipment

Technical equipment and machinery, office and business equipment and other assets are reported at acquisition or production cost less accumulated depreciation and recognized impairment losses.

Depreciation is calculated in such a way that the acquisition or production costs of assets are depreciated on a straight-line basis over their useful lives. The expected useful lives, residual values and depreciation methods are reviewed at each reporting date. All 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 calculating depreciation of property, plant and equipment:

- Technical equipment and machinery: 3 - 20 years
- Other equipment, operating and office equipment: 3 - 15 years
- Rights of use: 5 - 25 years

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

#### **7.11 Impairment of property, plant and equipment and intangible assets with the exception of goodwill**

At each reporting date, the Group reviews the carrying amounts of property, plant and equipment and intangible assets to determine whether there are any indications of impairment of these assets. If such indications are identifiable, the recoverable amount of the asset in question is estimated in order to determine the extent of any impairment loss. If the recoverable amount of the 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 the fair value less costs to sell and the value in use. When determining the value in use, the estimated future cash flows are discounted using a pre-tax interest rate.

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

If the impairment loss is subsequently reversed 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 the recoverable amount. The increase in the carrying amount is limited to the value that would have resulted if no impairment loss had been recognized for the asset or cash-generating unit in previous years and regular depreciation and amortization had 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 recognized as an expense 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 (usually within 3 to 10 years).

In the financial year, only insignificant 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 costs include directly attributable direct costs and overheads.

Net realizable value represents the estimated selling price of inventories less all estimated costs necessary to make the sale.

### **7.14 Finanzinstrumente**

Financial assets and financial liabilities are recognized in the consolidated balance sheet when Ringmetall becomes a contractual party to the financial instrument.

Classification and measurement of financial assets and financial liabilities

IFRS 9 provides for the classification of financial assets (only debt instruments) 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). There is no prescribed order for this test.

Business models

According to IFRS 9, the following three business models are possible:

- Hold to collect - financial assets that are held with the aim of collecting the contractual cash flows,
- Hold to collect and sell - financial assets that are held with the aim of both collecting the contractual cash flows and selling them,
- Other - financial assets that are held for trading or that do not meet the criteria of the other two categories.

The assessment of the business model requires an examination based on the facts and circumstances at the time of this assessment. The basic model at Ringmetall is "intention to hold". 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 entity may irrevocably elect to recognize in other comprehensive income changes in the fair value of an investment in equity instruments that are neither held for trading nor contingent consideration that is recognized by an acquirer in a business combination in accordance with IFRS 3; and
- the company may irrevocably decide to designate a financial asset that would have been measured either at amortized cost or at fair value through other comprehensive income using the above criteria as measured at fair value through profit or loss if this eliminates or significantly reduces measurement or recognition inconsistencies.

#### Financial assets at amortized cost (AC)

A financial asset that is a debt instrument is classified as "at amortized cost" (AC) and subsequently measured accordingly if the financial asset is held in a "holding intention" business model and the contractual cash flows meet the SPPI criterion. In addition, a possible fair value option must not have been applied, although this is only possible if it can avoid measurement and recognition inconsistencies and is not applied at Ringmetall.

Ringmetall therefore recognizes financial assets at amortized cost on initial recognition at cost. They are subsequently measured using the expected credit loss model (ECL model).

#### Financial assets at fair value with changes in value recognized directly in equity (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 and sell" business model and the contractual cash flows meet the SPPI criterion. In addition, a possible fair value option recognized in profit or loss must 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.

The unrealized gains and losses are not reclassified to the income statement until the financial asset is disposed of.

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

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

In addition, every financial asset (debt instruments), even if it corresponds to 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 purposes 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 in accordance with IFRS 9

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

The approach for determining impairments and risk provisioning is based on an expected credit loss model (ECL model under IFRS 9), in which risk provisioning is recognized upon initial recognition of the impairment-relevant financial instrument on the basis of the expectations of potential credit defaults prevailing at that time.

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

Step-by-step approach to determining the expected losses

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

This approach can be summarized as follows:

- Stage 1: A valuation allowance is recognized in the amount of the expected defaults within 12 months. This corresponds to the portion of expected defaults from default events that are expected within 12 months of the balance sheet date, provided there has been no increase in the default risk since initial recognition.
- Stage 2: A valuation allowance is recognized in the amount of the expected defaults over 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 that are expected within the remaining term after the balance sheet date and leads to a correspondingly higher risk provision compared to stage 1 if the remaining term is longer than 12 months.
- Stage 3: for financial assets that already had an impaired credit rating at the time of acquisition or origination, only the cumulative changes in credit losses expected over the term since initial recognition are recognized as a valuation allowance as at the reporting date.

Significant increase in default risk

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

Irrespective of the above information, IFRS 9 rebuttably presumes a significant increase 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 do not have an increased risk of default.

The basis for classification in level 1 or level 2 of the ECL model is the debtor's 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 credit-impaired financial assets in the portfolio in the financial year.

Derivatives

Derivatives are generally allocated 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 recognized valuation models, such as the Black-Scholes model or the Heath-Jarrow-Morton model framework.

Hedge accounting is not currently applied at Ringmetall.

#### **7.15 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, bank balances, cheques, bills of exchange and payments in transit.

#### **7.16 Equity**

An equity instrument is a contract that establishes 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 economic substance of the contractual agreement and the definitions.

#### **7.17 Pensions and similar provisions**

In accordance with IAS 19, the measurement of provisions for pensions is based on the so-called expense-related balance sheet approach. The pension expense to be recognized in the income statement must be determined at the beginning of each financial year on the basis of the relevant data at the beginning of the financial year, but with a value date at the end of the year. The pension provision to be reported in the balance sheet at the end of the financial year in accordance with IAS 19 is generally calculated from the pension provision at the end of the previous financial year plus the pension expense calculated at the beginning of the financial year less the cash payments made during the financial year. The calculation in accordance with IAS 19 is based on the recognized rules of actuarial mathematics. The calculations are based on the basic biometric values (probabilities of death, disability and marriage) of the Heubeck 2018 G mortality tables.

Provisions for severance 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.

#### **7.18 Other 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 recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. If a provision is measured on the basis of the estimated cash flows required to settle the obligation, these cash flows must be discounted if the interest effect is material.

#### **7.19 Leases**

As the lessee, Ringmetall leases certain assets, in particular real estate, machinery and operating and office equipment. At the inception of the contract, Ringmetall assesses whether the contract constitutes a lease within the meaning of IFRS 16. A lease is an agreement that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. According to IFRS 16, all leases must be recognized in the consolidated balance sheet: for a lease, an asset in the form of a right-of-use asset and a lease liability for the outstanding lease payments must be recognized.

The right-of-use assets reported under property, plant and equipment are recognized at cost less accumulated depreciation and any necessary impairment losses. If necessary, the acquisition costs of the respective

right-of-use assets are adjusted when the lease liabilities are revalued. The acquisition cost of a right-of-use asset is calculated as the present value of all future lease payments plus the lease payments made at or before the beginning of the lease term and - if stipulated in the respective contract - the contract termination costs and the estimated costs for 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 right-of-use asset.

If ownership of the leased asset is transferred to Ringmetall at the end of the lease term or if the exercise of a purchase option is included in the costs, depreciation is calculated on the basis of the expected useful life of the leased asset.

The rights of use are also tested for impairment.

The initial recognition of lease liabilities allocated to financial 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 right-of-use assets is allocated to depreciation in accordance with IFRS 16. Lease liabilities are compounded under interest expenses. In accordance with IFRS 16, the following options are available: 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 in each case), the recognition of a right-of-use asset and a lease liability may be waived.

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

Ringmetall can 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 subsidies for short-time working allowances. If short-time working allowance is a personal benefit for the employee, the corresponding payments are transitory items. Another example is low-interest public loans, for which the interest benefit is distributed pro rata over the term. Government grants are reported under other income.

## **8. BUSINESS SEGMENTS**

The Management Board is the chief operating decision maker in accordance with IFRS 8. For management purposes, the Group was divided into the Industrial Packaging and Industrial Handling business segments until June 30, 2023, based on the products offered by the segments.

Until then, both segments were the operating and reportable segments.

The "Industrial Packaging" business segment consists of two product areas. One product area specializes in the development, production and marketing of packaging elements for the drum industry. The product range, which mainly focuses on industrial drums, includes clamping rings in a wide variety of designs, lids and seals as well as handles, closure units and special components to meet specific requirements. Since 2022, Ringmetall has also been developing and producing innovative products for pipes and pipe connections, which in turn are



subdivided into clamps and pipe suspensions. The second product area has existed since the 2019 financial year, where the product portfolio mainly includes the manufacture and sale of drum liners and monofoils.

The "Industrial Handling" business segment produced and marketed application-oriented vehicle attachments for special vehicles in freight and warehouse logistics. This segment developed and produced restraint systems, lift mast parts and clutch and brake pedals for tractors, trucks and, in particular, industrial trucks. Complex welded assemblies and trailer coupling systems as well as hydraulic components are also part of the product range. With the sale of the only company included in the Industrial Handling segment - HSM GmbH & Co. KG - on June 30, 2023, this segment no longer exists.

As a result, Ringmetall has only one operating and reportable segment within the meaning of IFRS 8 as at December 31, 2023: the Industrial Packaging division.

This eliminates many of the mandatory disclosures for segment reporting in accordance with IFRS 8. However, there are some mandatory disclosures at company level that must be made by all companies in accordance with IFRS 8, even if they only have a single reportable segment. These disclosures relate to information about products and services, geographical areas and information about key customers.

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

EUR `000	2023				2022			
	Germany	USA	Italy/UK	Others	Germany	USA	Italy/UK	Others
Industrial Packaging	47,850	50,803	19,746	54,915	53,309	60,026	25,871	57,977
Industrial Handling	8,041	-	118	111	15,747	-	-	581
<b>Total</b>	<b>55,891</b>	<b>50,803</b>	<b>19,864</b>	<b>55,026</b>	<b>69,056</b>	<b>60,026</b>	<b>25,871</b>	<b>58,558</b>

In the Industrial Packaging segment, revenue of EUR 25,168 thousand (2022: EUR 31,244 thousand) and EUR 22,504 thousand (2022: EUR 30,430 thousand) was generated from business with two customers, which each generate revenue of more than 10 percent of consolidated revenue.

## 9. REVENUE AND OTHER INCOME

### 9.1 Revenues

EUR `000	2023	2022
Drum clamping rings, lids, etc.	125,517	156,709
Drum liners	47,797	40,474
Vehicle attachment parts, etc.	8,270	16,328
<b>Total</b>	<b>181,584</b>	<b>213,511</b>

The Group's main activity is the production and sale of clamping rings, associated closures, lids, seals, handles and products for pipes and pipe connections and, since 2019, also the production and sale of drum liners and monofoils (Industrial Packaging division) and, until June 30, 2023, the production and marketing of vehicle attachments for special vehicles in logistics and warehouse logistics as well as agriculture (Industrial Handling division).

The Group generated revenue from contracts with customers in accordance with IFRS 15 in the amount of EUR 181,584 thousand (2022: EUR 213,511 thousand). As in the previous year, all revenue was generated and recognized at a point in time in the reporting year.

## 9.2 Other income

EUR `000	2023	2022
Income from the reversal of provisions and allowance for doubtful accounts	389	251
Offset other benefits in kind from car provision	208	187
Income from grants and reimbursements	102	165
Other own work capitalized	61	34
Gain on disposal of property, plant and equipment	55	25
Income from insurance	54	41
Income from advantageous purchase	-	1,153
Other income	236	770
<b>Total</b>	<b>1,105</b>	<b>2,626</b>

Other income in the 2023 financial year is EUR 1,521 thousand lower than in the same period of the previous year. The main reason for this is the special effect from the advantageous purchase of Rhein-Plast reported in the previous year, which led to income of EUR 1,153 thousand at the time.

## 10. OPERATING EXPENSES

### 10.1 Cost of materials

EUR `000	2023	2022
Cost of raw materials, consumables and supplies	84,641	118,062
Expenses for purchased services	5,268	6,758
<b>Total</b>	<b>89,909</b>	<b>124,820</b>

The cost of purchased services includes, in particular, expenses for energy and third-party services. The disproportionately large decrease in the cost of materials in relation to sales is mainly due to falling raw material prices, particularly in relation to steel.

### 10.2 Personnel expenses

EUR `000	2023	2022
Wages and salaries	36,046	32,189
Social security contributions	7,475	7,095
Pension Costs	247	153
Temporary workers	3,904	6,667
<b>Total</b>	<b>47,672</b>	<b>46,104</b>

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

Social security contributions include expenses for pension insurance in the amount of EUR 1,925 thousand (2022: EUR 1,798 thousand).

The average number of employees (excluding temporary workers) increased from 814 in 2022 to 867 in 2023.

The average number of temporary workers employed fell to 82 in 2023 (2022: 217 temporary workers).

### 10.3 Other expenses and other taxes

EUR `000	2023	2022
Expenses for the issue of goods	5,420	7,116
Expenses for administration and IT	4,564	4,638
Expenses for machinery and tools	3,472	3,070
Expenses for consulting and other external services	2,835	2,529
Expenses in connection with buildings	2,393	1,859
Other expenses	5,444	318
Other taxes	401	407
<b>Total</b>	<b>24,529</b>	<b>19,937</b>

Compared to the previous year, other expenses increased by EUR 4,592 thousand.

Other expenses include the one-off effect from the deconsolidation of HSM as at June 30, 2023 in the amount of EUR 4,606 thousand. See also the comments under 6 "Changes in the scope of consolidation / acquisition and sale of assets".

The slight increase in individual items under other expenses, such as expenses for machinery and tools and expenses in connection with buildings, is due to the acquisitions in this financial year.

In contrast, expenses for the distribution of goods fell disproportionately in relation to the decline in revenue.

## 11. INVESTMENT AND FINANCIAL RESULTS

### 11.1 Financial income

EUR `000	2023	2022
Interest income	86	4
<b>Total</b>	<b>86</b>	<b>4</b>

### 11.2 Financing expenses

EUR `000	2023	2022
Interest on current account and bank loans (not from related parties)	1,307	455
Exchange rate effects from financing activities	272	29
Interest on liabilities from leases	188	249
<b>Total</b>	<b>1,767</b>	<b>733</b>

The increase in financing expenses is mainly due to higher interest rates for bank loans. This is partly due to the

increase in bank liabilities in connection with the acquisitions made in the financial year and partly due to a higher interest rate for the syndicated loan agreement compared to the previous year.

## 12. INCOME TAXES

Ringmetall SE is subject to domestic corporation tax and trade tax. The corporation tax rate applicable for the 2023 and 2022 financial years is 15.0 percent. In addition, a solidarity surcharge of 5.5 percent is levied. Trade income tax in 2023 remains unchanged from the previous year at 17.2 percent of taxable income (Munich branch).

Domestic subsidiaries are also subject to domestic corporation tax, the solidarity surcharge and trade tax insofar as they are corporations. Domestic partnerships are only subject to trade tax. Depending on the individual assessment rate, trade income tax amounts to between 12.8 percent and 17.3 percent of taxable income.

For foreign subsidiaries, the tax rates used to calculate deferred taxes are those applicable on the balance sheet date or those already legally enacted. Depending on the country, the tax rates are between 16.5 percent and 27.9 percent.

Regarding the Group, several years have not yet been finally assessed for tax purposes. Ringmetall is of the opinion 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 provision made in the financial statements.

Due to future case law or changes in the opinion of the tax authorities, it cannot be ruled out that tax payments may have to be made for previous years.

### 12.1 Income taxes recognized in profit and loss

Income taxes break down as follows:

EUR `000	2023	2022
<b>Actual tax expense</b>		
Current year	-3,717	-4,997
Adjustments for previous years	34	9
	<b>-3,683</b>	<b>-4,988</b>
<b>Deferred tax expense/income</b>		
Thereof from origination and reversal of temporary differences	221	507
Thereof from loss carryforwards	184	-153
	<b>405</b>	<b>354</b>
<b>Tax expense</b>	<b>-3,278</b>	<b>-4,634</b>

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 processes 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 in the individual countries at the time of realization according to the current legal situation.

## 12.2 Reconciliation of the effective tax rate

The Group tax rate for the 2023 financial year remains unchanged from the previous year at 33.0 percent.

The reconciliation from the expected to the reported tax result is shown below: The increase in the effective tax rate in the reporting year compared to the previous year is mainly due to the increase in non-deductible expenses and the increase in tax rate differences.

EUR `000	2023	%	2022	%
Profit before taxes	9,608		20,554	
Taxes on the basis of the domestic tax rate of the parent company	-3,169	-33.0	-6,778	-33.0
Tax rate differences	1,140	11.9	1,646	8.0
Change in tax rates	-78	-0.8	-1	0.0
Non-deductible expenses	-1,243	-12.9	-103	-0.5
Non-taxable income	52	0.5	382	1.9
Losses and temporary differences for which no tax assets could be recognized in the balance sheet	6	0.1	-12	-0.1
Temporary differences for which no tax assets could be recognized	16	0.2	50	0.2
Actual taxes relating to other periods	34	0.4	9	0.0
Reduction in deferred tax expense due to previously unrecognized tax losses	0	0.0	213	1.0
Other tax effects	-36	-0.4	-40	-0.2
<b>Effective tax expense</b>	<b>-3,278</b>	<b>-34.1</b>	<b>-4,634</b>	<b>-22.5</b>

## 12.3 Unrecognized deferred tax assets

At the end of the reporting period, the Group had unrecognized taxes on loss carryforwards in the amount of EUR 884 thousand (2022: EUR 310 thousand); the underlying loss carryforwards amounted to EUR 5,366 thousand (2022: EUR 1,341 thousand).

Of these tax loss carryforwards, EUR 131 thousand were not recognized in the reporting period for loss carryforwards that expire in 2024, EUR 295 thousand for loss carryforwards that expire in the period from 2025 to 2028 and EUR 4,940 thousand for loss carryforwards that can be carried forward indefinitely.

Deferred tax assets were not capitalized on the basis of corporate planning, taking into account usability and recoverability. Ringmetall SE does not recognize deferred tax liabilities for retained earnings of subsidiaries if these earnings are considered likely to be permanently invested and Ringmetall has the ability to control the distributions, whereby a distribution of these earnings is not planned in the future. Furthermore, there are no plans to sell the shares in question.



#### 12.4 Change in deferred taxes during the year

Deferred tax assets and liabilities developed as follows:

<b>Deferred tax assets</b> <b>EUR `000</b>	<b>31.12.2023</b>	31.12.2022
Intangible assets	975	995
Property, plant and equipment	212	272
Inventories	459	379
Other provisions	68	52
Other liabilities	69	0
Other assets	39	32
Tax loss carryforwards	847	687
<b>Total</b>	<b>2,669</b>	<b>2,417</b>
Offsetting deferred tax assets and liabilities	-1,374	-1,313
<b>Deferred tax assets after netting</b>	<b>1,295</b>	<b>1,104</b>
<b>Deferred tax liabilities</b> <b>EUR `000</b>	<b>31.12.2023</b>	31.12.2022
Intangible assets	1,320	1,328
Property, plant and equipment	2,023	1,871
Trade receivables	133	125
Other liabilities	183	223
Other assets	0	29
<b>Total</b>	<b>3,659</b>	<b>3,576</b>
Offsetting deferred tax assets and liabilities	-1,374	-1,313
<b>Deferred tax liabilities after netting</b>	<b>2,285</b>	<b>2,263</b>

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 future offsetting of tax losses in the Industrial Packaging division within the planning period of five years is to be made possible by establishing a tax group with consistently profitable Group companies. Further profit and loss transfer agreements will be concluded as soon as the loss carryforwards of the future tax group companies have been used up.

The net amount of deferred taxes developed as follows:

EUR `000	2023	2022
<b>Deferred tax assets, net as at 1 January</b>	<b>-1,159</b>	<b>-918</b>
Change in the scope of consolidation	-263	-530
Change in deferred taxes due to Revaluations of severance obligations, recognized in other comprehensive income	8	-34
Currency translation effects	-44	-30
Deferred tax expenses/income	468	353
<b>Deferred tax assets, net as at 31 December</b>	<b>-990</b>	<b>-1,159</b>

### 13. NOTES TO THE CONSOLIDATED NET INCOME FOR THE YEAR

#### 13.1 Consolidated net income for the year

EUR `000	2023	2022
Shareholders of the parent company	5,820	15,225
Non-controlling shareholders	510	695
<b>Consolidated net income for the year</b>	<b>6,330</b>	<b>15,920</b>

#### 13.2 Earnings per share

	2023	2022
a) <b>Undiluted earnings per share</b>	Euro per share	Euro per share
From continuing operations	0.20	0.52
<b>Total basic earnings per share</b>	<b>0.20</b>	<b>0.52</b>

The earnings and the weighted average number of ordinary shares included in the calculation of basic earnings per share are shown below.

	2023	2022
Consolidated net income attributable to the shareholders of Ringmetall SE	5,820	15,225
Weighted average number of ordinary shares for the calculation of basic earnings per share	29,069	29,069
b) <b>Diluted earnings per share</b>	Euro per share	Euro per share
From continuing operations	0.20	0.52
<b>Total diluted earnings per share</b>	<b>0.20</b>	<b>0.52</b>

The consolidated net income for the year attributable to the shareholders of Ringmetall SE is used in the calculation.



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, meaning that basic earnings per share and diluted earnings per share are identical.

## 14. GOODWILL

### 14.1 Reconciliation of the carrying amount

EUR `000	2023	2022
Acquisition costs	38,267	36,310
Accumulated impairment losses	-2,349	-2,173
<b>Status at the end of the year</b>	<b>35,918</b>	<b>34,137</b>
Acquisition costs		
Status at the beginning of the year	36,310	35,530
Additional amounts recognized from business combinations	6,190	-
Less amounts from company disposals	-3,973	-
Effects of exchange rate differences	-260	780
<b>Status at the end of the year</b>	<b>38,267</b>	<b>36,310</b>
Accumulated impairment losses		
Status at the beginning of the year	2,173	1,796
Effects of exchange rate differences	176	377
<b>Status at the end of the year</b>	<b>2,349</b>	<b>2,173</b>

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

### 14.2 Allocation of goodwill to the cash-generating units

Goodwill resulting from a business combination is recognized at the value resulting from the purchase price allocation less any necessary impairments and is reported separately in the consolidated balance sheets. For the purpose of impairment testing, goodwill is allocated to those cash-generating units (CGUs) of the Group that are expected to benefit from the synergies of the business combination.

As at the respective measurement date (= reporting date), the recoverable amount of each cash-generating unit carrying goodwill is determined on the basis of a value in use calculation using cash flow forecasts based on financial plans determined and approved by the company management and compared with its carrying amount. This was based on detailed planning for each company for the first year, which was extrapolated for two further years in a simplified extrapolation with an average growth potential of 6.0 percent to 18.5 percent. Periods not included in the planning calculations are shown by applying the residual value (terminal value). For the cash flows after the three-year period, it is assumed that they are subject to a growth rate of 0.0 percent (31.12.2022: 0.0 percent). The cash flows are discounted using the risk-adjusted pre-tax interest rate of the respective cash-generating units of 8.7 percent to 19.2 percent (31.12.2022: 6.9 percent to 9.7 percent), which is based on the weighted average cost of capital (WACC). The cost of capital for the individual companies is 8.7

percent plus the respective country-specific country surcharge. The weighted average cost of capital takes into account a cost of capital of 10.8 percent to 22.0 percent (31.12.2022: 10.3 percent to 18.0 percent) and a cost of debt of 3.9 percent to 10.8 percent (31.12.2022: 2.4 percent to 7.5 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 at the balance sheet date:

EUR '000	31.12.2023	31.12.2022
August Berger Metallwarenfabrik GmbH	1,750	834
Berger Closures Limited	176	176
Berger Italia S.r.l.	2,658	2,658
Berger US Inc.	12,802	13,125
HOSTO Stolz GmbH & Co. KG	-	916
HSM GmbH & Co. KG	-	3,973
Latza GmbH	1,261	1,261
Packaging Inliner	9,332	9,332
Protective Lining, Inc.	3,201	-
Rhein-Plast GmbH	802	-
S.G.T. S.r.l.	1,862	1862
SVD Gruppe	2,074	-
<b>Total</b>	<b>35,918</b>	<b>34,137</b>

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

The strategic management and orientation of the companies and the creation and pursuit of a business division strategy are carried out at Packaging Inliner level; the management and Supervisory Board are reported to at this level.

All reported goodwill results primarily 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 the calculation of the value in use of the business units

The basic assumptions on the basis of which the company management has prepared its cash flow forecasts for goodwill impairment testing are explained below.

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

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

Planned gross profit margins - The gross profit margins are determined on the basis of the average gross profit margins achieved in the immediately preceding financial year and adjusted to take account of the expected increase in efficiency.

Price increases for raw materials / goods - In order to take price increases into account, it was largely assumed that the Group will be able to pass on price adjustments for raw materials / goods purchases via sales 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 calculated values in use already exceeded the carrying amounts of the individual cash-generating units.

Sensitivity of the assumptions made

The calculated values in use exceeded the carrying amounts of the cash-generating units.

The company management is of the opinion that no reasonably possible change in one of the basic assumptions made to determine the value in use of the cash-generating units could lead to the carrying amount of the cash-generating unit exceeding its recoverable amount.

## 15. INTANGIBLE ASSETS AND GOODWILL

### 15.1 Reconciliation of the carrying amount

See Notes 7.9. and 7.11. for information on accounting policies.

EUR '000	Software	Goodwill	Intangible assets in origination	2023 Total
<b>Acquisition and production costs</b>				
<b>Status as of 1.1.2023</b>	<b>8,216</b>	<b>36,310</b>	-	<b>44,526</b>
Acquisitions through business combinations	4,082	6,190	-	10,272
Company sales	-137	-3,973	-	-4,110
Additions	253	-	-	253
Rebookings	-26	-	-	-26
Departures	-38	-	-	-38
Currency conversion	-111	-260	-	-371
<b>Status as of 31.12.2023</b>	<b>12,239</b>	<b>38,267</b>	-	<b>50,506</b>
<b>Accumulated amortization and impairment losses</b>				
<b>Status as of 1.1.2023</b>	<b>-4,509</b>	<b>-2,173</b>	-	<b>-6,682</b>
Acquisitions through business combinations	-	-	-	-
Company sales	119	-	-	119
Additions	-1,832	-	-	-1,832
Rebookings	-	-	-	-
Departures	38	-	-	38
Currency conversion	20	-176	-	-156
<b>Status as of 31.12.2023</b>	<b>-6,164</b>	<b>-2,349</b>	-	<b>-8,513</b>
<b>Carrying amounts</b>				
<b>Status as of 31.12.2023</b>	<b>6,075</b>	<b>35,918</b>	-	<b>41,993</b>

EUR `000	Software	Goodwill	Intangible assets in origination	2022 Total
<b>Acquisition and production costs</b>				
<b>Status as of 1.1.2022</b>	<b>6,167</b>	<b>35,530</b>	-	<b>41,697</b>
Acquisitions through business combinations	1,215	-	-	1,215
Additions	855	-	-	855
Rebookings	-	-	-	-
Departures	-7	-	-	-7
Currency conversion	-14	780	-	766
<b>Status as of 31.12.2022</b>	<b>8,216</b>	<b>36,310</b>	-	<b>44,526</b>
<b>Accumulated amortization and impairment losses</b>				
<b>Status as of 1.1.2022</b>	<b>-3,325</b>	<b>-1,796</b>	-	<b>-5,121</b>
Acquisitions through business combinations	-	-	-	-
Additions	-1,202	-	-	-1,202
Rebookings	-	-	-	-
Departures	7	-	-	7
Currency conversion	11	-377	-	-366
<b>Status as of 31.12.2022</b>	<b>-4,509</b>	<b>-2,173</b>	-	<b>-6,682</b>
<b>Carrying amounts</b>				
<b>Status as of 31.12.2022</b>	<b>3,707</b>	<b>34,137</b>	-	<b>37,844</b>

## 16. PROPERTY, PLANT AND EQUIPMENT

### 16.1 Reconciliation of the carrying amount

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

EUR `000	Properties and buildings	Technical equipment and machinery	Other equipment, OOE*	Property, plant and equipment under construction	2023 Total
<b>Acquisition and production costs</b>					
<b>Status as of 1.1.2023</b>	<b>31,362</b>	<b>47,783</b>	<b>8,613</b>	<b>1,039</b>	<b>88,797</b>
Acquisitions through business combinations	601	2,465	182	-	3,248
Company sales	-3,470	-5,546	-2,108	-	-11,124
Additions	2,260	1,308	1,084	1,902	6,554
Rebookings	97	471	94	-637	25
Departures	-105	-688	-287	-	-1,080
Currency conversion	-227	-301	-59	-11	-598
<b>Status as at 31.12.2023</b>	<b>30,518</b>	<b>45,492</b>	<b>7,519</b>	<b>2,293</b>	<b>85,822</b>
<b>Accumulated amortization and impairment losses</b>					
<b>Status as of 1.1.2023</b>	<b>-11,781</b>	<b>-35,449</b>	<b>-6,235</b>	<b>0</b>	<b>-53,465</b>
Acquisitions through business combinations	-	-	-	-	-
Company sales	1,600	4,103	1,869	-	7,572
Additions	-2,202	-2,915	-918	-	-6,035
Rebookings	-	114	-114	-	-
Departures	95	586	243	-	924
Currency conversion	133	157	33	-	323
<b>Status as at 31.12.2023</b>	<b>-12,155</b>	<b>-33,404</b>	<b>-5,122</b>	<b>0</b>	<b>-50,681</b>
<b>Carrying amounts</b>					
<b>Status as at 31.12.2023</b>	<b>18,363</b>	<b>12,088</b>	<b>2,397</b>	<b>2,293</b>	<b>35,141</b>

\* Operating and office equipment

EUR `000	Properties and buildings	Technical equipment and machinery	Other equipment, OOE*	Property, plant and equipment under construction	2022 Total
<b>Acquisition and production costs</b>					
<b>Status as of 1.1.2022</b>	<b>28,539</b>	<b>45,390</b>	<b>7,892</b>	<b>472</b>	<b>82,293</b>
Acquisitions through business combinations	2,682	1,259	284	105	4,330
Additions	168	1,722	961	810	3,661
Rebookings	187	148	-163	-172	0
Departures	-217	-715	-331	-176	-1,439
Currency conversion	3	-21	-30	-	-48
<b>Status as at 31.12.2022</b>	<b>31,362</b>	<b>47,783</b>	<b>8,613</b>	<b>1,039</b>	<b>88,797</b>
<b>Accumulated amortization and impairment losses</b>					
<b>Status as of 1.1.2022</b>	<b>-9,759</b>	<b>-33,305</b>	<b>-5,658</b>	<b>-176</b>	<b>-48,898</b>
Acquisitions through business combinations	-	-	-	-	-
Additions	-2,097	-2,807	-911	-	-5,815
Rebookings	-	-	-	-	-
Departures	34	568	313	176	1,091
Currency conversion	41	95	21	-	157
<b>Status as at 31.12.2022</b>	<b>-11,781</b>	<b>-35,449</b>	<b>-6,235</b>	<b>0</b>	<b>-53,465</b>
<b>Carrying amounts</b>					
<b>Status as at 31.12.2022</b>	<b>19,581</b>	<b>12,334</b>	<b>2,378</b>	<b>1,039</b>	<b>35,332</b>

\* Operating 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 shown in the following table:

EUR `000	Properties and buildings	Technical equipment and machinery	Operating and office equipment	2023 Total
<b>Acquisition and production costs</b>				
<b>Status as of 1.1.2023</b>	<b>14,328</b>	<b>3,740</b>	<b>1,397</b>	<b>19,465</b>
Acquisitions through business combinations	-	-	-	0
Company sales	-3,356	-2,322	-155	-5,833
Additions	1,935	358	554	2,847
Departures	-103	-156	-130	-389
Currency conversion	-162	3	-	-159
<b>Status as at 31.12.2023</b>	<b>12,642</b>	<b>1,623</b>	<b>1,666</b>	<b>15,931</b>
<b>Accumulated amortization</b>				
<b>Status as of 1.1.2023</b>	<b>-5,936</b>	<b>-1,540</b>	<b>-814</b>	<b>-8,290</b>
Acquisitions through business combinations	-	-	-	-
Company sales	1,309	1,102	74	2,485
Additions	-1,541	-268	-352	-2,161
Departures	95	156	127	378
Currency conversion	124	-1	-	123
<b>Status as at 31.12.2023</b>	<b>-5,949</b>	<b>-551</b>	<b>-965</b>	<b>-7,465</b>
<b>Carrying amounts</b>				
<b>Status as at 31.12.2023</b>	<b>6,693</b>	<b>1,072</b>	<b>701</b>	<b>8,466</b>



EUR `000	Properties and buildings	Technical equipment and machinery	Operating and office equipment	2022 Total
<b>Acquisition and production costs</b>				
<b>Status as of 1.1.2022</b>	<b>14,400</b>	<b>2,768</b>	<b>1,242</b>	<b>18,410</b>
Acquisitions through business combinations	-	136	-	136
Additions	110	842	324	1,276
Departures	-217	-	-164	-381
Currency conversion	35	-6	-5	24
<b>Status as at 31.12.2022</b>	<b>14,328</b>	<b>3,740</b>	<b>1,397</b>	<b>19,465</b>
<b>Accumulated amortization</b>				
<b>Status as of 1.1.2022</b>	<b>-4,377</b>	<b>-1,152</b>	<b>-632</b>	<b>-6,161</b>
Revaluation	-	-	-	-
Additions	-1,614	-389	-337	-2,340
Departures	34	-	153	187
Currency conversion	21	1	2	24
<b>Status as at 31.12.2022</b>	<b>-5,936</b>	<b>-1,540</b>	<b>-814</b>	<b>-8,290</b>
<b>Carrying amounts</b>				
<b>Status as at 31.12.2022</b>	<b>8,392</b>	<b>2,200</b>	<b>583</b>	<b>11,175</b>

The incremental borrowing rates used to determine the lease liabilities and thus also the right-of-use assets at the time of recognition in the 2023 financial year range between 1.18 percent and 6.00 percent.

As at December 31, 2023, there were no indications of a need for impairment of the rights of use.

In the 2023 financial year, there were expenses for short-term leases in the amount of EUR 56 thousand (2022: EUR 23 thousand) and for leases based on a low-value asset in the amount of EUR 25 thousand (2022: EUR 51 thousand). The total amount of lease payments for the 2023 financial year amounted to EUR 2,607 thousand (2022: EUR 2,784 thousand).

## 17. OTHER NON-CURRENT ASSETS

Other non-current assets include the following items:

EUR `000	31.12.2023	31.12.2022
Other non-current assets	375	286
<b>Total</b>	<b>375</b>	<b>286</b>

Other non-current assets include a minority interest of EUR 250 thousand that was acquired as part of the takeover of the SVD Group, see the comments under 6 "Changes in the scope of consolidation / acquisition and

sale of assets". In addition, this item mainly includes assets in connection with pension provisions carried as liabilities (see note 24), although these do not constitute plan assets within the meaning of IAS 19.

## 18. PROVISIONS

EUR `000		31.12.2023	31.12.2022
Raw materials and supplies	Gross value	11,677	15,968
	Impairment	-723	-992
	<b>Book value</b>	<b>10,954</b>	<b>14,976</b>
Work in progress	Gross value	1,922	3,579
	Impairment	-207	-68
	<b>Book value</b>	<b>1,715</b>	<b>3,511</b>
Finished products	Gross value	6,893	7,402
	Impairment	-421	-168
	<b>Book value</b>	<b>6,472</b>	<b>7,234</b>
<b>Total</b>		<b>19,141</b>	<b>25,721</b>

Finished goods include merchandise in the amount of EUR 1,290 thousand (31.12.2022: EUR 2,425 thousand), which is not included in the change in inventories.

## 19. TRADE RECEIVABLES

Trade receivables are amounts owed by customers for goods sold in the ordinary course of business. They are generally payable 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 in order to collect the contractual cash flows and measures them at amortized cost.

The corresponding carrying amounts at the end of the year are as follows:

EUR `000	31.12.2023	31.12.2022
Trade receivables	23,691	21,441
Impairment losses for expected credit losses	-218	-159
<b>Total</b>	<b>23,473</b>	<b>21,282</b>

The risk of bad debt losses 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 receivables are calculated using an impairment table. Based on future expectations, the credit losses on trade receivables are estimated over the entire contractual term during which Ringmetall is exposed to default risk. Trade receivables are grouped by geographical area, as the payment terms differ depending on the geographical area.

In the 2023 financial year, as in previous years, only insignificant losses on trade receivables were incurred.

Age structure of overdue receivables (nominal values):

EUR `000	31.12.2023	31.12.2022
61 to 90 days	155	282
91 to 180 days	568	330
More than 180 days	110	51
<b>Total</b>	<b>833</b>	<b>663</b>

Changes in the allowance for expected credit losses:

EUR `000	2023	2022
<b>Impairment as at 1.1.2023 before acquisitions</b>	<b>159</b>	<b>156</b>
Changes due to company sale	-10	-
<b>Impairment as at 1.1.2023 after acquisitions</b>	<b>149</b>	<b>156</b>
Increase/reduction in impairment recognized in profit or loss	79	1
Receivables written off due to uncollectibility	-	-1
Exchange rate changes	-10	3
<b>Value adjustment as at 31.12.2023</b>	<b>218</b>	<b>159</b>

Age structure of impaired receivables (nominal values):

EUR `000	31.12.2023	31.12.2022
0 to 30 days	2,115	2,509
31 to 60 days	224	474
61 to 90 days	93	282
91 to 180 days	177	330
More than 180 days	51	51
<b>Total</b>	<b>2,660</b>	<b>3,646</b>

## 20. CONTRACT ASSETS

EUR `000	31.12.2023	31.12.2022
Contract assets	326	354
<b>Total</b>	<b>326</b>	<b>354</b>

Contract assets are assets from customer contracts that have not yet been invoiced to customers. They result from deliveries of Ringmetall Group products to customers' consignment warehouses. This gives the customers physical possession of the assets and control is deemed to have been transferred at this point.

## 21. OTHER CURRENT ASSETS AND CURRENT TAX RECEIVABLES

EUR `000	31.12.2023	31.12.2022
Delimitations	293	258
Other receivables	1,209	810
<b>Other current non-financial assets</b>	<b>1,502</b>	<b>1,068</b>
Other current financial assets	1,764	-
<b>Other current assets</b>	<b>3,266</b>	<b>1,068</b>
<b>Current tax receivables</b>	<b>188</b>	<b>231</b>

## 22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2023 break down as follows:

EUR `000	31.12.2023	31.12.2022
Cash at banks and cash on hand	6,784	8,119
<b>Status at the end of the year</b>	<b>6,784</b>	<b>8,119</b>

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

## 23. EQUITY

The development of equity in the 2023 financial year is shown in the consolidated statement of changes in equity.

### 23.1 Subscribed capital

EUR `000	31.12.2023	31.12.2022
Subscribed capital	29,069	29,069
The subscribed capital is made up as follows:		
No-par value registered shares of EUR 1 each	29,069,040	29,069,040

#### a) Fully paid-up ordinary shares

EUR `000	Number of shares	Subscribed Capital	Agio
Status 01.01.2022	29,069,040	29,069	16,664
Capital increase	-	-	-
Status as at 31.12.2022	29,069,040	29,069	16,664
Capital increase	-	-	-
<b>Status as at 31.12.2023</b>	<b>29,069,040</b>	<b>29,069</b>	<b>16,664</b>

The fully paid-up ordinary shares have a notional interest in equity of EUR 1.00, each carry voting rights and are entitled to dividends.

Ringmetall SE does not hold any treasury shares.

In the 2018 financial year, the share capital was increased by EUR 1,384,240.00 from EUR 27,684,800.00 to EUR 29,069,040.00 by resolution of the Supervisory Board on 14 August 2018 in accordance with Article 5 of the Articles of Association (share capital, authorized capital). A total of 1,384,240 no-par value bearer shares with a notional interest in the share capital of EUR 1.00 were issued.

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

At the Annual General Meeting on 16 June 2021, the Management Board was authorized until 31 May 2026 to increase the share capital once or several times by up to EUR 5,813,808.00 against cash contributions and/or contributions in kind with the approval of the Supervisory Board, 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

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

EUR `000	2023	2022
Status at the beginning of the year	16,664	16,664
Additions from premiums	-	-
Costs in connection with the capital increase	-	-
<b>As at 31.12.</b>	<b>16,664</b>	<b>16,664</b>

### 23.3 Currency translation reserve

EUR `000	2023	2022
Status at the beginning of the year	470	-507
Changes in the financial year	-930	977
<b>As at 31.12.</b>	<b>-460</b>	<b>470</b>

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 recognized directly in equity amounts to EUR -48 thousand (31.12.2022: EUR -28 thousand) and is included in the non-controlling interests.

### 23.4 Other result

The other changes in equity not recognized in profit or loss relate to the differences from the currency translation of the financial statements of foreign subsidiaries not recognized in profit or loss and the effects of the revaluation as part of the recognition of severance and pension obligations.

Deferred taxes are calculated on the revaluation as part of the recognition of severance and pension obligations, which are generally not recognized in the income statement, but as other comprehensive income in the statement of comprehensive income.

### 23.5 Non-controlling interests

EUR `000	2023	2022
Status at the beginning of the year	1,064	1,041
Share of profit for the year	510	695
Distributions	-649	-644
Other changes	-81	-28
<b>As at 31.12.</b>	<b>844</b>	<b>1,064</b>

## 24. PENSIONS AND SIMILAR PROVISIONS

### 24.1 Pension provisions

As part of the acquisition of SVD-Verpackungen GmbH on June 1, 2023, pension obligations for surviving dependents were assumed. These employer-financed pension commitments of SVD are defined benefit commitments. These pension commitments are recognized in the balance sheet as pension provisions.

An actuarial report in accordance with IAS 19 was prepared for these obligations as at May 31, 2023. The calculations were based on the basic biometric values (probabilities of death, invalidity and marriage) of the Heubeck 2018 G mortality tables; the actuarial interest rate used was 3.65percent. As the group of persons for these pension obligations only consists of surviving dependants, a detailed description of the underlying pension arrangements was not provided. These surviving dependants' pensions are measured using the collective method. A pension trend of 1.75percent per annum was taken into account.

Reinsurance policies were not concluded to finance the pension commitments.

An actuarial interest rate of 3.22 percent and a pension trend of 2.50 percent were used to calculate the pension provisions as at December 31, 2023.

Pension provisions developed as follows as at December 31, 2023:

EUR `000	2023	2022
Status 1.6.	343	-
Benefits paid	-23	-
Interest expense	7	-
Revaluation	30	-
Other changes	-	-
<b>As at 31.12.</b>	<b>357</b>	<b>-</b>

The annual expense for the addition to the pension provision is allocated to personnel expenses in the consolidated income statement in accordance with the nature of expense method. The interest expense is

presented within the financial result. The result from the remeasurement of the severance payment obligation and the deferred taxes on this are shown under other comprehensive income in equity.

## **24.2 Provisions similar to pensions**

Obligations based on statutory provisions in Italy at the Group companies S.G.T. S.r.l. Albavilla, Italy, and Berger Italia S.r.l. Valmadrera, Italy, are reported under obligations similar to pensions. These are so-called "Trattamento di Fine Rapporto (TFR)" or severance payment obligations that the Italian companies have towards their employees. Employees in Italy are generally entitled to a severance payment discount. In this context, the reason for the "separation from the employee" is irrelevant. A payment claim from TFR arises with every employment relationship. It is a supplementary pension entitlement under public law that is non-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, there are therefore primarily no expenses due to the use of the provision; there is merely an outflow of liquidity. The TFR refers, among other things, to the salary amount received by the employee. To secure the obligations, the Group holds corresponding restricted cash via an insurance company. As at the reporting date, Ringmetall was not aware of any circumstances that would lead to the obligations falling due within 12 months of the reporting date, nor are any such circumstances expected. Accordingly, these provisions similar to pensions are reported under non-current liabilities.

### Valuation of severance obligations

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

Termination benefit obligations are measured 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 at the measurement dates of December 31, 2023 and December 31, 2022.

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

The underlying parameters are gender and qualifications 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 conditions and assumptions. With regard to the demographic parameters, a further distinction is made between the case constellations of termination, occupational disability and death.

In the calculations in accordance with IAS 19, the severance obligations for the respective measurement dates are determined using 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 remaining working life in years.

This foreign obligation was calculated on the basis of the Italian mortality tables. The probability of fluctuation was estimated on an age- and gender-specific basis. The expected return on plan assets was estimated conservatively on the basis of historical values.

	Abroad 2023	Abroad 2022
Discount factor	3.42% resp. 4.00%	3.18% resp. 3.15%
Inflation rate	2.00%	2.00%
Probability of advance payments	6.50% Berger Italia / 1.00% S.G.T.	6.86% Berger Italia / 1.66% S.G.T.
Annual payment amounts	EUR 5 - 56 k	EUR 8 - 18 k
Remaining term of the TFR cash flows	8.39 - 13.56 years	9.36-14.15 years
Average expected remaining working time	13 or 17 years	14 or 17 years

#### Development of severance payment obligations

The provision for severance obligations developed as follows:

EUR `000	2023	2022
As of 1 January	760	804
Current service cost	57	-26
Interest expense	22	22
Revaluation	-61	-98
Other changes	-20	58
<b>As of 31 December</b>	<b>758</b>	<b>760</b>

The annual expense for the allocation to the severance payment obligation is allocated to personnel expenses in the consolidated income statement in accordance with the nature of expense method. The interest expense is presented within the financial result. The result from the remeasurement of the severance payment obligation and the deferred taxes on this are shown under other comprehensive income in equity.

The following effects would have resulted on the provisions for severance obligations reported as at December 31, 2023 and December 31, 2022 if the calculation parameters (discount factor 3.42 percent and 4.00 percent, 2022: 3.18 percent and 3.15 percent) had changed as follows:

#### Sensitivity analysis of severance obligations

EUR `000	31.12.2023	31.12.2022
Discount rate 3.17% or 3.75% (-0.25%)	+12	+13
Discount rate 3.67% or 4.25% (+0.25%)	-12	-13



## 25. OTHER PROVISIONS

See note 7.18 for information on accounting policies.

<b>2023</b> EUR `000	Remaining vacation/ overtime	Other personnel	Consulting	Warranty risks	Other	<b>Total</b>
Status as of 1.1.	<b>827</b>	<b>3,327</b>	<b>620</b>	<b>171</b>	<b>853</b>	<b>5,798</b>
Changes in scope of consolidation	49	-66	148	66	4	201
Provisions utilized	-620	-2,527	-672	-1	-772	-4,592
Reversal of provisions not utilized	-32	-132	-58	-123	-19	-364
Increase in provisions	676	2,311	554	5	346	3,892
Revaluation	-2	-15	-36	-2	29	-26
<b>Status as of December 31</b>	<b>898</b>	<b>2,898</b>	<b>556</b>	<b>116</b>	<b>441</b>	<b>4,909</b>

<b>2022</b> EUR `000	Remaining vacation/ overtime	Other personnel	Consulting	Warranty risks	Other	<b>Total</b>
Status as of 1.1.	<b>858</b>	<b>3,485</b>	<b>743</b>	<b>91</b>	<b>617</b>	<b>5,794</b>
Changes in scope of consolidation	-	-	-	-	-	0
Provisions utilized	-758	-2,390	-613	-	-564	-4,325
Reversal of provisions not utilized	-	-141	-80	-	-	-221
Increase in provisions	729	2,435	568	77	798	4,607
Revaluation	-2	-62	2	3	2	-57
<b>Status as of December 31</b>	<b>827</b>	<b>3,327</b>	<b>620</b>	<b>171</b>	<b>853</b>	<b>5,798</b>

Other personnel-related provisions include provisions for management bonuses and estimated amounts in connection with the departure of employees.

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

The provision for warranty risks is based on the Management Board's best estimate of the future outflow and primarily takes into account individual transactions.

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

## 26. FINANCIAL LIABILITIES

### 26.1 Schedule of terms and liabilities

EUR `000	Notes	31.12.2023	31.12.2022
<b>Non-current liabilities</b>			
Bank loan	26.2	12,490	12,464
Other loans		-	232
Liabilities from leases	26.4	6,719	8,661
<b>Total</b>		<b>19,209</b>	<b>21,357</b>
<b>Current liabilities</b>			
Bank loan	26.2	7,886	5,261
Other loans		2,392	986
Liabilities from leases	26.4	1,813	2,391
<b>Total</b>		<b>12,091</b>	<b>8,638</b>

The other loans include, among other things, the second purchase price installment for the assets of the SVD Group mentioned in Note 6 under "Acquisition of SVD-Verpackungen GmbH and its subsidiary Liner Factory GmbH & Co. KG". These amounts are due in the 2024 financial year and are measured at the repayment amount.

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

The breakdown of liabilities into current and non-current is based on the repayment schedules.

### 26.2 Secured bank loans

The outstanding loans have the following conditions:

EUR `000	Currency	Interest rate	Year due	31.12.2023		31.12.2022	
				Nominal value	Book value	Nominal value	Book value
<b>Ringmetall SE</b>	A	EUR	EURIBOR +1,00% to 2023-	<b>6,000</b>	<b>6,000</b>	9,000	9,000
	B/C	EUR	1,50%	<b>14,206</b>	<b>14,206</b>	8,400	8,400
<b>Berger Italia S.r.l.</b>		EUR	0.60%	-	-	69	69
<b>S.G.T. S.r.l.</b>		EUR	2.50%	-	-	5	5
<b>August Berger Metallwarenfabrik GmbH</b>		EUR	2.40%	<b>92</b>	<b>92</b>	133	133
<b>Rhein-Plast GmbH</b>		EUR	2.00%	<b>72</b>	<b>72</b>	104	104
		EUR	3.92%	<b>6</b>	<b>6</b>	9	9
		EUR	3.53%	-	-	5	5
<b>Total</b>				<b>20,376</b>	<b>20,376</b>	<b>17,725</b>	<b>17,725</b>

The bank loans are collateralized with the net assets of August Berger Metallwarenfabrik GmbH, Berg Group US

inc, Berger US Inc, Nittel Halle GmbH, Tesseraux Spezialverpackungen GmbH, Latza GmbH, Fidum Verwaltungs GmbH, Rhein-Plast GmbH, Protective Lining, Inc. Net assets are defined as the assets consisting of the sum of the assets in accordance with the balance sheet items listed in Section 266 (2) A., B. (in deviation from Section 272 (1) HGB plus uncalled outstanding deposits), C., D. and E. HGB less the sum of the balance sheet items listed in Section 266 (3) B., C., D. and E. HGB and less such capitalized amounts that are subject to the payout block of Section 268 (8) HGB.

Ringmetall SE concluded a syndicated loan agreement in December 2020 to optimize its financing structure and create financial resources for potential company acquisitions. Under this loan agreement, Ringmetall is obliged to comply with the financial ratios (covenants) of 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 Breaches of covenants from financial liabilities

As at the reporting date, there were no breaches of covenants in connection with financial liabilities.

### 26.4 Liabilities from leasing

At the end of the reporting period, lease liabilities relate to financed assets in the form of buildings on third-party land, technical equipment and machinery as well as operating and office equipment. The lease term is generally based on the useful economic life of the assets. In the case of leases for buildings on third-party land, however, the company's strategic circumstances are taken into account.

With regard to the interest rates used for discounting, see the comments on rights of use in section 16.

The maturities of the lease liabilities are between 2024 and 2036 (31.12.2021: between 2023 and 2034) and are distributed as follows:

EUR `000	Future minimum payments		Interest payments		Present value of future minimum payments	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Up to one year	2,073	2,600	260	209	1,813	2,391
Between one and five years	4,729	6,198	579	597	4,150	5,601
Over five years	2,870	3,286	301	226	2,569	3,060
<b>Total</b>	<b>9,672</b>	<b>12,084</b>	<b>1,140</b>	<b>1,032</b>	<b>8,532</b>	<b>11,052</b>

The decrease in lease liabilities is mainly due to scheduled repayments of EUR 2,289 thousand and the disposal of HSM, which was partially offset by the conclusion of new lease agreements.

The present value of the future minimum payments corresponds to the carrying amount in the balance sheet.

As in the same period of the previous year, there were no contingent rental payments in the reporting period.

## 27. TRADE PAYABLES AND OTHER LIABILITIES

<b>short term:</b> EUR `000	<b>31.12.2023</b>	31.12.2022
Liabilities from deliveries and services	9,305	10,713
Other liabilities	2,386	2,533
<b>Total</b>	<b>11,691</b>	<b>13,246</b>

As at December 31, 2022, other liabilities included EUR 66 thousand in liabilities to an affiliated company that was 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, see Note 29.3.

## 28. CAPITAL MANAGEMENT

The Group's aim 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 strives 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. In principle, adjusted net debt comprises interest-bearing liabilities to banks and lease liabilities less cash and cash equivalents.

The equity ratio is as follows:

EUR `000	<b>31.12.2023</b>	31.12.2022
Interest-bearing loans	21,589	17,725
Leasing liabilities	8,532	11,052
Less cash and cash equivalents	-6,784	-8,119
<b>Net debt</b>	<b>23,337</b>	<b>20,658</b>
Equity	79,217	77,464
<b>Balance sheet total</b>	<b>131,982</b>	<b>131,341</b>
Equity ratio	60.0%	59.0%



## 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 measurement category	IFRS 9 book value 31.12.2023	IFRS 9 book value 01.01.2023
<b>Assets</b>			
Other non-current assets	AC	375	286
Trade receivables	AC	23,473	21,282
Contract assets	AC	326	354
Cash and cash equivalents	AC	6,784	8,119
<b>Total</b>		<b>30,958</b>	<b>30,041</b>
<b>Liabilities</b>			
Non-current financial liabilities	FLAC	19,209	21,357
Liabilities from deliveries and services	FLAC	9,305	10,713
Current financial liabilities	FLAC	12,091	8,638
<b>Total</b>		<b>40,605</b>	<b>40,708</b>

### 29.2 Determination of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used to determine Level 2 and Level 3 fair values and the significant unobservable inputs used:

Financial instruments not measured at fair value:

Art	Valuation technique	Significant, unobservable input factors
Other financial liabilities*	Discounted cash flows in a DCF method using market interest rates and the term of the liability.	Margin premium on interest

\* Other financial liabilities include secured and unsecured bank loans and liabilities from finance leases. As the fair value corresponds to the carrying amount of the financial instruments that are not recognized 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 Group risk management. To this end, the Management Board has set up an internal specialist committee that is responsible for monitoring and 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; please refer to the risk report in the combined management report.

The Group's risk management guidelines were developed to identify and analyze the Group's risks in order to introduce suitable 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 in order to take account of changes in market conditions and the Group's activities. The existing training and management standards and the associated processes are intended to ensure a target-oriented control environment in which all employees understand their respective tasks and responsibilities.

The Supervisory Board monitors compliance with the guidelines and processes of Group risk management by the Management Board 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. The default risk generally arises from trade receivables. These receivables are mainly trade receivables from the sale of goods. These are exclusively current 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. It has not been necessary to recognize an impairment loss for any of these customers to date. In order to monitor the default risk, attention is paid above all to prompt invoicing, which is usually carried out by the customer, and prompt payment of the invoice.

The Management Board assesses on an individual basis whether overdue amounts are still recoverable in full. This assessment is based on past payment behavior, the assessment of creditworthiness based on published financial figures, if available, and the amount of existing receivables. Overall, the Group has only recorded a minor amount of bad debt losses.

## Cash and cash equivalents

As at December 31, 2023, the Group held cash and cash equivalents in the amount of EUR 6,784 thousand (December 31, 2022: EUR 8,119 thousand). This amount therefore represents the maximum default risk with regard to these assets. Cash and cash equivalents are held at various banks or financial institutions in the countries in which the Group operates, although the majority is held in Germany.

### C. Liquidity risk

Liquidity risk describes the risk that the Group will not be able to meet its obligations on time when they fall due. There are no liquidity risks from financial liabilities, as the Group had cash and cash equivalents of EUR 6,784 thousand (31/12/2022: EUR 8,119 thousand) as at the reporting date. In addition, cash flows are expected with a high degree of certainty that can service the interest and principal payments and the financial liabilities from this on a maturity-equivalent basis. Ultimately, responsibility for liquidity management lies with the Management Board, which has developed 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 in connection with the liabilities as at December 31, 2023 and December 31, 2022 affect the Group's future liquidity situation.

#### Significance of liquidity risk

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

<b>31.12.2023</b> EUR '000	Book value	Nominal value	<b>Total</b>	< 1 year	1 to 5 years	> 5 years
Bank loans	20,376	20,376	20,376	7,886	12,490	-
Liabilities from leases	8,532	9,672	9,672	2,073	4,729	2,870
<b>Total</b>	<b>28,908</b>	<b>30,048</b>	<b>30,048</b>	<b>9,959</b>	<b>17,219</b>	<b>2,870</b>

<b>31.12.2022</b> EUR '000	Book value	Nominal value	<b>Total</b>	< 1 year	1 to 5 years	> 5 years
Bank loans	17,725	17,725	17,725	5,261	12,464	-
Liabilities from leases	11,052	12,084	12,084	2,600	6,198	3,286
<b>Total</b>	<b>28,777</b>	<b>29,809</b>	<b>29,809</b>	<b>7,861</b>	<b>18,662</b>	<b>3,286</b>

As stated 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-interest loans in the table above were recognized at a fixed interest rate. They reflect the market conditions for forward interest rates at the end of the financial year. These may change in line with changes in market interest rates.

### D. Market risk

Market risk is the risk that market prices, such as exchange rates, interest rates or share prices, may change, thereby affecting the Group's income or the value of the financial instruments held. The aim of market risk management is to manage and control market risk within acceptable ranges while optimizing returns.



The Group enters into financial liabilities as required to manage market risks. 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 at the 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 through the targeted management of cash flows in foreign currencies and, in individual cases, through forward exchange transactions.

The carrying amounts of the monetary assets and liabilities posted in foreign currency at the respective local companies in the consolidated financial statements as at December 31, 2023 are in the Group currency, the euro:

EUR '000	31.12.2023		31.12.2022	
	Assets	Liabilities	Assets	Liabilities
USD	8,984	3,470	7,852	2,346
GBP	1,424	196	1,574	245
TRY	293	822	334	44
CNY	1,007	818	1,018	329

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:

EUR '000	31.12.2023				31.12.2022			
	Assets		Liabilities		Assets		Liabilities	
	Basispunkte							
	-1000	+1000	-1000	+1000	-1000	+1000	-1000	+1000
USD	-898	898	-347	347	-785	785	-235	235
GBP	-142	142	-20	20	-157	157	-25	25
TRY	-29	29	-82	82	-33	33	-4	4
CNY	-101	101	-82	82	-102	102	-33	33

#### 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-related cash flow risk.

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

EUR `000	Currency	Interest rate	Year due	31.12.2023 basis points		31.12.2022 basis points		
				+25	-25	+25	-25	
<b>Ringmetall SE</b>	A	EUR	EURIBOR	2024-20	150	-150	338	-338
	B/C	EUR	+1.00% to 1.50%	25	413	-413	315	-315
<b>Total</b>					<b>563</b>	<b>-563</b>	<b>653</b>	<b>-653</b>

### 30. OTHER FINANCIAL OBLIGATIONS

The Group has the following financial obligations that are not included in the consolidated balance sheet:

EUR `000	31.12.2023			31.12.2022		
	< 1 year	1 to 5 years	> 5 years	< 1 year	1 to 5 years	> 5 years
Order commitment	12,160	-	-	16,173	-	-
Service/maintenance contracts, etc.	682	725	0	1,243	1,096	31
Short-term and low-value leasing contracts	79	68	-	76	56	-
<b>Total</b>	<b>12,921</b>	<b>793</b>	<b>0</b>	<b>17,492</b>	<b>1,152</b>	<b>31</b>

### 31. RELATED PARTIES AND PERSONS

At Ringmetall, the shareholders are always regarded as the ultimate controlling party.

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

In the reporting period, no new contracts were concluded with key management personnel, members of the Supervisory Board or other related parties, nor were any significant changes made to existing contracts that have a material impact on the net assets, financial position and results of operations of the company.

#### A. BUSINESS TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The members of the Management Board hold 59.69percent (December 31, 2023) of the company's voting rights.

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

EUR `000	Sale of goods / services		Purchase of goods / services	
	2023	2022	2023	2022
Ringmetall SE	-	-	56	43
Subsidiaries of Ringmetall SE	-	-	-	-
<b>Total</b>	-	-	<b>56</b>	<b>43</b>

EUR `000	Receivables from related parties, companies and individuals		Liabilities to related parties, companies and individuals	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Ringmetall SE	-	-	-	17
Subsidiaries of Ringmetall SE	-	-	-	-
<b>Total</b>	-	-	-	<b>17</b>

#### B. BUSINESS TRANSACTIONS WITH MEMBERS OF THE SUPERVISORY BOARD

The summarized values of the 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:

EUR `000	Value of business transactions		Outstanding balances as of 31.12.	
	2023	2022	31.12.2023	31.12.2022
Remuneration	210	188	37	98
Reimbursement of expenses	-	-	-	-
<b>Total</b>	<b>210</b>	<b>188</b>	<b>37</b>	<b>98</b>

#### C. BUSINESS TRANSACTIONS WITH OTHER RELATED PARTIES

EUR `000	Sale of goods / services		Purchase of goods / services	
	2023	2022	2023	2022
Ringmetall SE	-	-	-	-
Subsidiaries of Ringmetall SE	-	-	-	-
<b>Total</b>	-	-	-	-

EUR `000	Receivables from related parties		Liabilities to related parties	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Ringmetall SE	-	-	-	-
Subsidiaries of Ringmetall SE	-	-	-	-
<b>Total</b>	-	-	-	-

#### D. BUSINESS TRANSACTIONS WITH ASSOCIATED COMPANIES

EUR `000	Nittel UK Ltd.	
	2023	2022
Sale of goods	-	399
Purchase of goods	-	-26
<b>Total</b>	<b>-</b>	<b>373</b>

There were no transactions with Nittel UK Ltd. in the 2023 financial year. As at the previous year's balance sheet date, December 31, 2022, there were no longer any receivables from or liabilities to Nittel UK Ltd.

#### 32. EMPLOYEES

In the 2023 financial year, the Group employed an average of 867 employees (2022: 814 employees).

	Employees	Workers	Total
<b>Average number of employees in 2022</b>	<b>219</b>	<b>595</b>	<b>814</b>
Additions from company acquisitions	10	50	60
Disposal through sale of companies	7	17	24
	<b>222</b>	<b>628</b>	<b>850</b>
Administration/Services	120	25	145
Distribution	25	0	25
Production	90	607	697
<b>Average number of employees in 2023</b>	<b>235</b>	<b>632</b>	<b>867</b>

#### 33. EXEMPTION OPTIONS PURSUANT TO SECTIONS 264 PARA. 3 BZW. 264b HGB

Subsequent 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 HGB and will therefore not prepare notes to the financial statements and, if applicable, a management report or disclose annual financial statements and, if applicable, a management report for the 2023 financial year:

- August Berger Metallwarenfabrik GmbH, Berg
- Fidum Verwaltungs GmbH, Munich
- Fieder Verwaltungs GmbH, ;unich
- Latza GmbH, Attendorn
- Liner Factory GmbH & Co. KG, Ahaus
- Nittel Halle GmbH, Halle (Saale)
- SVD-Verpackungen GmbH, Ahaus
- Tesseraux Spezialverpackungen GmbH, Bürstadt
- Rhein-Plast GmbH, Bad Dürkheim

### 34. PROPOSED APPROPRIATION OF EARNINGS OF THE PARENT COMPANY

The Executive Board proposes that a dividend of EUR 2,906,904.00, corresponding to 10 cents per share, be distributed to the shareholders of Ringmetall SE from Ringmetall SE's net retained profits of EUR 27,219,635.52. The remaining amount of EUR 24,312,731.52 will be carried forward to new account.

### 35. FEES OF THE AUDITOR OF THE CONSOLIDATED FINANCIAL STATEMENTS

The shareholders of Ringmetall SE elected BDO AG Wirtschaftsprüfungsgesellschaft as auditors at the Annual General Meeting on June 20, 2023. The fee charged by the auditor for the financial year for the audit of the consolidated financial statements including the audit of the annual financial statements and the audits of the annual financial statements of the German subsidiaries as at December 31, 2023 totaled EUR 290 thousand (previous year: EUR 295 thousand). In addition to the aforementioned auditing services, further expenses of EUR 5 thousand are included for other assurance services.

### 36. CORPORATE BODIES OF THE COMPANY

#### A. MEMBERS OF THE MANAGEMENT BOARD

##### Christoph Petri

Spokesman of the Management Board	since 01.04.2011
City of residence	Hamburg, Germany
Profession	Merchant

Supervisory Board mandates and memberships in comparable supervisory bodies according to § 285, 10 HGB:  
Montega AG, Hamburg (Germany)

##### Konstantin Winterstein

Member of the Management Board	since 01.10.2014
City of residence	Munich, Deutschland
Profession	Engineer

Supervisory Board mandates and memberships in comparable supervisory bodies according to § 285, 10 HGB:  
Clariant AG, Muttenz (Switzerland)

The remuneration of the Management Board in the 2023 and 2022 financial years is made up as follows:

EUR `000	2023			2022		
	Total expenditure	thereof non-performance-related	thereof performance-related	Total expenditure	thereof non-performance-related	thereof performance-related
Mr. Christoph Petri (Spokesman)	566	238	328	726	238	488
Mr. Konstantin Winterstein	566	238	328	726	238	488
<b>Total expenditure</b>	<b>1,132</b>	<b>476</b>	<b>656</b>	<b>1,452</b>	<b>476</b>	<b>976</b>

In the 2023 financial year, a total of EUR 1,376 thousand (2022: EUR 996 thousand) was paid out to the members of the Management Board.

## B. MEMBERS OF THE SUPERVISORY BOARD

### **Klaus F. Jaenecke, Munich**

Chairman	since 30.08.2018
Professional activity	Independent Management Consultant, Munich
Payments in 2023:	70 kEUR

Supervisory Board mandates and memberships in comparable supervisory bodies according to § 285, 10 HGB:

- Hansgrohe SE, Schiltach (Germany)
- ArMiD - Aufsichtsräte Mittelstand in Deutschland e.V., Frankfurt am Main (Germany)

### **Markus Wenner, München**

Member	since 01.09.2014
Deputy Chairman	since 30.06.2016
Professional activity	Managing Director of GCI Management, Munich Consulting GmbH and of MuM Industriebeteiligungen GmbH, Wuppertal
Payments in 2023:	50 kEUR

Supervisory Board mandates and memberships in comparable supervisory bodies according to § 285, 10 HGB:

- Traumhaus AG, Wiesbaden (Germany)
- Wolf tank Adisa Holding AG, Innsbruck (Austria)
- aifinyo AG, Dresden (Germany)
- Value-Holdings Capital Partners AG, Gersthofen (Germany)
- Metriopharm AG, Zürich (Switzerland)

### **Ralph Heuwing, München**

Member	since 30.08.2016
Deputy Chairman	Partner and Head of DACH of PAI Partners, Munich
Payments in 2023:	45 kEUR

Supervisory Board mandates and memberships in comparable supervisory bodies according to § 285, 10 HGB:

- Management Capital Holding AG, München (Germany)
- Apleona GmbH, Neu-Isenburg (Germany)
- Hoberg & Driesch GmbH, Düsseldorf (Germany)
- Hoberg & Driesch GmbH & Co. KG, Ismaning (Germany)
- Hoberg und Driesch Beteiligungs GmbH, Düsseldorf (Germany)
- Chiron Group SE, Tuttlingen (Germany)
- Chiron-Werke GmbH & Co. KG, Tuttlingen (Germany)
- Chiron-Werke Beteiligungsgesellschaft mbH, Tuttlingen (Germany)

### Monika Dussen, Hamburg

Member	since 23.08.2022
Professional activity	Partner at Struktur Management Partner GmbH, Cologne
Payments in 2023:	45 kEUR

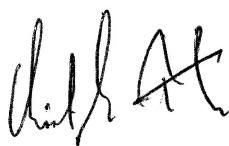
Supervisory Board mandates and memberships in comparable supervisory bodies according to § 285, 10 HGB:

- Willy Mederer GmbH & Co. KG, Fürth (Germany)
- Mederer Holding Beteiligungs GmbH, Fürth (Germany)

### 37. GERMAN CORPORATE GOVERNANCE CODE

The Management Board and the Supervisory Board of Ringmetall SE have issued a declaration in accordance with Section 161 AktG and made it permanently available to shareholders on the Ringmetall website ([www.ringmetall.de](http://www.ringmetall.de)) in the Investor Relations section.

Munich, 29 April 2024



Christoph Petri  
Spokesman of the  
Management Board



Konstantin Winterstein  
Member of the  
Management Board

## **INDEPENDENT AUDITOR'S REPORT**

To Ringmetall SE, Munich

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

#### **AUDIT OPINIONS**

We have audited the consolidated financial statements of Ringmetall SE, Munich, and its subsidiaries (the group), which comprise the consolidated statement of financial position as at December 31, 2023, 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, 2023 to December 31, 2023, 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, 2023 to December 31, 2023. 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, 2023, and of its financial performance for the financial year from January 1, 2023 to December 31, 2023, 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, 2023 to December 31, 2023. 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 acquisitions

### **1. IMPAIRMENT OF GOODWILL**

#### **Matter**

In caption „goodwill“ of the consolidated financial statements Ringmetall SE discloses goodwill amounting to kEUR 35,918, which is 27.2% 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 in Sections 14 and 15 on 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 ACQUISITION**

### **Matter**

Ringmetall SE made three corporate acquisitions in the 2023 financial year. As of January 6, 2023, the business operations as well as the production facilities and debts of Protective Lining Corp. (New York - USA) were acquired as part of an asset deal, as well as the workforce and existing production know-how.

On June 1, 2023, the shares in SVD-Verpackungen GmbH and thus its manufacturing subsidiary Liner Factory GmbH & Co. KG (Ahaus) were taken over.

As of November 1, 2023, the business operations as well as the customer base and selected assets of IDF GmbH & Co. KG (Ennepetal) were taken over as part of an asset deal.

The sales were accounted for as a business combination in accordance with IFRS 3. The sales prices totaled kEUR 15,024 thousand. The identifiable assets acquired and liabilities assumed are recognized at fair value on the date of acquisition. Taking into account the fair values of the assets and liabilities as well as deferred taxes, there was an identifiable net asset of kEUR 8,834 thousand and thus a positive difference of EUR 6,190 thousand, which was recognized in the balance sheet as goodwill. The purchase price allocations are provisional according to IFRS 3.45.

Due to the overall material impact of the company acquisitions on the financial position of the Ringmetall Group as well as the scope for discretion in identifying and valuing the acquired assets and liabilities, these acquisitions represent a particularly important audit matter in our audit.

The Ringmetall Group's information on company acquisitions is contained in Section 6 "Changes in the scope of consolidation/acquisition and sale of assets" of the notes to the consolidated financial statements.

### **Auditor's Response and Observations**

As part of our audit of the accounting representation of company acquisitions, we viewed and understood the contractual agreements and reconciled the purchase prices with proof of payment. We have assessed whether the dates of the acquisitions were correctly taken into account in these consolidated financial statements.

Through interviews with management, inspection of documents and on-site inspections, we verified that all acquired assets and debts had been identified and recognized. We also assessed the purchase price allocations prepared by an independent external expert. We also assessed the expertise, skills and objectivity of the experts as well as the suitability of their work. In addition, we have verified the completeness and accuracy of the notes 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 and sustainability 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 "The Ringmetall Group", and marked as unaudited
- 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, are not part of the management report and have not been audited.
- 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-2023-12-31-DE.zip” 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, 2023 to December 31, 2023 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, 2023. We were engaged by the supervisory board on December 15, 2023. 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, 2023 and the interim group management report for the period from January 1, 2023 to June 30, 2023
- 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 29, 2024

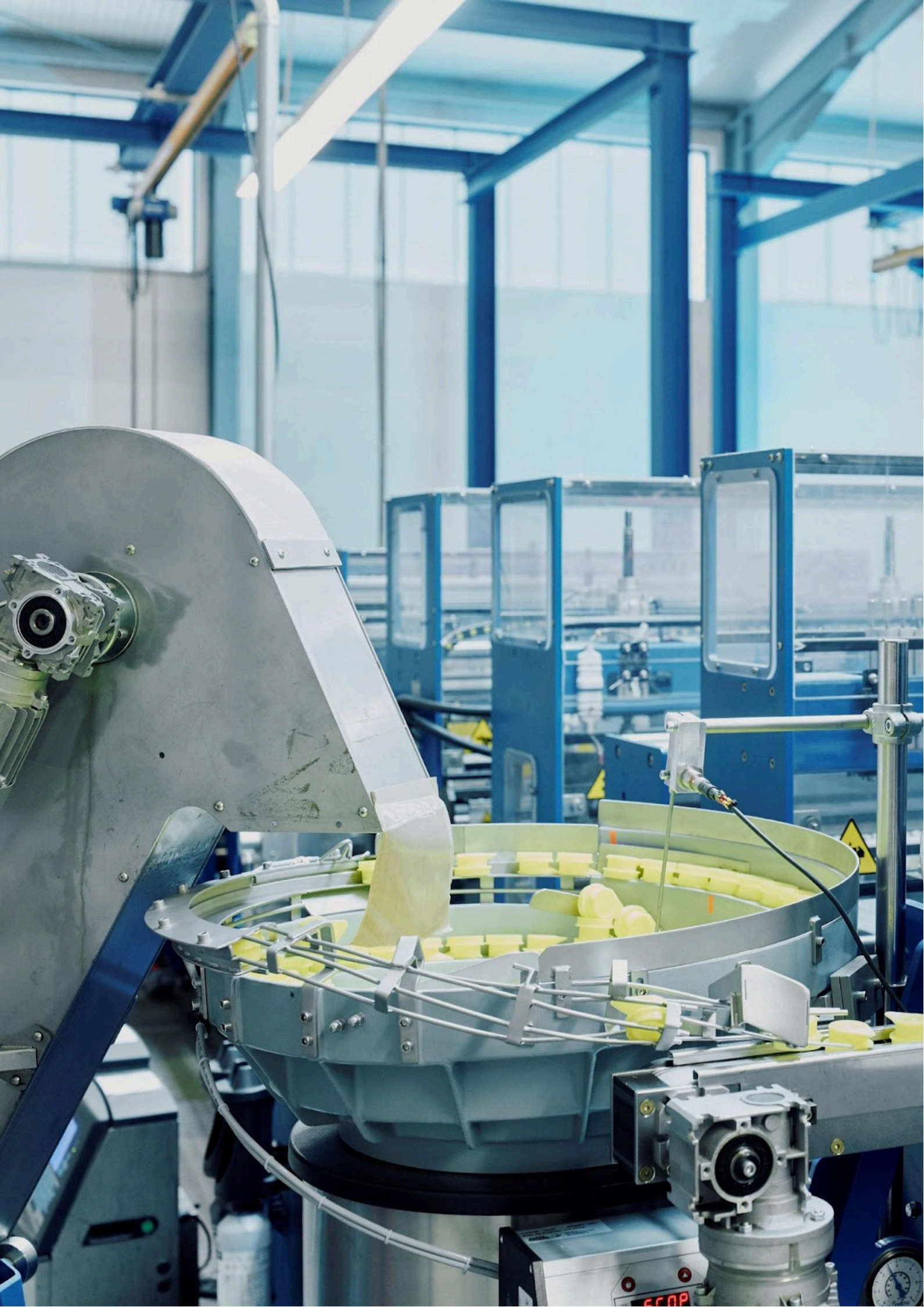
BDO AG  
Wirtschaftsprüfungsgesellschaft

Stratmann  
Wirtschaftsprüfer

(German CPA)

Prof. Dr. Uebensee  
Wirtschaftsprüfer

(German CPA)



# ANNUAL FINANCIAL STATEMENTS OF RINGMETALL SE

## BALANCE SHEET

as of 31 December

<b>ASSETS</b>		
EUR		31.12.2023
		31.12.2022
<b>A. Non-current assets</b>		
I. Intangible assets		
Concessions acquired against payment, commercial Property rights and similar rights and assets and licenses to such rights and assets		1.00
		1.00
II Property, plant and equipment		
Other equipment, operating and office equipment		22,290.00
		5,174.00
III. Financial assets		
Shares in affiliated companies		44,336,168.21
		51,367,260.46
<b>B. Current assets</b>		
I. Receivables and other assets		
1. Receivables from affiliated companies	52,935,366.66	44,189,279.59
2. Other assets	614,001.21	248,565.63
		53,549,367.87
		44,437,845.22
II. Cash on hand, Bundesbank balances, credit balances at credit institutions and by check		
		9,831.86
		1,772,766.14
C. Prepaid expenses and deferred charges		
		56,397.41
		22,065.31
D. Deferred tax assets		
		550,579.00
		122,015.49
		<b>98,524,635.35</b>
		<b>97,727,127.62</b>

<b>LIABILITIES</b>			
EUR		<b>31.12.2023</b>	31.12.2022
<b>A. Equity</b>			
I. Subscribed capital		29,069,040.00	29,069,040.00
II. Capital reserve		17,041,911.50	17,041,911.50
III Retained earnings			
1. Legal reserve	1,154,800.00		1,154,800.00
2. Other retained earnings	1,727,585.77		1,727,585.77
		2,882,385.77	2,882,385.77
IV. Retained earnings		27,219,635.52	28,839,554.98
<b>B. Provisions</b>			
1. Tax provisions	0.00		295,692.00
2. Other provisions	1,552,350.00		1,977,700.00
		1,552,350.00	2,273,392.00
<b>C. Liabilities</b>			
1. Liabilities to banks	20,205,892.11		17,399,998.00
2. Trade accounts payable	63,659.47		162,688.54
3. Liabilities to affiliated companies	442,387.84		6,315.18
4. Other liabilities	47,373.14		51,841.65
		20,759,312.56	17,620,843.37
		<b>98,524,635.35</b>	<b>97,727,127.62</b>

## INCOME STATEMENT

from 1 January to 31 December

INCOME STATEMENT EUR	2023	2022
1. Revenue	2,659,241.72	825,600.00
2. Total output	2,659,241.72	825,600.00
3. Other operating income	324,846.59	214,468.91
4. Personnel expenses		
a) Wages and salaries	-1,944,218.42	-1,998,269.76
b) Social security contributions and expenses for pensions and support	-140,712.81	-98,326.58
	-2,084,931.23	-2,096,596.34
5. Depreciation and amortization		
On intangible assets		
of fixed assets and property, plant and equipment	-8,245.93	-3,814.12
6. Other operating expenses	-10,787,715.91	-1,609,213.67
7. Income from investments	0.00	72,902.72
8. On the basis of a profit pool, a Profit transfer or partial profit transfer agreements profits received under the contract	10,428,236.03	12,255,354.55
9. Other interest and similar income	1,404,055.91	333,457.60
10. Interest and similar expenses	-1,074,756.99	-416,537.63
11. Taxes on income and earnings	-427,660.62	-31,278.91
<b>12. Result after taxes</b>	<b>1,288,390.81</b>	<b>9,544,343.11</b>
13. Other taxes	-1,406.27	-1,227.71
<b>14. Net income for the year</b>	<b>1,286,984.54</b>	<b>9,543,115.40</b>
15. Profit carried forward from the previous year	25,932,650.98	19,296,439.58
<b>16. Retained earnings</b>	<b>27,219,635.52</b>	<b>28,839,554.98</b>



## NOTES FOR THE FINANCIAL YEAR 2023

### I. PRELIMINARY REMARK

The annual financial statements of Ringmetall SE, Munich, as at December 31, 2023 and the combined management report for the period from January 1, 2023 to December 31, 2023 were prepared in accordance with the commercial law provisions of 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 considered a large company in accordance with Section 267 (3) sentence 2 HGB. The provisions of the German Stock Corporation Act were also observed. The total cost method was applied. The company is registered with the Munich Local Court under commercial register number HRB 268321.

### II. ACCOUNTING AND VALUATION PRINCIPLES

Purchased intangible assets and property, plant and equipment were measured at cost less depreciation and amortization. It was amortized on a straight-line basis. The useful lives are 3 to 5 years.

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

Receivables and other assets are measured at nominal value. Receivables are valued taking into account all recognizable risks.

Cash on hand, balances at the Bundesbank, bank balances and checks are recognized at their nominal amount.

Prepaid expenses relate to expenses prior to the balance sheet date that represent expenses for a certain period after this date. They are reversed on a straight-line basis over time.

#### Deferred taxes

Deferred taxes result from temporary valuation differences between the commercial balance sheet and the tax balance sheet. 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 must be made regarding future taxable income and the timing of the realization of deferred tax assets. For this purpose, the planned operating business results and the effects on earnings from 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 reported as at the reporting date result from loss carryforwards.

The tax rate applied for deferred taxes is 30.93 percent for corporation tax, solidarity surcharge and trade tax.

Equity is recognized at nominal value. It consists of subscribed capital, the capital reserve, the revenue reserves and retained earnings.

The provisions take into account all recognizable risks and uncertain obligations on the basis of a prudent commercial assessment with the necessary settlement amount.

Liabilities are recognized 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 measurement. Subsequent measurement of assets and liabilities in foreign currencies with a remaining term of more than one year is carried out at the end of the reporting period in accordance with the imparity principle, according to which exchange rate losses are recognized as expenses and exchange rate gains are not taken into account.

In preparing the annual financial statements, assumptions and estimates were made that affected the recognition, disclosure and measurement of assets, liabilities and expenses. 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 ON THE INCOME STATEMENT**

#### Non-current assets

The breakdown and development of fixed assets as well as 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 in accordance with Section 285 No. 11 HGB in conjunction with Section 16 (4) AktG is presented in a separate appendix to the notes.

#### Affiliation

Receivables from affiliated companies also represent trade receivables in the amount of EUR 423 thousand (2022: EUR 928 thousand) and other assets in the amount of EUR 52,512 thousand (2022: EUR 43,262 thousand). They have a remaining term of up to one year.

Liabilities to affiliated companies also represent other liabilities in the full amount.

#### Equity

The share capital amounts to EUR 29,069,040.00 and is divided into 29,069,040 no-par value bearer shares (one share thus corresponds to a notional share in the share capital of EUR 1.00 each). In the 2018 financial year, the share capital was increased by EUR 1,384,240.00 from EUR 27,684,800.00 to EUR 29,069,040.00 by resolution of the Supervisory Board on 14 August 2018 in accordance with Article 5 of the Articles of Association (share capital, authorized capital). A total of 1,384,240 no-par value bearer shares with a notional interest in the share capital of EUR 1.00 were issued.

At the Annual General Meeting on 14 June 2019, the Management Board was authorized in accordance with Section 71 para. 1 no. 8 of the German Stock Corporation Act (AktG) to acquire treasury shares up to a total of



10.0 percent of the current share capital of EUR 29,069,040.00 until 31 May 2024 with the approval of the Supervisory Board. The shares acquired in this way, together with treasury shares already held by the company or attributable to it in accordance with Sections 71 a et seq. of the German Stock Corporation Act (AktG), may at no time account for more than 10.0 percent of the share capital. The authorization may be exercised in whole or in part, in this case also several times, for one or more purposes. The authorization may not be used for trading in treasury shares.

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

The capital reserve results from profits from the sale of treasury shares and the premium from capital increases.

Retained earnings 2023 developed as follows:

EUR	31.12.2023
Profit carried forward	28,839,554.98
Distribution	-2,906,904.00
Net income for the year	1,286,984.54
<b>Retained earnings</b>	<b>27,219,635.52</b>

On June 20, 2023, the Annual General Meeting resolved to use the net retained profits for 2022 in the amount of EUR 28,840 thousand as follows: distribution of a dividend of 10 cents per share. Total distribution in the amount of EUR 2,907 thousand. The remaining distributable profit of EUR 24,933 thousand was carried forward to new account.

As at the balance sheet date, there are amounts blocked from distribution amounting to EUR 551 thousand, which are exclusively attributable to deferred tax assets.

#### Provisions

Other provisions mainly include personnel costs, legal and consulting costs and expenses for auditing and acquisition costs.

## Liabilities

The maturities of the liabilities are shown in the following schedule of liabilities:

TYPE OF LIABILITY as of 31.12.2023 EUR		Amount	of which with a remaining term	
			< 1 year	1 to 5 years
Liabilities due to banks	2023	20,205,892.11	7,805,892.11	12,400,000.00
	2022	17,399,998.00	5,100,000.00	12,299,998.00
Trade accounts payable	2023	63,659.47	63,659.47	0.00
	2022	162,688.54	162,688.54	0.00
Liabilities to affiliated companies	2023	442,387.84	442,387.84	0.00
	2022	6,315.18	6,315.18	0.00
Other liabilities	2023	47,373.14	47,373.14	0.00
	2022	51,841.65	51,841.65	0.00
<b>Total</b>	2023	20,759,312.56	8,359,312.56	12,400,000.00
	2022	17,620,843.37	5,320,845.37	12,299,998.00

Other liabilities include tax liabilities in the amount of EUR 38 thousand (2022: EUR 42 thousand).

As in the previous year, sales relate to intra-Group recharges. Geographically, they are broken down as follows:

EUR	31.12.2023	31.12.2022
Domestic	1,146,807.04	825,600.00
Europe	551,223.62	0.00
Third countries	961,261.06	0.00
<b>Total</b>	2,659,291.72	825,600.00

Other operating income includes **prior-period income of** EUR 40 thousand (2022: EUR 20 thousand), which mainly results from the reimbursement of costs from previous years.

Other operating expenses include **expenses relating to other periods** in the amount of EUR 2 thousand (2022: EUR 0 thousand).

Other operating expenses also include extraordinary expenses of EUR 7,731 thousand (2022: EUR 0 thousand) from losses from the sale of investments.

## Income from investments

Income from investments in the previous year relates to income from the investment in HSM GmbH & Co. This investment was sold in the 2023 financial year.

#### Income from profit transfer agreements

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

#### Other interest and similar income

Interest income includes interest from affiliated companies in the amount of EUR 1,386 thousand (2022: EUR 332 thousand).

#### Interest and similar expenses

Interest expenses include interest to affiliated companies in the amount of EUR 7 thousand (2022: EUR 39 thousand).

#### Taxes on income and earnings

Income taxes include income from deferred taxes in the amount of EUR 429 thousand (2022: EUR -31 thousand).

### **IV. Other information**

#### Other financial obligations

Other financial obligations result from continuing obligations (rental and leasing transactions) with an annual expense of EUR 70 thousand. The total obligation until the end of the term amounts to EUR 161 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 commitment arising from the agreements, as any significant technical progress in the leased and rented assets cannot be compensated for by new purchases.

#### Other financial obligations

There are loss assumption obligations with five subsidiaries for the 2023 and 2024 financial years. Due to the current economic situation, it is not expected that these will be utilized.

#### Number of employees

The average number of commercial employees during the financial year is 9 (2022: 7 employees).

## Organs

### Management Board:

EUR `000	Profession	Total remuneration in 2023	thereof not performance related	thereof performance related
Mr. Christoph Petri (Spokesman)	Merchant	566	238	328
Mr. Konstantin Winterstein	Engineer	566	238	328
Total remuneration		<b>1,132</b>	<b>476</b>	<b>656</b>

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

The members of the Supervisory Board hold positions in the following companies:

Name	Function	Main profession	Remuneration 2023 [EUR `000]	Membership of other Supervisory Boards/ Supervisory Bodies
Klaus F. Jaenecke	Chairman	Self-employed Management consultant, Munich	70	Hansgrohe SE, Schiltach
Markus Wenner	Deputy Chairman	Managing Director of - GCI Management Consulting GmbH, Munich - M+M Industry 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
Monika Dussen	Member	Partner at Struktur Management Partner GmbH, Cologne	45	Willy Mederer GmbH & Co. KG Mederer GmbH Mederer Holding Beteiligungs GmbH
Ralph Heuwing	Member	Partner and Head of DACH PAI Partners, München	45	Management Capital Holding AG, München, Mitglied des Aufsichtsrats Apleona GmbH, Neu-Isenburg, Mitglied des Aufsichtsrats Hoberg & Driesch GmbH, Düsseldorf, Mitglied 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
<b>Total remuneration</b>			<b>210</b>	

The **auditor's fee** for 2023 amounts to EUR 176 thousand (2022: EUR 173 thousand) for auditing services and EUR 5 thousand (2022: EUR 5 thousand) for other assurance services.

#### Consolidated financial statements

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

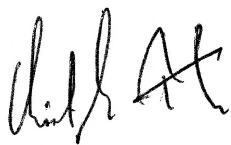
#### Proposal for the appropriation of earnings

The Supervisory Board and Management Board propose that a dividend of 10 cents per share be distributed from the company's net retained profits and that the remaining amount be carried forward to new account.

#### Corporate Governance - Declaration on Corporate Governance pursuant to Sections 289f HGB, 161 AktG

The declaration on corporate governance (Section 289a HGB) includes the declaration of compliance 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 relevant information has been made permanently available on the company's website at [www.ringmetall.de/investor-relations/corporate-governance](http://www.ringmetall.de/investor-relations/corporate-governance). They are therefore not presented separately in the combined management report.

Munich, 29 April 2024



Christoph Petri  
Spokesman of the  
Management Board



Konstantin Winterstein  
Member of the  
Management Board

Shareholdings as at 31 December 2023

EUR `000	City	Country	Share of capital [%]	Equity	Annual result
<b>Domestic</b>					
August Berger Metallwarenfabrik GmbH	Berg	DE	100.00	16,000	0
Fieder Verwaltungs GmbH	Munich	DE	100.00	256	58
Fidum Verwaltungs GmbH	Munich	DE	100.00	19,827	663
Latza GmbH	Attendorn	DE	100.00 <sup>1)</sup>	3,182	216
Nittel Halle GmbH	Halle (Saale)	DE	100.00 <sup>3)</sup>	5,753	0
Tesseraux Spezialverpackungen GmbH	Bürstadt	DE	100.00 <sup>3)</sup>	2,559	0
Rhein-Plast GmbH	Bad Dürkheim	DE	100.00 <sup>3)</sup>	3,477	-52
SVD-Verpackungen GmbH	Ahaus	DE	100.00 <sup>3)</sup>	2,578	752
Liner Factory GmbH & Co. KG	Ahaus	DE	100.00 <sup>3)</sup>	1,365	1,065
Liner Factory Verwaltungs GmbH	Ahaus	DE	100.00 <sup>3)</sup>	25	-1
<b>Abroad</b>					
Berger Closures Limited	Peterlee	GB	75.57 <sup>1)</sup>	1,562	640
Berger Group Europe Iberica, S.L.	Reus	ES	100.00 <sup>1)</sup>	1,761	312
CEMSAN Metal Parts Manufacturing Industry and Trade Company	Gebze-Kocaeli	TR	100.00 <sup>1)</sup>	264	26
S.G.T. S.r.l.	Albavilla	IT	80.00 <sup>1)</sup>	2,652	1,644
Berger Closing Rings (Changshu) Co., Ltd.	Changshu	CN	80.00 <sup>1), 4)</sup>	130	-27
Berger Italia S.r.l.	Valmadrera	IT	100.00 <sup>1)</sup>	5,004	1,528
Berger Group US Inc.	Birmingham	US	100.00 <sup>1)</sup>	13,122	0
Berger US Inc.	Birmingham	US	100.00 <sup>1), 2)</sup>	18,706	4,976
Protective Lining, Inc.	New York	US	100.00 <sup>1), 2)</sup>	750	-159
Nittel France SARL	Merignac	FR	100.00 <sup>3)</sup>	17	-137
Berger Hong Kong Limited	Hong Kong	CN	80.00 <sup>1)</sup>	1,133	-12
Nittel B.V.	Moerdijk	NL	80.00 <sup>3)</sup>	433	344

1) held indirectly via August Berger Metallwarenfabrik GmbH

2) Held indirectly via the Berger Group US Inc.

3) held indirectly via Fidum Verwaltungs GmbH

4) held indirectly via Berger Hong Kong Limited

The currency translation for the companies was carried out at the exchange rates:

EUR	Currency	2023
<b>Berger Closures Limited</b>		
Equity at the mean rate of exchange:	1 GBP	1.15068
Net income for the year at the average exchange rate for the year:	1 GBP	1.16052
<b>Cemsan Metal Parts Manufacturing Industry Trade Ltd. company</b>		
Equity at the mean rate of exchange:	1 TRY	0.03062
Net income for the year at the average exchange rate for the year:	1 TRY	0.03152
<b>Berger Closing Rings (Changshu) Co. Ltd.</b>		
Equity at the mean rate of exchange:	1 CNY	0.12737
Net income for the year at the average exchange rate for the year:	1 CNY	0.12842
<b>Berger US Inc. (formerly Self Industries Inc.) and Berger Hong Kong Ltd.</b>		
Equity at the mean rate of exchange:	1 USD	0.90498
Net income for the year at the average exchange rate for the year:	1 USD	0.91718



## Development of non-current assets

in the 2023 financial year

Non-current Assets EUR	Acquisition costs/production costs			Depreciation and amortization			Book values			
	As of 01.01.2023	Additions	Exits	As of 31.12.2023	As of 01.01.2023	Additions	Exits	As of 31.12.2023	As of 31.12.2023	As of 31.12.2022
I. Intangible Assets										
Concessions acquired against payment, industrial property rights and similar rights and assets as well as licenses to such rights and values	10,640.00			10,640.00	10,639.00			10,639.00	1.00	1.00
<b>Total intangible assets</b>	<b>10,640.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10,640.00</b>	<b>10,639.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10,639.00</b>	<b>1.00</b>	<b>1.00</b>
II. Property, plant and equipment										
Other equipment, operating and Office equipment	39,814.76	25,361.93	1,326.91	63,849.78	34,640.76	8,245.93	1,326.91	41,559.78	22,290.00	5,174.00
<b>Total property, plant and equipment</b>	<b>39,814.76</b>	<b>25,361.93</b>	<b>1,326.91</b>	<b>63,849.78</b>	<b>34,640.76</b>	<b>8,245.93</b>	<b>1,326.91</b>	<b>41,559.78</b>	<b>22,290.00</b>	<b>5,174.00</b>
III. Financial assets										
Shares in affiliated companies	53,595,300.23	700,000.00	7,731,092.25	46,564,207.98	2,228,039.77			2,228,039.77	44,336,168.21	51,367,260.46
<b>Total financial assets</b>	<b>53,595,300.23</b>	<b>700,000.00</b>	<b>7,731,092.25</b>	<b>46,564,207.98</b>	<b>2,228,039.77</b>	<b>0.00</b>	<b>0.00</b>	<b>2,228,039.77</b>	<b>44,336,168.21</b>	<b>51,367,260.46</b>
<b>Total non-current assets</b>	<b>53,645,754.99</b>	<b>725,361.93</b>	<b>7,732,419.16</b>	<b>46,638,697.76</b>	<b>2,273,319.53</b>	<b>8,245.93</b>	<b>1,326.91</b>	<b>2,280,238.55</b>	<b>44,358,459.21</b>	<b>51,372,435.46</b>



## **INDEPENDENT AUDITOR'S REPORT**

To Ringmetall SE, Munich

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

#### **AUDIT OPINIONS**

We have audited the annual financial statements of Ringmetall SE, Munich, which comprise the balance sheet as at December 31, 2023, the statement of profit or loss for the financial year from January 1, 2023 to December 31, 2023 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, 2023 to December 31, 2023. 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, 2023 and of its financial performance for the financial year from January 1, 2023 to December 31, 2023 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, 2023 to December 31, 2023. 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 COMPANIE**

#### **Matter**

Within the caption "Finanzanlagen" of the financial statements of Ringmetall SE, shares in affiliated companies amounting to kEUR 44,336 (45% 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 assets" 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 and sustainability 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 "The Ringmetall Group", and marked as unaudited
- 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, are not part of the management report and have not been audited.
- 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 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-2023-12-31-DE.html" 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, 2023 to December 31, 2023 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

- 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
- 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 general meeting on June 20, 2023. We were engaged by the supervisory board on december 15, 2023. We have been the auditor of the Ringmetall SE without interruption since the financial year 2023.

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, 2023 and the interim group management report for the period from January 1, 2023 to June 30, 2023
- 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 29, 2024

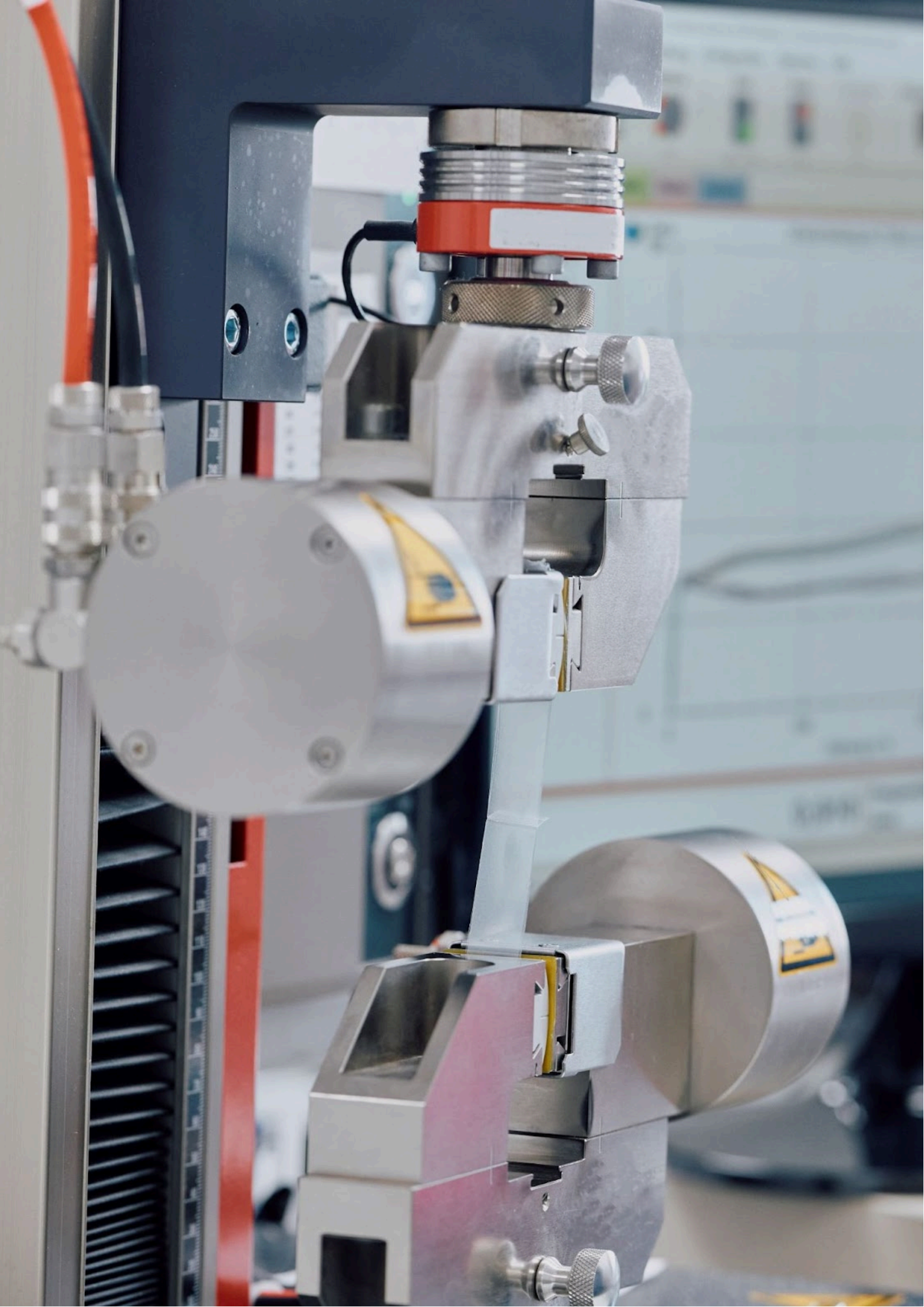
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Stratmann  
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Prof. Dr. Uebensee  
Wirtschaftsprüfer

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### PHOTOS

- Berger Group
- Nittel
- Ringmetall Group
- Tesseraux

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