

STEICO SE
2023 Annual Report

The green share

2023

2023 – a challenging period which stabilised at the end of year

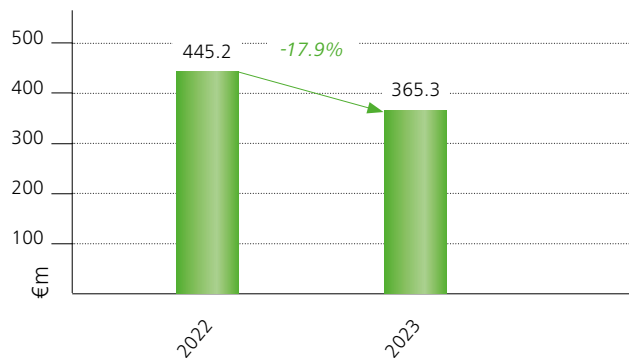


Natural building products for **healthier buildings**

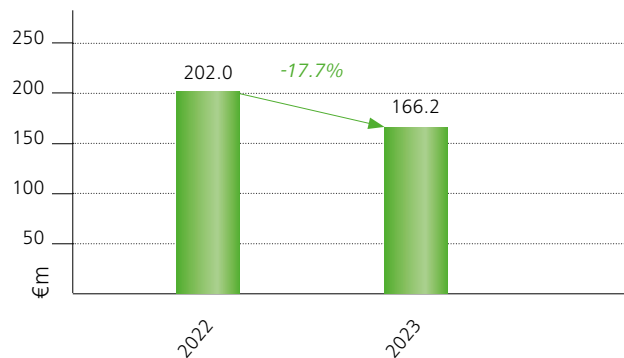
Overview

2023 – a challenging period which stabilised at the end of year

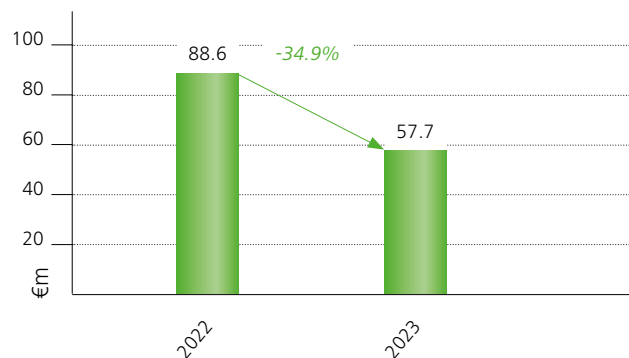
2023 Revenue growth in € millions



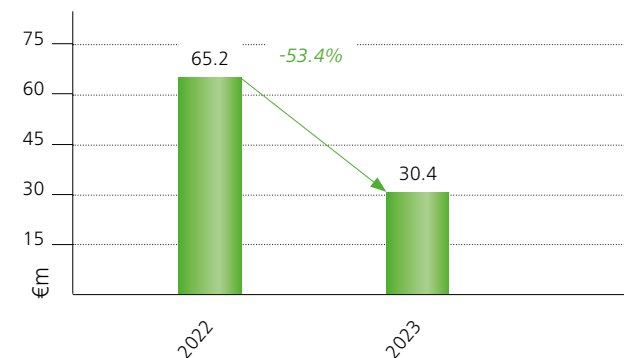
2023 Gross Earnings growth in € millions



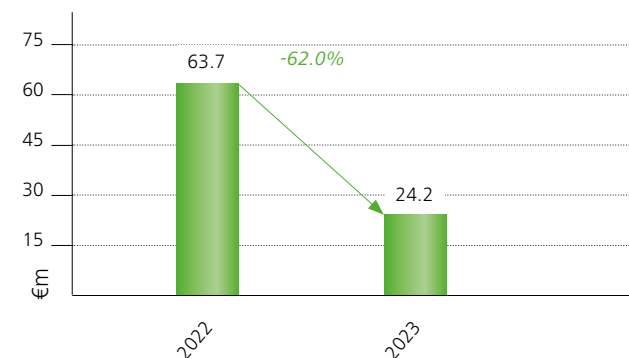
2023 EBITDA growth in € millions



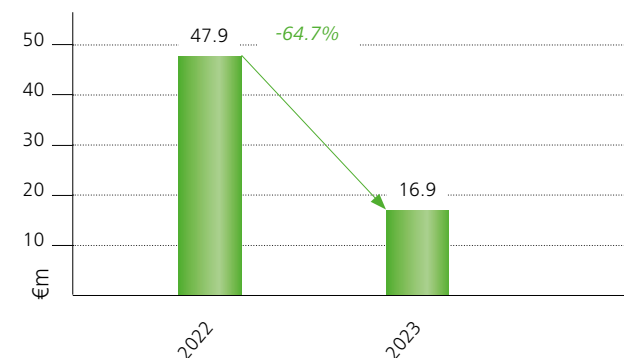
2023 EBIT growth in € millions



2023 EBT growth in € millions



2023 Profit for the Period growth in € millions



ADDITIONAL KPIS

	2023	2022
1. Total operating revenue in € millions	€ 356.8 million	€ 467.4 million
2. EBITDA margin as a percentage of total operating revenue	16.2 %	19.3 %
3. EBIT margin as a percentage of total operating revenue	8.5 %	13.9 %
4. Equity ratio (as of 31 December)	53.3 %	53.5 %

Percentage changes and margins are calculated using non-rounded figures.

2023 was a challenging year for the STEICO Group in many ways. The construction industry suffered throughout Europe due to high inflation and higher interest rates. At the start of the year, disproportionately high levels of inventories at traders and processing companies also dampened demand. What is more, heightened competition on the market for wood fibre insulation materials also depressed sales prices. Growth stabilised again at the end of the year, however the STEICO Group recorded lower sales figures for the first time since going public.

Total revenues fell by 17.9 % to € 365.3 million. EBITDA was down by 34.9 % year-on-year to € 57.7 million and EBIT fell by 53.4 % to € 30.4 million. The profit for the period was down by 64.7 % to € 16.9 million year-on-year.

The company's management is taking a cautious view of the further course of the year, however it believes that the market will continue to stabilise.

If the continued economic and competitive developments do not result in any negative effects, the management is forecasting revenue at the previous year's level of around € 365 million and an EBIT ratio of between 9 % and 11 % (to total operating revenue).

Company profile

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

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

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

Sealing products for the building shell complete the overall system.

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

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

Disclaimer

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

Dear business partners,



Udo Schramek

CEO / Chairman of the
Managing Directors

2023 marked a strategic milestone for the STEICO Group. STEICO has a strong, international partner on board after the acquisition of a 51% interest in its shares by the Irish Kingspan Group. This also opens up new and attractive growth opportunities for STEICO.

We, and also Kingspan's management, are convinced that biologically based insulation materials will play a key role in the mix of various insulation technologies. Wood-fibre insulation materials are the dominant natural insulation materials, have a unique benefits provide and also make a major contribution to climate protection. They not only help to cut CO₂ emissions by making buildings more energy-efficient and thus reducing energy requirements for heating and cooling. The wood used in the insulation materials also binds the CO₂ that the trees absorbed from the atmosphere while they were growing. This CO₂ storage makes natural insulation materials and wood-fibre insulation materials in particular so special.

However, these perspectives for the future should not cloud the fact that 2023 was the most difficult year for STEICO for a very long time. For the first time since going public STEICO was not able to grow, and had to accept lower revenues. The prevailing mix of inflation and higher interest rates had a massive impact on construction activities throughout Europe. At the same time, pressure on sales prices from increased competition also grew. STEICO has never experienced such a sharp turnaround in its economic environment. The entire team pulled together to help STEICO adapt to the changed market conditions and end the year with positive earnings. Thanks to all of you for your excellent work!

Now we are working on getting back to on-track growth. STEICO enjoys an excellent position, offers future-oriented solutions and has state-of-the-art production facilities. The new site in Gromadka is ready for going live, and the Group also has sustainable growth reserves which will secure STEICO's leading role as the construction economy continues to stabilise.

Please allow me to end this introduction with a few personal words: I will resign from my position as STEICO's CEO in the summer of 2024 and take my retirement after more than 38 years with the company. Working for the company has been a pleasure. STEICO has a highly competent and visionary successor as CEO - Ms. Aiveen Kearny. I wish her and the STEICO team the greatest success. I know from many of our shareholders that they have supported STEICO throughout the years – through our highs and lows. Thank you all for your loyalty. The future for STEICO is exciting – we have so many new ideas!

Yours sincerely

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

Udo Schramek

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Report by the Administrative Board

Dear business partners,
dear shareholders,

The overall economic situation in 2023 dampened the general economy and the construction sector in particular, and faced the STEICO Group with great challenges. The company had to record lower sales figures for the first time since going public. Despite initial signs of stabilisation, the group will continue to be in a difficult environment in 2024. The Administrative Board and the company's management are thus focusing all of the Group's resources on reinforcing its operating business. In this connection, the Administrative Board will make a recommendation to the General Meeting that no dividend should be paid for 2023. On the whole, STEICO's natural and energy efficient products are excellently positioned on the market. The company's management and the Administrative Board thus believe that, if construction activities revive, there will be above-average growth in demand.

The STEICO Group is planning to further increase its revenues and market shares in the coming years, in particular as a result of its higher production capacity, and this in particular in view of the newly constructed production sites in Poland. In the view of the company's management, the Group will benefit from central development opportunities such as an integrated insulation and construction system, a high level of vertical integration, the launch of new products, further internationalisation and process optimisation and increased efficiency. The strategic alliance with the new majority shareholder Kingspan will bring positive opportunities for growth in this regard.

The Administrative Board would like to issue a special vote of thanks to the STEICO team, in which each individual contributes to our overall success thanks to their daily commitment.

MANAGEMENT AND MONITORING BY THE ADMINISTRATIVE BOARD

In 2023 the Administrative Board fully performed all of the tasks and obligations required by the law and the articles of association. It defined the fundamental principles of the company's activities and monitored their implementation by the Managing Directors. The Administrative Board was included directly in all decisions which were of fundamental importance for the company.

To the extent that approval by the Administrative Board was required for decisions or activities by the company's management according to the law, the articles of association or the by-laws, the corresponding resolutions were only passed after these issues had been discussed in detail with the Managing Directors.

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

The Managing Directors regularly submitted an in-depth report to the Administrative Board detailing the course of business, including the growth of revenues, earnings and liquidity, and also on the position of the company and the group companies. Differences in the course of business were discussed in detail. The Administrative Board discussed in detail all business transactions of importance to the company on the basis of the reports of the Managing Directors and contributed its own ideas. The Managing Directors provided additional information at the Board of Director's request. The Administrative Board was also consulted on special transactions which were of major importance for the company. In addition, the Chairman of the Administrative Board was in regular contact with the Managing Directors and received regular reports on the company's growth and he reported to the Administrative Board on the information obtained.

KEY AREAS OF DISCUSSION IN THE ADMINISTRATIVE BOARD

In fiscal year 2023 the Administrative Board held five face-to-face meetings. With the exception of the meeting on 12 May 2023, at which one member was not able to attend after providing prior notice, all of the members of the Administrative Board attended all of the meetings. The Managing Directors participated in the meetings of the Administrative Board to the extent not otherwise determined by the Chairman of the Administrative Board.

In the first meeting for the fiscal year on 28 February 2023 the Administrative Board agreed the business plan for 2023

Report by the Administrative Board

for the company and the group. In addition, it also received reports on the budget for the Gromadka site. What is more, it also reworded the rules of procedure for Managing Directors with regard to currency hedging.

In its meeting on 5 May 2023 the Administrative Board dealt, in particular, with STEICO SE's annual financial statements, the dependent companies report and the consolidated financial statements as of 31 December 2022 as well as the respective management reports. This meeting also dealt with the report of the Administrative Board for fiscal year 2022. In addition the proposed resolutions for the company's ordinary general meeting on 23 June 2023 were passed. What is more the Managing Directors reported in detail on currency hedging transactions. As a result of the current situation it also discussed the challenges in the group's financing. Finally there was also a detailed report on investments, in particular construction progress at the Gromadka site.

In the meeting on 23 June 2023, the Managing Directors welcomed the newly elected, unchanged Administrative Board, and Mr. Udo Schramek was re-elected as chairman and Prof. Heinrich Köster was elected as deputy chairman. The Managing Directors also reported in detail on the subject of currency hedging.

In the meeting on 20 September 2023 the Managing Directors reported in particular on the current status of the group's financing and on the pending commissioning of the first plants at the Gromadka site. In addition Mr. Udo Schramek informed the Administrative Board of the sale of 51 % of shares in STEICO SE by Schramek GmbH to the Kingspan Group.

The last meeting of the year on 8 December 2023 dealt with issues including an in-depth discussion of the risk management report by the Managing Directors, which forms part of the early warning system set up according to Section 22 (3) of the SEAG. In so doing, the Administrative Board made sure that developments which could endanger the company's continued existence can be recognised at an early stage. However there were no such developments. What is more, the Managing Directors reported in particular on the investments and the current status of the Gromadka site. The Administrative Board revised the distribution of business in the rules of procedure for Managing Directors due to the exit of Mr. Uwe Lange and the arrival of Mr. Roger Fränkel.

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements and the managing report as well as the consolidated financial statements and group management report as of 31 December 2023 were prepared by the Managing Directors according to the regulations of the Handelsgesetzbuch (HGB – German Commercial Code). The firm of auditors (Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich) audited the annual financial statements and management report of the company as well as the consolidated financial statements and group management report, discussed this in the audit reports and issued both the annual financial statements as well as the consolidated financial statements with an unqualified auditor's opinion. Performance of the audit and the audit reports correspond to the statutory requirements in Sections 317, 321 of the HGB. The company's annual financial statements and management report and the group's consolidated financial statements and group management report as well as the proposal by the Managing Directors for the use of the profits and the auditors reports by the auditors were passed on to the Administrative Board in good time. The auditors participated in the meeting to discuss the financial statements and responded extensively to questions and reported in detail on the course and results of the audit of the annual financial statements and consolidated financial statements.

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

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

Report by the Administrative Board

AFFILIATED COMPANIES REPORT

The Managing Directors prepared the report on affiliated companies (dependent parties report) for fiscal year 2022. Accordingly, the company received reasonable compensation in each case for the transactions presented with affiliated companies.

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

"After our proper audit and assessment we confirm that

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

Both the dependent parties report and also the audit report were received by the Administrative Board in good time. After the conclusive results of its own review, the Administrative Board raised no objections to the affiliated companies report and the final statements it included from the Managing Directors.

Feldkirchen, 25 April 2024



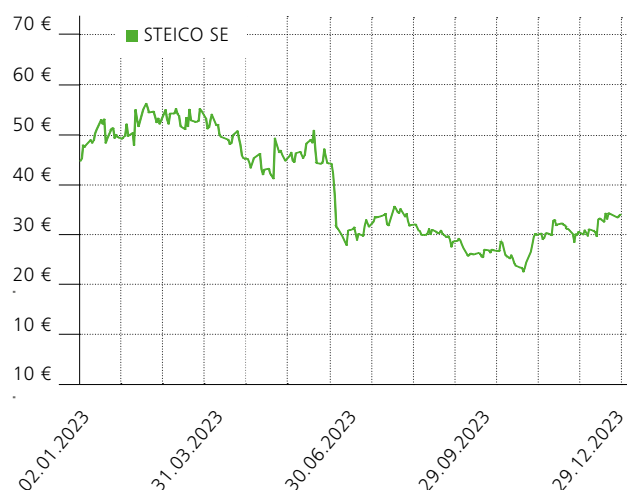
Paul O'Gorman
Chairman of STEICO SE's Administrative Board

Growth of STEICO's shares

A. SHARE PRICE GROWTH IN 2023

STEICO's shares started the year with a price of € 44.50 on 2 January (Xetra closing price). The highest price for the year was € 56.30 on 15 February. The share price fell in the weeks following STEICO falling victim to a cyber attack at the start of March 2023. The share price recovered temporarily in connection with the sale of the majority of shares in STEICO SE before a profit warning was issued on 21 June causing the share price to slump. Growth was uneven during the following months. The shares recorded their lowest price for the year on 25 October at € 21.95 shortly after the report on figures for the third quarter was published. The share price also benefited from the stabilisation of the market towards the end of the year. STEICO's shares closed at a price of € 33.40 in Xetra trading on 29 December 2023. This corresponds to a drop of 24.4% over the year as a whole.

STEICO's shares: development 2023



B. INVESTOR RELATIONS

As was the case in previous years, STEICO SE engaged in open and direct communication with the capital markets in 2023, and was also in close contact with its shareholders. In 2023, in addition to the transparency policies for the Basic Board and m:access, STEICO SE fulfilled its publication requirements, for example with end-to-end communication in German and English and the regular publication of quarterly reports. In addition, up-to-date press releases and financial reports are also always published on the Web site www.steico.com/ir. Information on key events is disseminated via a well-known institution to comply with publicity obligations.

C. CAPITAL MARKETS DIARY 2023

5/6 January 2023	STEICO presented the company at the ODDO BHF Forum (Lyon, France)
7 February 2023	Publication of initial figures for 2022 as well as the outlook for 2023
16 March 2023	STEICO presented the company at the Berenberg EU Opportunities Conference (London, UK)
14 May 2023	Publication of the 2022 annual report and Q1 2023 report
16 May 2023	STEICO presented the company at the Morgan Stanley Conference Enablers of a Sustainable Built Environment (virtual conference)
15/16 June 2023	STEICO presented the company at the Warburg Highlights Conference (Hamburg, Germany)
23 June 2023	STEICO's Annual General Meeting
24 July 2023	Publication of H1 2023 report
6 September 2023	STEICO presented the company at the Commerzbank / Oddo BHF Corporate Conference (Frankfurt/Main, Germany)
18 September 2023	STEICO presented the company at the Berenberg / Goldman Sachs Corporate Conference (Munich, Germany)
12 October 2023	STEICO presented the company at the m:access specialist conference for technology (virtual conference)
18 October 2023	Publication of Q3 2023 report

A. FUNDAMENTALS

I. THE STEICO GROUP'S BUSINESS MODEL

1. OVERVIEW

STEICO develops, produces and markets ecological construction products made of renewable raw materials. STEICO is, in its own opinion, the global market leader compared to the relevant competitors in terms of revenues for wood fibre insulation materials.

STEICO is positioned as a system provider for ecological residential construction and is - according to the Managing Directors - the only manufacturer in the industry to offer an integrated wooden construction system in which wooden construction components and insulation material supplement each other. These include flexible wood fibre insulation materials, stable insulation boards, wood fibre insulation boards for facade insulation (ETICS external thermal insulation compound system), air-injected insulation made of wood fibre and cellulose as well as system-based products for insulating the building shell. The construction elements comprise I-joists and laminated veneer lumber. In addition, the STEICO Group also produces natural fibre boards (hard fibre boards) and was involved in timber wholesale in 2023. In the UK the group's product range also includes products for ceiling and floor construction.

The STEICO Group's production equipment also enable a wide variety of specialty products to be produced, such as door panels, pinboards, etc. which can be sold to a wide variety of industries.

2. THE STEICO GROUP'S PRODUCTS AND SERVICES

The STEICO Group is a system provider for natural construction products for insulation and construction. The core product range comprises "natural wood fibre insulation materials". In 2023 the bulk of revenues (65.4%) were generated with ecological wood fibre insulation materials and air-injected insulation for insulating buildings and floors.

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

Wood fibre insulation materials

STEICO's insulation materials are made of fresh softwood. These are used for new construction and renovation, where they protect against heat, cold and noise.

Wood fibre insulation materials are produced at the manufacturing subsidiaries using various methods – including the wet and dry method. In both methods, wood is broken down into individual fibres using steam and mechanical treatment. The fundamental difference between the two methods is that in the wet method the wet fibres are processed (formed into boards) whereas in the dry method the fibres are dried to form boards. In the dry method, depending on the technology used, the fibres can be used for air-injected insulation, flexible (compressible) mats or rigid insulation boards.

Air-injected insulation

Air-injected insulation comprises individual insulation fibres or flakes which are blown into the building's cavities under high pressure, where they then compress. The STEICO Group produces and sells air-injected insulation made of wood fibres and cellulose flakes.

Construction products: Laminated veneer lumber (Laminated Veneer Lumber)

Laminated veneer lumber is a high-performance timber material comprising several layers of lumber veneer which are glued together. It is characterised by its particularly great rigidity and ability to bear loads while still offering dimensional stability. Laminated veneer lumber is used in construction as well as for industrial applications (for example in making doors and furniture). It forms a key component of I-joists (flange material).

Construction products: I-joists

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

Special products

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

Group management report for fiscal year 2023

STEICO SE, Feldkirchen

Timber wholesale

The STEICO Group operated in timber product wholesale in Germany. These products stemmed from the company's former orientation and no longer had any strategic importance. The company generated revenues with timber products which are mostly imported from south-eastern European countries and Poland. This segment was discontinued as of 30 March 2023 when the responsible Managing Director Mr. Milorad Rusmir retired from the company due to his age.

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

Natural fibre boards (hardboards)

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

Miscellaneous

The Miscellaneous segment bundles various peripheral activities, such as ETICS accessories, vapour barriers and other accessories such as tools for processing insulation material.

Prefabricated building element production

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

Automation and the pre-production of end-to-end construction components are continuing trends in the construction industry. Prefabrication / element production has been practised by STEICO SE's customers for a long time, but is often labour-intensive manual work. STEICO's prefabrication is based on a

high degree of automation, which is associated with increases in speed and precision. The offering is geared to timber construction and prefabricated house companies, which can thus achieve advantages in terms of personnel deployment, economic efficiency and construction speed. The STEICO Group does not itself act as a construction company.

Services

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

3. PROCUREMENT

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

4. SALES AND CUSTOMERS

The STEICO Group's customers are mostly broken down into the customer groups of wood and construction materials traders, wood construction companies, re-fabricated home construction companies, DIY stores (in some cases via distributors) as well as industrial customers (e.g. manufacturers of laminated/parquet flooring, furniture manufacturers, construction material manufacturers). The STEICO Group aims to ensure a broad customer base in order to avoid dependencies on individual customers. 5.4% of revenues were generated with the largest customer in 2023 (previous year: 5.3%). 20.7% of revenues were generated with the ten largest customers (previous year: 22.7%). The company's management believes that it is thus not especially dependent on a single individual customer.

The STEICO Group sells its products world-wide, focusing on European markets. Germany was the largest sales market in 2023, accounting for 35.1% of revenues (previous year: 39.3%), followed by France (16.0%, previous year: 12.5%) and the United Kingdom and Ireland with a 10.9% share of revenues (previous year: 10.0%). Australia is the largest non-European sales market accounting for 5.6% of revenues (previous year: 5.4%).

II. CONTROL SYSTEM AND SHAREHOLDER STRUCTURE

STEICO SE is responsible for sales management, marketing, investments, product development, finance and financial control in its position as the group's holding company. As a central Group company, STEICO SE is thus integrated into an intensive reporting system that supports the early recognition of possible undesirable developments.

A detailed control system with reporting as well as strategy and planning processes that are uniform within the company is used to monitor and control the opportunities and risks of the operating business. A differentiated internal reporting system is in place to monitor economic developments and risks. The sales strategy is adapted to new developments.

In 2023 61.1% of shares were held by Schramek GmbH and could be allocated to the Chairman of the Administrative Board/CEO Udo Schramek, and the remaining 38.9% were in free float.

In July 2023 Schramek GmbH reached an agreement with the Irish Kingspan Group plc and Kingspan Holding GmbH for the sale of 51.0% of STEICO's shares. This agreement was executed in January 2024. There were changes in the Administrative Board of STEICO SE in this connection, thus allowing Kingspan Holding GmbH to be adequately represented in line with its new majority ownership. The former members of the Administrative Board Dr. Jürgen Klass and Prof Heinrich Köster resigned from their respective offices on 2 February 2024.

With effect from 8 February 2024 Paul O'Gorman and Aiveen Kearny were appointed by the court as new members of the Administrative Board for the period until STEICO SE's next general meeting. On 22 February 2024 STEICO's Administrative Board appointed Paul O'Gorman as Chairman and Udo Schramek as Deputy Chairman of the Administrative Board.

III. RESEARCH AND DEVELOPMENT

R&D activities in fiscal year 2023 focused on optimising product characteristics for wood fibre insulation boards as well as developing new products as part of the product range, in particular:

- Supporting research work in parallel to operating the Group's own production line for laminated veneer lumber
- Further development of cellulose air-injected insulation and combined air-injected insulation
- Research to optimize the heat conduction properties for STEICO's insulation materials

- Research on developing and optimising material combinations for STEICO's insulation materials
- Research to optimise the emission behaviour for wood fibre insulation materials and wooden materials
- Development of foaming insulation materials based on wood and sustainable raw materials
- Development of moulded pieces based on reformable wood fibre mats
- Development of cyclical, fully recyclable insulation materials based on wood fibres
- Further development of the STEICO composite thermal insulation systems

Future R&D work will continue to focus on building the integrated construction system, a combination of wooden frame products and ecological insulation materials, and it should become more simple and efficient to put ecological construction projects in place. In addition, further material optimisations are planned, in order to make STEICO's products even more efficient.

In 2023 two STEICO SE employees worked on research and development projects. One of these employees was a full-time employee, and the other was temporarily assigned to projects. These employees were supported by three employees at the manufacturing subsidiaries, of which one is allocated to R&D as a full-time employee, and two other employees provided temporary project support.

Group management report for fiscal year 2023

STEICO SE, Feldkirchen

B. ECONOMIC REPORT

I. OVERALL ECONOMIC AND INDUSTRY-SPECIFIC UNDERLYING CONDITIONS

1. OVERALL ECONOMIC AND INDUSTRY DEVELOPMENT

The general economy in 2023 was characterised by a combination of continued high inflation and substantially higher interest rates. This depressed the general economy and the construction sector in particular.

Accordingly, GDP grew by 0.4% in both the eurozone and also in the EU in 2023, compared to +3.4% in both regions in 2022.¹ The German domestic product fell by 0.3% year-on-year in 2023.²

The prices for construction materials fell in many cases in 2023, however these are still higher than prior to the energy crisis resulting from the war between Russia and Ukraine.³ This continues to have a negative impact on construction activities. The number of construction permits for apartments fell by 26.6% in Germany in 2023 compared to the previous year. The downturn in the number of construction permits for detached houses was even stronger at -39.1%, and -48.3% for semi-detached houses.⁴

Timber construction enjoyed positive growth despite the lower number of construction permits. The market share for detached and semi-detached houses was 25.4% in the first six months of the year (previous year: 24.5%). In the case of multiple-family houses, timber construction accounted for an average of 6.0% for the first time (previous year: 5.3%). The industry organisation Holzbau Deutschland believes that there is growing market potential for re-mediation activities.⁵

2. COMPETITION

With regard to wood fibre insulation materials, in 2023 the most important competitors in the opinion of the company's management were Gutex (Germany), Soprema with its Pavatex brand (France), bestwood Schneider (Germany), the Ziegler Group with its Naturheld brand (Germany; Hunton (Norway) and Fibris (Poland).

The Ziegler Group entered the wood fibre insulation materials market in 2023. Gutex commissioned a new plant for wood fibre insulation materials in Germany in 2023. Soprema has announced that it will commission increased capacity for wood fibre insulation materials in France in 2024, Schilliger AG has announced that it will build a new wood fibre insulation material plant in Switzerland which is scheduled to go live in 2025. In addition Sonae Arauco is planning to commission a new plant for wood fibre insulation materials in 2025. The new STEICO plant for wood fibre insulation materials in Poland (Gromadka) has been mostly completed on the date this report was prepared, and according to current plans it will start standard operation in the second half of 2024.

STEICO SE's management believes that the most important competitors for I-joists in 2023 were Metsä (Finland), Masonite (Sweden) and James Jones (United Kingdom).

The most important competitors for laminated veneer lumber in 2023 were, in the opinion of the company's management, Metsä (Finland), Stora Enso (Finland), Pollmeier (Germany). As a result of sanctions for Russian companies, the company MLT/Taelon Terra (Russia) is no longer being regarded as a relevant competitor on this market for the time being.

II. COURSE OF BUSINESS

1. KEY EVENTS IN 2023

STEICO was hit by a cyber attack

The STEICO Group was the victim of a cyber attack in the night of 1 March 2023. This attack hit administrative systems, in particular at the Polish sites, the headquarters in Feldkirchen and various applications that are hosted in a computer centre. Production control was not affected, which meant that there was no production downtime. STEICO has well-functioning back-ups for its key systems, which meant that it was possible to fundamentally re-establish operating business within a few days.

We are aware that 100% cyber security is not possible, and as a result of the cyber attack STEICO SE has replaced the IT infrastructure affected and has put additional activities in place to increase cyber security. This included, in particular, new and ongoing employee training.

¹ Source: Eurostat, Euroindicators 8 March 2024

² Source: Destatis, press release no. 66 dated 23 February 2024

³ Source: Destatis, Press release no. 012 dated 14 March 2024

⁴ Source: Destatis, press release no. 074 dated 29 February 2024

⁵ Source: Holzbau Deutschland, press release dated 26 October 2023

On the whole, in the opinion of the company's management, the cyber attack did not have a material impact on the Group's business growth during the year.

Sale of majority interest in STEICO SE

On 17 July 2023, STEICO SE received a notice from Schramek GmbH, the former majority shareholder with a 61.1 % interest, that this had reached an agreement with the Irish Kingspan Group plc and Kingspan Holding GmbH for the sale of 51.0 % of STEICO's shares. This agreement was executed in January 2024.

2. COURSE OF BUSINESS⁶

Several challenges governed the course of business in 2023. Competition heightened when the Ziegler Group entered the market for wood fibre insulation material and led to continued pressure on prices throughout the year. At the same time, high inflation and the high level of prices in the construction sector as well as the increase in general interest rates throughout Europe depressed the construction sector. This was coupled by the fact that many of STEICO's customers had increased their inventories by an above-average amount during the preceding boom phase in order to safeguard against delivery bottlenecks. In the view of the company's management, the reduction of

these inventories to a normal level through to the autumn had a negative impact on demand for STEICO's products.

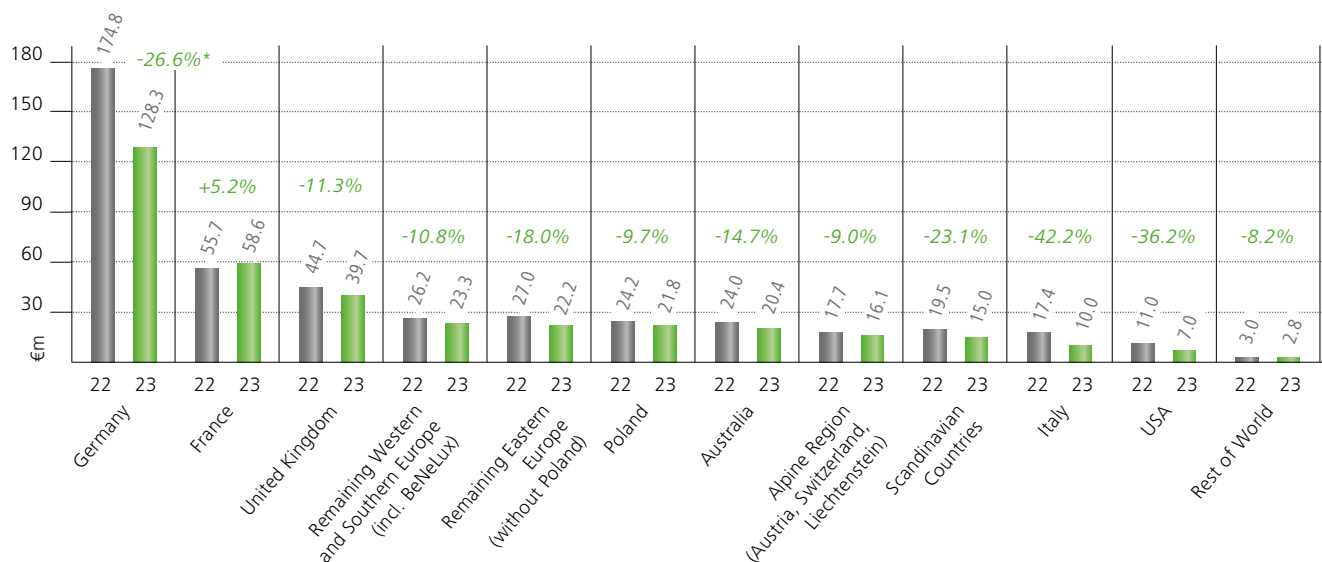
Demand stabilised through to the end of 2023 after the reduction of inventory levels had been completed and the price level was able to stabilise despite the continued competition.

In Germany, the group's largest sales market, revenues fell by 26.6% to € 128.3 million (previous year: € 174.8 million). This corresponds to 35.1 % of revenues. The particularly high downturn in revenues in Germany was due to the reduction in inventory levels at customers as well as the particularly weak construction economy coupled with negative price effects resulting from a new competitor entering the German market.

France is the company's second largest sales market, where it recorded revenues of € 58.6 million (previous year: € 55.7 million). This corresponds to growth of 5.2% and a share of 16.0%. The company's management believes that the growth in France is due to the advantageous subsidy programs for energy-related renovation work.

These overall economic effects led to sales falling in the other EU countries by € 18.5 million to € 94.3 million (previous year: € 112.7 million). In the rest of the world sales fell by € 17.8 million to € 84.1 million (previous year: € 101.9 million).

2023: Development Revenues by Markets in € million



* Rate of change from 2022 to 2023: Percentages have been calculated based on non-rounded figures.

⁶ All information on revenue breakdown by market and the year-on-year change rates are calculated based on non-rounded figures.

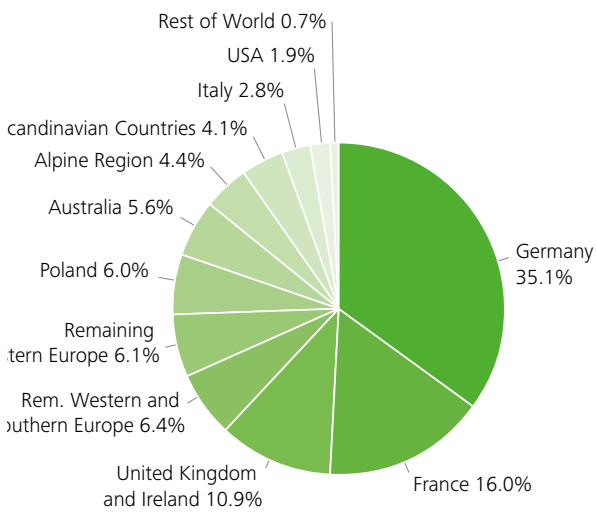
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On the whole, the STEICO Group is looking back on a very challenging year. In view of the particularly unfavourable construction sector, the company's management believes, however, that it has recorded a solid fiscal year on the whole despite the lower sales. Total revenues were down by 17.9% to € 365.3 million (previous year: € 445.2 million).

In 2023, STEICO SE recorded around 64.9% of its revenues outside its German home market (previous year: around 60.7%).

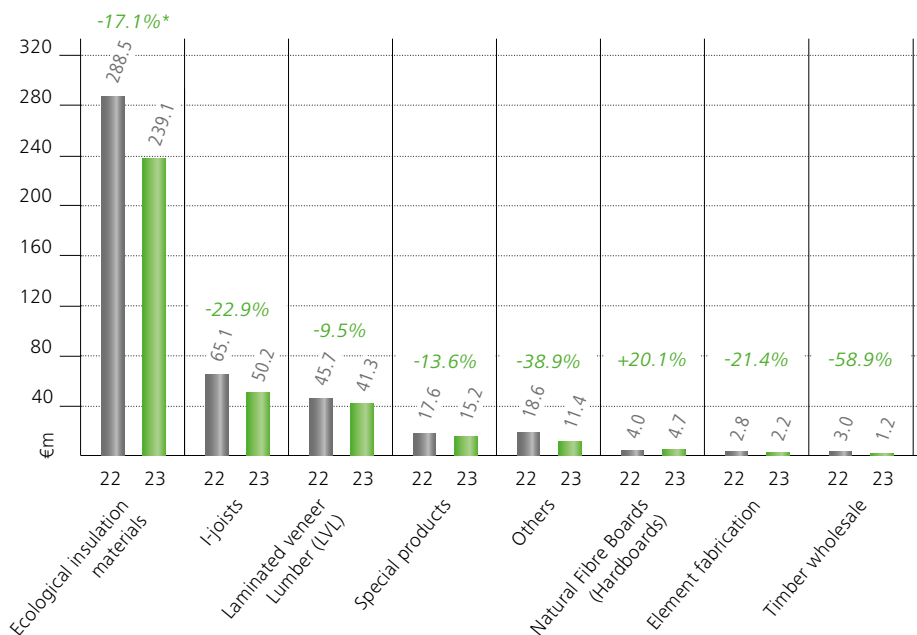
2023 Revenues by markets



* Rate of change from 2022 to 2023

3. GROWTH OF PRODUCT SEGMENTS⁷

2023: Development Revenues by Product Groups in € million



This corresponds to 3.1% of revenues and a downturn of 38.7%.

Sales of natural fibre boards to third parties increased substantially in 2023. This product group accounted for € 4.7 million or around 1.3% of total revenues (previous year: € 4.0 million). This corresponds to an increase of 17.5%. As a result of the war between Russia and Ukraine, fewer natural fibre boards produced in these regions reached the European market.

In the Element Production segment revenues in 2023 amounted to € 2.2 million (previous year: € 3.0 million). This corresponds to 0.6% of revenues and a downturn of 26.7%.

The sale of wood fibre insulation materials and air-injected insulation for building insulation and flooring is STEICO SE’s core business and accounted for 65.4% of total revenues in 2023 (€ 239.1 million, previous year: €288.5 million). This corresponds to a decrease of 17.1%.

Sales of I-joists recorded negative growth in 2023 with revenues of € 50.2 million (previous year: € 65.1 million). This corresponds to 13.7% of revenues and a downturn of 22.9%.

In 2023 sales of laminated veneer lumber amounted to € 41.3 million (previous year: € 45.7 million) or around 11.3% of total revenues. This corresponds to a downturn of 9.5%.

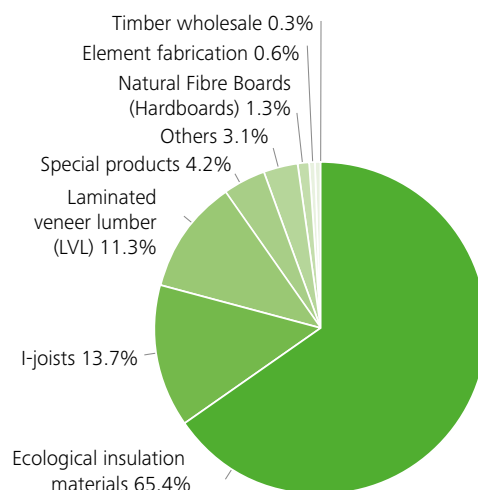
The company’s management believes that the sales downturn for products for the construction sector is due to a combination of higher inflation, higher interest rates and heightened competition for wood fibre insulation materials.

In 2023 sales of specialty products amounted to € 15.2 million (previous year: € 17.6 million) or around 4.2% of total revenues. This corresponds to a decrease of 13.6%.

In the “Miscellaneous” segment (including services) revenues in 2023 amounted to € 11.4 million (previous year: € 18.6 million).

The timber wholesale segment continues to fall substantially. In 2023 timber wholesale revenues amounted to € 1.2 million (previous year: € 3.0 million) or around 0.3% of total revenues. This corresponds to a decrease of 60.0%. This segment was discontinued as of 1 April 2023 when the responsible Managing Director Mr. Milorad Rusmir retired from the company due to his age. In the United Kingdom timber wholesale is being continued to a very minor extent to supplement STEICO’s core product range.

2023 Revenues by product segments



⁷ All information on revenue breakdown by product segment and the year-on-year change rates are calculated based on non-rounded figures.

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4. PRODUCTION

As a result in changes in the allocation of individual products, in some cases there are slight changes in the year-on-year figures.

Wood fibre insulation materials

As of 31 December 2023 the STEICO Group had a total of eight state-of-the-art production lines to manufacture stable wood fibre insulation materials using the wet method. 107,960 t were produced (previous year: 151,175 t). This corresponds to a downturn of 28.6%. Four of these lines are at the Czarnków site and three are at the Czarna Woda site.

Stable insulation materials are produced using the dry method on three production lines. A total of 76,956 t of these products were produced in 2023 (previous year: 101,919 t). This corresponds to a downturn of 24.5%. Two of these lines are installed at the Czarnków site, one is in Casteljaloux. A new line is currently being installed at the Gromadka site.

As of 31 December 2023 five lines produced flexible wood fibre insulation mats using the dry method and also air-injected insulation made of wood fibres and cellulose. Three of these lines are installed at the Czarnków site, two are in Casteljaloux. Two additional lines produce air-injected insulation made of cellulose at the site in Czarnków. Two new lines are currently being installed at the Gromadka site. A total of 81,839 t of these products were produced in 2023 (previous year: 87,794 t). This corresponds to a decrease of 6.8%.

In total, in 2023 272,987 t of wood fibre and cellulose insulation materials were produced (previous year: 340,888 t). This corresponds to a decrease of 20.2%.

Natural fibre boards (hardboards)

Two production lines at the Czarna Woda site continue to produce natural fibre boards. These lines primarily cover the needs for natural fibre boards as a component of I-joists. In 2023 20,724 t were produced (previous year: 31,784 t), which corresponds to a downturn of 34.8%.

I-joists

I-joists are produced at a production line at the Czarnków site. In 2023 9,101 trm (thousand running meter) were produced (previous year: 12,506 trm). This corresponds to a decrease of 27.2%.

Laminated veneer lumber

Laminated veneer lumber is produced on two lines at the Czarna Woda site. A total of 107,454 cbm of this product was produced in 2023 (previous year: 144,430 cbm). This corresponds to a decrease of 25.6%.

Growth in production quantities at the STEICO Group

	2023	2022
Insulation materials (total) (t)	272,097	340,888
Wood fibre products and insulation boards using the wet method (t)	107,960	151,175
Stable wood fibre insulation boards using the dry method (t)	76,956	101,919
Wood fibre and flexible wood fibre insulation boards using the dry method and also cellulose air-injected insulation (t)	81,389	87,794
Other (t)	7,425	10,207
Fibreboards (t)	20,724	31,784
I-joists (trm)	9,101	12,506
Laminated veneer lumber (cbm)	107,454	144,430

III. FINANCIAL POSITION, NET ASSETS AND RESULT OF OPERATIONS

1. KEY PERFORMANCE INDICATORS

The following overview shows select KPIs and how they have changed. For the most important key financial indicators please refer to section IV.

In € thousand	2023	2022
Revenues	365,295	445,155
Gross profits	166,179	202,029
Personnel expenses	62,349	64,784
EBIT	30,383	65,198
Financial result	-6,171	-1,535
Earnings before taxes (EBT)	24,212	63,663
Consolidated net income	16,880	47,860
Net change in cash and cash equivalents	4,889	-8,295
Net debt/equity ratio	2.67	1.32
Gearing	0.51	0.44
Consolidated total assets	587,666	509,070

2. RESULT OF OPERATIONS

During 2023 the STEICO group's revenues fell by 17.9% to € 365.3 million (2022: € 445.2 million).⁸ Total operating revenue in 2023 amounted to € 356.8 million and was thus 23.7% lower than the previous year's figure of € 467.4 million.

During the past fiscal year 2023, the STEICO Group recorded other operating income of € 23.4 million (previous year: € 17.7 million). This income is mostly due to higher income from the sale of CO₂ emission rights.

The cost of materials fell by € 69.0 million to € 214.1 million (previous year: € 283.1 million) as a result of the lower level of sales. The cost of materials ratio⁹ is thus 60.0% (previous year: 60.6%) and has remained practically constant.

Personnel expenses in 2023 totalled € 62.3 million (previous year: € 64.8 million) and were thus substantially lower year-on-year. The downturn in personnel expenses is mostly due to the lower variable remuneration due to the downturn in consolidated EBT.

The personnel expenses ratio has increased to 17.5% as a result of the lower sales despite the downturn in personnel expenses.

Other operating expenses

In € thousand	2023	2022
Write-downs of receivables	84	50
Building costs, rent, cleaning	1,770	1,700
Insurance, contributions, fees	4,957	4,794
Repairs and maintenance	6,885	8,212
Vehicle costs	4,331	4,691
Sales costs, advertising and travel expenses	4,151	4,188
Commission expenses	221	403
Operating costs	3,450	3,296
Administrative costs, IT	4,203	3,464
Telecommunication	161	150
Legal and consulting costs, court costs	1,074	1,244
Costs of preparing the annual financial statements	345	288
Exchange rate differences and incidental costs of money transactions	3,611	7,513
Other	10,902	8,658
Total	46,144	48,650

Other operating expenses of the year totalled € 46.1 million (previous year: € 48.7 million), down 5.3% year-on-year.

Currency exchange rates also impacted the earnings position as follows: Income from exchange rate differences within other operating income amounts to € 4,859 thousand (previous year: € 5,910 thousand). This is offset by expenses from exchange rate differences in other operating expenses of € 3,611 thousand (previous year: € 7,513 thousand).

The financial result was negative in 2023 at € -6.2 million (previous year: € -1.5 million) and is mostly determined by the interest expenses resulting from the financing of ongoing investment activities as part of the existing syndicated credit agreement.

EBITDA was down by € 30.9 million or 34.9% to € 57.7 million (previous year: € 88.6 million). EBIT fell by € 34.8 million or 53.4% to € 30.4 million (previous year: € 65.2 million). The deterioration in earnings on the whole is mostly due to the lower sales, the disproportionate reduction in expense items such as personnel expenses and other operating expenses as well as the increase in amortisation and depreciation.

Earnings (consolidated net income) total € 16.9 million and are significantly lower than the previous year's figure (€ 47.9 million).

⁸ Please refer to sections B.II.2 "Course of business" and B.II.3 Growth of product segments" for a detailed presentation of sales growth.

⁹ Cost of materials to total operating revenue

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3. FINANCIAL POSITION AND NET ASSETS

Consolidated total assets increased substantially by around € 587.7 million as of 31 December 2023 compared to the previous year (€ 509.1 million). Property, plant and equipment increased to € 444.6 million (previous year: 360.5 million), which is due to factors including the continuing investments in production lines, in particular at the Gromadka site, as well as increasing production efficiency.

The inventories item has fallen substantially. As of 31 December 2023 inventories totalled € 59.5 million (previous year: € 70.6 million). During the course of the year, inventory levels were reduced due to difficult customer ordering behaviour.

Receivables and other assets totalled € 46.0 million (previous year: € 49.9 million). This item also reflects the weak ordering behaviour.

On 31 December 2023 the item cash in hand and bank balances amounted to € 33.0 million (31 December 2022: € 24.2 million). This increase is due to a positive cash flow from operating activities as well as financing activities with a continued negative cash flow from investing activities.

On the equity and liabilities side, equity increased by € 41.3 million to € 313.5 million (previous year: € 272.2 million). In the opinion of the Managing Directors, this corresponds to a solid equity ratio of 53.3% (previous year: 53.5%).

Provisions on 31 December 2023 fell by € 10.8 million to € 24.6 million (previous year: € 35.4 million). This is due, in particular, to the fact that no provisions for taxes had to be formed in 2023, in contrast to the previous year.

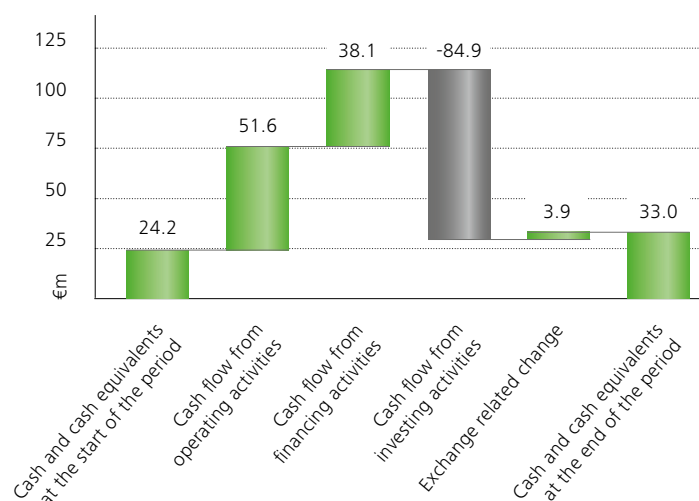
Liabilities to banks increased to € 191.9 million (previous year: € 142.4 million) which is due to liquidity being drawn down from the syndicated credit agreement. The key capital expenditure project in 2023 was establishing a new production site in Gromadka (Poland).

On the balance sheet date the group companies had credit lines of €65 million available at standard market conditions. In addition, a credit limit for currency exchange transactions and derivatives was granted, in order to be able to perform the hedging transactions required for operating business.

In connection with the syndicated credit agreement mentioned above, certain financial covenants have been agreed. If these are not upheld the lenders can, as a rule, terminate the agreement without notice. All of these covenants were upheld in 2023.

4. LIQUIDITY

2023: Cash flows in € millions



Cash flow from operating activities

During the past fiscal year, the STEICO Group recorded a positive cash flow from operating activities of € 51.6 million (previous year: € 59.9 million). This downturn is mostly due to the lower net income for the year. In contrast, the reduction in inventories as well as receivables and other assets increased liquidity.

Cash flow from investing activities

The cash flow from investing activities totalled € -84.8 million in 2023 (previous year: € -88.2 million) and is mostly governed by payments for investments in property, plant and equipment. The investments in setting up the new production site in Gromadka (Poland) constitute the largest investment block.

Cash flow from financing activities

The cash flow from financing activities reflects the balance of the dividend payment and loans taken out, and is positive at € 38.1 million (previous year: € 14.0 million).

As of 31 December 2023 the STEICO Group's cash and cash equivalents totalled € 33.0 million (previous year: € 24.2 million) which is held in overnight money, fixed-term deposits and current account balances. The Group pursues an investment strategy to minimise risks, aiming to secure liquidity for use for further investments or ongoing business.

The planned total volume of capital expenditure in 2024 is approx. € 32.3 million, and around € 16.6 million of this total is fixed. The existing cash and cash equivalents and the net proceeds from the cash flow from operating activities as well as bank loans are used to finance this capital expenditure

Summary of the economic position

In 2023 the STEICO Group's revenue growth was around 18% lower than the original expectations stated in the 2022 management report for stable revenue growth. The original forecast was based on a too optimistic view of developments in the construction sector. However, almost all markets recorded lower sales during the course of the year. In the opinion of the company's management, the downturn is due, in particular, to a combination of higher inflation and resulting significant increases in construction costs, as well as the higher interest rates which has made financing real estate investments more expensive, thus causing construction activities to fall on the whole and in Germany in particular.

With regard to EBIT, the original forecast for 2023 was between 10% and 15% (EBIT to total operating revenue) or € 44.5 million to € 66.75 million. We were not able to achieve these expectations with actual EBIT totalling € -30.4 million. This downturn in the EBIT ratio is mostly due to the lower sales, the disproportionate reduction in expense items such as personnel expenses and other operating expenses as well as the increase in amortisation and depreciation.

In summary, in the opinion of the Managing Directors, the STEICO Group is in an excellent position for future growth as a result of its product range, its large, well-integrated production locations and more intense sales activities. Construction products to save energy consumption, a wide-ranging product range, large, integrated sites and an across-the-board sales and service offering means that the company's management expects that it will return to the growth enjoyed in the past as soon as the construction industry stabilises. Both the income statement and balance sheet show a healthy group with continued major growth potential.

On the whole, in the opinion of the company's management, the STEICO Group has a future-oriented business model and solid financing, and in the opinion of the company's management it will continue its on-track growth over the long term.

IV. FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

1. THE STEICO GROUPS FINANCIAL PERFORMANCE INDICATORS AT A GLANCE:

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

In € thousand	2023	2022	Δ	[%]
Revenues	365,295	445,154	-79,860	-17.9%
Total operating revenue	365,797	467,442	-110,646	-23.7%
EBIT	30,383	65,198	-34,815	-53.4%
Net debt/equity ratio ¹¹	2.67	1.32	1.33	102.2%
Gearing	0.51	0.44	0.07	15.9%

2. NON-FINANCIAL PERFORMANCE INDICATORS

The following non-financial performance indicators are collected and evaluated, but are not used to control the company or group in detail.

Environmental issues

As a company with an extensive product range of environmentally friendly products, the STEICO Group attaches great importance to having a low environmental impact and saving natural resources. The wood from which STEICO's products are made originates from sustainably managed forests, which are mostly certified according to the well-known organisation PEFC (Programme for the Endorsement of Forest Certification Schemes).

The IBR® seal means that STEICO's insulation materials have a recognised seal of quality for environmentally friendly, safe and functional construction products.

In addition, STEICO SE holds an environmental product declaration (EPD) for wood fibre insulation materials which offers additional proof of its dedication to sustainability.

¹⁰ Please refer to the growth analysis in Sections B.II.2 "Course of business", B.II.3 "Growth of product segments" and III "Financial position, net assets and result of operations".

¹¹ The net debt/equity ratio corresponds to net debt (liabilities to banks plus liabilities to associated companies, to the extent that this exceeds an amount of € 2,000 thousand, less cash and cash equivalents) divided by EBITDA (EBIT plus depreciation and amortisation) Gearing corresponds to equity divided by net debt.

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

In addition an environmental management system according to ISO 14001:2015 has been introduced at the Polish production plants.

In addition, the STEICO Group has published an annual sustainability report since 2018, and since 2019 this has been based on the internationally recognised reporting standard GRI (Global Reporting Initiative). In 2022 and 2023 it was published in line with the GRI Core Standard.

Protecting the environment is one of the key basic pillars of STEICO's corporate philosophy. The STEICO Group uses its activities and awards to show that growth and sustainability can go hand in hand and thus reinforces its position as a provider of an environmentally friendly timber construction system. The STEICO Group thus aims to continue its relevant environmental certification and to expand on this.

C. OPPORTUNITY AND RISK REPORT, FORECAST

I. FUNDAMENTALS OF THE RISK MANAGEMENT SYSTEM

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

II. RISKS OF FUTURE GROWTH

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

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

As a rule, the company's management believes that the framework conditions for growth in the construction sector are positive. In the opinion of the management the trend towards timber construction¹² will continue, furthermore there is a need of living space in many markets and more and more funding programmes are supporting this form of resource-saving construction. There is also a significant backlog of orders in the construction sector. The probability of a risk arising from a downturn in the industry is considered to be high as a result of the current market situation.

¹² See Holzbau Deutschland, press release dated 26 October 2023

2. RISKS FROM RESTRICTIONS OF PUBLIC LIFE

Unforeseen events like the outbreak of epidemics, serious political distortions, faults of important infrastructure networks like electricity or communications could rapidly lead to massive restrictions of public life. That might go hand in hand with restrictions on movements of people and goods or on business and production activities. This is combined with an economic risk.

At the current time the risk is regarded as being low on the whole and it does not pose a risk for STEICO's business model.

3. PRODUCTION RISKS

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

The STEICO Group combats these risks with regular maintenance, precautionary construction and organisational activities and it has also concluded corresponding insurance policies. In addition it is in close contact with the licensing authorities. For 2024, the capital expenditure plan provides for further investments, which are intended to increase production reliability. In the management's opinion, no significant change in risk is expected compared with the previous year, which means that the probability of occurrence remains low.

4. LOCATION RISKS

In 2023 the STEICO Group had manufacturing activities at three locations in Poland and thus used various location advantages. Depending on its position, the choice of a location can also be associated with risks, for example exchange rate fluctuations or regionally higher prices for raw materials and energy. As the STEICO Group produces light, high-volume insulation material, the proximity of its production facilities and sales markets is a key strategic success factor. Setting up new locations – by developing locations or making acquisitions – to ensure future growth can, however, also be associated with risks, for example with financing risks, personnel risks, production or organisational risks.

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The management continuously evaluates the situation of the existing locations, makes investments to compensate for any disadvantages that may arise and examines the development of further locations. No material deterioration in the existing location advantages is predicted for 2024. The impact of this risk is considered to be low.

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

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

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

The Ziegler Group entered the wood fibre insulation materials market in 2023. Gutex commissioned a new plant for wood fibre insulation materials in Germany in 2023. Soprema has announced that it will commission increased capacity for wood fibre insulation materials in France in 2024, Schilliger AG has announced that it will build a new wood fibre insulation material plant in Switzerland which is scheduled to go live in 2025. In addition Sonae Arauco is planning to commission a new plant for wood fibre insulation materials in 2025. At the same time, STEICO is investing in expanding its production capacities. As a result, management believes that competition will intensify in 2024.

Management believes that the impact of this risk should be considered as medium, as was also the case in the past.

6. RISKS DUE TO QUALITY SHORTFALLS

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

However the risks are kept to a minimum thanks to forward-looking production planning, a well-functioning logistics system, in-depth quality management (ISO 9001:2015 certification of STEICO Spółka z o.o.). An environmental management system according to ISO 14001:2015 and in-depth observation of market growth. In addition there is insurance in the event of product liability for all of the companies in the STEICO Group. The effects are therefore to be regarded as being minor.

The capital expenditure plan also includes further activities being implemented in 2024, in order to keep STEICO's product range attractive for customers – for example obtaining additional certification for construction supervision, product tests, etc. In the management's opinion, no significant change in risk is expected compared with the previous year, which means that the probability of occurrence remains low.

7. RISKS FROM DEPENDENCIES ON KEY CUSTOMERS

The risk of customer dependencies is limited by the large number of customers and their balanced share of total revenues. For example, no single customer accounts for more than 5.4% of the STEICO Group's total revenues. The STEICO Group recorded 20.7% of its revenues with its ten largest customers.

In 2023, there was a slight increase in the concentration of the sales volume on large customers. These revenue percentages mean that the sales volume is highly diversified, and this means that there is also no dependency on a single customer in this regard. The loss of a top customer thus constitutes a risk with little impact.

The management does not expect any fundamental change in the concentration of revenues from individual customers in 2024. At the same time, the development of new customer groups and further market penetration will be actively promoted in order to counteract excessive concentration. In the management's opinion, no significant change in risk is expected compared with the previous year, which means that the probability of occurrence remains low.

8. RISKS FROM DEPENDENCIES ON SUPPLIERS

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

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

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

In the management's opinion, no significant change in risk is expected in 2024 compared with the previous year, which means that the probability of occurrence remains low.

9. RISKS FROM LOST RECEIVABLES

Defaults on receivables constitute an additional operating risk which could restrict the group's liquidity. However, outstanding receivables are mostly hedged under a credit sale insurance policy, which minimises the probability of occurrence for this risk and the impact is to be regarded as being low. There were no notable receivables defaults in 2023. In the management's opinion, no significant change in risk is expected in 2024 compared with the previous year, which means that the probability of occurrence remains low.

10. EXCHANGE RATE RISKS

There are exchange rate risks as the STEICO Group mostly produced its goods in 2023 in Poland and thus in the Zloty (PLN) currency zone. As its products are sold internationally and thus invoiced in Euros (€) as well as in other currencies, for example sterling and US dollars, exchange rate fluctuations could thus have a negative impact on the STEICO Group. The STEICO Group observes and evaluations exchange rate fluctuations as part of its risk management system and performs exchange rate hedging on a regular basis with the aim of creating the most stable basis for calculations possible for the STEICO Group. STEICO SE observes and evaluations exchange rate fluctuations as part of its risk management system and performs exchange rate hedging on a regular basis with the aim of creating the most stable basis for calculations possible for the Group. The Polish zloty in particular is hedged to a high degree.

At present, the planned goods purchases and the planned capital expenditure in PLN have been hedged for the coming three years.¹³

11. RISKS FROM INTEREST AND EXCHANGE RATE HEDGES

STEICO uses derivative financial instruments to hedge currency risks. These include structured currency forwards in PLN, sterling and US dollars with, interest rate swaps with an exchange rate option and six interest rate swaps for the three-month and six-month EURIBOR and a fixed interest rate. With regard to the structured currency forwards (so-called "TARF" long-call or short-put sides (from the Group's perspective) the nominal amount (with any leverage) as well as the term are governed by the fulfilment of various contract criteria for the individual fixing dates.¹⁴

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

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

12. RISKS DUE TO THE USE OF FINANCIAL INSTRUMENTS

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

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

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

¹⁴ Please refer to Section V, Point 3. "Derivative financial instruments and valuation units" in the notes

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

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

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

13. RISKS FROM FINANCING REQUIREMENTS

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

STEICO SE concluded a new syndicated loan agreement for € 210 million with a banking syndicate in 2019, thus securing the Group's borrowing requirements over the medium term. The maximum credit volume was increased to € 250 million in 2023. In the management's opinion, no significant change in risk is expected compared with the previous year, which means that the probability of occurrence continues to be put at being low.

However, in connection with the syndicated loan agreement mentioned above, certain financial covenants have been agreed. If these are not upheld the lenders can, as a rule, terminate the agreement without notice. STEICO monitors the covenants on an ongoing basis as part of its risk management to ensure that they are observed and complied with. Due to the group's excellent net assets, financial position and results of operations, management assumes that it will be able to comply with the covenants and therefore sees only a low risk.

14. DEPENDENCIES ON PERSONS IN KEY POSITIONS

In order to reach its entrepreneurial targets, it is of key importance for the STEICO Group to acquire and retain qualified staff. This relates to both executive positions and also, in particular, qualified staff in the respective departments. The STEICO Group pursues a human resources strategy in which employees'

qualifications, experience and contacts are also transferred to other employees. The loss of individual employees, including those in executive positions, therefore represents a risk with only minor effects. Management believes that the STEICO Group's employee fluctuation rate is low.

The STEICO Group constantly intensifies its contacts with various institutions, e.g. training institutions, to recruit qualified personnel and is constantly working on programs to improve employee satisfaction. In the management's opinion, no significant change in risk is expected in 2024 compared with the previous year, which means that the probability of occurrence remains low.

15. RISKS FROM THE ORGANISATIONAL AND WORK-FLOW STRUCTURE

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

In the management's opinion, no significant change in risk is expected in 2024 compared with the previous year, which means that the probability of occurrence remains low.

16. RISKS FROM LITIGATION

Potential litigation could also constitute a risk for the operating result. However, there were no ongoing cases in 2023 which could have a negative impact on the course of the STEICO Group's business or which could have a future negative impact. The probability of this risk occurring is regarded as being low, and also the possible impact of the risk.

In the management's opinion, no significant change in risk is expected in 2024 compared with the previous year, which means that the probability of occurrence remains low.

¹⁵ Please refer to the comments in Section B.II.11 "Risks from interest and exchange rate hedges".

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

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

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

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

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

In total, in the opinion of the company's management, STEICO will also not be able to fully escape the impact of the war between Russia and Ukraine in 2024.

18. IT RISKS/CYBER RISKS

The reliability and security of the information technology used at STEICO is becoming increasingly important. At the same time, there is a global increase in cyber threats for information security. This is a generally known fact. This applies increasingly to the use of IT systems to support business processes as well as for supporting internal and external communication.

Despite all of the technical precautions, disruptions to these systems could lead to risks with regard to the confidentiality, availability and reliability of data required to operate the company, in particular in production, sales and administration. This could have a negative impact on our business processes and, as a result, on our net assets, financial position and results of operations. The risk of this type of attack and its potential impact on business is regarded as being higher on the whole.

On 1 March 2023, STEICO SE announced that the STEICO Group had been the victim of a cyber attack. As a result of the safety activities put in place in the Group and in particular by the company prior to the attack, and also as a result of the countermeasures put in place in cooperation with cyber experts, it was possible to limit the impact on business operations. At present we cannot rule out that this attack could lead to fines or possible claims for compensation in view of the applicable data protection acts. Management believes that the cyber attacks will not impact the STEICO Group's economic growth in 2023.

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III. OPPORTUNITIES OF FUTURE GROWTH

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

1. OPPORTUNITIES DUE TO GROWING DEMAND FOR NATURAL INSULATION MATERIALS

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

The Managing Directors assume that the market share of natural insulating materials has increased continuously in recent years.¹⁶ This trend is expected to continue in 2024, not least because of the ongoing climate debate. This makes it highly likely that demand will continue to grow.

2. OPPORTUNITIES DUE TO GROWING DEMAND FOR CONSTRUCTIVE BUILDING PRODUCTS

The Administrative Board believes that the market share for timber construction will continue to rise throughout Europe.¹⁷ For Germany, for example, the regular publications of the industry association Holzbau Deutschland show a continuous increase in the timber construction quota.

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

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

For the future, the company's management believes that demand for construction products will continue to increase over the medium term.

3. OPPORTUNITIES DUE TO EXTENSIVE VERTICAL INTEGRATION

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

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

Management expects further market penetration with a renewed recovery in the construction sector. However, the effects on revenues and returns are likely to still be minor.

¹⁶ See Holzbau Deutschland, press release dated 26 October 2023

¹⁷ See Holzbau Deutschland, press release dated 26 October 2023

4. OPPORTUNITIES DUE TO THE LAUNCH OF NEW PRODUCTS

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

In 2024, management plans to continue on its innovation course, which means that the probability of a further increase in revenues from innovations is high. The effects would weigh on sales and returns to a minor extent.

5. OPPORTUNITIES FROM FURTHER INTERNATIONALISATION

In addition to expanding the product range, internationalisation also offers opportunities for increasing revenues. In fiscal year 2023, the STEICO Group recorded around 60% of its external revenues outside its home market of Germany. The positive effects of further internationalisation are considered to be high.

Management intends to further accelerate internationalisation in 2024. In so doing, the acquisition at the start of 2024 of a majority interest in STEICO SE by Kingspan Group plc constitutes an opportunity to successfully place STEICO's products in other countries. This should be linked to a positive impact on sales and returns over the medium to long term.

6. OPPORTUNITIES FROM PROCESS OPTIMISATION AND INCREASES TO EFFICIENCY

The STEICO Group constantly reviews its processes for procurement, administration and sales and optimises these to generate further improvements in efficiency as well as to gain synergy effects. In the same way, optimisation at the manufacturing subsidiaries and foreign sales companies is being driven forward. For example, STEICO continuously invests in automating production and in digitalisation, process optimisation and making its administrative structures even leaner, with the aim of establishing STEICO as the industry-wide cost leader. The Managing Directors of the parent company believe that the continued rising demand will have a positive impact on revenues and returns. The capital expenditure plan provides for further measures to optimize processes and increase efficiency in 2024. As a result, the effects would weigh on sales and returns to a medium extent.

Summary of the risk and opportunity situation

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

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

IV. FORECAST

According to the Euroconstruct press release of December 2023¹⁸, construction activity is expected to deteriorate in the group's most important sales markets in 2024. Experts in the market research network are expecting construction activity to fall by 2.1% in 2024 in the 19 Euroconstruct member countries. At the same time, however, timber construction is particularly robust. According to the Bundesverband Deutscher Fertigtbau e.V., construction permit figures in 2023 fell substantially, however the proportion of prefabricated timber buildings for detached and semi-detached houses reached an all-time high of 24.5%.¹⁹

On this basis, and considering the positive growth in demand for STEICO's products during the past year and also based on an internal bottom-up analysis of sales expectations from the company's internal and field sales, management is expecting business growth to stabilise in 2024. Increased ecological awareness as well as national and European programmes that combine climate protection with economic subsidies will lead to increased demand for ecological insulation materials at the current level. Management continues to assume that the price rises for key input factors such as timber and energy will continue to fall during the course of the year. What is more, management believes that there will be a continued high order book at the companies which process STEICO's products and it also believes that there will be increased sales potential for renovation work.

¹⁸ <https://www.euroconstruct.org/news/96th-euroconstruct-conference/>
¹⁹ See BDF press release 11 March 2024

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The Management is forecasting revenue for 2024 at the previous year's level of around € 365 million and a further improvement in the EBIT ratio of between 9% and 11% (to total operating revenue). This corresponds to EBIT of between around € 33 million and € 40 million.

In terms of currencies, the operational forecast is for goods to be purchased at the Polish plants in fiscal year 2024 with an average PLN/€ exchange rate of 4.30 - 4.50.

Feldkirchen, 25 April 2024

The Managing Directors

Udo Schramek Roger Fränkel Thorsten Leicht

Dr. David Meyer Tobias Schindler

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Consolidated income statement for fiscal year 2023

Consolidated financial statements STEICO SE, Feldkirchen

	2023	2022
	€	€
1. Revenues	365,294,714.18	445,154,963.89
2. Increase in finished goods and work in progress	-9,117,100.77	21,506,539.86
3. Other own work capitalised	618,921.78	781,167.37
	356,796,535.19	467,442,671.12
4. Other operating income - thereof from currency translation: € 4,859 thousand (previous year: € 5,910 thousand)	23,442,010.28	17,681,246.42
	380,238,545.47	485,123,917.54
5. Cost of materials		
a) Cost of raw materials and supplies and for purchased goods	-213,142,377.12	-282,317,864.37
b) Cost of purchased services	-917,007.55	-777,144.04
6. Gross profits	166,179,160.80	202,028,909.13
7. Personnel expenses		
a) Wages and salaries	-49,552,238.99	-52,944,528.34
b) Social security and expenses for retirement benefits - of which for retirement benefits: € 1,041 thousand (previous year: € 1,104 thousand)	-12,796,842.60	-11,839,343.01
8. Amortisation of intangible fixed assets and depreciation of tangible fixed assets	-27,302,726.68	-23,396,592.40
9. Other operating expenses - thereof from currency translation: € 3,238 thousand (previous year: € 7,101 thousand)	-46,144,031.75	-48,650,317.33
10. EBIT	30,383,320.78	65,198,128.05
11. Other interest and similar income	490,966.82	466,952.24
12. Amortisation of financial assets and current securities	0.00	0.00
13. Interest and similar expenses	-6,662,449.52	-2,001,988.10
14. Financial result	-6,171,482.70	-1,535,035.86
15. Earnings before taxes (EBT)	24,211,838.08	63,663,092.19
16. Income taxes	-3,769,229.45	-12,913,479.00
17. Earnings after taxes	20,442,608.63	50,749,613.19
18. Other taxes	-3,562,369.22	-2,889,452.92
19. Consolidated net income	16,880,239.41	47,860,160.27
20. Profit carried forward from previous year	170,926,324.52	128,699,550.25
21. Consolidated profits	187,806,563.93	176,559,710.52

Consolidated balance sheet as of 31 December 2023

Consolidated financial statements STEICO SE, Feldkirchen

ASSETS

	31 December 2023	31 December 2022
	€	€
A. NON-CURRENT ASSETS		
I. Intangible assets		
1. Acquired concessions, industrial property rights and similar rights and assets	0.00	0.00
2. Acquired concessions, industrial property rights and similar rights and assets as well as licenses for such rights and assets.	266,088.10	527,114.54
3. Advance payments made	2,312,468.95	1,376,362.84
	2,578,557.05	1,903,477.38
II. Property, plant and equipment		
1. Land, land rights and buildings including buildings on third-party land	116,092,578.25	105,915,941.04
2. Technical plant and machinery	151,743,267.43	155,050,734.23
3. Other assets, operating and office equipment	2,842,460.38	2,275,419.41
4. Advances made and assets under construction	173,961,509.27	97,300,198.25
	444,639,815.33	360,542,292.93
III. Financial assets		
1. Investments in affiliated companies	0.00	0.00
2. Loans to affiliated companies	18,896.19	17,518.37
3. Other loans	8,000.00	10,000.00
	26,896.19	27,518.37
	447,245,268.57	362,473,288.68
B. CURRENT ASSETS		
I. Inventories		
1. Raw materials, consumables and supplies	31,695,144.31	35,136,890.56
2. Work in progress	2,999,803.03	3,335,038.78
3. Finished goods and merchandise	24,714,812.90	31,806,809.80
4. Advance payments made	135,863.98	316,207.61
	59,545,624.22	70,594,946.75
II. Receivables and other assets		
1. Trade receivables	25,678,057.24	30,740,613.84
2. Receivables from affiliated companies	294.89	3,007.25
3. Other assets	20,272,120.69	19,172,474.01
	45,950,472.82	49,916,095.10
III. And current securities		
Other securities	97,122.08	131,323.74
IV. Cash in hand and bank balances	33,011,841.14	24,232,390.68
	138,605,060.26	144,874,756.27
C. PREPAID EXPENSES	554,786.21	729,439.54
D. DEFERRED TAX ASSETS	1,261,225.05	992,687.84
	587,666,340.09	509,070,172.33

Consolidated balance sheet as of 31 December 2023

Consolidated financial statements STEICO SE, Feldkirchen

EQUITY AND LIABILITIES

	31 December 2023	31 December 2022
	€	€
A. EQUITY		
I. Subscribed capital	14,083,465.00	14,083,465.00
II. Additional paid-in capital	104,911,923.60	104,911,923.60
III. Retained earnings Other retained earnings	7,050,000.00	7,050,000.00
IV. Difference in equity from currency translation	-334,277.52	-30,442,788.83
V. Consolidated profits	187,806,563.93	176,559,710.52
	313,517,675.01	272,162,310.29
B. EXTRAORDINARY ITEMS		
Extraordinary item for emission rights issued free of charge	3,263,851.94	4,292,661.49
	3,263,851.94	4,292,661.49
C. PROVISIONS		
1. Provisions for pensions and similar obligations	3,696,958.02	2,880,129.84
2. Provisions for taxes	0.00	13,521,354.80
3. Other provisions	20,946,543.65	19,042,143.99
	24,643,501.67	35,443,628.63
D. LIABILITIES		
1. Liabilities to banks	191,943,102.14	142,402,611.98
2. Advance payments received on account of orders	319,989.11	737,911.67
3. Trade payables	31,884,083.10	37,854,015.98
4. Liabilities to affiliated companies	3,037,500.00	3,015,000.00
5. Other liabilities - of which from taxes: € 10,988 thousand (previous year: € 5,048 thousand) - thereof as part of social security € 3,923 thousand (previous year: € 2,916 thousand)	17,558,999.88	11,784,181.54
	244,743,674.23	195,793,721.17
E. DEFERRED INCOME	76,633.14	103,032.55
F. DEFERRED TAX LIABILITIES	1,421,004.10	1,274,818.20
	587,666,340.09	509,070,172.33

Consolidated cash flow statement for fiscal year 2023

Consolidated financial statements STEICO SE, Feldkirchen

	2023	2022
	€	€
I. CASH FLOW FROM OPERATING ACTIVITIES		
1. Earnings for the period (Consolidated net income/loss)	16,880,239.41	47,860,160.27
2. +/- Amortisation/depreciation of non-current assets	27,302,726.68	23,396,592.40
3. +/- Increase/decrease in provisions	1,876,472.33	649,111.21
4. +/- Other non-cash expense/income	-618,921.78	-781,167.37
5. +/- Increase/decrease in inventories, trade receivables and other assets that are not allocated to investing or financing activities	15,223,799.80	-30,833,227.52
6. +/- Increase/decrease in trade payables and other liabilities that are not allocated to investing or financing activities	-1,645,746.06	12,887,130.51
7. +/- Gains/losses from the disposal of non-current assets	102,784.97	10,669.92
8. +/- Interest expense/income	6,171,482.70	1,535,035.86
9. +/- Income tax expense/income	3,769,229.45	12,913,479.00
10. +/- Income tax payments	-17,412,935.56	-7,749,934.36
11. = Cash flow from operating activities	51,649,131.94	59,887,849.92
II. CASH FLOW FROM INVESTING ACTIVITIES		
1. - Payments made for investments in intangible non-current assets	-936,106.12	-1,472,904.20
2. + Proceeds received from disposals of items of property, plant and equipment	15,404.05	3,509,334.75
3. - Payments made for investments in property, plant and equipment	-84,422,035.96	-84,661,212.94
4. + Proceeds received from disposals of financial assets	2,000.00	8,455.35
5. - Payments made for investments in financial assets	0.00	-5,800.00
6. + Interest received	490,966.82	466,952.24
7. = Cash flow from investing activities	-84,849,771.21	-82,155,174.80
III. CASH FLOW FROM FINANCING ACTIVITIES		
1. + Payments from additions to equity from the parent company's shareholders	0.00	0.00
2. + Proceeds received from taking out (financial) loans	50,000,134.16	35,000,000.00
3. - Payments made from redeeming (financial) loans	-459,644.00	-13,817,352.98
4. - Interest paid	-5,817,694.01	-1,577,302.12
5. - Dividends paid to shareholders of the parent company	-5,633,386.00	-5,633,386.00
6. = Cash flow from financing activities	38,089,410.15	13,971,958.90
IV. CASH AND CASH EQUIVALENTS		
1. Net change in cash and cash equivalents	4,888,770.88	-8,295,365.98
2. +/- Exchange-rate related change in cash and cash equivalents	3,890,679.58	-200,834.42
3. + Cash and cash equivalents - start of period	24,232,390.68	32,728,591.08
4. = Cash and cash equivalents - end of period	33,011,841.14	24,232,390.68

Consolidated statement of changes in shareholders' equity for fiscal year 2023

Consolidated financial statements STEICO SE, Feldkirchen

	Subscribed capital	Reserves		Difference in equity from currency translation	Consolidated profits	Consolidated equity
		Additional paid-in capital	Other retained earnings			
	€	€	€	€	€	€
On 1 January 2022	14,083,465.00	104,911,923.60	7,050,000.00	-25,782,745.71	134,332,936.25	234,595,579.14
Dividends paid					-5,633,386.00	-5,633,386.00
Currency translation				-4,660,043.12		-4,660,043.12
Consolidated net income					47,860,160.27	47,860,160.27
On 31 December 2022	14,083,465.00	104,911,923.60	7,050,000.00	-30,442,788.83	176,559,710.52	272,162,310.29
On 31 December 2023	14,083,465.00	104,911,923.60	7,050,000.00	-30,442,788.83	176,559,710.52	272,162,310.29
Dividends paid					-5,633,386.00	-5,633,386.00
Currency translation				30,108,511.31		30,108,511.31
Consolidated net income					16,880,239.41	16,880,239.41
On 31 December 2023	14,083,465.00	104,911,923.60	7,050,000.00	-334,277.52	187,806,563.93	313,517,675.01

I. GENERAL INFORMATION ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. LEGAL FOUNDATIONS

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

The Company's shares have been traded on the over-the-counter market of the Munich and Frankfurt Stock Exchanges since 25 June 2007. The Company is not considered to be "listed" or "capital market-oriented" within the meaning of the German Commercial Code (HGB), the German Stock Corporation Act (AktG), or the German Securities Trading Act (WpHG).

2. GROUP STRUCTURE AND GROUP OF CONSOLIDATED COMPANIES

STEICO SE is obliged to prepare consolidated financial statements. With regards to consolidation STEICO SE follows the provisions of Sections 290 ff of the HGB. The balance date for the consolidated financial statements is the balance date for the annual financial statements for the parent company (Section 299 (1) of the HGB). The annual financial statements for the companies included in the consolidated financial statements were also prepared as of the 31 December 2022 (Section 299 (2) of the HGB). The consolidated financial statements were prepared using the annual financial statements for the companies included in consolidation. Seven (previous year: seven) subsidiaries are fully consolidated in the consolidated financial statements. Seven (previous year: seven) affiliated companies were not included in consolidation.

3. CONSOLIDATED ACCOUNTING AND VALUATION METHODS

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

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

Compared to the previous year, the disclosure of emission rights and associated expenses is adjusted to meet consumption. On the balance sheet this mostly relates to intangible non-current assets, inventories and other assets, and also the special item under equity and liabilities for CO₂ certificates and deferred

income. Other operating expenses and amortisation and depreciation were adjusted in the income statement. In order to ease comparability with the previous year's figures, the figures from the previous year were also adjusted. On the whole the adjustment did not have any major impact on the presentation of the group's financial position, net assets and results of operations.

The following individual accounting and valuation methods were used:

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

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

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

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

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

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

Emission rights acquired free of charge are carried under inventories according to Section 265 (5) Sentence 2 of the HGB to the extent that these are consumed as part of production. Otherwise these are disclosed under other assets. They are valued upon acquisition using their fair value. The amount is carried under equity and liabilities from the date of their acquisition under the special item for CO₂ certificates.

Notes to the consolidated financial statements for fiscal year 2023

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

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

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

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

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

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

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

Deferred taxes on differences between the carrying amounts in the individual financial statements of the consolidated companies, taking into account consolidation adjustments where necessary, and the tax valuations of assets, liabilities and prepaid expenses and deferred income were formed taking into account loss carry-forwards that can be taken into account and are expected to be reduced in the future. In addition, when calculating deferred tax assets, tax losses carried forward were considered to the extent that these are expected to be offset by corresponding tax profits in the next five years. Deferred tax assets and liabilities are carried on the balance sheet and are not netted. In the case of German companies (STEICO SE), deferred taxes were calculated on the basis of the corporation tax rate of 15 % (plus 5.5 % solidarity surcharge) and the trade tax rate of 11.55 %. For foreign subsidiaries, the tax rate applicable in the respective country, which ranges from 15 % to 33 %, was used.

Equity is disclosed and presented according to Section 272 of the HGB while considering the entries in the commercial register, STEICO SE's articles of association as well as any

resolutions in this regard passed by the responsible executive bodies.

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

In the case of the subsidiaries for which this type of pension commitment exists, the salary trend was set at 2.0 % or 2.5 %. In addition, the standard national interest rate of 5.2 % and the standard national mortality tables were used as a basis.

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

Provisions with a remaining term of more than one year are discounted over their remaining term in line with the average market interest rate for the past seven fiscal years (Section 253 (2) Sentence 1 of the HGB).

Liabilities are included at their repayment amounts.

Valuation units are formed to the extent that the statutory requirements in Section 254 apply. The so-called freeze method is used to disclose the effective parts of the valuation units formed on the balance sheet. The effectiveness of hedges is reviewed on each balance sheet date using the critical terms match method.

Revenue is recognized when the risk of loss or damage has been transferred in the case of deliveries. In the case of service contracts, revenue is recognized at the time the service is rendered.

4. CURRENCY TRANSLATION

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

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

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

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

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

The exchange rates for PLN/€ are:

Closing rate on 31 December 2023:	4.33950
Average rate in 2023:	4.52468

The exchange rates for GBP/€ are:

Closing rate on 31 December 2023:	0.86905
Average rate in 2023:	0.86878

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

The capital of STEICO Sp. z o.o, SW Solar Czarna Woda Sp. z o.o., STEICO CEE Sp. z o.o, STEICO France SAS and STEICO UK Ltd. was consolidated according to Section 301 (1) No. 1 of the HGB in the version applicable through to 28 May 2009 according to the so-called book-value method. The capital of STEICO Casteljaloux SAS and STEICO JOIST Sp. z o.o was consolidated according to Section 310 (1) sentence 2 of the HGB according to the so-called revaluation method.

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

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

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

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

8. CONSOLIDATION OF INCOME AND EXPENSE

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

Notes to the consolidated financial statements for fiscal year 2023
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Notes to the consolidated financial statements for fiscal year 2023

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II. INFORMATION ON THE CONSOLIDATED BALANCE SHEET

1. NON-CURRENT ASSETS

The changes in non-current assets in fiscal year 2023 can be seen in the statement of changes in non-current assets below (Section 313 (4) of the HGB in connection with Section 284 (3) of the HGB). As a result of the adjustment to the disclosure of emission rights, the figures from the previous year for intangible assets have been adjusted by EUR 4,293 (-) thousand, inventories by EUR 2,293 (+) thousand and other assets by EUR 2,000 (+).

Statement of changes in non-current assets

	Acquisition and historical cost					
	Balance as of 1 January 2023	Additions 2023	Disposals 2023	Reclassifi- cations 2023	Exchange rate diff. 2023	Balance as of 31 December 2023
	€	€	€	€	€	€
I. INTANGIBLE ASSETS						
1. Internally generated industrial property rights	-30,848.50	0.00	0.00	0.00	91,353.02	60,504.52
2. Acquired concessions, industrial property rights and similar rights and assets as well as licenses for such rights and assets.	6,974,873.02	0.00	5,183.18	0.00	86,533.52	7,056,223.36
3. Goodwill (from the single-entity balance sheet)	0.00	0.00	0.00	0.00	0.00	0.00
4. Advance payments made	1,376,362.84	936,106.11	0.00	0.00	0.00	2,312,468.95
Total intangible assets	8,320,387.36	936,106.11	5,183.18	0.00	177,886.54	9,429,196.83
II. PROPERTY, PLANT AND EQUIPMENT						
1. Land rights and buildings including buildings on third-party land	139,278,699.71	55,356.35	504,795.19	9,217,065.26	9,070,099.45	157,116,425.58
2. Technical plant and machinery	308,540,089.57	37,957.71	1,253,433.93	7,937,146.38	20,664,054.38	335,925,814.11
3. Other assets, operating and office equipment	8,531,100.81	1,309,747.49	421,847.67	50,490.19	453,834.74	9,923,325.56
4. Advances made and assets under construction	97,300,198.26	83,637,896.19	0.00	-17,192,347.36	10,215,762.19	173,961,509.28
Total property, plant and equipment	553,650,088.35	85,040,957.74	2,180,076.79	12,354.47	40,403,750.76	676,927,074.53
III. FINANCIAL ASSETS						
1. Investments in affiliated companies	489,380.46	0.00	0.00	0.00	38,714.87	528,095.33
2. Loans to companies in which a participating interest is held	138,897.19	0.00	0.00	0.00	1,681.44	40,578.63
3. Other loans	10,000.00	0.00	2,000.00	0.00	0.00	8,000.00
Total financial assets	538,277.65	0.00	2,000.00	0.00	40,396.31	576,673.96
Total non-current assets	562,508,753.36	85,977,063.85	2,187,259.97	12,354.47	40,622,033.61	686,932,945.32

Notes to the consolidated financial statements for fiscal year 2023

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Accumulated amortization/depreciation					Carrying amounts	
Balance as of 1 January 2023	Additions 2023	Disposals 2023	Exchange rate diff. 2023	Balance as of 31 December 2023	Carrying amount 31 December 2022	Carrying amount 31 December 2022
€	€	€	€	€	€	€
-30,848.50	0.00	0.00	91,353.02	60,504.52	0.00	0.00
6,447,758.48	278,034.62	5,183.18	69,525.34	6,790,135.26	266,088.10	527,114.54
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	2,312,468.95	1,376,362.84
6,416,909.98	278,034.62	5,183.18	160,878.36	6,850,639.78	2,578,557.05	1,903,477.38
33,362,758.67	5,602,445.43	406,641.82	2,465,285.05	41,023,847.33	116,092,578.25	105,915,941.04
153,489,355.34	20,521,242.09	1,237,560.37	11,409,509.62	184,182,546.68	151,743,267.43	155,050,734.23
6,255,681.40	901,004.53	405,215.60	329,394.85	7,080,865.18	2,842,460.38	2,275,419.41
0.01	0.00	0.00	0.00	0.01	173,961,509.27	97,300,198.25
193,107,795.42	27,024,692.05	2,049,417.79	14,204,189.52	232,287,259.20	444,639,815.33	360,542,292.93
489,380.46	0.00	0.00	38,714.87	528,095.33	0.00	0.00
21,378.82	0.00	0.00	303.62	21,682.44	18,896.19	17,518.37
0.00	0.00	0.00	0.00	0.00	8,000.00	10,000.00
510,759.28	0.00	0.00	39,018.49	549,777.77	26,896.19	27,518.37
200,035,464.68	27,302,726.67	2,054,600.97	14,404,086.37	239,687,676.75	447,245,268.57	362,473,288.68

2. FINANCIAL ASSETS

The disclosure of interests in affiliated companies which are not consolidated due to immateriality and written down to a rem value, as well as loans to affiliated companies relates to several affiliated wind farm companies in Poland.

3. CURRENT ASSETS

Inventories

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

Receivables and other assets

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

Other assets in the amount of € 20,272 thousand (previous year: € 19,172 thousand) includes VAT receivables in the amount of € 13,621 thousand (previous year: € 16,121 thousand), receivables from tax refunds in the amount of € 4.087 thousand (previous year: € 403 thousand), receivables from employees in the amount of € 397 thousand (previous year: € 409 thousand) and other assets in the amount of € 2,168 thousand (previous year: € 240 thousand).

4. PREPAID EXPENSES

Prepaid expenses include a difference according to Section 250 (3) of the HGB in the amount of € 224 thousand (previous year: € 210 thousand).

5. DEFERRED TAXES

On the balance sheet, deferred tax assets of € 1,261 thousand (previous year: € 993 thousand) were disclosed. In addition, there were deferred tax liabilities of € 1,421 thousand (previous year: € 1.275 thousand). These resulted from temporary differences to the tax base for the consolidated individual companies and are reflected in the following items on the balance sheet:

Balance sheet items in € thousand	Deferred tax assets	Deferred tax liabilities
Land	0	605
Buildings	0	251
Technical plant and machinery	9	0
Inventories	130	0
Trade receivables	0	0
Provisions for pensions	498	0
Other provisions	600	564
Other liabilities	4	0
Trade payables	20	1
Tax loss carried forward	0	0
Total	1,261	1,421

The increase in deferred tax liabilities is due to other provisions, the increase in deferred tax assets is due to provisions for pensions.

6. EQUITY

STEICO SE's share capital on 31 December 2023 totalled € 14,083,465. It comprises 14,083,465 no-par value bearer shares, each with an interest of € 1 in the share capital.

The Annual General Meeting held on 23 June 2023 resolved to create new Authorised Capital 2023/I in the amount of € 7,042 thousand. Accordingly, the Administrative Board is authorised to increase the share capital of STEICO SE through to 22 June 2028 by a total of up to € 7,042 thousand via one or several issues of up to 7,041,732 no-par value bearer shares with a theoretical interest of € 1.00 in the share capital against cash and/or non-cash contributions.

The Annual General Meeting held on 23 June 2023 also resolved to create new Conditional Capital 2023/I in the amount of € 7,042 thousand. Accordingly, the Administrative Board is authorised to increase the share capital of STEICO SE through to 22 June 2028 by a total of up to € 7,042 thousand by issuing convertible bonds and/or bonds with warrants. The conditional capital increase will only be implemented to the extent that the bearers of the bonds and/or bonds with warrants use their conversion or option right.

Information according to Section 160 (1) No. 8 of the AktG.

On 6 June 2006 STEICO SE received the following notice from Schramek GmbH, Feldkirchen:

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

On 24 January 2024 Schramek GmbH with its registered office in Feldkirchen informed us, according to Section 20 (5) of the AktG, that it no longer holds a majority interest and that it no longer holds more than one quarter of the shares in our company.

On 24 January 2024 Kingspan Holding GmbH with its registered office in Wesel informed us, according to Section 20 (1) of the AktG, that it now indirectly holds a majority interest and more than one quarter of the shares in our company.

On 24 January 2024 Kingspan Holdings (Overseas) Limited with its registered office in Kingscourt, Ireland, informed us, according to Section 20 (1), (3), (4) of the AktG, that it now directly holds more than one quarter of the shares in our company and also a majority interest in our company. These interests are to be allocated to it via its dependent company, Kingspan Holding GmbH, Wesel.

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On 24 January 2024 Kingspan Holdings Limited with its registered office in Kingscourt, Ireland, informed us, according to Section 20 (1), (3), (4) of the AktG, that it now directly holds more than one quarter of the shares in our company and also a majority interest in our company. These interests are to be allocated to it via its dependent companies, Kingspan Holding GmbH, Wesel and Kingspan Holdings (Overseas) Limited, Kingscourt, Ireland.

On 24 January 2024 Kingspan Group plc with its registered office in Kingscourt, Ireland, informed us, according to Section 20 (1), (3), (4) of the AktG, that it now directly holds more than one quarter of the shares in our company and also a majority interest in our company. These interests are to be allocated to it via its dependent companies, Kingspan Holding GmbH, Wesel, Kingspan Holdings (Overseas) Limited, Kingscourt, Ireland and Kingspan Holdings Limited, Kingscourt, Ireland.

Difference in equity from currency translation

The difference in equity from currency translation in the amount of € -334 thousand (previous year: € -30,443 thousand) mostly comprises the currency translation effects from the subsequent consolidation of the Polish subsidiaries and the UK subsidiary financial according to the modified closing price method as well as netting differences from the consolidation of intercompany balances.

7. PROVISIONS

Provisions for taxes

No provisions for taxes were formed in 2023. It was much rather the case that the Group had tax receivables on the balance sheet date.

Other provisions

Other provisions in the amount of € 20,947 thousand (previous year: € 19,042 thousand) includes a provision for bonus payments to customers in the amount of € 7,440 thousand (previous year: € 9,445 thousand), provisions for personnel (vacation, anniversaries and other personnel-related provisions) in the amount of € 2,854 thousand (previous year: € 4,214 thousand), provisions for outstanding freight invoices in the amount of € 1,650 thousand (previous year: € 975 thousand). The miscellaneous other provisions in the amount of € 9,003 thousand (previous year: € 6,961 thousand) mostly include provisions for interest and for outstanding invoices for timber procurement and energy.

8. LIABILITIES

In € thousand (previous year)	Total 31.12.2023 (Previous year)	of up to 1 year	Thereof with a remaining term of	
			more than 1 years	more than 5 years
Liabilities to banks	191,943	457	191,486	0
(previous year)	(142,403)	(460)	(141,943)	(0)
Advance payments received from orders	320	320	0	0
(previous year)	(738)	(738)	(0)	(0)
Trade payables	31,884	31,884	0	0
(previous year)	(37,854)	(37,854)	(0)	(0)
Liabilities to affiliated companies	3,037	3,037	(0)	(0)
(previous year)	(3,015)	(3,015)	(0)	(0)
Other liabilities	17,559	17,286	273	0
(previous year)	(11,784)	(11,608)	(176)	(0)
Total	244,744	52,985	191,759	0
(previous year)	(195,794)	(53,675)	(142,119)	(0)

The other short and medium term liabilities to banks in the amount of € 191.9 million are uncollateralised as part of the syndicated credit agreement newly created in October 2019 and extended in September 2023 in the amount of € 185 million, with both STEICO SE as well as the Polish production companies STEICO Sp. z.o.o. and STEICO JOIST Sp. z.o.o. as well as the French production company STEICO Casteljalous SAS being included as borrowers and guarantors. A short and medium-term liability in the amount of € 1.9 million is collateralised via a land charge for UniCredit Bank AG entered in the land register. There is a further medium-term liability in the amount of € 5 million from a bilateral unsecured loan.

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

III. INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

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

1. REVENUES

Revenues are broken down as follows:

Revenues by geographic markets

In € thousand	2023
Germany	128,300
Other EU countries	152,857
Rest of world	84,138
Total	365,295

Revenues by areas of activity

In € thousand	2023
Wood fibre insulation materials	239,064
Construction products (I-joists)	50,209
Special products	15,181
Timber wholesale	1,225
Fibreboards	4,726
Construction products (laminated veneer lumber)	41,308
Prefabricated building element production	2,220
Miscellaneous	11,362
Total	365,295

2. OTHER OWN WORK CAPITALISED

Other own work capitalised in 2023 amounted to € 619 thousand (previous year: € 781 thousand). This disclosure mostly relates to intercompany performance in connection with the creation of machinery and equipment.

3. OTHER OPERATING INCOME

In € thousand	2023
Income from currency translation	4,859
Income from the sale of CO ₂ emission rights	15,294
Income from insurance refunds	184
Offsetting non-cash payments	348
Income from the reversal of provisions	698
Income from the sale of property, plant and equipment	122
Other	1,937
Total	23,442

4. OTHER OPERATING EXPENSES

In € thousand	2023
Write-downs of receivables	84
Building costs, rent, cleaning	1,770
Insurance, contributions, fees	4,957
Repairs and maintenance	6,885
Vehicle costs	4,331
Sales costs, advertising and travel expenses	4,151
Commission expenses	221
Operating costs	3,451
Administrative costs, IT	4,203
Telecommunication	161
Legal and consulting costs, court costs	1,074
Costs of preparing the annual financial statements	345
Exchange rate differences and incidental costs of money transactions	3,612
Expenses for CO ₂ emission rights	2,293
Other	6,606
Total	46,144

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

As a result of the adjustment to the disclosure for emission rights, the prior year amount for other operating expenses (+) as well as amortisation of intangible assets and depreciation of property, plant and equipment (-) was adjusted by € 1,450 thousand in each case.

5. INTEREST RESULT

Interest expenses include expenses from discounting provisions in the amount of € 152 thousand (previous year € 37 thousand).

6. TAXES

Income taxes total € 3,769 thousand (previous year: € 12,913 thousand). This includes effective tax expenses of € 3,891 thousand (previous year: € 13.251 thousand), deferred tax liabilities of € 268 thousand (previous year: € 698 thousand) and deferred tax assets of € 146 thousand (previous year: € 360 thousand).

Other taxes in the amount of € 3,562 thousand (previous year: € 2,889 thousand) mostly relate to property taxes in Poland and non-income related taxes in France.

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IV. INFORMATION ON THE CONSOLIDATED CASH FLOW STATEMENT

The cash flow statement shows how cash in the group has changed during the course of the reporting year due to net cash inflows and outflows. Other non-cash expense/income relates to own work capitalised. The prior year amounts in the cash flow from operating activities and investing activities have been adjusted due to the adjustment to the disclosure for emission rights.

Cash and cash equivalents corresponds to the balance sheet item "Cash in hand and bank balances". There are no restrictions on disposal.

V. OTHER DISCLOSURES

1. AUDITOR'S FEE

Information on the total fee charged by the auditor for the consolidated financial statements for fiscal year 2023 according to Section 314 (1) No. 9 of the HGB:

- a. Auditing services: € 137 thousand
- b. Other consulting services: € 18 thousand

2. TRANSACTIONS NOT INCLUDED ON THE BALANCE SHEET AND OTHER FINANCIAL OBLIGATIONS

The following constitute this type of obligation:

In € thousand	2023 ff
Obligation from usufructuary rights (overall obligation of remaining term)	5,221
Obligations from rental agreements	520
Obligations from leasing	812
Obligations from contractually ordered capital expenditure	16,638
Total	23,675

Liabilities in foreign currencies were translated at the average rate of exchange on the balance sheet date (PLN/€ 4.33950 GBP/€ 0.86905).

There are leasehold and usufructuary rights at STEICO Sp. z o.o for land with a term through to 2089. In the above list the respective overall obligations at the end of the term are shown based on the current conditions. The conditions may change over time.

Obligations from leasing mostly relate to the group company's operating fleet. Leasing agreements are used to secure liquidity and to generate competitive advantages thanks to longer payment targets. There are disadvantages from leasing

agreements from the higher total costs, as the leasing payments are higher in total than the costs of purchasing the leased item via a loan.

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

3. DERIVATIVE FINANCIAL INSTRUMENTS AND VALUATION UNITS

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

The financial instruments used for hedging include structured currency forwards in PLN, sterling and US dollars (2023: only PLN and GBP) with, interest rate swaps with an exchange rate option and six interest rate swaps for the three-month and six-month EURIBOR and a fixed interest rate. In the case of structured forward exchange contracts (so-called "TARF"), the long call or short put side (from the company's point of view), the nominal amount (with leverage) and the term are determined by the fulfilment of various contract criteria on the individual fixing dates.

As at the balance sheet date, there were such structured forward exchange transactions in PLN and sterling with a nominal volume of up to PLN 2,792 million (translated around € 643 million) and up to GBP 11.2 million (translated around € 13 million) (closing rates: €/PLN 4.33950, €/GBP 0.86905). Of the existing 67 transactions, 65 transactions have a positive present value of € 28.28 million. The remaining 2 transactions had a negative present value of € 19 thousand.

In addition there were three interest rate swaps for six-month EURIBOR for an amount of € 15 million or two times € 10 million. One transaction had a positive present value of € 1.009 million, two transactions had a negative present value of € 384 thousand. The present values correspond to the market values determined indicatively by the various counterparty banks on the basis of internal valuation models, which were communicated to the STEICO SE in the context of valuation reports as of the balance sheet date.

The option was used to verify certain economic hedge relationships by forming valuation units (Section 254 of the HGB). In so doing, micro-valuation units are formed in particular between (structured) currency forwards and future purchases of goods in PLN (highly probable transactions).

On the balance sheet date 65 (structured) currency forwards with a negative present value of € 28.28 million and a nominal volume of up to PLN 1.994 million were included in the valuation units (translated around € 459 million). The highly probable transactions are the future purchase of goods and personnel expenses for the Polish subsidiaries STEICO Sp. z o.o and STEICO JOIST Sp. z o.o., which will take place between 1/24 and 08/26 and which will compensate for each other with regard to exchange rate effects with hedge transactions with congruent terms and volumes.

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

In addition, micro-valuation units are formed between three interest rate swaps (positive fair value: € 625 thousand) and liabilities to hedge the risk of changes to the interest rate (EURIBOR) for three bullet investment loans. These relate to quarterly interest payments through to 29 October 2026, 4 November 2026 and 30 October 2028 for a base amount of € 15 million or two times € 10 million.

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

The two structured forward exchange transactions not included in valuation units have a negative fair values totalling € 5 thousand.

4. AMOUNTS TO BE ASSIGNED TO A DIFFERENT FISCAL YEAR

According to Section 314 No. 24 of the HGB, income in the amount of € 698 thousand from the reversal of provisions and in the amount of € 122 thousand from the disposal of property, plant and equipment is to be allocated to a different fiscal year.

5. REPORT ON EVENTS AFTER THE BALANCE SHEET DATE / EVENTS OF PARTICULAR IMPORTANCE AFTER THE BALANCE SHEET DATE.

On 17 July 2023, STEICO SE received a notice from Schramek GmbH, the former majority shareholder with an interest at that time of 61.1% interest, that this had reached an agreement with the Irish Kingspan Group plc and Kingspan Holding GmbH, an indirect subsidiary of Kingspan Group plc, for the sale of 51.0% of STEICO SE's shares to Kingspan Holding GmbH. In the first instance, 10.1% of shares in STEICO SE will continue to be held by Schramek GmbH.

This purchase agreement was executed on 5 January 2024.

In connection with the execution of the purchase agreement, Mr. Udo Schramek resigned from his position as Chairman of the Administrative Board as of the end of 5 January 2024. The former members of the Administrative Board Dr. Jürgen Klass and Prof Heinrich Köster resigned from their respective offices on 2 February 2024.

With effect from 8 February 2024 Paul O'Gorman and Aiveen Kearny were appointed as new members of the Administrative Board of STEICO SE. This new appointment was made by the court and is valid for the period through to the next general meeting of STEICO SE. In its constitutive meeting on 22 February 2024 STEICO's Administrative Board appointed Paul O'Gorman as Chairman and Udo Schramek as Deputy Chairman of the Administrative Board.

There were no other events of particular importance for the Group after the end of the reporting period.

6. PROPOSAL FOR THE APPROPRIATION OF THE PARENT COMPANY'S EARNINGS:

The Managing Directors propose that STEICO SE's net retained profits of EUR 121,496,159.54 as at 31 December 2023, as determined in the annual financial statements prepared in accordance with German commercial law, be carried forward to new account and that no dividend be paid.

Notes to the consolidated financial statements for fiscal year 2023

Consolidated financial statements STEICO SE, Feldkirchen

7. ADMINISTRATIVE BOARD

STEICO's Administrative Board comprises four members.

Mr. Udo Schramek, Munich, Chairman, Managing Director and Chairman of the Administrative Board until 5 January 2024, thereafter member of the Administrative Board

Prof. Heinrich Köster, Stephanskirchen, President of Rosenheim University, through to 2 February 2024

Ms Katarzyna Schramek, Munich, attorney

Dr. Jürgen Klass, Munich, attorney, through to 2 February 2024

Mr. Paul O'Gorman, Ireland, member of the Administrative Board since 8 February 2024, from 22 February 2024 Chairman of the Administrative Board

Ms. Aiveen Kearney, Ireland, member of the Administrative Board since 8 February 2024

According to the company's articles of association, in 2023 a total of € 90 thousand was paid to the members of the Administrative Board.

8. DIRECTORS

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

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

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

Mr. Uwe Lange, Berga, Managing Director for Investments and Plant Engineering through to 30 June 2023

Mr. Roger Fränkel, Abensberg, Managing Director for Investments and Plant Engineering since 1 July 2023

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

Mr. Milorad Rusmir, Kirchheim, Managing Director for Timber Wholesale through to 31 March 2023

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

The directors received remuneration of € 3,902 thousand for their activities as Managing Directors or members of the board in 2023.

9. EMPLOYEES

The Group had an average of 1,911 employees in fiscal year 2023.

These are broken down as follows:

Activities	Number of employees
Production	1,312
Sales	121
Administration	423
Assistants, temporary staff	55
Total	1,911

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

Name and registered office of parent company:

STEICO SE Otto-Lilienthal-Ring 30, 85622 Feldkirchen

The following subsidiaries are included in the consolidated financial statements in addition to the parent company:

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

In addition, there are the following affiliated companies:

Name	Registered office	Interest	Equity	2023 Result
STEICO Windpark Sp. z o.o.	Czarnków, Poland	61 %	€ 685 thousand	€ -2 thousand
SW Szydlowo Sp. z o.o.	Czarnków, Poland	100 %	€ -7 thousand	€ -1 thousand
SW Huta I Sp. z o.o.	Czarnków, Poland	100 %	€ -4 thousand	€ -1 thousand
SW Huta II Sp. z o.o.	Czarnków, Poland	100 %	€ -4 thousand	€ -1 thousand
SW Lubasz I Sp. z o.o.	Czarnków, Poland	100 %	€ -2 thousand	€ -1 thousand
SW Lubasz II Sp. z o.o.	Czarnków, Poland	100 %	€ -4 thousand	€ -1 thousand
STEICO-ENERGIA Sp. z o.o.	Czarnków, Poland	100 %	€ -8 thousand	€ -1 thousand

The information is based on the last fiscal year 2023 and on 31 December 2023.

The affiliated companies stated above are not fully consolidated due to the minor importance of the individual companies and the companies together according to Section 296 (2) of the HGB.

No equity accounting has been performed due to the minor importance according to Section 311 (2) of the HGB.

Feldkirchen, 25 April 2024

The Managing Directors

Udo Schramek Roger Fränkel Thorsten Leicht

Dr. David Meyer Tobias Schindler

Independent Auditor's Opinion

Audit opinions

We have audited the consolidated financial statements of STEICO SE, Feldkirchen, and its subsidiaries (the Group), comprising the consolidated balance sheet as of 31 December 2023, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the fiscal year from 1 January to 31 December 2023, and the notes to the consolidated financial statements, including a description of the accounting policies used. In addition, we have also audited the group management report for STEICO SE, Feldkirchen, for the fiscal year from 1 January to 31 December 2023.

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

- these accompanying consolidated financial statements comply in all material respects with German commercial law and provide a true and fair view of the net assets and financial position of the Group as of 31 December 2023 and of its results of operations for the fiscal year from 1 January to 31 December 2023 in accordance with German principles of proper accounting and
- the group management report accurately presents the Group's position as a whole. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development.

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

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and the group management report in accordance with Section 317 of the HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). According to these rules and principles our responsibility is further described in the section "Responsibility of the auditor for the audit of the consolidated financial statements and the group management report" in our audit opinion. We are independent of the group companies in accordance with German commercial law and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We are of the opinion that the audit evidence we have obtained provides a sufficient and reasonable basis for our

audit opinions on the consolidated financial statements and the group management report.

Other information

The Managing Directors and the Administrative Board are responsible for the other information. The other information comprises

- report by the Administrative Board
- all of the other parts of the annual report
- however not the consolidated financial statements, not the information in the audited notes to the consolidated financial statements and not our associated audit opinion.

The Administrative Board is responsible for the report by the Administrative Board. Otherwise the Managing Directors are responsible for the other information.

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

In connection with our audit, we are responsible for reading the other information stated above and assessing whether the other information

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

Responsibility of the Managing Directors and the Administrative Board for the Consolidated Financial Statements and the Group Management Report

The Managing Directors are responsible for the preparation of the consolidated financial statements, which comply in all material respects with German commercial law and also for the consolidated financial statements providing a true and fair view of the net assets, financial position and results of operations of the Group in accordance with German principles of proper accounting. In addition, the Managing Directors are responsible for internal controls, which they have determined as being necessary in line with the German principles of proper accounting in order to allow the preparation of consolidated financial statements that are free from material misstatement as a result of fraudulent activities (such as manipulation of the accounting and damage to assets) or error.

In preparing the consolidated financial statements, the

Independent Auditor's Opinion

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

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

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

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

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

Sufficient certainty is a high degree of certainty, but does not guarantee that the audit, conducted in accordance with Section 317 of the HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) always uncovers any material misstatements. Misstatements can result from fraudulent acts or errors and are regarded as material if it could reasonably be expected that they will individually or collectively influence the economic decisions of users made on the basis of these consolidated financial statements and the group management report.

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

- we identify and evaluate the risks of material misstatement, whether intentional or not, of the consolidated financial statements and the group management report, plan and perform audit procedures in response to those risks, and obtain audit evidence sufficient and appropriate to provide a basis for our audit opinions. The risk that material misstatements resulting from fraudulent activities are not discovered is higher than the risk that material misstatements resulting from errors are not discovered, as fraudulent activities can include a collusion of falsifications, intended incompleteness, misleading presentations or overriding internal controls.
- we gain an understanding of the internal control system relevant to the audit of the consolidated financial statements and the precautions and measures relevant to the audit of the group management report to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- we assess the appropriateness of the accounting policies adopted by the Managing Directors and the reasonableness of the estimates and related disclosures presented by the Managing Directors.
- we draw conclusions as to the appropriateness of the accounting policies adopted by the Managing Directors for the continuing operations of the company and, on the basis of the audit evidence obtained, whether there is significant uncertainty about events or circumstances that could give rise to material doubts about the company's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to point out, in our auditor's opinion, the respective information in the consolidated financial statements and the group management report or, if this information is inappropriate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. Future events or circumstances may, however, result in the Group no longer being able to continue its business activities.
- we assess the presentation, structure and content of the financial statements, including information on whether the consolidated financial statements present the transactions and events so that the consolidated financial statements provide a true and fair view of the net assets, financial position and results of operations of the Group in accordance with German principles of proper accounting.

Independent Auditor's Opinion

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

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

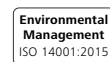
Munich, 25 April 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

(Dr. Thomas Reitmayr) (Philipp Kaschdan)
Auditor Auditor



FORUM
HOLZBAU
PREMIUM
PARTNER



We love wood.

STEICO engineered by nature
for renovation and new builds

The STEICO Group is the world market leader in the production and sale of ecological wood fibre insulation materials and a leading supplier of innovative timber construction products. STEICO occupies a unique position on the market with the industry's largest product range of ecological insulation materials and an innovative construction systems for timber construction. Almost the entire load-bearing and insulating shell of a building can be constructed with STEICO products.

Sustainable products –
sustainable production

The STEICO Group is committed to sustainable forestry – the wood used comes from forests certified according to the strict rules of the PEFC. All products have the necessary building authority approvals. In addition, independent product testing by the IBR® (Institute for Building Biology Rosenheim) guarantees the high quality of the products. The STEICO Group also sets standards in environmentally friendly production and uses, for example, CO₂-neutral biomass as an energy source.

STEICO
engineered by nature

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