

RESILIENT



SCHOELLER  
BLECKMANN  
OIL FIELD  
EQUIPMENT

# 2020

Annual Financial  
Report

**resilient.**

# CONTENT

<b>MANAGEMENT REPORT</b>	<b>4</b>
Financial Highlights: THE FINANCIAL YEAR 2020	5
<b>MARKET ENVIRONMENT</b>	6
<b>BUSINESS DEVELOPMENT IN 2020</b>	11
<b>ANALYSIS AND RESULTS</b>	15
<b>OUTLOOK</b>	21
Non-Financial Highlights: SUSTAINABLE MANAGEMENT	23
<b>PART 1: SUSTAINABILITY IN THE SBO GROUP</b>	23
MATERIALITY ANALYSIS: STAKEHOLDERS AND TOPICS OF SUSTAINABILITY	25
MANAGEMENT APPROACH	30
RESULTS AND RISKS	31
<b>PART 2: AREAS OF SUSTAINABILITY AND DEVELOPMENTS IN 2020</b>	35
MAJOR DEVELOPMENTS IN 2020 AT A GLANCE:	
THE COVID-19 PANDEMIC AND ITS EFFECTS	35
SUSTAINABLE GROWTH AND PROFITABILITY	38
ENVIRONMENTAL CONCEPT	40
SOCIAL AND HUMAN RESOURCES CONCEPT	47
CONCEPT FOR THE RESPECT FOR HUMAN RIGHTS AND FOR COMBATING CORRUPTION AND BRIBERY	53
<b>CORPORATE GOVERNANCE REPORT</b>	<b>56</b>
DIVERSITY CONCEPT	64
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>70</b>
<b>AUDITOR'S REPORT</b>	<b>163</b>
<b>REPORT OF THE SUPERVISORY BOARD ON THE 2020 FINANCIAL YEAR</b>	<b>169</b>
<b>JAHRESABSCHLUSS</b>	<b>172</b>
<b>BESTÄTIGUNGSVERMERK ZUM JAHRESABSCHLUSS</b>	<b>210</b>
<b>STATEMENT OF ALL LEGAL REPRESENTATIVES</b>	<b>216</b>

*"The 2020 financial year was a challenge. However, as we have often demonstrated in the past, we can rely on our profound experience to navigate safely through a crisis in a cyclical environment. Owing to our high liquidity base and effective anti-crisis measures already taken, we believe we are well prepared for 2021. We are consistently pursuing our ESG efforts to further strengthen our exemplary positioning in the industry."*



# MANAGEMENT REPORT

The consolidated management report relates to the IFRS consolidated financial statements according to Section 245a UGB (Austrian Commercial Code)

# Financial Highlights: THE FINANCIAL YEAR 2020

The COVID-19 pandemic caused a global recession whose scope was surpassed only by the two world wars and the Great Depression in the 1930s in the past 150 years. Global economic output was massively impacted by government restrictions, spending was

cut back massively due to the uncertain situation, and concerns about the viability of global value chains and the course of the pandemic placed a heavy burden on international trade.

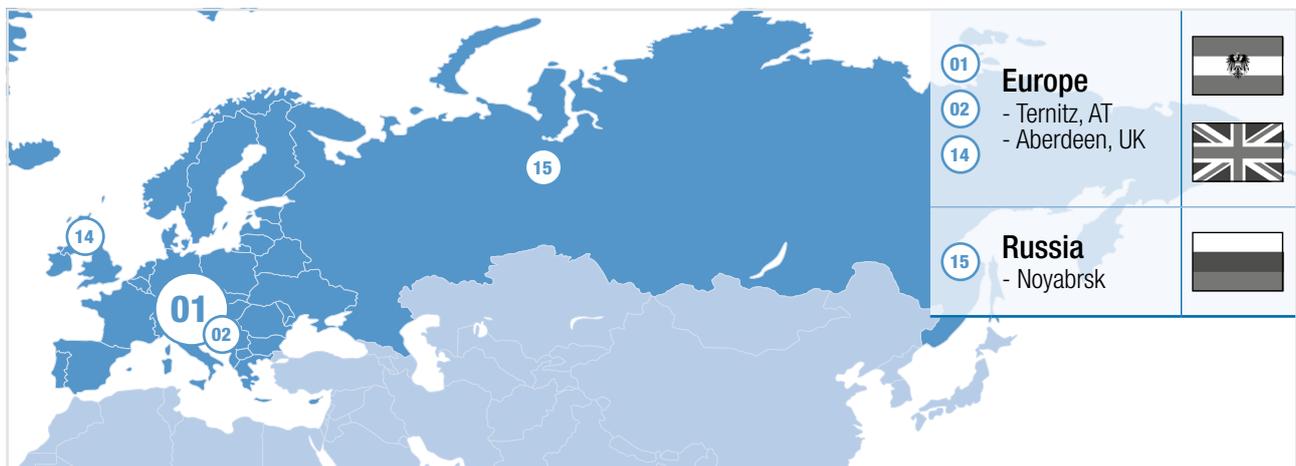
# MARKET ENVIRONMENT

In view of this exceptional crisis situation, global economic output slumped sharply in the past business year. According to the International Monetary Fund (IMF), global economic output in 2020 went down by 3.5 %, compared to an increase of 2.8 % in the previous year. The downturn occurred across all

regions, as both economic output in industrialized nations recorded a decline of 4.9 % in 2020, compared to an increase of 1.6 % in 2019, and also the economic output in emerging markets. Those dropped by 2.4 %, following 3.6 % in 2019.<sup>1</sup>

## Regions

## EUROPE AND RUSSIA



European countries reacted promptly to the pandemic. Internal border closures and strict lockdown policies were accompanied by public subsidy measures and tax incentive schemes. Economic output in Europe fell

by 7.2 %, according to IMF. Russia was also unable to escape the effects of stagnating oil prices, with a decline of economic output by 3.6 %.

<sup>1</sup> IMF, World Economic Outlook Update, January 2021.

## NORTH AMERICA (INCLUDING MEXICO)



The North American economic environment was also hit hard by the pandemic. In the United States, economic output went down by 3.4 %. In Canada, according to IMF, the decline came to 5.5 %. Substantial fiscal support for household incomes, far exceeding similar

measures taken during the global financial crisis, contributed to an initial recovery in the third quarter of 2020, which was subsequently interrupted by a massive resurgence of the pandemic.

## ASIA



The Asia-Pacific region is recovering from a severe recession. Countries in Asia took strict measures

to contain the COVID-19 pandemic while limiting its economic costs. Early implementation of containment

measures proved crucial in flattening the pandemic curve and avoiding an even deeper and longer-lasting recession. In China, the economy went back to normal

faster than expected and this was the only major economy to record growth of 2.3 % in 2020.

## LATIN AMERICA



Latin America and the Caribbean (LAC) were hit hard by the COVID-19 pandemic, both in terms of human lives and the region's economic conditions. Six out of the ten emerging economies with the highest COVID-19 deaths per capita in the world are located in LAC, including five of the six largest economies in the region.

Latin American labor markets were severely impacted by the economic repercussions of the COVID-19 pandemic, with employment figures dropping sharply across the region. As a result, economic output in Latin America declined by 7.4 % in 2020.

## MIDDLE EAST



The countries in the Middle East, North Africa, Afghanistan and Pakistan (MENAP) region as well as countries in the Caucasus and Central Asia (CCA) continue to face an uncertain and difficult environment, despite rapid and stringent action against COVID-19. Oil exporters were particularly hit hard by the economic impact of lockdowns and the resulting sharp decline

in oil demand and prices. The necessary public health response to the pandemic has severely restricted mobility and has come at a high economic cost. As a result, economic output in the region is expected to decline by 3.2 % in 2020. Saudi Arabia, like many oil-exporting countries, was affected by low oil prices, with economic output there shrinking by 3.9 % in 2020.

### EFFECTS ON ENERGY DEMAND

The restrictions imposed against the spread of COVID-19 had far-reaching repercussions on people's lives and the way energy is used in entire economies. As a result of the global lockdown measures implemented in the wake of the COVID-19 pandemic, mobility, and

therefore transport, declined at an unprecedented rate in March and April 2020. For example, by the end of March 2020, global road transport activity was almost 50 % below the 2019 average and commercial air travel activity was down almost 60 % from the 2019 level.<sup>2</sup>

<sup>2</sup> International Energy Agency (IEA), Global Energy Review 2020, April 2020.

According to the International Energy Agency (IEA), energy demand fell by about 5 % in 2020 compared to the previous year, with demand for natural gas declining 3 %. Thus, natural gas was more resilient to the immediate effects of the COVID-19 crisis than coal and oil. Coal bore the brunt of the decline in electricity demand associated with the pandemic and related shutdowns. Demand for coal went down by 7 % in 2020 and will also be down 8 % going forward compared to pre-crisis projections.<sup>3</sup>

Average global oil demand decreased by 8.7 million barrels per day (mb/d), or 8.7 %, to 91.0 mb/d in 2020 (2019: 99.7 mb/d), according to the IEA. The decline in oil demand is mainly due to the sharp drop in the transport sector caused by the COVID-19 pandemic. Crude oil production was also dramatically curbed, arriving at 94.0 mb/d. To stabilize the oil market impacted by the decline in demand and to support prices, the OPEC+ alliance on 13 April 2020 agreed on a historic production cut starting at 9.7 mb/d.<sup>4</sup>

The global rig count shrank drastically by 46 % during 2020 to 1,104 rigs (December 2019: 2,043 rigs). This decline was primarily relating to the US rig count, which decreased by 58 % to 339 rigs (December 2019: 804 rigs). Internationally, there was also a significant drop of 40 % to 665 rigs (December 2019: 1,104 rigs). The US rig count, which had plummeted since March 2020, bottomed out in August with a count of 250 rigs.

From September, a gradual slight recovery set in again until the end of the year.<sup>5</sup>

The sudden drop in the demand for oil made an action by the OPEC states and their partners necessary in order to stabilize the prices. Since an agreement on the shortening of the oil production could not be made initially, the production conflict between Saudi-Arabia and Russia as OPEC+ partner even escalated over the weekend of 7 March 2020, the agreement could be made on 13 April 2020 only. Therefore, the price of North Sea crude Brent decreased from the beginning of the year until 21 April 2020 from USD 66.00 to USD 19.33. The price of North American WTI crude oil from USD 61.06 to USD 10.01. Due to trade-related effects, it even turned negative on 20 April 2020 with USD minus 40.32. From that point on, oil prices recovered gradually and with the recovery of the capital markets quite significantly towards year-end. North Sea crude Brent closed at the end of December with a price of USD 51.80, representing a reduction of 21.5 % during the course of the year. The price of North American crude WTI ended at USD 48.52, a reduction of 20.5 %.<sup>6</sup>

Global spending for exploration and production (E&P) dropped by 25.3 % in 2020, with the largest declines seen in North America. While the international decrease in E&P spending was 17.9 %, North America recorded a contraction of 45.8 %.<sup>7</sup>

<sup>3</sup> International Energy Agency (IEA), World Energy Outlook, October 2020.

<sup>4</sup> International Energy Agency (IEA), Oil Market Report, February 2020.

<sup>5</sup> Baker Hughes Rig Count.

<sup>6</sup> Bloomberg: CO1 Brent Crude (ICE) and CL1 WTI Crude (Nymex).

<sup>7</sup> Evercore ISI, The 2021 Evercore ISI Global E&P Spending Outlook, December 2020.

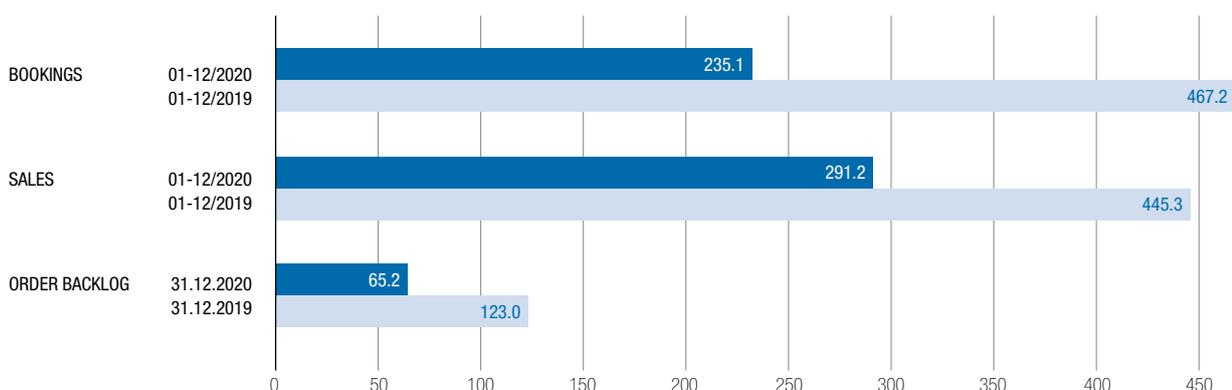
# BUSINESS DEVELOPMENT IN 2020

The SBO Group achieved a break even operating result in the 2020 financial year despite the profound crisis. The high level of cash and the net liquidity strengthened the Company in a very challenging market environment. Targeted measures reduced the negative impact of the COVID-19 pandemic. However, the exceptional global situation and the associated decrease in demand for oil and gas caused a decline in sales and earnings. As

the global economic environment was massively hit by COVID-19, SBO made non-cash impairments of assets at subsidiaries in North America, which impacted the result. Restructuring expenses and exchange losses also had a negative effect on the result. In the third quarter of 2020, SBO further expanded its existing strong liquidity base by raising loans in the amount of MEUR 81.0.

## SALES AND EARNINGS

IN MEUR



SBO Group sales fell by 34.6 % due to the global economic crisis and decreased energy consumption, arriving at MEUR 291.2, down from MEUR 445.3 in 2019. Bookings came to MEUR 235.1 (2019: MEUR 467.2), a decrease of 49.7 %. The order backlog was MEUR 65.2 at the end of 2020 (31 December 2019: MEUR 123.0).

Earnings before interest, taxes, depreciation and amortization (EBITDA) arrived at MEUR 27.1 (2019: MEUR 108.6). Profit from operations was positive at MEUR 1.2, but was impacted by exchange losses of net MEUR 6.8. As a result, profit from operations (EBIT) before one-off items was MEUR minus 5.6 (2019:

MEUR 60.8), due to non-cash asset impairments at subsidiaries in North America and incurred restructuring expenses of MEUR 22.3. EBIT after one-off items was MEUR minus 28.0 (2019: MEUR 60.2). The EBITDA margin was 9.3 % (2019: 24.4 %), and the EBIT margin was minus 9.6 % (2019: 13.5 %).

The financial result in 2020 arrived at MEUR minus 3.2 (2019: MEUR minus 12.3). Profit before tax declined to MEUR minus 31.2 (2019: MEUR 47.9). Profit after tax came to MEUR minus 21.7 during 2020 (2019: MEUR 32.3). Earnings per share were EUR minus 1.38 (2019: EUR 2.03).

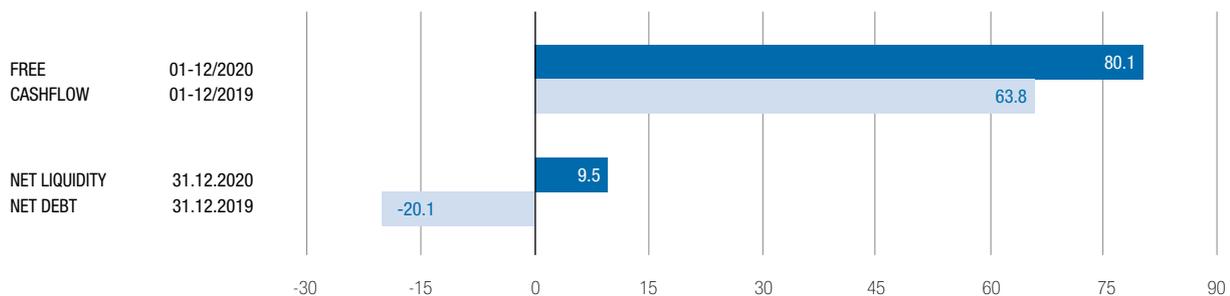
## SEGMENT RESULTS

The SBO Group's business is divided into two segments, "Advanced Manufacturing & Services" (AMS) and "Oilfield Equipment" (OE). The AMS segment sales arrived at MEUR 159.7 (2019: MEUR 223.8). Profit from operations (EBIT) before one-off items was MEUR 14.4

(2019: MEUR 33.9). In the "Oilfield Equipment" (OE) segment, sales amounted to MEUR 131.5 (2019: MEUR 221.5) and profit from operations (EBIT) before one-off items was MEUR minus 6.8 (2019: MEUR 28.7).

## BALANCE SHEET FIGURES AND CASHFLOW

IN MEUR



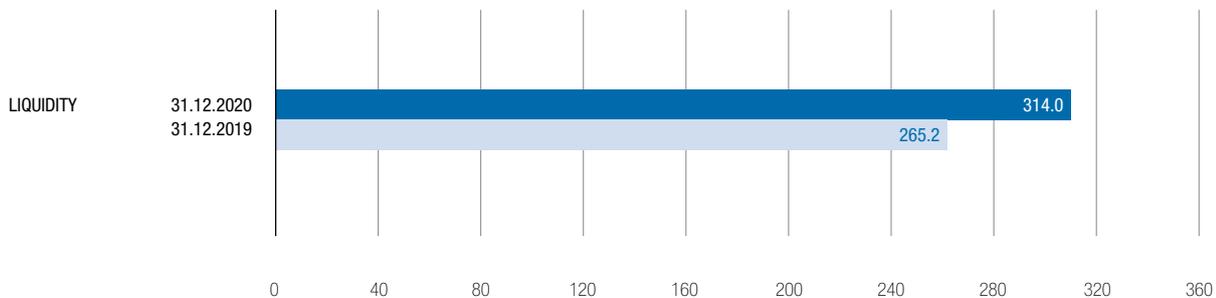
Equity arrived at MEUR 287.0 in 2020 (2019: MEUR 370.1). SBO's equity ratio was 36.9 % at the end of 2020 (2019: 42.3 %). Due to a high positive cashflow, net debt turned into net liquidity of MEUR 9.5

in 2020 (2019: net debt MEUR 20.1). Accordingly, gearing also decreased from 5.4 % at the end of 2019 to minus 3.3 % on 31 December 2020.

Cash and cash equivalents increased sharply, arriving at MEUR 314.0 (2019: MEUR 265.2).

In the third quarter of 2020, SBO's existing strong liquidity base was further strengthened raising loans of MEUR 81.0.

IN MEUR



The operating cashflow arrived at MEUR 94.3 in the year 2020 (2019: MEUR 98.1). Free cashflow increased from MEUR 63.8 in 2019 to MEUR 80.1. Capital expenditure on property, plant and equipment and intangible assets

(CAPEX) amounted to MEUR 16.2 (2019: MEUR 31.5). As at 31 December 2020, purchase commitments for property, plant and equipment came to MEUR 3.7 (2019: MEUR 5.0).

## DIVIDEND PROPOSAL

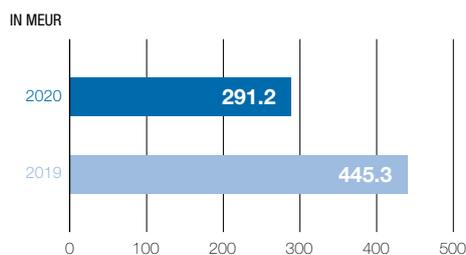
Due to the development of the crisis year 2020 and the negative result, the Executive Board will propose to the Annual General Meeting on 29 April 2021 not to

distribute a dividend for the financial year 2020 (2019: EUR 1.20 per share).

# ANALYSIS AND RESULTS

The consolidated financial statements of the Company have been prepared in accordance with the Financial Reporting Standards (IFRS).

## Sales



Sales decreased by 34.6 %, from MEUR 445.3 in 2019 to MEUR 291.2 in 2020 due to the global economic crisis triggered by the COVID-19 pandemic and the associated decrease in demand for oil and gas.

In the previous years, the US dollar remained the most important currency for the SBO Group. In 2020, 76 % (compared to 84 % in 2019) of sales were generated in US dollars, and approximately 57 % (compared to 59 % in 2019) of expenses were also incurred in US dollars. The average exchange rate for 2020 at EUR 1 = USD 1.1413 was weaker than in 2019, where it had been EUR 1 = USD 1.1196, and had a dampening effect. The US dollar fell considerably over the euro in the course of the year. The closing price on 31 December 2020 was EUR 1 = USD 1.2271, down by around 9 % from EUR 1 = USD 1.1234 on 31 December 2019.

## Exchange rate development

IN EUR/ USD	HIGH	LOW	AVERAGE	CLOSING
<b>2020</b>	1.2281	1.0707	1.1413	1.2271
<b>2019</b>	1.1535	1.0889	1.1196	1.1234

In the preparation of the annual financial statements 2019 and 2020, the average exchange rates of these years have been used for the consolidated profit and loss statements, and the closing rates as of 31 December for the consolidated balance sheets.

## Sales by business segments

IN MEUR	2020	2019
"Advanced Manufacturing & Services" (AMS)	159.7	223.8
"Oilfield Equipment" (OE)	131.5	221.5
<b>Total sales</b>	<b>291.2</b>	<b>445.3</b>

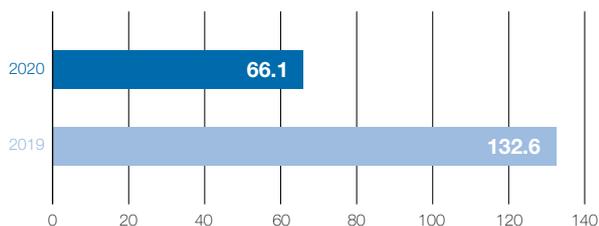
While the "Advanced Manufacturing & Services" (AMS) segment benefited from sound capacity utilization at the beginning of the year, significant cutbacks on customers' CAPEX spending impacted the late-cycle AMS segment as well. The decline in sales arrived at

28.6 %, from MEUR 223.8 in 2019 to MEUR 159.7 in 2020.

The "Oilfield Equipment" (OE) segment was hit particularly hard by the weakness of the North American market, which set in as early as March 2020 as reflected in a dramatic drop in the number of active drilling rigs. The sharp fall in drilling and completion activities led to a decline in sales of 40.6 % to MEUR 131.5 in 2020, compared to MEUR 221.5 in 2019.

## Gross profit

IN MEUR



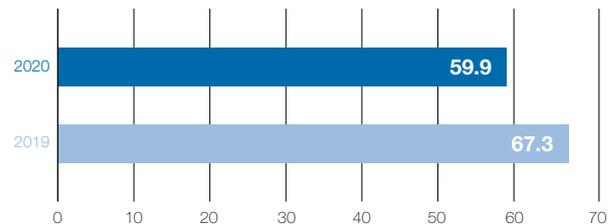
Following MEUR 132.6 in 2019, gross profit in 2020 fell to MEUR 66.1, and with it the gross margin, which went from 29.8 % in 2019 to 22.7 % in 2020.

The lower gross margin is a result, on the one hand, of capacity underutilization, and, on the other hand, of lower demand. Especially in the "Oilfield Equipment" (OE) segment, the lower demand put increased pressure on prices. Immediately implemented cost reduction programs partially compensated for the margin reduction.

The major elements of production costs are expenses for materials and energy, costs of personnel and depreciation of fixed assets.

## Selling, general, and administrative expenses

IN MEUR

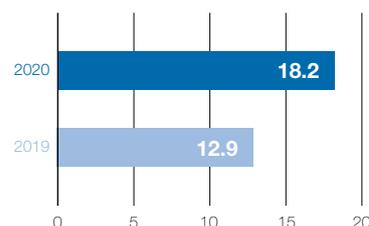


Selling, general and administrative expenses decreased by 11.0 %, from MEUR 67.3 in 2019 to MEUR 59.9 in 2020. They rose from 15.1 % of sales for the year 2019 to 20.6 % for the year 2020.

Selling, general and administrative expenses consist mainly of salary and salary-related expenses, professional fees for operational activities, travel and entertainment costs, communication and insurance expenses.

## Other operating expenses and income

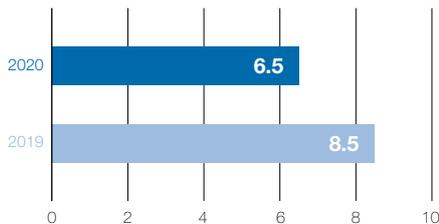
IN MEUR



Other operating expenses amounted to MEUR 18.2 in 2020 (2019: MEUR 12.9). This item includes research and development costs of MEUR 8.3 (2019: MEUR 8.8) as well as exchange losses of MEUR 9.8 (2019: MEUR 3.0). The marked drop in the value of the US dollar against the euro over the course of the

year led to a significant increase in exchange losses resulting in a rise in other operating expenses.

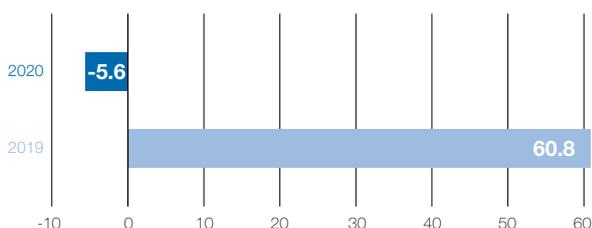
IN MEUR



Other operating income in 2020 totaled MEUR 6.5 (2019: MEUR 8.5) and, apart from exchange gains, consisted of rental income, service charges and income from the sale of fixed assets. The reduction in other operating income is due mainly to lower exchange gains of MEUR 3.0 in 2020, compared to MEUR 6.0 in 2019.

### Profit from operations before non-recurring items

IN MEUR

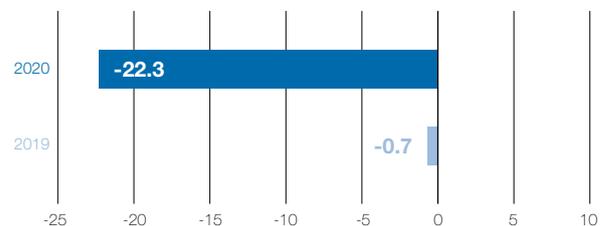


Due to the reduction of gross profit, profit from operations before non-recurring items of MEUR 60.8 in 2019 went down to MEUR minus 5.6, accounting for minus 1.9 % of sales, compared to 13.7 % in the previous year.

Adjusted for the net effect of exchange losses (MEUR 9.8) and exchange gains (MEUR 3.0) of MEUR 6.8, a slightly positive operating result before non-recurring items of MEUR 1.2 was achieved in the 2020 financial year.

### Non-recurring items

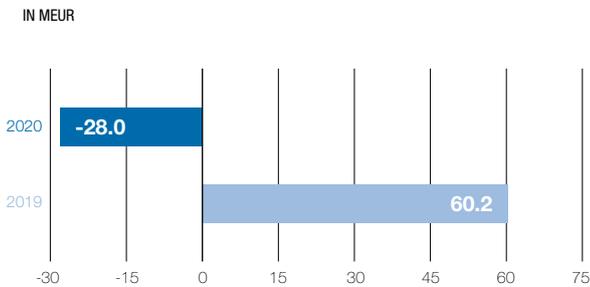
IN MEUR



In the 2020 financial year, expenses for non-recurring items totaled MEUR 22.3, of which MEUR 20.2 related to asset impairments in North America. Thereof MEUR 12.1 related to impairment of goodwill, and MEUR 1.7 to impairment of property, plant and equipment, and MEUR 0.9 to impairment of intangible assets, and MEUR 5.5 to impairment of inventories. In addition, expenses of MEUR 1.4 were incurred for the restructuring of production sites in the United Kingdom and Mexico. A further MEUR 0.8 related to the effect from the deconsolidation of the closed subsidiary in Mexico.

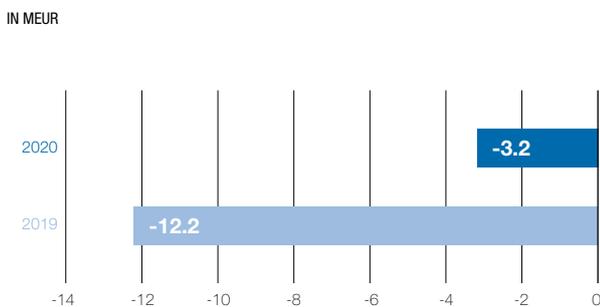
Expenses for non-recurring items in the 2019 financial year totaling MEUR 1.4 comprise MEUR 0.5 for impairment losses on property, plant and equipment and MEUR 0.9 for restructuring measures at production sites in the United Kingdom and Mexico. These expenses contrast with income of MEUR 0.7 from the sale of property, plant and equipment associated with said restructuring measures.

## Profit from operations



Due to the reduction in sales and the associated lower gross profit and higher expenses from non-recurring items, profit from operations fell from MEUR 60.2 in 2019 to EUR minus 28.0 in 2020, resulting in minus 9.6 % of sales, compared to 13.5 % in the previous year.

## Financial result

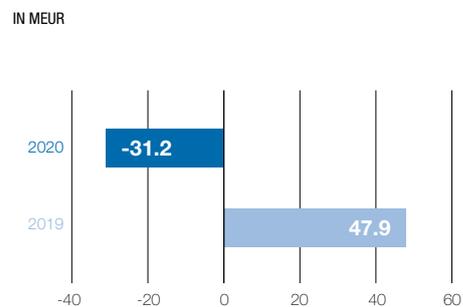


The financial result in 2020 was MEUR minus 3.2, compared to MEUR minus 12.3 in 2019. The significant reduction in the negative financial result is due to the absence of expenses in connection with the put / call option agreements.

In the past financial year, the net interest result was MEUR minus 3.2 (2019: MEUR minus 5.1). The lower expense resulted from the discontinuation of the accrued interest on option liabilities which amounted to MEUR 2.8 in 2019. The net interest result also includes the profit portion of the shares and participation rights in individual subsidiaries held by the respective managements which came to MEUR 0.0 in 2020 (2019: MEUR minus 0.7).

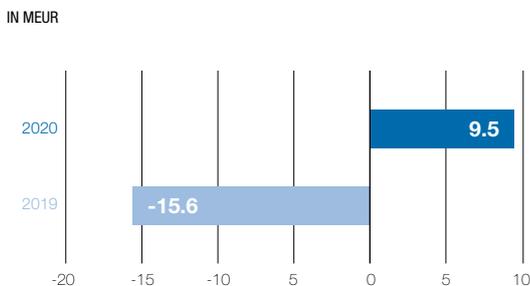
Other financial expenses for the year 2019 amounting to MEUR 10.9 include dividend payments to minority shareholders for shares in companies for which put / call option agreements were in place. The revaluation of option commitments has led to an income of MEUR 3.7 for the year 2019.

## Profit before tax



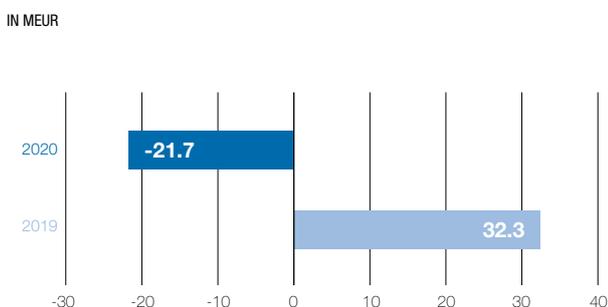
Profit before tax for 2020 was MEUR minus 31.2, compared to MEUR 47.9 in 2019.

## Income taxes



Income taxes in 2020 amounted to MEUR 9.5 (2019: MEUR minus 15.6), consisting of current tax income of MEUR 4.8 mainly resulting from loss carryback opportunities in the United States, and deferred tax income of MEUR 4.7.

## Profit after tax / dividend



Income after tax for 2020 was MEUR minus 21.7, compared to MEUR 32.3 in the year before. Earnings per share arrived at EUR minus 1.38 in 2020, compared to EUR 2.03 in 2019. The Executive Board proposes to the Annual General Meeting not to distribute a dividend for 2020.

## Assets and financial position

Group equity as at 31 December 2020 was MEUR 287.0, compared to MEUR 370.1 as at 31 December 2019. This reduction is due to negative profit after tax, the dividend payment and the acquisition of treasury shares in 2020, as well as the lower USD exchange rate, which led to a negative development of the currency translation reserve. The equity ratio decreased to 36.9 % compared to 42.3 % in the previous year.

Following a net debt of MEUR 20.1 as at 31 December 2019, net liquidity of MEUR 9.5 was reported as at 31 December 2020. Gearing (net debt as a percentage of equity) thus improved from 5.4 % as at 31 December 2019 to minus 3.3 % as at 31 December 2020.

Cashflow from profit came to MEUR 36.6 in 2020, compared to MEUR 88.4 in 2019. The key components of this indicator in 2020 were profit after tax of MEUR minus 21.7 (2019: MEUR 32.3), as well as depreciation, amortization and impairment of MEUR 55.0 (2019: MEUR 48.4).

Net working capital fell from MEUR 187.9 as at 31 December 2019 to MEUR 120.1 as at 31 December 2020. This decrease is mainly due to a significant reduction in trade receivables and inventories. As a result, cashflow from operating activities of MEUR 94.3 almost reached the high level reported in the previous year (MEUR 98.1).

Net cash outflows from investing activities totaled MEUR 14.2 (2019: MEUR 34.3), of which MEUR 16.2 (2019: MEUR 31.5) were spent for additions to property, plant and equipment and intangible assets. Thereof, MEUR 11.8 were used for the "Oilfield Equipment" (OE) segment, mainly for further expanding the rental fleet of drilling motors and downhole circulation tools. In the

AMS segment, spending of MEUR 4.4 was made, in particular, on the machinery.

Due to the reduced CAPEX spendings compared to the previous year, a free cashflow of MEUR 80.1 was achieved in 2020, compared to MEUR 63.8 in 2019.

### Report on the main features of the internal control system and risk management system in relation to the financial reporting process

The Executive Board has overall responsibility for the risk management of the SBO Group, whereas direct responsibility lies with the managing directors of the operational entities.

Consequently, the system of internal continuous reporting to corporate headquarters plays a particularly important role in identifying risks at an early stage and implementing countermeasures. Operational entities provide the necessary information by timely monthly reporting to the Executive Board.

The Group has defined uniform standards for the global subsidiaries regarding implementation and documentation of the complete internal control system and, in particular, the financial reporting process. The underlying objective is to avoid risks leading to incomplete or erroneous financial reporting.

Furthermore, internal reports prepared by subsidiaries are checked for plausibility at corporate headquarters and compared with budgets in order to take appropriate action whenever deviations occur. For this purpose, subsidiaries are required to prepare annual budgets and mid-term planning to be approved by the Executive Board.

In addition, liquidity planning of the subsidiaries is continuously monitored and aligned with the requirements defined by the holding company.

Group controlling monitors subsidiaries' compliance with accounting regulations. Moreover, the annual financial statements of all operational subsidiaries and holding companies are audited by international auditors.

At the Executive Board's regular meetings with local managing directors, current business development and foreseeable risks and opportunities are discussed.

In addition to the International Financial Reporting Standards, internal Group guidelines are in place for the preparation of the consolidated financial statements to ensure uniform presentation by the companies reporting (accounting and disclosure issues). A certified consolidation program equipped with the necessary auditing and consolidation routines is used for automated preparation of the consolidated financial statements.

### Events after the balance sheet

Reference is made to Note 41 in the consolidated financial statements.

### Information according to Sections 243a and 267 (3) (3) UGB (Austrian Commercial Code)

Reference is made to Note 22 in the consolidated financial statements.

### Hedging transactions

Reference is made to Note 35 in the consolidated financial statements.

# OUTLOOK

Following a global decline in economic output of 3.5 % in 2020, the International Monetary Fund (IMF) forecasts global economic output to come to 5.5 % in 2021. The economies of the industrialized countries are expected to grow by 4.3 % in 2021, compared to a decline of 4.9 % in 2020 and a rise of 1.6 % in 2019. According to the IMF, economic output in emerging and developing countries should rise by 6.3 % in 2021, compared to a drop of 2.4 % in 2020 and a growth of 3.6 % in

2019. This should bring about significant recovery in 2021, in particular from the second half of the year onward, following the sharp slump in global economic output seen in 2020. However, these projections depend to a large extent on the further course of the COVID-19 pandemic and how quickly the vaccine will help to contain the global crisis.<sup>8</sup> The UK's exit from the EU (BREXIT) is not expected to have any significant implications for SBO.

## Forecast of economic development in individual regions and countries

The specific outlook varies from country to country, depending on infection rates and containment measures, political responses, scope of contact-intensive activities and external demand.

- In the **Eurozone**, economic output is projected to grow by 4.2 % in 2021 (compared to minus 7.2 % in 2020), while **Russia**, as estimated by the IMF, should achieve economic output of 3.0 % in 2021 (compared to minus 3.6 % in 2020).
- The economy in the **United States** is expected to grow by 5.1 % in 2021 (compared to minus 3.4 % in 2020), that in Canada by 3.6 % (compared to minus 5.5 % in 2020). In many countries in **Latin America**, which have been hit hard by the pandemic, the economy should gradually recover in 2021 and grow by 4.1 % (compared to minus 7.4 % in 2020).
- The same applies to many countries in the **Middle East and Central Asia**. In these regions the economy is expected to grow by 3.0 % in 2021 (compared to minus 3.2 % in 2020).
- In **China** economic output is projected to increase by as much as 8.1 % in 2021 (compared to 2.3 % in 2020).

<sup>8</sup> IMF World Economic Outlook, January 2021.

The International Energy Agency (IEA) expects energy consumption in industry to return to pre-crisis levels by 2022. Natural gas should recover comparably quickly and rise by almost 3 % in 2021. By 2030, demand is expected to go up to 14 % above 2019 levels, with growth being concentrated to Asia. China and India will account for about 45 % of total growth of gas demand over the next decade. Growth is also robust in the Middle East and Southeast Asia. In the United States, shale gas, in particular, should favor a switch to natural gas in electricity generation.<sup>9</sup>

Oil demand is also expected to rise in 2021: Oil demand is projected to increase by 5.4 mb/d to 96.4 mb/d. In OECD countries, average oil demand should come to 44.7 mb/d, up 2.6 mb/d from 2020. For non-OECD countries, average demand is expected to go up by 2.8 mb/d to a total of 51.7 mb/d.<sup>10</sup>

Although the uncertain current situation hardly allows for reliable, resilient forecasts of future economic development and the recovery of the oil market, there are clear signs of an upward trend: The industry bottomed out in the third quarter of 2020, leading to a slight recovery in the market, which will continue in the following quarters and should lead to a noticeable rise, in particular from the second half of 2021 onward. However, these projections depend largely on how quickly the COVID-19 pandemic is contained and global economic output picks up again.

For 2021, renowned banks and analyst firms expect global spending for exploration and production (E&P) to increase by 6.8 %. As a result, global E&P spending

should partially recover from its contraction of minus 25.3 % in 2020. The driver is the international market, where E&P spending should climb by 7.2 %. North America is expected to grow at a slightly lower overall rate of 5.1 %, that is 5.4 % in the United States and 3.0 % in Canada.<sup>11</sup>

In the past, the SBO Group often demonstrated that it can rely on its profound experience to safely navigate through a crisis in a cyclical environment. For 2021, we see ourselves well set owing to our strong liquidity base and effective anti-crisis measures already in place. Demand for energy should increase significantly again as soon as the vaccination against COVID-19 is rolled out globally and health policy restrictions are scaled back accordingly. At the same time, demand for our products and services should also rise again. That is why we are expecting a moderate increase of activities in the first half of 2021, which should show an increased momentum in the second half of 2021. More than 50 % of the world's energy supply will continue to be covered by oil and gas for decades to come.

With its high-quality products, the SBO Group contributes to making the supply of energy more efficient and more environmentally friendly. In parallel, we are continuously working on the implementation of our sustainable growth strategy and are gradually expanding the scope of application of our technologies in the oil and gas market, as well as other industries. Research and development, spending alongside the sound positioning in demanding niches will secure the frontrunning position of the SBO Group going forward.

<sup>9</sup> International Energy Agency (IEA), World Energy Outlook 2020, October 2020.

<sup>10</sup> International Energy Agency (IEA), Oil Market Report, February 2021.

<sup>11</sup> Evercore ISI, The 2021 Evercore ISI Global E&P Spending Outlook, December 2020.

# Non-Financial Highlights: SUSTAINABLE MANAGEMENT

## PART 1: SUSTAINABILITY IN THE SBO GROUP

The SBO Group represented in its subsidiaries, is front-running in clearly defined niches of the market. Their products are predominantly used in the oil and gas industry. Although we are not performing drilling and completion operations ourselves, we are taking a relevant part in the increase of efficiencies of those operations and after all the resource-saving extractions of oil and gas. By doing so, meeting of the demand for oil and gas is secured.

Our Annual Report has been prepared in accordance with the provisions of the Austrian Sustainability and Diversity Improvement Act (Nachhaltigkeits- und Diversitätsverbesserungsgesetzes or NaDiVeG). In addition, we are committed to the United Nations "Agenda 2030 for Sustainable Development" presented in September 2015. The 17 Sustainable Development Goals (SDGs) are considered to be common focal points of a global sustainable development of the current complex societal challenges. We have defined the goals that we can influence and have entrenched them in our sustainability management.

In 2019, the consolidated financial statements of the SBO Group had already been audited by the Austrian Financial Reporting Enforcement Panel (OePR) in the area of the non-financial statements and remained without any objections. In the following year, we were evaluated by the Austrian daily newspaper "Kurier" in categories such as ecological, economic and social sustainability, reputation, technology and innovation, and were subsequently awarded the title of "Sustainable Company of Austria 2021".

Out of the 17 SDGs, the following 11 are considered particularly relevant for SBO:



## MATERIALITY ANALYSIS: STAKEHOLDERS AND TOPICS OF SUSTAINABILITY

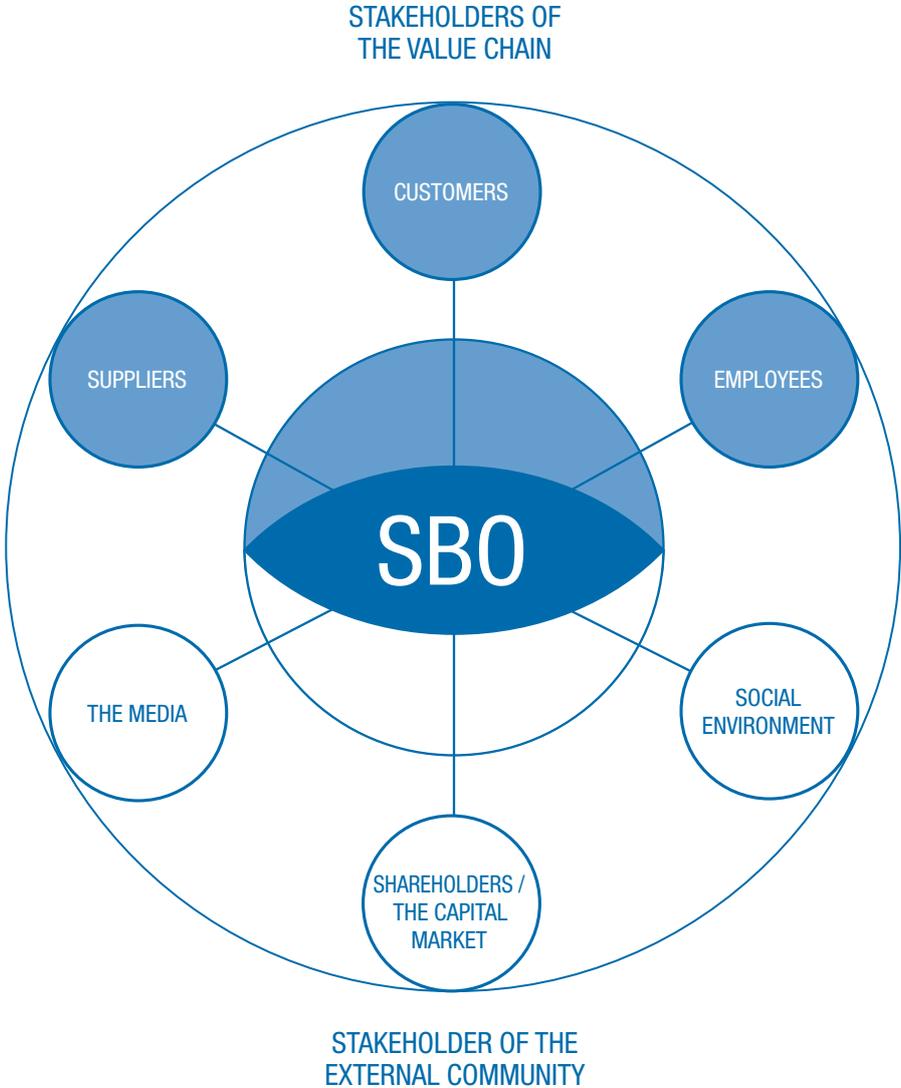
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In its sustainability management, the SBO Group focuses on the economic, ecological and social effects of its activities. As part of a materiality analysis, we have identified relevant stakeholders, recorded the most important topic areas for sustainability and defined twelve key action areas.

### OUR STAKEHOLDERS

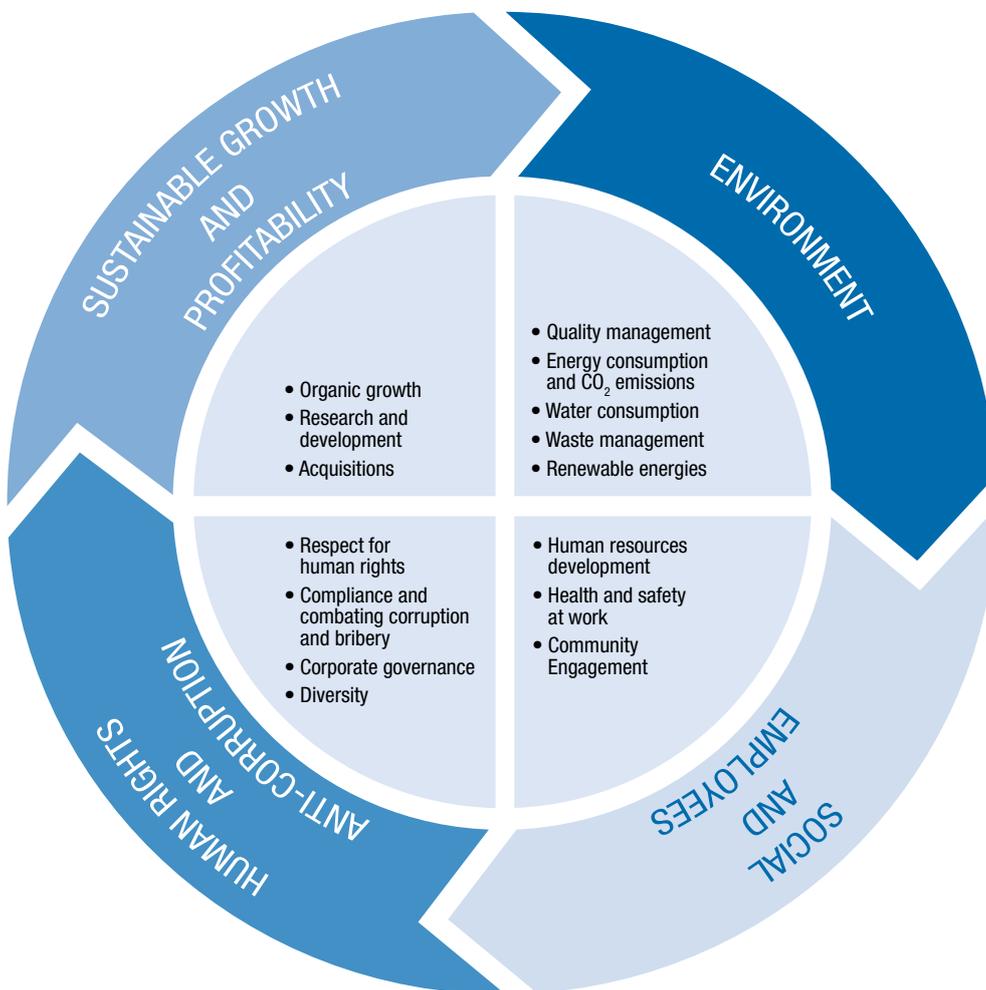
In the SBO Group, we define as stakeholders those people and organizations that we are in contact with, influence our business development and have an effect on our activities. The analysis and identification of these stakeholders is based on the characteristics and specifics of our business activities, including, among others, the global presence of our production sites and subsidiaries, our special role as a leading niche provider and the value chain of the oilfield service industry.

We consider our stakeholder value to be a key factor for our corporate management. We break down our stakeholders according to their interests in the following two main groups: Those who are part of the value chain, that is suppliers, employees and customers. They are particularly interested in operational performance criteria, such as safe work processes, high-quality products and sustainable value-adding business relationships. The second group is composed of the owners and the capital market, the social environment and the media. They are primarily interested in our business success and our activities from an ecological and social perspective.



Maintaining close contact with all stakeholder groups and a partnership-based exchange are pivotal to us, as this contributes to our business success and reputation. At the same time, this helps us identify risks timely and take proactive countermeasures as necessary.

At the strategic level, the following SDGs and key topics of sustainability are crucial for SBO:

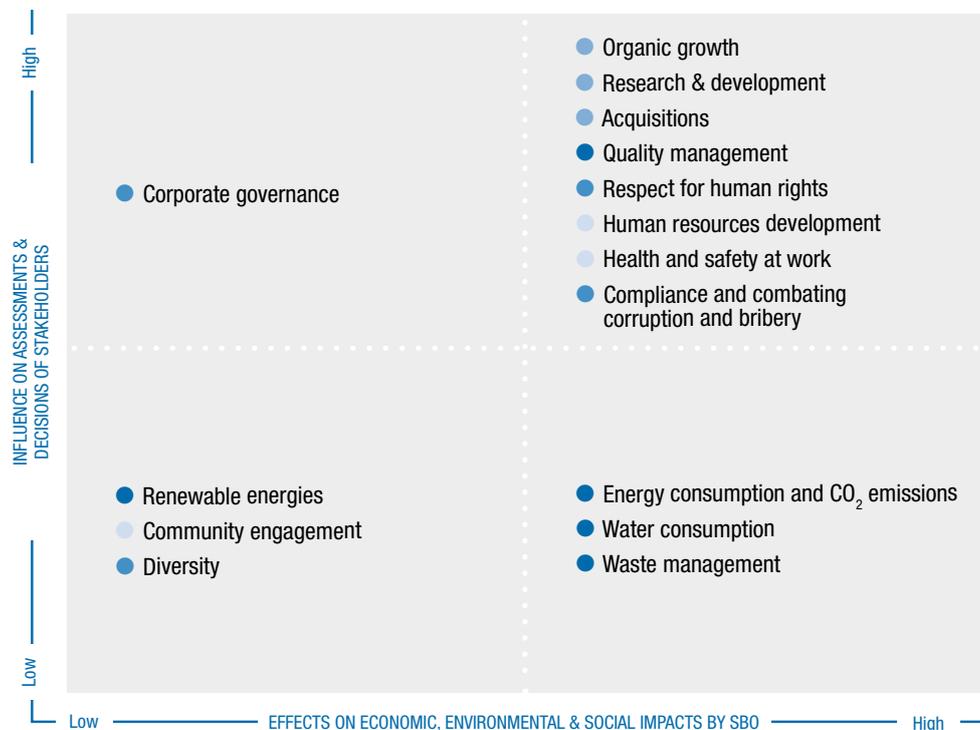


## KEY TOPICS OF SUSTAINABILITY

In accordance with its business model, the SBO Group has identified key areas of sustainability. As stipulated by the Sustainability and Diversity Improvement Act, we have conducted interviews with managing directors and employees, analyzed discussions with customers, assessed internal quality and supplier management guidelines, evaluated staff training and development programs, and held talks with capital market participants.

In the evaluation of the interviews conducted and the non-financial performance indicators collected, particular attention was paid to the sustainable growth strategy and the concerns explicitly mentioned by stakeholders or discussed in the studies. Additional reportable topics arise from our compliance organization, in particular the Code of Conduct and the underlying regulations.

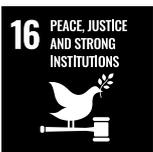
This was used to group and rate material topics based on two criteria: Their impact on our stakeholders and their decisions regarding SBO, and the social, ecological and economic effects of the SBO Group. The result is a two-dimensional materiality matrix that serves as foundation of our sustainability strategy. Topics that did not appear recurrently in the evaluation were classified as "low" relevance, while those considered essential in at least two of the sources used were marked with "high" relevance.



This results in twelve material fields of action for SBO:

MATERIAL FIELDS	SDG										
	3	4	6	8	9	10	12	14	15	16	17
Organic growth				•	•						•
Research & development				•	•						•
Acquisitions				•	•						•
Quality management					•		•				
Respect for human rights	•	•	•	•	•	•	•	•	•	•	•
Human resources development		•				•					
Health and safety	•										
Compliance and combating corruption and bribery						•				•	
Corporate governance				•		•					
Energy consumption and CO <sub>2</sub> emissions							•	•	•		
Water consumption			•				•	•	•		
Waste management							•	•	•		

We cover these fields of action in four strategic sustainability areas, where we manage and record the relevant topics. In Part 2 of our non-financial statement, we describe these areas and their development in the reporting year in detail. In line with SBO's communication guidelines, we do not provide forecasts on key performance indicators and specific targets.



## MANAGEMENT APPROACH

The SBO Group operates along the lines of a long-term strategy and sustainable business practices. Our goal is to create long-term added value and to work in a spirit of trust with our stakeholders, employees, suppliers and customers. The 2020 environment that was marked by the COVID-19 pandemic did not change this approach: Our business model builds on the cyclicity of our industry and ensures that the Group's sustainable growth strategy is implemented throughout the cycles. This is evidenced by decades of customer-supplier relationships and a reliable core workforce whom we offer a fair working environment and interesting development opportunities.

We take responsibility for our actions and production. The SBO Group's sustainable growth is managed centrally, while sustainability issues are implemented on a decentralized basis under central strategic control. This is why we can take a far-sighted look beyond national borders and time horizons and at the same time react promptly and precisely in a dynamic market environment. Group guidelines apply within our Group for topics related to the environment, social affairs and employees as well as respect for human rights, combating corruption and bribery. These guidelines are implemented locally by the management of our subsidiaries according to the framework conditions on site.

A major yardstick is our Group-wide Code of Conduct, which is available for download online on our website and explains our responsibility for employees, customers, other stakeholders and, as a company listed on the Vienna Stock Exchange, for shareholders and the investment community. The Code of Conduct calls for continuous optimization and expansion of competencies and know-how.

These processes are constantly monitored and improved by both the SBO Executive Board and Group Compliance. Operational management is obliged to regularly record and monitor efficiency and growth potentials and to immediately eliminate any risks that arise. Violations of our Code of Conduct are penalized. Furthermore, we pursue a zero tolerance policy toward any form of corruption or anti-competitive behavior. We create programs for our employees to continuously promote them, keep them at the highest possible level of training and retain them in the long term.

Supreme quality is the core element of our corporate strategy, which specifically ensures corporate sustainability. Our sustainability strategy is also aligned with the "Quality First" principle. As a metal-processing company, we pay very close attention to options for optimization in the area of sustainability. This includes rigorous waste, energy and water consumption management as well as stringent quality management.

The Group management defines uniform standards, including consistent measurement parameters and measurement units in all companies so as to identify potential for improvement and the efficient use of resources more easily. For example, production processes and products are continuously evaluated with regard to their energy use, carbon dioxide emissions or waste quantities, and changes are documented accordingly.

The company attaches great importance to selling waste as secondary products, thus transferring it to new uses. In the fight against climate change, we are working to continuously optimize and reduce the carbon dioxide emissions and energy consumption of our Group.

We are actively contributing to improving the economic, social and environmental issues in our operations and minimizing our ecological footprint. This strategy is consistently pursued during the COVID-19 pandemic as well.

## RESULTS AND RISKS

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In the risk report, which is part of the consolidated financial statements, the SBO Group gives a comprehensive overview of the risks it is exposed to. In this chapter, we only deal with risks associated with sustainable corporate management. All risks have arisen from our own business activities and not from our business relationships, products or services. The risks listed below have been evaluated based on non-financial key performance indicators and the qualitative explanations provided in the areas of production, products and suppliers:

### Environmental issues

Production processes and products with regard to direct risks to air, water and soil: For an assessment, relevant KPIs, such as carbon dioxide emissions or waste quantities are compared.

### Social and employee matters

Employee development, employee turnover and lost time due to occupational accidents.

### Compliance

Applicable penalties, qualitative reports of violations of corporate governance, incidents of disregard for human rights (e.g. discrimination), and of corruption and bribery.

The following risks are regularly identified and documented in order to initiate strategic improvements as required:

#### Market environment

The products of the SBO Group are predominantly used in the oil and gas industry, which is traditionally characterized by cyclical phases. Upturns can be followed by longer downturns, which has a direct effect on corporate growth as well as the environmental, social and employee-related concerns of the SBO Group. We seek to mitigate these risks by expanding our product and customer portfolio.

#### Demand-oriented human resources planning

The cyclical industry environment requires a high degree of flexibility and prompt reaction to heavily fluctuating market movements. During upswings, our challenge is to rapidly expand our capacities, while in downturns, with declining numbers of incoming orders and low capacity utilization, we need to adjust our personnel resources to demand. We reduced the number of dismissals in past cycles by introducing, for instance, short-time work and time accounts. SBO classifies the risk of a potential labor shortage in the oil and gas and oilfield service industries as low.

### **Safety at work**

Misconduct and carelessness in work processes entail risks for the safety of our employees in the workplace. Introduction and maintenance of site-specific HSE programs is mandatory within the SBO Group. Specific directions for each workplace, detailed instructions on the respective work processes, signs and forward-looking education and further training measures have been implemented to minimize the risk of accidents at the SBO Group.

### **Quality assurance**

Product defects such as material breakage may involve risks for our customers and the environment – incidents, for instance, could damage or contaminate the soil. We actively counteract these risks through consistent quality management in our supply chain and production. This serves to protect the environment as well as the business success both of our customers and the SBO Group.

### **Compliance and anti-corruption regulations**

At SBO, strict internal rules and regulations define binding, ethical conduct throughout the Group. Non-compliance with these rules could cause serious economic drawbacks and harm our reputation. We support our employees worldwide by providing training measures to further entrench ethical behavior and ensure full compliance with our regulations. Regardless of their geographic location, our employees receive in-depth training on corruption prevention.

### **Data privacy and trade secrets**

Our business model as a leading technology company conducting innovative research and development activities is subject to particularly high protection requirements. The protection of trade secrets includes confidential treatment of research and development data, know-how, confidential business figures including planning and budgets, and data related to customers and employees. The SBO Group maintains a data protection regime that is based on the regulations established by the European Union (EU General Data Protection Regulation / EU GDPR).

### **Climate change**

The energy sector is undergoing a long-term transformation process aimed at gradually replacing fossil fuels with renewable energy sources. A tightened climate policy and the resulting decline in the demand for crude oil could impact the business of the SBO Group. However, energy transition will be achieved only with the reasonable use of fossil energy resources, as they are important raw materials for renewable energy technologies. Moreover, gas will remain indispensable in the energy mix and play a crucial role in the phase-out of coal. SBO therefore sees itself as part of the energy transition and considers climate-related risks to its business model as low.

The risks identified were evaluated internally and incorporated into the work procedures and manuals. Implementation of the measures was checked in regular (remote) audits. In the 2020 financial year, we focused on numerous topics, such as water consumption and the volumes of waste generated. Regarding employees, appropriate precautions against COVID-19 were taken to keep the risk of infection as low as possible. As a result, the infection rate remained at a low level in total.

# PART 2: AREAS OF SUSTAINABILITY AND DEVELOPMENTS IN 2020

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## MAJOR DEVELOPMENTS IN 2020 AT A GLANCE:

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### THE COVID-19 PANDEMIC AND ITS EFFECTS

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In 2020, the global economy was marked by the massive worldwide effects of the COVID-19 pandemic. The SBO Group was not immune to this development. After a good start into the year, the lockdowns imposed in many countries in spring led to a slowdown or even a standstill in global economic processes. In order to mitigate the negative effects, we took pro-active measures at all our locations at an early stage. We were frontrunners in the digitalization of shareholder meetings: In April, the SBO Group held the first virtual annual general meeting in German-speaking countries to inform shareholders about the financial year and the situation of the company and arrange for a dialogue amid global pandemic-related precautions.

## MEASURES TO PROTECT OUR EMPLOYEES

We introduced strict precautionary measures in the production operations of our subsidiaries. In addition to educating employees, we launched tightened hygiene measures, maintained minimum distances and blocked access in cases of suspicion. Travel activities were reduced accordingly and administrative staff switched to work from home where reasonable and possible. Strict adherence to all government regulations was maintained.

## MEASURES TO MITIGATE THE ECONOMIC REPERCUSSIONS

Pro-active crisis management is one of the core competencies of the SBO management team. Restructuring measures, such as most recently the closure of the unprofitable branches in the United Kingdom and Mexico conducted in the past, benefited our Group against a background marked by COVID-19. High liquidity and a sound balance sheet support our position even in a challenging environment and ensure our long-term success. Consistent working capital management, generation of high cashflows and precautionary borrowing of loans improved our liquidity base that had been strong even before. Spending was reduced to a minimum and cost savings were implemented as part of crisis management. This did not include the area of research and development: Innovation is one of our strategic core areas for organic growth. Therefore, as in previous times of crisis, we did not cut back on any projects or expenses in this area.

The capacities of the SBO Group had to be adjusted according to local requirements. Capacity utilization varied greatly from region to region during the year. While management continuously adjusted the headcount at the SBO subsidiaries to the order level, retaining our core team was a top priority. Overall, the number of employees in the SBO Group fell by 26.3 % to 1,131 employees worldwide. For details, please refer to the chapter "social and human resources concept".

However, the professional crisis management of the SBO Group does not only focus on the prevailing market situation and staff downsizing required in times of crisis. Decisions are made with foresight. One of the Group's strengths is to mobilize quickly when the first signs of recovery start to appear. Launching prudent action is essential to take on employees promptly and ramp up spending.

## SHORT, MEDIUM AND LONG-TERM IMPACT

Global economic output was severely impacted by the COVID-19 pandemic in 2020. Forecasts for the short-term impact on the global economy remain subject to a high degree of uncertainty. The majority of the SBO Group's products and services are used in the oil and gas market.

In the medium term, demand for oil and gas will rise again, and there should even be a pent-up demand for spending in exploration and production. It is an undisputed fact that oil and gas will continue to play a key role in the world's energy supply for decades to come and cover more than 50 % of global energy demand.

## CLIMATE CHANGE AND ENERGY TRANSITION

The COVID-19 pandemic and the lockdowns in many countries had an immediate effect on the energy demand and the global carbon dioxide emissions. These effects on the global climate were also discussed in public and an accelerated energy turnaround was called for.

The SBO Group supports with the offering of subsidiaries the security of supply. Oil and natural gas are relevant to warrant security of supply, as they are major commodities for technologies in the field of renewable energies. In addition, increased use of gas can also reduce carbon dioxide emissions from electricity generation and thus contribute to a reduced use of climate-damaging coal: Today, coal covers around 37 % of global electricity generation, while around 3 % comes from oil and 23 % from gas. This share shall reduce gradually over the decades to come. A reduction in the share of coal in the energy mix is important in order to secure a constant amount of carbon dioxide emissions of 33,274 Mt globally in an environment of a significantly increasing electricity production by approximately 50 % until year 2040.<sup>12</sup>

In their own production operations, the SBO subsidiaries pay attention to the efficient use of resources such as energy or water and continuously upgrade measures to keep their CO<sub>2</sub> footprint structurally low.

<sup>12</sup> IEA World Energy Outlook 2020, Stated Policies Scenario.



## SUSTAINABLE GROWTH AND PROFITABILITY

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The focus of the SBO Group is on long-term, sustainable growth which is also at the core of its strategy. We pursue a selective niche strategy and grow organically, through research and development and through acquisitions, provided these form a meaningful extension of our portfolio. In doing so, we take a particularly far-sighted and responsible approach, enabling us to maintain and expand our sound market position continuously. Our approach, even in a year like 2020, when a global recession triggered by the COVID-19 pandemic prevailed, is to ensure a high level of financial flexibility. We engage in active cash management, allowing us to pursue our strategy of sustainable growth even in times of crisis.

### ORGANIC GROWTH

We aim to continuously expand our business areas and drive forward the market penetration of our products worldwide. Despite the prevailing market conditions in 2020, SBO subsidiaries focused on pushing ahead with the internationalization of the North American product offering.

The SBO Group further broadened its expertise in Direct Metal Laser Sintering (DMLS), an innovative 3D metal printing technology, in 2020. We operate one of the world's largest DMLS centers in our industry. To gradually establish and expand this business segment, we launched the new Diversified Methods and Industries (DMI) initiative that aims at using the skills of a dedicated team to drive the growth of our DMLS business, and the associated services and offering connected to it, in other industries as well.

One example is the aerospace sector, for which the SBO Group has been certified since 2016. Therefore it is possible to supply the demanding aerospace industry with special parts made of stainless steel.

## RESEARCH AND DEVELOPMENT

One of the core competences of the SBO Group is its ongoing commitment to research and development (R&D). Even in a crisis-ridden year like 2020 requiring numerous cost-cutting measures, we did not cut back on spending for innovations. They will help our subsidiaries to provide our customers with new products and services and expand our market lead in line with the market recovery.

This is why we pushed ahead with our innovations in 2020:

**Direct Metal Laser Sintering (DMLS)** – We are part of a three-phase research project for the aerospace and aeronautics industry dedicated to the production of a new type of material that is to be introduced across industries. We have also developed a high-precision manufacturing machine for 3D printing, the first in the world to have a one-meter Z axis. This will allow us to 3D-print large parts, opening up more markets.

**Smart Dart System** – The innovative Smart Dart system, which combines the benefits of both an efficient Plug-n-Perf and Sliding Sleeve solution for well completion, was launched on the market. Early in 2021, the portfolio of Smart Dart options was further expanded with a limited-entry system featuring a single dart that opens multiple sleeves in a frac phase.

**Dissolvable Plugs** – In well completion, a new approach was developed for a dissolvable plug that better suits current market conditions. This will provide us with an easy-to-use, optimized-design and cost-efficient plug to complement our program for this field of application.

With its **HydraFlow**, SBO has developed a hydraulically activated thru-tubing multiple activation bypass tool that can be activated and deactivated without using balls, darts, RFID chips or electronic pulses. Operators achieve effective well cleaning and well management while maintaining high downhole flow rates.

The **PBL BOOSTER Bypass Tool** is used for controlled distribution of the drilling and completion fluid within the drill string.

These examples and many other innovations under development in our global network demonstrate that we are actively working to maintain our quality leadership.

## ACQUISITIONS

Selective acquisitions in attractive niches for the SBO Group round off our sustainable growth strategy. In the past two decades, we were gradually uniting numerous successful subsidiaries under the umbrella of the SBO Group. We are constantly screening the market for acquisition candidates that could be a meaningful addition to our capabilities in our niches. We are searching for applications in and outside the oil and gas industry to expand our business sustainably.



## ENVIRONMENTAL CONCEPT

As a provider of sophisticated manufacturing processes, our group of companies places high value to minimizing the footprint on the planet created by our industrial production activities. We regularly analyze our processes and their impact on the environment, identify and gradually implement potential optimizations. We report our progress on sustainable management in our regular publications. Our environmental measures are adapted to site-specific conditions. We work consistently to ensure supreme quality and to further reduce waste generation and energy and water consumption. We succeeded in doing this again in 2020: On the one hand, clearly as an effect of the decline in business caused by the COVID-19 pandemic, but on the other hand also of the specific measures that the SBO Group has actively taken to improve its ecological footprint.

## QUALITY MANAGEMENT

Our guiding principle "Quality First" is a fundamental component of our global activities and integrated in stringent quality management. As a quality and technology leader, we set ourselves the highest standards for our products and in production. We are constantly working on the reliability and performance of our products and further improvement of our production processes. Each product is specified on the basis of clearly defined characteristics and is then inspected continuously. Each production step is recorded in a quality control chart and confirmed by the employees in charge.

Our quality management accompanies the complete product life cycle and ranges from the manufacturing process to our service and repair shops, which safeguard optimal maintenance of our products. We document and analyze complaints and improve the products and processes concerned. The machines of the SBO Group meet state-of-the-art standards and are regularly measured against them. By ensuring the highest possible quality we not only maintain our competitiveness, but also strengthen our customers' trust in the SBO Group and in our subsidiaries.

In the SBO Group's high-precision production manufacturing, material-adapted and precise machining of non-magnetic specialty steels, accuracy and quality assurance are essential factors. This also includes additive manufacturing processes of metal components in 3D printing which the SBO Group intends to use to gradually open up new sectors. As global technology leader, SBO produces components such as those that are used by customers in various industries and for directional drilling for oil and gas. This technology develops reservoirs with utmost precision and achieves a high recovery rate with only one mother well over a large number of horizontal wells. Drilling motors produced by the SBO Group, are designed to be extremely reliable and powerful in achieving high penetration rates also in hard rock formations. Special tools in our range are used to clean or seal boreholes as needed during the drilling process, reducing the risk of pressure fluctuations in the drilling fluid.

Regular quality tests guarantee the compliance with the quality standards at our production sites. Many of our worldwide locations work according to the leading industry standards API Spec Q1, 7-1 and/or ISO 9001 and are audited accordingly at regular intervals. At

our Ternitz site, we have additionally obtained certification according to EN ISO 14001 (environmental management).

We have automated or digitalized work steps in the areas of quality management as well as product and process control by using up-to-date software solutions to automate processes in production that require intensive planning and are prone to errors. This saves time, reduces costs and leads to a significant increase in overall efficiency at a lower rate of defects.

To ensure that our suppliers meet the defined high quality standards of SBO they are evaluated at regular intervals with regard to the materials supplied and their certifications. In case of critical suppliers, we carry out assessments on site, first article inspection or an analysis of the origin of the product concerned. If a supplier does not meet our high standards, we will terminate the business relationship in case of doubt.

## ENERGY CONSUMPTION AND CO<sub>2</sub> EMISSIONS



The production of our products requires a lot of energy, mainly electricity. SBO's subsidiaries source electricity largely from public power grids, trying to avoid the use of generators where possible. We strive to reduce our energy consumption through ongoing efficiency

enhancement and make the best possible use of the resources applied. Our clear aim is to gradually reduce SBO's CO<sub>2</sub> emissions.

At our largest production site in Ternitz we operate a photovoltaic system with a total output of 720 kWp (kilowatt peak). Part of our electricity demand in production can therefore be covered with renewable energy, a contribution to reducing CO<sub>2</sub> emissions. We are constantly enhancing our use of resources, especially through the continuous improvement of our systems.

Total energy consumption in production in 2020 fell to 9,836.1 gigajoules (GJ), a decrease of 23.3 % from the previous year (2019: 12,825.0 GJ). Calculated carbon dioxide emissions fell by 23.5 % to 10,160.2 tonnes (2019: 13,288.3 tonnes). Therefore, both energy consumption and CO<sub>2</sub> emissions dropped, mainly due to scaled down production activities in the wake of the COVID-19 pandemic.

## ENERGY CONSUMPTION OF THE SBO GROUP

	UNIT	2020	2019
Energy consumption*	GJ	9,836.1	12,825.0
Carbon emissions	Tonnes	10,160.2	13,288.3

\* Energy consumption based on the calculation of the Umweltbundesamt (Federal Environmental Office) as at October 2017 (for more information see: <http://www5.umweltbundesamt.at/emas/co2mon/co2mon.html>)

## WATER CONSUMPTION



Since water is one of the most valuable resources in our world SBO pays great attention to its economical, efficient and careful use at all locations. The main objectives of our water management are the reduction of water consumption, efficient use of water resources and appropriate waste water treatment. As water-based emulsions are essential coolants in the machining of stainless steels, we use circulation water instead of process water for cooling machines at some production sites.

In recent years, the SBO Group has taken numerous measures to structurally reduce its water consumption. Considerable improvements have been achieved, especially at the site in Austria. In the coming years, it is planned to change over additional machines to circulating water, which should bring about further savings.

In 2020, the SBO Group used 83,687.4 cbm of water worldwide (2019: 89,947.7 cbm). Some sites source water supply simultaneously from industrial water and public water pipelines, with the main focus on industrial water. The reduction in water consumption by 7.0 % is due to the COVID-19 pandemic and the associated lower production output. In

addition, water consumption (cooling water) varies from machine to machine, and changes in water consumption may occur due to different capacity utilization.

**WATER WITHDRAWAL OF THE SBO GROUP**

	UNIT	2020	2019
Water withdrawal*	cbm	83,687.4	89,947.7
thereof industrial water	cbm	54,900.9	58,806.9
thereof water from public systems	cbm	28,786.5	31,140.8

\* Water withdrawal at the respective operating site, if identified reliably

**WASTE MANAGEMENT**



As early as when developing and selecting materials, in particular stainless steels, the SBO Group pays attention to the reduction of pollutant-containing raw materials. As a result, production rejects are largely free from pollutants and their disposal is environmentally safe. As a fundamental principle, we order materials close to limit specifications such as

shape and size, therefore requiring less material, avoiding unnecessary production waste and reducing our ecological footprint as transport volumes are kept low.

Within the SBO Group, a sound input-output ratio is achieved in most manufacturing processes. In order to minimize production waste and retain it in the value chain, we sell a large portion of steel chips from the production process as valuable raw material for steel production. Waste that cannot be reused is disposed of at all locations in accordance with the latest environmental standards. Depending on the location, lubricants such as production oils are collected during oil separation in ongoing production, filtered and reintroduced in the production cycle. Continuously increasing the recycling rate is part of the environmental management at SBO.

In 2020, 3,047.3 tonnes of total waste were generated across the Group (2019: 3,862.5 tonnes). This included 759.6 tonnes of hazardous waste, representing a share of 24.9 %. In addition to metal waste from production that is classified as hazardous under the Basel Convention, hazardous waste also includes contaminated cleaning water from tools used in drilling operations. Total waste fell by 21.1 % due to lower production activity during the COVID-19 pandemic.

## WASTE MANAGEMENT OF THE SBO GROUP

	UNIT	2020	2019**
Total waste*	Tonnes	3,047.3	3,862.5
thereof non-hazardous waste	Tonnes	2,287.7	3,005.5
thereof hazardous waste	Tonnes	759.6	857.0
Internationally shipped waste classified as hazardous (acc. to Basel Convention)	Tonnes	0.0	0.0

\* Total waste including production waste and packaging material. Hazardous waste including waste water contaminated by hazardous waste. Definition of hazardous waste based on Basel Convention

\*\* Restated due to uniform definition of "hazardous waste"



## SOCIAL AND HUMAN RESOURCES CONCEPT

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The SBO Group is convinced that its well-trained and, in many areas, even highly specialized employees are crucial to sustainable business success. The teams in the production department of SBO's subsidiaries ensure top-notch quality of our products and thus the satisfaction of our customers. We protect and promote our experienced team and provide an appealing, safe working environment. Our common core values building on mutual respect, trust and professionalism provide a sound basis for communication between our employees and management.

We create and promote equal opportunities and diversity: We hire our employees based on their qualifications and regardless of nationality, origin, ethnic and political affiliation or belief. We have established employee representation at all locations where our employees have asked us to do so. We respect the fundamental right to freedom of association in our worldwide subsidiaries and, where established, maintain a good understanding with the works council as well as the trade unions.

In an environment hit by COVID-19, we took far-reaching measures in the 2020 financial year to protect the health of our employees and ensure their highest possible safety. Strict guidelines and precautions were implemented at our production sites, including mandatory face masks, maintaining safe distances, regular disinfection, dissolving group rooms and prohibiting third-party staff from entering our premises. Delivering appropriate information and training, we raised our workforce's awareness for the importance of these measures and urged them to strict compliance. This approach aims to ensure that health risks are minimized or systematically avoided. Where feasible, we arranged for options to work from home in the administrative area. Meetings were largely switched to video conferences, and business trips were replaced by video or telephone conferences.

## HEALTH AND SAFETY AT WORK

Launching systematic measures, the SBO Group ensured that the risks of illness and health hazards in the Company were kept as low as possible throughout its worldwide network soon after the outbreak of the COVID-19 pandemic. Our pronounced goal was and remains the best possible protection of our team from infections. At some sites, we additionally offer employees COVID-19 rapid tests. We developed appropriate guidelines at an early stage and implemented them without delay to largely prevent internal COVID-19 infections in order to pro-actively avoid relevant interruptions to operations. These and other specific operating instructions help us minimize the risk of infection in the workplace.

We are committed to the standards of the Occupational Health and Safety Assessment Series (OHSAS). Apart from our internal rules for the prevention of COVID-19 infections, we have introduced a number of activities to keep our staff healthy and productive, including first aid courses for medical care in emergencies. At some sites, and in consideration of the COVID-19-preventive measures, we offer access to gyms, and in some cases we have set up separate fitness rooms.

Safety in the workplace is a top priority at SBO. We have established strict internal safety guidelines and their compliance is regularly monitored. They consist of clearly defined work processes and responsibilities, path markings and stringent instructions for the use of equipment and machinery. Employees are continuously updated on the applicable safety guidelines and local legal provisions on occupational safety. The aim is to avoid accidents and eliminate sources of accidents as far as possible. Depending on local conditions, we have appropriate checklists and emergency plans in place.

Where necessary and possible, we regularly upgrade our processes to ensure even greater safety. We encourage our employees to play an active role and take action against potentially unsafe working practices. Thanks to the consistent implementation of these measures, the number of work-related accidents is low throughout the Group. The lost time injury rate (LTIR) in 2020 was 12.9 accidents per one million working hours (2019: 11.9 accidents per one million working hours). The severity of accidents (SA) was 9.0 lost

workdays per incident (2019: 5.4 lost workdays per incident). We actively strive to keep the number of incidents low. All incidents are documented and reviewed for improvement potentials.

## SAFETY AT WORK

	UNIT	2020	2019
Lost-time incident*	Number of accidents involving lost workdays (1 day or more)	32	36
Work-related fatality	Number	0	0
Lost time injury rate (LTIR)	Number of accidents involving lost workdays (1 day or more) per 1 million working hours	13	12
Fatal accident rate (FAR)	Number of fatalities per 1 million working hours	0	0
Severity of accident (SA)	Number of lost workdays (calendar days without accident date) in relation to the number of accidents (i. e. average lost workdays)	9	5

\* Incidents included from lost time of 8 working hours

## HUMAN RESOURCES DEVELOPMENT AND FLEXIBLE WORK-TIME MODELS

The COVID-19 pandemic that prevailed in 2020 spared no continent and hardly any industry. The SBO Group also had to adapt its capacities to the decline in business. We made the necessary personnel adjustments depending on the location. In North America, where business declined the most, we had to downsize our team by more than 40 %. The Austrian location recorded largely high capacity utilization and therefore only a small reduction in the headcount. In addition, a specific model was implemented there allowing employees to accumulate overtime in strong business phases and reduce it again in times of crisis. This helps us to keep jobs and highly qualified employees as long as possible and only make selective adjustments. Despite the crisis-ridden environment we pushed ahead with training and further education in 2020 and increased the number of our apprentices to 27. Since 1 January 2021, we have used the option of short-time work for part of our workforce in Austria.

**TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT,  
GENDER AND REGION\*****31.12.2020**

<b>EMPLOYEES</b>	<b>AUSTRIA</b>	<b>NORTH AMERICA (INCLUDING MEXICO)</b>	<b>REST OF WORLD</b>	<b>TOTAL</b>
<b>Total</b>	<b>353</b>	<b>464</b>	<b>314</b>	<b>1,131</b>
<b>Status</b>				
White-collar	69	204	129	402
Blue-collar	257	260	185	702
Apprentices	27	0	0	27
<b>GENDER</b>				
Men	314	414	265	993
Women	39	50	49	138

\* Total number each as at December 31, countries defined by registered seat of the employing company

**TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT,  
GENDER AND REGION\*****31.12.2019**

<b>EMPLOYEES</b>	<b>AUSTRIA</b>	<b>NORTH AMERICA (INCLUDING MEXICO)</b>	<b>REST OF WORLD</b>	<b>TOTAL</b>
<b>Total</b>	<b>393</b>	<b>788</b>	<b>354</b>	<b>1,535</b>
<b>STATUS</b>				
White-collar	77	312	126	515
Blue-collar	293	476	228	997
Apprentices	23	0	0	23
<b>GENDER</b>				
Men	350	698	304	1,352
Women	43	90	50	183

\* Total number each as at December 31, countries defined by registered seat of the employing company

Our Company offers flexible working time models worldwide depending on the specific function. It goes without saying that we comply with local working time restrictions and regulations. Full-time and part-time employment models are offered in central work areas. In 2020, 2.7 % of our employees worked part-time (2019: 1.9 %).

### TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT AND REGION 2020

TYPE OF CONTRACT	AUSTRIA	NORTH AMERICA (INCLUDING MEXICO)	REST OF WORLD	TOTAL
<b>Total</b>	<b>353</b>	<b>464</b>	<b>314</b>	<b>1,131</b>
Full-time	338	462	300	1,100
Part-time	15	2	14	31

### TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT AND REGION 2019

TYPE OF CONTRACT	AUSTRIA	NORTH AMERICA (INCLUDING MEXICO)	REST OF WORLD	TOTAL
<b>Total</b>	<b>393</b>	<b>788</b>	<b>354</b>	<b>1,535</b>
Full-time	373	788	345	1,506
Part-time	20	0	9	29

Performance-related remuneration is an important pillar in attracting and retaining the best specialists for our company. This is why we attach great importance to sound remuneration. Depending on the success of the company, our employees receive performance-related variable remuneration in addition to their regular pay.

We not only invest financially in the employees of the SBO Group, but, in addition to mandatory schemes, also offer them ongoing training and further education programs.

We provide a productive, innovative work environment and encourage our workforce actively to make their contribution to further product development. At our site in Ternitz, we train the skilled workers of tomorrow under our apprentice program, which we have developed specifically for the tasks at SBO. SBO has repeatedly received awards for this commitment to training. In 2020, the focus clearly was on information measures and training our employees on the operational regulations for protection against the corona virus.

In 2020, the focus of training was not only on operational topics. At 48 %, the main emphasis was on health and safety, technical education and further training stood at 40 %. In addition, in-depth training was provided in applied IT (10 %). In total, 17,407 hours of training were completed.

## EDUCATION AND FURTHER TRAINING BY EMPLOYEE CATEGORY AND TRAINING FOCUS

**2020**

TOTAL HOURS	HEALTH & SAFETY	INFORMATION TECHNOLOGY	LEGAL & COMPLIANCE	TRAINING & QUALIFICATION	MANAGEMENT	ADMINISTRATION	PRODUCTION
<b>17,407</b>	48 %	10 %	2 %	40 %	7 %	19 %	74 %

## EDUCATION AND FURTHER TRAINING BY EMPLOYEE CATEGORY AND TRAINING FOCUS

**2019**

TOTAL HOURS	HEALTH & SAFETY	INFORMATION TECHNOLOGY	LEGAL & COMPLIANCE	TRAINING & QUALIFICATION	MANAGEMENT	ADMINISTRATION	PRODUCTION
<b>24,260</b>	35 %	5 %	5 %	55 %	9 %	16 %	75 %

## COMMUNITY ENGAGEMENT

For the SBO Group, partnership-based relationships with local communities are crucial. Our goal is to form strong communities and support the social environment at our sites. Therefore, it is essential for us to build and maintain mutual trust, foster respectful relationships and invest in local development. In this context, we provide financial support to organizations such as the Red Cross and other NGOs.



## CONCEPT FOR THE RESPECT FOR HUMAN RIGHTS AND FOR COMBATING CORRUPTION AND BRIBERY

### RESPECT FOR HUMAN RIGHTS

The SBO Group conducts its business operations with the highest respect for the catalogue of internationally recognized human rights. We are committed to the principles of equal opportunity and equal treatment in working life, regardless of skin color, gender, origin, nationality, ethnic or political affiliation, religion, age, sexual orientation, language or physical or psychological impairments. We regard diversity as an important factor of success and promote diversity in our industry. A detailed description of the Diversity Concept of the SBO Group is available in the Corporate Governance Report.

Executives and employees are obliged to take appropriate action to detect, prevent and mitigate potential and actual violations of human rights. Our Code of Conduct confirms that we are committed to ethical conduct and integrity and that we consistently enforce such conduct worldwide, regardless of local conditions. No human rights violations were reported in the SBO Group during the period under review.

## COMPLIANCE AND PREVENTION OF CORRUPTION

The SBO Group strives to earn the trust of stakeholders by firmly embedding transparency, predictability and an open communication policy in corporate management. Legally compliant and ethical conduct is essential to our reputation and a key factor for successful business development. The Compliance Management of the SBO Group ensures that the understanding of correct corporate governance is implemented uniformly throughout the Group and that risks and potential misconduct are identified and avoided at an early stage.

Consistent compliance and corresponding, increased training in this area prevented fraud attempts via e-mail, which we recorded more frequently in 2020. Our measures launched in the area of data protection and data security were effective. During the changeover to work-from-home schemes, the necessary equipment was promptly provided for employees.

We encourage our employees to openly address any misconduct, incidents and situations that may not comply with the Code of Conduct, and also provide anonymous communication channels such as a separate online platform established for this purpose. In the 2020 financial year, there was no notification made on the whistleblowing platform.

We pursue a zero-tolerance policy with regard to any form of bribery, fraud and corruption. Group Management is committed to actively combating corruption and bribery and to complying with relevant laws and regulations. Any behavior that is contrary to the principles of business ethics and prudent business conduct will be sanctioned harshly. These requirements are laid down in strict Group-wide guidelines and are subject to zero tolerance for both employees and business partners.

Compliance with these strict prohibitions in day-to-day business is constantly monitored. Training and professional contact persons ensure that our employees follow the Group-wide guidelines. In the period under review, no risks relating to corruption or bribery were identified at SBO. Furthermore, no official measures were taken with regard to potential corruption offences nor were legal claims asserted for breach of regulations.

*"Since 2005, we have been committed to the Austrian Code of Corporate Governance and have consistently followed and implemented these rules. In this way we contribute to strengthening confidence in Austrian companies and the Austrian capital market."*



# CORPORATE GOVERNANCE REPORT

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (SBO) has committed itself to comply with the Austrian Corporate Governance Code since 2005 and has consistently implemented its rules. The Austrian Corporate Governance Code is a set of rules meeting international standards for responsible management and governance of companies. By observing the Austrian Governance Code, SBO makes a contribution to strengthen trust in Austrian companies and the Austrian capital market.

The Austrian Corporate Governance Code, as amended in January 2021 and applicable to this report, is accessible on the website of the Austrian Working Group for Corporate Governance at [www.corporate-governance.at](http://www.corporate-governance.at).

SBO complies with the Austrian Corporate Governance Code. The rules of the Code are subdivided into three categories:

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**First:** L-Rules (Legal Requirements): They describe mandatory legal requirements that must be complied with by law.

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**Second:** C-Rules (Comply or Explain): This category contains customary international provisions; non-compliance must be explained.

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**Third:** R-Rules (Recommendation): These rules are recommendations only; non-compliance requires neither disclosure nor explanation.

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SBO complies fully with the mandatory legal requirements (L-Rules). The disclosure requirements according to L-Rules 29a and 50 with respect to the remuneration of members of the Executive Board and the Supervisory Board, will be met in the remuneration report.

Regarding the 2020 financial year, SBO had to prepare both a consolidated and a non-consolidated Corporate Governance Report. Pursuant to Section 267b in conjunction with Section 251 (3) UGB (Austrian Business Code), these reports may be merged into one report. Therefore, this report contains the data required pursuant to Section 243c UGB as regards both the parent company (SBO) and the subsidiaries of SBO included in consolidation. The Diversity Concept according to Section 243c (2) (3) UGB is described in the subchapter "Diversity Concept".

## EXPLAIN

SBO largely complies with the C-Rules. Deviations are explained as follows (according to the guidelines under Annex 2b to the Austrian Corporate Governance Code):

### C-Rule 27

The Rule stipulates, inter alia, that contracts with members of the Executive Board shall contain provisions to the effect that companies may reclaim variable remuneration components if it becomes clear that the member concerned has received them on the basis of false data. The provision to reclaim variable remuneration components from members of the Executive Board does not exist currently. New contracts and prolongations of contracts will, however, contain provisions in line with C-Rule 27 of the Austrian Corporate Governance Code, if it becomes clear that payment has been made based on evidently false data ("Clawback").

### C-Rule 28

The remuneration of 6,000 SBO shares per year agreed with Gerald Grohmann, Chairman of the Executive Board, is subject to a two-year restriction on disposal and encumbrance (instead of at least three years). In the opinion of the Supervisory Board, the objectives of C-Rule 28 are also achieved with a two-year retention period.

### C-Rule 39

The Rule provides, inter alia, that a committee of the Supervisory Board shall be authorized to take decisions in urgent cases. As the Supervisory Board of SBO has only a limited number of members and took decisions promptly in urgent cases in the past, SBO has not set up such a committee. As it is always the full Supervisory Board that deals with such matters, this ensures that the expertise of all members of the Supervisory Board is taken into account in its decisions in urgent cases as well.

### C-Rule 41

In line with the Austrian Corporate Governance Code, the function of the Nomination Committee is exercised by the joint Nomination and Remuneration Committee, instead of a Nomination Committee established separately from the Remuneration Committee. As the Executive Board consists of only two members and the Nomination and Remuneration Committee is responsible for all other issues related to the Executive Board, this appears to be appropriate for efficiency purposes.

## THE EXECUTIVE BOARD

The rules of procedure for the Executive Board govern the composition and working method of the Executive Board, cooperation between the Executive Board and the Supervisory Board, the procedure in the event of conflicts of interest, information and reporting duties of the Executive Board and the approval requirements of the Supervisory Board which also extend to the material business transactions of the major subsidiaries. The Executive Board consists of two members whose allocation of responsibilities is regulated as described below. Fundamental decisions are the responsibility of

the full Executive Board. These include, in particular, the specification of the company's objectives and definition of the corporate strategy. As a rule, the Executive Board holds meetings at least once a week to provide each other with information and adopt resolutions. The members of the Executive Board are obliged to keep each other informed of all important events and business transactions.

In the 2020 financial year the Executive Board was composed of the following members:

	<b>YEAR OF BIRTH</b>	<b>DATE OF FIRST APPOINTMENT</b>	<b>END OF CURRENT TERM OF OFFICE</b>
Gerald Grohmann Chief Executive Officer	1953	3 October 2001	31 December 2021
Klaus Mader Chief Financial Officer	1970	1 October 2015	30 September 2023

Since 24 March 2020, Gerald Grohmann has held one Supervisory Board mandate each at Berndorf AG,

Berndorf Immobilien AG and Berndorf Automotive AG.

### Allocation of responsibilities

Allocation of responsibilities and cooperation of the members of the Executive Board are governed by the rules of procedure for the Executive Board.

The Executive Board has not set up any committees. The areas of responsibility allocated to the members of the Executive Board have been laid down by the Supervisory Board as follows, notwithstanding the collective responsibility of the Executive Board:

Gerald Grohmann	Strategy, marketing, technology, public relations, sustainability, compliance
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Klaus Mader	Finance and accounting, human resources and legal matters, digitalization
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As representatives of the SBO parent company, the members of the Executive Board perform a supervisory function at the subsidiaries included in consolidation

(see consolidated financial statements), similar to that of a supervisory board function in Austrian stock corporations, but no management or executive function.

## THE SUPERVISORY BOARD

In the 2020 financial year, the Supervisory Board was composed of five members elected by the Annual General Meeting:

	<b>YEAR OF BIRTH</b>	<b>DATE OF FIRST APPOINTMENT</b>	<b>END OF CURRENT TERM OF OFFICE</b>
Norbert Zimmermann Chairman	1947	10 April 1995	2022
Brigitte Ederer Deputy Chairwoman	1956	23 April 2014	2024
Helmut Langanger	1950	29 April 2003	2024
Karl Schleinzner*	1946	24 May 1995	2020
Wolfram Littich	1959	27 April 2016	2021
Sonja Zimmermann	1972	24 April 2018	2023

\* Karl Schleinzner has retired from the Supervisory Board upon conclusion of the Annual General Meeting 2020.

According to the articles of association of SBO, each year one member of the Supervisory Board retired from the Supervisory Board at the end of the Annual General Meeting, safeguarding effective control by the shareholders. The retiring member can be reelected immediately.

Other seats in supervisory boards or comparable functions in Austrian or foreign listed companies are disclosed as follows:

	COMPANY	FUNCTION
Norbert Zimmermann	-	-
Brigitte Ederer	Marinomed Biotech AG	Member of the Board of Directors as Non-Executive Director
Helmut Langanger*	-	-
Karl Schleinzer**	-	-
Wolfram Littich	-	-
Sonja Zimmermann	Bank für Tirol und Vorarlberg Aktiengesellschaft	Member of the Board of Directors as Non-Executive Director

\* The Supervisory Board mandate at EnQuest plc ended on 31 March 2020

\*\* Retired

No member of the Supervisory Board holds a management or supervisory function in one of the subsidiaries of the SBO Group included in consolidation.

### Working method of the Supervisory Board

In exercising its functions, in particular monitoring and strategic support of the Executive Board, the Supervisory Board discusses the situation and targets of the Company and adopts resolutions.

The rules of procedure for the Supervisory Board govern in detail the composition, working method and tasks of the Supervisory Board, the procedure in conflicts of interest, and all committees (Audit Committee, Nomination and Remuneration Committee) and their responsibilities.

The Supervisory Board held five meetings in the period under review. Moreover, the Executive Board submitted several oral and written reports to the Supervisory Board to inform about the development of business and the situation of the Company and the Group companies.

The main focus of discussions was on the strategic orientation and development of the Group and on major business transactions and measures taken.

All members of the Supervisory Board personally attended more than half of the meetings of the Supervisory Board in the period under review.

### Committees

The Supervisory Board appoints the members of the Audit Committee and the Nomination and Remuneration Committee from among its members.

No separate Strategy Committee nor a committee to take decisions in urgent cases has been set up; pertinent matters are dealt with by the Supervisory Board collectively.

The committees are elected for the terms of office of their members. Each committee elects a chairman among from its members.

## Audit Committee

The Audit Committee is responsible for reviewing and preparing the adoption of the annual financial statements, the proposal for the distribution of profits and the management report. The Audit Committee also reviews the consolidated financial statements. In particular, it is also responsible for monitoring the accounting process, the effectiveness of the internal control and risk management system, the independence and activities of the auditor (group auditor) and for approving non-audit services. It carries out the procedure for selecting the auditor (group auditor), taking into account the appropriateness of the fee, and makes a recommendation to the Supervisory Board for the auditor's appointment.

Members: **Norbert Zimmermann (Chairman)**  
**Wolfram Littich**  
**Sonja Zimmermann**

The Audit Committee held two meetings in the year under review, at which topics relating in particular to the annual financial statements and consolidated financial statements, the internal control system and risk management were discussed.

The effectiveness of the risk management system was assessed by an independent audit firm. The auditor's report on the assessment of the effectiveness of risk management was discussed by the Audit Committee.

## Nomination and Remuneration Committee

The Nomination and Remuneration Committee deals with matters relating to the remuneration of the members of the Executive Board and of the Supervisory Board and the terms and conditions of the employment contracts concluded with members of the Executive Board. Furthermore, it submits to the Supervisory Board proposals to fill vacant positions in the Executive Board and deals with issues of succession planning. Unless allocated mandatorily to the responsibilities of the full Supervisory Board, the Nomination and Remuneration Committee is responsible for the following matters:

- a. negotiation, conclusion, amendment and termination of employment contracts with the members of the Executive Board, but not the appointment and dismissal of Executive Board members under company law
- b. establishment of the principles for the remuneration of members of the Executive Board (remuneration policy) as well as the determination of the specific remuneration components to be granted, including the underlying targets
- c. preparation of the remuneration report on the remuneration of the members of the Executive Board
- d. approval of the granting of a loan to a member of the Executive Board by the Company
- e. granting of an exemption from the non-competition clause

f. establishment of the principles for the remuneration of the members of the Supervisory Board (remuneration policy)

g. preparation of the remuneration report on the remuneration of the members of the Supervisory Board

Members: **Norbert Zimmermann (Chairman)**  
**Helmut Langanger\***  
**Karl Schleinzer\*\***  
**Sonja Zimmermann**

\* Helmut Langanger was appointed as a member of the Company's Nomination and Remuneration Committee at the constituent Supervisory Board meeting on 23 April 2020

\*\* Retired

In the year under review, the Nomination and Remuneration Committee held one meeting.

## Independence

Regarding independence criteria in accordance with C-Rule 53, the Supervisory Board follows the guidelines contained in Annex 1 of the Austrian Corporate Governance Code. According to the criteria to be used for determining independence pursuant to C-Rule 53 under Annex 1 to the Austrian Code of Corporate Governance, the following members of the Supervisory Board are deemed to be independent of the Company and its Management Board:

**Norbert Zimmermann**  
**Brigitte Ederer**  
**Wolfram Littich**  
**Sonja Zimmermann**

Therefore, the Supervisory Board is an independent body.

Brigitte Ederer and Wolfram Littich represent the interests of small shareholders in the Supervisory Board within the meaning of C-Rule 54 in conjunction with the criteria of independence defined by the Supervisory Board.

In the past year, no agreements requiring approval were in effect with members of the Supervisory Board or companies in which a member of the Supervisory Board held a considerable economic interest. The legal advisory services of the law firm Schleinzer & Partner, of which Karl Schleinzer is a partner, were provided by the latter on the basis of an authorization already granted in the past. The scope of activities provided by Supervisory Board member Karl Schleinzer to the Company as a legal advisor in the 2020 financial year is to be classified as not significant in accordance with Appendix 1 to the Austrian Corporate Governance Code (for details see the notes to the consolidated financial statements). Karl Schleinzer retired from the Supervisory Board upon conclusion of the Annual General Meeting 2020.

## MEASURES TO PROMOTE WOMEN

In the 2020 financial year, the share of men and women on the Executive Board and Supervisory Board was as follows:

### EXECUTIVE BOARD AND SUPERVISORY BOARD\*

	2020				2019			
	GENDER				GENDER			
	WOMEN		MEN		WOMEN		MEN	
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
Supervisory Board	2	40 %	3	60 %	2	33 %	4	67 %
Executive Board	0	0 %	2	100 %	0	0 %	2	100 %

\* Total number each as at 31 December

Since 2018, the Act on the Equal Status of Women and Men in the Supervisory Board (GFMA-G) has stipulated a mandatory gender quota of at least 30 % for new Supervisory Board members, rounded to full numbers of persons, provided that the Supervisory Board consists of at least six members (shareholder representatives) and at least 20 % of the workforce are female or male employees. With the re-appointment of Brigitte Ederer as member of the Supervisory Board of the Company in the year 2019, the quota was maintained, as two

of the total of five seats on the Supervisory Board are occupied by women. Hence, the objectives described in the chapter "Diversity Concept" were continued as well.

SBO has a very lean corporate structure with equally lean hierarchies. Accordingly, we do not use the term "senior executives" and refrain from reporting in this regard. It would be distorting to mention only the managing directors of the subsidiaries.

# DIVERSITY CONCEPT

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The cyclical industry environment of the oilfield service industry is a constant challenge to the management and supervisory bodies of SBO and of the subsidiaries included in consolidation. Massive periodic fluctuations of demand for the products of the Company require vast managerial expertise and understanding of the forces prevailing in this sector. Additionally, the international positioning of the Company calls for a cautious approach to the cultural situation in the various markets.

Regarding the composition of the Executive Board and the Supervisory Board of the Company, the Company does not apply a Diversity Concept within the meaning of Section 243c (2) (3) UGB (Austrian Commercial Code), as the sustained implementation of such a concept would lead to significant restrictions for a company operating in the oilfield service industry. Instead, the two qualitative criteria of "key competence" and "experience", their maintenance and expansion, have been defined as material for filling positions in management and supervisory bodies. All individuals in the Supervisory Board are renowned experts in their

respective fields, sharing their expertise in the meetings of the Supervisory Board. It spans from pertinent experience in the industry, cross-sectoral supervisory and/or managerial experience to qualifications in specific subject matters. Additionally, shareholders request a minimum of interpersonal homogeneity and loyalty ensuring a systematic pursuit of SBO's sustainable growth strategy. This request reaches far beyond prescribing explicit gender quotas. Nevertheless, SBO shares the view that when different generations, genders and cultures meet, such is important for further corporate development. For many years, it has been daily practice at SBO to make judgments on equal terms and beyond hierarchical structures. This is why new appointments for positions are guided both by professional qualifications and the human component.

In the 2020 financial year, the Diversity Concept was reflected across the entire SBO Group as follows: When hiring new employees, attention was paid to maintain a diversified and high-performing team. The share of newly hired staff above 50 years of age was 12 %.

**NEW HIRES BY GENDER AND AGE\*****2020**

	AGE							
	< 30		30 - 50		> 50		TOTAL	
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
Men	79	42 %	88	47 %	21	11 %	188	87 %
Women	12	43 %	12	43 %	4	14 %	28	13 %
<b>Total</b>	<b>91</b>	<b>42 %</b>	<b>100</b>	<b>46 %</b>	<b>25</b>	<b>12 %</b>	<b>216</b>	

\* New hires including permanent hires and personnel taken over from other SBO companies

**NEW HIRES BY GENDER AND AGE\*****2019**

	AGE							
	< 30		30 - 50		> 50		TOTAL	
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
Men	161	37 %	220	51 %	54	12 %	435	91 %
Women	16	38 %	20	48 %	6	14 %	42	9 %
<b>Total</b>	<b>177</b>	<b>37 %</b>	<b>240</b>	<b>50 %</b>	<b>60</b>	<b>13 %</b>	<b>477</b>	

\* New hires including permanent hires and personnel taken over from other SBO companies

The Group-wide share of women in new hires in 2019 was 13 %, and the share of women in the overall workforce at the end of the year came to 12 %.

Moreover, it seems that the oilfield service industry in general is less attractive to women.

**TOTAL NUMBER OF EMPLOYEES BY GENDER AND AGE\*****2020**

	AGE							
	< 30		30 - 50		> 50		TOTAL	
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
Men	182	18 %	589	60 %	222	22 %	993	88 %
Women	18	13 %	89	65 %	31	22 %	138	12 %
<b>Total</b>	<b>200</b>	<b>18 %</b>	<b>678</b>	<b>60 %</b>	<b>253</b>	<b>22 %</b>	<b>1,131</b>	

\* Total number each as at 31 December

**TOTAL NUMBER OF EMPLOYEES BY GENDER AND AGE\*****2019**

	AGE							
	< 30		30 - 50		> 50		TOTAL	
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
Men	284	21 %	783	58 %	285	21 %	1,352	88 %
Women	38	21 %	111	60 %	34	19 %	183	12 %
<b>Total</b>	<b>322</b>	<b>21 %</b>	<b>894</b>	<b>58 %</b>	<b>319</b>	<b>21 %</b>	<b>1,535</b>	

\* Total number each as at 31 December

The low attractiveness of the industry to women is clearly reflected in terms of the respective activity. Women accounted for 25 % of white-collar workers and

only 5 % of blue-collar workers (including apprentices). In yearly comparison, the proportion of women was slightly higher in comparison to the previous year.

**TOTAL NUMBER OF EMPLOYEES BY GENDER AND AGE\*****2020**

	TYPE OF EMPLOYMENT							
	FEMALE WHITE-COLLAR / MALE WHITE-COLLAR		FEMALE BLUE-COLLAR / MALE BLUE-COLLAR		APPRENTICE		TOTAL	
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
Men	303	75 %	664	95 %	26	96 %	993	88 %
Women	99	25 %	38	5 %	1	4 %	138	12 %
<b>Total</b>	<b>402</b>		<b>702</b>		<b>27</b>		<b>1,131</b>	

\* Total number each as at 31 December

**TOTAL NUMBER OF EMPLOYEES BY GENDER AND AGE\* 2019**

	TYPE OF EMPLOYMENT							
	FEMALE WHITE-COLLAR / MALE WHITE-COLLAR		FEMALE BLUE-COLLAR / MALE BLUE-COLLAR		APPRENTICE		TOTAL	
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
Men	399	77 %	931	93 %	22	96 %	1,352	88 %
Women	116	23 %	66	7 %	1	4 %	183	12 %
<b>Total</b>	<b>515</b>		<b>997</b>		<b>23</b>		<b>1,535</b>	

\* Total number each as at 31 December

Regarding the international appointment of executives, professional and corporate culture aspects play a key role. All managing directors at SBO's subsidiaries look back on many years of experience in the industry. As far as possible, second-level management and controlling positions are held predominantly by nationals of the countries where the sites are located.

## REPORT ABOUT THE EXTERNAL EVALUATION

C-Rule 62 Austrian Corporate Governance Code (ACGC) provides for a voluntary external evaluation of compliance with the C-Rules of the Code at least every three years. SBO commissioned DORDA Rechtsanwälte GmbH with the evaluation for the 2019 financial year, excluding evaluation of C-Rules 77 to 83 ACGC. The evaluation showed that SBO complied with the C-Rules of the ACGC in accordance with the declaration of compliance issued by SBO.

*"In 2020, we generated a strong cashflow, had a high liquidity position and recorded a net liquidity at year-end."*



# CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS _____	
CONSOLIDATED PROFIT AND LOSS STATEMENT	71
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	72
CONSOLIDATED BALANCE SHEET	73
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	75
CONSOLIDATED CASHFLOW STATEMENT	76
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	77
AUDITOR'S REPORT _____	163
REPORT OF THE SUPERVISORY BOARD ON THE 2020 FINANCIAL YEAR _____	169
FINANCIAL STATEMENTS _____	172
BESTÄTIGUNGSVERMERK ZUM JAHRESABSCHLUSS _____	210
STATEMENT OF ALL LEGAL REPRESENTATIVES _____	216

# CONSOLIDATED PROFIT AND LOSS STATEMENT

IN TEUR	NOTE	2020	2019
<b>Sales</b>	24	<b>291,159</b>	<b>445,256</b>
Cost of goods sold	25	-225,086	-312,690
<b>Gross profit</b>		<b>66,073</b>	<b>132,566</b>
Selling expenses	25	-21,112	-27,493
General and administrative expenses	25	-38,817	-39,821
Other operating expenses	26	-18,226	-12,915
Other operating income	26	6,454	8,507
<b>Profit from operations before impairments and restructuring measures</b>		<b>-5,628</b>	<b>60,844</b>
Restructuring gains	27	0	746
Restructuring losses	27	-2,146	-914
Impairment of property, plant and equipment	9,12	-1,665	-485
Impairment of goodwill and other intangible assets	9	-12,995	0
Impairment of current assets	7	-5,529	0
<b>Profit / loss from operations after impairments and restructuring measures</b>		<b>-27,963</b>	<b>60,191</b>
Interest income	28	1,574	3,598
Interest expenses	28	-4,823	-8,699
Other financial income		16	0
Other financial expenses	29	0	-10,900
Gains / losses from remeasurement of option liabilities	20	0	3,699
<b>Financial result</b>		<b>-3,233</b>	<b>-12,302</b>
<b>Profit / loss before tax</b>		<b>-31,196</b>	<b>47,889</b>
Income taxes	30	9,496	-15,560
<b>Profit / loss after tax</b>		<b>-21,700</b>	<b>32,329</b>
Average number of shares outstanding		15,775,631	15,953,973
<b>EARNINGS PER SHARE IN EUR (BASIC = DILUTED)</b>		<b>-1.38</b>	<b>2.03</b>

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN TEUR	NOTE	2020	2019
<b>Profit / loss after tax</b>		<b>-21,700</b>	<b>32,329</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>			
Currency translation adjustment - subsidiaries	23	-31,291	8,412
Currency translation adjustment - other items <sup>1</sup>	23	-4,890	482
Income tax effect	30	0	0
<b>Total Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>-36,181</b>	<b>8,894</b>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>			
Remeasurement gains (losses) on defined benefit plans	18	64	-801
Income tax effect	30	-16	200
<b>Total Other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>48</b>	<b>-601</b>
<b>Other comprehensive income, net of tax</b>		<b>-36,133</b>	<b>8,293</b>
<b>TOTAL COMPREHENSIVE INCOME, NET OF TAX</b>		<b>-57,833</b>	<b>40,622</b>

<sup>1</sup> Mainly the result from translation differences from net investments in foreign entities such as long-term receivables

# CONSOLIDATED BALANCE SHEET

## ASSETS

IN TEUR	NOTE	31.12.2020	31.12.2019
<b>Current assets</b>			
Cash and cash equivalents		313,950	265,211
Trade receivables	5	54,252	112,257
Income tax receivables		3,227	264
Other receivables and other assets	6	4,862	7,147
Assets held for sale	12	2,215	3,301
Inventories	7	114,015	141,956
<b>Total current assets</b>		<b>492,521</b>	<b>530,136</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	121,362	146,647
Goodwill	9	117,708	140,435
Other intangible assets	9	14,463	26,271
Long-term receivables and assets	10	3,930	5,235
Deferred tax assets	11	27,903	25,885
<b>Total non-current assets</b>		<b>285,366</b>	<b>344,473</b>
<b>TOTAL ASSETS</b>		<b>777,887</b>	<b>874,609</b>

# CONSOLIDATED BALANCE SHEET

## LIABILITIES AND EQUITY

IN TEUR	NOTE	31.12.2020	31.12.2019
<b>Current liabilities</b>			
Liabilities to banks	13	33,938	31,052
Current portion of long-term loans	17	25,236	47,596
Lease liabilities	21	2,222	2,595
Trade payables		17,072	24,736
Government grants	14	215	319
Income tax payable		1,191	7,392
Other liabilities	15, 20	138,415	155,518
Other provisions	16	6,562	3,014
<b>Total current liabilities</b>		<b>224,851</b>	<b>272,222</b>
<b>Non-current liabilities</b>			
Long-term loans	17	245,312	206,683
Lease liabilities	21	5,125	5,899
Government grants	14	89	304
Provisions for employee benefits	18	6,859	6,862
Other liabilities	19	8,484	11,858
Deferred tax liabilities	11	129	695
<b>Total non-current liabilities</b>		<b>265,998</b>	<b>232,301</b>
<b>Equity</b>			
Share capital	22	15,723	15,955
Capital reserve		62,780	68,902
Legal reserve	23	785	785
Other reserves		19	19
Currency translation reserve	23	-3,747	32,434
Retained earnings	23	211,478	251,991
<b>Total equity</b>		<b>287,038</b>	<b>370,086</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>777,887</b>	<b>874,609</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 2020

IN TEUR	SHARE CAPITAL	CAPITAL RESERVE	LEGAL RESERVE	OTHER RESERVES	CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
NOTE	22		23		23	23	
<b>1 January 2020</b>	<b>15,955</b>	<b>68,902</b>	<b>785</b>	<b>19</b>	<b>32,434</b>	<b>251,991</b>	<b>370,086</b>
Profit / loss after tax						-21,700	-21,700
Other comprehensive income, net of tax					-36,181	48	-36,133
<b>Total comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-36,181</b>	<b>-21,652</b>	<b>-57,833</b>
Dividend payment <sup>1</sup>						-18,861	-18,861
Acquisition of treasury shares	-238	-6,442					-6,680
Share-based payment	6	320					326
<b>31 December 2020</b>	<b>15,723</b>	<b>62,780</b>	<b>785</b>	<b>19</b>	<b>-3,747</b>	<b>211,478</b>	<b>287,038</b>

<sup>1</sup> The dividend per share amounted to EUR 1.20.

## 2019

IN TEUR	SHARE CAPITAL	CAPITAL RESERVE	LEGAL RESERVE	OTHER RESERVES	CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
NOTE	22		23		23	23	
<b>1 January 2019</b>	<b>15,949</b>	<b>68,303</b>	<b>785</b>	<b>19</b>	<b>23,540</b>	<b>236,218</b>	<b>344,814</b>
Profit after tax						32,329	32,329
Other comprehensive income, net of tax					8,894	-601	8,293
<b>Total comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,894</b>	<b>31,728</b>	<b>40,622</b>
Dividend payment <sup>1</sup>						-15,955	-15,955
Share-based payment	6	599					605
<b>31 December 2019</b>	<b>15,955</b>	<b>68,902</b>	<b>785</b>	<b>19</b>	<b>32,434</b>	<b>251,991</b>	<b>370,086</b>

<sup>1</sup> The dividend per share amounted to EUR 1.00.

# CONSOLIDATED CASHFLOW STATEMENT

IN TEUR	NOTE	2020	2019
Profit / loss after tax		-21,700	32,329
Depreciation, amortization and impairments		55,036	48,390
Adjustment for dividends relating to put / call options	29	0	10,665
Change in provisions for employee benefits		-3	1,107
Gain / loss from sale of property, plant and equipment		-844	-241
Income from release of government grants		-319	-338
Other non-cash expenses and revenues		9,111	-2,877
Change in deferred taxes		-4,719	-609
<b>Cashflow from profit</b>		<b>36,562</b>	<b>88,426</b>
Expenditures for the acquisition of non-controlling interests	20	-86	-21,192
Change in trade receivables		52,944	15,600
Change in other receivables and other assets		-976	2,166
Change in inventories		18,610	7,121
Change in trade payables		-5,573	2,372
Change in option liabilities		0	-3,699
Change in other liabilities and provisions		-7,141	7,352
<b>Cashflow from operating activities</b>	39	<b>94,340</b>	<b>98,146</b>
Expenditures for property, plant and equipment		-16,131	-31,363
Expenditures for intangible assets		-104	-137
Change in payables for capital expenditure		-618	708
Expenditures for the acquisition of non-controlling interests	20	0	-8,946
Proceeds from sale of property, plant and equipment		2,641	5,418
<b>Cashflow from investing activities</b>	39	<b>-14,212</b>	<b>-34,320</b>
<b>Free Cashflow</b>		<b>80,128</b>	<b>63,826</b>
Acquisition of treasury shares	22	-6,680	0
Dividend payment		-18,861	-15,955
Repayment of lease liabilities		-2,165	-2,961
Dividends paid relating to put / call options		0	-2,186
Change in liabilities to banks		3,509	-739
Proceeds from long-term loans	17	82,468	0
Repayments of long-term loans	17	-66,096	-18,309
Repayments of other long-term liabilities		-1,836	-3,789
<b>Cashflow from financing activities</b>	39	<b>-9,661</b>	<b>-43,939</b>
<b>Change in cash and cash equivalents</b>		<b>70,467</b>	<b>19,887</b>
Cash and cash equivalents at the beginning of the year		265,211	241,532
Effects of exchange rate changes on cash and cash equivalents		-21,728	3,792
<b>Cash and cash equivalents at the end of the year</b>	39	<b>313,950</b>	<b>265,211</b>
<a href="#">Supplementary information on operating cashflow</a>			
Interest received		1,244	4,100
Interest paid		-4,759	-4,981
Income tax paid		-4,545	-11,569

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## NOTE 1

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### GENERAL INFORMATION ON THE COMPANY

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (the Company, SBO) with its registered office at Hauptstrasse 2, 2630 Ternitz, was founded on 26 May 1994 in Ternitz, Austria and is registered in the Commercial Register at the Wiener Neustadt Commercial Court under no. 102999w.

The purpose of the Company is the industrial production of components and parts for the oil and gas industry, primarily for drilling and completion applications and the provision of services in these areas.

The Company's shares have been listed on the Vienna Stock Exchange since 27 March 2003.

## NOTE 2

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### ACCOUNTING PRINCIPLES

The consolidated financial statements as at 31 December 2020 were prepared in accordance with the principles of the International Financial Reporting Standards (IFRS) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. The additional requirements of Section 245a (1) of the Austrian Commercial Code (Unternehmensgesetzbuch, 'UGB') were also adhered to.

These consolidated financial statements of SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft and its subsidiaries for the 2020 financial year (reporting date: 31 December 2020) were released for publication by the Executive Board on 2 March 2021.

The consolidated financial statements are prepared in euro. Unless otherwise indicated, all values are rounded to thousands of euros (TEUR). The use of automated calculation aids may result in rounding differences in the totals of rounded amounts and percentage figures.

## NOTE 3

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### SCOPE OF CONSOLIDATION

In addition to SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft as the ultimate parent, 33 (previous year: 34) subsidiaries are included in the consolidated financial statements as at 31 December 2020:

COMPANY	LOCATION	INTEREST HELD DIRECTLY OR INDIRECTLY IN %	INTEREST HELD DIRECTLY OR INDIRECTLY IN %
		31.12.2020	31.12.2019
SCHOELLER-BLECKMANN Oilfield Technology GmbH	Ternitz, AT	100.00	100.00
Schoeller-Bleckmann Beteiligungs GmbH	Ternitz, AT	100.00	100.00
Schoeller-Bleckmann America Inc.	Wilmington, US	100.00	100.00
Knust-Godwin LLC	Houston, US	100.00	100.00
Schoeller-Bleckmann Energy Services L.L.C.*	Lafayette, US	97.00	97.00
Schoeller-Bleckmann Sales Co. L.L.C.	Houston, US	100.00	100.00
The WellBoss Company, LLC**	Houston, US	100.00	100.00
BICO Drilling Tools Inc.*	Houston, US	98.45	97.85
BICO DRILLING TOOLS FZE*	Dubai, UAE	98.45	97.85
BICO Faster Drilling Tools Inc.*	Nisku, CA	90.57	87.09
The WellBoss Company, Inc.	Calgary, CA	100.00	100.00
Schoeller-Bleckmann Oilfield Equipment (UK) Limited	Rotherham, UK	100.00	100.00
Darron Tool and Engineering Limited	Rotherham, UK	100.00	100.00
Darron Oil Tools Limited	Rotherham, UK	100.00	100.00
Schoeller-Bleckmann Darron Limited*	Aberdeen, UK	95.00	95.00
Schoeller-Bleckmann Darron (Aberdeen) Limited*	Aberdeen, UK	94.00	94.00
Techman Engineering Limited	Chesterfield, UK	100.00	100.00
Schoeller-Bleckmann (UK) Limited	Chesterfield, UK	100.00	100.00
OOO "Schoeller-Bleckmann"	Noyabrsk, RU	99.00	99.00
DSI FZE	Dubai, UAE	100.00	100.00
Schoeller Bleckmann Saudi LLC	Al-Khobar, KSA	100.00	100.00
DSI PBL de Mexico S. A. de C. V.	Villahermosa, MX	100.00	100.00
ADRIANA HOLDING COMPANY LIMITED*	Dubai, UAE	99.00	99.00
Schoeller Bleckmann do Brasil, Ltda.	Macaé, BR	100.00	100.00
Knust-SBD Pte. Ltd.	Singapore, SG	100.00	100.00
Schoeller-Bleckmann Oilfield Equipment Middle East FZE	Dubai, UAE	100.00	100.00
Schoeller-Bleckmann Oilfield Equipment Vietnam Co., Ltd.	Binh Duong, VN	100.00	100.00

\* Refer to Note 19 for details on shares held by the management of these companies.

\*\* Refer to Note 20 for details on shares relating to prior year's option agreement.

The interest in each company corresponds to the voting rights. Therefore, control of the subsidiary is derived directly from the interest held.

The following changes occurred in the scope of consolidation during 2020:

- In the financial year 2020 the 100 % group owned company Schoeller-Bleckmann de Mexico S. A. de C. V. (SBMEX), which had sold its assets already in 2019 after closing down its business, was liquidated and deleted from the company register with effect of 27 November 2020 (see Note 27).

The Company has exercised the protective clause in accordance with Section 265 (3) UGB.

In accordance with sections 479A and 479C of the United Kingdom Companies Act 2006, SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft, as holding company of Schoeller-Bleckmann Oilfield Equipment (UK) Limited, Registered Company No. 03240818, Techman Engineering Limited, Registered Company No. 02458616 and Darron Tool and Engineering (Sheffield) Limited, Registered Company No. 00967870, has given a parental guarantee to enable those companies to claim exemption from audit. This guarantee relates to the year ended 31 December 2020.

## NOTE 4

### SIGNIFICANT ACCOUNTING PRINCIPLES

The accounting policies applied in the previous year generally remain unchanged, with the exception of the following:

#### 1. Changes in accounting principles

The Group applied the following new or amended standards and interpretations for the first time in the 2020 financial year. However, these standards and interpretations impacted the consolidated financial statements as at 31 December 2020 only if indicated by the word 'yes' in the table below:

STANDARDS / INTERPRETATIONS		EFFECTIVE DATE <sup>1</sup>	MATERIAL IMPACT ON SBO GROUP'S FINANCIAL STATEMENTS
IAS 1 IAS 8 Amendments	Definition of Material	1.1.2020 <sup>1</sup>	no
IFRS 3 Amendments	Business Combinations - Definition of a business	1.1.2020 <sup>1</sup>	potential application on future acquisitions
IFRS 9 IAS 39 IFRS 7	Interest Rate Benchmark Reform	1.1.2020 <sup>1</sup>	no
Amendments	References to the Conceptual Framework in IFRS Standards	1.1.2020 <sup>1</sup>	no
IFRS 16 Amendments	COVID-19 Related Rent Concessions	1.6.2020 <sup>1, 2</sup>	no

<sup>1</sup> To be applied in the EU in reporting periods starting on or after the indicated date.

<sup>2</sup> Retrospective application for transactions before 1.6.2020.

The following new or revised standards and interpretations which have been published but not adopted by the EU, or which are not yet mandatory, were not applied early in the 2020 financial year. They will be applied in the future reporting period for which application is mandatory.

<b>STANDARDS / INTERPRETATIONS</b>		<b>EFFECTIVE DATE<sup>1</sup></b>	<b>MATERIAL IMPACT ON SBO GROUP'S FINANCIAL STATEMENTS</b>
IAS 1 Amendments	Classification of Liabilities as Current or Non-current	1.1.2023 <sup>2</sup>	no
IAS 1 Amendments	Disclosure of Accounting policies	1.1.2023 <sup>2</sup>	no
IAS 8 Amendments	Accounting policies - Changes in Accounting Estimates and Errors	1.1.2023 <sup>2</sup>	no
IAS 16 Amendments	Property, Plant and Equipment (Proceeds before intended use)	1.1.2022 <sup>2</sup>	no
IAS 37 Amendments	Onerous Contracts: Costs of fulfilling a contract	1.1.2022 <sup>2</sup>	no
Annual Improvements	Annual Improvements to IFRS Standards 2018-2020 Cycle	1.1.2022 <sup>2</sup>	no
IFRS 4 Amendments	Insurance contracts - Extension of the temporary exemption from applying IFRS 9	1.1.2021 <sup>1</sup>	no
IFRS 17	Insurance Contracts	1.1.2023 <sup>2</sup>	no
IFRS 3 Amendments	Reference to the conceptual framework	1.1.2022 <sup>2</sup>	no
IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 16 Amendments	Interest Rate Benchmark Reform - Phase 2	1.1.2021 <sup>1</sup>	no

<sup>1</sup> To be applied in the EU in financial years beginning on or after the indicated date.

<sup>2</sup> This standard is not yet mandatory in the EU and was not applied early. The date indicated is the effective date as determined by the IAS.

## 2. Reporting date

The reporting date of all companies included in the consolidated financial statements is 31 December.

## 3. Accounting of non-controlling interests in the consolidated financial statements

Non-controlling interests in the Group are recognized at the proportionate share of the remeasured identifiable net assets at the acquisition date. Subsequently, an appropriate share of net profit / loss after tax and other comprehensive income is allocated to non-controlling interests. Thus, a loss at the respective subsidiary could lead to a negative balance. Changes in the equity interest in a subsidiary without loss of control are recognized as equity transactions.

For details on liabilities related to the option agreement exercised before the 2020 financial year, refer to Note 20.

## 4. Foreign currency translation

The consolidated financial statements are prepared in euros, the functional and reporting currency of the parent company. Each company within the Group sets its own functional currency. The items included in the financial statements of each company are measured using this functional currency.

Foreign currency transactions are translated at the exchange rate in effect at the transaction date. Monetary items denominated in foreign currencies are translated at the exchange rate as at the reporting date. Currency differences are recognized in profit or loss in the period in which they occur.

When preparing the consolidated financial statements, the financial statements of foreign subsidiaries which are prepared using their functional currency are translated into euros using the modified closing rate method:

- Assets and liabilities, both monetary and non-monetary, are translated at the closing rate.
- All income and expense items of foreign subsidiaries are translated using an average annual rate.

Currencies developed as follows:

1 EUR =	RATE ON REPORTING DATE		AVERAGE ANNUAL RATE	
	31.12.2020	31.12.2019	2020	2019
USD	1.2271	1.1234	1.1413	1.1196
GBP	0.8990	0.8508	0.8892	0.8773
CAD	1.5633	1.4598	1.5294	1.4857
MXN	24.4160	21.2202	24.5118	21.5573
BRL	6.3735	4.5157	5.8900	4.4135
VND	28,499.3	26,206.0	26,765.2	26,226.5

Currency translation differences from the inclusion of financial statements of subsidiaries in the consolidated financial statements, as well as from long-term foreign currency intragroup receivables that qualify as part of a net investment in a foreign entity, are recorded in the consolidated financial statements within equity under the item **CURRENCY TRANSLATION RESERVE**; the change in the current year is presented under **OTHER COMPREHENSIVE INCOME** in the consolidated statement of comprehensive income.

## 5. Classification of current and non-current assets and liabilities

Assets and liabilities with a residual term of up to one year are classified as current, those with a residual term of more than one year as non-current. Residual terms are determined as at the reporting date.

Operating assets and liabilities, such as trade receivables and trade payables, are always classified as current even if their maturity is more than 12 months after the reporting date as this corresponds to the usual business cycle.

## 6. Financial instruments

Transactions of financial instruments are recognized at the settlement date.

### Categories according to IFRS 9

The consolidated balance sheet includes the following financial instruments in accordance with IFRS 9:

#### AT AMORTIZED COST

##### Financial assets

All cash balances, demand deposits, and short-term highly-liquid financial investments that can be converted to known amounts of cash and cash equivalents on demand, and which are subject to only insignificant fluctuations in value included under the item **CASH AND CASH EQUIVALENTS**, are classified as cash funds. Current investments are non-derivative financial assets not held for trading that are available-for-sale assets with a term of less than three months.

Non-derivative financial assets with fixed or determinable payments that are not listed on an active market mainly comprise of **TRADE RECEIVABLES** as well as other loans issued and receivables (these loans were granted to the managers of subsidiaries for shares or participation rights), and are reported within **LONG-TERM RECEIVABLES AND ASSETS**.

Receivables are recognized at cost at the settlement date and are subsequently measured at amortized cost using the effective interest method, less any allowances for impairments. Gains and losses are recognized in consolidated profit or loss due to amortization under the effective interest method, upon impairment or when a loan or receivable is derecognized.

The Company grants payment terms to its customers at customary business terms, but generally does not require any additional collateral or payment guarantees to secure the amounts due. Occasional customers and customers located in high risk countries from whom the Company obtains confirmed letters of credit are excluded from this policy. Trade receivables that are granted beyond the normal payment terms bear interest at arm's length rates.

The Group uses a simplified method to calculate the expected credit loss for trade accounts receivable. Receivables are regularly evaluated and, if necessary, allowances for doubtful accounts are established. These allowances are sufficient to cover the expected default risk, actual defaults result in derecognition of the respective receivable. The decision of whether to account for the default risk by means of allowances or to derecognize the receivable depends on the reliability of the assessment of the risk situation.

Management evaluates the adequacy of the allowances for doubtful accounts based on experienced credit defaults. An impairment matrix is used that considers the maturity structure of receivables and experiences with regard to defaults during the past 5 years, whereby unsuccessful legal measures were also considered as default after 3 years, and customer creditworthiness as well as changes in payment behavior. Due to the cyclicity in the oilfield service industry and recurring economic downturns and upswings in the industry, future expectations regarding potential bad debt patterns can also be derived from historical developments. Stringent receivables management, which includes close coordination with the sales department from the acceptance of the order to the receipt of payment, ongoing credit checks to reduce credit risk, as well as close monitoring of payment behaviour, not only in the light of the ongoing COVID-19 pandemic, also provide a solid basis for assessing expected payment defaults.

### Financial Liabilities

Financial liabilities comprise in particular trade payables, liabilities to banks as well as lease liabilities.

Liabilities are initially recognized at fair value less transaction costs associated with the borrowing and are subsequently measured at amortized cost using the effective interest method. Gains and losses resulting from the use of the effective interest method are recognized in consolidated profit or loss.

In addition, financial liabilities include purchase prices for shares in subsidiaries held by their management. The managers are contractually obligated to sell these shares back to the Company when specified events occur and the Company is obligated to repurchase the shares. The repurchase price is based on the amount of the pro-rata equity on the sale date. Pursuant to IAS 32.23, such contracts give rise to a financial liability for the present value of the redemption amount. As the value cannot be determined exactly in advance, the liability is measured using the pro-rata equity at the reporting date, which includes the portion of the income from the current financial year that in turn is recognized in the consolidated profit and loss statement within **INTEREST INCOME OR EXPENSE**. This current income portion is considered representative of the effective interest result.

Additional financial liabilities result from participation rights in subsidiaries granted to management. These participation rights may only be transferred to third parties with the Company's approval, and the Company has a call option upon the occurrence of specified events, in which event the redemption amount is based on the subsidiary's net assets as at the exercise date. The current share of income is considered to be representative of the effective interest result which changes the liability accordingly.

## AT FAIR VALUE THROUGH PROFIT OR LOSS

### Derivative financial instruments and hedging relationships

The Group uses derivative financial instruments such as currency futures to hedge currency risks. These derivative financial instruments are recognized at fair value at the contract date and are subsequently measured at fair value. Derivative financial instruments are recognized as assets if their fair values are positive and as liabilities if fair values are negative.

The Company uses hedging measures to hedge foreign currency risks from recognized monetary assets and liabilities. While these measures do not satisfy the requirements for hedge accounting, they effectively contribute to the hedging of financial risk in accordance with risk management principles.

Gains and losses from hedges which serve to hedge the exchange risks from intragroup sales transactions in foreign currencies and which do not satisfy the criteria for hedge accounting are not presented separately in profit or loss but rather together with currency gains and losses from these sales transactions in profit from operations. The Company reserves the right to opt also in future to apply the criteria of IAS 39 for hedge accounting.

Regarding the option liability relating to cancellable non-controlling interests see Note 20.

In connection with a business combination in 2010, a foreign currency hedge of the purchase price was concluded between the signing and the closing, which was recognized as a fair value hedge of a fixed off-balance sheet obligation as the underlying. The loss attributable to the secured hedge was recognized as a basis adjustment to the acquired assets and is now recognized in profit or loss in accordance with the recognition of these assets in profit or loss (in line with depreciation over the estimated useful lives which expired for other intangible assets as planned in 2020).

For the existing financial instruments as of 31 December 2020 and 31 December 2019, see Note 35.

## 7. Inventories

Inventories consist of materials and purchased parts in various stages of completion and are recognized at cost or the lower net realizable value at the reporting date. Inventory usage is determined using the first-in, first-out, weighted average price or specific price method. Costs of finished goods include the costs for raw materials, other directly allocable expenses as well as pro-rata overheads. Borrowing costs are not capitalized unless they relate to qualifying assets. Inventory risks arising from slow moving goods or reduced marketability are accounted for through appropriate valuation allowances.

## 8. Property, plant and equipment and Other intangible assets

Property, plant and equipment and Other intangible assets are measured at cost less depreciation and amortization. Depreciation/amortization is generally recognized using the straight-line method over the expected useful life of the asset. The estimated useful lives are as follows:

	<b>USEFUL LIFE IN YEARS</b>
<b>Other intangible assets:</b>	
Software	4
Technology	5 - 10
Customer base	5 - 10
Non-compete agreements	5 - 10
Trademarks	10
<b>Property, plant and equipment:</b>	
Buildings and improvements	5 - 50
Technical plant and machinery	3 - 17
Other equipment, operating and office equipment	2 - 10
Right-of-use assets	3 - 10*

\* in exceptional cases longer according to the underlying contract (17 and 22 years, respectively)

On each reporting date the Company assesses whether there are indications that property, plant and equipment or other intangible assets may be impaired. If such indications exist, the Company estimates the asset's recoverable amount. Impairment losses on continuing operations are recognized in profit or loss under **IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT** and **IMPAIRMENT OF GOODWILL AND OTHER INTANGIBLE ASSETS**, respectively.

An assessment is made at each reporting date whether there are indications that previously recognized impairment losses no longer exist or may have decreased. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the extent that the asset's carrying amount may not exceed either its recoverable amount or the carrying amount that would have resulted, net of depreciation, had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized in profit or loss.

Borrowing costs are also expensed as incurred unless they are related to a qualifying asset.

Leased assets capitalized according to IFRS 16 are recorded within property, plant and equipment as right-of-use assets. The lease liabilities resulting from the future lease payments are presented in the balance sheet as lease liabilities. Interest rates for capitalized leased assets are based on the minimum interest rate for new loans at the inception of each lease or in correspondence with the lessor's implicit rate of return. SBO applies the practical expedient for lease agreements with a lease term equal or less than 12 months as well as for low value lease agreements (see Note 21).

## 9. Goodwill

Goodwill is recognized at cost and subsequently tested for impairment annually as at 31 December or additionally during the year if there is a triggering event. For this purpose, goodwill is assigned to cash generating units and compared to the business units' value in use based on the expected cashflows.

Once recognized, an impairment of goodwill is not reversed in subsequent periods.

## 10. Current and deferred income taxes

Current tax refund claims and tax liabilities for current and previous periods are measured in the amount to be recovered from or paid to the tax authorities. The amount is calculated based on the tax rates and tax laws applicable at the reporting date.

The Company uses the balance sheet liability method prescribed by IAS 12 to recognize deferred taxes. Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply to the period in which the asset will be realized or the liability settled. If there are losses in the current or previous periods, deferred tax assets are recognized for unused tax loss carryforwards only to the extent that there are substantial indications based on existing mid-term plans that sufficient taxable profits will be available against which the unused tax losses can be utilized. For tax loss carryforwards which do not expire, the basis is the ability to utilize them within the next five years.

Current and deferred taxes which relate to items recognized within **OTHER COMPREHENSIVE INCOME** or directly within equity are not recognized in profit or loss, but rather in **OTHER COMPREHENSIVE INCOME** or directly in equity.

## 11. Government grants

Government grants are recognized only when there is reasonable assurance that the entity will comply with any conditions attached to the grants and that the grants will be received. Grants relating to costs are recognized as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

Grants relating to assets are recognized as a deferred income item as soon as all conditions necessary for the receipt of the grant have been satisfied. The deferred income is reversed over the useful life of the respective assets and presented in **OTHER OPERATING INCOME** in the consolidated profit and loss statement.

## 12. Provisions

In accordance with IAS 37, provisions are recognized when the Company has current legal or constructive obligations as a result of past events and for which payment is probable. Provisions are recognized at the amount determined

based on management's best estimate at the reporting date. Provisions are not recorded if they can not be reasonably estimated.

## 13. Provisions for employee benefits

### DEFINED BENEFIT PLANS

Defined benefit plans concern solely obligations for severance benefits of Austrian companies. Upon termination of employment or normal retirement, employers must make a lump sum payment to the employee if they were employed for three years or more and employment commenced before 1 January 2003. Severance payments range from six to twelve months of salary at the time of separation depending on the length of service. Payments must be made upon normal retirement or termination by the employer, but not upon voluntary departure by the employee. The amount of the provision is calculated on each reporting date using actuarial measurements based on the projected unit credit method with a creditable service period from the beginning of the employment to the time of planned retirement for each employee, and corresponds to the present value of the employee's vested benefit claims at the end of the reporting period. The retirement age used refers to current legal provisions. Expected future salary increases and employee turnover discounts are considered based on medium-term historical experience.

All remeasurements relating to defined benefit plans (actuarial gains and losses) are recognized under **OTHER COMPREHENSIVE INCOME**, in accordance with IAS 19. Refer to Note 18 for further details on provisions for severance payments.

### DEFINED CONTRIBUTION PLANS

Defined contribution pension schemes exist at several Group companies based either on specific legal obligations under national law or based on shop agreements or individual contractual pension agreements. The Group's obligation is limited at paying the contributions to each pension fund when due. There is no legal or constructive obligation to make future payments. All contributions to defined contribution plans are recognized as an expense at the time when employees have provided the services that obligate the Company to make the contribution.

## OTHER LONG-TERM PERSONNEL OBLIGATIONS

In accordance with Austrian collective work agreements, employees are entitled to jubilee payments depending on their length of service (defined benefit plan). The amounts to be accrued for these provisions are also calculated using the projected unit credit method. The parameters used for the provision for severance pay are also applied when calculating the provision for jubilee payments. Remeasurements (actuarial gains or losses) are recognized in profit or loss.

## 14. Revenue recognition

Performance obligations arising from the sale of manufactured products and goods are recognized as control is transferred, generally upon delivery to the customer, and are consequently recognized at a point of time. Performance obligations from service and repair work are recognized when the service has been rendered, which is the delivery of the goods to the customer. Performance obligations resulting from providing on site customer support for the usage of SBO tools are satisfied during the time of staff being on site. As a consequence, revenue is recognized over time.

Individual entities within the SBO Group operate as lessors. Rental revenues are recognized based on actual usage by the customer (performance obligations which are satisfied over time). In general, no minimum lease obligations or minimum revenues are stipulated in the agreements. In this context SBO does not hold finance lease agreements.

For contracts with payment terms of a maximum of one year, the company waives to adjust the amount of the promised consideration by any financing component for practical reasons and considerations of materiality.

Interest income is recognized on a pro-rata basis, using the effective interest method.

## 15. Research and development

Pursuant to IAS 38, research costs are recognized in profit or loss when incurred. Development costs are expensed when incurred, if the requirements for capitalization of development costs in accordance with IAS 38 are not fully met. Development costs are recognized in profit or loss in SBO's consolidated financial statements in the period in which they are incurred, because the corresponding recognition criteria were not satisfied.

## 16. Share-based payment

In 2014 an agreement on share-based payments was entered into with the Chief Executive Officer. The granting requires valid employment. An agreement on the granting of a voluntary severance benefit in the form of SBO shares at the end of employment was also concluded. In the course of extending the Management Board mandate in 2018 this agreement was also extended. As the compensation is and will be settled using SBO shares, the current expense from these agreements is recognized in personnel expense and within equity (see Note 33).

## 17. Estimates, judgments, and assumptions

When preparing the consolidated annual financial statements under International Financial Reporting Standards, estimates, assumptions, and judgments must be made to a certain extent which impact the amounts presented in the balance sheet, the Notes to the financial statements and the profit and loss statement. The amounts actually arising in the future may deviate from the estimates; however, from its current perspective management believes that there will not be any material negative impacts on the consolidated financial statements in the near future. The significant estimates and judgments underlying the consolidated annual financial statements are explained below.

Assumptions and discretionary decisions must be made when recognizing and measuring **INTANGIBLE ASSETS** recognized in the course of business combinations (see Note 9).

Estimates are necessary about the period over which **PROPERTY, PLANT AND EQUIPMENT** and **INTANGIBLE ASSETS** can be expected to be used (see Notes 8 and 9). In addition, if indications of impairment of **PROPERTY, PLANT AND EQUIPMENT** or **INTANGIBLE ASSETS** are identified, estimates are required when determining the recoverable amount. When evaluating right-of-use assets and lease liabilities estimates are required for determining the term of a lease, and extension options, respectively.

An estimate of the value in use is made for the annual impairment test of **GOODWILL** in which management must estimate the expected future cashflows of the cash generating units and choose an appropriate discount rate (see Note 9).

Deferred tax assets are recognized for unused tax losses to the extent it is probable that taxable income will be available, so that the loss carryforwards can actually be used. When accounting for **DEFERRED TAX ASSETS**, a significant exercise of judgment by management is required regarding the timing and extent to which future taxable income will be available in order to actually use the temporary differences or loss carryforwards (see Note 11).

Management estimates of pricing and market development are necessary in order to determine carrying amounts when measuring **INVENTORIES** (see Note 7). As based on the underlying customer contracts no revenue recognition over time according to the percentage-of-completion method is applied, estimates regarding services already rendered as well as future costs to be expected for short-term orders are only required to determine potential provisions for onerous contracts.

In addition to evaluations based on historic cash receipts **RECEIVABLES** require assumptions regarding the probability of default (see Note 5). Besides overdue balances and market risks, also past customer experiences are taken into account. Regarding **SALES REVENUES** estimations are required for expected returns relating to sales with a right of return (see Note 15) as well as for volume discounts to be granted.

For the recognition of **PROVISIONS**, management must evaluate the probability of occurrence at the reporting date. Provisions are recognized at the value that corresponds to management's best estimate at the reporting date (see Note 16).

Expenses for defined benefit plans are determined based on actuarial calculations. The actuarial measurement is based on assumptions regarding the discount rates, future wage and salary increases, mortality rates, and employee turnover rates (see Note 18).

The option liability relating to cancellable non-controlling interests was measured at fair value at the acquisition date and was subsequently remeasured at fair value on each reporting date. The fair value was determined based on the discounted cashflows, which were derived from the most recent earnings forecast of the company involved. Until the first possible date of exercising the option, judgments were necessary when determining future cashflows, the timing of exercising the option, and the choice of an appropriate discount rate. For the option exercised before the 2020 financial year, part of the option liability was not paid out due to an existing legal dispute. Until the legal dispute is fully and finally resolved or a settlement is reached, the remaining option liability will be carried forward at an amount based on the contractually agreed mechanism to be applied under normal circumstances and on actual results of the period concerned (see Note 20).

Liabilities for management's interest in subsidiaries and participation rights are measured using estimates of the service period of the respective individuals in the company and future profitability of the subsidiaries. The Company assumes that the respective share of the subsidiary's annual income essentially corresponds to the effective interest expense (see Note 19).

## NOTE 5

### TRADE RECEIVABLES

An analysis of trade receivables is presented below:

**31.12.2020**

IN TEUR

MATURITY	GROSS VALUE	LUMPSUM ALLOWANCE (ECL)	INDIVIDUAL ALLOWANCE	NET VALUE
Not or < 30 days past due	47,049	-284	0	46,765
30 - 90 days past due	3,942	-83	-65	3,794
90 - 180 days past due	2,136	-55	-304	1,777
> 180 days past due	6,691	-64	-4,711	1,916
<b>Total</b>	<b>59,818</b>	<b>-486</b>	<b>-5,080</b>	<b>54,252</b>

**31.12.2019**

IN TEUR

MATURITY	GROSS VALUE	LUMPSUM ALLOWANCE (ECL)	INDIVIDUAL ALLOWANCE	NET VALUE
Not or < 30 days past due	83,995	-252	0	83,743
30 - 90 days past due	20,186	-153	0	20,033
90 - 180 days past due	7,270	-123	-220	6,927
> 180 days past due	7,851	-411	-5,886	1,554
<b>Total</b>	<b>119,302</b>	<b>-939</b>	<b>-6,106</b>	<b>112,257</b>

Trade receivables typically have payment terms of up to 90 days. As of 31 December 2020 and as of 31 December 2019 no trade receivables had a term of more than 12 months.

The carrying amount of impaired receivables amounted to TEUR 66 (previous year: TEUR 111). Allowances for doubtful accounts are recognized in line with IFRS 9 based on historical experience and in consideration of days sales outstanding (see Note 4). As of 31 December 2020 allowances measured for lifetime expected credit losses according to the simplified approach amounted to TEUR 486 (previous year: TEUR 939).

Allowances developed as follows:

IN TEUR	2020	2019
As at 1 January	7,045	6,845
Currency translation adjustments	-559	138
Utilization	-2,224	-1,377
Reversal	-513	-1,412
Additions	1,817	2,851
As at 31 December	5,566	7,045

No collateral was received for the receivables listed.

## NOTE 6

### OTHER RECEIVABLES AND OTHER ASSETS

This line item mainly consists of receivables from tax authorities and prepaid expenses. In addition, this line item includes assets from sales with a right of return according to IFRS 15 amounting to TEUR 210 (previous year: TEUR 544).

No collateral was received for the receivables and no valuation allowances have been recognized.

## NOTE 7

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### INVENTORIES

The classification of inventories is shown in detail below:

IN TEUR	31.12.2020	31.12.2019
Raw materials and supplies	10,049	14,221
Work in progress	51,820	71,540
Finished goods	52,146	56,195
<b>Total</b>	<b>114,015</b>	<b>141,956</b>

Valuation allowances expensed in 2020 were TEUR 8,184 (previous year: TEUR 3,663). This includes impairments on inventories in the amount of TEUR 5,529 recorded in the "Oilfield Equipment" (OE) segment, due to low utilization of individual product lines of the motor fleet in North America beginning with the second quarter of 2020. These expenses are included within [IMPAIRMENT OF CURRENT ASSETS](#), whereas the remaining valuation expenses amounting to TEUR 2,655 (previous year: TEUR 3,663) is included within [COST OF GOODS SOLD](#).

## NOTE 8

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### PROPERTY, PLANT AND EQUIPMENT

A summary of the gross carrying amounts and the accumulated depreciation and impairments of property, plant and equipment is presented below:

**2020**

IN TEUR	LAND AND BUILDINGS	TECHNICAL PLANT AND MACHINERY	OTHER EQUIPMENT, OPERATING AND OFFICE EQUIPMENT	PREPAYMENTS AND ASSETS UNDER CONSTRUCTION	RIGHT OF USE ASSETS	TOTAL
<b>Cost</b>						
1 January 2020	98,004	346,099	13,625	12,748	12,809	<b>483,285</b>
Currency translation adjustments	-5,329	-19,191	-662	-733	-918	<b>-26,833</b>
Additions	791	12,355	1,165	1,820	1,897	<b>18,028</b>
Reclassifications	1,579	1,971	60	-3,610	0	<b>0</b>
Disposals	-385	-22,893	-993	-84	-2,055	<b>-26,410</b>
31 December 2020	94,660	318,341	13,195	10,141	11,733	<b>448,070</b>
<b>Accumulated depreciation and impairment</b>						
1 January 2020	33,208	283,567	11,130	5,590	3,143	<b>336,638</b>
Currency translation adjustments	-1,745	-15,211	-530	-392	-289	<b>-18,167</b>
Additions from depreciation	3,131	23,973	1,107	0	2,650	<b>30,861</b>
Additions from impairment	0	1,665	0	0	0	<b>1,665</b>
Reclassifications	0	637	0	-637	0	<b>0</b>
Disposals	-380	-21,169	-942	-83	-1,715	<b>-24,289</b>
31 December 2020	34,214	273,462	10,765	4,478	3,789	<b>326,708</b>
<b>Carrying amount</b>						
31 December 2020	60,446	44,879	2,430	5,663	7,944	<b>121,362</b>
31 December 2019	64,796	62,532	2,495	7,158	9,666	<b>146,647</b>

Impairments amounting to TEUR 1,665 were recognized based on the impairment tests carried out as of 30 June 2020 and relate to parts of the motor fleet in North America in the "Oilfield Equipment" (OE) segment (see Note 9).

**2019**

IN TEUR	LAND AND BUILDINGS	TECHNICAL PLANT AND MACHINERY	OTHER EQUIPMENT, OPERATING AND OFFICE EQUIPMENT	PREPAYMENTS AND ASSETS UNDER CONSTRUCTION	RIGHT OF USE ASSETS	TOTAL
<b>Cost</b>						
1 January 2019	99,751	385,571	14,277	3,133	8,913	<b>511,645</b>
Currency translation adjustments	1,349	6,255	250	64	302	<b>8,220</b>
Additions	3,384	19,874	1,314	6,791	3,915	<b>35,278</b>
Reclassifications	431	-3,794	36	3,261	0	<b>-66</b>
Classification as 'held for sale'	-6,081	-170	0	0	0	<b>-6,251</b>
Disposals	-830	-61,637	-2,252	-501	-321	<b>-65,541</b>
31 December 2019	98,004	346,099	13,625	12,748	12,809	<b>483,285</b>
<b>Accumulated depreciation and impairment</b>						
1 January 2019	32,742	314,155	11,857	0	189	<b>358,943</b>
Currency translation adjustments	461	5,020	189	4	8	<b>5,682</b>
Additions from depreciation	3,221	27,477	1,226	0	3,089	<b>35,013</b>
Additions from impairment	485	0	0	0	0	<b>485</b>
Reclassifications	0	-5,610	24	5,586	0	<b>0</b>
Classification as 'held for sale'	-2,951	-170	0	0	0	<b>-3,121</b>
Disposals	-750	-57,305	-2,166	0	-143	<b>-60,364</b>
31 December 2019	33,208	283,567	11,130	5,590	3,143	<b>336,638</b>
<b>Carrying amount</b>						
31 December 2019	64,796	62,532	2,495	7,158	9,666	<b>146,647</b>
31 December 2018*	67,009	71,416	2,420	3,133	8,724	<b>152,702</b>

\* already including right of use assets capitalized as at 1 January 2019.

The Company has production facilities in the following countries: Austria, the USA, Vietnam, and Singapore. Service and maintenance support sites as well as sales outlets are maintained in the USA, Canada, the UK, Singapore, the United Arab Emirates, Saudi Arabia, Russia, Mexico, and Brazil.

As at 31 December 2020, purchase commitments for investments in property, plant and equipment amounted to TEUR 3,675 (previous year: TEUR 5,044).

For details on capitalized right-of-use assets see Note 21.

## NOTE 9

### INTANGIBLE ASSETS

The gross carrying amounts and the accumulated amortization of intangible assets are summarized below:

#### 2020

IN TEUR	GOODWILL	TECHNOLOGY	NON-COMPETE AGREEMENTS	CUSTOMER BASE	OTHER INTANGIBLE ASSETS	TOTAL
<b>Cost</b>						
1 January 2020	243,107	70,839	12,269	36,666	13,989	<b>376,870</b>
Currency translation adjustments	-18,048	-5,266	-723	-2,743	-841	<b>-27,621</b>
Additions	0	0	0	0	104	<b>104</b>
Disposals	-7,238	0	-2,969	0	-17	<b>-10,224</b>
31 December 2020	217,821	65,573	8,577	33,923	13,235	<b>339,129</b>
<b>Accumulated amortization and impairments</b>						
1 January 2020	102,672	51,783	9,855	35,017	10,837	<b>210,164</b>
Currency translation adjustments	-7,433	-4,045	-604	-2,716	-694	<b>-15,492</b>
Additions from amortization	0	5,774	1,181	1,622	938	<b>9,515</b>
Additions from impairment	12,112	377	0	0	506	<b>12,995</b>
Disposals	-7,238	0	-2,969	0	-17	<b>-10,224</b>
31 December 2020	100,113	53,889	7,463	33,923	11,570	<b>206,958</b>
<b>Carrying amount</b>						
31 December 2020	117,708	11,684	1,114	0	1,665	<b>132,171</b>
31 December 2019	140,435	19,056	2,414	1,649	3,152	<b>166,706</b>

**2019**

IN TEUR	GOODWILL	TECHNOLOGY	NON-COMPETE AGREEMENTS	CUSTOMER BASE	OTHER INTANGIBLE ASSETS	TOTAL
<b>Cost</b>						
1 January 2019	235,564	68,673	11,936	35,440	13,528	<b>365,141</b>
Currency translation adjustments	7,543	2,166	333	1,226	258	<b>11,526</b>
Additions	0	0	0	0	137	<b>137</b>
Reclassifications	0	0	0	0	66	<b>66</b>
Disposals	0	0	0	0	0	<b>0</b>
31 December 2019	243,107	70,839	12,269	36,666	13,989	<b>376,870</b>
<b>Accumulated amortization and impairments</b>						
1 January 2019	97,801	43,650	7,772	30,617	9,496	<b>189,336</b>
Currency translation adjustments	4,871	1,553	243	1,093	176	<b>7,936</b>
Additions from amortization	0	6,580	1,840	3,307	1,165	<b>12,892</b>
Disposals	0	0	0	0	0	<b>0</b>
31 December 2019	102,672	51,783	9,855	35,017	10,837	<b>210,164</b>
<b>Carrying amount</b>						
31 December 2019	140,435	19,056	2,414	1,649	3,152	<b>166,706</b>
31 December 2018	137,763	25,023	4,164	4,823	4,032	<b>175,805</b>

As at 31 December 2020, purchase commitments for acquisitions of intangible assets amounted to TEUR 0 (previous year: TEUR 0).

## 1. GOODWILL

Goodwill is attributable to the following cash generating units and segments:

IN TEUR	31.12.2020	31.12.2019
<b>Segment "Advanced Manufacturing &amp; Services" (AMS)</b>		
Knust-Godwin LLC	10,960	19,849
SCHOELLER-BLECKMANN Oilfield Technology GmbH	4,655	4,655
Schoeller-Bleckmann Darron (Aberdeen) Limited	798	798
<b>Segment "Oilfield Equipment" (OE)</b>		
The WellBoss Company, LLC	80,892	88,352
DSI FZE	20,403	22,244
BICO Drilling Tools Inc.	0	4,410
BICO Faster Drilling Tools Inc.	0	127
<b>Total</b>	<b>117,708</b>	<b>140,435</b>

All cash generating units are measured based on the value in use by discounting expected future cashflows using the weighted average cost of capital (WACC). The WACC was determined based on the current market data for comparable companies in the same industry segment and adjusted for expected specific inflation rates for each country. The detailed planning period covers five years (previous year: five years), and the cashflows are based on budgeting by management. For deriving cashflows in the terminal value, a fixed growth rate of 1 % (previous year: 1 %) was assumed for all cash generating units.

The following discount rates were applied as at 31 December 2020 and 31 December 2019:

## WACC (BEFORE TAX)

IN %	31.12.2020	31.12.2019
<b>Segment "Advanced Manufacturing &amp; Services" (AMS)</b>		
Knust-Godwin LLC	11.8 %	11.3 %
SCHOELLER-BLECKMANN Oilfield Technology GmbH	17.4 %	14.7 %
Schoeller-Bleckmann Darron (Aberdeen) Limited	17.4 %	14.5 %
<b>Segment "Oilfield Equipment" (OE)</b>		
The WellBoss Company, LLC	12.3 %	11.6 %
DSI FZE	11.3 %	10.2 %
BICO Drilling Tools Inc.	11.6 %	10.9 %

Cashflows were determined based on revenue forecasts and planned capital expenditures. The value in use of a cash generating unit is impacted the most by sales revenues. Forecasts of sales and cashflows take into account the cyclicality of the industry derived from historical experience on the one hand, and long-term developments of the sales market on the other. Sales forecasts for all cash generating units are based on the expected business development in the oilfield service industry. This is derived from expected drilling activities, the geographic sales markets, and company-specific developments considering increased planning risks due to the current COVID-19 pandemic. In addition, margin forecasts are derived from the expected product mix and cost developments based on expected developments of material prices and planned capital expenditures. The estimated personnel development (based on planned headcount, required qualifications of employees needed and expected personnel cost based on the current economic situation) was also taken into account.

The worldwide spread of the COVID-19 pandemic caused a significant reduction in drilling activities, starting in the second quarter of 2020 particularly, and consequently led to changed assumptions on short and medium-term oil price developments as well as drilling activities and corresponding expectations regarding E&P spendings in the oilfield service industry. Therefore, goodwill was tested for impairment as of 30 June 2020, and led to the impairments listed below.

The calculation of the value in use for each cash generating unit as of 30 June 2020 was based on updated cashflow plans for a detailed planning period of 5 years with cashflows being adjusted based on current estimations of management reflecting decreased short-term and medium-term profit expectations in the current market environment. In order to consider the increased forecast uncertainty caused by the low visibility at that time, three alternative scenario plans were used for each cash generating unit, in which different timing for the expected increase in E&P spendings was assumed. The cashflows of the individual scenarios were weighted according to their expected probability of occurrence. For the terminal value a fixed growth rate of 1 % was applied.

Impairment tests performed as at 30 June 2020 resulted in goodwill impairments of TEUR 12,112 as well as impairments of property, plant and equipment of TEUR 1,665 for the year 2020. Goodwill impairment expenses of TEUR 7,754 relate to the cash generating unit Knust-Godwin LLC in the "Advanced Manufacturing & Services" (AMS) segment (WACC before tax as of 30 June 2020: 10.8 %). In the "Oilfield Equipment" (OE) segment, impairments of goodwill amounting to TEUR 4,236 and impairments of property, plant and equipment of TEUR 1,665 (WACC before tax as of 30 June 2020: 10.7 %) relate to the cash-generating unit BICO Drilling Tools Inc. As a result, the goodwill of BICO Drilling Tools Inc. was fully impaired. Furthermore, due to lowered profit expectations in North America impairments of other intangible assets amounting to TEUR 883 were recognized in the cash generating unit BICO Drilling Tools Inc. in the reporting period. In addition, the goodwill of its subsidiary BICO Faster Drilling Tools Inc. of TEUR 122 was fully impaired.

The annual impairment tests carried out as of 31 December 2020 did not result in any further impairments. These annual impairment tests were based on updated medium-term plans from the annual budgeting process which were prepared considering the potential implications of the COVID-19 pandemic. After the distortions that occurred in 2020 these plans assume a moderate increase in drilling and completion activities in the first half of 2021, which is expected to gain momentum starting from the second half of the year. Based on the assumption that the COVID-19 pandemic can be contained by means of the global roll-out of vaccines, a recovery in general economic performance is expected in the medium term, which is also expected to be accompanied by a recovery in demand for oil and gas to the level prior to the start of the pandemic within the planning period. Stabilized oil prices will encourage a further increase in drilling activity and thus in spendings for exploration and production, which were used as the basis for the plans.

A sensitivity analysis was carried out for all cash generating units as at 31 December 2020. As the value in use reacts to changes in the assumptions regarding cashflows and the discount factors in particular, the analysis on key assumptions took into account an isolated increase in the discount factor by one percentage point as well as a reduction of cashflows by 20 % (previous year: 10 %), as deemed possible by management. This analysis resulted in no impairment loss on any cash generating unit.

In the 2019 financial year, the two units Resource Well Completion Technologies, Inc. and Downhole Technology, LLC, which were both allocated to the "Oilfield Equipment" (OE) segment were organizationally merged and have been operating under The WellBoss Company since then. In this context, the goodwill allocated to the respective cash-generating units was completely reallocated to The WellBoss Company in the "Oilfield Equipment" (OE) segment.

## 2. OTHER INTANGIBLE ASSETS

**OTHER INTANGIBLE ASSETS** mainly comprise technology, customer base, trademarks, and rights from non-compete agreements relating to downhole circulation technology (circulation tools) from a business combination in 2010. These assets were amortized over a useful life of 10 years and were fully amortized in 2020 as planned (carrying amount previous year: TEUR 3,507).

In addition, as part of the initial recognition of Resource Well Completion Technologies Inc. (now The WellBoss Company, Inc.) in 2014, acquired technologies, customer base as well as non-compete agreements were capitalized. The carrying amount of technology as of 31 December 2020 amounts to TEUR 518 (previous year: TEUR 1,221). The acquired customer base as well as non-compete agreements were already fully amortized in the previous year as planned.

As part of the initial recognition of Downhole Technology, LLC (now The WellBoss Company, LLC) in 2016, acquired technologies (carrying amount as of 31 December 2020: TEUR 10,985; previous year: TEUR 14,285) and trademarks (carrying amount as of 31 December 2020: TEUR 916; previous year: TEUR 1,191) were capitalized based on a useful life of ten years. In addition, rights from non-compete agreements (carrying amount as of 31 December 2020: TEUR 1,114; previous year: TEUR 2,191) were recognized and will be amortized over a period of six years.

Additional **OTHER INTANGIBLE ASSETS** relate to technologies acquired in the course of a business combination in 2012.

**OTHER INTANGIBLE ASSETS** also include usage rights for IT software.

## NOTE 10

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### LONG-TERM RECEIVABLES AND ASSETS

This item consists primarily of interest-bearing loans, which have been granted to the management of companies included in the scope of consolidation for the acquisition of shares or profit participation rights in these companies (see also Note 19). The Company has only a limited credit risk as the shares must be returned to the Company if the loan conditions are not satisfied. In general, partial repayments are scheduled, but the full settlement of the loan has to be made when returning the shares and participation rights, and therefore at the end of the employment at the latest. The change in the business year 2020 relates to the repayment of loans which happened mainly due to returning shares and participation rights.

IN TEUR	31.12.2020	31.12.2019
Loans	3,065	4,464
Other receivables and assets	865	771
<b>Total</b>	<b>3,930</b>	<b>5,235</b>

As of 31 December 2020 and 2019 no impairments were required. There were no past due receivables.

No collateral was received for the other receivables and assets listed.

## NOTE 11

### DEFERRED TAXES

The deferred tax assets and liabilities result from the following items:

IN TEUR	31.12.2020		31.12.2019	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Property, plant and equipment	1,616	-3,524	1,721	-6,698
Other intangible assets (differences in useful lives)	2,615	-155	1,685	-141
Goodwill and other intangible assets (measurement differences)	5,835	-6,053	6,523	-8,047
Inventories (measurement differences)	4,696	0	6,531	-31
Valuation of shares in subsidiaries	163	0	325	0
Option liability from cancellable non-controlling interests	15,602	0	18,095	0
Other items (measurement differences)	2,921	-226	1,480	-513
Provisions	2,407	0	2,459	0
Foreign currency effects from elimination of inter-company balances	-248	0	-72	0
Tax loss carryforwards	2,125	0	1,873	0
<b>Subtotal</b>	<b>37,732</b>	<b>-9,958</b>	<b>40,620</b>	<b>-15,430</b>
Offset within legal tax units and jurisdictions	-9,829	9,829	-14,735	14,735
<b>Total</b>	<b>27,903</b>	<b>-129</b>	<b>25,885</b>	<b>-695</b>

Deferred taxes amounting to TEUR 6,419 (previous year: TEUR 8,727) relating to tax loss carryforwards for which their future use is uncertain based on the current mid-term planning were not recognized or adjusted. These will expire as follows:

IN TEUR	2021	2022	2023	2024	2025	AFTER 2025	NEVER	TOTAL
	0	0	0	0	0	1,433	4,986	6,419

The gross deferred tax assets include tax claims of two companies in North America that generated a loss in the current financial year and whose deferred tax assets exceed the deferred tax liabilities by TEUR 2,329. The recognition of these deferred tax assets as of 31 December 2020 is based on the company's enlarged product range, increasing drilling activities in North America and the significant increase in investments in the oilfield service industry expected in the medium term.

Deferred tax assets in the amount of TEUR 163 (previous year: TEUR 325) include tax claims from impairments of financial investments in the amount of TEUR 650 (previous year: TEUR 1,300) to be distributed over seven years according to the Austrian tax law.

Concerning the option liability from cancellable non-controlling interests see Note 20.

There are outside basis differences (i.e. between the tax base of equity interests and the pro-rata equity) at subsidiaries included in the consolidated financial statements, in particular from retained earnings and losses not covered by equity. As at 31 December 2020, timing differences amounted to TEUR 90,862 (previous year: TEUR 83,889), because distributions or disposals of equity investments of individual companies would generally be taxable. However, as the Group does not plan on dividends from or disposals of these companies in the foreseeable future, in accordance with IAS 12.39, no deferred taxes were recognized. Likewise, no withholding taxes were recognized as at 31 December 2020 due to the lack of planned distributions (previous year: TEUR 0).

## NOTE 12

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### ASSETS HELD FOR SALE

As of 31 December 2020, the assets held for sale include property related to a closed production facility in the United Kingdom in the "Advanced Manufacturing & Services" (AMS) segment. Based on the sales proceeds less costs to sell achieved in January 2021 impairments of TEUR 917 were recognized as of 31 December 2020 and reported in the profit and loss statement under **RESTRUCTURING EXPENSES**. The carrying amount of the property as of 31 December 2020 is TEUR 2,147. In the 2019 financial year this property was reclassified to assets held for sale, and an impairment loss of TEUR 485 was recognized.

## NOTE 13

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### LIABILITIES TO BANKS

As at 31 December 2020, the current liabilities to banks were as follows:

CURRENCY	AMOUNT IN TEUR	INTEREST RATE IN %
GBP loans	6,674	1.15 % variable
USD loans	3,264	2.05 % variable
<b>Subtotal</b>	<b>9,938</b>	
Export promotion loans (EUR)	24,000	0.18 - 0.45 % variable
<b>Total</b>	<b>33,938</b>	

As at 31 December 2019, the current liabilities to banks were as follows:

CURRENCY	AMOUNT IN TEUR	INTEREST RATE IN %
GBP loans	7,052	1.90 % variable
<b>Subtotal</b>	<b>7,052</b>	
Export promotion loans (EUR)	24,000	0.18 - 0.45 % variable
<b>Total</b>	<b>31,052</b>	

The export promotion loans represent revolving credit facilities that can be used by the Company permanently as long as it complies with certain lending agreements. In accordance with export promotion guidelines, receivables in the amount of TEUR 28,800 (previous year: TEUR 28,800) have been stipulated as security for these loans.

## NOTE 14

### GOVERNMENT GRANTS

As at 31 December 2020, subsidies received amounted to TEUR 304 (previous year: TEUR 623). The grants include a subsidy by a government investment and technology fund, as well as other investment subsidies received for the acquisition of property, plant and equipment and research and development expenses. Individual investment subsidies are tied to the adherence of investments in promoted areas (e.g. number of employees). As of 31 December 2020 and also in the previous year the Company complied with all requirements for the government grants recorded in this line item.

## NOTE 15

### OTHER LIABILITIES

Other current liabilities break down as follows:

IN TEUR	31.12.2020	31.12.2019
Unused vacation	1,361	2,652
Other personnel expenses	6,423	9,159
Legal and professional fees	1,364	1,499
Tax liabilities	2,948	1,928
Social security and other employee benefits	1,907	2,300
Refund liabilities according to IFRS 15	403	1,415
Contract liabilities according to IFRS 15	1,878	4,960
Option liability from cancellable non-controlling interests	106,946	116,905
Miscellaneous other liabilities	15,185	14,700
<b>Total</b>	<b>138,415</b>	<b>155,518</b>

Refer to Note 20 for details on the option liability from cancellable non-controlling interests.

Miscellaneous other liabilities include liabilities of TEUR 10,762 (previous year: TEUR 8,194) relating to shares in companies within the SBO Group for which put / call option agreements had existed (see Note 20). The major part of this amount refers to dividends not yet paid.

Other liabilities further include contract liabilities (advance payments received and accrued revenue). Changes in contract liabilities for the years 2020 and 2019 are as follows:

IN TEUR	2020	2019
Contract liabilities as of 1 January	4,960	214
Prepayments received	1,186	4,766
Recognized as revenues	-4,114	-173
Currency translation adjustments	-154	153
<b>Contract liabilities as of 31 December</b>	<b>1,878</b>	<b>4,960</b>

## NOTE 16

### OTHER PROVISIONS

The other provisions developed as follows:

IN TEUR	31.12.2019	UTILIZATION	REVERSAL	ADDITIONS	CURRENCY TRANSLATION ADJUSTMENTS	31.12.2020
Warranties and guarantees	2,377	-233	0	610	0	2,754
Other	637	-117	-79	3,644	-277	3,808
<b>Total</b>	<b>3,014</b>	<b>-350</b>	<b>-79</b>	<b>4,254</b>	<b>-277</b>	<b>6,562</b>

The increase in the provision for warranty risks in 2020 is attributable to increased sales in the relevant business field.

In the 2020 financial year, former employees of SBO Group filed a lawsuit with regard to labor law issues. The company denies the sum of the allegations claimed in the individual complaints both, on the merits and in the amount. In total, provisions of TEUR 3,423 were made for cost of proceedings and potential claims, of which TEUR 3,260 were recognized within other provisions.

## NOTE 17

### LONG-TERM LOANS INCLUDING CURRENT PORTION (AMORTIZATION FOR THE FOLLOWING YEAR)

As at 31 December 2020, long-term loans amount to TEUR 270,548. Thereof, an amount of 25,236 is to be repaid during the next year. In total long-term loans were comprised of the following:

CURRENCY	AMOUNT IN TEUR	INTEREST RATE IN %	TERM	REPAYMENT
EUR	3,000	2.445 % fixed	2018 – 2028	bullet loan
EUR	10,000	1.832 % fixed	2018 – 2027	annually from 2021
EUR	19,500	1.732 % fixed	2018 – 2027	annually from 2021
EUR	6,000	1.350 % variable	2018 – 2027	annually from 2021
EUR	20,500	2.352 % fixed	2018 – 2027	bullet loan
EUR	27,500	2.100 % fixed	2020 – 2026	bullet loan
EUR	10,000	2.100 % variable	2020 – 2026	bullet loan
EUR	3,000	1.900 % variable	2020 – 2025	quarterly from 2023
EUR	40,500	1.900 % fixed	2020 – 2025	bullet loan
EUR	4,500	1.961 % fixed	2018 – 2025	bullet loan
EUR	10,000	1.707 % fixed	2018 – 2025	annually from 2022
EUR	30,000	1.782 % fixed	2018 – 2024	bullet loan
EUR	860	0.000 % fixed	2008 – 2024	quarterly from 2011
USD	1,365	1.000 % fixed	2020 – 2023	monthly from 2021
EUR	10,000	1.482 % fixed	2018 – 2023	bullet loan
EUR	18,750	1.582 % fixed	2018 – 2023	bullet loan
EUR	2,500	1.842 % fixed	2016 – 2023	bullet loan
EUR	10,000	2.060 % fixed	2016 – 2023	bullet loan
EUR	27,273	0.589 % fixed	2016 – 2023	semi-annually from 2018
EUR	5,000	1.090 % fixed	2018 – 2022	bullet loan
EUR	300	0.000 % fixed	2015 – 2022	quarterly from 2017
EUR	4,000	0.850 % fixed	2018 – 2021	quarterly from 2019
EUR	5,000	1.430 % fixed	2016 – 2021	bullet loan
EUR	1,000	1.616 % fixed	2016 – 2021	bullet loan
	<b>270,548</b>			

In total loans in the amount of TEUR 1,160 (previous year: TEUR 1,665) were backed by collateral. They relate to lien on land, buildings, and machinery with a carrying amount of TEUR 10,152 (previous year: TEUR 10,634).

See Note 35 for fair values; see Note 36 for interest rate risks.

## NOTE 18

### PROVISIONS FOR EMPLOYEE BENEFITS

As at the reporting date, the provisions for employee benefits consisted of the following:

IN TEUR	31.12.2020	31.12.2019
Severance payments	4,589	4,656
Jubilee payments	2,270	2,206
<b>Total</b>	<b>6,859</b>	<b>6,862</b>

The actuarial assumptions used for calculating the provisions of severance and jubilee payments were as follows:

	2020	2019
Discount rate	0.90 %	0.90 %
Salary increases	3.50 %	3.50 %
Employee turnover rate	0.0 % - 15.0 %	0.0 % - 15.0 %

Provisions were calculated using the Pagler & Pagler's AVÖ 2018-P (previous year: AVÖ 2018-P) mortality tables. Remeasurements of provisions for severance payments (actuarial gains or losses) are recognized in **OTHER COMPREHENSIVE INCOME**, in accordance with IAS 19.

No contributions were made to separately managed funds for the obligations presented.

### Provisions for severance payments

The provision for severance payments developed as follows:

IN TEUR	2020	2019
Present value of severance obligation as at 1 January	4,656	3,970
Current service cost	198	169
Interest cost	42	71
Total expenses for severance payments	240	240
Remeasurements	-64	801
Current severance payments	-243	-355
<b>Present value of severance benefit obligation as at 31 December</b>	<b>4,589</b>	<b>4,656</b>

The expenses shown in the table are included in the consolidated profit and loss statement within personnel expenses of each functional area (see Note 25).

Remeasurements of provisions for severance payments recognized in **OTHER COMPREHENSIVE INCOME** in accordance with IAS 19 are comprised of the following:

IN TEUR	2020	2019
Remeasurement of obligations		
from changes to financial assumptions	0	432
from historical experience	-64	369
<b>Total</b>	<b>-64</b>	<b>801</b>

The average term of the severance obligations as at 31 December 2020 was 10.6 years (previous year: 11.3 years).

### Sensitivity analysis

The effects on the obligations resulting from changes in significant actuarial assumptions are presented in the following sensitivity analysis. One significant influencing factor was changed in each case, while the remaining inputs were held constant. In reality, however, it is rather unlikely that these factors do not correlate. The changed obligation was determined in line with the actual obligation, using the projected unit credit method in accordance with IAS 19.

<b>SEVERANCE PAYMENTS</b>		<b>PRESENT VALUE OF OBLIGATION (DBO) 31.12.2020</b>	
IN TEUR	CHANGE IN ASSUMPTION	CHANGE IN PROVISION GIVEN AN INCREASE IN ASSUMPTION	CHANGE IN PROVISION GIVEN A DECREASE IN ASSUMPTION
Discount rate	+/- 0.5 percentage points	-229	250
Increase in salaries	+/- 0.5 percentage points	233	-216

## Provision for jubilee payments

The provision for jubilee payments developed as follows:

IN TEUR	2020	2019
Present value of jubilee payment obligation as at 1 January	2,206	1,785
Current service cost	191	148
Interest cost	20	32
Total expenses for jubilee payments	211	180
Remeasurements	-85	272
Current jubilee payments	-62	-31
<b>Present value of jubilee payment obligation as at 31 December</b>	<b>2,270</b>	<b>2,206</b>

## Defined contribution pension plans

Payments made in connection with defined contribution pension and employee benefit plans were expensed and amounted to TEUR 580 in the 2020 financial year (previous year: TEUR 639). Contributions of approximately TEUR 500 are expected for the following year.

## NOTE 19

### OTHER LIABILITIES

Other non-current liabilities break down as follows:

IN TEUR	31.12.2020	31.12.2019
Management interests	3,396	4,863
Participation rights	3,398	4,647
Other liabilities	1,690	2,348
<b>Total</b>	<b>8,484</b>	<b>11,858</b>

The management of the following companies included in the scope of consolidation held shares in their respective companies:

Company	31.12.2020	31.12.2019
BICO Drilling Tools Inc.	1.55 %	2.15 %
BICO DRILLING TOOLS FZE	1.55 %	2.15 %
BICO Faster Drilling Tools Inc.	8.00 %	11.00 %
Schoeller-Bleckmann Energy Services L.L.C.	3.00 %	3.00 %
Schoeller-Bleckmann Darron Limited	5.00 %	5.00 %
Schoeller-Bleckmann Darron (Aberdeen) Limited	6.00 %	6.00 %
ADRIANA HOLDING COMPANY LIMITED	1.00 %	1.00 %

Management thus has a pro-rata interest in these companies.

The management of the following companies included in the scope of consolidation held participation rights in their respective companies:

Company	31.12.2020	31.12.2019
DSI FZE	0.40 %	0.90 %
SCHOELLER-BLECKMANN Oilfield Technology GmbH	0.85 %	1.10 %
The WellBoss Company, LLC	1.15 %	1.30 %

The effective interest expense recognized for management interests and participation rights is reported under **INTEREST EXPENSES** and **INTEREST INCOME**.

## NOTE 20

### OPTION LIABILITY FROM CANCELLABLE NON-CONTROLLING INTERESTS

In the course of a business combination in 2016, the Company has concluded an option agreement with non-controlling shareholders on the later acquisition of such non-controlling interests. The Company granted the non-controlling shareholders the right to offer their shares to the Company, and at the same time, the Company committed to purchase the offered shares. In addition, the Company acquired the right to purchase the shares of the non-controlling shareholders, who have committed themselves to transfer their shares to the Company in such case (put / call option). The purchase price of the option liabilities from cancellable non-controlling interests depended in the previous year on the results achieved by the company in question.

At the acquisition date this option liability was recognized in **OTHER LIABILITIES**, and referred to the discounted amount of the expected payment from this cancellable option based on the current corporate planning at that date, because the Group had an unconditional payment obligation. From a Group's perspective, 100 % of the shares in these companies are thus recognized due to this option commitment. Consequently, 100 % of the results of the respective subsidiary are attributed to the owners of the parent company.

The option liability was subsequently measured using the discounted expected payment amount as at the reporting date based on current corporate planning. They were discounted using a risk-adequate interest rate for the respective term of the commitment. The interest cost from current discounting is presented under **INTEREST EXPENSES**. Gains and losses due to changes of the discounted expected payment amount are recognized in **GAINS / LOSSES FROM REMEASUREMENT OF OPTION LIABILITIES**.

SBO has already exercised its right to acquire the minority interests of 32.3 % in Downhole Technology, LLC (now The WellBoss Company, LLC) before 2020 with its share in the company reaching 100 % as of 1 April 2019. A purchase price of TUSD 33,742 (TEUR 30,138) was paid for 6.6 % of the shares in the fiscal year 2019, a subordinated remaining amount of TUSD 98 (TEUR 86) in 2020. There is a legal dispute with a former minority member regarding the termination of his employment contract in 2018, which may have an effect on the purchase price to be paid for the acquisition of the remaining 25.7 % of the interests. Any payment is delayed until the dispute is fully and finally resolved. In the 2020 financial year, a partial judgment of the court of first instance was issued against the company. As of 31 December 2020 the final judgment had not yet been signed. In any case, the company will appeal against the first instance judgment. In line with 31 December 2019 provision was made in the consolidated financial statements as of 31 December 2020 on the basis of the contractually agreed mechanism to be applied under normal circumstances (see Note 4.17). Depending on the outcome of the proceedings or a potential settlement, the purchase price to be paid could be determined subject to equity of the company, hence be significantly lower than the amount provided for. At present, the outcome of the proceedings cannot be predicted with any certainty.

In the cashflow statement of the year 2019 a portion of the paid purchase price for 6.6 % of shares relating to the amount which was estimated and recognized, respectively, as of acquisition date 1 April 2016 is included in the cashflow of investing activities. The portion which exceeded the amount estimated as of acquisition date and which was expensed in the income statement in later periods was included in the cashflow from operating activities.

Gains from revaluation of the reporting period 2019 resulted from a difference between actual results and the estimation of results as of 31 December 2018, and were reported in the income statement within **INCOME / EXPENSE FROM REVALUATION OF OPTION COMMITMENTS**. Of that an amount of TEUR 758 refers to realized gains.

The development of the option liability concerning business combination Downhole Technology is shown below:

IN TEUR	2020	2019
As at 1 January	116,905	145,059
Accrued interest	0	2,788
Remeasurement gains recognized	0	-3,699
Disposal from settlement	-86	-30,138
Currency translation adjustments	-9,873	2,895
<b>As at 31 December</b>	<b>106,946</b>	<b>116,905</b>

According to the effective interest method the liability was compounded until the contractually agreed payment date in 2019. Remeasurement gains and losses are recognized in position [GAINS / LOSSES FROM REMEASUREMENT OF OPTION LIABILITIES](#).

## NOTE 21

### LEASING

The capitalized right-of-use assets are allocated to following asset categories:

IN TEUR	31.12.2020	31.12.2019
Land and buildings	7,595	8,470
Technical plant and machinery	0	0
Other equipment, operating and office equipment	349	1,196
<b>Total</b>	<b>7,944</b>	<b>9,666</b>

Right-of-use assets are amortized on a straight-line basis according to the lease term and considering extension options. Amortization of the year 2020 breaks down as follows:

IN TEUR	31.12.2020	31.12.2019
Land and buildings	1,991	1,551
Technical plant and machinery	0	65
Other equipment, operating and office equipment	659	1,473
<b>Total</b>	<b>2,650</b>	<b>3,089</b>

The maturity analysis of undiscounted lease payments included in the present value of lease liabilities as of 31 December 2020 breaks down as follows:

IN TEUR	31.12.2020	31.12.2019
due < 1 year	2,097	2,779
due 2 - 5 years	4,043	5,201
due > 5 years	2,169	1,593
<b>Total of undiscounted lease payments</b>	<b>8,309</b>	<b>9,573</b>

Amounts recognized in profit and loss relating to leases in 2020 break down as follows:

IN TEUR	31.12.2020	31.12.2019
Interest expenses for lease liabilities	319	302
Expenses for short-term leases	348	1,585
Expenses for low value leases	37	34

## NOTE 22

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### SHARE CAPITAL

The Company's share capital as at 31 December 2020 as well as at 31 December 2019 was EUR 16 million and is divided into 16 million shares with a par value of EUR 1.00 each.

In the Annual General Meeting from 23 April 2019 the Executive Board was authorized for a period of five years to increase share capital by up to TEUR 1,600 through the issue of new shares, provided the consent of the Supervisory Board. The Annual General Meeting on 23 April 2020 authorized the Executive Board to acquire treasury shares of the Company up to a maximum of 10 % of the share capital for a period of 30 months. In the 2020 financial year 231,938 treasury shares were acquired by the Company for a purchase price of TEUR 6,502 based on the authorization from the Annual General Meeting from 24 April 2018 which was still valid at this time. In 2019 no treasury shares were acquired by the Company. In addition 6,000 treasury shares were acquired over the counter in 2020 for a purchase price of TEUR 178 (see Note 33).

As at the 2020 reporting date, the Company held 276,535 treasury shares (previous year: 44,597 shares), which corresponds to 1.73 % (previous year: 0.28 %) of the share capital with a cost of TEUR 8,964 (previous year: TEUR 2,479). The number of shares outstanding is thus 15,723,465 shares (previous year: 15,955,403 shares).

In the course of a business combination in 2010 an agreement was entered to transfer 50,000 shares as contingent consideration, if specified future sales targets were achieved. As the sales target was not met in 2020, there is no dilution effect on the number of shares outstanding as at 31 December 2020.

As at 31 December 2020, Berndorf Industrieholding AG, Vienna held approximately 33.4 % of the share capital (previous year: approximately 33.4 %).

## NOTE 23

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### RESERVES

Austrian law requires the establishment of a **LEGAL RESERVE** in the amount of 10 % of the Company's nominal share capital. As long as the legal reserve and other restricted capital reserves do not reach this amount, the Company is required to allocate 5 % of its annual net profit, reduced by a loss carry forward to the legal reserve. Only the annual financial statements of the parent company prepared in accordance with Austrian accounting principles are decisive for the establishment of this reserve. No further allocation is required because the amount of the reserve already recognized is sufficient.

The **CURRENCY TRANSLATION RESERVE** mainly includes currency translation differences from the inclusion of financial statements of subsidiaries in the consolidated financial statements. Currency translation differences and the associated income tax effects from long-term intragroup foreign currency receivables that qualify as part of a net investment in a foreign entity are also included in this position. The change in 2020 amounting to TEUR -4,890 (previous year: TEUR 482) is recognized in **OTHER INCOME** in the statement of comprehensive income.

**RETAINED EARNINGS** include current income after tax according to the income statement and, in addition, actuarial gains and losses from the revaluation of the net debt from defined benefit severance obligations. These will not be reclassified to the income statement in future periods.

In the financial year 2020 a dividend amounting to TEUR 18,861 (previous year: TEUR 15,955) was distributed relating to a share capital eligible for dividends of TEUR 15,717 (previous year: TEUR 15,955). Accordingly, the dividend per share amounted to EUR 1.20 (previous year: EUR 1.00).

## NOTE 24

### SALES REVENUES

Sales break down as follows:

IN TEUR	ADVANCED MANUFACTURING & SERVICES		OILFIELD EQUIPMENT		TOTAL	
	2020	2019	2020	2019	2020	2019
Product sales	141,672	198,764	70,821	120,196	212,493	318,960
Services and repairs	13,933	20,407	2,641	11,398	16,574	31,805
Rental revenue	4,038	4,569	58,054	89,922	62,092	94,491
<b>Total</b>	<b>159,643</b>	<b>223,740</b>	<b>131,516</b>	<b>221,516</b>	<b>291,159</b>	<b>445,256</b>
North America	84,258	113,803	83,739	181,508	167,997	295,311
Europe	32,833	48,538	3,555	3,440	36,388	51,978
Middle East	5,367	8,593	18,827	16,137	24,194	24,730
Other	37,185	52,806	25,395	20,431	62,580	73,237
<b>Total</b>	<b>159,643</b>	<b>223,740</b>	<b>131,516</b>	<b>221,516</b>	<b>291,159</b>	<b>445,256</b>

The revenues are classified based on the customer's location. In 2020 sales revenues of TEUR 230,015 relate to performance obligations which were satisfied at a point of time (previous year: TEUR 347,871) and TEUR 61,144 to performance obligations which were satisfied over time (previous year: TEUR 97,385).

The Company rents drilling machinery under rental contracts with terms of generally less than a year. With only a few exceptions, rental income charged is based on usage and is therefore variable.

## NOTE 25

### ADDITIONAL BREAKDOWN OF EXPENSES

As the Company classifies its expenses by function following the cost of sales method the following additional disclosures are required by IAS 1 (presentation using the nature of expense format):

IN TEUR	2020	2019
Cost of materials	102,332	160,169
Personnel expenses	97,354	132,489
Depreciation of property, plant and equipment including impairments	32,526	35,498
Amortization of other intangible assets including impairments	10,398	12,892
Impairment loss from goodwill	12,112	0

As a result of COVID-19 subsidies received by individual foreign subsidiaries, personnel expenses for the 2020 financial year were reduced by TEUR 1,151.

## NOTE 26

### OTHER OPERATING INCOME AND EXPENSES

The main items within **OTHER OPERATING EXPENSES** are:

IN TEUR	2020	2019
Research and development expenses	8,289	8,813
Exchange losses	9,772	3,001

Development costs have not been capitalized to date due to the uncertainties of the future economic benefits attributable to them.

The main items within **OTHER OPERATING INCOME** are:

IN TEUR	2020	2019
Exchange gains	2,961	6,006
Income from the disposal of fixed assets	997	1,240

## NOTE 27

### RESTRUCTURING GAINS AND LOSSES

The relocation of production capacities in the "Advanced Manufacturing & Services" (AMS) segment in connection with the closure of the locations Techman in the United Kingdom and SBMEX in Mexico initiated in 2018 resulted in **RESTRUCTURING LOSSES** of TEUR 1,367 in 2020 (previous year: TEUR 914). These mainly relate to impairments and other expenses relating to the property held for sale in the United Kingdom (see note 12) as well as personnel expenses. In addition, restructuring expenses include expenses from the deconsolidation of SBMEX amounting to TEUR 778, which result almost exclusively from the reclassification of currency translation differences from the **CURRENCY TRANSLATION RESERVE** into profit and loss.

In connection with these restructuring transactions in the financial year 2019 also **RESTRUCTURING GAINS** of TEUR 746 were achieved, which mainly relate to the sale of machines.

## NOTE 28

### INTEREST INCOME AND EXPENSES

INTEREST INCOME breaks down as follows:

IN TEUR	2020	2019
Bank deposits and other loans	1,230	3,493
Effective interest on management interests and participation rights	334	105
<b>Interest income</b>	<b>1,574</b>	<b>3,598</b>

INTEREST EXPENSES break down as follows:

IN TEUR	2020	2019
Loans	4,172	4,800
Compounding of the option liability from cancellable non-controlling interests	0	2,788
Effective interest on management interests and participation rights	332	809
Interest expense relating to lease liabilities IFRS 16	319	302
<b>Interest expenses</b>	<b>4,823</b>	<b>8,699</b>

Regarding the option liability from cancellable non-controlling interest see Note 20.

## NOTE 29

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### OTHER FINANCIAL EXPENSES

**OTHER FINANCIAL EXPENSES** in the 2019 financial year include dividend distributions at TEUR 10,665 with respect to shares in companies within the SBO Group for which there were put / call option agreements (see Note 20).

## NOTE 30

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### INCOME TAXES

A reconciliation of income taxes applying the Austrian corporate tax rate to consolidated tax rate is presented below:

IN TEUR	2020	2019
Consolidated tax expense at a presumed tax rate of 25 % (income + / expense -)	7,799	-11,972
Foreign tax rate differentials	-547	2,742
Change in foreign tax rates (tax loss carryback)	2,180	0
Withholding and foreign taxes	-1,528	-782
Valuation of investments	2,207	0
Impairment of goodwill	-538	0
Non-deductible expenses	-838	-598
Non-taxable income and tax allowances	252	63
Prior year adjustments	135	316
Unrecognized tax loss carryforwards	-1,885	-3,422
Utilization of tax loss carryforwards not recognized in the previous year	1,155	424
Profit share of management interests and non-controlling interests	68	-2,155
Other differences	1,035	-176
<b>Consolidated tax expense / income</b>	<b>9,495</b>	<b>-15,560</b>
Profit / loss before tax	-31,196	47,889
<b>Consolidated tax rate</b>	<b>30.4 %</b>	<b>32.5 %</b>

INCOME TAXES break down as follows:

IN TEUR	2020	2019
Current taxes	4,778	-16,177
Deferred taxes	4,717	617
<b>Total</b>	<b>9,495</b>	<b>-15,560</b>

The current tax income on the one hand results from tax loss carry back options in North America introduced as part of the COVID-19 aid package ("CARES Act") and the application of higher US tax rates from the past and on the other hand from tax claims with regard to impairment of investments.

The following income taxes were recognized under **OTHER COMPREHENSIVE INCOME**:

IN TEUR	2020	2019
Current taxes		
Remeasurements IAS 19	-16	200
<b>Total</b>	<b>-16</b>	<b>200</b>

Due to currency translation differences the net deferred tax asset presented in the balance sheet was reduced by TEUR 2,133 in the 2020 financial year (previous year: increased by TEUR 278).

The Company's dividend distribution to shareholders did not result in any income tax consequences for the Company for the 2020 financial year or the 2019 comparison period.

## NOTE 31

### SEGMENT REPORTING

The Company operates worldwide, mainly in one single industry segment, the design and manufacturing of drilling equipment for the oil and gas industry.

In accordance with IFRS 8, the following segment report follows the management approach, in which the entire Executive Board of SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft is the chief operating decision maker monitoring the performance of the business units and deciding on the allocation of resources to the business segments.

The "Advanced Manufacturing & Services" (AMS) segment comprises the high-precision manufacturing and repair of drill collars and complex MWD (Measurement While Drilling) / LWD (Logging While Drilling) components from non-magnetic, corrosion resistant stainless steel. These form the housing for the sensitive measuring instruments that are used for the precise measurement of inclination and direction of the drillstring as well as petrophysical parameters.

The "Oilfield Equipment" (OE) segment bundles a wide range of highly-specialized solutions for the oil and gas industry: High-performance drilling motors and tools for the targeted driving of the drill string, special tools for downhole circulation technology (circulation tools), and products for the resource-efficient completion of reservoirs in the two dominant technologies, Sliding Sleeve and Plug-n-Perf.

Management of the Company and the allocation of resources are based on the financial performance of these segments. Management monitors sales revenues, profit from operations, and profit / loss before tax of the business units separately for the purpose of making decisions on the allocation of resources.

The amounts presented are a summary of the separate balance sheets and income statements the individual companies included in the consolidated financial statements. Individual holding adjustments and consolidation entries (elimination of intercompany profit and loss and other intragroup transactions) must be accounted for to attain the consolidated results presented. Results in the total column correspond to those in the profit and loss statement.

Intragroup sales are made at arm's length conditions.

## 2020

IN TEUR	ADVANCED MANUFACTURING & SERVICES	OILFIELD EQUIPMENT	SBO-HOLDING & CONSOLIDATION	GROUP
External sales	159,643	131,516	0	291,159
Intercompany sales	38,642	18,799	-57,441	0
<b>Total sales</b>	<b>198,285</b>	<b>150,315</b>	<b>-57,441</b>	<b>291,159</b>
Profit / loss from operations before impairments and restructuring measures	14,355	-6,780	-13,203	-5,628
Profit / loss before tax	6,195	-19,887	-17,504	-31,196
Capital expenditures	4,458	13,646	28	18,132
Depreciation and amortization	19,770	34,526	740	55,036
thereof impairments	7,754	6,906	0	14,660
Headcount (average)	849	394	30	1,273

In the 2020 financial year profit / loss before tax in the segment "Advanced Manufacturing & Services" (AMS) includes, besides the impairments of goodwill shown above, restructuring losses of TEUR 2,146. In the segment "Oilfield Equipment" (OE) profit / loss before tax in the year 2020 includes besides the impairments of intangible assets and fixed assets also impairments of current assets in amount of TEUR 5,529 (see Notes 7, 9 and 27).

## 2019

IN TEUR	ADVANCED MANUFACTURING & SERVICES	OILFIELD EQUIPMENT	SBO-HOLDING & CONSOLIDATION	GROUP
External sales	223,740	221,516	0	445,256
Intercompany sales	82,921	22,598	-105,519	0
<b>Total sales</b>	<b>306,661</b>	<b>244,114</b>	<b>-105,519</b>	<b>445,256</b>
Profit / loss from operations before impairments and restructuring measures	33,867	28,662	-1,685	60,844
Profit / loss before tax	33,983	18,823	-4,917	47,889
Capital expenditures	11,868	23,523	24	35,415
Depreciation and amortization	14,114	33,460	816	48,390
thereof impairments	485	0	0	485
Headcount (average)	931	589	27	1,547

In the 2019 financial year profit / loss before tax in the segment "Oilfield Equipment" (OE) includes a gain from the remeasurement of the option liability in the amount of TEUR 3,699. In addition to impairment expenses of TEUR 485 reported above profit / loss before tax of the segment "Advanced Manufacturing & Services" (AMS) includes restructuring losses of TEUR 914 and restructuring gains of TEUR 746 in 2019.

## Geographic information:

Sales break down as follows:

IN TEUR	2020	2019
Austria	1,488	1,916
USA	158,335	276,962
Rest of World	131,336	166,378
<b>Total sales</b>	<b>291,159</b>	<b>445,256</b>

The revenues are classified based on the customer's location. There are no other countries with sales exceeding 10 % of the SBO Group's total sales.

See Note 36 for information regarding the most important customers.

Non-current assets break down as follows:

IN TEUR	2020	2019
Austria	33,731	37,774
United Kingdom	13,130	15,821
USA	163,683	206,200
Canada	4,323	6,407
United Arab Emirates	27,019	32,944
Rest of World	11,647	14,207
<b>Total non-current assets</b>	<b>253,533</b>	<b>313,353</b>

Assets are classified based on each company's location.

## NOTE 32

### REMUNERATION OF THE EXECUTIVE AND SUPERVISORY BOARD

The Executive Board's remuneration was comprised of the following:

#### 2020

IN TEUR	FIXED	VARIABLE	TOTAL
Gerald Grohmann	674	444	1,118
Klaus Mader	448	214	662
<b>Total</b>	<b>1,122</b>	<b>658</b>	<b>1,780</b>

#### 2019

IN TEUR	FIXED	VARIABLE	TOTAL
Gerald Grohmann	665	534	1,199
Klaus Mader	452	251	703
<b>Total</b>	<b>1,117</b>	<b>785</b>	<b>1,902</b>

The variable remuneration relates to amounts granted for the prior year that were paid out in the current year.

Expenses for pensions and severance payments for the two members of the Executive Board amounted to TEUR 118 (previous year: TEUR 437), which relate to expenses of TEUR 142 (previous year: TEUR 151) for defined contribution pension agreements and a gain in amount of TEUR 24 (previous year: expense of TEUR 286) for defined benefit agreements. Expenses for share-based payments incurred in financial years 2020 and 2019 are not included in the remuneration amounts presented above. See Note 33 for information on the voluntary severance and share-based payments.

Remuneration for the Supervisory Board of the 2020 financial year relating to the 2019 financial year amounted to TEUR 173 (previous year: TEUR 220), which was a combination of a flat reimbursement for expenses and a variable component based on the Group's results.

No loans were granted to the members of the Executive or Supervisory Boards in the 2020 or 2019 financial years.

## NOTE 33

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### SHARE-BASED PAYMENTS

Share-based payments in the 2020 financial year resulted in expenses of TEUR 326 (previous year: TEUR 605). In the 2014 financial year, the Chairman of the Executive Board, Mr Gerald Grohmann, was granted an annual transfer of 6,000 SBO shares, contingent upon valid employment. The first transfer was made in 2014. Mr Grohmann may not dispose of or encumber the shares for a period of two years following each transfer, however not exceeding the termination of the employment agreement. In 2018 the annual granting of 6,000 SBO shares was extended in accordance with the extension of the Management Board mandate until 2021. The market value of 6,000 shares at the transfer date in 2020 was TEUR 153 (previous year: TEUR 444). The market value of the 12,000 shares already transferred and still subject to disposal restrictions was TEUR 373 as at 31 December 2020 (previous year: 12,000 shares with a market value of TEUR 604). As part of the existing contract the company repurchased 6,000 shares in the first quarter of 2020 from Ing. Grohmann, for which a payment at the market value on the day of repurchase of TEUR 178 was made.

Also in the 2014 financial year, the Company granted the Chairman of the Executive Board a voluntary severance payment of 30,000 SBO shares at the end of the employment contract. At the commitment date the value per share was determined to be EUR 70.00, based on the average price for the preceding 36 months. As provisions were made already in previous years there were no further expenses for the company in 2020. The expense related to share based payments is not included in the remuneration disclosed in Note 32 due to the existing restraint on disposal and due to the severance payments granted only at the end of employment.

## NOTE 34

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### TRANSACTIONS WITH RELATED PARTIES

The following transactions with related parties not included in the SBO Group's scope of consolidation were settled at arm's length conditions:

The law firm of Schleinzer & Partner is the Company's legal consultant. One of the law firm's partners, Dr Karl Schleinzer, was a member of the Supervisory Board until April 2020. Professional fees for 2020 amounted to TEUR 36 (previous year: TEUR 36), of which TEUR 9 was unsettled as at 31 December 2020 (previous year: TEUR 9).

## NOTE 35

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### FINANCIAL INSTRUMENTS

#### Derivative financial instruments

##### FORWARD EXCHANGE CONTRACTS

The Austrian company hedges its receivables balances denominated in US dollars and CAN dollars by entering into forward exchange contracts. All transactions are short-term exposures (3 - 8 months).

##### FORWARD EXCHANGE CONTRACTS AS AT 31.12.2020

IN TEUR	RECEIVABLES AT HEDGED RATE	RECEIVABLES AT REPORTING DATE RATE	FAIR VALUE
USD	4,630	4,475	155
CAD	289	287	2

##### FORWARD EXCHANGE CONTRACTS AS AT 31.12.2019

IN TEUR	RECEIVABLES AT HEDGED RATE	RECEIVABLES AT REPORTING DATE RATE	FAIR VALUE
USD	15,234	15,099	135
CAD	339	341	-2

The forward exchange contracts are measured at fair value and recognized in profit or loss since the requirements for hedge accounting in accordance with IAS 39 are not fully met.

##### OTHER DERIVATIVE FINANCIAL INSTRUMENTS

There is also an option liability relating to cancellable non-controlling interests (see Note 20).

## Overview of existing financial instruments

The following table shows the financial instruments, broken down by categories in accordance with IFRS 9:

### FINANCIAL INSTRUMENTS

**31.12.2020**

IN TEUR	Carrying amount	VALUATION METHOD ACC. TO IFRS 9				Carrying amount financial instrument
		No financial instrument	Financial asset at amortized cost	Financial liability at amortized cost	At fair value through profit & loss	
<b>Current assets</b>						
Cash and cash equivalents	313,950	0	313,950			313,950
Trade receivables	54,252	0	54,252			54,252
Income tax receivable	3,227	3,227				0
Other receivables and other assets	4,862	4,705			157	157
Assets held for sale	2,215	2,215				0
Inventories	114,015	114,015				0
<b>Total current assets</b>	<b>492,521</b>	<b>124,162</b>	<b>368,202</b>	<b>0</b>	<b>157</b>	<b>368,359</b>
<b>Non-current assets</b>						
Property, plant and equipment	121,362	121,362				0
Goodwill	117,708	117,708				0
Other intangible assets	14,463	14,463				0
Long-term receivables and assets	3,930	865	3,065			3,065
Deferred tax assets	27,903	27,903				0
<b>Total non-current assets</b>	<b>285,366</b>	<b>282,301</b>	<b>3,065</b>	<b>0</b>	<b>0</b>	<b>3,065</b>
<b>TOTAL ASSETS</b>	<b>777,887</b>	<b>406,463</b>	<b>371,267</b>	<b>0</b>	<b>157</b>	<b>371,424</b>
<b>Current liabilities</b>						
Liabilities to banks	33,938	0		33,938		33,938
Current portion of long-term loans	25,236	0		25,236		25,236
Lease liabilities	2,222	0		2,222		2,222*
Trade payables	17,072	0		17,072		17,072
Government grants	215	215				0
Income tax payable	1,191	1,191				0
Other liabilities	138,415	16,284		15,185	106,946	122,131
Other provisions	6,562	6,562				0
<b>Total current liabilities</b>	<b>224,851</b>	<b>24,252</b>	<b>0</b>	<b>93,653</b>	<b>106,946</b>	<b>200,599</b>
<b>Non-current liabilities</b>						
Long-term loans	245,312	0		245,312		245,312
Lease liabilities	5,125	0		5,125		5,125*
Government grants	89	89		0		0
Provisions for employee benefits	6,859	6,859		0		0
Other liabilities	8,484	261		8,223		8,223
Deferred tax liabilities	129	129		0		0
<b>Total non-current liabilities</b>	<b>265,998</b>	<b>7,338</b>	<b>0</b>	<b>258,660</b>	<b>0</b>	<b>258,660</b>
<b>Equity</b>						
Share capital	15,723	15,723				0
Capital reserve	62,780	62,780				0
Legal reserve	785	785				0
Other reserves	19	19				0
Currency translation reserve	-3,747	-3,747				0
Retained earnings	211,478	211,478				0
<b>Total equity</b>	<b>287,038</b>	<b>287,038</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>777,887</b>	<b>318,628</b>	<b>0</b>	<b>352,313</b>	<b>106,946</b>	<b>459,259</b>

\* Lease liabilities are measured at amortized cost according to IFRS 16.

## FINANCIAL INSTRUMENTS

31.12.2019

IN TEUR	Carrying amount	VALUATION METHOD ACC. TO IFRS 9				Carrying amount financial instrument
		No financial instrument	Financial asset at amortized cost	Financial liability at amortized cost	At fair value through profit & loss	
<b>Current assets</b>						
Cash and cash equivalents	265,211	0	265,211			265,211
Trade receivables	112,257	0	112,257			112,257
Income tax receivable	264	264				0
Other receivables and other assets	7,147	7,003			144	144
Assets held for sale	3,301	3,301				0
Inventories	141,959	141,956				0
<b>Total current assets</b>	<b>530,136</b>	<b>152,524</b>	<b>377,468</b>	<b>0</b>	<b>144</b>	<b>377,612</b>
<b>Non-current assets</b>						
Property, plant and equipment	146,647	146,647				0
Goodwill	140,435	140,435				0
Other intangible assets	26,271	26,217				0
Long-term receivables and assets	5,235	771	4,464			4,464
Deferred tax assets	25,885	25,885				0
<b>Total non-current assets</b>	<b>344,473</b>	<b>340,009</b>	<b>4,464</b>	<b>0</b>	<b>0</b>	<b>4,464</b>
<b>TOTAL ASSETS</b>	<b>874,609</b>	<b>492,533</b>	<b>381,932</b>	<b>0</b>	<b>144</b>	<b>382,076</b>
<b>Current liabilities</b>						
Liabilities to banks	31,052	0		31,052		31,052
Current portion of long-term loans	47,496	0		47,596		47,596
Lease liabilities	2,595	0		2,595		2,595*
Trade payables	24,736	0		24,736		24,736
Government grants	319	319				0
Income tax payable	7,392	7,392				0
Other liabilities	155,518	23,914		14,688	116,916	131,604
Other provisions	3,014	3,014				0
<b>Total current liabilities</b>	<b>272,222</b>	<b>34,639</b>	<b>0</b>	<b>120,667</b>	<b>116,916</b>	<b>237,583</b>
<b>Non-current liabilities</b>						
Long-term loans	206,683	0		206,683		206,683
Lease liabilities	5,899	0		5,899		5,899*
Government grants	304	304		0		0
Provisions for employee benefits	6,862	6,862		0		0
Other liabilities	11,858	207		11,651		11,651
Deferred tax liabilities	695	695		0		0
<b>Total non-current liabilities</b>	<b>232,301</b>	<b>8,068</b>	<b>0</b>	<b>224,233</b>	<b>0</b>	<b>224,233</b>
<b>Equity</b>						
Share capital	15,995	15,995				0
Capital reserve	68,902	68,902				0
Legal reserve	785	785				0
Other reserves	19	19				0
Currency translation reserve	32,434	32,434				0
Retained earnings	251,991	251,991				0
<b>Total equity</b>	<b>370,086</b>	<b>370,086</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>874,609</b>	<b>412,793</b>	<b>0</b>	<b>344,900</b>	<b>116,916</b>	<b>461,816</b>

\* Lease liabilities are measured at amortized cost according to IFRS 16.

## Fair value of financial instruments

The Company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

**Level 1:** Quoted (unadjusted) prices in active markets for similar assets or liabilities.

**Level 2:** Techniques for which all inputs which have significant effects on the recognized fair value are observable, either directly or indirectly.

**Level 3:** Techniques which use inputs which have a significant effect on the recognized fair value that are not based on observable market data.

The financial instruments recognized at fair value in the consolidated financial statements are allocated as shown below:

### 2020

IN TEUR	BALANCE SHEET ITEM	TOTAL	LEVEL 2	LEVEL 3
<b>Assets</b>				
Derivatives (FVTPL)	Other receivables and other assets	157	157	0
<b>Liabilities</b>				
Derivatives (FVTPL)	Other liabilities	-106,946	0	-106,946

### 2019

IN TEUR	BALANCE SHEET ITEM	TOTAL	LEVEL 2	LEVEL 3
<b>Assets</b>				
Derivatives (FVTPL)	Other receivables and other assets	144	144	0
<b>Liabilities</b>				
Derivatives (FVTPL)	Other liabilities	-116,916	-11	-116,905

There were no reclassifications between the individual measurement levels during the 2020 and 2019 reporting periods. If required, items are generally reclassified at the end of the reporting period.

The derivatives assigned to level 3 exclusively consist of the option liability from cancellable non-controlling interests (see Note 20).

The forward exchange contracts are measured based on observable spot exchange rates.

For fixed rate loans received and lease liabilities, the fair value was calculated by discounting the expected future cashflows using market interest rates. For variable rate bank loans and loans received and issued, discounting corresponds to current market rates, which is why the carrying amounts largely equal the fair values. Cash and cash equivalents, trade receivables and trade payables and all other items have mostly short residual terms. The carrying amounts therefore equal the fair values on the reporting date.

The carrying amount and the different fair value for financial instruments measured at cost are presented in the table below:

IN TEUR	LEVEL	2020		2019	
		CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
<b>Liabilities</b>					
Loans and bank liabilities	2	-304,486	-312,196	-285,331	-293,595

### Net result from financial instruments

The following table shows the gains/losses (net result) by categories in accordance with IFRS 9:

#### 2020

IN TEUR	ADJUSTMENT	REMEASUREMENT		DERECOGNITION/DISPOSAL		NET RESULT
		PROFIT AND LOSS	OTHER COMPREHENSIVE INCOME	PROFIT AND LOSS	OTHER COMPREHENSIVE INCOME	
at amortized costs (loans and receivables)	-1,304	-	-	-280	-	-1,584
at fair value through profit or loss (derivatives)	-	+24	-	-	-	+24

**2019**

IN TEUR	REMEASUREMENT			DERECOGNITION/DISPOSAL		NET RESULT
	ADJUSTMENT	PROFIT AND LOSS	OTHER COMPREHENSIVE INCOME	PROFIT AND LOSS	OTHER COMPREHENSIVE INCOME	
at amortized costs (loans and receivables)	-1,439	-	-	-58	-	-1,497
at fair value through profit or loss (derivatives)	-	+1,123	-	-	-	+1,123

The total interest expense determined using the effective interest method for financial liabilities not valued at fair value through profit or loss was TEUR 4,823 (previous year: TEUR 5,911). Net results in the category at amortized costs include interest expenses of TEUR 0 (previous year: TEUR 0) and in the category at fair value through profit or loss TEUR 0 (previous year: TEUR 2,788).

**NOTE 36****RISK REPORT**

The SBO Group's operations are exposed to a number of risks that are inextricably linked to its worldwide business activities. Efficient management and control systems are used to recognize, analyze, and manage these risks, with the help of which the management of the individual operations monitors the operating risks and reports them to Group management.

From a current perspective, no risks can be identified that jeopardize the Company's existence as a going concern.

## GENERAL ECONOMIC RISKS, COVID-19 AND ITS CONSEQUENCES

The business development of SBO is to a large extent exposed to economic cycles, in particular to the cycle of oil and gas drilling activities of national and international oil companies. In order to minimize the associated fluctuation risk in bookings, the group's production entities are designed for highest possible flexibility.

Global economic output was heavily impacted by the COVID-19 pandemic in the 2020 financial year. The forecasts for the short-term effects on the global economy are still associated with high uncertainties. High liquidity and a sound balance sheet support our position even in a challenging environment. Consistent working capital management and precautionary borrowings in the financial year 2020 further strengthened our liquidity base. CAPEX were reduced to a minimum and cost savings were implemented as part of crisis management.

Apart from that, the energy sector is also in a long-term transition with the aim of gradually replacing fossil fuels with renewable energies. A tightened climate policy could trigger a decline in the demand for oil and thereby affect the business of the SBO Group. But an energy turnaround can only be achieved through oil and natural gas, because these form integral parts for technologies in the field of renewable energies. Gas is also an indispensable part in the energy mix and plays an essential role for the exit from coal. SBO sees itself as part of the energy transition and rates climate-related risks for its business model as low.

Further information on general economic risks can be found in the management report.

## SALES AND PROCUREMENT RISKS

The market for the SBO Group's products and services is determined to a great extent by the continuous development and use of new technologies. Securing and maintaining the customer base therefore depends on the ability to offer new products and services tailored to the customer's needs.

In 2020, the three largest customers (which are globally-active service companies in the directional drilling market) accounted for a share of sales of approximately 44.0 % (previous year: 36.0 %). SBO counters the risk of suffering potential noticeable sales declines from the loss of a customer through continuous innovation, quality assurance measures and close customer retention.

On the procurement side, raw materials and in particular alloy surcharges for non-magnetic steel are subject to significant price fluctuations. These are partly passed on to customers with alloy surcharges being part of our agreements. The Company procures high-alloy special steel, which is its most essential raw material, to a great extent from one supplier and is therefore exposed to the risk of delayed deliveries, capacity bottlenecks, or business interruptions. From today's perspective, the Company foresees no difficulty in continuing to obtain quality steel from this supplier. However, in the event of a failure by this supplier, there are only limited options for replacement procurement in the short-term.

### SUBSTITUTION RISKS

SBO is subject to the risk of substitution of its products and technologies, which may also result in the growth of new competitors. SBO counters this risk through ongoing market observation, active proximity to customers, and proprietary innovations.

### FINANCIAL RISKS

On the one hand, the Company has various financial assets, such as trade receivables, cash and cash equivalents, and short-term investments as a direct result of its business operations. On the other hand, it also uses financial instruments such as liabilities to banks and trade payables, which ensure the financing of the Company's operations.

In addition, the Company has derivative financial instruments to hedge foreign exchange risks arising from its business operations and financing sources. Derivatives are not used for trading or speculative purposes.

The financial instruments principally entail interest-related cashflow risks, as well as liquidity, currency, and credit risks.

## FOREIGN CURRENCY RISKS

Foreign currency risks arise from fluctuations in the value of financial instruments or cashflows as a result of exchange rate fluctuations.

Foreign currency risks arise in the SBO Group where balance sheet items and income and expenses are generated or incurred in a currency other than the local currency. Forward exchange contracts (mainly in US dollars) are concluded to hedge receivables and liabilities in foreign currencies.

Over the long-term, SBO invoices an average of approximately 80 % of its sales in US dollars. This is due to its customer structure which mainly comprises companies of the oil- and gas industry headquartered in the US that settle their worldwide activities in US dollars. Also, from a long-term perspective, only about 50 % to 60 % of costs are incurred in US dollars as important production facilities are located not just in the US. For reasons of costs and expedience, SBO does not hedge its entire net dollar exposure. In any case, SBO's earnings are dependent on the USD/EUR exchange rate.

Additional risks arise from translating the annual financial statements of the foreign companies into the Group currency. Sales, earnings, and carrying amounts of these companies depend on the applicable exchange rate. As a result of the significant investments in the US, the primary sales market and location of important production facilities, changes in the US dollar have a substantial impact on the consolidated financial statements.

The table below shows the impact of a potential change in the USD exchange rate on the consolidated financial statements, based on reasonable judgment, and only in respect of the changes in value of derivative instruments (forward exchange contracts) as there are no material trade receivables or trade payables that are not denominated in the Group's functional currency:

IN TEUR	<b>2020</b>		<b>2019</b>	
Change in EUR/USD exchange rate	+10 cents	-10 cents	+10 cents	-10 cents
Change in profit / loss before tax	+390	-390	+1,365	-1,365

## INTEREST RATE RISKS

Interest rate risks result from fluctuations in market interest rates which lead to changes in value of financial instruments and interest rate-related cashflows.

Almost all long-term loans existing as at the reporting date have fixed interest rates and are therefore not subject to interest rate risk. However, the fair value of these long-term loans is subject to fluctuations. The interest rates for individual loans are disclosed in Note 17. With the exception of loans and lease liabilities, no other liabilities are interest bearing and therefore are not subject to any interest rate risk.

The interest rate risk is further reduced by the portfolio of short-term interest-bearing investments which the Company continuously holds. Depending on whether the Company has a surplus of financial resources on the investment or borrowing side, interest rate risks could therefore result from an increase or decrease in interest rates.

The table below shows the impact of a possible potential change in interest rates, based on reasonable judgment, on the interest expense for variable-rate liabilities to banks and on interest income for variable-rate bank balances (there are no impacts on consolidated equity):

IN TEUR	<b>2020</b>		<b>2019</b>	
Change in basis points	+ 10	+ 20	+ 10	+ 20
Change in profit / loss before tax	+159	+318	+160	+320

## CREDIT RISKS

Credit risk arises from the non-performance of contractual obligations by business partners and the resulting asset losses. The maximum default risk equals the carrying amount of the receivables.

The credit risk related to our receivables from customers can be considered as low as there have been long-standing, stable business relations with all major customers. Furthermore, the creditworthiness of new and existing customers is checked regularly and outstanding balances are monitored closely. Loss allowances are recognized for credit risks (see Notes 4 and 5).

With regard to loans to the management of subsidiaries, the credit risk is limited by the surety of the acquired shares (see Note 10).

For other financial assets (cash and cash equivalents), the maximum credit risk upon default of the counterparty is the carrying amount of the financial instrument. However, this credit risk may be considered as low since we only choose highly-rated banks.

## LIQUIDITY RISKS

Liquidity risk consists in the risk of not being able to access the financial resources required to settle liabilities incurred at all times and in due time.

Due to the Company's strong self-financing capability, the liquidity risk is relatively low. The Company generates liquid funds through its operating business and uses external bank financing when needed. Due to spreading financing facilities across the world, there is no material risk concentration.

A key instrument of liquidity management is the ongoing monitoring of liquidity and financial planning of the operating units by Group Management. Financing requirements are centrally managed and based on the consolidated financial reporting of the Group members.

The tables below show all contractually obligated payments as at 31 December for principal payments, repayments, and interest from recognized financial liabilities, including derivative financial instruments, with disclosure of the undiscounted cashflows for the following financial years:

### 31.12.2020

IN TEUR	DUE ON DEMAND	2021	2022	2023	2024 or beyond
Liabilities to banks	34,139				
Long-term loans	-	29,848	27,014	62,768	171,923
Lease liabilities	-	2,097	1,493	1,374	3,345
Management interests and participation rights	-	-	-	-	6,794
Trade payables	-	17,072	-	-	-
Derivatives	-	106,946	-	-	-
Other	-	31,469	702	55	933
<b>Total</b>	<b>34,139</b>	<b>187,432</b>	<b>29,209</b>	<b>64,197</b>	<b>182,995</b>

### 31.12.2019

IN TEUR	DUE ON DEMAND	2020	2021	2022	2023 or beyond
Liabilities to banks	31,243	-	-	-	-
Long-term loans	-	51,988	46,489	24,747	148,028
Lease liabilities	-	2,779	1,926	1,373	3,495
Management interests and participation rights	-	-	-	-	9,510
Trade payables	-	24,736	-	-	-
Derivatives	-	116,916	-	-	-
Other	-	39,121	886	300	1,162
<b>Total</b>	<b>31,243</b>	<b>235,540</b>	<b>49,301</b>	<b>26,420</b>	<b>162,195</b>

Derivatives as of 31 December 2020 shown above as due in 2021 (as of 31 December 2019 as due in 2020) mainly refer to the option liability for cancellable non-controlling interests (see Note 20).

## Capital management

The Company's primary goal is to ensure to maintain a high credit rating and a solid equity ratio in order to support our operations and maximize shareholder value.

The gearing ratio (net debt and net liquidity, respectively, as a percentage of equity) is used in particular to monitor and manage capital. Net debt and net liquidity, respectively, comprise long-term loans and bank liabilities, less cash and cash equivalents.

The gearing ratio was -3.3 % as at 31 December 2020 (previous year: 5.4 %):

IN TEUR	31.12.2020	31.12.2019
Liabilities to banks	33,938	31,052
Long-term loans	270,548	254,279
Less: cash and cash equivalents	-313,950	-265,211
<b>Net liquidity (-) / net debt (+)</b>	<b>-9,464</b>	<b>20,120</b>
Total equity	287,038	370,086
<b>Gearing</b>	<b>-3.3 %</b>	<b>5.4 %</b>

For the shareholders of the parent, the average long-term dividend rate aimed for is 30 % to 60 % (of the consolidated profit after tax).

## NOTE 37

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### CONTINGENT LIABILITIES

The Company had no contingent liabilities as at 31 December 2020 or 31 December 2019.

## NOTE 38

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### OTHER OBLIGATIONS

Other obligations exist solely from short-term leases or low value leases (see Note 21) and purchase commitments for investments in property, plant and equipment (see Note 8).

## NOTE 39

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### CASHFLOW STATEMENT

The Company's cashflow statement shows the change of cash and cash equivalents for the Company and the subsidiaries during the reporting year as a result of cash inflows and outflows. Cash funds correspond to the cash and cash equivalents in the consolidated balance sheet and are comprised solely of cash-in-hand and bank balances including short-term deposits.

Within the cashflow statement, cashflows are broken down into cashflows from operating activities, from investing activities and from financing activities.

The cashflows from foreign operations have been allowed for by applying average foreign exchange rates.

The cashflows from operating activities are determined using the indirect method by starting with adjusting net income after income taxes and adjusting it for non-cash income and expenses. This result and the recognized changes in working capital (excluding cash funds) equal the cashflow from operating activities.

Cash inflows and outflows from current operations include inflows and outflows from interest payments and income taxes.

Dividend payments are presented as part of financing activities.

See to Note 20 for details on payments relating to the purchase of minority interests.

Financial liabilities were as follows during the 2020 and 2019 financial years:

<b>2020</b>	<b>1.1.2020</b>	<b>CASH CHANGES</b>	<b>NON-CASH CHANGES</b>		<b>31.12.2020</b>
IN TEUR			<b>Foreign currency effects</b>	<b>Other changes</b>	
Long-term loans including current portion	254,279	16,372	-103	0	270,548
Liabilities to banks	31,052	3,509	-623	0	33,938
Lease liabilities	8,494	-2,484	-552	1,888	7,346
Other financial liabilities	9,510	-1,837	-405	-474	6,794
<b>Total liabilities from financing activities</b>	<b>303,335</b>	<b>15,560</b>	<b>-1,683</b>	<b>1,414</b>	<b>318,626</b>

<b>2019</b>	<b>1.1.2019</b>	<b>CASH CHANGES</b>	<b>NON-CASH CHANGES</b>		<b>31.12.2019</b>
IN TEUR			<b>Foreign currency effects</b>	<b>Other changes</b>	
Long-term loans including current portion	272,588	-18,309	0	0	254,279
Liabilities to banks	31,412	-740	380	0	31,052
Lease liabilities	7,713	-3,260	273	3,768	8,494
Other financial liabilities	17,459	-3,793	206	-4,362	9,510
<b>Total liabilities from financing activities</b>	<b>329,172</b>	<b>-26,102</b>	<b>859</b>	<b>-594</b>	<b>303,335</b>

## NOTE 40

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### EMPLOYEES

The number of employees on an annual average and as at the reporting date was:

	ANNUAL AVERAGE		REPORTING DATE	
	2020	2019	31.12.2020	31.12.2019
Blue collar	852	1,017	728	1,020
White collar	421	530	403	515
	<b>1,273</b>	<b>1,547</b>	<b>1,131</b>	<b>1,535</b>

## NOTE 41

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### EVENTS AFTER THE REPORTING DATE

After the reporting date there were no events of particular significance that would have changed the presentation of the Group's net assets, financial position, and results of operations in the consolidated financial statements as at 31 December 2020.

## NOTE 42

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### PROPOSED DIVIDEND

The Executive Board recommends distributing no dividend for 2020. In the previous year a dividend distribution of EUR 1.20 per share was made which resulted in a total distribution of MEUR 18.9.

## NOTE 43

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### EXPENSES INCURRED FOR THE GROUP AUDITOR

The following expenses were incurred for the Group auditor, Ernst & Young Wirtschaftsprüfungsgesellschaft m. b. H.:

IN TEUR	2020	2019
Audit fees	158	178
Other services	34	63

Audit fees for the years 2020 and 2019 include both the audit of the consolidated financial statements as well as the audits of the financial statements of the entities in Austria.

# MANAGEMENT DISCLOSURES

## EXECUTIVE BOARD:

**Ing. Gerald Grohmann**  
(Chief Executive Officer)

**Mag. Klaus Mader**  
(Chief Financial Officer)

The current executive board contract with Mr Gerald Grohmann is effective for a term of office until 31 December 2021 and that of Mr Klaus Mader until 30 September 2023.

## COMMITTEES OF THE SUPERVISORY BOARD:

### NOMINATION AND REMUNERATION COMMITTEE:

**Mag. Norbert Zimmermann**  
**Mag. Dipl. Ing. Helmut Langanger**  
**Mag. Sonja Zimmermann**

### AUDIT COMMITTEE:

**Mag. Norbert Zimmermann**  
**Dr. Wolfram Littich**  
**Mag. Sonja Zimmermann**

## SUPERVISORY BOARD:

**Mag. Norbert Zimmermann**  
(Chairman)

Initial appointment: 1995  
End of the current term: 2022

**Mag. Brigitte Ederer**  
(Deputy Chairwoman)

Initial appointment: 2014  
End of the current term: 2024

**Mag. Dipl. Ing. Helmut Langanger**

Initial appointment: 2003  
End of the current term: 2024

**Dr. Wolfram Littich**

Initial appointment: 2016  
End of the current term: 2021

**Dr. Karl Schleinzer**

Initial appointment: 1995 (until 23.04.2020)  
retired upon conclusion of the Annual General Meeting

**Mag. Sonja Zimmermann**

Initial appointment: 2018  
End of the current term: 2023

Each year at least one member of the Supervisory Board retires at the end of the Annual General Meeting, which ensures that the election of at least one member to the Supervisory Board can be resolved during the annual meeting. To the extent the retirement sequence does not arise from the term of office, it is decided by lot. In the Supervisory Board meeting that takes place prior to

the holding of an annual general meeting for discussing proposed resolutions and nominations in accordance with Section 108 (1) Austrian Stock Corporation Act (Aktiengesetz, 'AktG'), the member of the Supervisory Board who will retire at the end of the subsequent annual general meeting must be determined by lot. The retiring member can be reelected immediately.

Ternitz, 2 March 2021

**Gerald Grohmann**

**Klaus Mader**

Executive Board

# AUDITOR'S REPORT\*

## REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

### AUDIT OPINION

We have audited the consolidated financial statements of **SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft**, Ternitz, and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of December 31, 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of December 31, 2020 and its financial performance for the year then ended in accordance with the International Financial Reportings Standards (IFRS) as adopted by EU, and the additional requirements under Section 245a Austrian Company Code UGB.

### BASIS FOR OPINION

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these

requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our opinion as of that date.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We considered the following matters as key audit matter for our audit:

1. Valuation of goodwill
2. Valuation of property, plant and equipment and inventories in the Oilfield Equipment segment

#### 1. Valuation of goodwill

##### DESCRIPTION

In its consolidated financial statements, **SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft** shows Goodwill of mEUR 117.7.

Under IFRS, as adopted by the EU, an entity is required to annually test the amount of goodwill for impairment. In 2020, goodwill impairment losses of mEUR 12.5 were already recognized during the year as a result of the COVID 19 pandemic.

Recoverability of goodwill depends on both external factors such as the development of oil prices, the development of input factors for discount rates, rig counts

and drilling activities as well as internal evaluations such as the development of customer behavior and requires management discretionary decisions. The significant risk in the course of performing tests of impairment lies in the estimation of future cash flows and discount rates.

We refer to the disclosure in the notes to the consolidated financial statements in sections "Note 4, pts 9" and "Note 9, subsection 1. Goodwill".

#### HOW OUR AUDIT ADDRESSED THE MATTER:

To address this risk, we have performed, among others, the following audit procedures:

We have assessed the design of the entity's procedures for conducting impairment tests.

The composition of the cash-generating units (CGUs) as well as the allocation of the assets, liabilities and cashflows thereto has been audited.

Forecasted sales, results and investments were reconciled to approved budgets by the Board of Management and material planning assumptions (sales, expenditures, investments, changes in Working Capital) have been assessed in order to verify the appropriateness of budget information. For selected CGUs, we have reconciled the planning assumptions with external market data. Cashflows used in the group's impairment tests have been assessed regarding the methodology as well as clerical accuracy. Assumptions related to discount factors as well as growth rates have been assessed as well.

We involved EY valuation specialists in our audit procedures related to the assessment of the appropriateness of valuation models, cash flow assumptions as well as input factors.

We also evaluated whether disclosures regarding impairment testing in the notes to the consolidated financial statements were made in line with IAS 36.

## 2. Valuation of property, plant and equipment and inventories in the Oilfield Equipment segment

#### DESCRIPTION

In its consolidated financial statements as of December 31, 2020, SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft discloses carrying amounts for property, plant and equipment of EUR 121.4 million and carrying amounts for inventories of EUR 114.0 million. In 2020, impairment losses of EUR 1.7 million were recognized on property, plant and equipment and impairment losses of EUR 5.7 million on inventories in the Oilfield Equipment segment during the year as a result of the COVID 19 pandemic.

Under IFRS, as adopted by the EU, an entity is required to assess for intangible assets with finite useful lives and property, plant and equipment at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the asset's recoverable amount. For inventories, IFRS require measurement at the lower of cost and net realizable value.

Recoverability of property, plant and equipment depends on external factors, such as the effects of the COVID 19 pandemic and related developments in oil prices, input factors for discount rates, rig counts and drilling activities, as well as internal estimates regarding further development of customer behavior and requires management to make judgments. The main risk in the context of impairment testing is the estimation of future cash flows and discount rates. The main risk in estimating the net realizable value of inventories is the determination of appropriate write-downs.

The corresponding disclosures of SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft on property, plant and equipment as well as on the related impairment tests are included in the notes to the consolidated financial statements in sections "Note 4,

pts 8" and "Note 8". The disclosures on inventories and the related impairment losses are included in sections "Note 4, pts 7" and "Note 7" to the consolidated financial statements.

#### HOW OUR AUDIT ADDRESSED THE MATTER:

To address this risk, we have performed, among others, the following audit procedures:

We have assessed the design of the entity's procedures for conducting impairment tests.

The composition of the cash-generating units (CGUs) as well as the allocation of the assets, liabilities and cashflows thereto has been audited.

Forecasted sales, results and investments were reconciled to approved budgets by the Board of Management and material planning assumptions (sales, expenditures, investments, changes in Working Capital) have been assessed in order to verify the appropriateness of budget information. For selected CGUs, we have reconciled the planning assumptions with external market data. Cashflows used in the group's impairment tests have been assessed regarding the methodology as well as clerical accuracy. Assumptions related to discount factors as well as growth rates have been assessed as well.

We involved EY valuation specialists in our audit procedures related to the assessment of the appropriateness of valuation models, cash flow assumptions as well as input factors.

We also evaluated whether disclosures regarding impairment testing in the notes to the consolidated financial statements were made in line with IAS 36.

In order to assess the appropriateness of the valuation of inventories in the affected companies in the North American region, we have performed, among others, the following audit procedures:

- Review of the Group's accounting policy regarding the recognition of impairment losses on inventories as well as the compliance with this policy by the Group companies in the North American region
- Detailed Audit procedures based on sampling and analytical procedures to verify the plausibility of the impairment losses recognized and the recoverability of inventories as of December 31, 2020
- Discussions with management regarding their assessment of the recoverability of inventories.

We also evaluated whether disclosures on impairment testing in the notes for property, plant and equipment were made in line with IAS 36 and for inventories in line with IAS 2.

#### OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the annual report 2020 (apart from the consolidated financial statements, the management report for the Group and the auditor's report thereon).

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

## RESPONSIBILITIES OF MANAGEMENT AND OF THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS as adopted by the EU, and the additional requirements under Section 245a Austrian Company Code UGB for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### COMMENTS ON THE MANAGEMENT REPORT FOR THE GROUP

Pursuant to Austrian Generally Accepted Accounting Principles, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal regulations.

Regarding the consolidated non-financial statement contained in the group management report, it is our responsibility to examine whether it has been prepared, to read it and to evaluate whether it is, based on our knowledge obtained in the audit, materially inconsistent with the consolidated financial statements or otherwise appears to be materially misstated.

Management is responsible for the preparation of the management report for the Group in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report for the Group.

#### Opinion

In our opinion, the management report for the Group was prepared in accordance with the valid legal requirements, comprising the details in accordance with Section 243a Austrian Company Code UGB, and is consistent with the consolidated financial statements.

## Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

### ADDITIONAL INFORMATION IN ACCORDANCE WITH ARTICLE 10 EU REGULATION

We were elected as auditor by the ordinary general meeting at April 23, 2020. We were appointed by the Supervisory Board on April 23, 2020. We are auditors without cease since 1996.

We confirm that the audit opinion in the Section "Report on the consolidated financial statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

### RESPONSIBLE AUSTRIAN CERTIFIED PUBLIC ACCOUNTANT

The engagement partner is Mag. Markus Jandl, Certified Public Accountant.

Vienna, March 2, 2021

## **Ernst & Young**

Wirtschaftsprüfungsgesellschaft m.b.H.

### **Mag. Markus Jandl mp**

Wirtschaftsprüfer / Certified Public Accountant

### **ppa Dipl.-Ing. (FH) Mag. Manfred Siebert mp**

Wirtschaftsprüfer / Certified Public Accountant

\* This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the consolidated financial statements together with our auditor's opinion is only allowed if the consolidated financial statements and the management report for the Group are identical with the German audited version. This audit opinion is only applicable to the German and complete consolidated financial statements with the management report for the Group. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

# REPORT OF THE SUPERVISORY BOARD ON THE 2020 FINANCIAL YEAR

In the 2020 financial year, the Supervisory Board performed its duties assigned to it by law and the Company's articles of association. It held five meetings and received regular oral and written reports about the business development and situation of the Company and its Group companies from the Executive Board, including information about relevant business occurrences. The 2020 financial year was dominated by the effects of the COVID-19 pandemic. The discussions between the Supervisory Board and Executive Board focused, along with the strategic orientation and development of the Group, in particular in view of measures in connection with climate change and other environmental, social, and governance (ESG)-related topics, also on the challenges that have been coming along with COVID-19, as well as on key business transactions and measures.

The 2020 Annual General Meeting was held virtually in conformity with the COVID-19-legislation. At this Annual General Meeting, Dr. Karl Schleinzer retired from the Supervisory Board of the Company. We thank Dr. Karl Schleinzer for his long-term activity for the Company and wish him all the best for the future.

The Executive Board remained unchanged in the 2020 financial year.

The Supervisory Board has two committees: The Audit Committee and the Nomination and Remuneration Committee.

In the 2020 financial year, the Remuneration Committee convened once to deal with the principles of remuneration of the members of the Supervisory Board in accordance with Section 98a Austrian Stock

Corporation Act (AktG) and principles of remuneration of the members of the Executive Board in accordance with Section 78a Austrian Stock Corporation Act (AktG), which have been presented to the 2020 Annual General Meeting and approved by it.

The Audit Committee held two meetings in the 2020 financial year to discuss the financial reports of the Company (consolidated and annual financial statements) and performed the duties assigned to it according to Section 92 (4a) Austrian Stock Corporation Act (AktG) (remuneration policy). Representatives of Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. as auditor of the annual financial statements and the consolidated financial statements of the Company attended the meeting of the Audit Committee which dealt with the preparation of the adoption of the annual financial statements and consolidated financial statements 2019 and their audit and reported about the auditing process. In addition, the Audit Committee held a meeting for in-depth discussion about the planning of the audits of the annual financial statements and the consolidated financial statements 2020 with representatives of Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. The Supervisory Board was informed regularly about the results of the meetings of the Audit Committee.

The annual financial statements as of 31 December 2020 and the management report were audited by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. The audit revealed that the annual financial statements comply with the legal requirements, give a true and fair view of the Company's assets and financial position as of 31 December 2020 and of the earnings situation of the Company for the financial year from 1 January 2020 to 31 December 2020, and that the management

report has been prepared according to applicable legal requirements, contains accurate information pursuant to Section 243a Austrian Commercial Code (UGB) and is consistent with the annual financial statements, and that the Corporate Governance Report required according to Section 243c Austrian Commercial Code (UGB) was prepared by analogy with the provisions of Section 251 (3) Austrian Commercial Code (UGB).

The consolidated financial statements as of 31 December 2020, which have been prepared in accordance with the International Financial Reporting Standards (IFRS) to be applied in the EU, and the consolidated management report were also audited by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. The audit revealed that the consolidated financial statements comply with the legal requirements, give a true and fair view of the Group's assets and financial position as of 31 December 2020 and of the earnings situation and the cashflows of the Group for the 2020 financial year, and that the consolidated management report has been prepared in accordance with applicable legal requirements, contains accurate information pursuant to Section 243a Austrian Commercial Code (UGB) and is consistent with the consolidated financial statements, and that the consolidated non-financial statement required pursuant to Section 267a Austrian Commercial Code (UGB) and the consolidated Corporate Governance Report required according to Section 267b Austrian Commercial Code (UGB) were prepared by analogy with the provisions of Section 251 (3) Austrian Commercial Code (UGB).

As the audits did not give rise to any objections, the auditors issued unqualified audit opinions both for the annual financial statements 2020 and the consolidated financial statements 2020.

At its meeting on 16 March 2021, and after discussion and review by the Audit Committee, the Supervisory Board reviewed the submitted annual financial statements as of 31 December 2020 and the management report as well as the consolidated financial statements as of 31 December 2020 and the consolidated management report including the non-financial statement pursuant to Section 267a Austrian Commercial Code (UGB) and the Corporate Governance Report. The final results of these reviews did not give rise to any objections. At its meeting on 16 March 2021 the Supervisory Board approved the annual financial statements as of 31 December 2020, which are therefore adopted pursuant to Section 96 (4) Austrian Stock Corporation Act (AktG). In addition, the Supervisory Board consented at that meeting to the proposal submitted by the Executive Board regarding appropriation of the net profit reported in the annual financial statements of the Company as of 31 December 2020.

The Supervisory Board extends its thanks and appreciation to the members of the Executive Board and all employees of the SBO Group for their strong commitment and performance in the 2020 financial year and thanks the shareholders and customers of the SBO Group for their trust.

Ternitz, 16 March 2021

The Supervisory Board

**Norbert Zimmermann**

(Chairman)





# JAHRES- ABSCHLUSS

JAHRESABSCHLUSS	173
BESTÄTIGUNGSVERMERK ZUM JAHRESABSCHLUSS	210
STATEMENT OF ALL LEGAL REPRESENTATIVES	216

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

BILANZ zum 31. Dezember 2020

	31.12.2020		31.12.2019	
	EUR	TEUR	EUR	TEUR
<b>A. Aktiva</b>				
<b>A. Anlagevermögen</b>				
I. Immaterielle Vermögensgegenstände				
1. Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Vorteile sowie daraus abgeleitete Lizenzen	5.066,84	0		
II. Sachanlagen				
1. Grundstücke, grundstücksgleiche Rechte und Bauten	10.151.684,84	10.634	16.000.000,00	16.000
2. andere Anlagen, Betriebs- und Geschäftsausstattung	64.883,67	94	-276.535,00	-45
	10.216.578,51	10.728	15.723.465,00	15.955
III. Finanzanlagen				
1. Anteile an verbundenen Unternehmen	244.018.873,84	238.453	785.314,64	785
2. Ausleihungen an verbundene Unternehmen	52.970.417,67	57.860	7.894.181,84	14.381
3. Wertrechte des Anlagevermögens	0,00	0	8.679.496,48	15.166
	296.989.291,51	296.313	4.428.808,76	26.988
	<b>307.210.836,86</b>	<b>307.041</b>	<b>103.011.292,27</b>	<b>132.027</b>
<b>B. Umlaufvermögen</b>				
I. Forderungen und sonstige Vermögensgegenstände				
1. Forderungen aus Lieferungen und Leistungen	355,20	0	982.302,00	1.000
2. Forderungen gegenüber verbundenen Unternehmen	16.914.815,56	33.595	2.460.000,00	5.274
davon mit einer Restlaufzeit von mehr als einem Jahr EUR 0,00 (Vorjahr TEUR 0)			1.687.832,15	2.331
3. sonstige Forderungen und Vermögensgegenstände	1.672.735,25	2.670		
davon mit einer Restlaufzeit von mehr als einem Jahr EUR 1.118.202,10 (Vorjahr TEUR 1.972)				
II. Kassenbestand, Guthaben bei Kreditinstituten	18.587.906,01	36.265		
	<b>120.739.208,19</b>	<b>95.688</b>	<b>5.140.134,15</b>	<b>6.605</b>
	<b>139.327.114,20</b>	<b>131.953</b>	<b>103.011.292,27</b>	<b>132.027</b>
<b>C. Aktive latente Steuern</b>				
	<b>2.764.050,00</b>	<b>494</b>		
	<b>449.302.101,06</b>	<b>439.488</b>	<b>341.150.674,64</b>	<b>298.856</b>
			<b>449.302.101,06</b>	<b>439.488</b>

# GEWINN- UND VERLUSTRECHNUNG

FÜR DAS GESCHÄFTSJAHR VOM 1. JÄNNER BIS 31. DEZEMBER 2020

	2020	2019
	EUR	TEUR
1. Umsatzerlöse	6.180.997,81	8.111
2. sonstige betriebliche Erträge		
a) Erträge aus dem Abgang vom Anlagevermögen mit Ausnahme der Finanzanlagen	2.576,63	0
b) übrige	1.197.587,58	2.901
	<u>1.200.164,21</u>	<u>2.901</u>
3. Personalaufwand		
a) Löhne	-177.812,54	-205
b) Gehälter	-2.724.822,97	-3.540
c) soziale Aufwendungen		
aa) Aufwendungen für Altersversorgung	-138.684,27	-146
bb) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen	-10.292,75	-333
cc) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-434.024,27	-436
dd) übrige	153,66	-1
	<u>-582.847,63</u>	<u>-916</u>
	<u>-3.485.483,14</u>	<u>-4.661</u>
4. Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen	-517.059,28	-519
5. sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Z 15 fallen	-150.169,80	-132
b) übrige	-9.448.443,72	-4.237
	<u>-9.598.613,52</u>	<u>-4.369</u>
<b>6. Zwischensumme aus Z 1 bis 5 (Betriebserfolg)</b>	<b>-6.219.993,92</b>	<b>1.463</b>
7. Erträge aus Beteiligungen davon aus verbundenen Unternehmen EUR 3.174.734,06 (Vorjahr TEUR 17.794)	3.174.734,06	17.794
8. Erträge aus anderen Wertpapieren und Ausleihungen des Finanzanlagevermögens davon aus verbundenen Unternehmen EUR 2.905.899,51 Vorjahr TEUR 2.712)	2.905.899,51	2.714
9. sonstige Zinsen und ähnliche Erträge davon aus verbundenen Unternehmen EUR 467.573,25 (Vorjahr TEUR 1.126)	956.551,16	2.626
10. Erträge aus der Zuschreibung zu Finanzanlagen	0,00	7.172
11. Aufwendungen aus Finanzanlagen	-4.889.650,00	-190
a) davon Abschreibungen EUR -4.889.650,00 (Vorjahr TEUR -190)		
b) davon Aufwendungen aus verbundenen Unternehmen EUR -4.889.650,00 (Vorjahr TEUR -190)		
12. Zinsen und ähnliche Aufwendungen davon betreffend verbundene Unternehmen EUR -567.592,78 (Vorjahr TEUR -535)	-4.461.645,83	-5.039
<b>13. Zwischensumme aus Z 7 bis 12 (Finanzerfolg)</b>	<b>-2.314.111,10</b>	<b>25.077</b>
<b>14. Ergebnis vor Steuern (Zwischensumme aus Z 6 und Z 13)</b>	<b>-8.534.105,02</b>	<b>26.540</b>
15. Steuern vom Einkommen und vom Ertrag davon latente Steuern EUR 2.270.276,70 (Vorjahr TEUR -3.253)	4.856.238,10	-1.212
<b>16. Jahresfehlbetrag/-überschuss</b>	<b>-3.677.866,92</b>	<b>25.328</b>
17. Gewinnvortrag aus dem Vorjahr	8.106.675,68	1.640
<b>18. Bilanzgewinn</b>	<b>4.428.808,76</b>	<b>26.968</b>

# ANHANG ZUM JAHRESABSCHLUSS 2020

## I. ALLGEMEINE ANGABEN

Der Jahresabschluss der SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (SBO), mit Sitz in Ternitz, wurde nach den Vorschriften des Unternehmensgesetzbuches (§§ 189ff UGB) in der geltenden Fassung erstellt.

Der Jahresabschluss wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung sowie unter Beachtung der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln, aufgestellt.

Bei der Erstellung des Jahresabschlusses wurde der Grundsatz der Vollständigkeit eingehalten.

Bei der Bewertung der einzelnen Vermögensgegenstände und Schulden wurden der Grundsatz der Einzelbewertung und eine Fortführung des Unternehmens unterstellt. Dem Vorsichtsprinzip wurde dadurch Rechnung getragen, dass nur die am Abschlussstichtag verwirklichten Gewinne ausgewiesen wurden.

Für erkennbare Risiken und drohende Verluste, die aus dem vergangenen und früheren Geschäftsjahren resultieren und in der Zukunft schlagend werden könnten, wurden entsprechende Vorsorgen in die Bilanz eingestellt.

Die Gewinn- und Verlustrechnung wurde nach dem Gesamtkostenverfahren erstellt.

Die SBO erstellt einen Konzernabschluss gemäß § 245a UGB nach international anerkannten Rechnungslegungsgrundsätzen. Der Konzernabschluss wird beim Firmenbuch des Handelsgerichtes Wiener Neustadt hinterlegt.

Die Gesellschaft ist seit 2005 Gruppenträger einer Unternehmensgruppe gemäß § 9 KStG.

Bei der Summierung von gerundeten Beträgen und Prozentangaben können durch Verwendung automatischer Rechenhilfen rundungsbedingte Rechen-differenzen auftreten.

Die COVID-19-Pandemie hat im Geschäftsjahr 2020 eine globale Wirtschaftskrise ausgelöst, der sich auch SBO naturgemäß nicht entziehen konnte. Als Holdinggesellschaft ist die SBO in erster Linie indirekt, das heißt über ihre Tochtergesellschaften von den Auswirkungen der Pandemie betroffen. In Folge wurden in der SBO im Geschäftsjahr 2020 gegenüber dem Vorjahr geringere Dividendenerträge lukriert. In 2020 wurden seitens der SBO aufgrund der hohen Liquidität und guten Kapitalausstattung keine COVID-19-Förderungen in Anspruch genommen bzw. keine Stundungen von Zahlungsverpflichtungen oder Garantien beantragt.

Wesentliche negative Auswirkungen auf das Ergebnis der SBO im Geschäftsjahr 2020 hatten Wechselkursverluste aus der Abschwächung des USD im Jahresverlauf.

## II. BILANZIERUNGS- UND BEWERTUNGSMETHODEN

Bei der Bewertung des **ANLAGEVERMÖGENS** wurde das Niederstwertprinzip eingehalten. Die vorgenommenen Abschreibungen tragen den verbrauchsbedingten und sonstigen Wertminderungen voll Rechnung. Die planmäßige Abschreibung wird linear vorgenommen.

Finanzanlagen werden zu Anschaffungskosten, gegebenenfalls vermindert um außerplanmäßige Abschreibungen zur Berücksichtigung von Wertminderungen, die voraussichtlich von Dauer sind, bewertet. Bewertungsergebnisse von Finanzanlagen in fremder Währung werden ebenfalls unter den Abschreibungen dargestellt. Abschreibungen erfolgen gegebenenfalls auf den beizulegenden Wert. Zuschreibungen zu Finanzanlagen erfolgen maximal bis zu den Anschaffungskosten, sofern die Gründe für eine in Vorjahren vorgenommene Abschreibung nicht mehr bestehen.

Die **FORDERUNGEN UND SONSTIGEN VERMÖGENSGEGENSTÄNDE** wurden nach dem strengen Niederstwertprinzip bilanziert. Fremdwährungsforderungen wurden mit dem Devisen-Kurs zum Bilanzstichtag oder zu niedrigeren Anschaffungskursen bewertet. Allen erkennbaren Einzelrisiken wurde durch Wertberichtigungen Rechnung getragen. Pauschalwertberichtigungen wurden nicht vorgenommen.

Auf Fremdwährung lautende **GUTHABEN BEI KREDIT-INSTITUTEN** wurden mit dem Devisen-Kurs zum Bilanzstichtag bilanziert.

Die Berechnung der **ABFERTIGUNGSRÜCKSTELLUNGEN** erfolgte mittels versicherungsmathematischem Verfahren gemäß IAS 19 (Methode der laufenden Einmalprämien). Hierzu wurden die folgenden Berechnungsannahmen verwendet: Zinssatz 0,9 % (Vorjahr: 0,9 %), Gehaltssteigerung 3,5 % p. a. (Vorjahr: 3,5 %), Pensionseintrittsalter gemäß den aktuellen gesetzlichen Regelungen. Im Rahmen der Ermittlung der Abfertigungsrückstellung erfolgt die Verteilung des Dienstzeitaufwandes über den Zeitraum vom Eintritt in das Unternehmen bis zum Zeitpunkt des geplanten Pensionsantrittes des jeweiligen Dienstnehmers. Die Veränderungen der Abfertigungsrückstellungen (sowie auch der Jubiläumsgeldrückstellungen) werden im Personalaufwand erfasst.

Die **JUBILÄUMSGELDRÜCKSTELLUNGEN** wurden ebenfalls gemäß IAS 19 berechnet.

Die Bewertung der **SONSTIGEN RÜCKSTELLUNGEN** und der **VERBINDLICHKEITEN** erfolgte unter Bedachtnahme auf den Grundsatz der Vorsicht mit ihrem Erfüllungsbetrag. Fremdwährungsverbindlichkeiten wurden mit ihrem Entstehungskurs oder mit dem höheren Devisen-Kurs zum Bilanzstichtag bewertet.

### III. ERLÄUTERUNGEN ZU DEN POSTEN DER BILANZ UND DER GEWINN- UND VERLUSTRECHNUNG

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#### 1. ERLÄUTERUNGEN ZUR BILANZ

##### ANLAGEVERMÖGEN

Die Entwicklung des Anlagevermögens ist im beiliegenden Anlagenspiegel dargestellt.

Das **ABNUTZBARE ANLAGEVERMÖGEN** wird über folgende Nutzungsdauern planmäßig linear abgeschrieben:

EDV-Software	4 Jahre
Rechte	15 Jahre
Gebäude und Grundstückseinrichtungen	10 bis 50 Jahre
Betriebs- und Geschäftsausstattung	4 bis 8 Jahre

Für die **ANTEILE AN VERBUNDENEN UNTERNEHMEN** wurden zum Bilanzstichtag 31.12.2020 Werthaltigkeitstests durchgeführt. Die Bewertung erfolgte auf Basis der vorliegenden Planungen durch Diskontierung der prognostizierten Cashflows unter Heranziehung eines Kapitalkostensatzes nach Steuern, welcher aufgrund aktueller Marktdaten für vergleichbare Unternehmen im selben Industriezweig unter Berücksichtigung der länderspezifischen Inflationserwartungen ermittelt wurde.

Die Cashflows wurden auf Basis der prognostizierten Umsätze und der hierfür notwendigen Kapazitäten (insb. Personalausstattung sowie Investitionen in das Anlagevermögen und in das Working Capital) unter Berücksichtigung von Risikofaktoren in Zusammenhang mit der aktuellen COVID-19-Pandemie ermittelt. Die Bewertung wird am stärksten von den Umsatzerlösen beeinflusst.

Die Umsatzplanungen werden erstellt, indem einerseits die gesamtheitliche Entwicklung der Oilfield Service Industrie berücksichtigt wird (im Wesentlichen in Form der erwarteten zukünftigen CAPEX Spendings) und andererseits auch die unternehmensspezifischen Kundenbeziehungen und regionalen Marktgegebenheiten einbezogen werden. Die Umsatzplanungen im Bereich Manufacturing berücksichtigen zudem die bereits vorhandenen Auftragsstände der wichtigsten Kunden. Für die nachhaltige Planung der Umsatzerlöse und Cashflows wird auch die aus der Vergangenheit

abgeleitete Zyklizität der Branche, sofern relevant, herangezogen. Die Margenplanung wird aus dem geplanten Produktmix und den entsprechenden Preiserwartungen sowie den prognostizierten Kostenentwicklungen abgeleitet. Für die erwarteten Erlöse werden einerseits die bisher erzielten Preise bzw. die Preise von allenfalls vorhandenen Kundenaufträgen herangezogen als auch zukünftige Marktindikationen auf Basis von Rückmeldungen des Vertriebs verwendet. Die Kostenentwicklungen basieren auf den variablen Kosten in Form von bekannten oder erwarteten Materialpreisentwicklungen (basierend auf Preisindikationen bestehender Lieferanten, Materialpreisentwicklungen auf Rohstoffmärkten und daraus ableitbare Trends sowie auf der unterstellten Mengenplanung) und auf den erwarteten fixen Kosten in Form von geplanten Erhaltungs-Investitionen in Maschinen, Anlagen und in die Mietflotte. Weiters wird die erforderliche Personalausstattung (basierend auf geplantem Headcount, erforderlicher Qualifikation der benötigten Mitarbeiter sowie der aufgrund der aktuellen Wirtschaftslage erwarteten Personalkosten) berücksichtigt.

Die durchgeführten Werthaltigkeitstests haben in 2020 zu keinen Wertminderungen geführt.

Die **AUSLEIHUNGEN** betrafen ausschließlich Konzerngesellschaften. Die Ausleihungen mit einer Restlaufzeit von unter einem Jahr betragen TEUR 16.299 (Vorjahr: TEUR 0).

## UMLAUFVERMÖGEN

### FORDERUNGEN UND SONSTIGE VERMÖGENSGEGENSTÄNDE

Die **FORDERUNGEN GEGENÜBER VERBUNDENEN UNTERNEHMEN** resultieren mit TEUR 16.328 aus Konzernfinanzierungen (Vorjahr: TEUR 33.594) und mit TEUR 587 aus verrechneten Leistungen (Vorjahr: TEUR 0).

Die in den **SONSTIGEN FORDERUNGEN** enthaltenen Erträge, welche nach dem Abschlussstichtag zahlungswirksam werden, betrafen Zinsabgrenzungen (TEUR 38; Vorjahr: TEUR 58).

### AKTIVE LATENTE STEUERN

Die aktiven latenten Steuern wurden zum Bilanzstichtag für folgende Posten gebildet: Verlustvorräte betreffend ausländische Gruppenmitglieder, Beteiligungen, Sachanlagen und Personalarückstellungen. Die Bewertung der latenten Steuern erfolgte mit einem Steuersatz von 25 %.

## EIGENKAPITAL

Das eingeforderte und eingezahlte **GRUNDKAPITAL** von TEUR 16.000 besteht aus 16.000.000 auf Inhaber lautende Aktien zu je EUR 1,00.

In der Hauptversammlung vom 23. April 2019 wurde der Vorstand für die Dauer von 5 Jahren ermächtigt, mit Zustimmung des Aufsichtsrats das Grundkapital um bis zu TEUR 1.600 durch Ausgabe neuer Aktien zu erhöhen. In der Hauptversammlung vom 23. April 2020 wurde der Vorstand für die Dauer von 30 Monaten ermächtigt, eigene Aktien der Gesellschaft bis zu maximal 10 % des Grundkapitals zu erwerben. Im Geschäftsjahr 2020 hat die Gesellschaft auf Basis der zum Erwerbszeitpunkt noch gültigen Ermächtigung der Hauptversammlung vom 24. April 2018 231.938 Stück eigene Aktien mit einem Kaufpreis von TEUR 6.502 erworben. 2019 hat die Gesellschaft von der Ermächtigung zum Erwerb eigener Aktien keinen Gebrauch gemacht. Zusätzlich wurden in 2020 außerbörslich 6.000 Stück eigene Aktien mit einem Kaufpreis von TEUR 178 erworben.

Zum Bilanzstichtag 2020 hält die Gesellschaft 276.535 Stück eigene Aktien (Vorjahr: 44.597 Stück). Dies entspricht einem Anteil von 1,73 % (Vorjahr: 0,28 %) am Grundkapital mit einem Anschaffungswert von TEUR 8.964 (Vorjahr TEUR 2.479). Die Anzahl der im Umlauf befindlichen Aktien beträgt somit 15.723.465 Stück (Vorjahr: 15.955.403 Stück).

Die **GEBUNDENE KAPITALRÜCKLAGE** betrug zum Bilanzstichtag TEUR 70.253 (Vorjahr: TEUR 70.021) und resultiert im Wesentlichen aus dem Agio bei der Ausgabe junger Aktien in 1997 und in 2005. Die Veränderung in 2020 resultiert aus dem Zugang von eigenen Anteilen und einer Umgliederung zur Optionsrücklage.

Die **GESETZLICHE RÜCKLAGE** betrug zum Bilanzstichtag unverändert TEUR 785.

Die **FREIE RÜCKLAGE** betrug zum Bilanzstichtag TEUR 7.894 (Vorjahr: TEUR 14.381). Die Veränderung in 2020 resultiert aus dem Erwerb eigener Anteile.

Die **OPTIONSRÜCKLAGE** in Zusammenhang mit einem im Jahr 2014 vereinbarten und in 2018 verlängerten Vorstandsvergütungsprogramm für die künftige Abgabe von eigenen Aktien beträgt zum Bilanzstichtag TEUR 3.927 (Vorjahr: TEUR 3.917).

Gemäß dem Hauptversammlungsbeschluss vom 23. April 2020 wurden vom **BILANZGEWINN 2019** TEUR 18.861 an die Aktionäre ausgeschüttet und die verbleibenden TEUR 8.107 auf neue Rechnung vorgetragen.

## RÜCKSTELLUNGEN

In den **ÜBRIGEN RÜCKSTELLUNGEN** sind enthalten:

IN TEUR	31.12.2020	31.12.2019
Jubiläumsgeldrückstellungen	62	59
Rückstellungen für nicht konsumierte Urlaube	449	517
sonstige Personalarückstellungen	561	978
Bilanzveröffentlichung	210	190
Rechts-, Prüfungs- und Beratungskosten	150	249
Sonstige Rückstellungen	266	338
<b>Summe</b>	<b>1.698</b>	<b>2.331</b>

## VERBINDLICHKEITEN

Der Gesamtbetrag der Verbindlichkeiten mit einer Restlaufzeit von mehr als fünf Jahren beträgt TEUR 71.143 (Vorjahr: TEUR 45.714). Davon entfallen auf Verbindlichkeiten gegenüber Kreditinstituten TEUR 50.143 (Vorjahr: TEUR 24.714) sowie auf sonstige Verbindlichkeiten TEUR 21.000 (Vorjahr: TEUR 21.000).

Die **VERBINDLICHKEITEN GEGENÜBER VERBUNDENEN UNTERNEHMEN** betreffen mit TEUR 69.326 (Vorjahr: TEUR 41.481) Konzernfinanzierungen, der Restbetrag betrifft Lieferungen und Leistungen.

In den **SONSTIGEN VERBINDLICHKEITEN** sind Aufwendungen in Höhe von TEUR 2.387 (Vorjahr: TEUR 3.091) enthalten, die nach dem Abschlussstichtag zahlungswirksam werden.

## HAFTUNGSVERHÄLTNISSE

Haftungsverhältnisse bestanden in folgendem Ausmaß:

IN TEUR	31.12.2020		31.12.2019	
	GESAMTBETRAG	DAVON FÜR VERBUNDENE UNTERNEHMEN	GESAMTBETRAG	DAVON FÜR VERBUNDENE UNTERNEHMEN
Haftungen für Kredite und Kurssicherungen	29.365	29.365	28.352	28.352

Darüber hinaus wurden für ein Bankdarlehen eines verbundenen Unternehmens Pfandrechte an Liegenschaften der Gesellschaft bis zu einem Höchstbetrag von TEUR 12.300 eingeräumt (Vorjahr: TEUR 12.300).

Weiters hat die Gesellschaft gegenüber zwei verbundenen Unternehmen Patronatserklärungen abgegeben, die eine unwiderrufliche Zusicherung enthalten, diese Unternehmen derart zu unterstützen, dass diese jederzeit ihren finanziellen Verpflichtungen nachkommen können.

## FINANZIELLE VERPFLICHTUNGEN

Die Gesellschaft hat sich verpflichtet, für eine Wettbewerbsvereinbarung jährlich USD 500.000 zu zahlen, sofern sich der Vertragspartner während der Laufzeit bis 2020 an die Vertragsbedingungen hält. Die letzte diesbezügliche Zahlung ist in 2020 erfolgt.

Aus der Nutzung von nicht in der Bilanz ausgewiesenen Sachanlagen auf Grund von Miet- oder Leasingverträgen bestehen keine wesentlichen Verpflichtungen.

## 2. ERLÄUTERUNGEN ZUR GEWINN- UND VERLUSTRECHNUNG

### UMSATZERLÖSE

Die größten Posten sind:

IN TEUR	2020	2019
Verrechnete Holdingleistungen	4.243	6.205
Mieterträge	1.938	1.905

### SONSTIGE BETRIEBLICHE ERTRÄGE

Die größten Posten sind:

IN TEUR	2020	2019
Kursgewinne	1.005	2.745

## PERSONALAUFWAND

Im Posten **AUFWENDUNGEN FÜR ABFERTIGUNGEN UND LEISTUNGEN AN BETRIEBLICHE MITARBEITER-VORSORGEKASSEN** sind Leistungen an betriebliche Mitarbeiter-Vorsorgekassen in der Höhe von TEUR 28 (Vorjahr: TEUR 27) enthalten.

Von den Aufwendungen für Abfertigungen und Pensionen entfallen TEUR 118 (Vorjahr: TEUR 437) auf die Mitglieder des Vorstands. Versicherungsmathematische Gewinne aus der Berechnung der Abfertigungsrückstellung des Geschäftsjahres 2020 betragen TEUR 80 (Vorjahr: Verluste von TEUR 256).

## SONSTIGE BETRIEBLICHE AUFWENDUNGEN

Die größten Posten in den **ÜBRIGEN SONSTIGEN BETRIEBLICHEN AUFWENDUNGEN** sind:

IN TEUR	2020	2019
Kursverluste	5.586	65
Rechts-, Prüfungs- und Beratungskosten	942	725
Versicherungen	533	500
Wettbewerbsverbot	395	511

Darüber hinaus sind Spesen des Geldverkehrs, EDV-Aufwand sowie sonstige Verwaltungs- und Vertriebsaufwendungen unter dieser Position verbucht.

## ERTRÄGE AUS DER ZUSCHREIBUNG VON FINANZANLAGEN

Die Erträge aus der Zuschreibung von Finanzanlagen des Jahres 2019 in Höhe von TEUR 6.500 betrafen die Beteiligung an der Schoeller-Bleckmann Canada, Ltd. (mittlerweile eine Tochtergesellschaft der Schoeller-Bleckmann America Inc.) und ergaben sich aus der Erschließung von Synergiepotenzialen im Rahmen der organisatorischen Zusammenführung von Konzerngesellschaften in 2019.

## AUFWENDUNGEN AUS FINANZANLAGEN

Die Aufwendungen aus Finanzanlagen in Höhe von TEUR 4.890 (Vorjahr: TEUR 190) betreffen Kursverluste aus der Bewertung konzerninterner Ausleihungen.

## STEUERN VOM EINKOMMEN UND VOM ERTRAG

Die SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft hat die Möglichkeit der Bildung einer steuerlichen Unternehmensgruppe gemäß § 9 KStG unter Anwendung der Belastungsmethode genutzt. Gruppenmitglieder sind:

### INLAND:

SCHOELLER-BLECKMANN Oilfield Technology GmbH., Ternitz	(ab 2008)
SCHOELLER-BLECKMANN Beteiligungs GmbH, Ternitz	(ab 2020)

### AUSLAND:

Schoeller-Bleckmann de Mexico S. A. de C. V., Monterrey	(bis 2019)
Schoeller-Bleckmann Oilfield Equipment Vietnam LLC, Binh Duong	(ab 2009)
BICO Drilling Tools Inc., Houston, US	(ab 2020)

Im Geschäftsjahr 2020 weist die Gesellschaft nach Verrechnung der Steuerumlagen an inländische Gruppenmitglieder in Höhe von TEUR 2.850 (Vorjahr: TEUR 4.395) einen Steuerertrag in Höhe von TEUR 4.856 (Vorjahr: Steueraufwand von TEUR 1.212) aus. Darin sind Aufwendungen für Quellensteuern in Höhe von TEUR 24 (Vorjahr: TEUR 56) sowie ein auf Vorjahre entfallender Steuerertrag von TEUR 20 (Vorjahr: Steueraufwand TEUR 115) enthalten. In Zusammenhang mit der Löschung der ehemaligen Tochtergesellschaft in Mexiko in 2020 ergab sich ein Steuerertrag in Höhe von TEUR 2.207 (Vorjahr: TEUR 0), der der Veranlagung 2019 zuzurechnen ist.

## **BILANZGEWINN**

Der Vorstand schlägt vor, von der Ausschüttung einer Dividende abzusehen (Vorjahr: EUR 1,20 je Aktie) und den Bilanzgewinn auf neue Rechnung vorzutragen.

## **IV. SONSTIGE ANGABEN**

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### **GESCHÄFTSFÄLLE MIT NAHESTEHENDEN UNTERNEHMEN UND PERSONEN**

Für das Geschäftsjahr 2020 liegen keine berichtspflichtigen Geschäftsfälle gemäß § 238 (1) Z 12 UGB vor.

### **AUFWENDUNGEN FÜR DEN ABSCHLUSSPRÜFER**

Die Aufwendungen für den Abschlussprüfer 2020 sind dem Konzernabschluss der SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft zu entnehmen.

### **EREIGNISSE VON BESONDERER BEDEUTUNG NACH DEM BILANZSTICHTAG**

Nach dem Bilanzstichtag sind keine Ereignisse von besonderer Bedeutung eingetreten, die weder in der Gewinn- und Verlustrechnung noch in der Bilanz berücksichtigt sind.

## V. ANGABEN ÜBER BETEILIGUNGEN UND BEZIEHUNGEN ZU VERBUNDENEN UNTERNEHMEN

Verbundene Unternehmen im Sinne des § 189a Z 8 UGB sind alle Unternehmen, die dem Konzern der SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft, Ternitz, angehören. Geschäfte mit diesen Gesellschaften werden wie mit unabhängigen Dritten abgewickelt.

Die SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft war zum 31. Dezember 2020 an folgenden Unternehmen beteiligt:

	ANTEIL IN PROZENT*	ERGEBNIS	EIGENKAPITAL
		IN TEUR	IN TEUR
		JAHR 2020	31.12.2020
SCHOELLER-BLECKMANN Oilfield Technology GmbH, Ternitz	100,00	8.373,5	96.747,0
DSI FZE, Dubai, AE	100,00	5.838,4	50.504,5
Schoeller-Bleckmann America Inc., Wilmington, US	100,00	1.795,0	70.499,2
BICO Drilling Tools Inc., Houston, US	88,70	-18.647,1	54.441,4
Schoeller-Bleckmann Oilfield Equipment (UK) Limited, Rotherham, GB	100,00	734,1	18.019,2
Knust-SBD Pte Ltd., Singapur, SG	51,50	501,4	9.567,7
Schoeller-Bleckmann Oilfield Equipment Middle East FZE, Dubai, AE	100,00	298,9	5.708,7
Schoeller-Bleckmann Oilfield Equipment Vietnam LLC, Binh Duong, VN	100,00	1.313,7	26.232,4

Für die Angaben zu weiteren Beteiligungen wird von der Bestimmung gem. § 242 Abs. 2 Z 2 UGB Gebrauch gemacht. Die Schoeller-Bleckmann de Mexico S. A. de C. V., Monterrey, MX, wurde nach Schließung der operativen Geschäftstätigkeit im Jahr 2019 im Geschäftsjahr 2020 liquidiert.

\* Direkt gehaltene Anteile

## VI. ANGABEN ÜBER ORGANE UND ARBEITNEHMER

Der durchschnittliche Personalstand gliedert sich wie folgt:

	2020	2019
Gehaltsempfänger	16	14
Lohnempfänger	9	8
<b>Summe Mitarbeiter</b>	<b>25</b>	<b>22</b>

Die Bezüge für die Mitglieder des Vorstands betragen im Jahr 2020 TEUR 1.780, davon fixer Anteil TEUR 1.122, davon variabler Anteil TEUR 658 (Vorjahr: TEUR 1.902, davon fixer Anteil TEUR 1.117, davon variabler Anteil TEUR 785).

Im Geschäftsjahr 2014 wurde dem Vorstandsvorsitzenden Ing. Gerald Grohmann für Vorstandstätigkeiten unter der Voraussetzung eines jeweils aktiven Dienstverhältnisses eine jährliche Übertragung von jeweils 6.000 Stück SBO Aktien zugesagt, wobei die erste Übertragung 2014 erfolgte. Diese Aktien unterliegen auf die Dauer von 2 Jahren ab der jeweiligen Übertragung, längstens aber bis zur Beendigung des Dienstvertrages, einer Verfügungs- und Belastungsbeschränkung seitens Herrn Ing. Grohmann. Die Vereinbarung wurde in 2018 im Rahmen der Verlängerung des Dienstvertrages bis 2021 verlängert. Der Kurswert zum Zeitpunkt der Übertragung von 6.000 Aktien in 2020 betrug TEUR 153 (Vorjahr: TEUR 444). Zum 31. Dezember 2019 beträgt der Kurswert der 12.000 Stück bereits übertragenen und einer Verfügungsbeschränkung unterliegenden Aktien TEUR 373 (Vorjahr: 12.000 Stück mit Kurswert TEUR 604). Im Rahmen des bestehenden Vertrages hat die Gesellschaft im ersten Quartal 2020 von Herrn Ing. Grohmann 6.000 Aktien zurück erworben, wofür eine Zahlung zum Kurswert am Tag des Rückerwerbes in Höhe von TEUR 178 geleistet wurde.

Im Geschäftsjahr 2014 wurde dem Vorstandsvorsitzenden eine freiwillige Abfertigung in Höhe von 30.000 Stück SBO Aktien bei Vertragsende zugesagt. Nachdem dafür bereits in Vorjahren vollständig vorgesorgt wurde, ergab sich für die Gesellschaft in 2020 daraus kein weiterer Aufwand. Der Aufwand betreffend aktienbasierter Vergütungen ist aufgrund der bestehenden Verfügungsbeschränkung bzw. der erst bei Ende des Dienstverhältnisses gewährten Abfertigung in den oben dargestellten Bezügen nicht enthalten.

Im Geschäftsjahr 2020 erhielten die Aufsichtsratsmitglieder in Summe eine Vergütung von TEUR 173 (Vorjahr: TEUR 220).

**AUFSICHTSRAT:****Mag. NORBERT ZIMMERMANN**

Vorsitzender seit 10.04.1995

**Mag. Brigitte EDERER**

Mitglied seit 23.04.2014,  
stellvertretende Vorsitzende seit 24.04.2018

**Mag. DI HELMUT LANGANGER**

Mitglied seit 29.04.2003

**Mag. Dr. WOLFRAM LITTICH**

Mitglied seit 27.04.2016

**Dr. KARL SCHLEINZER**

Mitglied von 24.05.1995 bis 23.04.2020  
ausgeschieden mit Beendigung der  
Hauptversammlung 2020

**Mag. SONJA ZIMMERMANN**

Mitglied seit 24.04.2018

**VORSTAND:****Ing. GERALD GROHMANN**

Vorsitzender seit 03.10.2001

**Mag. KLAUS MADER**

seit 01.10.2015

Ternitz, am 1. März 2021

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Der Vorstand

**Ing. GERALD GROHMANN**

**Mag. KLAUS MADER**

**SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft**

**Anlagenpiegel gemäß § 226 (1) UGB per 31.12.2020**

Beträge in EURO	Vortrag		Anschaffungs- bzw. Herstellungskosten		Vortrag		kumulierte Abschreibungen		Stand		Buchwert	
	01.01.2020	Zugänge	Abgänge	31.12.2020	01.01.2020	Zugänge	Abgänge	31.12.2020	31.12.2020	31.12.2019		
<b>I. Immaterielle Vermögensgegenstände</b>												
Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Vorteile sowie daraus												
1. abgeleitete Lizenzen	63.738,60	5.656,00	-558,00	68.836,60	63.738,60	589,16	-558,00	63.769,76	5.066,84	0,00		
<b>Summe immaterielle Vermögensgegenstände</b>	<b>63.738,60</b>	<b>5.656,00</b>	<b>-558,00</b>	<b>68.836,60</b>	<b>63.738,60</b>	<b>589,16</b>	<b>-558,00</b>	<b>63.769,76</b>	<b>5.066,84</b>	<b>0,00</b>		
<b>II. Sachanlagevermögen</b>												
Grundstücke, grundstücksgleiche Rechte und Bauten, davon Grundwert EUR 3.560.935,26 (2019: TEUR 3.560,9)	20.063.262,67	0,00	0,00	20.063.262,67	9.429.496,34	482.071,49	0,00	9.911.567,83	10.151.694,84	10.633.766,33		
2. andere Anlagen, Betriebs- und Geschäftsausstattung	717.200,65	16.147,84	-94.397,08	638.951,41	622.984,06	28.033,95	-76.950,27	574.067,74	64.883,67	94.216,59		
3. geringwertige Wirtschaftsgüter	0,00	6.364,68	-6.364,68	0,00	0,00	6.364,68	-6.364,68	0,00	0,00	0,00		
<b>Summe Sachanlagen</b>	<b>20.780.463,32</b>	<b>22.512,52</b>	<b>-100.761,76</b>	<b>20.702.214,08</b>	<b>10.052.480,40</b>	<b>516.470,12</b>	<b>-83.314,95</b>	<b>10.485.635,57</b>	<b>10.216.578,51</b>	<b>10.727.982,92</b>		
<b>III. Finanzanlagen</b>												
1. Anteile an verbundenen Unternehmen	259.431.232,41	5.566.307,25	-8.828.502,93	256.169.036,73	20.978.665,82	0,00	-8.828.502,93	12.150.162,89	244.018.873,84	238.452.566,59		
2. Ausleihungen an verbundenen Unternehmen	58.244.257,12	0,00	0,00	58.244.257,12	384.189,45	4.889.650,00	0,00	5.273.839,45	52.970.417,67	57.860.067,67		
<b>Summe Finanzanlagen</b>	<b>317.675.489,53</b>	<b>5.566.307,25</b>	<b>-8.828.502,93</b>	<b>314.413.293,85</b>	<b>21.362.855,27</b>	<b>4.889.650,00</b>	<b>-8.828.502,93</b>	<b>17.424.002,34</b>	<b>296.989.291,51</b>	<b>296.312.634,26</b>		
<b>SUMME ANLAGEVERMÖGEN</b>	<b>338.519.691,45</b>	<b>5.594.475,77</b>	<b>-8.929.822,69</b>	<b>335.184.344,53</b>	<b>31.479.074,27</b>	<b>5.406.709,28</b>	<b>-8.912.375,88</b>	<b>27.973.407,67</b>	<b>307.210.936,86</b>	<b>307.040.617,18</b>		



SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

# LAGEBERICHT FÜR DAS GESCHÄFTS- JAHR 2020

## 1) BERICHT ÜBER DEN GESCHÄFTSVERLAUF UND DIE WIRTSCHAFTLICHE LAGE

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Die SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (SBO) fungiert als konzernleitende

Holdingsgesellschaft zur Steuerung und Beratung der Tochter- und Beteiligungsgesellschaften.

# FINANZIELLE UND NICHTFINANZIELLE LEISTUNGSINDIKATOREN

Wegen ihrer Holdingfunktion haben die finanziellen Kennzahlen der SBO keine Aussagekraft für die wirtschaftliche Entwicklung des Konzerns. Die Beurteilung der Vermögens- und Ertragslage des SBO-Konzerns ist deshalb nur anhand des Konzernabschlusses möglich.

Die **UMSATZERLÖSE** der SBO betragen 2020 MEUR 6,2 (Vorjahr: MEUR 8,1). Bei den von SBO ausgewiesenen Umsatzerlösen handelt es sich um konzerninterne Leistungen sowie um Erlöse aus der Vermietung von Grund- und Gebäudeflächen in Ternitz.

Die **SONSTIGEN BETRIEBLICHEN AUFWENDUNGEN** enthalten Aufwendungen aus Kursdifferenzen in Höhe von MEUR 5,6 (2019: MEUR 0,1), die sich in erster Linie aus der Abschwächung des USD im Jahresverlauf 2020 ergeben.

Das **ERGEBNIS VOR STEUERN** betrug 2020 MEUR -8,5 (Vorjahr: MEUR 26,5). Darin enthalten sind Erträge aus Beteiligungen in Höhe von MEUR 3,2 (Vorjahr: MEUR 17,8). Die Aufwendungen aus Finanzanlagen in Höhe von MEUR 4,9 (Vorjahr: MEUR 0,2) betreffen Kurseffekte.

In den Jahren 2020 und 2019 gab es keine nennenswerten **ZUGÄNGE ZU SACHANLAGEN UND IMMATERIELLEN VERMÖGENSGEGENSTÄNDEN**.

Die **ZUGÄNGE ZU FINANZANLAGEN** betragen im Jahr 2020 MEUR 5,6 und betrafen zur Gänze Anteile an verbundenen Unternehmen. Darin enthalten sind **KAPITALERHÖHUNGEN** in selber Höhe. Im Jahr 2019 betragen die Zugänge MEUR 35,8 und betrafen mit MEUR 13,3 Anteile an verbundenen Unternehmen. Darin enthalten waren **KAPITALERHÖHUNGEN** in Höhe von MEUR 8,4. In 2020 kam es zu keiner Aufwertung oder Abwertung von Anteilen an verbundenen Unternehmen (Vorjahr: Aufwertung von MEUR 6,5). Im Geschäftsjahr 2020 wurden keine Ausleihungen an verbundene Unternehmen ausgegeben (Vorjahr: MEUR 22,4).

Die **BILANZSUMME** 2020 ist mit MEUR 449,3 gegenüber dem Vorjahr (MEUR 439,5) leicht gestiegen. Dies ist in erster Linie auf die Aufnahme von Fremdmitteln in Höhe von MEUR 81,0 gegenüber Tilgungen in Höhe von MEUR 65,6 zurückzuführen.

Die **EIGENKAPITALQUOTE** ist auf Grund der gestiegenen Bilanzsumme, der Ausschüttung einer Dividende von MEUR 18,9, des Erwerbes eigener Aktien und des negativen Jahresergebnisses auf 22,9 % gesunken (Vorjahr: 30,0 %).

Ebenso ist das **LANGFRISTIG GEBUNDENE VERMÖGEN** (überwiegend Finanzanlagen) auf 68,4 % der Bilanzsumme leicht gesunken (Vorjahr: 69,9 %).

Es bestehen keine Zweigniederlassungen der SBO.

## Mitarbeiter

Der **PERSONALSTAND** der SBO zum 31. Dezember 2020 betrug 23 Mitarbeiter (14 Gehaltsempfänger und 9 Lohnempfänger). Im Vorjahr belief sich die Mitarbeiteranzahl auf 22 (14 Gehaltsempfänger und 8 Lohnempfänger).

Unsere Mitarbeiter sichern mit ihrem Wissen und ihrer Kompetenz den nachhaltigen Erfolg unseres Unternehmens. Wir bauen auf unsere erfahrene und gut ausgebildete Mannschaft, die wir von der Einstellung an begleiten und durch ihre gesamte Laufbahn bei SBO fördern.

Unsere Branche ist von Zyklen mit Auf- und Abschwüngen geprägt. In unserer Personalplanung achten wir darauf, dieses Auf und Ab bestmöglich abzufedern. Während wir im Abschwung aktiv Maßnahmen setzen, um das Knowhow im Unternehmen zu halten, bauen wir im Aufschwung unsere Mannschaft schrittweise aus. Ein ansprechendes Arbeitsumfeld und attraktive Bonifikationsmodelle bringen neue Fachkräfte an Bord und halten unsere Experten langfristig im Unternehmen. An unserem Standort in Ternitz haben wir eine spezifische Lehrlingsausbildung implementiert und bilden damit junge Menschen zu den Facharbeitern von morgen aus. Durch diesen Fokus auf unser Experten-Team gewährleisten wir Top-Qualität in der Produktion.

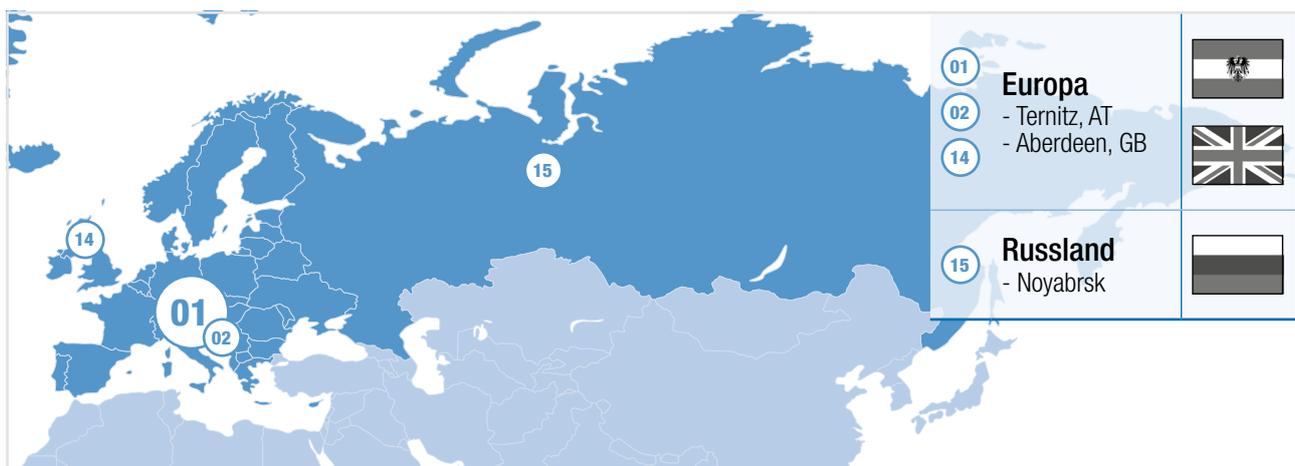
# MARKTUMFELD DES SBO-KONZERNS

Die COVID-19-Pandemie verursachte eine globale Rezession, deren Tiefe in den letzten eineinhalb Jahrhunderten nur von den beiden Weltkriegen und der Großen Depression in den 1930er Jahren übertroffen wurde. Die weltweite Wirtschaftstätigkeit war durch staatliche Beschränkungen massiv beeinträchtigt, Investitionen wurden aufgrund der unsicheren Lage stark zurückgefahren, und die Besorgnis über die Lebensfähigkeit der globalen Wertschöpfungsketten sowie der Verlauf der Pandemie belasteten den internationalen Handel in hohem Maße.

Angesichts dieser krisenhaften Ausnahmesituation brach die weltweite Wirtschaftsleistung im abgelaufenen Geschäftsjahr stark ein. Laut aktuellen Schätzungen des Internationalen Währungsfonds (IWF) sank die globale Wirtschaftsleistung 2020 um 3,5 %, nach einem Anstieg von 2,8 % im Vorjahr. Der Abschwung vollzog sich über die Regionen hinweg: Sowohl die Wirtschaftsleistung der Industrienationen verzeichnete nach einem Wachstum von 1,6 % in 2019 einen Rückgang von 4,9 % in 2020, als auch die Wirtschaftsleistung der Schwellenländer. Diese reduzierten sich um 2,4 % in 2020, nach einer Steigerung von 3,6 % in 2019.<sup>1</sup>

## Regionen

### EUROPA UND RUSSLAND

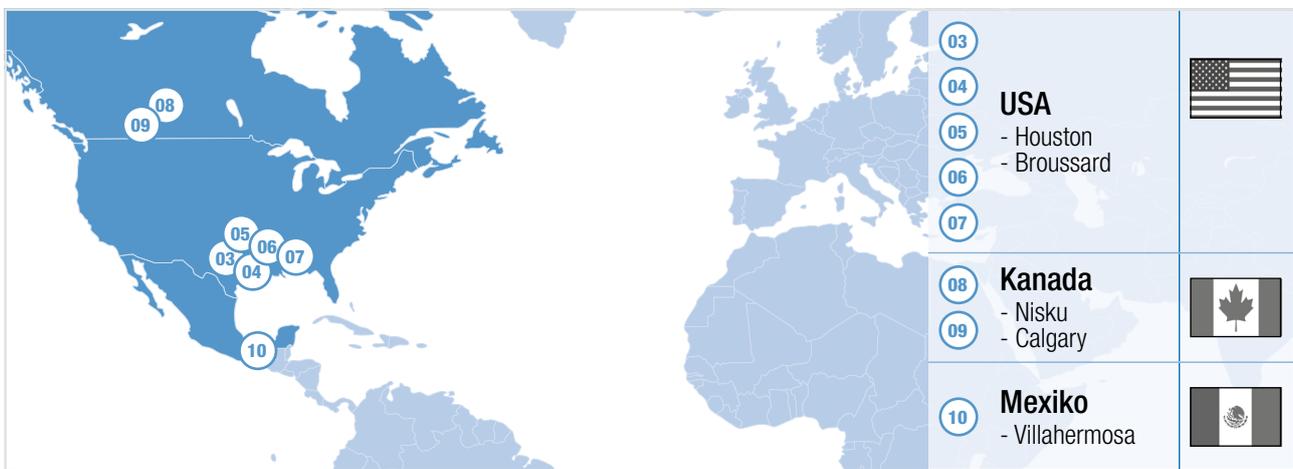


<sup>1</sup> IWF, World Economic Outlook Update, Januar 2021.

Die Länder in Europa haben schnell auf die Pandemie reagiert. Schließungen der Binnengrenzen und eine stringente Lockdown-Politik wurden begleitet von Subventionsmaßnahmen der öffentlichen Hand und steuerlichen Anreizmodellen. Die Eurozone ver-

zeichnete dem IWF zufolge einen Rückgang der Wirtschaftsleistung von 7,2 %. Auch Russland konnte sich den Auswirkungen der stagnierenden Ölpreise nicht entziehen, hier betrug der Rückgang der Wirtschaftsleistung 3,6 %.

## NORDAMERIKA (INKLUSIVE MEXIKO)



Auch das nordamerikanische Wirtschaftsumfeld wurde stark von der Pandemie getroffen. In den USA ging die Wirtschaftsleistung um 3,4 % zurück. In Kanada kam es laut Schätzungen des IWF zu einem Rückgang von 5,5 %. Erhebliche fiskalische Unterstützung für die Haushaltseinkommen – die weit über ähnliche

Maßnahmen während der globalen Finanzkrise hinausging – trug zu einem anfänglichen Aufschwung im dritten Quartal 2020 bei, der anschließend durch ein breites Wiederaufleben der Pandemie unterbrochen wurde.

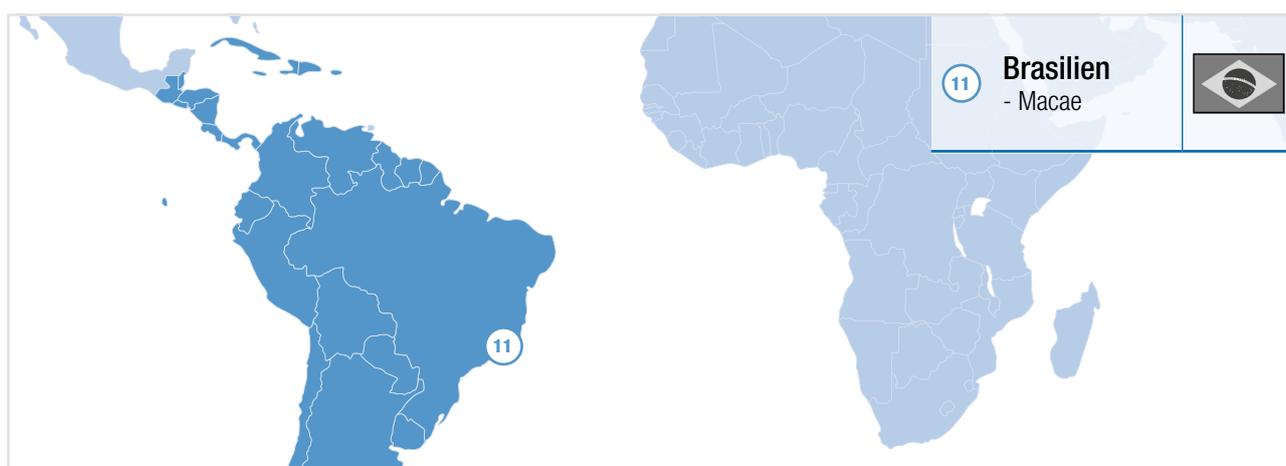
## ASIEN



Der asiatisch-pazifische Raum erholt sich von einer schweren Rezession. Die Länder in Asien haben starke Maßnahmen ergriffen, um die COVID-19-Pandemie einzudämmen und gleichzeitig ihre wirtschaftlichen Kosten zu begrenzen. Die frühzeitige Umsetzung der Eindämmungsmaßnahmen erwies sich als ent-

scheidend, um die Infektionsrate zu reduzieren und eine noch tiefere und länger anhaltende Rezession zu vermeiden. In China normalisierte sich die Wirtschaft schneller als erwartet und verzeichnete im Jahr 2020 als einzige große Wirtschaftsnation ein Wachstum von 2,3 %.

## LATEINAMERIKA



Lateinamerika und die Karibik (LAC) wurden von der COVID-19-Pandemie schwer getroffen, sowohl in Bezug auf Menschenleben als auch auf die

wirtschaftlichen Bedingungen der Region. Sechs der zehn aufstrebenden Länder mit den höchsten COVID-19-Todesfällen pro Kopf der Welt liegen in LAC,

darunter fünf der sechs größten Volkswirtschaften der Region. Die lateinamerikanischen Arbeitsmärkte wurden durch die wirtschaftlichen Auswirkungen der COVID-19-Pandemie stark beeinträchtigt und die

Beschäftigung ging in der gesamten Region stark zurück. In Lateinamerika betrug der Rückgang der Wirtschaftsleistung somit 7,4 % im Jahr 2020.

## MITTLERER OSTEN



Die Länder in der Region Naher Osten, Nordafrika, Afghanistan und Pakistan (MENAP) sowie die Länder im Kaukasus sehen sich trotz schneller und strenger Maßnahmen gegen COVID-19 weiterhin einem unsicheren und schwierigen Umfeld gegenüber. Die Ölexporteure waren von den wirtschaftlichen Auswirkungen der Lockdowns und den daraus resultierenden starken Rückgängen der Ölnachfrage und -preise besonders stark betroffen. Die notwendige

Reaktion des öffentlichen Gesundheitswesens auf die Pandemie hat die Mobilität stark eingeschränkt und ist mit hohen wirtschaftlichen Kosten verbunden. Infolgedessen sank die Wirtschaftsleistung in der Region im Jahr 2020 um 3,2 %. Saudi-Arabien war wie viele ölexportierende Länder von den niedrigen Ölpreisen betroffen, hier ist die Wirtschaftsleistung 2020 um 3,9 % geschrumpft.

## Auswirkungen auf die Energienachfrage

Die eingeführten Beschränkungen zur Ausbreitung von COVID-19 hatten weitreichende Auswirkungen auf das Leben der Menschen und die Art und Weise der Energienutzung in ganzen Volkswirtschaften. Als Folge der globalen Lockdown-Maßnahmen aufgrund der COVID-19-Pandemie ging die Mobilität und damit der Transport im März und April 2020 in einem noch nie dagewesenen Ausmaß zurück. So lag die globale Straßenverkehrsaktivität Ende März 2020 nahezu 50 % unter dem Durchschnitt von 2019. Die kommerzielle Flugaktivität war sogar noch stärker betroffen und lag fast 60 % unter dem Wert von 2019.<sup>2</sup>

Laut Schätzungen der Internationalen Energie Agentur (IEA) sank die Energienachfrage im Jahr 2020 im Vergleich zum Vorjahr um etwa 5 %. Die Nachfrage nach Erdgas ist dabei um 3 % zurückgegangen. Damit war Erdgas resilienter gegen die unmittelbaren Auswirkungen der COVID-19-Pandemie als Kohle und Öl. Kohle trug die Hauptlast des Rückgangs der Elektrizitätsnachfrage im Zusammenhang mit der Pandemie und den damit verbundenen Shutdowns. Die Nachfrage nach Kohle sank 2020 um 7 % und wird auch in Zukunft um 8 % niedriger sein als in den Projektionen vor der Krise.<sup>3</sup>

Die durchschnittliche globale Ölnachfrage verringerte sich im Jahr 2020 laut IEA um 8,7 Millionen Barrel pro Tag (mb/d) oder 8,7 % auf 91,0 mb/d (2019: 99,7 mb/d). Der Rückgang der Ölnachfrage ist vor allem auf den stark eingebrochenen Transportsektor durch die COVID-19-Pandemie zurückzuführen. Auch

die Produktion von Rohöl wurde drastisch gekürzt und lag bei 94,0 mb/d. Um den vom Nachfragerückgang beeinträchtigten Ölmarkt zu stabilisieren und die Preise zu stützen, kam es zu einer historischen Förderkürzung, die am 13. April 2020 mit anfänglich 9,7 mb/d von der OPEC+ Allianz beschlossen wurde.<sup>4</sup>

Der weltweite Rig Count reduzierte sich im Verlauf des Jahres 2020 drastisch um 46 % auf 1.104 Anlagen (Dezember 2019: 2.043 Anlagen). Der Rückgang betraf in erster Linie den US-Rig Count, der sich um 58 % auf 339 Anlagen verringerte (Dezember 2019: 804 Anlagen). Auch international gab es einen deutlichen Rückgang um 40 % auf 665 Anlagen (Dezember 2019: 1.104 Anlagen). In den USA erreichte der ab März 2020 stark eingebrochene Rig Count im August mit einer Anzahl von 250 Anlagen die Bodenbildung. Ab September setzte bis Jahresende ein schrittweiser leichter Anstieg ein.<sup>5</sup>

Der plötzliche Einbruch der Nachfrage nach Öl machte ein Handeln der OPEC-Staaten und ihrer Partner erforderlich, um die Preise zu stützen. Da eine Einigung über eine Kürzung der Ölfördermenge eingangs nicht erzielt werden konnte, am Wochenende vom 7. März 2020 der sogenannte Förderkonflikt zwischen Saudi-Arabien und Russland als OPEC+ Partner gar eskalierte, kam es erst am 13. April 2020 zu der entsprechenden Einigung. Sohin verringerte sich der Preis der Nordseemärke Brent von Beginn des Jahres bis zum 21. April 2020 von USD 66,00 auf USD 19,33, jener der nordamerikanischen Rohölsorte WTI von

<sup>2</sup> International Energy Agency (IEA), Global Energy Review 2020, April 2020.

<sup>3</sup> International Energy Agency (IEA), Electricity Market Report, Dezember 2020.

<sup>4</sup> International Energy Agency (IEA), Oil Market Report, Februar 2021.

<sup>5</sup> Baker Hughes Rig Count.

USD 61,06 auf USD 10,01. Durch handelstechnische Effekte drehte dieser am 20. April 2020 mit USD minus 40,32 sogar ins Negative. Ab diesem Zeitpunkt kam es zu einer schrittweisen Erholung und mit der Erholung der Kapitalmärkte zu einem deutlichen Anstieg hin zum Jahresende. Die Nordseemarke Brent schloss Ende Dezember mit einem Kurs von USD 51,80, dies entspricht einer Reduktion im Jahresverlauf von

21,5 %. Der Kurs der nordamerikanischen Rohölsorte WTI endete mit USD 48,52, ein Rückgang von 20,5 %.<sup>6</sup>

Die weltweiten Ausgaben für Exploration und Produktion (E&P-Ausgaben) fielen im Jahr 2020 um 25,3 %, wobei die stärksten Rückgänge in Nordamerika zu verzeichnen waren. Während die internationalen E&P-Ausgaben um 17,9 % sanken, belief sich der nordamerikanische Rückgang auf 45,8 %.<sup>7</sup>

<sup>6</sup> Bloomberg: CO1 Brent Crude (ICE) und CL1 WTI Crude (Nymex).

<sup>7</sup> Evercore ISI, The 2021 Evercore ISI Global E&P Spending Outlook, Dezember 2020.

# GESCHÄFTSENTWICKLUNG DES SBO-KONZERNS

Die SBO Gruppe erzielte im Geschäftsjahr 2020 trotz massiver Krise ein ausgeglichenes operatives Betriebsergebnis. Der hohe Bestand an liquiden Mitteln und die Nettoliquidität stärkten das Unternehmen in einem sehr herausfordernden Marktumfeld. Mit zielgerichteten Maßnahmen konnten die negativen Auswirkungen der COVID-19-Pandemie reduziert werden. Die globale Ausnahmesituation und die entsprechend gesunkene Nachfrage nach Öl und Gas sorgten jedoch für einen Rückgang im Umsatz

und Ergebnis. Aufgrund des von COVID-19 stark beeinflussten globalen Wirtschaftsumfelds nahm SBO nicht-liquiditätswirksame Wertminderungen von Vermögenswerten bei Tochtergesellschaften in Nordamerika vor, die sich auf das Ergebnis auswirkten. Auch Restrukturierungsaufwendungen und Wechselkursverluste beeinflussten das Ergebnis negativ. Im dritten Quartal baute SBO die bereits starke Liquiditätsbasis durch die vorsorgliche Aufnahme von Fremdmitteln in Höhe von MEUR 81,0 weiter aus.

## UMSATZ UND ERGEBNIS

Der Umsatz der SBO Gruppe ging aufgrund der weltweiten Wirtschaftskrise und dem verringerten Energieverbrauch um 34,6 % zurück und belief sich auf MEUR 291,2, nach MEUR 445,3 im Jahr 2019. Der Auftragseingang lag bei MEUR 235,1 (2019: MEUR 467,2), ein Minus von 49,7 %. Der Auftragsstand hielt Ende 2020 bei MEUR 65,2 (31. Dezember 2019: MEUR 123,0). Das Ergebnis vor Zinsen, Steuern und Abschreibungen (EBITDA) kam auf MEUR 27,1 (2019: MEUR 108,6). Das operative Betriebsergebnis war mit MEUR 1,2 ausgeglichen, wurde jedoch durch Wechselkursverluste von netto MEUR 6,8 belastet. Dadurch betrug das Betriebsergebnis (EBIT) vor Einmaleffekten MEUR minus 5,6 (2019: MEUR 60,8).

Aufgrund nicht-liquiditätswirksamer Wertminderungen bei nordamerikanischen Tochtergesellschaften und Restrukturierungsaufwendungen in Höhe von MEUR 22,3 belief sich das EBIT nach Einmaleffekten auf MEUR minus 28,0 (2019: MEUR 60,2). Die EBITDA-Marge lag bei 9,3 % (2019: 24,4 %), die EBIT-Marge bei minus 9,6 % (2019: 13,5 %). Das Finanzergebnis 2020 kam auf MEUR minus 3,2 (2019: MEUR minus 12,3). Das Ergebnis vor Steuern ging, belastet durch die beschriebenen Sondereffekte, auf MEUR minus 31,2 zurück (2019: MEUR 47,9). Das Ergebnis nach Steuern betrug MEUR minus 21,7 im Jahr 2020 (2019: MEUR 32,3). Das Ergebnis pro Aktie lag bei EUR minus 1,38 (2019: EUR 2,03).

## SEGMENTERGEBNISSE

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Das Geschäft der SBO Gruppe gliedert sich in die beiden Segmente "Advanced Manufacturing & Services" (AMS) und "Oilfield Equipment" (OE).

Der Umsatz im AMS-Segment hielt bei MEUR 159,7 (2019: MEUR 223,8). Das Betriebsergebnis (EBIT)

vor Sondereffekten lag bei MEUR 14,4 (2019: MEUR 33,9). Im Segment "Oilfield Equipment" (OE), betrug der Umsatz MEUR 131,5 (2019: MEUR 221,5) und das Betriebsergebnis (EBIT) vor Sondereffekten MEUR minus 6,8 (2019: MEUR 28,7).

## BILANZKENNZAHLEN UND CASHFLOW

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Das Eigenkapital kam im Jahr 2020 auf MEUR 287,0 (2019: MEUR 370,1). Die Eigenkapitalquote von SBO belief sich Ende 2020 auf 36,9 % (2019: 42,3 %). Durch einen hohen positiven Cashflow drehte die Nettoverschuldung im Jahr 2020 in eine Nettoliquidität von MEUR 9,5 (2019: Nettoverschuldung MEUR 20,1). Dementsprechend sank auch das Gearing von 5,4 % (2019) auf minus 3,3 % zum 31. Dezember 2020.

Der Bestand an liquiden Mitteln stieg kräftig an und lag bei MEUR 314,0 (2019: MEUR 265,2). Im dritten Quartal 2020 wurde die bereits starke Liquiditätsbasis

der SBO durch die vorsorgliche Aufnahme von Fremdmitteln in Höhe von MEUR 81,0 weiter ausgebaut.

Der operative Cashflow betrug für das Jahr 2020 MEUR 94,3 (2019: MEUR 98,1). Der freie Cashflow erhöhte sich von MEUR 63,8 im Jahr 2019 auf MEUR 80,1. Die Investitionen in Sachanlagevermögen und immaterielle Vermögenswerte (CAPEX) betragen MEUR 16,2 (2019: MEUR 31,5). Am 31. Dezember 2020 betrug das Bestellobligo für Sachanlagen MEUR 3,7 (2019: MEUR 5,0).

## DIVIDENDENVORSCHLAG

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Aufgrund der Entwicklung im Krisenjahr 2020 und des negativen Ergebnisses schlägt der Vorstand der Hauptversammlung am 29. April 2021 vor, für das

Geschäftsjahr 2020 keine Dividende auszuschütten (2019: EUR 1,20 pro Aktie).

## 2) BERICHT ÜBER DIE VORAUSSICHTLICHE ENTWICKLUNG UND DIE RISIKEN DES UNTERNEHMENS

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## AUSBLICK DES SBO-KONZERNS

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Nach einem globalen Rückgang der Wirtschaftsleistung um 3,5 % im Jahr 2020 prognostiziert der Internationale Währungsfonds (IWF) für 2021 ein weltweites Wirtschaftswachstum von 5,5 %. Die Wirtschaft der Industriestaaten soll im Jahr 2021 um 4,3 % wachsen,

nach einem Rückgang von 4,9 % in 2020 und einem Anstieg von 1,6 % in 2019. Für das Wirtschaftswachstum in den Schwellen- und Entwicklungsländern erwartet der IWF für 2021 einen Anstieg um 6,3 %, nach einer Reduktion von 2,4 % in 2020 und einem Wachs-

tum von 3,6 % in 2019. Damit sollte sich nach dem starken Einbruch der weltweiten Wirtschaftsleistung 2020 im Jahr 2021 vor allem ab der zweiten Jahreshälfte eine deutliche Erholung einstellen. Diese Prognosen hängen jedoch in hohem Maße von dem weiteren

Verlauf der COVID-19-Pandemie ab und wie schnell der Impfstoff zur Eindämmung der weltweiten Krise beiträgt.<sup>8</sup> Als Folge des Ausstiegs Großbritanniens aus der Europäischen Union (BREXIT) werden für die SBO Gruppe keine signifikanten Auswirkungen erwartet.

### Prognose Wirtschaftsentwicklung in einzelnen Regionen und Ländern

Die konkreten Aussichten variieren je nach Land, abhängig von den Infektionsraten und Eindämmungsmaßnahmen, den politischen Reaktionen, der Abhängigkeit von kontaktintensiven Aktivitäten und der externen Nachfrage.

- In der **Eurozone** wird für das Jahr 2021 ein Anstieg der Wirtschaftsleistung von 4,2 % prognostiziert (nach minus 7,2 % in 2020), **Russland** soll 2021 laut Schätzungen des IWF ein Wirtschaftswachstum von 3,0 % erzielen (nach minus 3,6 % in 2020).
- Die Wirtschaft in den **USA** soll im Jahr 2021 um 5,1 % wachsen (nach minus 3,4 % in 2020), jene in Kanada um 3,6 % (nach minus 5,5 % in 2020). In vielen Ländern in **Lateinamerika**, die stark von der Pandemie betroffen sind, soll sich die Wirtschaft im Jahr 2021 wieder schrittweise erholen und 4,1 % wachsen (nach minus 7,4 % in 2020).
- Das Gleiche gilt für viele Länder in der **Region des Mittleren Ostens und Zentralasiens**. In diesen Regionen soll die Wirtschaft 2021 um 3,0 % wachsen (nach minus 3,2 % in 2020).
- In **China** soll die Wirtschaftsleistung im Jahr 2021 sogar um 8,1 % steigen (nach 2,3 % in 2020).

Die Internationale Energieagentur (IEA) geht davon aus, dass der Energieverbrauch in der Industrie bis zum Jahr 2022 wieder das Vorkrisenniveau erreicht. Die Nachfrage nach Erdgas soll sich vergleichsweise schnell erholen und im Jahr 2021 um fast 3 % steigen.

Bis zum Jahr 2030 soll die Nachfrage 14 % über dem Niveau des Jahres 2019 liegen, wobei sich das Hauptwachstum auf Asien konzentriert. Auf China und Indien sollen etwa 45 % des gesamten Wachstums der Gasnachfrage im nächsten Jahrzehnt entfallen.

<sup>8</sup> IWF World Economic Outlook Update, Januar 2021.

Auch im Nahen Osten und in Südostasien wird ein robustes Wachstum erwartet. In den USA, soll vor allem Schiefergas den Wechsel zur Stromerzeugung aus Erdgas begünstigen.<sup>9</sup>

Für das Jahr 2021 wird auch von einem Anstieg des Ölbedarfs ausgegangen: So soll die Nachfrage nach Öl um 5,4 mb/d auf 96,4 mb/d steigen. In den OECD Staaten soll die durchschnittliche Ölnachfrage mit 44,7 mb/d um 2,6 mb/d über dem Wert vom Jahr 2020 liegen. Für die Nicht-OECD Staaten wird eine Steigerung der durchschnittlichen Nachfrage um 2,8 mb/d auf insgesamt 51,7 mb/d erwartet.<sup>10</sup>

Auch wenn die unsichere aktuelle Situation kaum zuverlässige, belastbare Prognosen für die zukünftige wirtschaftliche Entwicklung und die Erholung des Ölmarkts ermöglicht, gibt es jedoch deutliche Anzeichen für einen Aufwärtstrend: Die Bodenbildung in der Industrie wurde im dritten Quartal 2020 erreicht, und es folgte eine leichte Erholung am Markt, die sich auch in den folgenden Quartalen fortsetzen und vor allem ab der zweiten Jahreshälfte 2021 einen spürbaren Anstieg verzeichnen sollte. Diese Prognosen hängen jedoch maßgeblich davon ab, wie rasch die COVID-19-Pandemie eingedämmt wird und das globale Wirtschaftswachstum wieder ansteigt.

Für 2021 rechnen anerkannte Banken und Analysehäuser bei den globalen Ausgaben für Exploration und Produktion (E&P-Ausgaben) mit einem Anstieg von 6,8 %. Damit dürften sich die globalen E&P-Ausgaben teilweise von ihrem Einbruch von 25,3 % im Jahr 2020

erholen. Treiber ist der internationale Markt, wo die E&P-Ausgaben um 7,2 % steigen sollen. Für Nordamerika wird mit einem etwas geringeren Anstieg von insgesamt 5,1 % gerechnet, nämlich 5,4 % in den USA und 3,0 % in Kanada.<sup>11</sup>

Die SBO Gruppe hat in der Vergangenheit oftmals bewiesen, mit fundierter Erfahrung in einem zyklischen Umfeld sicher durch Krisen zu steuern. Für 2021 sehen wir uns mit unserer starken Liquidität und bereits wirkenden Krisenmaßnahmen gut aufgestellt. Die Energienachfrage sollte wieder deutlich steigen, sobald die Impfung gegen COVID-19 global ausgerollt wird und die gesundheitspolitischen Restriktionen entsprechend zurückgefahren werden. Parallel dazu sollte auch die Nachfrage nach unseren Produkten und Leistungen wieder steigen. Daher erwarten wir auf Gruppenebene im ersten Halbjahr 2021 einen moderaten Anstieg der Aktivitäten, der im zweiten Halbjahr 2021 an Momentum zunehmen sollte. Die Energieversorgung der Welt wird noch für Jahrzehnte zu mehr als 50 % durch Öl und Gas zu decken sein. Mit ihren hochqualitativen Produkten sorgt die SBO Gruppe dafür, die Versorgung mit Energie effizienter und damit umweltfreundlicher zu gestalten. Parallel dazu arbeiten wir kontinuierlich an der Umsetzung unserer nachhaltigen Wachstumsstrategie und erweitern schrittweise den Einsatzbereich unserer Technologien im Öl- und Gasmarkt sowie in anderen Industrien. Die Investitionen in Forschung und Entwicklung sowie die solide Positionierung in anspruchsvollen Nischen sichern auch in Zukunft die Vorreiterstellung der SBO Gruppe.

<sup>9</sup> International Energy Agency (IEA), World Energy, Oktober 2020.

<sup>10</sup> International Energy Agency (IEA), Oil Market Report, Februar 2021.

<sup>11</sup> Evercore ISI, The 2021 Evercore ISI Global E&P Spending Outlook, Dezember 2020.

# RISIKOMANAGEMENT

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Die SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft fungiert als strategische Managementholding für ihre Tochtergesellschaften. Ein wesentliches Aufgabengebiet der Holding ist, sich mit den strategischen und operativen Risiken auseinander zu setzen und rechtzeitig Maßnahmen zur Optimierung dieser Risiken zu setzen. Ein konzernweites Reporting-System unterstützt den Vorstand der SBO AG beim

laufenden Monitoring des operativen Geschäftes und damit der Einschätzung operativer Risiken der Tochtergesellschaften. Die strategischen Risiken werden in Zusammenhang mit der jährlichen Erstellung der Mittelfristplanung zwischen dem Vorstand der SBO AG und den Geschäftsführern der Tochtergesellschaften erörtert und bewertet.

# FINANZINSTRUMENTE

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Die Ausleihungen wurden nur an verbundene Unternehmungen gewährt und sind fix verzinst. Diese lauten auf USD und unterliegen daher Fremdwährungsschwankungen. Ebenso besteht der Großteil der sonstigen Forderungen aus langfristigen verzinslichen Forderungen in USD und GBP.

Die liquiden Mittel bestehen aus Guthaben bei österreichischen Banken mit marktkonformer Verzinsung.

Überwiegend alle zum Bilanzstichtag bestehenden langfristigen Bankverbindlichkeiten werden fix verzinst und unterliegen daher keinem Zinsänderungsrisiko.

Aufgrund der derzeitig verfügbaren liquiden Mittel bestehen aus heutiger Sicht keine Liquiditäts-Probleme.

Die Gesellschaft verwendet keine derivativen Finanzinstrumente.

### 3)

# BERICHT ÜBER DIE FORSCHUNG UND ENTWICKLUNG IM SBO-KONZERN

Eine Kernkompetenz der SBO Gruppe ist ihr laufender Einsatz im Bereich von Forschung und Entwicklung (F&E). Auch in einem krisenbetroffenen Jahr wie 2020, das zahlreiche Kostenmaßnahmen gefordert hat, sparen wir nicht im Bereich der Innovationen. Diese werden unseren Tochtergesellschaften helfen, mit der Erholung des Marktes unsere Kunden mit neuen Produkten und Dienstleistungen zu versorgen und somit unseren Marktvorsprung auszubauen.

Daher haben wir auch im Jahr 2020 unsere Innovationen vorangetrieben:

**Direct Metal Laser Sintering (DMLS)** – In diesem Bereich sind wir an einem dreiphasigen Forschungsprojekt für die Luft- und Raumfahrtindustrie tätig. Dabei geht es um die Herstellung eines neuen Materialtyps, der industrieübergreifend eingeführt werden soll. Zudem ist Gegenstand der Entwicklung eine hochpräzise Fertigungsmaschine für den 3D-Druck, die als weltweit erste über eine 1-Meter lange Z-Achse verfügt. Dadurch können auch große Teile dreidimensional gedruckt und weitere Märkte eröffnet werden.

**Smart Dart System** – Das innovative Smart Dart-System, das sowohl die Vorteile einer effizienten Plug'n'Perf-, als auch einer Sliding-Sleeve-Lösung für die Bohrlochkomplettierung vereint, wurde am Markt

eingeführt. Mit Beginn des Jahres 2021 wird das Portfolio der Smart Dart-Optionen um ein Limited-Entry-System erweitert, bei dem mehrere Sleeves in einer Frac-Phase mit einem einzigen Dart geöffnet werden können.

**Dissolvable Plugs** – Im Bereich der Bohrlochkomplettierung haben wir einen neuen Ansatz für einen auflösbaren Plug entwickelt, der besser zu den aktuellen Marktbedingungen passt. Damit haben wir auch in diesem Anwendungsfeld einen einfach zu bedienenden, designoptimierten und kosteneffizienten Plug im Programm.

Mit dem **HydraFlow** verfügt SBO über ein hydraulisch aktiviertes Thru Tubing Multiple Activation Bypass Tool, das auch ohne Bälle, Darts, RFID Chips oder elektronische Impulse aktiviert und deaktiviert werden kann. Betreiber erzielen effektive Bohrlochreinigungen und ein ebensolches Bohrlochmanagement und erhalten gleichzeitig hohe Durchflussraten im Bohrloch.

Das **PBL BOOSTER Bypass Tool** erlaubt eine kontrollierte Aufteilung der Bohr- und Komplettierungsflüssigkeit innerhalb des Bohrstranges.

Mit diesen und vielen weiteren Innovationen, die in unserem weltweiten Netzwerk in Entwicklung sind, arbeiten wir aktiv an unserer Qualitätsführerschaft.

## 4) BERICHTERSTATTUNG ÜBER WESENTLICHE MERKMALE DES INTERNEN KONTROLLSYSTEMS UND DES RISIKOMANAGEMENTSYSTEMS IM HINBLICK AUF DEN RECHNUNGSLEGUNGSPROZESS

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Die Gesamtverantwortung für das Risikomanagement der SBO Gruppe liegt beim Vorstand, während die unmittelbare Verantwortung bei den Geschäftsführern der operativen Einheiten liegt. Demzufolge besitzt das interne laufende Berichtswesen an die Konzernzentrale besonders hohe Bedeutung, um Risiken frühzeitig erkennen und Gegenmaßnahmen ergreifen zu können. Dies erfolgt durch eine zeitnahe monatliche Berichterstattung über die notwendigen Informationen von den operativen Einheiten an den Vorstand.

Für die Tochterunternehmen wurden vom Konzern weltweit einheitliche Standards für die Umsetzung und Dokumentation des gesamten internen Kontrollsystems und damit vor allem auch für den Rechnungslegungsprozess vorgegeben. Dadurch sollen jene Risiken vermieden werden, die zu einer unvollständigen oder fehlerhaften Finanzberichterstattung führen können.

Weiters werden die von den Tochtergesellschaften erstellten internen Berichte in der Konzernzentrale auf Plausibilität geprüft und mit Planungsrechnungen verglichen, um bei Abweichungen geeignete Maßnahmen setzen zu können. Hierzu werden von den Gesellschaften Jahresbudgets und Mittelfristplanungen angefordert, welche vom Vorstand genehmigt werden müssen. Weiters wird die Liquiditätsplanung der Gesellschaften laufend überwacht und mit den Holdingvorgaben abgestimmt.

Die Ordnungsmäßigkeit des Rechnungswesens bei den Tochtergesellschaften wird durch Prüfungstätigkeiten des Konzerncontrollings überwacht. Weiters werden die Jahresabschlüsse aller operativen Gesellschaften und Holdinggesellschaften durch internationale Prüfungsgesellschaften geprüft. Im Zuge von regelmäßigen Meetings des Vorstandes mit den lokalen Geschäftsführungen werden die laufende Geschäftsentwicklung sowie absehbare Chancen und Risiken besprochen.

Für die Erstellung des Konzernabschlusses bestehen in Ergänzung zu den Internationalen Rechnungslegungsvorschriften konzerninterne Richtlinien, um eine einheitliche Darstellung bei den berichtenden Gesellschaften zu gewährleisten (Bewertungs- und Ausweisfragen). Für die automationsunterstützte Aufstellung des Konzernabschlusses wird ein zertifiziertes Konsolidierungs-Programm verwendet, welches mit

den notwendigen Prüf- und Konsolidierungsroutinen ausgestattet ist.

Die für den Konzern dargestellten Merkmale des internen Kontrollsystems und des Risikomanagementsystems im Hinblick auf den Rechnungslegungsprozess sind auch uneingeschränkt für die Holdinggesellschaft anwendbar. Für das Rechnungswesen der Holdinggesellschaft sind ebenfalls anerkannte Standardprogramme im Einsatz.

## 5) ANGABEN ZU KAPITAL-, ANTEILS-, STIMM- UND KONTROLLRECHTEN UND DAMIT VERBUNDENEN VERPFLICHTUNGEN

Das Grundkapital der Gesellschaft betrug zum 31. Dezember 2020 wie auch zum 31. Dezember 2019 EUR 16 Millionen und ist zerlegt in 16 Millionen Stück Nennbetragsaktien zum Nennbetrag von je EUR 1,00.

In der Hauptversammlung vom 23. April 2019 wurde der Vorstand für die Dauer von 5 Jahren ermächtigt, mit Zustimmung des Aufsichtsrats das Grundkapital um bis zu TEUR 1.600 durch Ausgabe neuer Aktien zu erhöhen. In der Hauptversammlung vom 23. April 2020 wurde der Vorstand für die Dauer von 30 Monaten ermächtigt, eigene Aktien der Gesellschaft bis zu maximal 10 %

des Grundkapitals zu erwerben. Im März 2020 startete SBO ein Aktienrückkaufprogramm und kaufte im Zuge dessen 231.938 Aktien um TEUR 6.502 zurück. Das Aktienrückkaufprogramm basierte auf der Ermächtigung der Hauptversammlung vom 24. April 2018 und sollte für mögliche künftige Mitarbeiterbeteiligungspläne oder zum Aufbau einer Möglichkeit für den Einsatz eigener Aktien bei Beteiligungskäufen verwendet werden. 2019 hat die Gesellschaft von der Ermächtigung zum Erwerb eigener Aktien keinen Gebrauch gemacht. Zusätzlich wurden in 2020 außerbörslich 6.000 Stück eigene Aktien mit einem Kaufpreis von TEUR 178 erworben.

Zum Bilanzstichtag 2020 hält die Gesellschaft 276.535 Stück eigene Aktien (Vorjahr: 44.597 Stück). Dies entspricht einem Anteil von 1,73 % (Vorjahr: 0,28 %) am Grundkapital mit einem Anschaffungswert von TEUR 8.964 (Vorjahr TEUR 2.479). Die Anzahl der im Umlauf befindlichen Aktien beträgt somit 15.723.465 Stück (Vorjahr: 15.955.403 Stück).

Zum 31. Dezember 2020 hält die Berndorf Industrieholding AG, Wien, rund 33,4 % vom Grundkapital (Vorjahr: rund 33,4 %).

Darüber hinaus bestehen keine weiteren angabepflichtigen Sachverhalte gemäß § 243a UGB.

Ternitz, 1. März 2021

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Der Vorstand

**Ing. GERALD GROHMANN**

**Mag. KLAUS MADER**

# BESTÄTIGUNGSVERMERK

## BERICHT ZUM JAHRESABSCHLUSS

### PRÜFUNGSURTEIL

Wir haben den Jahresabschluss der **SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft**, Ternitz, bestehend aus der Bilanz zum 31. Dezember 2020, der Gewinn- und Verlustrechnung für das an diesem Stichtag endende Geschäftsjahr und dem Anhang, geprüft.

Nach unserer Beurteilung entspricht der beigefügte Jahresabschluss den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage zum 31. Dezember 2020 sowie der Ertragslage der Gesellschaft für das an diesem Stichtag endende Geschäftsjahr in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

### GRUNDLAGE FÜR DAS PRÜFUNGSURTEIL

Wir haben unsere Abschlussprüfung in Übereinstimmung mit der EU-Verordnung Nr. 537/2014 (im Folgenden EU-VO) und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung durchgeführt. Diese Grundsätze erfordern die Anwendung der International Standards on Auditing (ISA). Unsere Verantwortlichkeiten nach diesen Vorschriften und Standards sind im Abschnitt „Verantwortlich-

keiten des Abschlussprüfers für die Prüfung des Jahresabschlusses“ unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von der Gesellschaft unabhängig in Übereinstimmung mit den österreichischen unternehmensrechtlichen und berufsrechtlichen Vorschriften, und wir haben unsere sonstigen beruflichen Pflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns bis zum Datum des Bestätigungsvermerks erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu diesem Datum zu dienen.

### BESONDERS WICHTIGE PRÜFUNGSACHVERHALTE

Besonders wichtige Prüfungssachverhalte sind solche Sachverhalte, die nach unserem pflichtgemäßen Ermessen am bedeutsamsten für unsere Prüfung des Jahresabschlusses des Geschäftsjahres waren. Diese Sachverhalte wurden im Zusammenhang mit unserer Prüfung des Jahresabschlusses als Ganzes und bei der Bildung unseres Prüfungsurteils hierzu berücksichtigt, und wir geben kein gesondertes Prüfungsurteil zu diesen Sachverhalten ab.

Nachfolgend stellen wir den aus unserer Sicht besonders wichtigen Prüfungssachverhalt dar:

## Bewertung von Anteilen an verbundenen Unternehmen sowie Ausleihungen und Forderungen an verbundene Unternehmen

### BESCHREIBUNG

Die SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft weist im Jahresabschluss zum 31. Dezember 2020 wesentliche Beträge als Anteile an verbundenen Unternehmen (mEUR 244,0) sowie Ausleihungen (mEUR 53,0) und Forderungen an verbundene Unternehmen (mEUR 16,9) aus.

Wir betrachteten die Bewertung der Anteile an verbundenen Unternehmen sowie der Ausleihungen und der Forderungen an verbundene Unternehmen als besonders wichtigen Prüfungssachverhalt, da die Beträge wesentlich sind, die Bewertung komplex ist und Ermessensentscheidungen fordert. Das wesentliche Risiko besteht dabei in der Schätzung der künftigen Cash-Flows der (mittelbaren) Tochterunternehmen, welche zur Feststellung der Werthaltigkeit dieser Bilanzpositionen herangezogen werden. Diese Cash Flow Schätzungen basieren auf Annahmen, die von zukünftigen Markt- und Wirtschaftsparametern beeinflusst sind.

Die entsprechenden Angaben der Gesellschaft über die Bewertung der Anteile an verbundene Unternehmen sowie der Ausleihungen und der Forderungen an verbundene Unternehmen sind in den Anhangsangaben „II. Bilanzierungs- und Bewertungsmethoden“ sowie „III. Erläuterungen zu den Posten der Bilanz und der Gewinn- und Verlustrechnung 1. Erläuterungen zur Bilanz“ enthalten.

### WIE WIR DEN SACHVERHALT IM RAHMEN DER PRÜFUNG ADRESSIERT HABEN:

Unsere Prüfungshandlungen haben, unter anderem, folgende Tätigkeiten umfasst:

Mit der Unterstützung von EY Bewertungsspezialisten haben wir für jene verbundenen Unternehmen, für welche keine Überdeckung des Buchwerts durch das Eigenkapital der Gesellschaften gegeben ist, die wesentlichen Annahmen in den Bewertungsmodellen kritisch hinterfragt.

Die angewandten Bewertungsmodelle (Diskontierung prognostizierter Cashflows) wurden hinsichtlich ihrer Angemessenheit beurteilt, die rechnerische Richtigkeit der Modelle wurde geprüft. Die angesetzten Rechenparameter (unter anderem Abzinsungssätze und Wachstumsraten) wurden hierbei mit unternehmensspezifischen Informationen sowie branchenspezifischen Marktdaten bzw. Markterwartungen verplausibilisiert.

Die für die Berechnung verwendeten Zahlungsmittelflüsse und die darin verwendeten Plandaten wurden mit den vom Vorstand genehmigten Mittelfristplanungen des Managements abgestimmt.

Wir haben die Angemessenheit der Angaben im Anhang zur Bewertung der Anteile an verbundenen Unternehmen sowie zu Anteilsübertragungen beurteilt.

### SONSTIGE INFORMATIONEN

Die gesetzlichen Vertreter sind für die sonstigen Informationen verantwortlich. Die sonstigen Informationen beinhalten alle Informationen im Jahresfinanzbericht 2020, ausgenommen den Jahresabschluss, den Lagebericht und den Bestätigungsvermerk.

Unser Prüfungsurteil zum Jahresabschluss erstreckt sich nicht auf diese sonstigen Informationen, und wir geben keine Art der Zusicherung darauf ab.

Im Zusammenhang mit unserer Prüfung des Jahresabschlusses haben wir die Verantwortlichkeit,

diese sonstigen Informationen zu lesen und dabei zu würdigen, ob diese sonstigen Informationen wesentliche Unstimmigkeiten zum Jahresabschluss oder zu unseren bei der Abschlussprüfung erlangten Kenntnissen aufweisen oder anderweitig falsch dargestellt erscheinen.

Falls wir auf Grundlage der von uns zu den vor dem Datum des Bestätigungsvermerks des Abschlussprüfers erlangten sonstigen Informationen durchgeführten Arbeiten den Schluss ziehen, dass eine wesentliche falsche Darstellung dieser sonstigen Informationen vorliegt, sind wir verpflichtet, über diese Tatsache zu berichten. Wir haben in diesem Zusammenhang nichts zu berichten.

#### **VERANTWORTLICHKEITEN DER GESETZLICHEN VERTRETER UND DES PRÜFUNGSAUSSCHUSSES FÜR DEN JAHRESABSCHLUSS**

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses und dafür, dass dieser in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie als notwendig erachten, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen, Sachverhalte im Zusammenhang mit der Fortführung der Unternehmenstätigkeit – sofern einschlägig – anzugeben, sowie dafür, den Rechnungslegungsgrundsatz der Fortführung der Unternehmenstätigkeit anzu-

wenden, es sei denn, die gesetzlichen Vertreter beabsichtigen, entweder die Gesellschaft zu liquidieren oder die Unternehmenstätigkeit einzustellen oder haben keine realistische Alternative dazu.

Der Prüfungsausschuss ist verantwortlich für die Überwachung des Rechnungslegungsprozesses der Gesellschaft.

#### **VERANTWORTLICHKEITEN DES ABSCHLUSSPRÜFERS FÜR DIE PRÜFUNG DES JAHRESABSCHLUSSES**

Unsere Ziele sind, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist, und einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil beinhaltet. Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung, die die Anwendung der ISA erfordern, durchgeführte Abschlussprüfung eine wesentliche falsche Darstellung, falls eine solche vorliegt, stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn von ihnen einzeln oder insgesamt vernünftigerweise erwartet werden könnte, dass sie die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Nutzern beeinflussen.

Als Teil einer Abschlussprüfung in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung, die die Anwendung der ISA erfordern, üben wir während der gesamten Abschlussprüfung pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung.

Darüber hinaus gilt:

- Wir identifizieren und beurteilen die Risiken wesentlicher falscher Darstellungen aufgrund von dolosen Handlungen oder Irrtümern im Abschluss, planen Prüfungshandlungen als Reaktion auf diese Risiken, führen sie durch und erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass aus dolosen Handlungen resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, ist höher als ein aus Irrtümern resultierendes, da dolose Handlungen kollusives Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen oder das Außerkraftsetzen interner Kontrollen beinhalten können.
- Wir gewinnen ein Verständnis von dem für die Abschlussprüfung relevanten internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit des internen Kontrollsystems der Gesellschaft abzugeben.
- Wir beurteilen die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte in der Rechnungslegung und damit zusammenhängende Angaben.
- Wir ziehen Schlussfolgerungen über die Angemessenheit der Anwendung des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit durch die gesetzlichen Vertreter sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder

Gegebenheiten besteht, die erhebliche Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir die Schlussfolgerung ziehen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, in unserem Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch die Abkehr der Gesellschaft von der Fortführung der Unternehmenstätigkeit zur Folge haben.

- Wir beurteilen die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse in einer Weise wiedergibt, dass ein möglichst getreues Bild erreicht wird.

Wir tauschen uns mit dem Prüfungsausschuss unter anderem über den geplanten Umfang und die geplante zeitliche Einteilung der Abschlussprüfung sowie über bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel im internen Kontrollsystem, die wir während unserer Abschlussprüfung erkennen, aus.

Wir geben dem Prüfungsausschuss auch eine Erklärung ab, dass wir die relevanten beruflichen Verhaltensanforderungen zur Unabhängigkeit eingehalten haben, und tauschen uns mit ihm über alle Beziehungen und sonstigen Sachverhalte aus, von denen vernünftigerweise angenommen werden kann, dass sie sich auf unsere Unabhängigkeit und – sofern einschlägig – damit zusammenhängende Schutzmaßnahmen auswirken.

Wir bestimmen von den Sachverhalten, über die wir uns mit dem Prüfungsausschuss ausgetauscht haben, diejenigen Sachverhalte, die am bedeutsamsten für die Prüfung des Jahresabschlusses des Geschäftsjahres waren und daher die besonders wichtigen Prüfungssachverhalte sind. Wir beschreiben diese Sachverhalte in unserem Bestätigungsvermerk, es sei denn, Gesetze oder andere Rechtsvorschriften

schließen die öffentliche Angabe des Sachverhalts aus oder wir bestimmen in äußerst seltenen Fällen, dass ein Sachverhalt nicht in unserem Bestätigungsvermerk mitgeteilt werden sollte, weil vernünftigerweise erwartet wird, dass die negativen Folgen einer solchen Mitteilung deren Vorteile für das öffentliche Interesse übersteigen würden.

## SONSTIGE GESETZLICHE UND ANDERE RECHTLICHE ANFORDERUNGEN

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### BERICHT ZUM LAGEBERICHT

Der Lagebericht ist aufgrund der österreichischen unternehmensrechtlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob er nach den geltenden rechtlichen Anforderungen aufgestellt wurde.

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Lageberichts in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Wir haben unsere Prüfung in Übereinstimmung mit den Berufsgrundsätzen zur Prüfung des Lageberichts durchgeführt.

### Urteil

Nach unserer Beurteilung ist der Lagebericht nach den geltenden rechtlichen Anforderungen aufgestellt worden, enthält zutreffende Angaben nach § 243a UGB, und steht in Einklang mit dem Jahresabschluss.

### Erklärung

Angesichts der bei der Prüfung des Jahresabschlusses gewonnenen Erkenntnisse und des gewonnenen Verständnisses über die Gesellschaft und ihr Umfeld wurden wesentliche fehlerhafte Angaben im Lagebericht nicht festgestellt.

## ZUSÄTZLICHE ANGABEN NACH ARTIKEL 10 DER EU-VO

Wir wurden von der Hauptversammlung am 23. April 2020 als Abschlussprüfer gewählt und am 23. April 2020 vom Aufsichtsrat beauftragt. Wir sind seit 2018 Abschlussprüfer.

Wir erklären, dass das Prüfungsurteil im Abschnitt „Bericht zum Jahresabschluss“ mit dem zusätzlichen Bericht an den Prüfungsausschuss nach Artikel 11 der EU-VO in Einklang steht.

Wir erklären, dass wir keine verbotenen Nichtprüfungsleistungen (Artikel 5 Abs 1 der EU-VO) erbracht haben und dass wir bei der Durchführung der Abschlussprüfung unsere Unabhängigkeit von der geprüften Gesellschaft gewahrt haben.

## AUFTRAGSVERANTWORTLICHER WIRTSCHAFTSPRÜFER

Der für die Abschlussprüfung auftragsverantwortliche Wirtschaftsprüfer ist Herr Mag. Markus Jandl.

Wien, am 1. März 2021

### **Ernst & Young**

Wirtschaftsprüfungsgesellschaft m.b.H.

**Mag. Markus Jandl eh**

Wirtschaftsprüfer

**ppa Dipl.-Ing. (FH) Mag. Manfred Siebert eh**

Wirtschaftsprüfer

# STATEMENT OF ALL LEGAL REPRESENTATIVES

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We confirm to the best of our knowledge that the Consolidated Financial Statements as of 31 December 2020, which were compiled in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), present a true and fair view of the assets, liabilities, financial position and earnings situation of the Group, and that the Consolidated Management Report presents the development and performance of the business and the position of the Group in such a way as to give a true and fair view of the assets, liabilities, financial position and financial performance of the Group, and that the Consolidated Management Report describes the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the Annual Financial Statements of SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft as of 31 December 2020 which were compiled in accordance with the Austrian Commercial Code (UGB) provides a true and fair view of the assets, liabilities, financial position and earnings situation of the Group, and that the Management Report presents a true and fair view of the development and performance of the business and the position of the Company, and that the Management Report describes the principal risks and uncertainties the Company faces.

Ternitz, 2 March 2021

The Executive Board

**Ing. GERALD GROHMANN**

**Mag. KLAUS MADER**

This annual financial report was prepared with the greatest possible diligence. Nevertheless, mistakes and printing errors cannot be excluded. This annual financial report includes information and forecasts that are based on the future development of the SBO Group and its member companies. These forecasts represent estimates, which have been prepared based on the information currently available. Should the assumptions underlying these forecasts not realize or risks – as those described in the risk report – occur, actual results may differ from the results currently expected.

This report may not be misinterpreted as a recommendation to buy or sell shares in SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft.

In the interest of better readability, we refrain from simultaneously using feminine and masculine versions and use only the masculine form. All references to persons apply equally to both genders.

This English translation of the report is for convenience. Only the German version shall be binding.

Published on 17 March 2021

## FOR FURTHER INFORMATION:

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