

The green share

## **2024 annual report**

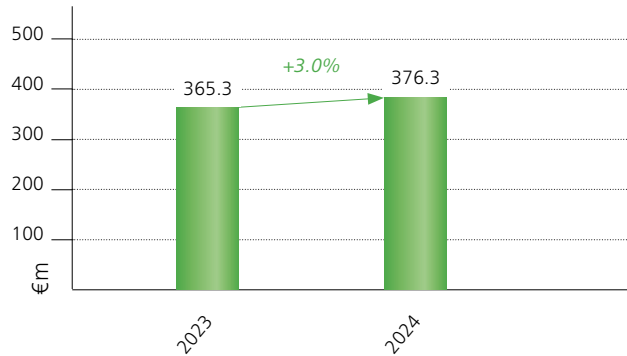
Stabilisation in a challenging environment

# 2024

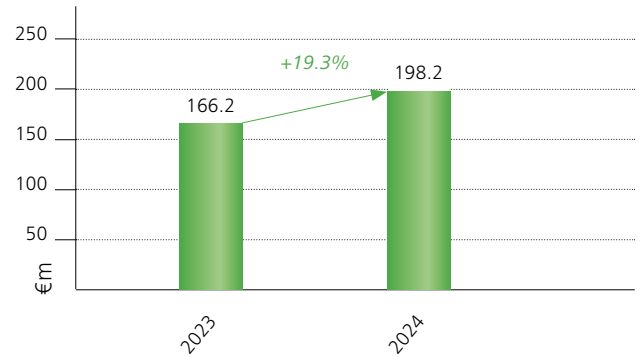
# Overview

## Stabilisation in a challenging environment

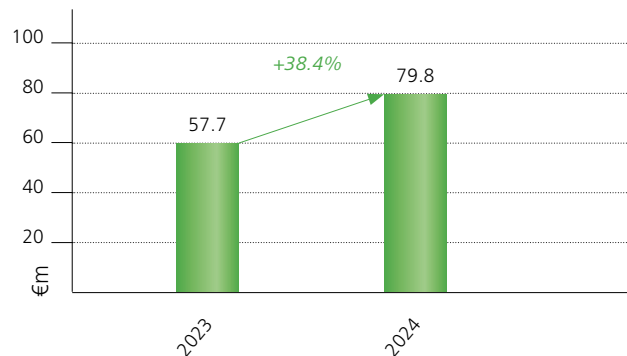
2024 **Revenue** growth in € millions



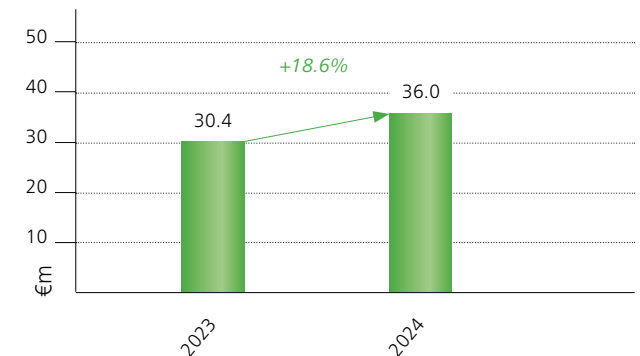
2024 **Gross Earnings** growth in € millions



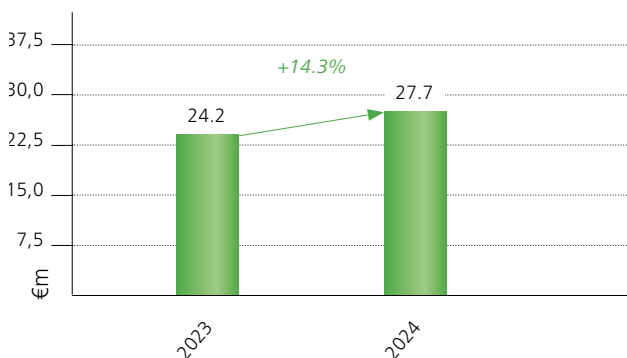
2024 **EBITDA** growth in € millions



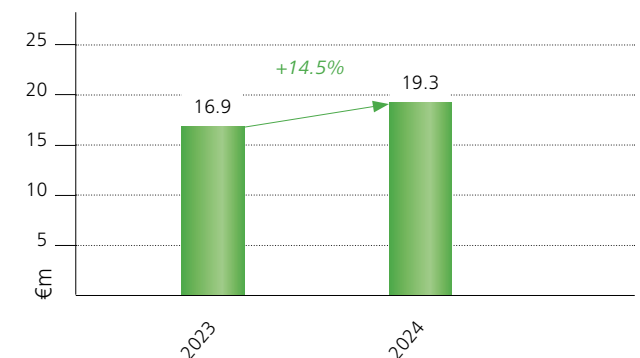
2024 **EBIT** growth in € millions



2024 **EBT** growth in € millions



2024 **Profit for the Period** growth in € millions



### ADDITIONAL KPIS

	2024	2023
1. Total operating revenue in € millions	€ 380.2 million	€ 356.8 million
2. EBITDA margin as a percentage of total operating revenue	21.0 %	16.2 %
3. EBIT margin as a percentage of total operating revenue	9.5 %	8.5 %
4. Equity ratio (as of 31 December)	57.8 %	53.3 %

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

After the huge challenges faced in 2023, in 2024 we succeeded in stabilising our business. The construction industry continued to be weak and the competitive environment was tense, however the STEICO Group's revenues grew by 3.0 % to € 376.3 million. Total operating revenue totalled € 380.2 million.

Our earnings also grew. EBITDA increased by 38.4 % to € 79.8 million and EBIT lifted by 18.6 % to € 36.0 million (recognised under German GAAP). The EBIT ratio (to total operating revenue) was 9.5 %. Pure operating profitability (without the effects from income from currency hedging or the sale of CO<sub>2</sub> certificates) improved substantially. EBIT accounted for € 2.2 million of our core business in 2023, and in 2024 this already increased to € 19.5 million.

The company management does not yet expect a sustained recovery in the construction industry for 2025 as a whole. In addition, the competitive situation is likely to remain tense. The Executive Board therefore anticipates growth of 3% to around € 388 million. In terms of earnings, an EBIT ratio of between around 7% and 9% is expected, which corresponds to EBIT of between around € 27 million and € 35 million.

### Company profile

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

STEICO is positioned as a system provider and is the only manufacturer in the industry to offer an integrated wooden construction system in which innovative wooden construction components and bio-based insulation materials supplement each other. Laminated veneer lumber and I-joists form the structural components of the system. The insulation materials include flexible and stable wood fibre insulation panels as well as air-injected insulation made of wood fibres and cellulose. Sealing products for the building shell complete the overall system.

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

The Munich-based company's products are used in new construction and when renovating roofs, walls, ceilings, floors and façades. STEICO's products allow the construction of future-proof, healthy buildings with a particularly high quality of living and a healthy atmosphere. STEICO products enable the construction of future-proof, energy-efficient buildings with a particularly high quality of living. STEICO products reliably protect against cold, heat and noise and support a favourable indoor climate in terms of building biology.

### Disclaimer

The information in this Annual Report is based on German accounting in accordance with the German Commercial Code (HGB). This document is a courtesy translation of the German original document. The translation has been prepared with utmost care. However, only the German original document is binding.

Dear shareholders,



Aiveen Kearney  
CEO

2024 marked a year of significant change for STEICO.

- STEICO commenced a new partnership with the Kingspan Group who holds a 51 % interest in its shares since January 2024.
- Our founder and CEO, Udo Schramek retired from the business mid year and after a period of transition also more recently from the STEICO Administrative Board. On behalf of the entire company, I would like to wish Mr. Schramek all the best for his retirement and thank him for his valuable support during the transition phase.
- The first wood fibre insulation materials are now being successfully produced at our new plant in Gromadka.

Overall demand for building materials remains relatively weak and yet against this backdrop STEICO has managed to deliver a solid financial performance. Our focus is particularly on the necessary strengthening of operating profitability (excluding exceptional and oneoff impacts) and we are pleased that we are seeing the first effects of this. In addition, management has been working to strengthen the overall business in preparation for future market recovery.

This includes production start up at Gromadka and investment in upgrading and improving existing facilities to improve productivity, reliability and energy efficiency. The STEICO organisation has also been reviewed and strengthened in key areas such as Quality and IT.

Finally STEICO has joined Kingspan's Planet Passionate program and is preparing to set ambitious targets across the four key areas of energy, CO<sub>2</sub> emissions, circularity and water management. STEICO's products already make a major contribution to climate protection. We aim to further improve this by lowering the carbon footprint of our operations. Progress on all of the above topics will continue in 2025.

Wood fibre insulation materials have unique benefits and play an important role in making buildings more environmentally friendly and energy efficient. As we move forward, we expect the combination of our Planet Passionate program together with the extensive range of STEICO's product portfolio to be industry leading and a source of clear competitive advantage. We see this as the foundation for profitable growth.

Last but not least, I would like to thank the entire STEICO team. The current transition period and the weak construction industry place particular challenges on each individual. Nevertheless, the entire team is fully committed to leading the company into new growth.

Many thanks for that.

A handwritten signature in green ink that reads 'Aiveen Kearney'. The signature is stylized and fluid.

Aiveen Kearney  
CEO

# Contents

## CONTENTS

Report by the Administrative Board .....	6
Growth of STEICO's shares .....	9
Group management report of STEICO SE .....	10
A Fundamentals .....	10
B Economic report .....	13
C Risk, opportunity and forecast report .....	21
Consolidated income statement .....	31
Consolidated balance sheet .....	32
Consolidated cash flow statement .....	34
Consolidated statement of changes in shareholders' equity .....	35
Notes to the consolidated financial statements .....	36
I. General information on the consolidated financial statements .....	36
II. Information on the consolidated balance sheet .....	40
III. Information on the consolidated income statement .....	44
IV. Information on the consolidated cash flow statement .....	45
V. Other disclosures .....	45
Independent auditor's opinion .....	49

---

# Report by the Administrative Board

---

Dear business partners,  
dear shareholders,

2024 was a year of transition and further growth for the STEICO Group. After the challenges faced in fiscal year 2023, which were caused by the general economy and also, in particular, the weak construction industry, we were able to make progress last year. Thanks to our strategic orientation and the commitment of the whole STEICO team, we have been able to reinforce our operating business and to stabilise our profits.

We consistently pursued our strategic initiatives in 2024 and, in so doing, we used several central opportunities for development. In so doing we also intensified our cooperation with the Kingspan Group, our majority shareholder. We have already recorded initial successes because we have generated purchasing synergies. In future we also believe that there are opportunities for growth from joint product developments.

We would also like to offer special thanks to the board members who left our company during the fiscal year. Special thanks go to Mr. Schramek who is STEICO's founder and was our CEO for many years, and also to our long-standing CFO Dr. David Meyer as well as Mr. Roger Fränkel. We would also like to thank the entire STEICO team: Every single employee made a major contribution to our company's success thanks to their incredible commitment. Together we have mastered all of the challenges that 2024 faced us with, and we are on track for a successful future. We are taking an optimistic view of the coming year and are confident that we will be able to reach our growth targets and further reinforce our position on the market.

## **Administrative Board – activities and obligations in fiscal year 2024**

In fiscal year 2024 the Administrative Board fully performed all of the tasks and obligations required by the law and the articles of association. The primary activities of the Administrative Board included defining the fundamental principles of the company's activities and monitoring their implementation by the managing directors. The Administrative Board was involved in all of the company's key decisions. Decisions or activities by the company's management that required approval by the Administrative Board according to the law, the articles of association or the by-laws, the corresponding resolutions were discussed in detail with the managing directors and the requisite resolutions were passed.

## **Flow of information and reporting**

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

## **Regular reports and meetings**

The managing directors regularly submitted an in-depth report to the Administrative Board detailing the course of business, including the growth of revenues, earnings and liquidity, and also on the position of the company and the group companies. These reports were discussed in joint meetings. Differences in the course of business were discussed in detail. The Administrative Board discussed all key business transactions on the basis of the reports of the managing directors and contributed its own ideas. The managing directors provided additional information at the Board of Director's request.

The Administrative Board was also consulted on special transactions which were of major importance for the company. In addition, the Chairman of the Administrative Board was in regular contact with the managing directors and received regular reports on the company's growth and he reported to the Administrative Board on the information obtained.

## **Key areas of discussion in the Administrative Board**

In fiscal year 2024 the Administrative Board held seven face-to-face meetings. The attendance rate for meetings of the Administrative Board was 100%. The managing directors participated in the meetings of the Administrative Board to the extent not otherwise determined by the Chairman of the Administrative Board.

In connection with the sale of a majority interest in STEICO SE by Schramek GmbH to Kingspan Holding GmbH and the transfer on 5 January 2024, the previous members of the Administrative Board Prof. Dr. h.c. Heinrich Köster and Dr. Jürgen Klass resigned from their offices as of 2 February 2024. In addition, Mr. Udo Schramek ceased to be the Chairman of the Administrative

## Report by the Administrative Board

Board as of 2 February 2024. Ms. Aiveen Kearny and Mr. Paul O’Gorman were appointed by the court as members of the Administrative Board until the next ordinary general meeting.

In its first meeting in the fiscal year on 22 February 2024, STEICO’s Administrative Board unanimously appointed Paul O’Gorman as Chairman and Udo Schramek as Deputy Chairman of the Administrative Board. The key items in this meeting were, in particular, currency hedging, CO<sub>2</sub> certificate sales, the existing covenant regime and other special features of STEICO SE that are relevant for business. In addition, the budget for 2025 was passed.

In the meeting on 15 March 2024, Mr. Udo Schramek informed the board that he intended to resign from his position as CEO on 30 June 2024. As a result, the Administrative Board resolved to appoint Ms. Aiveen Kearney as Managing Director as of 1 May 2024 and to grant her the role of CEO with sole powers of representation as of 1 July 2024. In addition, in this meeting, the Administrative Board resolved a new strategy for currency hedging.

In its meeting on 16 April 2024 the Administrative Board dealt, in particular, with STEICO SE’s annual financial statements, the dependent companies report and the consolidated financial statements as of 31 December 2023 as well as the respective management reports. In order to deal with the downturn in earnings and also the high volume of capital expenditure, the Administrative Board resolved to follow the suggestion made by the managing directors to carry forward the profits from fiscal year 2023 in full to new account and not to pay any dividends to the shareholders. In addition, updated bylaws for the managing directors was resolved, together with a plan to distribute business. What is more, this meeting also dealt with the report of the Administrative Board for fiscal year 2023. Moreover, this meeting also passed the proposed resolutions for the company’s ordinary general meeting on 21 June 2024 and elected the president of the general meeting.

On 22 April the Administrative Board passed its report for fiscal year 2023 – these votes were cast by e-mail.

On 29 April the Administrative Board adopted the annual financial statements and consolidated financial statements together with the management reports for fiscal year 2023, and also the report on dependent companies – these votes were also cast by e-mail.

In its meeting on 20 June 2024 the Administrative Board discussed upcoming capital expenditure projects and the approved capital expenditure budgets for the sites in Gromadka, Czarna Woda, Casteljaloux and Czarnekow.

In addition, the report on the IT audit which had been performed and its consequences were also discussed.

In the General Meeting on 21 June 2024 Ms. Aiveen Kearney and Mr. Paul O’Gorman were elected as members of the Administrative Board. In the meeting which followed, Mr. Paul O’Gorman was again appointed as Chairman and Mr. Udo Schramek was appointed as Deputy Chairman. As a result of the pending change in CEO as of 1 July 2024, in addition a new plan for the distribution of business between the managing directors was drawn up.

On 26 August 2024 the Administrative Board resolved to appoint Mr. Georg Faller as an managing director as of 1 October 2024 – these votes were cast by e-mail.

In its meeting on 18 September 2024 the Administrative Board dealt, in particular, with health and safety at work. In this connection, the Administrative Board resolved to task the managing directors with performing a health-and-safety audit. This meeting also focused on reorganising IT. In view of the exit of Dr. David Meyer and the entry of Georg Faller as CFO as of 1 October 2024, the plan for the distribution of business was again updated.

The last meeting of the year on 12 December 2024 dealt with discussing the reasons for the revaluation that was published. As a result of the exit of Roger Fränkel, the Administrative Board again dealt with the distribution of business in the bylaws for the managing directors and passed a new resolution in this regard.

---

# Report by the Administrative Board

---

## Audit of the annual and consolidated financial statements

The annual financial statements and the managing report as well as the consolidated financial statements and group management report as of 31 December 2024 were prepared by the managing directors according to the regulations of the Handelsgesetzbuch (HGB – German Commercial Code). The firm of auditors (Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich) audited the annual financial statements and management report of the company as well as the consolidated financial statements and group management report, discussed this in the audit reports and issued both the annual financial statements as well as the consolidated financial statements with an unqualified auditor's opinion. Performance of the audit and the audit reports correspond to the statutory requirements in Sections 317, 321 of the HGB. The company's annual financial statements and management report and the group's consolidated financial statements and group management report as well as the proposal by the managing directors for the use of the profits and the audit reports by the auditors were passed on to the Administrative Board in good time. The auditors participated in the meeting to discuss the financial statements and responded extensively to questions and reported in detail on the course and results of the audit of the annual financial statements and consolidated financial statements.

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

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

## Affiliated companies report

The managing directors prepared the report on affiliated companies (dependent parties report) for fiscal year 2024. Accordingly, the company received reasonable compensation in each case for the transactions presented with affiliated companies.

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

"After our proper audit and assessment we confirm that

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

Both the dependent parties report and also the audit report were received by the Administrative Board in good time. As a result of its own review the Administrative Board concurred with the auditor's opinion and approved the dependent parties report. There were no objections concerning the declaration by the managing directors at the end of the dependent parties report.

Feldkirchen, 22 April 2025



Paul O'Gorman

Chairman of STEICO SE's Administrative Board



# Growth of STEICO's shares

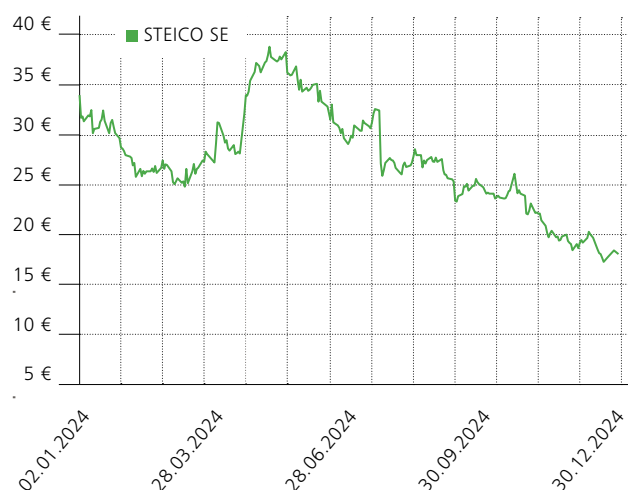
## A. SHARE PRICE GROWTH IN 2024

STEICO's shares started the year with a price of € 33.95 on 2 January (Xetra closing price). The highest price for the year was € 38.85 on 9 May. However, STEICO's shares fell in value over the months that followed. STEICO's shares closed at a price of € 17.90 in Xetra trading on 30 December 2024. This corresponds to a drop of 47.3% over the year as a whole.

## B. INVESTOR RELATIONS

As was the case in previous years, STEICO SE engaged in open and direct communication with the capital markets in 2024, and was also in close contact with its shareholders. In 2024, in addition to the transparency policies for the Basic Board and m:access, STEICO SE fulfilled its publication requirements, for example with end-to-end communication in German and English and the regular publication of quarterly reports. In addition, up-to-date press releases and financial reports are also always published on the Web site [www.STEICO.com/ir](http://www.STEICO.com/ir). Information on key events is disseminated via a well-known institution to comply with publicity obligations.

STEICO's shares: development 2024



## C. CAPITAL MARKETS DIARY 2024

16 January 2024	STEICO presented the company at the ODDO BHF Forum (virtual conference)
7 February 2024	STEICO presented the company at Montega Hamburger Investor Days
19 February 2024	Publication of initial figures for 2023 as well as the outlook for 2024
19 April 2024	Publication of Q1 2024 report
22 April 2024	STEICO presented the company at Metzler Small Cap Days (Frankfurt)
24 April 2024	STEICO presented the company at a digital roadshow with Hauck Aufhäuser
2 May 2024	Publication of the 2023 annual report
21 June 2024	STEICO's General Meeting
10 October 2024	STEICO presented the company at the m:access specialist conference Munich (Hybrid)
21 October 2024	Publication of Q3 2024 report
19/20 November 2024	STEICO presented the company at the CIC Forum by Markets Solutions (Paris)

## A. FUNDAMENTALS

### I. THE STEICO GROUP'S BUSINESS MODEL

#### 1. OVERVIEW

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

STEICO is positioned as a system provider for ecological residential construction and, in the view of the managing directors, it is the only manufacturer in the industry to offer an integrated wooden construction system in which wooden construction components and insulation material supplement each other. These include flexible wood fibre insulation materials, stable insulation boards, wood fibre insulation boards for facade insulation (external thermal insulation composite system, ETICS), air-injected insulation made of wood fibre and cellulose as well as system-based products for insulating the building shell. The construction elements comprise I-joists and laminated veneer lumber. In addition, the STEICO Group also produces natural fibre boards (hard fibre boards).

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

#### 2. THE STEICO GROUP'S PRODUCTS AND SERVICES

The STEICO Group is a system provider for natural construction products for insulation and construction. The core product range comprises "natural wood fibre insulation materials". In 2024 the bulk of revenues (67 %) were generated with ecological wood fibre insulation materials and air-injected insulation for insulating buildings and floors.

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

##### Wood fibre insulation materials

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

Wood fibre insulation materials are produced at the manufacturing subsidiaries using various methods – including the wet and dry method. In both methods, wood is broken down into individual fibres using steam and mechanical treatment.

The fundamental difference between the two methods is that in the wet method, the wet fibres are processed (formed into boards) whereas in the dry method the fibres are dried before forming boards. In the dry method, depending on the technology used, the fibres can be used for air-injected insulation, flexible (compressible) mats or rigid insulation boards.

##### Air-injected insulation

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

##### Construction products: LVL (laminated veneer lumber)

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

##### Construction products: I-joists

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

##### Special products

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

## Group management report for fiscal year 2024

STEICO SE, Feldkirchen

### Timber wholesale

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

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

### Natural fibre boards (hardboards)

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

### Miscellaneous

The Miscellaneous segment bundles various peripheral activities, such as services, element construction or ETICS accessories.

### Prefabricated building element production

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

Automation and the pre-production of end-to-end construction components are continuing trends in the construction industry. Prefabrication / element production has been practised by the STEICO Group's customers for a long time, but is often labour-intensive manual work. STEICO's prefabrication is based on a high degree of automation, which is associated with increases in speed and precision. The offering is geared to timber

construction and hybrid construction as well as renovation, which can thus achieve advantages in terms of personnel deployment, economic efficiency and construction speed. The STEICO Group does not itself act as a construction company.

### Services

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

## 3. PROCUREMENT

The fresh wood required to produce wood fibre products is mostly procured in Poland from the Polish State Forest. In France wood is procured on the free wood market. This timber comes from regional forests surrounding the production sites and is mostly certified according to the recognised PEFC standard for responsible forestry.

## 4. SALES AND CUSTOMERS

The STEICO Group's customers are mostly broken down into the customer groups of wood and construction materials traders, wood construction companies, pre-fabricated home construction companies, DIY stores (in some cases via distributors) as well as industrial customers (e.g. manufacturers of laminated/parquet flooring, furniture manufacturers, construction material manufacturers). The STEICO Group aims to ensure a broad customer base in order to avoid dependencies on individual customers. 4.7 % of revenues were generated with the largest customer in 2024 (previous year: 5.4 %). 19.9 % of revenues were generated with the ten largest customers (previous year: 20.7 %). The company's managing directors believe that it is thus not especially dependent on a single individual customer.

The STEICO Group sells its products world-wide, focusing on European markets.

---

### II. CONTROL SYSTEM AND SHAREHOLDER STRUCTURE

---

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

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

According to the managing directors' knowledge, on the date this report was prepared 51.0 % of STEICO's shares were held by Kingspan Holding GmbH, and 10.1 % of STEICO's shares were held by Schramek GmbH. The remaining 38.9 % are in free float. The shares are traded over the counter at the Munich and Frankfurt stock exchanges.

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

In 2024 one STEICO SE employee worked on research and development projects, and another employee was temporarily assigned to projects. This employees were supported by three employees at the manufacturing subsidiaries, of which one is allocated to R&D as a full-time employee, and two other employees provided temporary project support.

---

### III. RESEARCH AND DEVELOPMENT

---

R&D activities in fiscal year 2024 focused on optimising product characteristics for wood fibre insulation boards as well as developing new products as part of the product range, in particular:

- Supporting research work in parallel to operating the Group's own production line for laminated veneer lumber
- Further development of combined air-injected insulation
- Research to optimise the heat conduction properties for STEICO's insulation materials
- Research on developing and optimising material combinations for STEICO's insulation materials
- Research to optimise the emission behaviour for wood fibre insulation materials and wooden materials
- Development of moulded pieces based on reformable wood fibre mats
- Development of cyclical, fully recyclable insulation materials based on wood fibres

# Group management report for fiscal year 2024

STEICO SE, Feldkirchen

## B. ECONOMIC REPORT

### I. OVERALL ECONOMIC AND INDUSTRY-SPECIFIC UNDERLYING CONDITIONS

#### 1. OVERALL ECONOMIC AND INDUSTRY DEVELOPMENT

In terms of the overall economy, 2024 was characterised by falling inflation and lower interest rates. In spite of this, however, no sustainable economic recovery could be seen. According to estimates by Eurostat, based on quarterly data adjusted for the season and calendar effects, GDP in the Eurozone increased by 0.7 % in 2024, and by 0.9 % in the EU.<sup>1</sup> In Germany the price-adjusted GDP in 2024 was down by 0.2 % year on-year according to initial calculations by Destatis.<sup>2</sup>

The weak economy continues to have a negative impact on construction activities. The number of construction permits for apartments fell by 16.8 % in Germany in 2024 compared to the previous year. These were thus at the lowest level since 2010<sup>3</sup>

Timber construction enjoyed positive growth despite the lower number of construction permits. In the case of one and two-family homes, the market share accounted by pre-fabricated homes, which are mostly timber constructions, was 26.1 %. This was 24.5 % in the previous year<sup>4</sup>

#### 2. COMPETITION

With regard to wood fibre insulation materials, in 2024 the most important competitors in the opinion of the company's management were Gutex (Germany), Soprema with its Pavatex brand (France), bestwood Schneider (Germany), Hunton (Norway), Isonat (France) and Fibris (Poland). A further competitor, Ziegler Group, with its Naturheld insulating materials (Germany) filed for bankruptcy in the fourth quarter of 2024.

The new STEICO plant for wood fibre insulation materials in Poland (Gromadka) started production of flexible wood fibre insulation materials in 2024. According to the knowledge of the managing directors, competitors have not created any notable new capacity. According to industry information, Schillinger Holz AG is planning to commission a new plant for wood fibre insulation materials in Switzerland in the summer of 2025.

According to press information, the plant that Sonae Arauco had planned for wood fibre insulation materials has been moved back in favour of an alliance with Gutex.

STEICO SE's management believes that the most important competitors for I-joists in 2024 were Metsä (Finland), James Jones (United Kingdom) and Masonite (Sweden).

The most important competitors for laminated veneer lumber in 2024 were, in the opinion of the company's management, Metsä (Finland), Stora Enso (Finland), Pollmeier (Germany), VMG (Lithuania) and Thebault Group (France).

### II. COURSE OF BUSINESS

#### 1. KEY EVENTS IN 2024

##### Acquisition of a majority interest in STEICO SE by the Irish Kingspan Group and staff changes in the Administrative Board

On 17 July 2023 the former majority shareholder Schramek GmbH reached an agreement with the Irish Kingspan Group for the acquisition of 51 % of STEICO's shares. After this purchase agreement had been executed, Mr. Udo Schramek resigned from his position as Chairman of the Administrative Board as of the end of 5 January 2024, however he initially remained a member of the Administrative Board and CEO.

The former members of the Administrative Board Dr. Jürgen Klass and Prof. Dr. h. c. Heinrich Köster resigned from their respective offices on 2 February 2024 in connection with the changed majority ownership. With effect from 8 February 2024 Paul O'Gorman and Aiveen Kearny were appointed by the court as new members of the Administrative Board for the period until STEICO SE's next general meeting. Their appointment was confirmed by the General Meeting on 21 June 2024. Mr. O'Gorman was appointed as Chairman by the Administrative Board.

1 Source: Eurostat, Euro Indicators, 14 February 2025

2 Source: Destatis, Press release no. 019 dated 15 January 2025

3 Source: Destatis, press release no. 061 dated 18 February 2024

4 Bundesverband Deutscher Fertigbau, press release dated 24 February 2025

### Staff changes in the Administrative Board

As of 1 May 2024 Ms. Aiveen Kearney was appointed as managing director.

Mr. Udo Schramek resigned from his office as CEO as of the end of 30 June 2024, however he remained a member of the Administrative Board. As of 1 July 2024 Ms. Aiveen Kearney was appointed as CEO.

During the second half of 2024, Dr. David Meyer, CFO, and Roger Fränkel, managing director for capital expenditure and equipment technology, informed the company that they would leave the company at the end of 31 December 2024 for personal reasons.

Mr. Georg Faller was appointed as the new CFO as of 1 October 2024. Roger Fränkel's position was re-filled, however no longer at an managing director level.

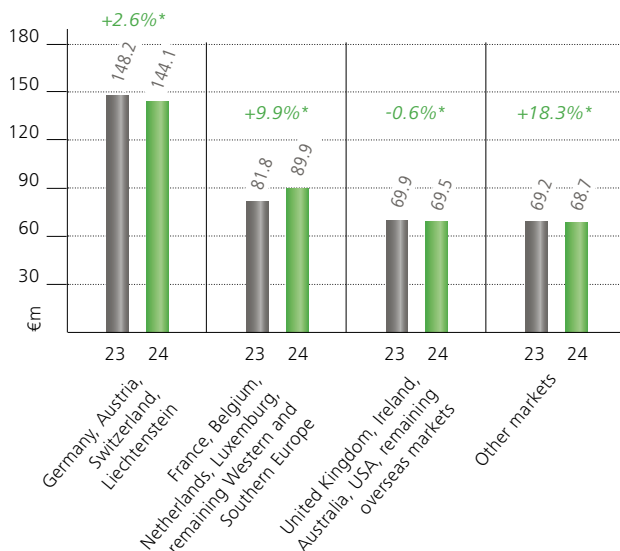
### Further staff changes prior to publication of this report

On 21 January 2025 Udo Schramek and Katarzyna Schramek informed the company that they were resigning from their respective positions as members of the Administrative Board of STEICO SE as of the end of 28 February 2025. By way of a resolution dated 24 February Dr. Alexander Thomas and Prof. dr. h. c. Heinrich Köster were appointed by the court as new members of the Administrative Board for the period through to the next General Meeting.

The Administrative Board and the managing directors would like to take this opportunity to thank the former directors and members of the Administrative Board for their long-standing, successful dedication and would like to wish them all the best for the future.

## 2. COURSE OF BUSINESS<sup>5</sup>

2024: Change in revenues by market cluster in € millions



\* Rate of change from 2023 to 2024: Percentages have been calculated based on non-rounded figures.

Fiscal year 2024 continued to be characterised by the poor construction industry and intense competition, in the first six months in particular. However demand stabilised. Many timber construction companies continued to report a solid order book, as timber construction was able to acquire market share even on a falling market. In addition, in the opinion of the managing directors, inventory levels at STEICO's customers stabilised. These had previously tried to fend off supply bottlenecks by building up disproportionately high levels of inventories. What is more, competitive pressure eased during the second half of the year as a result of economic weakness at the competitor Naturheld, which culminated in this competitor filing for bankruptcy in the fourth quarter of 2024.

Revenues in the revenue cluster Germany, Austria, Switzerland and Lichtenstein, the company's largest sales region, increased by 2.6% to € 148.2 million (previous year: € 144.4 million). This corresponds to 39.4% of revenues. This region was particularly hard hit by the downturn in sales in 2023 and stabilised again in 2024.

Revenues in the revenue cluster France, Belgium The Netherlands, Luxembourg and the smaller western and southern European countries increased by 9.9% to € 89.9 million (previous year: € 81.8 million). This corresponds to 23.9% of revenues. This region is currently enjoying a particularly dynamic pace of

<sup>5</sup> All information on revenue breakdown by market and the year-on-year change rates are calculated based on non-rounded figures.

## Group management report for fiscal year 2024

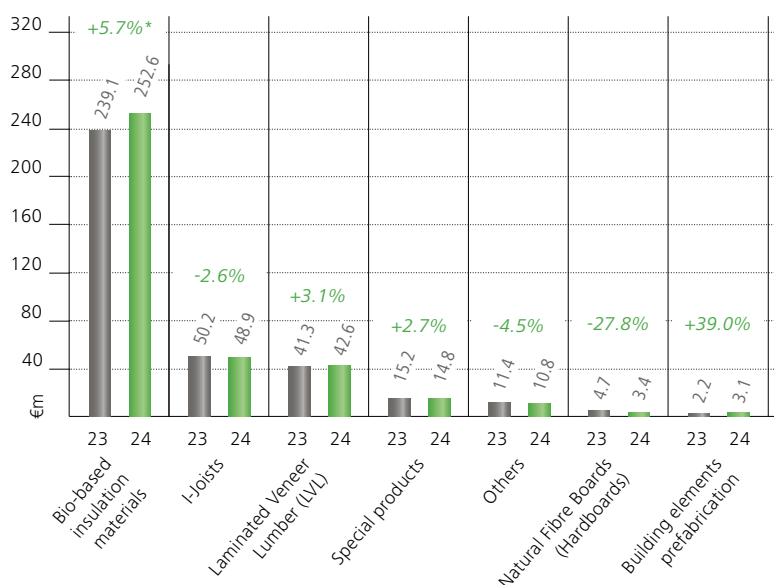
STEICO SE, Feldkirchen

growth in the construction industry. Revenues in the revenue cluster for the dominant export markets (mostly non-EU markets) United Kingdom and Ireland, Australia and the USA fell by 0.6 % to € 69.5 million (previous year: € 69.9 million). This corresponds to 18.5 % of revenues. The managing directors believe that this downturn is due to a temporary weakness on the part of individual customers and is not structural.

On the whole, the STEICO Group is looking back on a very challenging year in 2024. In view of the particularly unfavourable construction sector, the company's management believes, however, that it has recorded a positive fiscal year on the whole. Total revenues were up by 3.0 % to € 376.3 million (previous year: € 365.3 million)

### 3. GROWTH OF PRODUCT SEGMENTS<sup>6</sup>

2024: Change in revenues by product segment in € millions



\* Rate of change from 2023 to 2024: Percentages have been calculated based on non-rounded figures.

The sale of wood fibre insulation materials and air-injected insulation for building insulation and flooring is STEICO SE's core business and accounted for 67.1 % of total revenues in 2024 (€ 252.6 million, previous year: € 239.1 million). This corresponds to an increase of 5.7 %.

Sales of I-joists recorded negative growth in 2024 with revenues of € 48.9 million (previous year: € 50.2 million). This corresponds to 13.0 % of revenues and a downturn of 2.6 %. This downturn is due to factors including lower prices for traditional construction timber.

In 2024 sales of laminated veneer lumber amounted to € 42.6 million (previous year: € 41.3 million) or around 11.3 % of total revenues. This corresponds to an increase of 3.1 %.

Management believes that this increase in revenues in the construction sector shows that the STEICO Group has a future-proof product range and a solid position on the market despite the difficult economic environment.

In fiscal year 2024 sales of specialty products amounted to € 14.8 million (previous year: € 15.2 million) or around 3.9 % of total revenues. This corresponds to a decrease of 2.7 %.

In the "Miscellaneous" segment (including services) revenues in fiscal year 2024 amounted to € 10.8 million (previous year: € 11.4 million). This corresponds to 2.9 % of revenues and a downturn of 4.5 %.

Sales of natural fibre boards to third parties continued to fall during the year under review, after a strong increase in the previous year. This product group accounted for € 3.4 million or around 0.9 % of total revenues (previous year: € 4.7 million). Demand increased temporarily as a result of the Russia/Ukraine war, as suppliers in both these countries were lost. However many customers now cover their needs with other materials, which means that revenues are falling again.

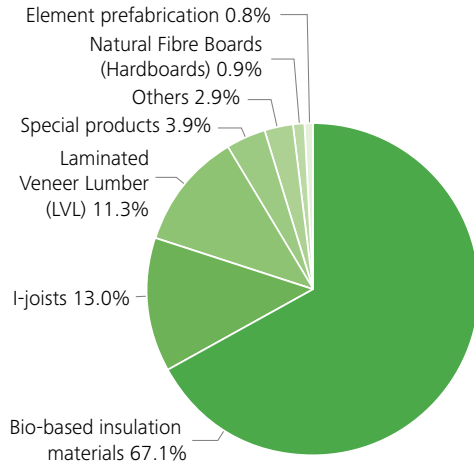
In the Element Production segment revenues in 2024 amounted to € 3.1 million (previous year: € 2.2 million). This corresponds to 0.8 % of revenues and an increase of 39.0 %.

Timber wholesale exists to a small extent in the United Kingdom in order to supplement the product range. During the year under review timber wholesale accounted for € 27 thousand of total revenues.

<sup>6</sup> All information on revenue breakdown by product segment and the year-on-year change rates are calculated based on non-rounded figures.



### 2024: Revenues by product segments



## 4. PRODUCTION

In total, in 2024 298,691 t of wood fibre and cellulose insulation materials were produced (previous year: 272,097 t). This corresponds to an increase of 9.8 %.

### Natural fibre boards (hardboards)

In 2024 23,168 t of Natural fibre boards were produced (previous year: 20,724 t), which corresponds to an increase of 11.8 %. These are mostly used as I-joist components

### I-joists

In 2024 10,169 trm (thousand running meter) of I-joists were produced (previous year: 9,101 trm). This corresponds to an increase of 11.7 %.

### Laminated veneer lumber

A total of 118,643 cbm of laminated veneer lumber was produced in 2024 (previous year: 107,454 cbm). This corresponds to an increase of 10.4 %.

### Growth in production quantities at the STEICO Group

	2024	2023
Insulation materials (total) (t)	298,691	272,097
Other (t)	7,146	7,425
Hardboards (t)	23,168	20,724
I-joists (trm)	10,169	9,101
Laminated veneer lumber (cbm)	118,643	107,454



## Group management report for fiscal year 2024

STEICO SE, Feldkirchen

### III. FINANCIAL POSITION, NET ASSETS AND RESULT OF OPERATIONS

#### 1. KEY PERFORMANCE INDICATORS

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

In € thousand	2024	2023
Revenues	376,279	365,295
Total operating revenue	380,168	356,797
Gross profits	198,186	166,179
Personnel expenses	69,461	62,349
EBIT	36,025	30,383
Financial result	-8,357	-6,171
Earnings before taxes (EBT)	27,668	24,212
Consolidated net income	19,321	16,880
Net change in cash and cash equivalents	271	4,889
Net indebtedness ratio <sup>7</sup>	1.71	2.67
Gearing <sup>8</sup>	0.40	0.51
Consolidated total assets	588,653	587,666

#### 2. RESULT OF OPERATIONS

During 2024 the STEICO group's revenues increased by 3.0 % to € 376.3 million (previous year: € 365.3 million).<sup>9</sup> Total operating revenue in the year under review amounted to € 380.2 million and was thus 6.6 % higher than the previous year's figure of € 356.8 million. The increase in total operating revenue is due to an increase in finished goods and work in progress. In anticipation of further growth in 2025, inventory levels were increased during the winter months when demand is weaker, in order to satisfy increasing demand.

During the past fiscal year, the STEICO Group recorded other operating income of € 13.9 million (previous year: € 23.4 million). This downturn is mostly due to lower income from the sale of CO<sub>2</sub> emission rights.

The cost of materials fell by € 18.1 million to € 196.0 million (previous year: € 214.1 million). The cost of materials ratio <sup>10</sup> has thus fallen substantially to 51.5 % (previous year: 60.0 %). This downturn is due to factors including better purchasing prices and positive effects from currency hedging transactions.

Personnel expenses totaled € 69.5 million and were thus 11.4 % higher than in the previous year (previous year: € 62.4 million). The personnel expenses ratio <sup>11</sup> totaled 18.3 % and has thus increased substantially year-on-year (17.5 %). In addition to inflation-related pay increases, staff increases to start production at the new plant in Gromadka impacted personnel expenses.

Amortisation and depreciation totaled € 43.9 million and this figure was thus 60.5 % higher than in the previous year (€ 27.3 million). This increase is mostly due to extraordinarily impairment of property, plant and equipment of € 15.2 million which was ascertained during impairment testing for assets whose carrying amount exceeded their actual value.

#### Other operating expenses

In € thousand	2024	2023
Write-downs of receivables	110	84
Building costs, rent, cleaning	1,841	1,770
Insurance, contributions, fees	5,936	4,957
Repairs and maintenance	8,795	6,885
Vehicle costs	4,236	4,331
Sales costs, advertising and travel expenses	4,453	4,151
Commission expenses	227	221
Operating costs	3,901	3,450
Administrative costs, IT	3,717	4,203
Telecommunication	160	161
Legal and consulting costs, court costs	1,357	1,074
Costs of preparing the annual financial statements	446	345
Exchange rate differences and incidental costs of money transactions	3,109	3,611
Other	10,603	10,902
<b>Total</b>	<b>48,892</b>	<b>46,144</b>

Other operating expenses of the year totalled € 48.9 million (previous year: € 46.1 million), up 6.0 % year-on-year.

Currency exchange rates also impacted the earnings position as follows: Income from exchange rate differences within other operating income amounts to € 2,676 thousand (previous year: € 4,859 thousand). This is offset by expenses from exchange rate differences in other operating expenses of € 2,748 thousand (previous year: € 3,238 thousand).

<sup>7</sup> Net indebtedness ratio corresponds to net debt (liabilities to banks plus liabilities to affiliated companies if these exceed € 2000 thousand, less cash and cash equivalents) divided by EBITDA

<sup>8</sup> Gearing corresponds to equity divided by net debt.

<sup>9</sup> Please refer to sections B.II.2 "Course of business" and B.II.3 Growth of product segments" for a detailed presentation of sales growth.

<sup>10</sup> Cost of materials to total operating revenue

<sup>11</sup> Personnel expenses to total operating revenue

The financial result was negative in 2024 at € -8.4 million (previous year: € -6.2 million) and is mostly determined by the interest expenses resulting from the financing of ongoing investment activities as part of the existing syndicated credit agreement.

As a result of the increase in revenues with simultaneous lower costs of materials, EBITDA and EBIT increased during the year under review. EBITDA increased by 38.4 % or € 22.1 million to € 79.8 million (previous year: € 57.7 million). EBIT lifted by € 5.6 million or 18.6 % to € 36.0 million (previous year: € 30.4 million).

Consolidated net income amounted to € 19.3 million, and was significantly higher than in the previous year. This increase is mostly due to the growth in revenues with a lower cost of materials ratio.

### 3. FINANCIAL POSITION AND NET ASSETS

Consolidated total assets on the balance sheet date increased only slightly year-on-year to around € 588.7 million (previous year: € 587.7 million). Property, plant and equipment fell to € 437.3 million (previous year: € 444.6 million) which is due to factors including the completion of the production lines in Gromadka and the resulting lower volume of capital expenditure coupled with higher amortisation and depreciation, which exceeded the capital expenditure in fiscal year 2024.

Inventories grew in the year under review. On the balance sheet date inventories totaled € 62.2 million (previous year: € 59.5 million) and their growth was thus in line with revenue growth.

Receivables and other assets totaled € 48.7 million (previous year: € 46.0 million). This item also reflects the stronger ordering behavior.

On 31 December 2024 the item cash in hand and bank balances amounted to € 34.3 million (31 December 2023: € 33.0 million). This increase is mostly due to a positive cash flow from operating activities as well as a negative cash flow from financing activities and investing activities.

Deferred tax assets increased to € 4.2 million (previous year: € 1.3 million). The increase in deferred tax assets mostly results from technical equipment and provisions for pensions.

On the equity and liabilities side, equity increased by € 19.3 million to € 333.2 million (previous year: € 313.5 million). This increase is due to the higher net profits in fiscal year 2024. Management believes that this corresponds to a solid equity ratio of 57.8 % (previous year: 53.3 %).

The extraordinary item for emission certificates increased to € 7.1 million (previous year: € 3.3 million). CO<sub>2</sub> emissions certificates allocated free of charge and not used by the company were not fully sold during the year under review, but have been held beyond the balance sheet date in anticipation of higher prices.

Provisions increased on the balance sheet date by € 9.9 million to € 34.6 million (previous year: € 24.6 million). This increase is due in particular to personnel-based provisions, bonus payments for customers as well as outstanding invoices for the procurement of timber and energy.

Liabilities to banks fell to € 170.5 million (previous year: € 191.9 million) which is due to the repayment of funds from the syndicated credit agreement.

On the balance sheet date the group companies had credit lines of € 86 million available at standard market conditions. In addition, a credit limit for currency exchange transactions and derivatives was granted, in order to be able to perform the hedging transactions required for operating business.

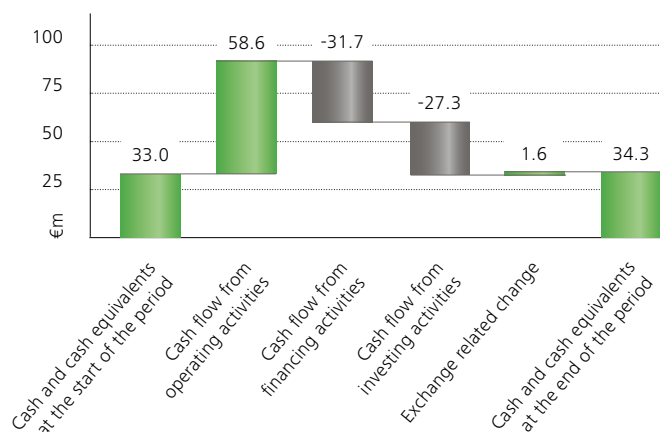
In connection with the syndicated credit agreement mentioned above, certain financial covenants have been agreed. If these are not upheld the lenders can, as a rule, terminate the agreement without notice. All of these covenants were upheld in the year under review.

## Group management report for fiscal year 2024

STEICO SE, Feldkirchen

### 4. LIQUIDITY

2024: Cash flow statement in € millions



#### Cash flow from operating activities

During the past fiscal year, the STEICO Group recorded a positive cash flow from operating activities of € 58.7 million (previous year: € 51.6 million). This increase is mostly due to the higher net income for the year. In addition, the reduction in inventories as well as receivables and other assets increased liquidity. Although amortisation and depreciation - which were also impacted by extraordinary write-downs in connection with impairment - increased substantially, the combination of higher net income, the reduction of inventories and liabilities as well as lower income tax payments led to an increase in the cash flow from operating activities.

#### Cash flow from investing activities

The cash flow from investing activities amounted to € -27.3 million in the year under review (previous year: € -84.8 million) and is mostly governed by payments for investments in property, plant and equipment. The investments in setting up the new production site in Gromadka (Poland) constitute the largest investment block.

#### Cash flow from financing activities

The cash flow from financing activities was negative in the amount of € -31.7 million (previous year: € +38.1 million). This downturn is due to the proportionate repayment of the syndicated credit agreement.

As of 31 December 2024 the STEICO Group's cash and cash equivalents totaled € 34.3 million (previous year: € 33.0 million) which is held in overnight money, fixed-term deposits and

current account balances. The Group pursues an investment strategy to minimise risks, aiming to secure liquidity for use for further investments or ongoing business.

The planned total volume of capital expenditure in 2025 is approx. € 30 million, and around € 11 million of this total is fixed. The existing cash and cash equivalents and the net proceeds from the cash flow from operating activities as well as bank loans are used to finance this capital expenditure

### Summary of the economic position

In the year under review the STEICO Group's revenue growth was around 3.0% higher than the original expectations stated in the 2023 management report for stable revenue growth. Management believes that the increase is based on the continued trend to environmentally friendly construction products, a slight increase in renovation activities and the robust growth in timber construction compared to other types of construction.

With regard to EBIT, the original forecast for 2024 was between 9% and 11% (EBIT to total operating revenue) or € 33 million to € 40 million. We were able to achieve these expectations with actual EBIT totalling € 36.0 million.

In summary, in the opinion of the managing directors, the STEICO Group is in an excellent position for future growth as a result of its product range, its large, well-integrated production locations and more intense sales activities. Construction products to save energy consumption, a wide-ranging product range, large, integrated sites and an across-the-board sales and service offering means that the company's management expects that it will return to the growth enjoyed in the past as soon as the construction industry stabilises.

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

## IV. FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

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

Revenues and EBIT are used as indicators for the internal control of the group.<sup>12</sup>

In € thousand	2024	2023	Δ	[%]
Revenues	376,279	365,295	10,984	3.0
EBIT	36,025	30,383	5,642	18.6

### 2. NON-FINANCIAL PERFORMANCE INDICATORS

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

#### Environmental issues

As a company with an extensive product range of environmentally friendly products, the STEICO Group attaches great importance to having a low environmental impact and saving natural resources. Management has ascertained a sustainable trend to reductions in CO<sub>2</sub> emissions based on the energy consumption trend for the allocated CO<sub>2</sub> certificates.

The wood from which STEICO's products are made originates mostly from sustainably managed forests, which are certified according to the well-known organisation PEFC (Programme for the Endorsement of Forest Certification Schemes).

In addition, for key insulation products, STEICO has commissioned an independent product analysis from the Institut für Baubiologie Rosenheim (IBR). The IBR seal means that STEICO's insulation materials have a recognised seal of quality for environmentally friendly, safe and functional construction products.

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

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

In addition, the STEICO Group has published an annual sustainability report since 2018, and since 2019 this has been based on the internationally recognised reporting standard GRI (Global Reporting Initiative). The 2022 report was published in 2023 in line with the GRI Core Standard and on the date this report was published this is still the most current version. Protecting the environment is one of the key basic pillars of STEICO's corporate philosophy. Management thus aims to continue its relevant environmental certification and to expand on this.

<sup>12</sup> Please refer to the growth analysis in Sections B.II.2 "Course of business", B.II.3 "Growth of product segments" and B.III "Financial position, net assets and result of operations".

## Group management report for fiscal year 2024

STEICO SE, Feldkirchen

### C. RISK, OPPORTUNITY AND FORECAST REPORT

#### I. FUNDAMENTALS OF THE RISK MANAGEMENT SYSTEM

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

#### II. RISKS OF FUTURE GROWTH

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

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

As a rule, the company's management believes that the framework conditions for growth in the construction sector are positive. In the opinion of STEICO SE's management the trend towards timber construction<sup>13</sup> will continue, furthermore there is a need of living space in many markets and more and more funding programmes are supporting this form of resource-saving construction. There is also a significant backlog of orders in the construction sector. The probability of a risk arising from a downturn in the industry is considered to be medium, and the potential impact is also regarded as being medium.

##### 2. RISKS FROM RESTRICTIONS OF PUBLIC LIFE

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

At the present time the probability that this risk could occur and also its impact are both not regarded as posing a danger to STEICO's business model.

##### 3. PRODUCTION RISKS

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

The STEICO Group combats these risks with regular maintenance, precautionary construction and organisational activities and it has also concluded corresponding insurance policies. In addition it is in close contact with the licensing authorities. For 2025, the capital expenditure plan provides for further investments, which are intended to increase production reliability. In the management's opinion, no significant change in risk is expected compared with the previous year, which means that the probability of occurrence remains low.

<sup>13</sup> Source: Bundesverband Deutscher Fertigbau, press release dated 24 February 2025.

#### 4. LOCATION RISKS

In 2024 the STEICO Group had manufacturing activities at three locations in Poland and thus used various location advantages. Depending on its position, the choice of a location can also be associated with risks, for example exchange rate fluctuations or regionally higher prices for raw materials and energy. As the STEICO Group produces light, high-volume insulation material, the proximity of its production facilities and sales markets is a key strategic success factor. Setting up new locations – by developing locations or making acquisitions – to ensure future growth can, however, also be associated with risks, for example with financing risks, personnel risks, production or organisational risks.

The management continuously evaluates the situation of the existing locations, makes investments to compensate for any disadvantages that may arise and examines the development of further locations. No material deterioration in the existing location advantages is predicted for 2025. The probability of occurrence and the impact of this risk are considered to be low.

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

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

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

As a result, management believes that competition will intensify in 2025 as major new capacity has been created at existing and new competitors. In management's opinion, competition is not expected to further intensify, with the result that the probability of occurrence is regarded as being medium.

#### 6. RISKS DUE TO QUALITY SHORTFALLS

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

However this risk is kept to a minimum thanks to forward-looking production planning, a well-functioning logistics system, in-depth quality management (ISO 9001:2015 certification for the facilities in Czarńków, Czarna Woda and Casteljalous) an environmental management system according to ISO 14001:2015 for the plants in Czarńków and Czarna Woda. In addition there is insurance in the event of product liability for all of the companies in the STEICO Group. The effects are therefore to be regarded as being minor.

The capital expenditure plan also includes further activities being implemented in 2025, in order to keep STEICO's product range attractive for customers – for example obtaining additional certification for construction supervision, product tests, etc. In the management's opinion, no significant change in risk is expected compared with the previous year, which means that the probability of occurrence remains low.

#### 7. RISKS FROM DEPENDENCIES ON KEY CUSTOMERS

The risk of customer dependencies is limited by the large number of customers and their balanced share of total revenues. For example, no single customer accounts for more than 4.7 % of the STEICO Group's total revenues. The STEICO Group recorded 19.9 % of its revenues with its ten largest customers.

In 2024, there was a slight decrease in the concentration of the sales volume on large customers. These revenue percentages mean that the sales volume is highly diversified, and this means that there is also no dependency on a single customer in this regard. The loss of a top customer thus constitutes a risk with little impact.

The management does not expect any fundamental change in the concentration of revenues from individual customers in 2025. At the same time, the development of new customer groups and further market penetration will be actively promoted in order to counteract excessive concentration. In the management's opinion, no significant change in risk is expected compared with the previous year, which means that the probability of occurrence remains low.



## Group management report for fiscal year 2024

STEICO SE, Feldkirchen

### 8. RISKS FROM DEPENDENCIES ON SUPPLIERS

The fresh wood require to produce wood fibre products in Poland is mostly procured from the Polish State Forest. As a result, the loss of a supplier could pose a major risk for the STEICO Group. However, the Polish State Forest is also interested in timber being further processed with the corresponding value added taking place in Poland. Over the past decades, the STEICO Group has made major investments in Poland, is a key employer in its regions and ranks among the largest timber buyers. As a result, management believes that the risk of this risk occurring is low in 2025.

In addition to the products it produces itself, the STEICO Group sells a range of merchandise, for example products for sealing the building shell. It is not possible to change suppliers quickly for all of the products. As a result, difficulties encountered by the manufacturer in making deliveries could impact the Group's success. STEICO SE constantly observes business relationships with its partners and if required it reviews alternatives, for example alternative procurement or producing the items in house. This aims to ensure that the loss of individual suppliers does not have any long-term negative impact. The impact of this risk is thus considered to be low.

In the management's opinion, no significant change in risk is expected in 2025 compared with the previous year, which means that the probability of occurrence remains low.

### 9. RISKS FROM LOST RECEIVABLES

Defaults on receivables constitute an additional operating risk which could restrict the Group's liquidity. However, outstanding receivables are mostly hedged under a credit sale insurance policy, which minimises the probability of occurrence for this risk and the impact is to be regarded as being low. There were no notable receivables defaults in 2024. In the management's opinion, no significant change in risk is expected in 2025 compared with the previous year, which means that the probability of occurrence remains low.

### 10. EXCHANGE RATE RISKS

There are exchange rate risks as the STEICO Group mostly produced its goods in 2024 in Poland and thus in the Zloty (PLN) currency zone.

As its products are sold internationally and thus invoiced in euros (€) as well as in other currencies, for example sterling and US dollars, exchange rate fluctuations could thus have a negative impact on the STEICO Group. The STEICO Group observes and evaluates exchange rate fluctuations as part of its risk management system and performs exchange rate hedging on a regular basis with the aim of creating the most stable basis for calculations possible for the STEICO Group. The Polish zloty in particular is hedged to a high degree.

At present, the planned goods purchases and the planned capital expenditure in PLN have been hedged for the coming three years.<sup>14</sup> The probability of occurrence and the impact of the net risk are considered to be low.

### 11. RISKS FROM INTEREST AND EXCHANGE RATE HEDGES

STEICO SE uses derivative financial instruments to hedge the above currency risks. In fiscal year 2024, in agreement with the Administrative Board, the managing directors resolved not to use structured currency forwards in future, but only to use fixed transactions. These have a lower risk profile and thus lower volatility and easier forecasting. There are currently still two interest rate swaps on 6-month LIBOR to hedge the interest rate risk. On the whole, the risks from hedging transactions are currently classified as medium to low overall.

### 12. RISKS DUE TO THE USE OF FINANCIAL INSTRUMENTS

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

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

<sup>14</sup> <https://ec.europa.eu/eurostat/cache/countryfacts/>.

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

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

In the management's opinion, the probability of occurrence and impact of the risks in connection with the financial instruments described above continues to be low.

#### 13. RISKS FROM FINANCING REQUIREMENTS

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

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

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

#### 14. RISKS FROM THE ORGANISATIONAL AND WORK-FLOW STRUCTURE

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

In the management's opinion, no significant change in risk is expected in 2025 compared with the previous year, which means that the probability of occurrence remains low.

#### 15. RISKS FROM LITIGATION

Potential litigation could also constitute a risk for the operating result. However, there were no ongoing cases in 2024 which could have a negative impact on the course of the STEICO Group's business or which could have a future negative impact. The probability of this risk occurring is regarded as being low, and also the possible impact of the risk.

In the management's opinion, no significant change in risk is expected in 2025 compared with the previous year, which means that the probability of occurrence remains low.

#### 16. RISKS FROM ACTS OF WAR AND THE IMPOSITION OF SANCTIONS

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

---

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



## Group management report for fiscal year 2024

STEICO SE, Feldkirchen

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

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

In total, in the opinion of the company's management, STEICO will also not be able to fully escape the impact of the war between Russia and Ukraine in 2025.

### 17. IT RISKS/CYBER RISKS

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

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

After a cyber attack in 2023 STEICO fundamentally analysed its IT systems and initiated a reorientation. In addition to investments in hardware and software, material organisational optimisations were also put in place to improve IT security. The probability of occurrence is regarded as being medium.

### III. OPPORTUNITIES OF FUTURE GROWTH

Based on the broad product range and the ongoing product developments the STEICO Group is planning to further expand its revenues and market shares in the coming years. In so doing, in management's opinion, the Group can benefit disproportionately from market developments thanks to its position as a specialist provider for ecological insulation and construction materials, and also use opportunities to greater advantage.

#### 1. OPPORTUNITIES DUE TO GROWING DEMAND FOR NATURAL INSULATION MATERIALS

Management believes that the STEICO Group is benefiting to a particularly great extent from the continued shift in demand towards environmentally friendly insulation materials made from renewable raw materials. The wide ranging physical advantages for construction such as protection from summer heat, vapour permeability and protection from damage from damp are being focused on by builders. In addition, throughout Europe, requirements for energy efficiency in buildings are constantly being heightened. The company's management believes that there is particular market potential in the increasing energy-related renovation of existing buildings. In addition, there is also government support for energy-efficient construction and renovation. Economies such as Germany and France have launched corresponding support programmes. At European level, too, comprehensive support programmes for greater energy efficiency in the building sector are being prepared with the Green Deal and the planned obligation to renovate buildings to improve their energy efficiency. Management assumes that this will stimulate sales for years to come. In addition, there are opportunities from new sales channels which have not yet been extensively exploited, for example resulting from the cooperation with the new majority shareholder Kingspan. The impact on revenues and returns due to rising demand can therefore be regarded as particularly high.

The managing directors assume that the market share of natural insulating materials has increased continuously in recent years.<sup>16</sup> This trend is expected to continue in 2025, not least because of the ongoing climate debate. This makes it highly likely that demand will continue to grow.

#### 2. OPPORTUNITIES DUE TO GROWING DEMAND FOR CONSTRUCTIVE BUILDING PRODUCTS

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

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

STEICO has a unique position in the industry with its own construction system comprising construction materials and insulation materials, and it develops new sales markets and at the same time it reduces its dependency on individual segments. There are additional advantages for customers, such as the possibility to optimise freight thanks to mixed loads of insulation and construction materials. In addition, there are opportunities from new sales channels which have not yet been extensively exploited, for example resulting from the cooperation with the new majority shareholder Kingspan.

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

#### 3. OPPORTUNITIES DUE TO EXTENSIVE VERTICAL INTEGRATION

The STEICO Group sells merchandise as a supplement to the goods it produces itself on several markets. At present these products are air sealant membranes and components for composite thermal insulation systems. STEICO checks these goods constantly for their revenue and earnings growth as well as their importance in the STEICO construction system. Wherever it appears to be pertinent over the long term, STEICO invests in its own production, as is the case, for example, for

---

<sup>16</sup> Cf. Holzbau Deutschland, press release dated 30 October 2024

<sup>17</sup> Cf. Holzbau Deutschland, press release dated 30 October 2024

## Group management report for fiscal year 2024

STEICO SE, Feldkirchen

laminated veneer lumber, in order to reduce dependencies and improve margins. Depending on the respective product area, the positive effects on revenues and returns range from low to high.

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

Management believes that the STEICO Group will benefit from a disproportionate increase in demand resulting from a renewed recovery in the construction industry. However, the effects on revenues and returns are likely to still be minor.

### 4. OPPORTUNITIES DUE TO THE LAUNCH OF NEW PRODUCTS

Innovations are a key success driver, which is why STEICO constantly further develops its product range. In addition to further developing its integrated construction and insulation system the focus is also on specialty and industrial products which can be produced using STEICO's production equipment. In 2024 a new type of air-injected insulation was launched on the market, and management believes that this constitutes a key unique selling potential. In the opinion of the company's management, this opens up further areas of application, allowing the product range to be supplemented by additional, high-margin products. Depending on the respective product area, the positive effects on revenues and returns range from low to high.

Management is planning to continue to drive research and development projects in order to penetrate new areas of application and high growth markets with product innovations.

### 5. OPPORTUNITIES FROM FURTHER INTERNATIONALISATION

In addition to expanding the product range, internationalisation also offers opportunities for increasing revenues. Management believes that there is major growth potential over the short to medium term on European sales markets, and over the longer term also on non-European sales markets. The positive effects of further internationalisation are considered to be high.

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

### 6. OPPORTUNITIES FROM PROCESS OPTIMISATION AND INCREASES TO EFFICIENCY

The STEICO Group constantly reviews its processes for procurement, administration and sales and optimises these to generate further improvements in efficiency as well as to gain synergy effects. In the same way, optimisation at the manufacturing subsidiaries and foreign sales companies is being driven forward. For example, STEICO continuously invests in IT-systems, automating production and in digitalisation, process optimisation and making its administrative structures even leaner, with the aim of establishing STEICO as the industry-wide cost leader. Management believes that the impact on revenues and returns due to continued rising demand can therefore be regarded as particularly high. As a result, the effects would weigh on sales and returns to a medium extent.

#### Summary of the risk and opportunity situation

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

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

IV. FORECAST

According to the 98th Euroconstruct Summary Report dated December 2024, the construction industry is expected to start to stabilise in 2025, after 2021 to 2023 were characterised by a constant downturn in construction activities.<sup>18</sup> However, in terms of residential construction, the core market for STEICO's products, the market is only expected to stagnate with market growth of 0.2 % on the relevant core markets. At the same time, however, timber construction is comparatively robust. According to the Bundesverband Deutscher Fertigbau e.V., construction permit figures for single family homes fell by 20 % in 2024, however the proportion of prefabricated timber buildings for detached and semidetached houses reached an all-time high of 26.1 %.<sup>19</sup>

On this basis, and considering the positive growth in demand for STEICO's products during the past year and also based on an internal bottom-up analysis of sales expectations from the company's internal and field sales, management is expecting business growth to stabilise in 2025. Increased ecological awareness as well as national and European programmes that combine climate protection with economic subsidies will lead to increased demand for ecological insulation materials at the current level. In this regard management believes that there is increased sales potential for renovation work.

Based on the above market forecast and considering revenue growth in the first quarter of 2025 and in anticipation of a slight increase in procurement costs for timber and energy, management is forecasting slight growth in revenues for the STEICO Group in 2025 of around three percent to around € 388 million with an EBIT ratio of between 7 % and 9 %. This corresponds to EBIT of between € 27 million and € 35 million.

In terms of currencies, the operational forecast is for goods to be purchased at the Polish plants in fiscal year 2025 with an average PLN/€ exchange rate of around 4.20-4.40.

Feldkirchen, 29 April 2025

The Managing Directors

.....	.....
Aiveen Kearney	Georg Faller

.....	.....
Thorsten Leicht	Tobias Schindler

18 Cf. 98th Euroconstruct Summary Report, page 30  
19 Cf. BDF press release 24 February 2025

---

**Group management report** for fiscal year 2024

STEICO SE, Feldkirchen

---

This page has no content for technical reasons

# Consolidated income statement for fiscal year 2024

## Consolidated financial statements STEICO SE, Feldkirchen

	2024	2023
	€	
1. Revenues	376,278,509.33	365,294,714.18
2. Increase in finished goods and work in progress	3,250,493.41	-9,117,100.77
3. Other own work capitalised	639,072.12	618,921.78
	<b>380,168,074.86</b>	<b>356,796,535.19</b>
4. Other operating income		
- thereof from currency translation: € 2,676 thousand (previous year: € 4,859 thousand)	13,936,034.51	23,442,010.28
	<b>394,104,109.37</b>	<b>380,238,545.47</b>
5. Cost of materials		
a) Cost of raw materials and supplies and for purchased goods	-193,911,097.84	-213,142,377.12
b) Cost of purchased services	-2,007,015.59	-917,007.55
6. Gross profits	<b>198,185,995.94</b>	<b>166,179,160.80</b>
7. Personnel expenses		
a) Wages and salaries	-55,596,087.54	-49,552,238.99
b) Social security and expenses for retirement benefits		
- of which for retirement benefits: T€ 1,550 (VJ: T€ 1,041)	-13,865,278.75	-12,796,842.60
8. Amortisation of intangible fixed assets and depreciation of tangible fixed assets	-43,807,567.68	-27,302,726.68
9. Other operating expenses		
- thereof from currency translation: T€ 2,748 (VJ: T€ 3,238)	-48,891,769.93	-46,144,031.75
10. EBIT	<b>36,025,292.04</b>	<b>30,383,320.78</b>
11. Other interest and similar income	1,538,652.42	490,966.82
12. Amortisation of financial assets and current securities	-16,736.06	0.00
13. Interest and similar expenses	-9,878,869.07	-6,662,449.52
14. Financial result	<b>-8,356,952.71</b>	<b>-6,171,482.70</b>
15. Earnings before taxes (EBT)	<b>27,668,339.33</b>	<b>24,211,838.08</b>
16. Income taxes	-4,095,291.74	-3,769,229.45
17. Earnings after taxes	<b>23,573,047.59</b>	<b>20,442,608.63</b>
18. Other taxes	-4,251,836.25	-3,562,369.22
19. Consolidated net income	<b>19,321,211.34</b>	<b>16,880,239.41</b>
20. Profit carried forward from previous year	187,806,563.93	170,926,324.52
21. Consolidated profits	<b>207,127,775.27</b>	<b>187,806,563.93</b>

# Consolidated balance sheet as of 31 December 2024

## Consolidated financial statements STEICO SE, Feldkirchen

### ASSETS

	31 December 2024	31 December 2023
	€	€
<b>A. NON-CURRENT ASSETS</b>		
<b>I. Intangible assets</b>		
1. Acquired concessions, industrial property rights and similar rights and assets	0.00	0.00
2. Acquired concessions, industrial property rights and similar rights and assets as well as licenses for such rights and assets.	140,092.94	266,088.10
3. Advance payments made	1,114,646.45	2,312,468.95
	<b>1,254,739.39</b>	<b>2,578,557.05</b>
<b>II. Property, plant and equipment</b>		
1. Land, land rights and buildings including buildings on third-party land	134,981,690.04	116,092,578.25
2. Technical plant and machinery	162,089,482.54	151,743,267.43
3. Other assets, operating and office equipment	2,381,529.33	2,842,460.38
4. Advances made and assets under construction	137,882,524.12	173,961,509.27
	<b>437,335,226.03</b>	<b>444,639,815.33</b>
<b>III. Financial assets</b>		
1. Investments in affiliated companies	0.00	0.00
2. Loans to affiliated companies	2,339.18	18,896.19
3. Other loans	8,500.00	8,000.00
	<b>10,839.18</b>	<b>26,896.19</b>
	<b>438,600,804.60</b>	<b>447,245,268.57</b>
<b>B. CURRENT ASSETS</b>		
<b>I. Inventories</b>		
1. Raw materials, consumables and supplies	32,034,679.69	31,695,144.31
2. Work in progress	2,599,613.82	2,999,803.03
3. Finished goods and merchandise	27,529,617.82	24,714,812.90
4. Advance payments made	28,306.72	135,863.98
	<b>62,192,218.05</b>	<b>59,545,624.22</b>
<b>II. Receivables and other assets</b>		
1. Trade receivables	26,891,605.66	25,678,057.24
2. Receivables from affiliated companies	2,066.02	294.89
3. Other assets	21,818,279.88	20,272,120.69
	<b>48,711,951.56</b>	<b>45,950,472.82</b>
<b>III. Current securities</b>		
Other securities	162,162.71	97,122.08
<b>IV. Cash in hand and bank balances</b>	<b>34,300,325.80</b>	<b>33,011,841.14</b>
	<b>145,366,658.12</b>	<b>138,605,060.26</b>
<b>C. PREPAID EXPENSES</b>	<b>506,355.72</b>	<b>554,786.21</b>
<b>D. DEFERRED TAX ASSETS</b>	<b>4,179,600.70</b>	<b>1,261,225.05</b>
	<b>588,653,419.14</b>	<b>587,666,340.09</b>



# Consolidated balance sheet as of 31 December 2024

## Consolidated financial statements STEICO SE, Feldkirchen

### EQUITY AND LIABILITIES

	31 December 2024	31 December 2023
	€	€
<b>A. EQUITY</b>		
I. Subscribed capital	14,083,465.00	14,083,465.00
II. Additional paid-in capital	104,911,923.60	104,911,923.60
III. Retained earnings Other retained earnings	7,050,000.00	7,050,000.00
IV. Difference in equity from currency translation	7,047,407.27	-334,277.52
V. Consolidated profits	207,127,775.27	187,806,563.93
	<b>340,220,571.14</b>	<b>313,517,675.01</b>
<b>B. EXTRAORDINARY ITEMS</b>		
Extraordinary item for emission rights issued free of charge	7,082,877.95	3,263,851.94
	<b>7,082,877.95</b>	<b>3,263,851.94</b>
<b>C. PROVISIONS</b>		
1. Provisions for pensions and similar obligations	3,807,592.69	3,696,958.02
2. Provisions for taxes	1,339,657.74	0.00
3. Other provisions	29,412,797.30	20,946,543.65
	<b>34,560,047.73</b>	<b>24,643,501.67</b>
<b>D. LIABILITIES</b>		
1. Liabilities to banks	170,485,934.00	191,943,102.14
2. Advance payments received on account of orders	1,418,068.61	319,989.11
3. Trade payables	24,302,395.71	31,884,083.10
4. Liabilities to affiliated companies	0.00	3,037,500.00
5. Other liabilities - of which from taxes: € 4,236 thousand (previous year: € 10,988 thousand) - thereof as part of social security € 2,432 thousand (previous year: € 3,923 thousand)	9,239,968.80	17,558,999.88
	<b>205,446,367.12</b>	<b>244,743,674.23</b>
<b>E. DEFERRED INCOME</b>	<b>42,765.92</b>	<b>76,633.14</b>
<b>F. DEFERRED TAX LIABILITIES</b>	<b>1,300,789.28</b>	<b>1,421,004.10</b>
	<b>588,653,419.14</b>	<b>587,666,340.09</b>

## Consolidated cash flow statement for fiscal year 2024

### Consolidated financial statements STEICO SE, Feldkirchen

	2024	2023
	€	€
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
1. Earnings for the period (Consolidated net income/loss)	19,321,211.34	16,880,239.41
2. +/- Amortisation/depreciation of non-current assets	43,824,303.74	27,302,726.68
3. +/- Increase/decrease in provisions	8,895,640.06	1,876,472.33
4. +/- Other non-cash expense/income	-639,072.12	-618,921.78
5. +/- Increase/decrease in inventories, trade receivables and other assets that are not allocated to investing or financing activities	-5,424,682.71	15,223,799.80
6. +/- Increase/decrease in trade payables and other liabilities that are not allocated to investing or financing activities	-14,054,980.18	-1,645,746.06
7. +/- Gains/losses from the disposal of non-current assets	73,883.90	102,784.97
8. +/- Interest expense/income	8,340,216.65	6,171,482.70
9. +/- Income tax expense/income	4,095,291.74	3,769,229.45
10. +/- Income tax payments	-5,794,224.47	-17,412,935.56
<b>11. = Cash flow from operating activities</b>	<b>58,637,587.95</b>	<b>51,649,131.94</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
1. - Payments made for investments in intangible non-current assets	-14,682.50	-936,106.12
2. +/- Proceeds received from disposals of items of property, plant and equipment	413,301.46	15,404.05
3. - Payments made for investments in property, plant and equipment	-29,190,919.10	-84,422,035.96
4. + Proceeds received from disposals of financial assets	0.00	2,000.00
5. - Payments made for investments in financial assets	-500.00	0.00
6. + Interest received	1,538,652.42	490,966.82
<b>7. = Cash flow from investing activities</b>	<b>-27,254,147.72</b>	<b>-84,849,771.21</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
1. + Payments from additions to equity from the parent company's shareholders	0.00	0.00
2. + Proceeds received from taking out (financial) loans	5,999,975.86	50,000,134.16
3. - Payments made from redeeming (financial) loans	-27,457,144.00	-459,644.00
4. - Interest paid	-10,197,620.81	-5,817,694.01
5. - Dividends paid to shareholders of the parent company	0.00	-5,633,386.00
<b>6. = Cash flow from financing activities</b>	<b>-31,654,788.95</b>	<b>38,089,410.15</b>
<b>IV. CASH AND CASH EQUIVALENTS</b>		
1. Net change in cash and cash equivalents	-271,348.72	4,888,770.88
2. +/- Exchange-rate related change in cash and cash equivalents	1,559,833.38	3,890,679.58
3. + Cash and cash equivalents - start of period	33,011,841.14	24,232,390.68
<b>4. = Cash and cash equivalents - end of period</b>	<b>34,300,325.80</b>	<b>33,011,841.14</b>

**Consolidated statement of changes in shareholders' equity** for fiscal year 2024

Consolidated financial statements STEICO SE, Feldkirchen

	Subscribed capital	Reserves		Difference in equity from currency translation	Consolidated profits	Consolidated equity
		Additional paid-in capital	Other retained earnings			
	€	€	€	€	€	€
<b>On 1 January 2023</b>	<b>14,083,465.00</b>	<b>104,911,923.60</b>	<b>7,050,000.00</b>	<b>-30,442,788.83</b>	<b>176,559,710.52</b>	<b>272,162,310.29</b>
Dividends paid					-5,633,386.00	-5,633,386.00
Currency translation				30,108,511.31		30,108,511.31
Consolidated net income					16,880,239.41	16,880,239.41
<b>On 31 December 2023</b>	<b>14,083,465.00</b>	<b>104,911,923.60</b>	<b>7,050,000.00</b>	<b>-334,277.52</b>	<b>187,806,563.93</b>	<b>313,517,675.01</b>
<b>On 1 January 2024</b>	<b>14,083,465.00</b>	<b>104,911,923.60</b>	<b>7,050,000.00</b>	<b>-334,277.52</b>	<b>187,806,563.93</b>	<b>313,517,675.01</b>
Dividends paid						
Currency translation				7,381,684.79		7,381,684.79
Consolidated net income					19,321,211.34	19,321,211.34
<b>On 31 December 2024</b>	<b>14,083,465.00</b>	<b>104,911,923.60</b>	<b>7,050,000.00</b>	<b>7,047,407.27</b>	<b>187,806,563.93</b>	<b>340,220,571.14</b>

### I. GENERAL INFORMATION ON THE CONSOLIDATED FINANCIAL STATEMENTS

#### 1. LEGAL FOUNDATIONS

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

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

#### 2. GROUP STRUCTURE AND GROUP OF CONSOLIDATED COMPANIES

STEICO SE is obliged to prepare consolidated financial statements. With regards to consolidation STEICO SE follows the provisions of Sections 290 ff of the HGB. The balance date for the consolidated financial statements is the balance date for the annual financial statements for the parent company (Section 299 (1) of the HGB). The annual financial statements for the companies included in the consolidated financial statements were also prepared as of the 31 December 2024 (Section 299 (2) of the HGB). The consolidated financial statements were prepared using the annual financial statements for the companies included in consolidation. Seven (previous year: seven) subsidiaries are fully consolidated in the consolidated financial statements. Seven (previous year: seven) affiliated companies were not included in consolidation.

#### 3. CONSOLIDATED ACCOUNTING AND VALUATION METHODS

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

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

#### The following individual accounting and valuation methods were applied:

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

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

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

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

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

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

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

Finished goods and work in progress are valued at production cost in accordance with Section 255 (2) of the HGB. Production costs include direct material costs, direct labour costs and special direct production costs as well as appropriate portions of material overheads, production overheads and the consumption of fixed assets to the extent that this is caused by production.

## Notes to the consolidated financial statements for fiscal year 2024

### Consolidated financial statements STEICO SE, Feldkirchen

General administration costs are included to an appropriate extent. Borrowing costs are not included in the cost of production.

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

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

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

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

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

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

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

Equity is disclosed and presented according to Section 272 of the HGB while considering the entries in the commercial register, STEICO SE's articles of association as well as any resolutions in this regard passed by the responsible executive bodies.

Provisions for pensions are calculated on the balance sheet date in line with Section 253 (2) of the HGB using the projected unit credit method based on an average market interest rate

and an assumed residual period of 15 years. This is calculated and announced by Deutsche Bundesbank in line with the corresponding legal provisions.

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

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

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

Liabilities are included at their repayment amounts.

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

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

**4. CURRENCY TRANSLATION**

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

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

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

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

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

**The exchange rates for PLN/€ are:**

Closing rate on 31 December 2024:	4.27500
Average rate in 2024:	4.30209

**The exchange rates for GBP/€ are:**

Closing rate on 31 December 2024:	0.82918
Average rate in 2024:	0.84500

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

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

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

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

**7. ELIMINATION OF INTER-COMPANY PROFITS (SECTION 304 OF THE HGB)**

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

**8. CONSOLIDATION OF INCOME AND EXPENSE (SECTION 305 OF THE HGB)**

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

**Notes to the consolidated financial statements** for fiscal year 2024Consolidated financial statements STEICO SE, Feldkirchen

---

This page has no content for technical reasons

# Notes to the consolidated financial statements for fiscal year 2024

## Consolidated financial statements STEICO SE, Feldkirchen

### II. INFORMATION ON THE CONSOLIDATED BALANCE SHEET

#### 1. NON-CURRENT ASSETS

The changes in non-current assets in fiscal year 2024 can be seen in the statement of changes in non-current assets below (Section 313 (4) of the HGB in connection with Section 284 (3) of the HGB).

Depreciation of property, plant and equipment for fiscal year 2024 includes an unusually large amount within the meaning of Section 314 (1) No. 23 of the HGB in the amount of € 15,239,280. This write-down was due to the fact that it is no longer possible to use certain production lines in Poland for core business.

#### Statement of changes in non-current assets

	Balance as of 1 January 2024	Acquisition and historical cost				Balance as of 31 December 2024
	€	Additions 2024 €	Disposals 2024 €	Reclassifications 2024 €	Exchange rate diff. 2024 €	€
<b>NON-CURRENT ASSETS</b>						
<b>I. INTANGIBLE ASSETS</b>						
1. Internally generated industrial property rights	60,504.52	0.00	0.00	0.00	18,902.98	79,407.50
2. Acquired concessions, industrial property rights and similar rights and assets as well as licenses for such rights and assets.	7,056,223.36	14,682.50	195,945.87	0.00	27,623.48	6,902,583.47
3. Goodwill (from the single-entity balance sheet)	0.00	0.00	0.00	0.00	0.00	0.00
4. Advance payments made	2,312,468.95	0.00	0.00	0.00	0.00	2,312,468.95
<b>Total intangible assets</b>	<b>9,429,196.83</b>	<b>14,682.50</b>	<b>195,945.87</b>	<b>0.00</b>	<b>46,526.46</b>	<b>9,294,459.92</b>
<b>II. PROPERTY, PLANT AND EQUIPMENT</b>						
1. Land rights and buildings including buildings on third-party land	157,116,425.58	-1,437,554.80	195,557.32	28,173,552.30	2,071,420.84	185,728,286.60
2. Technical plant and machinery	335,925,814.11	-1,518,643.48	1,679,730.53	41,590,389.42	4,519,432.72	378,837,262.24
3. Other assets, operating and office equipment	9,923,325.56	431,180.96	519,293.68	155,280.46	104,837.18	10,095,330.48
4. Advances made and assets under construction	173,961,509.28	32,355,008.54	231,361.12	-69,919,222.17	2,423,212.72	138,589,147.25
<b>Total property, plant and equipment</b>	<b>676,927,074.53</b>	<b>29,829,991.22</b>	<b>2,625,942.65</b>	<b>0.01</b>	<b>9,118,903.46</b>	<b>713,250,026.57</b>
<b>III. FINANCIAL ASSETS</b>						
1. Investments in affiliated companies	528,095.33	0.00	0.00	0.00	25,945.77	554,041.10
2. Loans to companies in which a participating interest is held	40,578.63	0.00	0.00	0.00	-17,586.89	22,991.74
3. Other loans	8,000.00	500.00	0.00	0.00	0.00	8,500.00
<b>Total financial assets</b>	<b>576,673.96</b>	<b>500.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8,358.88</b>	<b>585,532.84</b>
<b>Total non-current assets</b>	<b>686,932,945.32</b>	<b>29,845,173.72</b>	<b>2,821,888.52</b>	<b>-10,741.97</b>	<b>9,184,530.78</b>	<b>723,130,019.33</b>



## Notes to the consolidated financial statements for fiscal year 2024

### Consolidated financial statements STEICO SE, Feldkirchen

Balance as of 1 January 2024 €	Accumulated amortisation/depreciation			Balance as of 1 January 2024 €	Carrying amounts	
	Additions 2024 €	Disposals 2024 €	Exchange rate diff. 2024 €		Carrying amount 31 December 2024 €	Carrying amount 31 December 2022 €
60,504.52	0.00	0.00	18,902.98	79,407.50	0.00	0.00
6,790,135.26	142,756.59	195,945.87	25,544.55	6,762,490.53	140,092.94	266,088.10
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	1,197,822.50	0.00	0.00	1,197,822.50	1,114,646.45	2,312,468.95
<b>6,850,639.78</b>	<b>1,340,579.09</b>	<b>195,945.87</b>	<b>44,447.53</b>	<b>8,039,720.53</b>	<b>1,254,739.39</b>	<b>2,578,557.05</b>
41,023,847.33	9,324,448.47	192,034.14	590,334.90	50,746,596.56	134,981,690.04	116,092,578.25
184,182,546.68	31,486,914.99	1,560,890.02	2,639,208.06	216,747,779.71	162,089,482.53	151,743,267.43
7,080,865.18	951,509.71	396,575.11	78,001.36	7,713,801.14	2,381,529.34	2,842,460.38
0.01	704,115.43	0.00	2,507.68	706,623.12	137,882,524.13	173,961,509.27
<b>232,287,259.20</b>	<b>42,466,988.60</b>	<b>2,149,499.27</b>	<b>3,310,052.00</b>	<b>275,914,800.53</b>	<b>437,335,226.04</b>	<b>444,639,815.33</b>
528,095.33	16,736.05	0.00	9,209.72	554,041.10	0.00	0.00
21,682.44	0.00	0.00	-1,029.88	20,652.56	2,339.18	18,896.19
0.00	0.00	0.00	0.00	0.00	8,500.00	8,000.00
<b>549,777.77</b>	<b>16,736.05</b>	<b>0.00</b>	<b>8,179.84</b>	<b>574,693.66</b>	<b>10,839.18</b>	<b>26,896.19</b>
<b>239,687,676.75</b>	<b>43,824,303.74</b>	<b>2,345,445.14</b>	<b>3,362,679.37</b>	<b>284,529,214.72</b>	<b>438,600,804.61</b>	<b>447,245,268.57</b>

### 2. FINANCIAL ASSETS

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

### 3. CURRENT ASSETS

#### Inventories

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

#### Receivables and other assets

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

Other assets in the amount of € 21,818 thousand (previous year: € 20,272 thousand) includes VAT receivables in the amount of € 15,881 thousand (previous year: € 13,621 thousand), receivables from tax refunds in the amount of € 962 thousand (previous year: € 4.087 thousand), receivables from employees in the amount of € 378 thousand (previous year: € 397 thousand) and other assets in the amount of € 4,597 thousand (previous year: € 2.168 thousand).

### 4. PREPAID EXPENSES

Prepaid expenses include a difference according to Section 250 (3) of the HGB in the amount of € 74 thousand (previous year: € 224 thousand).

### 5. DEFERRED TAXES

On the balance sheet date there were deferred tax assets of € 4,180 thousand (previous year: € 1,261 thousand). In addition, there were deferred tax liabilities of € 1,301 thousand (previous year: € 1,421 thousand). These resulted from temporary differences to the tax base for the consolidated individual companies and are reflected in the following items on the balance sheet:

Balance sheet items in € thousand	Deferred tax assets	Deferred tax liabilities
Land	0	605
Buildings	0	241
Technical plant and machinery	2,781	0
Inventories	195	0
Trade receivables	4	0
Provisions for pensions	556	0
Other provisions	617	453

Balance sheet items in € thousand	Deferred tax assets	Deferred tax liabilities
Other liabilities	8	0
Trade payables	19	2
Tax loss carried forward	0	0
<b>Total</b>	<b>4,180</b>	<b>1,301</b>

The reduction in deferred tax liabilities is mostly due to the change in other provisions. In contrast, the increase in deferred tax assets mostly results from technical equipment and machinery.

### 6. EQUITY

STEICO SE's share capital on 31 December 2024 totaled € 14.083 thousand. It comprises 14,083,465 no-par value bearer shares, each with an interest of € 1 in the share capital.

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

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

The changes in equity in fiscal year 2024 can be seen in the statement of changes in equity (Section 298 (1) No. 1 of the HGB).

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

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

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

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

## Notes to the consolidated financial statements for fiscal year 2024

### Consolidated financial statements STEICO SE, Feldkirchen

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

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

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

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

#### Difference in equity from currency translation

The difference in equity from currency translation in the amount of € 7,047 thousand (previous year: € -334 thousand) mostly comprises the currency translation effects from the subsequent consolidation of the Polish subsidiaries and the UK subsidiary financial according to the modified closing price method as well as netting differences from the consolidation of inter-company balances.

## 7. PROVISIONS

#### Provisions for taxes

Provisions for taxes were formed in the amount of the anticipated tax payments and relate to income taxes for 2024.

#### Other provisions

Other provisions in the amount of € 29,413 thousand (previous year: € 20,947 thousand) includes a provision for bonus payments to customers in the amount of € 8,682 thousand (previous year: € 7,440 thousand), provisions for personnel

(vacation, anniversaries and other personnel-related provisions) in the amount of € 3,768 thousand (previous year: € 2,854 thousand), provisions for outstanding freight invoices in the amount of € 1,364 thousand (previous year: € 1,650 thousand). The miscellaneous other provisions in the amount of € 15,599 thousand (previous year: € 9,003 thousand) mostly include provisions for interest and for outstanding invoices for timber procurement and energy.

## 8. LIABILITIES

In € thousand (previous year)	Total 31.12.2024 (Previous year)	Thereof with a remaining term of		
		of up to 1 year	more than 1 years	more than 5 years
Liabilities to banks	170,486	0	170,486	0
(previous year)	(191,943)	(457)	(191,486)	(0)
Advance payments received from orders	1,418	1,418	0	0
(previous year)	(320)	(320)	(0)	(0)
Trade payables	24,302	24,302	0	0
(previous year)	(31,884)	(31,884)	(0)	(0)
Liabilities to affiliated companies	0	0	0	0
(previous year)	3,037	3,037	(0)	(0)
Other liabilities	9,240	9,065	175	0
(previous year)	(17,559)	(17,286)	(273)	(0)
<b>Total</b>	<b>205,446</b>	<b>34,785</b>	<b>170,661</b>	<b>0</b>
<b>(previous year)</b>	<b>(244,743)</b>	<b>(52,985)</b>	<b>(191,759)</b>	<b>(0)</b>

The other short and medium term liabilities to banks in the amount of € 170.5 million comprise a syndicated credit agreement newly created in October 2019 and extended in September 2023 in the amount of € 164 million, with both STEICO SE as well as the Polish production companies STEICO Sp. z o.o. and STEICO JOIST Sp. z o.o. as well as the French production company STEICO Casteljaloux SAS being included as borrowers and guarantors. A short and medium-term liability in the amount of € 1.5 million is collateralised via a land charge for UniCredit Bank AG entered in the land register. There is a further medium-term liability in the amount of € 5 million from a bilateral unsecured loan.

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

### III. INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

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

#### 1. REVENUES

Revenues are broken down as follows:

##### Revenues by geographic markets

In € thousand	2024
Cluster Germany, Austria, Switzerland, Lichtenstein	148,163
Cluster France, Belgium, Netherlands, Luxemburg and South European Countries	89,767
Export markets (mostly non-EU markets)	66,466
Other markets	71,725
<b>Total</b>	<b>376,279</b>

##### Revenues by areas of activity

In € thousand	2024
Environmentally friendly insulation materials (wood fibre insulation materials as well as air-injected insulation)	252,620
Construction products (I-joists)	48,914
Construction products (laminated veneer lumber)	42,607
Special products	14,764
Timber wholesale	28
Hardboards	3,413
Miscellaneous (services, prefabricated building element production, accessories)	13,933
<b>Total</b>	<b>376,279</b>

#### 2. OTHER OWN WORK CAPITALISED

Other own work capitalised in 2024 amounted to € 639 thousand (previous year: € 619 thousand). This disclosure mostly relates to intercompany performance in connection with the creation of machinery and equipment.

#### 3. OTHER OPERATING INCOME

In € thousand	2024
Income from currency translation	2,676
Income from the sale of CO <sub>2</sub> emission rights	4,179
Income from insurance refunds	116
Offsetting non-cash payments	320
Income from the reversal of provisions	1,213
Income from the sale of property, plant and equipment	110
Other	5,322
<b>Total</b>	<b>13,936</b>

Of the miscellaneous other operating income in the amount of € 5,322 thousand, around € 3,472 thousand is due to the one-off, advance reversal of structured currency forwards (TARFs) in the first six months as part of STEICO SE's changed currency hedging strategy.

#### Other operating expenses

In € thousand	2024
Write-downs of receivables	110
Building costs, rent, cleaning	1,841
Insurance, contributions, fees	5,936
Repairs and maintenance	8,795
Vehicle costs	4,236
Sales costs, advertising and travel expenses	4,453
Commission expenses	228
Operating costs	3,901
Administrative costs, IT	3,717
Telecommunication	161
Legal and consulting costs, court costs	1,357
Costs of preparing the annual financial statements	446
Exchange rate differences and incidental costs of money transactions	3,109
Expenses for CO <sub>2</sub> emission rights	1,532
Other expenses	9,070
<b>Total</b>	<b>48,892</b>

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

#### 4. INTEREST RESULT

Interest expenses include expenses from discounting provisions in the amount of € 151 thousand (previous year: € 152 thousand).

#### 5. TAXES

Income taxes total € 4,095 thousand (previous year: € 3,769 thousand). This includes effective tax expenses of € 7,133 thousand (previous year: € 3,891 thousand), deferred tax assets of € 2,918 thousand (previous year: € 268 thousand) and deferred tax liabilities of € -120 thousand (previous year: € 146 thousand).

Other taxes in the amount of € 4,252 thousand (previous year: € 3,562 thousand) mostly relate to property taxes in Poland and non-income related taxes in France.

In accordance with Section 314 (1) no. 24 HGB, income of € 1,213 thousand from the reversal of provisions and € 110 thousand from the disposal of property, plant and equipment is attributable to another financial year.

## Notes to the consolidated financial statements for fiscal year 2024

### Consolidated financial statements STEICO SE, Feldkirchen

#### IV. INFORMATION ON THE CONSOLIDATED CASH FLOW STATEMENT

The cash flow statement shows how cash in the group has changed during the course of the reporting year due to net cash inflows and outflows. Other non-cash expense/income relates to own work capitalised.

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

#### V. OTHER DISCLOSURES

##### 1. AUDITOR'S FEE

Information on the total fee charged by the auditor for the consolidated financial statements for fiscal year 2024 according to Section 314 (1) No. 9 of the HGB:

- a. Auditing services: € 145 thousand
- b. Other consulting services: € 106 thousand

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

The following constitute this type of obligation:

In € thousand	2024 ff
Obligation from usufructuary rights (overall obligation of remaining term)	5,221
Obligations from rental agreements	520
Obligations from leasing	859
Obligations from contractually ordered capital expenditure	16,638
<b>Total</b>	<b>23,675</b>

Liabilities in foreign currencies were translated at the average rate of exchange on the balance sheet date (PLN/€ 4.2750 GBP/€ 0.82918).

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

Obligations from leasing mostly relate to the group company's operating fleet. Leasing agreements are used to secure liquidity and to generate competitive advantages thanks to longer payment targets. There are disadvantages from leasing agreements from the higher total costs, as the leasing payments are higher in total than the costs of purchasing the leased item via a loan.

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

#### 3. DERIVATIVE FINANCIAL INSTRUMENTS AND VALUATION UNITS

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

The financial instruments used in fiscal year 2024 for hedging include classic and structured currency forwards in PLN and sterling (2025: only PLN) with two interest rate swaps for six-month EURIBOR and a fixed interest rate. In the case of the structured currency forwards (so-called TARFs) the long call and the short put sides (from the company's perspective), the nominal amount (with any leverage) and the term are governed by the fulfilment of various contractual criteria on the individual fixing days. At the end of the first six months, the structured currency forwards were closed and since then the company has only used traditional currency forwards.

As at the balance sheet date, there were classic forward exchange transactions in PLN with a nominal volume of up to PLN 723 million (translated around EUR 169.1 million) (closing rates: € /PLN 4.2750). Of the existing 60 transactions, 31 transactions have a positive present value of € 5.14 million. The remaining 29 transactions had a negative present value of EUR 119 thousand.

In addition there were two interest rate swaps for six-month EURIBOR for an amount of EUR 10 million each. At the end of the fiscal year both transactions had a negative present value of € 432 thousand. The present values correspond to the market values determined indicatively by the various counter-party banks on the basis of internal valuation models, which were communicated to the STEICO SE in the context of valuation reports as of the balance sheet date.

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

On the balance sheet date all of the currency forwards were included in valuation units as hedging instruments. The highly probable transactions are the future purchase of goods and personnel expenses for the Polish subsidiaries STEICO Sp. z o.o.

and STEICO-JOIST Sp. z o.o., which will take place between 01/2025 and 01/2028 and which will compensate for each other with regard to exchange rate effects with hedge transactions with congruent terms and volumes.

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

In addition, micro-valuation units are formed between three interest rate swaps (negative fair value: € 432 million) and liabilities to hedge the risk of changes to the interest rate (EURIBOR) for three bullet investment loans. These relate to quarterly interest payments through to 29 October 2026, 4 November 2026 and 30 October 2028 for a base amount of € 10 million each.

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

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

On 21 January 2025 Udo Schramek and Katarzyna Schramek informed the company that they were resigning from their respective positions as members of the Administrative Board of STEICO SE as of the end of 28 February 2025. By way of a resolution dated 24 February Dr. Alexander Thimas and Prof. Heinrich Köster were appointed by the court as new members of the Administrative Board for the period through to the next General Meeting.

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

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

The managing directors propose that STEICO SE's net profits for the past fiscal year in the amount of € 139,720,602.27 ascertained on 31 December 2024 be used to disburse a dividend of € 0.20 per dividend-entitled share. This corresponds to a total amount of € 2,816,638,00, with the remaining amount of € 136,903,909,27 being carried forward to new account.

#### 6. ADMINISTRATIVE BOARD

STEICO's Administrative Board comprises four members.

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

thereafter member of the Administrative Board On 21 January 2025 Mr. Udo Schramek resigned from his position as a member of the Administrative Board as of the end of 28 February 2025. Prof. Heinrich Köster, Stephanskirchen, President of Rosenheim University, through to 2 February 2024, from 24 February 2025 again appointed as a member of the Administrative Board

Ms Katarzyna Schramek, Munich, attorney On 21 January 2025 Ms. Katarzyna Schramek resigned from her position as a member of STEICOS SE's Administrative Board as of the end of 28 February 2025.

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

Mr. Paul O'Gorman, Ireland, Senior Consultant to 8 February 2024, from 22 February 2024 Chairman of the Administrative Board

Ms. Aiveen Kearney, Ireland, Managing Director since 8 February 2024

Dr. Alexander Thomas, Munich, attorney, from 24 February 2025

According to the company's articles of association, in 2024 a total of € 90 thousand was paid to the members of the Administrative Board.

## Notes to the consolidated financial statements for fiscal year 2024

### Consolidated financial statements STEICO SE, Feldkirchen

#### 7. DIRECTORS

Mr. Udo Schramek, Munich, Chairman and Managing Director of STEICO SE - Managing Director for Research and Development, Quality Assurance, PR, Business Development, Legal and HR as well as Compliance through to 30 June 2024

From 1 May 2024 Ms. Aiveen Kearney, from 1 July 2024 responsible for Research and Development, Quality Control/ Quality Assurance, PR, Business Development, Legal and HR as well as Compliance.

Mr. Thorsten Leicht, Managing Director for Production, Quality and Sustainability Management, Procurement as well as Capital Expenditure and Equipment

Mr. Roger Fränkel, Abensberg, Managing Director for Investments and Equipment through to 31 December 2024.

Dr. David Meyer, Munich, was Managing Director for Finance, Accounting & Controlling through to 31 December 2024.

Mr. Georg Faller was appointed as the new CFO as of 1 October 2024. He is responsible for Finance, Accounting, Financial Control, Investor Relations and IT.

Tobias Schindler, Sistrans (Austria), Managing Director for Sales, Marketing and Application Technology.

In the 2024 financial year, the Director's work was remunerated with a total of EUR 4,160 thousand.

#### 8. EMPLOYEES

The Group had an average of 1,959 employees in fiscal year 2024.

These are broken down as follows:

Activities	Number of employees
Production	1,396
Sales	103
Administration	267
Assistants, temporary staff	83
Trainees	110
<b>Total</b>	<b>1,959</b>

#### 9. PARENT COMPANY AND GROUP COMPANIES INCLUDING LIST OF EQUITY INTERESTS

Name and registered office of parent company:

STEICO SE, Otto-Lilienthal-Ring 30, 85622 Feldkirchen

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

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

In addition, there are the following affiliated companies:

Name	Registered office	Interest	Equity	2024 Result
STEICO Windpark Sp. z o.o.	Czarnków, Poland	61 %	€ 694 thousand	€ -1 thousand
SW Szydłowo Sp. z o.o.	Czarnków, Poland	100 %	€ -8 thousand	€ -1 thousand
SW Huta I Sp. z o.o.	Czarnków, Poland	100 %	€ -5 thousand	€ -1 thousand
SW Huta II Sp. z o.o.	Czarnków, Poland	100 %	€ -5 thousand	€ -1 thousand
SW Lubasz I Sp. z o.o.	Czarnków, Poland	100 %	€ -3 thousand	€ -1 thousand
SW Lubasz II Sp. z o.o.	Czarnków, Poland	100 %	€ -5 thousand	€ -1 thousand
STEICO-ENERGIA Sp. z o.o.	Czarnków, Poland	100 %	€ -9 thousand	€ -1 thousand

The information is based on the last fiscal year 2024 and on 31 December 2024.

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

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

#### 10. PARENT COMPANY

Name and registered office of the parent company that prepares the consolidated financial statements for the largest group of companies: Kingspan Group plc Dublin Rd, Enniskeen, Kingscourt, Ireland The consolidated financial statements are available in Kingscourt, Ireland.



11. DISCLOSURES  
PURSUANT TO  
SECTION 285 NO. 30A

Based on the 'Pillar Two Model Rules' published by the OECD in December 2021, the European Union adopted a directive in December 2022 to ensure a global minimum tax level for multinational enterprise groups. Global minimum tax laws have been enacted in several countries in which the Kingspan Group operates, including Germany. Due to the acquisition of the majority stake in STEICO SE by the Kingspan Group in the 2024 financial year, the regulations on minimum taxation for STEICO SE will apply for the first time in 2024. STEICO SE has not recognised any deferred tax assets and liabilities in connection with income taxes from the 'Pillar Two' rules. As at 31 December 2024, there was also no current tax expense due to the 'Pillar Two' rules. The company and the Group continuously assess the impact of the Pillar Two rules on their respective tax positions. Based on a current assessment of the applicability of temporary safe harbour rules based on actual financial information and nominal tax rates in the countries in which the Group operates, we consider it a reasonable estimate that no additional taxes will be incurred at the level of our company due to the current structure of the Group, the distribution of its activities and the current transfer pricing system.

Feldkirchen, 29 April 2025

The Managing Directors

.....	.....
Aiveen Kearney	Georg Faller

.....	.....
Thorsten Leicht	Tobias Schindler



## Independent Auditor's Opinion

To STEICO SE, Feldkirchen

### Audit opinions

We have audited the consolidated financial statements of STEICO SE, Feldkirchen, and its subsidiaries (the Group), comprising the consolidated balance sheet as of 31 December 2024, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the fiscal year from 1 January to 31 December 2024, and the notes to the consolidated financial statements, including a description of the accounting policies used. In addition, we have also audited the group management report for STEICO SE, Feldkirchen, for the fiscal year from 1 January to 31 December 2024.

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

- these accompanying consolidated financial statements comply in all material respects with German commercial law and provide a true and fair view of the net assets and financial position of the Group as of 31 December 2024 and of its results of operations for the fiscal year from 1 January to 31 December 2024 in accordance with German principles of proper accounting and
- the group management report accurately presents the Group's position as a whole. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development.

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

### Basis for the audit opinions

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

a sufficient and reasonable basis for our audit opinions on the consolidated financial statements and the group management report.

### Other information

The managing directors and the board of directors are responsible for the other information. The other information comprises

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

The Administrative Board is responsible for the report by the Administrative Board. Otherwise the managing directors are responsible for the other information.

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

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

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

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

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

---

## Independent Auditor's Opinion

---

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

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

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

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

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

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

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

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

## Independent Auditor's Opinion

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

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

Munich, 30 April 2025

Deloitte GmbH  
Wirtschaftsprüfungsgesellschaft

.....  
Dr. Thomas Reitmayr  
Auditor

.....  
Philipp Kaschdan  
Auditor

#### **Company profile**

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

STEICO is positioned as a system provider and is the only manufacturer in the industry to offer an integrated wooden construction system in which innovative wooden construction components and bio-based insulation materials supplement each other. Laminated veneer lumber and I-joists form the structural components of the system. The insulation materials include flexible and stable wood fibre insulation panels as well as air-injected insulation made of wood fibres and cellulose. Sealing products for the building shell complete the overall system.

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

The Munich-based company's products are used in new construction and when renovating roofs, walls, ceilings, floors and façades. STEICO's products allow the construction of future-proof, healthy buildings with a particularly high quality of living and a healthy atmosphere. STEICO products enable the construction of future-proof, energy-efficient buildings with a particularly high quality of living. STEICO products reliably protect against cold, heat and noise and support a favourable indoor climate in terms of building biology.

#### **Responsible for content**

STEICO SE  
Otto-Lilienthal-Ring 30  
85622 Feldkirchen  
Web: [www.steico.com](http://www.steico.com)  
Mail: [info@steico.com](mailto:info@steico.com)

**Publication date: 2025-05-07**