

# SBO

## Navigating challenges. Shaping the future.

ANNUAL REPORT 2025



# Highlights 2025

## Financial Highlights

in MEUR	2025	2024	2023	2022	2021
Sales	455.3	560.4	585.9	501.2	292.8
EBITDA	71.0	101.9	131.3	129.1	60.0
EBITDA margin (%)	15.6	18.2	22.4	25.8	20.5
EBIT	38.5	70.1	102.3	96.2	28.2
EBIT margin (%)	8.5	12.5	17.5	19.2	9.6
Profit before tax	32.7	63.6	94.2	93.3	23.4
Profit after tax	23.6	45.3	71.6	75.2	21.0
Earnings per share <sup>1</sup> (in EUR)	1.50	2.88	4.55	4.78	1.33
Free Cash Flow	25.5	66.8	33.1	27.1	-17.0
Cash and cash equivalents	281.5	314.7	162.4	287.8	291.8
Net debt + / Net liquidity -	78.1	56.0	92.3	-34.5	-9.9
Equity	421.9	492.7	448.0	425.0	340.9
Total assets	894.0	986.1	836.4	903.1	805.6
Dividend per share (in EUR) <sup>2</sup>	0.75	1.75	2.00	2.00	0.75

<sup>1</sup> Based on average shares outstanding

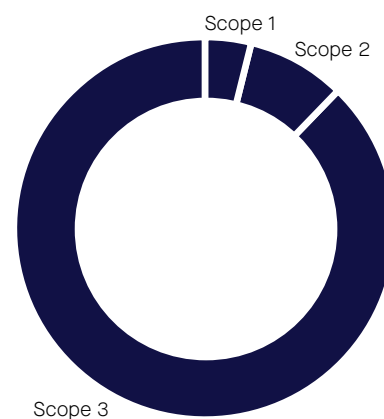
<sup>2</sup> Dividend proposed 2025

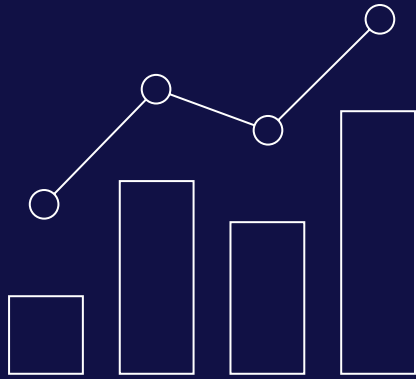
## Emissions

	Unit	2025	2024
CO <sub>2</sub> emissions			
Scope 1 (direct)	CO <sub>2</sub> e in tons	4,178	4,120
Scope 2 (indirect) <sup>3</sup>	CO <sub>2</sub> e in tons	8,859	9,210
Scope 3 (indirect) <sup>3</sup>	CO <sub>2</sub> e in tons	92,967	106,249
Emission intensity Scope 1+2	CO <sub>2</sub> e in tons/ 1 MEUR sales	23.6	23.8
Emission intensity Scope 3	CO <sub>2</sub> e in tons/ 1 MEUR sales	204.2	189.6

<sup>3</sup> market based; calculated based on GHG Protocol

CO<sub>2</sub>-EMISSIONS 2025





Sales

MEUR 455.3



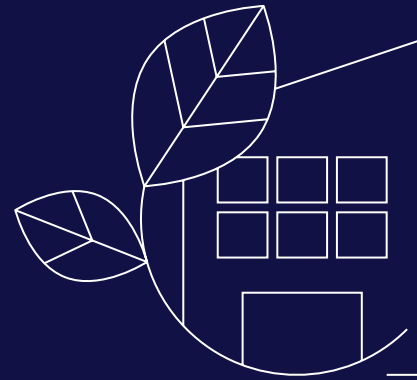
EBITDA

MEUR 71.0



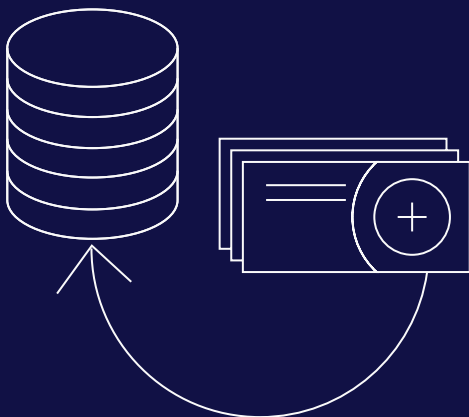
Operating  
cash flow

MEUR 72.4



CAPEX

MEUR 50.0



Earnings  
per share

EUR 1.50



Dividend  
per share

EUR 0.75

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LEFT CAMPBELL MACPHERSON, COO, RIGHT KLAUS MADER, CEO

# Preface of the Executive Board

Dear Stakeholders,

The 2025 financial year was marked by an increasingly challenging market environment. Oversupply in the oil market, trade policy uncertainties from the introduction of tariffs, and low oil prices led to spending restraint among our customers and a decline in drilling and completion activities. In this demanding environment, SBO demonstrated its strength in managing the cycles of the oil and gas industry while executing on its new strategy. With a clear focus on long-term value creation, we set the course for the future in 2025.

## Navigating challenges

The market situation in 2025 confronted us with operational challenges, for example oil prices fell by around 18% (Brent) and 20% (WTI) over the course of the year. The Precision Technology (PT) division was already affected by its customers reducing their budgets and postponing CAPEX at the beginning of the year. This trend intensified, and in the third quarter it became clear how strongly the current market weakness is affecting our customers' spending decisions. The Energy Equipment (EE) division managed to improve its performance even in this difficult environment. The structural measures introduced in 2024 – organizational adjustments, efficiency gains, and product innovations – significantly increased the division's profitability year-on-year.

We demonstrated our ability to manage through cycles. Despite the difficult market environment, we seized market opportunities and achieved solid results through consistent cost and capacity management. Sales were below the previous year's level, amounting to MEUR 455.3 (2024: MEUR 560.4) primarily reflecting market developments. We generated an EBITDA of MEUR 71.0 and an EBITDA margin of 15.6%, underscoring the effectiveness of the implemented measures. EBIT arrived at MEUR 38.5 with a margin of 8.5% (2024: MEUR 70.1, 12.5%). Particularly noteworthy is the continued high level of liquid funds, which stood at MEUR 281.5 at the end of 2025 (2024: MEUR 314.7). This underscores our financial strength and enables strategic investments and future growth.

## Strategic recalibration: Foundation for sustainable growth

2025 was a year of setting the strategic course. We communicated our new strategy, which clearly focuses on our core capabilities and defines measurable targets. By 2030, our goal is to generate sales of MEUR 900, thereof MEUR 200 from new business areas. The focus is on diversification into attractive growth markets – both within and beyond the energy industry. With this, we will broaden our positioning, generate sustainable profitability over the long term, and gradually balance the impact of the cycles in the oil and gas industry.

We have made this strategic recalibration visible through a new corporate identity and legally anchored it with the renaming of the company to SBO AG on 1 July 2025. Our new brand identity underscores our claim: We are more than just an equipment supplier to the oilfield service industry. We are a global high-precision technology group manufacturing high-alloy, non-magnetic steels, high-precision components and high-tech equipment for the energy industry and other industrial sectors.

## Progress in our strategy execution in 2025

»Our strategy is based on four pillars: diversification, market expansion, technology leadership, and operational excellence. In 2025 we executed on all four pillars to strengthen our competitive position and open up new growth opportunities. Each of these pillars contributes to make SBO more resilient, faster growing, and more profitable.«

### Diversification: New markets, new opportunities

In next-generation geothermal energy, which will play an increasingly important role in the scaling of data centers, we have further expanded our market leadership with customized high-pressure, high-temperature plugs. Helium and lithium drilling markets also represent significant growth areas. Our corrosion-resistant alloys have been successfully tested for Carbon Capture & Storage applications, and initial projects have been implemented. These technologies position us as a partner in the energy transition and open up new business areas beyond the oil and gas industry.

Diversification into new industries and applications accelerated in 2025. The acquisition of 3T Additive Manufacturing Limited expands our customer portfolio in 3D metal printing and strengthens our position as a leading provider of innovative manufacturing technologies. Additive manufacturing enables us to develop complex geometries and customized solutions for the space, aerospace, defense, semiconductor, energy, and other industries – markets with high growth potential and attractive margins.

Another focus is flow control, a market with a volume of over USD 260 billion that is important for industries such as space and aerospace, defense or semiconductors. Our expertise in precision manufacturing and high-performance materials, which was confirmed in the fourth quarter by the NORSOK listing, forms the basis for a sustainable positioning in this demanding market segment.

## Market expansion: Strengthening our global presence

In parallel with diversification, we have driven forward our geographical expansion. In April 2025, we celebrated the opening of our expanded site in Saudi Arabia, which doubles our capacity in this strategically important region, bundles our local activities under one roof, and enables closer cooperation with regional customers and partners. In June 2025, we also significantly expanded our manufacturing capacities in Vietnam, strengthening our presence in Asia so that we capitalize on the next upswing.

»The accelerated geographic diversification reduces our dependence on individual markets and creates new growth opportunities in highly dynamic regions – from the Middle East to Asia and Latin America.«

SBO is well positioned both geographically and in terms of customers for the recently discussed investments in oil and gas upstream infrastructure in Venezuela.

## Technology leadership: Solutions for the future

Innovation will remain the foundation of our success. We continuously invest in research and development to secure our technological leadership and develop customer-specific solutions for extreme operating conditions. In drilling technology, we have equipped our rotary steerable tools with bidirectional communication systems that create optimal conditions for autonomous drilling and AI-based decision-making. Our drilling motors with state-of-the-art sensor technology improve efficiency and precision in geothermal energy and gas drilling, for example.

In well completion, we expanded our portfolio of plugs and developed solutions specifically designed for next-generation geothermal energy. We also adapted our packer portfolio for Carbon Capture & Storage applications, another important technology in the energy transition.

In additive manufacturing, we have integrated new high-performance materials into our portfolio. Through collaboration with one of our suppliers, we are making excess material recyclable through re-atomization, thereby contributing to the circular economy.

## Operational excellence: efficiency and resilience

Operational excellence is crucial to success in cyclical markets. As in past cycles, we acted quickly and decisively in 2025 and took the necessary measures. In the Precision Technology division, we promptly adjusted our capacities to the market environment. At the same time, we selectively increased our workforce in the Energy Equipment division due to market expansion. We do what is necessary while keeping the short-, medium-, and long-term perspective in mind.

At the same time, the challenging market situation has not prevented us from continuing to invest in energy-efficient manufacturing processes. In doing so, we are implementing our sustainability goals of reducing our Scope 1 and 2 emissions by 30% and our Scope 3 emissions by 10% by 2030.

»Our focus is on the execution of our strategy. We will continue to invest in diversification, market expansion, and innovation in order to create long-term value. For the short-term challenges, our operational excellence, cost discipline, and management of industry cycles remain key success factors.«

## Outlook

We expect the market environment to remain challenging in 2026. Persistent oil price volatility, geopolitical uncertainties, and cautious spending behavior in certain regions require a prudent and adaptable approach. Current market analyses see a slight trend reversal in 2026 for the number of wells drilled and completed. At this stage, the impact of the military conflict in the Middle East cannot be assessed.

We expect a transition year for the Precision Technology division where activity is expected to stabilize, with the first signs of recovery led by international and offshore markets. In the Energy Equipment division, SBO sees growth opportunities due to the ongoing internationalization of the well completion business, supported by the opening of a regional manufacturing center in the United Arab Emirates (UAE).

In the mid- to long-term the fundamentals remain strong: Oil and gas are expected to remain a major part of the energy mix, accounting for 49% of global energy demand through 2050, compared with above 50% today. At the same time, decline rates in existing oil fields are steepening implying that 90% of future E&P capex is needed just to maintain current production levels.

We continue to execute our diversification strategy: In 2026, we expect growth in the area of drilling and completion of next-generation geothermal wells, as well as in the development of CCS, lithium, and helium projects. Building on our expertise in advanced additive manufacturing, we will accelerate growth across space, aerospace, defense, semiconductor, energy and other industries. Also, the expansion of the flow control business will continue to be driven forward in the coming quarters.

Our excellent balance sheet structure and strong cash position give us the financial flexibility to seize strategic opportunities – whether through organic growth, strategic partnerships, or targeted acquisitions. At the same time, we plan to share SBO's success with our shareholders through a dividend of EUR 0.75 per share.

The execution of our strategy is driven by the high level of commitment and professionalism of our global team. We thank our employees as well as our customers, suppliers, and partners for their outstanding cooperation.

We thank our shareholders for their continued trust in SBO. Transformation is a marathon, not a sprint. The course has been set for sustainable growth. In 2026, we will continue to implement our strategic initiatives in a targeted manner, actively shaping our path into the future.

Yours sincerely,



Klaus Mader

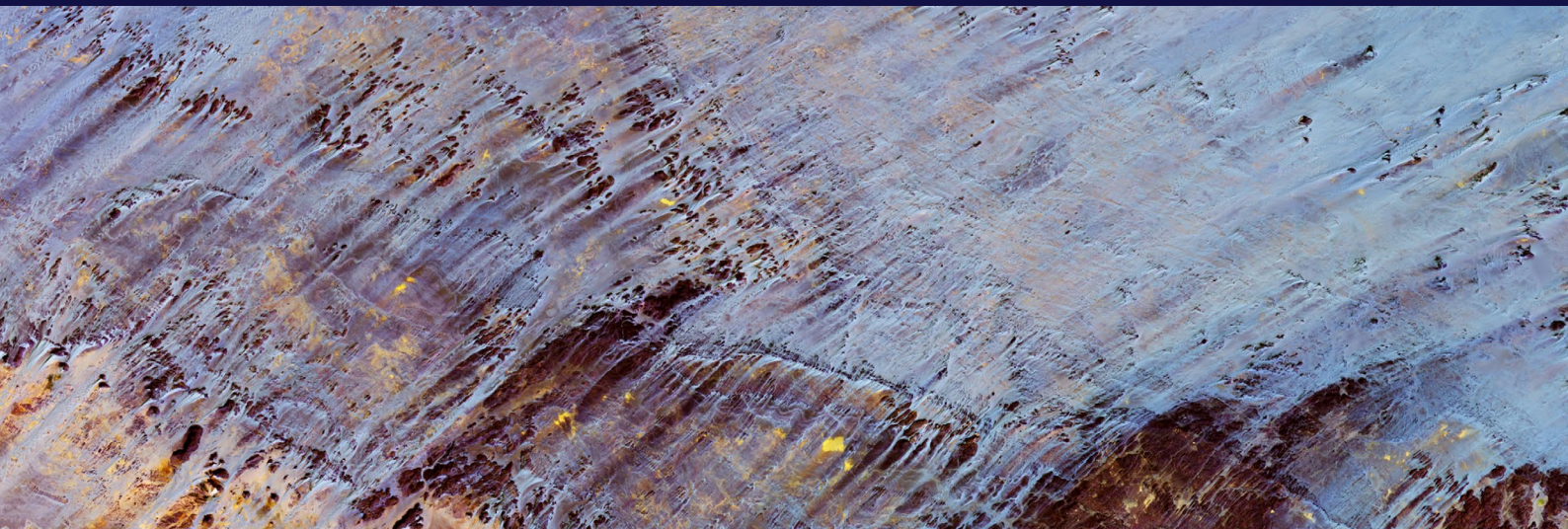


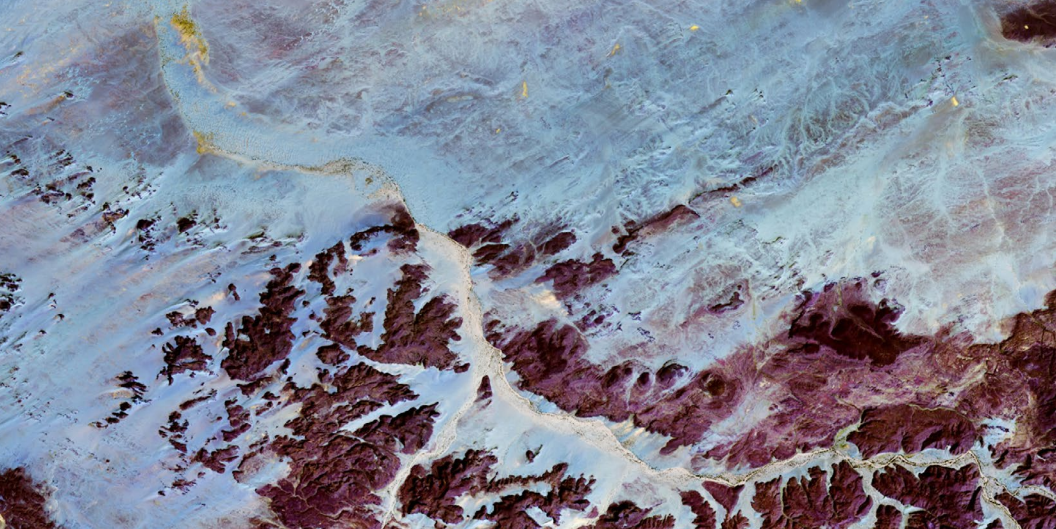
Campbell MacPherson



# SBO

## The company at a glance





# The SBO Group

SBO is the global leader in the manufacture of high-alloy, non-magnetic steels as well as high-precision components and high-tech equipment for the energy sector and beyond. With around 1,500 employees and a worldwide network of subsidiaries, we are at the forefront of the industry with an unwavering commitment to optimum precision. Our ability to deliver cutting-edge, high-performance solutions is backed by a highly innovative product portfolio, protected through strong intellectual property. Since 1 July 2025, the company operates under its new legal name SBO AG, reflecting its strategic evolution into a global high-precision technology group.

## Our precision for new opportunities

Headquartered in Ternitz, Austria, and with more than 20 locations worldwide, SBO stays close to its customers, ensuring fast, efficient and high-quality products and services. Our strategic, long-standing relationships with both customers and suppliers are key to delivering industry-specific solutions of the highest quality that enable greater operational efficiency and reduced environmental impact. We are proud to contribute to securing the global energy supply with our products and services.

Our expertise is centered around two business areas, our divisions Precision Technology and Energy Equipment:

### Precision Technology

In Precision Technology, we manufacture custom components with the highest accuracy. From complex steel parts to advanced additive manufacturing solutions, we supply various industries such as energy, space, aerospace, defense, semiconductors and others, that demand precision and high performance.

**High-Strength Non-Magnetic Steels:** With more than a century of expertise, SBO has specialized in premium steel manufacturing, focusing on high-strength, non-magnetic grades for the past 70 years. Our high-alloy, non-magnetic steels offer high material strength and corrosion resistance. Through the successful advancement of our high-performance materials, including new grades suitable for demanding offshore environments, we are unlocking additional opportunities in adjacent high-tech markets such as subsea and flow control beyond the oil and gas sector.

**High-Precision Components:** SBO's market leadership in high-precision components for the energy industry and beyond is built on our renowned product quality and the unique metallurgical properties of our steel alloys. We manufacture customized components from non-magnetic, corrosion resistant steel and other high-performing alloys for various industrial applications.

The SBO Group

**Advanced Additive Manufacturing:** With decades of experience and cutting-edge technologies, SBO leads the way in producing mission-critical components. With an expanding portfolio of high-end 3D metal printers across our locations in Europe and the US, we manufacture the most complex parts for optimum results across various industries using advanced printing and finishing technologies.

**High-Tech Service and Repair:** SBO operates top-tier repair and maintenance facilities in major hubs of our industry worldwide. Equipped with state-of-the-art CNC lathes, milling machines, and specialized welding equipment, these workshops handle service and repair of existing components. Highly skilled and experienced personnel uses state-of-the-art methods to extend product life and contribute to the circular economy.

## Energy Equipment

In Energy Equipment, we provide high-end tools for horizontal and directional drilling and well completion, designed for the toughest onshore and offshore conditions. Built to excel in high-temperature and high-pressure environments, our solutions serve industries like oil and gas, geothermal, lithium and helium extraction, and carbon capture & storage. The increasing demand for technologies for geothermal and low-emission applications is becoming more important for this business area. Available for rent and/or purchase, our customer-focused innovations deliver efficiency, reliability, and sustainability across diverse industries.

**High-Performance Drilling Motors:** BICO Drilling Tools offers market-leading, high-performance drilling motors with enhanced data sensor technology for various applications. Our motors are used for directional and horizontal drilling such as shale gas or geothermal operations and are designed for high performance and reliability. With the introduction of new motor sensor technologies, we have further improved data quality and operational reliability, enabling more precise and efficient drilling operations.

**Circulation Tools:** DSI specializes in downhole circulation tools that combat mud loss during the drilling process, thereby protecting critical components of the drill string from blockages. Additionally, the DSI-tool is also used in hole cleaning. The use of our circulation tools represents a considerable time and cost saving for our customers. The increasing use of DSI-technology in geothermal projects underlines its performance in high-temperature drilling environments.

**Rotary Steerable Tools:** D-Tech delivers exceptional performance and reliability with its field-proven rotary steerable system (RSS), establishing itself as the #1 independent provider in the market. Engineered for optimized wellsite performance and designed for both US and international high-intensity land drilling markets, our robust RSS equipment minimizes non-productive time (NPT) and reduces overall drilling risks, ensuring faster, more efficient operations. Ongoing enhancements, including improved steering precision and the integration of bidirectional communication between the rotary steerable system (RSS) and measurement-while-drilling (MWD) components, have further expanded the performance and application range of RSS.

**Well Completion Solutions:** WellBoss is a leading provider of well completion tools, serving the market in the US and worldwide. We provide patent-protected packers, composite frac plugs, dissolvable plugs and geothermal plugs for faster, more efficient and secure well completions.

## Global presence for customer proximity

Our international setup enables us to operate close to our customers for fast and efficient solutions while ensuring flexibility in our global supply chain. Our lean organization and the strategic management from our headquarters in Ternitz (Austria) ensure effective decision-making processes and consistent implementation of our core objectives. With manufacturing, sales and service facilities in more than 20 locations across four continents we are well positioned to serve our global customer base:

- In **Europe**, the SBO Group concentrates on the manufacture of high-precision components made of non-magnetic, corrosion-resistant steels at its facility in Ternitz. Additionally, this location hosts the European 3D metal printing competence center. In addition, following the acquisition of 3T Additive Manufacturing Limited in October 2025, SBO now operates a fully integrated industrial 3D metal printing site in Newbury, UK, further strengthening the Precision Technology division and our presence in technologically sophisticated European markets. In the UK, we are additionally on site with manufacturing of rotary steerable tools as well as with repair and service companies. Our one-stop-shop principle means that we are close to our customers and offer a comprehensive range of products and services.

### SBO locations worldwide

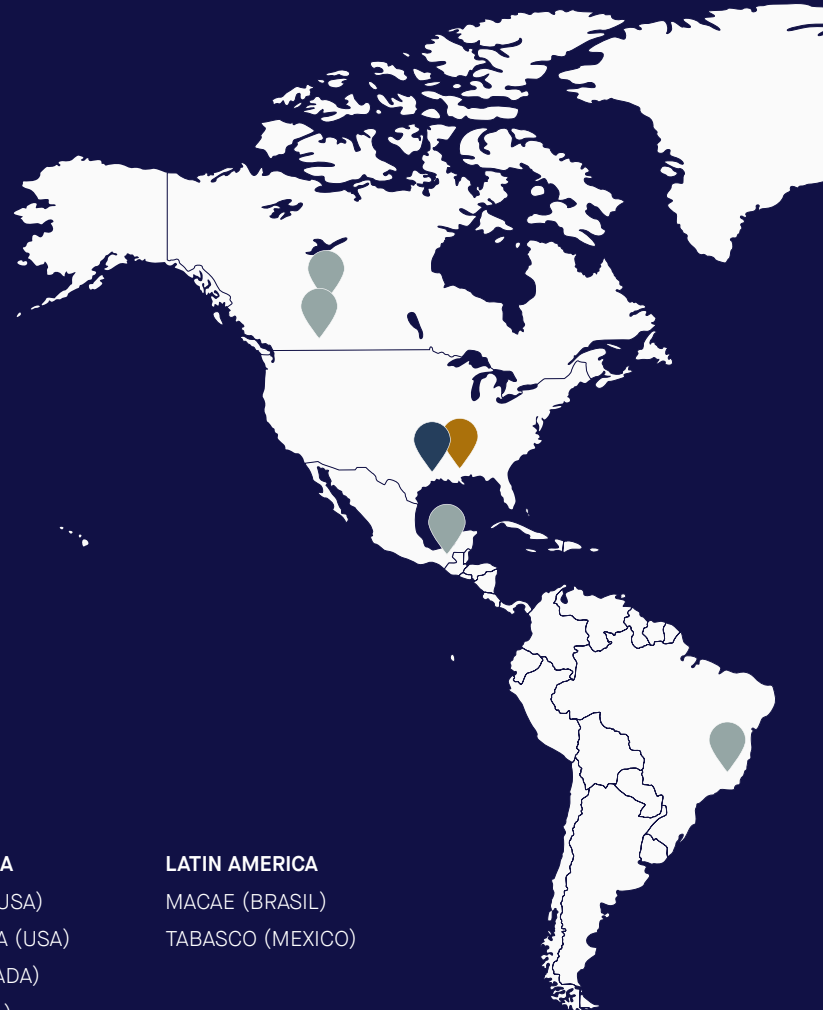
- PRECISION TECHNOLOGY
- ENERGY EQUIPMENT
- PRECISION TECHNOLOGY  
+ ENERGY EQUIPMENT

#### NORTH AMERICA

HOUSTON, TX (USA)  
 BROUSSARD, LA (USA)  
 CALGARY (CANADA)  
 NISKU (CANADA)

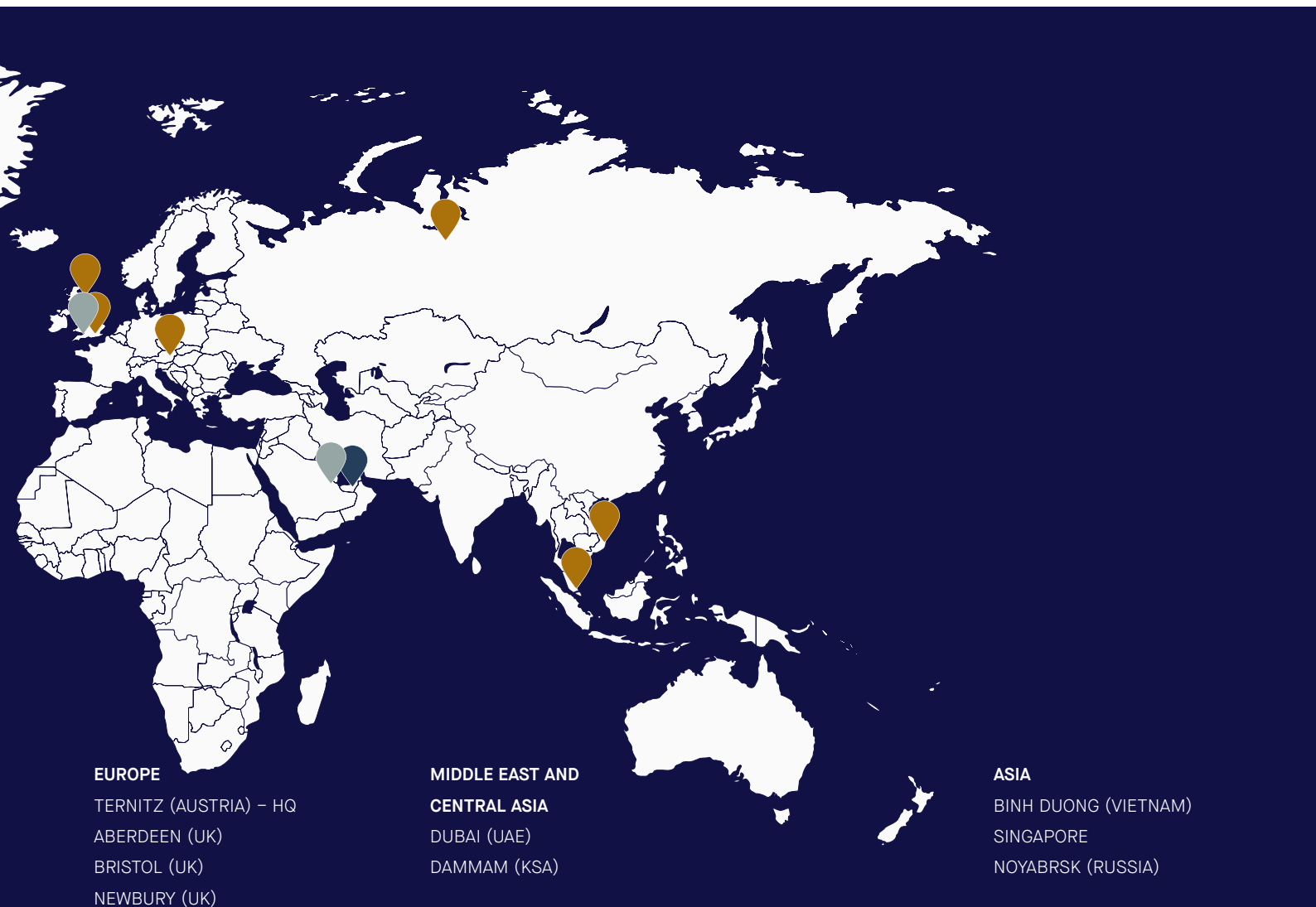
#### LATIN AMERICA

MACAE (BRASIL)  
 TABASCO (MEXICO)



The SBO Group

- In **North America**, SBO is represented at eight locations with the development, manufacture, service and sales activities of high-precision components, drilling motors, rotary steerable tools, and well completion products. With our 3D metal printing center in Houston, we serve customers in various industries.
- In **Latin America**, SBO is active in local sales, rental and service for a wide range of our products through subsidiaries in Mexico and Brazil. In addition, SBO also serves the Latin American market through direct exports and indirectly via local distributors.
- In the fast-growing **Middle East**, specifically in Saudi Arabia and Dubai (UAE), we offer all of our leading technologies in the energy equipment sector including comprehensive high-tech service and repair for our customers. In 2025, we celebrated 25 years of local presence in Saudi Arabia and doubled our operating space through a new facility in Dammam that consolidates our activities under one roof. This creates the foundation for an even stronger local presence that supports our strategic growth initiatives in this key region.
- In **Asia**, our manufacturing facility in Vietnam offers state-of-the-art precision technology for the global market. In 2025, the site was expanded by 4,000 square meters to more than 12,000 square meters of manufacturing space, further strength-



ening the Group's global delivery flexibility and its ability to supply international customers with complex high-precision components. The site was also upgraded in line with sustainability criteria, including energy-efficient construction and the planned installation of a solar power system. Together with the subsidiary in Singapore, we offer high-precision components and local service and repair solutions to this growing region.

## Transforming industries with cutting-edge technologies

As the global market leader in the manufacture of high-precision components, SBO delivers solutions that transform industries and unlock new opportunities. From complex components to cutting-edge technology for the energy sector and beyond, our products meet the highest performance and quality standards. With a deep understanding of extreme environments, we deliver custom-made and specialized products that stand up to the toughest challenges. As we expand into industries like space, aerospace, and energy transition applications, optimum precision remains our foundation. By driving innovation and sustainability, we are engineering new opportunities and transforming industries.

»Innovation at SBO is often driven by specific needs of our customers, who demand increasingly precise solutions. Through our innovations we create significant technological advantages that benefit our customers and set them apart in their industries.«

### Advanced additive manufacturing

Additive manufacturing is a key focus area of our innovative solutions. Over the past few years, we have significantly enhanced our 3D metal printing capabilities, establishing ourselves as a certified provider for a wide range of industries, including the space, aerospace, defense, semiconductor, energy, and other industries. In 2025, we further strengthened our capacity and customer base through the acquisition of 3T Additive Manufacturing Limited in the UK. In close cooperation with our suppliers, we continue to expand our range of machine and powder grades.

Furthermore, we are working closely with our customers to develop advanced designs and equipment for new and evolving technologies, such as components for the semiconductor industry, which in turn support innovations in artificial intelligence and high-performance computing.

At the same time, additive manufacturing is an opportunity to reduce our carbon footprint and advance our sustainability efforts. As part of our innovation efforts, we have established a recycling program with one of our suppliers to recycle excess material through re-atomization, contributing to a circular value chain.

## Drilling technology

In the area of downhole drilling tools, SBO continues to invest in enhancing performance, reliability and durability, as well as their AI capabilities. This includes the integration of bi-directional communication systems in our rotary steerable tools which provide optimum conditions for true autonomous drilling and a complete closed-loop drilling system. By improving the sensor measurement capabilities, we enable greater steering accuracy and improved, AI-based decision-making for our customers.

In our drilling motor range we have added a cutting-edge data sensor technology, the "Performance Logging Ultra-Sensor". Strategically positioned, this advanced sensor supports efficiency increases in drilling operations.

Our investments also focus on improving the durability of our equipment especially regarding heat resistance and ruggedness, particularly in rough, hard compressive rock environments as it is the case in geothermal wells.

## Innovations in well completion

SBO's extensive expertise and customer-centric approach drive the evolution of our completion solutions. We are leading in the development of dedicated high-pressure-high-temperature (HPHT) and slim OD frac plugs for conventional and unconventional wells. The increasing use of our advanced frac plugs in international geothermal projects underlines our technological capabilities and strengthens our position in this market segment.

We are also diversifying our business by further developing our packer portfolio. This expansion – particularly for applications in the field of carbon capture and storage – helps to expand our range of low-emission technologies and opening up new market opportunities.

## Engineering excellence

With industry-leading expertise in material and technology development as well as world-class manufacturing capabilities, SBO continues to produce highly innovative products that meet the highest quality requirements of our customers.

»By combining precision, innovation and sustainability, we are creating a future powered by our cutting-edge technologies.«

# Our Strategy

**Shaping the future with precision:**

**A strategy for diversification and value creation**

In March 2025, SBO presented a recalibrated corporate strategy together with its 2024 annual report, which defines the path for long-term growth, resilience, and value creation. Over the past decades, SBO has built a reputation as a leading global supplier of high-precision technologies, high-performance materials, and high-tech energy equipment, particularly in the oilfield service industry. However, sustainability requires continuous development, especially in times of rapid technological change and shifting market dynamics.

Therefore, after a comprehensive analysis of industry trends, market opportunities, and our core capabilities, we have developed a strategic framework based on two fundamental principles:

**(1) Capitalizing on SBO's existing strengths and capabilities:**

Our core capabilities – precision technologies, high-performance materials, and high-tech energy equipment – continue to form the basis of our success. Building on this foundation and through customer-focused innovation, we support existing and new customers in solving demanding industrial challenges.

**(2) Broadening our market focus:**

Technological progress is opening up new industrial applications where precision is crucial. SBO is therefore expanding into attractive industries beyond oil and gas, particularly in future-oriented fields of the energy transition and in sectors such as, space and aerospace, defense, semiconductors, and flow control, where our expertise gives us clear competitive advantages.

## A clear direction: Purpose, Vision and Mission

### OUR PURPOSE FORMS THE FOUNDATION OF OUR STRATEGY:

**We drive precision that transforms industries.**

Precision is not just a technical feature, but our fundamental approach to mastering complex challenges and enabling new levels of performance for our customers.

### OUR VISION:

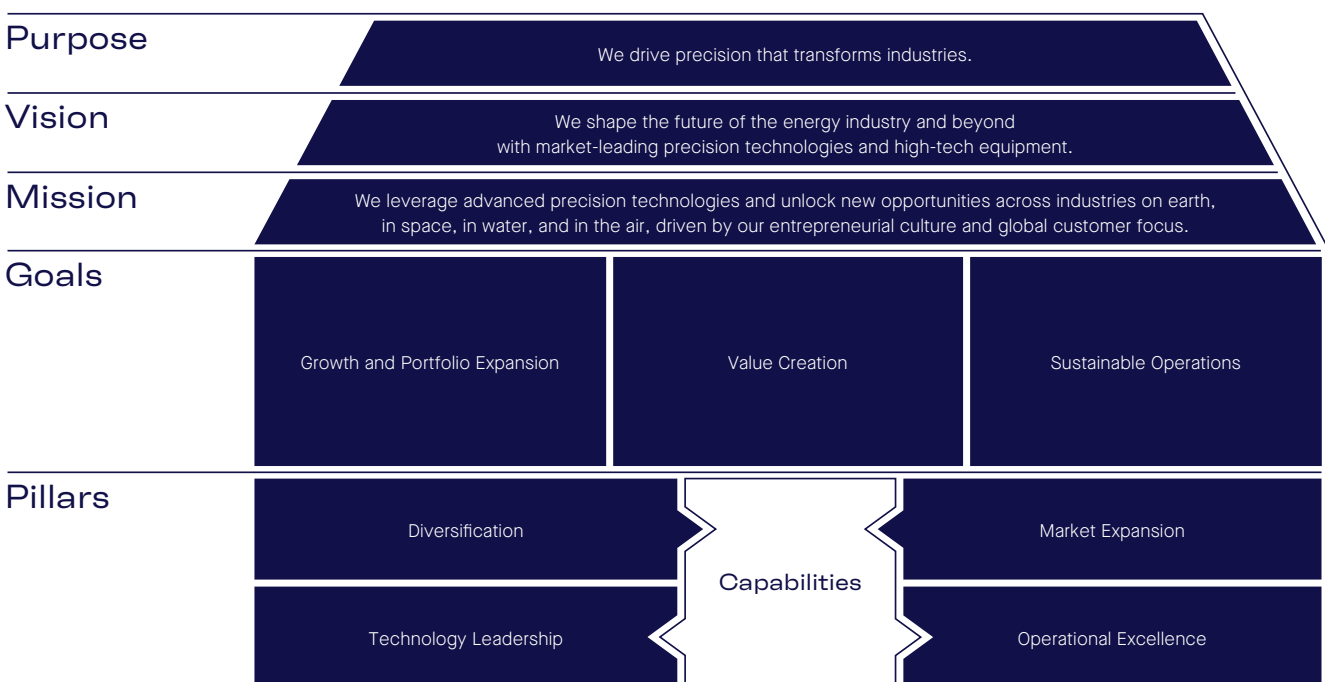
**We shape the future of the energy industry and beyond with market-leading precision technologies and high-tech equipment.**

The energy sector remains an essential pillar of our business, but our technologies are increasingly in demand in other industries that require the highest material and manufacturing quality.

### OUR MISSION DESCRIBES HOW WE ARE SHAPING THIS FUTURE:

**We leverage advanced precision technologies to unlock new opportunities across industries on earth, in space, in water, and in the air, driven by our entrepreneurial culture and global customer focus.**

This mission underscores our entrepreneurial spirit, our technological excellence, and our customer focus.

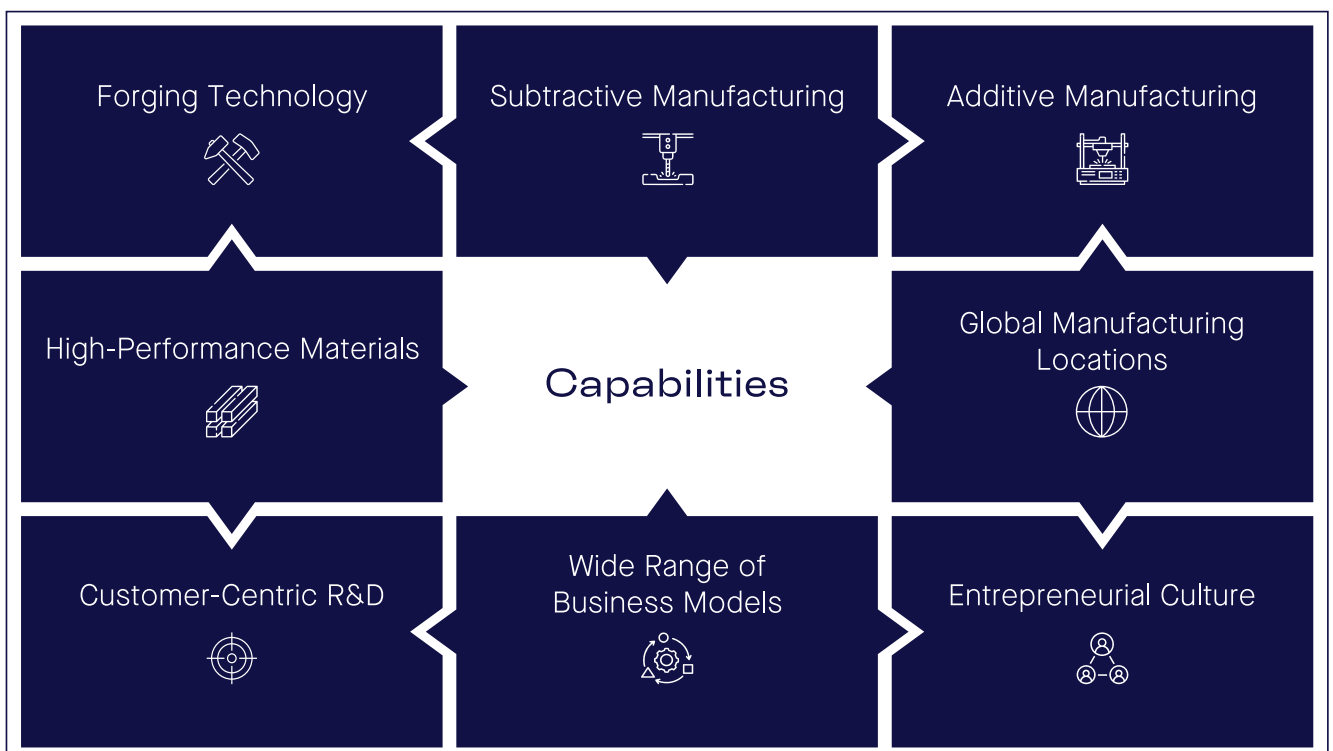


## The foundation: Our core capabilities drive our success

SBO's success is built on a set of **core capabilities** that define our competitive advantage. These form a strong foundation for our strategy:

- **Material expertise** in high-performance alloys and composites for extreme conditions
- Manufacturing expertise in **additive** and **subtractive manufacturing** as well as in **forging technologies** for highly complex components
- **Research and development** that combines technical precision with customer-specific requirements
- **Global manufacturing and service locations** that enable flexibility, customer proximity, and scalability
- **Entrepreneurial drive** that strengthens the development of **innovative business models**

These capabilities enable us to deliver solutions of the highest reliability and seize opportunities in dynamic markets.



## Our strategic goals

SBO has clear and measurable targets for the coming years. These are designed to drive growth, diversification, and sustainability and create long-term value for all stakeholders.

### 1. GROWTH AND PORTFOLIO EXPANSION

To ensure long-term success, SBO is focusing on new, high-growth industries:

- **Increase in sales to MEUR 900 by 2030**, of which **MEUR 200 from new business areas**
- **Expansion of the portfolio** along energy transition technologies, flow control, and high-tech industries
- **Strategic partnerships and targeted M&A** to expand capabilities and tap into high margin industries

### 2. VALUE CREATION

SBO remains focused on sustainability in terms of strong financial performance:

- **EBITDA margin of above 20% over the market cycle**

### 3. SUSTAINABILITY IN BUSINESS ACTIVITIES

SBO pursues ambitious ESG goals:

- **30% reduction in Scope 1 and Scope 2 emissions** by 2030
- **10% reduction in Scope 3 emissions** by 2030
- **Further development of energy-efficient manufacturing processes** and circular economy solutions

## Execution: Four strategic pillars

### DIVERSIFICATION

Diversification is a central pillar in achieving our strategic targets. Therefore, SBO is expanding its expertise beyond the oil and gas industry to grow in attractive industries such as the energy transition and other industrial sectors. The focus is on markets that are ideally suited to our core capabilities due to technological requirements and exhibit lower cyclicality:

- Geothermal, helium, lithium and CCS are markets where SBO can deploy its full product portfolio for drilling and completion.
- Due to its versatility, design flexibility and ability to produce sophisticated and complex structures additive manufacturing has become established across a wide range of demanding industries including space, aerospace, defense, semiconductor, energy and other industries. With the acquisition of 3T Additive Manufacturing Limited in 2025, SBO now operates three sites offering additive manufacturing solutions.
- SBO already offers flow control components for the oilfield service industry. In the future, SBO will expand its focus on flow control applications beyond oil and gas. SBO is driving this development forward through organic growth, targeted acquisitions and strategic partnerships. Flow Control is a market with a size of USD 262 billion, which is critical for many industries all requiring high-performance materials and precision engineering expertise.

### MARKET EXPANSION

With the ongoing expansion of global locations – particularly in the Middle East, Latin America and Asia – SBO is strengthening its regional presence and improving access to these markets. SBO is leveraging its expertise gained in the North American market in the Middle East, Latin America, and other growth regions. A new location in UAE, for example, will serve as a second well completion hub and central distribution center for the Middle East and beyond. Local manufacturing will strengthen market proximity and accelerate regional growth.

### TECHNOLOGY LEADERSHIP

Increasing demand on materials, temperature and pressure resistance, and precision drive the development of our products. SBO uses its decades of experience and R&D expertise to develop customer-specific solutions for extreme operating conditions – from technologies for the energy transition and flow control systems to space and aerospace applications and solutions for the defense and semiconductor industries. For example, SBO is advancing 3D metal printing (laser powder bed fusion) as an innovative manufacturing technology, moving from prototyping to serial manufacturing and at the same time opening up new markets such as next-generation geothermal energy, new applications in the field of carbon capture & storage and lithium and helium mining with market-leading drilling and completion technologies.

### OPERATIONAL EXCELLENCE

SBO stands for operational excellence along the entire value chain, optimizing its capacities in line with customer requirements while ensuring a high level of efficiency. Through targeted vertical integration, SBO creates added value where it brings the greatest benefit to the customer. Its global presence enables it to respond more quickly and flexibly to new tariffs and changing market conditions. At the same time, SBO is sustainably increasing its operational efficiency through in-house manufacturing of energy equipment components.

## Strategy execution in 2025

In 2025, execution steps were taken across all four strategic pillars.

### DIVERSIFICATION

- Expansion of geothermal energy activities through projects predominantly in the US and Europe
- Entry into new areas related to the energy transition, including CCS, lithium and helium applications in the US
- Expansion of expertise in the field of additive manufacturing through organic growth and the acquisition of 3T Additive Manufacturing Limited, including further access to high-tech industries such as space, aerospace, defense, semiconductor, energy and other industries
- Successful diversification into the subsea flow control market through the NORSOK listing of proprietary high-performance materials. Expansion of materials expertise to critical flow control applications in demanding offshore environments
- Rebranding as SBO AG underscores the transformation into a global high-precision technology group with an expanded industrial focus

### MARKET EXPANSION

- New location in Dammam (Saudi Arabia), doubling the operating space for the entire Energy Equipment product portfolio
- Strengthening the competitive position through market share gains as a leading supplier of innovative well completion solutions in the USA and the Middle East

### TECHNOLOGY LEADERSHIP

- Market launch of the High Dogleg RSS tool, which enables U-turn drilling
- Implementation of bidirectional communication between rotary steerable system (RSS) and measurement-while-drilling (MWD) components
- Record performance of the high-performance BICO BRUTE motor under extreme operating conditions as well as introduction of a new motor with integrated data sensor
- One million frac plugs manufactured marked a milestone for SBO and underscored its technology leadership, development expertise, process strength, and highest quality standards in serial manufacturing
- Introduction of new high-performance materials, expanding the number of applications available for 3D metal printed parts

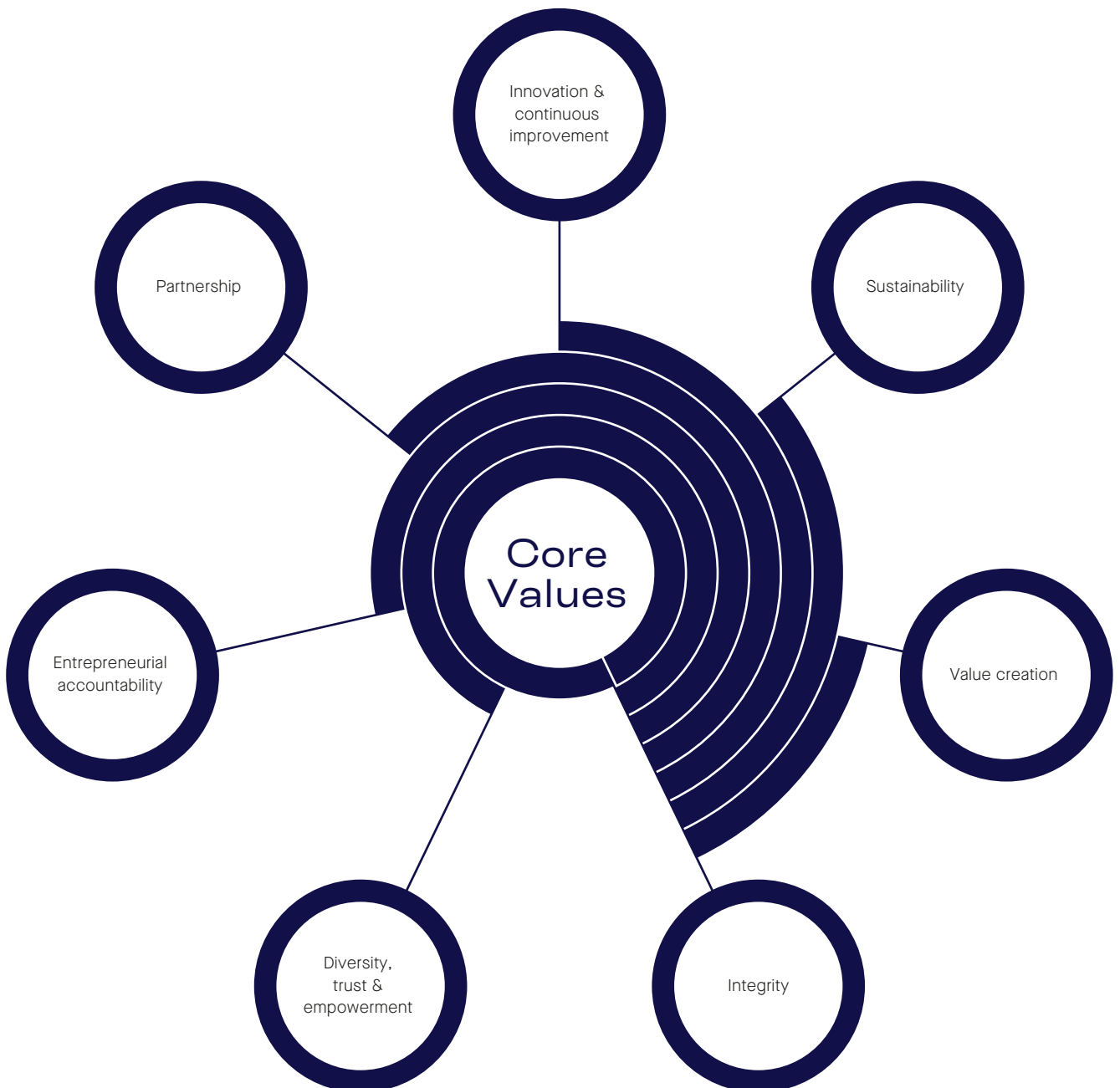
### OPERATIONAL EXCELLENCE

- Expansion of the high-precision manufacturing site in Vietnam to 12,000 m<sup>2</sup> increasing global delivery flexibility and strengthening SBO's position in Asia-Pacific
- Installation of photovoltaic systems increase energy-efficient manufacturing
- Setup of a new drilling motor reline and distribution center in Houston to accelerate repair processes and increase availability of high-performance motors

A more detailed description of the strategy execution can be found in the Management Report / Business Highlights.

# Our Core Values

Within the SBO Group, we share fundamental principles, our Core Values, which guide our daily cooperation with each other and our interaction with our business partners, customers, suppliers and other stakeholders. These values make clear what we stand for and are further anchored in our company policies.



## INTEGRITY

We are dedicated to integrity and honesty and act accordingly.

## DIVERSITY, TRUST & EMPOWERMENT

We strive to be a diverse company attractive for our employees and offer them challenging opportunities in a performance-oriented organization. We promote an environment of transparency, trust and personal responsibility.

## ENTREPRENEURIAL ACCOUNTABILITY

SBO provides a strong strategic and financial basis for our highly autonomous subsidiaries. Common objectives and clear communication channels are the basis for our success.

## PARTNERSHIP

We strive to be a reliable and responsive long-term partner for our customers

- in day-to-day business by providing both high-quality services and feasible solutions to create added value for our customers.
- as a long-term strategic partner by further developing advanced technologies, products and services which help our customers achieve their objectives.
- by our commitment to protect the proprietary knowledge of ours and our customers.

## INNOVATION & CONTINUOUS IMPROVEMENT

We encourage and reward innovative behavior from our employees. We are committed to continuous improvement and strive to be the best in the fields of our activities.

## SUSTAINABILITY

We are committed to long-term growth and sustainable energy. We take responsibility for the principles of Environmental, Social & Governance (ESG). We are dedicated to operate in a safe and environmentally responsible manner.

## VALUE CREATION

We strive for a sustained rise of corporate value that allows us

- to remain a long-term, reliable and innovative partner for our customers,
- to pursue new business opportunities and invest in advanced technologies,
- to offer an attractive return to our shareholders.

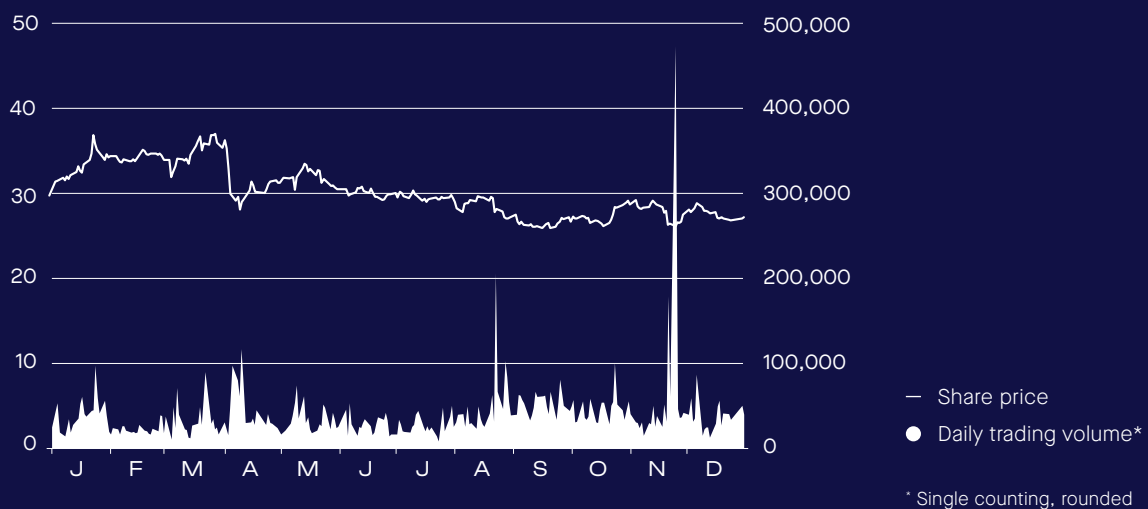
# The SBO Share and Investor Relations

## The SBO Share

SBO AG shares are listed on the Prime Market of the Vienna Stock Exchange with ISIN AT0000946652 and the ticker symbol "SBO." The closing price of the share on 30 December 2025 was at EUR 27.25 (EUR 29.80 at the end of 2024), representing a decline of 8.6%. The oversupply on the oil market and the associated negative development of oil prices had a negative impact, with Brent crude falling by 18% in 2025 and WTI crude by 20%. The share price peaked at EUR 37.40 on 28 March. SBO's market capitalization amounted to MEUR 436 at the end of the year.

»Our goal is to promote transparency and trust through active engagement in the capital market. We place particular emphasis on personal exchange, thereby strengthening our relationships with analysts and investors worldwide.«

SBO SHARE PRICE AND TRADING VOLUME IN 2025  
IN EUR | IN SHARES



## The SBO share at a glance

		2025	2024	2023	2022	2021
Number of shares issued		16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
thereof treasury shares		240,535	240,535	240,535	270,535	270,535
Number of outstanding shares <sup>1</sup>		15,759,465	15,759,465	15,759,465	15,729,465	15,729,465
Average daily trading volume <sup>2</sup>		40,581	27,661	24,420	44,033	40,620
Share price at the end of the year	in EUR	27.25	29.80	44.20	58.20	30.95
Market capitalization at the end of the year	in MEUR	436.0	476.8	707.2	931.2	495.2
Earnings per share (EPS)	in EUR	1.50	2.88	4.55	4.78	1.33
Book value per share	in EUR	26.4	30.8	28.0	26.6	21.3
Dividend per share <sup>3</sup>	in EUR	0.75	1.75	2.00	2.00	0.75
Payout ratio	in %	50.0	60.8	44.0	41.8	56.2
Dividend yield <sup>4</sup>	in %	2.8	5.9	4.5	3.4	2.4

<sup>1</sup> As per year end

<sup>2</sup> Single counting, rounded

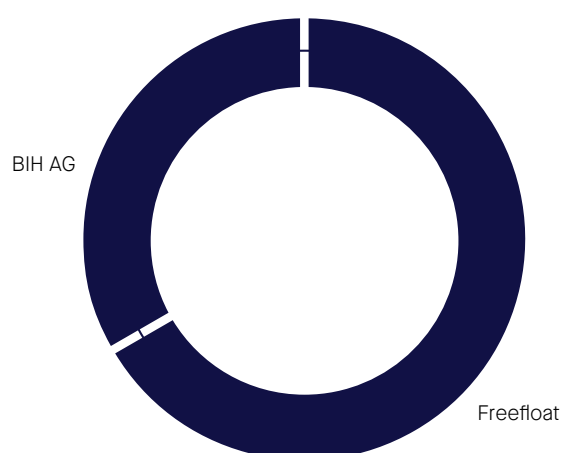
<sup>3</sup> Dividend proposed 2025

<sup>4</sup> Dividend yield relative to the share price at the end of the year

## Shareholder structure

SBO has an international shareholder structure. The core shareholder, Berndorf Industrieholding AG, held 33.6% of the shares as of 31 December, 2025. The remaining 66.4% of shares were in free float. Erste Asset Management GmbH held a share above 5% at the end of 2025, as Global Alpha Capital Management Partnership and T. Rowe Price Group reduced their shareholdings in SBO to below 4%.

SBO-SHAREHOLDER STRUCTURE



## Investor relations activities

The aim of our investor relations activities is to provide relevant company information in a timely and transparent manner, enabling each of our investors and the capital market in general to make an informed opinion about SBO shares and the underlying values. In doing so, it is important to us to maintain a continuous, open, and trusting dialogue with all capital market participants, including analysts, institutional investors, and private investors.

We listen carefully to our investors. Building on the comprehensive perception study conducted last year, we placed a clear focus on presenting and communicating our recalibrated strategy in 2025. The study confirmed our position as a high-quality niche provider and at the same time highlighted the desire for greater clarity and transparency on strategic priorities and transformation paths. On this basis, we further developed our equity story and market presence. The aim was to make SBO's long-term orientation comprehensible, consistent, and tangible, thereby further strengthening the trust of our stakeholders.

A key result in this context was the Capital Market Day in March 2025, which took place in conjunction with the publication of the results for the 2024 financial year. Management presented the new strategy in detail, which clearly focuses on core capabilities and defines measurable targets. SBO plans to generate sales of MEUR 900 by 2030, thereof MEUR 200 from new business areas. By involving the extended management team, we provided additional insights into operational priorities, technology developments, and regional growth opportunities, thereby communicating our strategic direction in connection with our core capabilities even more clearly.

As in the past, we were actively involved in international conferences in 2025. SBO participated in numerous international investor conferences. In addition, we held a large number of one-on-one meetings, video conferences, and topic-specific updates with analysts and investors. We explained the updated strategy, presenting its execution steps transparently, and clearly communicating the long-term growth opportunities despite the current challenging market environment.

Operational highlights, business development, and the company's financial performance were explained in detail in the quarterly reports. In addition, SBO held video conferences on the quarterly results, in which the Executive Board answered questions from analysts and shareholders. The Annual General Meeting was held in Ternitz in April 2025.

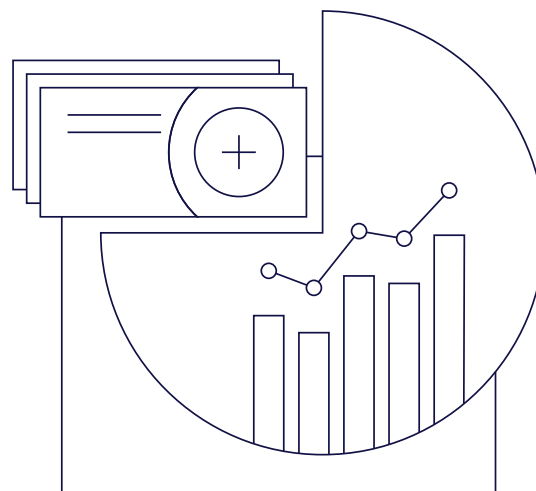
## Analyst coverage 2025

Investment firm	Recommendation per 31 December 2025
Berenberg Bank	BUY
Erste Bank	BUY
Kepler Cheuvreux	HOLD
MWF	BUY
ODDO BHF	Outperform
Wiener Privatbank	BUY

## Dividend

SBO's dividend policy aims for a long-term average payout ratio of 30–60% of net profit. This is a key priority in our efforts to achieve a balanced allocation of capital.

For the 2025 financial year, the Executive Board and Supervisory Board of the SBO Group will propose a dividend of EUR 0.75 per share at the 2026 Annual General Meeting. This corresponds to a dividend yield of 2.8% and a payout ratio of 50%.



## Financial calendar 2026

19 March	Annual Results 2025
20 April	Record date Annual General Meeting
30 April	Annual General Meeting (10 am CET)
06 May	Ex-dividend date
07 May	Dividend record date
13 May	Dividend payment date
21 May	Q1 results 2026
20 August	Half-year results 2026
26 November	Q3 results 2026

## News Service



For investors and all SBO stakeholders we offer a News Service, which keeps you in the know about SBO's latest news and updates. Sign-up for our News Service at [www.sbo.at](http://www.sbo.at) and receive regular email news alerts.



Follow us also on LinkedIn for event updates or interesting business insights. Let's stay in touch!



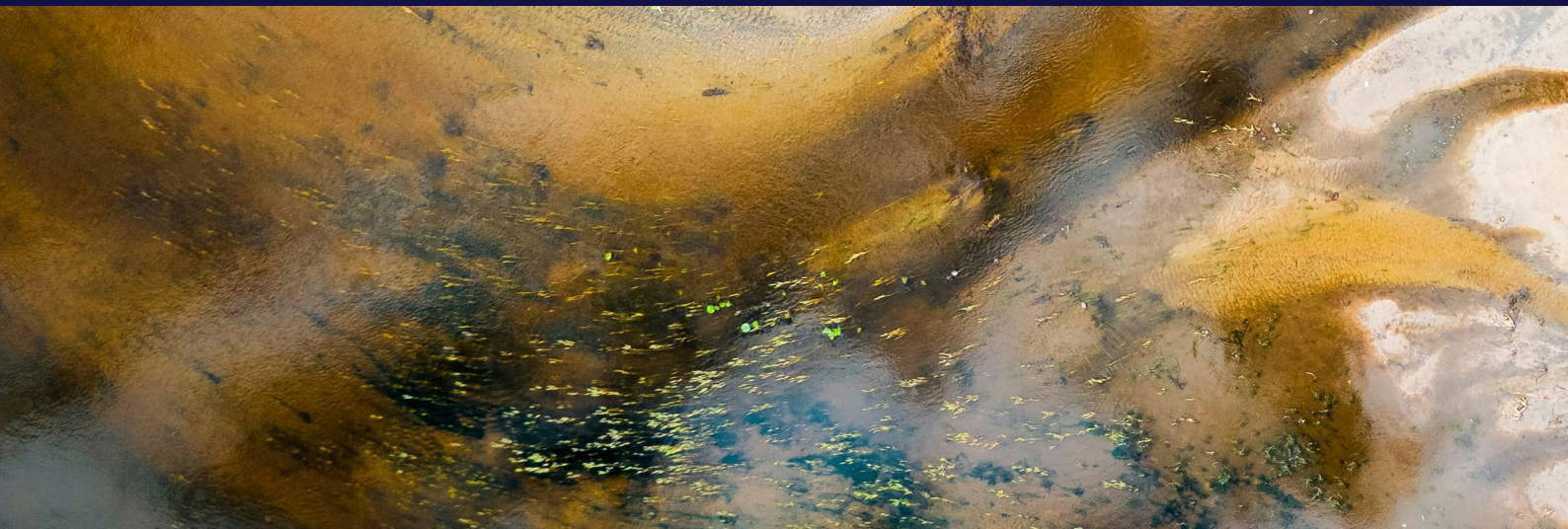
### Contact

Judit Helenyi  
Director Investor Relations

+43 2630 315-253

[investor.relations@sbo.at](mailto:investor.relations@sbo.at)

# Corporate Governance





# Corporate Governance Report

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

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

»Since 2005 we have been committed to the Austrian Corporate Governance Code and consistently implemented its rules. This is how we contribute to strengthening trust in Austrian companies and the Austrian capital market.«

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

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

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

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

SBO complies fully with the mandatory legal requirements (L-Rules) and complies with the C-rules (Comply). The disclosure requirement pursuant to L-Rules 29a and 50 with regard to the remuneration of members of the Executive Board and Supervisory Board is complied with in the remuneration report.

Regarding the financial year 2025, SBO had to prepare both a consolidated and a non-consolidated Corporate Governance Report. Pursuant to Section 267b in conjunction with Section 251(3) UGB (Austrian Commercial Code), these reports may be merged into one report. Therefore, this report contains the data required pursuant to Section 243c UGB as regards both the parent company (SBO) and the subsidiaries of SBO included in consolidation. The diversity concept according to Section 243c(2) (3) UGB is set out in subchapter "Diversity Concept".

## The Executive Board

The rules of procedure for the Executive Board govern the composition and working method of the Executive Board, cooperation between the Executive Board and the Supervisory Board, the procedure in the event of conflicts of interest, information and reporting duties of the Executive Board and the approval requirements of the Supervisory Board which also extend to material business transactions of the major subsidiaries

The Executive Board consists of two members whose allocation of responsibilities is regulated as described below. Fundamental decisions are the responsibility of the full Executive Board. These include, in particular, the specification of the company's objectives and definition of the corporate strategy. When developing and implementing the corporate strategy, the Executive Board takes aspects of sustainability, and associated opportunities and risks relating to the environment, social issues and corporate governance into account.

The Executive Board meets regularly to provide each other with information and adopt resolutions. The members of the Executive Board are obliged to keep each other informed of all important events and business transactions. The Executive Board's decision-making follows the principle of open, critical, and at the same time constructive dialogue.

## Members of the Executive Board

In the financial year 2025, the Executive Board was composed of the following members:

	Year of birth	Date of first appointment	End of current term of office
Klaus Mader Chief Executive Officer (CEO)	1970	1 October 2015	30 September 2028
Campbell MacPherson Chief Operating Officer (COO)	1974	1 January 2024	31 December 2026



## Allocation of responsibilities

Allocation of responsibilities and cooperation of the members of the Executive Board are governed by the rules of procedure for the Executive Board. The Executive Board has not set up any committees. The areas of responsibility allocated to the members of the Executive Board have been stipulated as follows, notwithstanding the collective responsibility of the Executive Board:

**Klaus Mader (CEO):** Strategy, Public Relations / Investor Relations, ESG & Sustainability, Compliance, Finance and Accounting, Human Resources, Legal Matters and Digitalization

**Campbell MacPherson (COO):** Production, Supply Chain Management, Sales and Marketing, Product and Market Strategy, R&D and Innovation Management

As representatives of the SBO parent company, the members of the Executive Board ordinarily take a supervisory function at the subsidiaries included in consolidation (see consolidated financial statements), similar to that of a supervisory board function in Austrian stock corporations, but no management or executive function.

## The Supervisory Board

### Members of the Supervisory Board

In the 2025, the Supervisory Board was composed of five members elected by the Annual General Meeting:



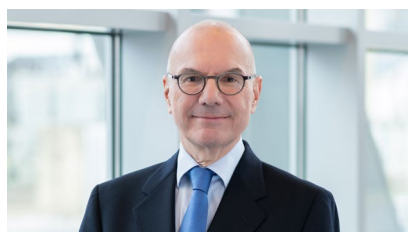
**Norbert Zimmermann** (born 1947) | Chairman  
Date of first appointment: 10 April 1995  
End of current term of office: 2027



**Brigitte Ederer** (born 1956) | Deputy Chairwoman  
Date of first appointment: 23 April 2014  
End of current term of office: 2029



**Simon Eyers** (born 1964)  
Date of first appointment: 25 April 2024  
End of current term of office: 2028



**Wolfram Littich** (born 1959)  
Date of first appointment: 27 April 2016  
End of current term of office: 2026



**Sonja Zimmermann** (born 1972)  
Date of first appointment: 24 April 2018  
End of current term of office: 2028

According to the articles of association of SBO, each year one member of the Supervisory Board resigns from the Supervisory Board at the end of the Annual General Meeting, safeguarding effective control by the shareholders. The resigning member can be re-elected immediately. Other seats in supervisory boards or comparable functions in Austrian or foreign listed companies are disclosed as follows:

	<b>Company</b>	<b>Function</b>
Norbert Zimmermann	–	–
Brigitte Ederer	ams-OSRAM AG	Member of the Supervisory Board
	Technip Energies	Non-Executive Director
Simon Eyers	Next Energy Capital	Advisory Board Member
Wolfram Littich	–	–
Sonja Zimmermann	BTV Vier Länder Bank AG	Deputy Chairwoman of the Supervisory Board

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

## Working method of the Supervisory Board

In exercising its functions, in particular monitoring and strategic support of the Executive Board, the Supervisory Board discusses the situation and targets of the Company and adopts resolutions. The Supervisory Board considers open, critical, and constructive dialogue – internally and in its dealings with the Executive Board – to be a central principle guiding how it operates.

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

The Supervisory Board held five meetings in the period under review. Moreover, the Executive Board submitted several oral and written reports to the Supervisory Board to inform them about the development of business and the situation of the Company and the Group companies. The main focus of discussion was on the strategic direction and development of the Group as well as on major business transactions and potential acquisitions. As part of the Group strategy, the changing energy market and the associated opportunities and risks for the existing business model, political challenges, such as the US import tariffs and the execution of the recalibrated strategy of the company were also discussed, as well as the Group's ESG strategy and its implementation and monitoring.

The members of the Supervisory Board attended all meetings of the Supervisory Board in the period under review, with only one member being absent and excused for one meeting. Therefore, all members of the Supervisory Board attended more than 75% of the meetings of the Supervisory Board.

## Committees

The Supervisory Board appoints the members of the Audit Committee and the Nomination and Remuneration Committee from among its members. The duties of the Sustainability Committee are performed by the Supervisory Board as a whole. The committees are elected for the terms of office of their members. Each committee elects a chairwoman or chairman from among its members.

### SUSTAINABILITY COMMITTEE

The Sustainability Committee deals with Environmental, Social and Governance (ESG) matters in reviewing and monitoring the ESG strategy as well as ESG-related standards, processes and performance, particularly in connection with the implementation of the Corporate Sustainability Reporting Directive (CSRD) as well as the European Union's climate targets.

### AUDIT COMMITTEE

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

Members:

**Wolfram Littich (Chairman)**

**Norbert Zimmermann**

**Sonja Zimmermann**

**Brigitte Ederer**

The Chairman of the Audit Committee, Wolfram Littich, also serves as financial expert for the committee. In November 2024, Brigitte Ederer was appointed as an additional member of the Audit Committee in her role as ESG expert to address ESG-related tasks of the audit committee more effectively and ensure that requirements for sustainability audits and reporting are met.

The Audit Committee held two meetings in the year 2025. In these meetings, topics related to the annual financial statements and the consolidated financial statements were discussed with SBO's group auditor. Further, the Audit Committee dealt with topics related to the internal control system, internal audit and risk management.

## NOMINATION AND REMUNERATION COMMITTEE

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

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

Members:

**Norbert Zimmermann (Chairman)**

**Brigitte Ederer**

**Sonja Zimmermann**

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

## Independence

Regarding independence criteria in accordance with C-Rule 53, the Supervisory Board follows the guidelines contained in Annex 1 of the Austrian Corporate Governance Code.

According to the criteria to be used for determining independence pursuant to C-Rule 53 under Annex 1 to the Austrian Code of Corporate Governance, all members of the Supervisory Board as per 31 December 2025 are deemed to be independent of the company and its Executive Board. Therefore, the Supervisory Board is an independent body.

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

In the past year, no agreements requiring approval were in effect with members of the Supervisory Board or companies in which a member of the Supervisory Board held a considerable economic interest.

## Measures to promote women

In the financial year 2025, the share of men, women and diverse on the Executive Board and Supervisory Board was as follows:

### EXECUTIVE BOARD AND SUPERVISORY BOARD

	2025						2024					
	Gender						Gender					
	Women		Men		Diverse		Women		Men		Diverse	
	Absolut	%	Absolut	%	Absolut	%	Absolut	%	Absolut	%	Absolut	%
Supervisory Board	2	40 %	3	60 %	0	0 %	2	40 %	3	60 %	0	0 %
Executive Board	0	0 %	2	100 %	0	0 %	0	0 %	2	100 %	0	0 %

Total number each as of 31 December

Since 2018, the Act on the Equal Status of Women and Men in the Supervisory Board (GFMA-G) has stipulated a mandatory gender quota of at least 30% for new Supervisory Board members, rounded to full numbers of persons, provided that the Supervisory Board consists of at least six members (shareholder representatives) and at least 20% of the workforce are male and female employees. With Brigitte Ederer and Sonja Zimmermann on the Supervisory Board, the quota has been achieved (40%).

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

## Diversity Concept

The dynamic nature of the energy industry is a constant challenge to the Executive Board and Supervisory Board and of the subsidiaries included in consolidation. The cyclical nature of this industry and subsequent changes in the demand of our products require vast managerial expertise and understanding of the market dynamics in this sector. Additionally, the international positioning of the company calls for a cautious approach to the cultural situation in the various markets.

Regarding the composition of its Executive Board and Supervisory Board, the company does not apply a diversity concept within the meaning of Section 243c (2) (3) Austrian Commercial Code (UGB), as the sustained implementation of such a concept would lead to significant restrictions for a company operating in the energy service industry. Instead, the two qualitative criteria of "key competence" and "experience" have been defined as material for filling positions in management and supervisory bodies. All individuals in the Supervisory Board are renowned experts in their respective fields, sharing their expertise in the meetings of the Supervisory Board. It spans from pertinent experience in the industry, cross-sectoral supervisory and/ or managerial experience to qualifications in specific subject matters. There is a special focus on diversity in the workforce. The aim is to achieve a female quota of 25% among the company's executives.

Regarding the appointment of executives, professional and corporate culture aspects play a key role. All Managing Directors at SBO's subsidiaries have many years of experience in the industry.



**NEW HIRES BASED ON GENDER AND AGE<sup>1</sup>** **2025**

	Age						Total	
	< 30		30 – 50		> 50			
	absolute	%	absolute	%	absolute	%	absolute	%
Men	158	40%	195	50%	40	10%	393	87%
Women	13	23%	33	58%	11	19%	57	13%
Diverse	0	0%	0	0%	0	0%	0	0%
Total	171	38%	228	51%	51	11%	450	

<sup>1</sup> New hires including non permanent and permanent hires and personnel taken on from other SBO companies.

**NEW HIRES BASED ON GENDER AND AGE<sup>1</sup>** **2024**

	Age						Total	
	< 30		30 – 50		> 50			
	absolute	%	absolute	%	absolute	%	absolute	%
Men	144	34%	240	56%	43	10%	427	85%
Women	18	24%	45	61%	11	15%	74	15%
Diverse	0	0%	0	0%	0	0%	0	0%
Total	162	32%	285	57%	54	11%	501	

<sup>1</sup> New hires including non permanent and permanent hires and personnel taken on from other SBO companies.

In the financial year 2025, the diversity concept was reflected across the entire SBO Group as follows: when hiring new employees, attention was paid to maintaining a diversified and high-performing team. The share of newly recruited employees aged between 30 to 50 years was the highest at 51%, followed by 38% of those under 30. The share of new employees over the age of 50 was 11%.

## TOTAL NUMBER OF EMPLOYEES BY GENDER AND AGE

2025

	Age						Total	
	< 30		30 – 50		> 50			
	absolute	%	absolute	%	absolute	%	absolute	%
Men	198	15%	785	60%	325	25%	1,308	85%
Women	30	13%	130	56%	71	31%	231	15%
Diverse	0	0%	0	0%	0	0%	0	0%
Total	228	15%	915	59%	396	26%	1,539	

Total number each as of 31 December.

## TOTAL NUMBER OF EMPLOYEES BY GENDER AND AGE

2024

	Age						Total	
	< 30		30 – 50		> 50			
	absolute	%	absolute	%	absolute	%	absolute	%
Men	211	15%	819	60%	340	25%	1,370	86%
Women	28	12%	140	62%	58	26%	226	14%
Diverse	0	0%	0	0%	0	0%	0	0%
Total	239	15%	959	60%	398	25%	1,596	

Total number each as of 31 December.

The low attractiveness of the industry to women is clearly reflected in the corresponding low share of female employees. Women accounted for 29% of white-collar employees and 7% of blue-collar employees. Amongst apprentices, women accounted for 16%. Compared to the previous year, the quota of women has thus increased slightly.

<b>TOTAL NUMBER OF EMPLOYEES BY GENDER AND TYPE OF EMPLOYMENT</b>	<b>2025</b>
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	Type of Employment							
	White Collar		Blue Collar		Apprentices		Total	
	absolute	%	absolute	%	absolute	%	absolute	%
Men	383	71%	904	93%	21	84%	1,308	85%
Women	154	29%	73	7%	4	16%	231	15%
Diverse	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>537</b>	<b>35%</b>	<b>977</b>	<b>63%</b>	<b>25</b>	<b>2%</b>	<b>1,539</b>	

Total number each as of 31 December.

<b>TOTAL NUMBER OF EMPLOYEES BY GENDER AND TYPE OF EMPLOYMENT</b>	<b>2024</b>
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	Type of Employment							
	White Collar		Blue Collar		Apprentices		Total	
	absolute	%	absolute	%	absolute	%	absolute	%
Men	332	69%	1,016	93%	22	88%	1,370	86%
Women	147	31%	76	7%	3	12%	226	14%
Diverse	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>479</b>	<b>30%</b>	<b>1,092</b>	<b>68%</b>	<b>25</b>	<b>2%</b>	<b>1,596</b>	

Total number each as of 31 December.

## REPORT ABOUT THE EXTERNAL EVALUATION

C-Rule 62 Austrian Corporate Governance Code (ACGC) provides for a voluntary external evaluation of compliance with the C-Rules of the Code at least every three years. SBO commissioned DORDA Rechtsanwälte GmbH with the evaluation for the 2025 financial year, excluding evaluation of C-Rules 77 to 83 ACGC. The evaluation showed that SBO complied with the C-Rules of the ACGC in accordance with the declaration of compliance issued by SBO.

# Report of the Supervisory Board on the Financial Year 2025

## Activities of the Supervisory Board

In 2025, the Supervisory Board performed its duties as required by law and the Articles of Association. The Board was regularly informed about the business development and the situation of the Group and the Group companies at five Supervisory Board meetings and by means of oral and written reports by the Executive Board. In addition, the Supervisory Board was kept informed about the company's ESG strategy.

A key focus of communication between the Supervisory Board and the Executive Board was the analysis of the market environment, which was characterized by an oversupply in the oil market, geopolitical uncertainties, evolving tariff environment, and low oil prices. These challenges led to uncertainty among SBO's customers and, consequently, to persistently low spending levels as well as reduced drilling and completion activities. In this context, the measures taken by the Executive Board to address the challenging business environment were discussed. Furthermore, among other matters, they addressed the execution of strategic initiatives, planned investments, strategic cooperations and potential acquisition opportunities, considering both potential financial and non-financial implications.

## Update on the composition of the Executive Board and Supervisory Board

Since 1 January 2024, Klaus Mader has served as Chief Executive Officer (CEO) and Campbell MacPherson as Chief Operating Officer (COO) of the company.

The 2025 Annual General Meeting held in Ternitz, re-elected Brigitte Ederer for a further term of office with effect until the end of the Annual General Meeting which resolves on the discharge for the financial year 2028. Subsequently Brigitte Ederer was also re-appointed as Deputy Chairwoman of the Supervisory Board and as member of the Nomination and Remuneration Committee and the Audit Committee.

## Change of the company name

The 2025 Annual General Meeting also voted on the renaming of the company from SCHOELLER-BLECKMANN Oilfield Equipment Aktiengesellschaft to SBO AG as part of a broader recalibration of SBO's strategy. This change of company name was preceded by intensive preparatory work and recalibration of the strategy in close cooperation between the Executive Board and the Supervisory Board, which started already in 2024.

## Activities of Committees

As in previous years, the Supervisory Board of SBO had an Audit Committee and a Nomination and Remuneration Committee in place in 2025. In addition, SBO has a Sustainability Committee in place, the duties of which are fulfilled by the entire Supervisory Board.

At one meeting in 2025, the Nomination and Remuneration Committee dealt with matters of remuneration, primarily with the report on the remuneration of the members of the Supervisory Board and the Executive Board pursuant to Section 78c in conjunction with Section 98a of the Austrian Stock Corporation Act (AktG) (remuneration report). In 2025, the report became significantly more comprehensive and detailed, providing more transparency on variable remuneration of the Executive Board and quantitative as well as qualitative performance criteria. The Remuneration Report was adopted by the 2025 Annual General Meeting.

The Audit Committee held two meetings in the financial year 2025 to discuss the Company's financial reporting (consolidated financial statements and annual financial statements) and performed the tasks incumbent on it pursuant to Section 92 (4a) of the Austrian Stock Corporation Act (AktG). In November 2025, the Audit Committee held a meeting with representatives of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft to discuss the planning of the audit of the 2025 annual and consolidated financial statements. The Supervisory Board was kept informed of the results of the meetings of the Audit Committee on an ongoing basis.

## Annual Financial and Consolidated Financial Statements

The annual financial statements as of 31 December 2025 and the management report were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

The audit revealed that the annual financial statements comply with the legal requirements, give a true and fair view of the Company's assets and financial position as of 31 December 2025 and of the earnings situation of the Company for the financial year from 1 January 2025 to 31 December 2025. The management report has been prepared according to the applicable legal requirements, contains accurate information pursuant to Section 243a Austrian Commercial Code (UGB) and is consistent with the annual financial statements.

The Corporate Governance Report required pursuant to Section 243c Austrian Commercial Code (UGB) has been prepared in accordance with the provisions of Section 251 (3) Austrian Commercial Code (UGB). The consolidated financial statements as of 31 December 2025, which have been prepared in accordance with the IFRS Accounting Standards (IFRS) to be applied in the EU, and the consolidated management report were also audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

The audit revealed that the consolidated financial statements comply with the legal requirements, give a true and fair view of the Group's assets and financial position as of 31 December 2025 and of the earnings situation and the cash flows of the Group for the financial year 2025. The consolidated management report has been prepared according to the applicable legal requirements, contains accurate information pursuant to Section 267 (3a) Austrian Commercial Code (UGB) and is consistent with the consolidated financial statements. The consolidated non-financial statement required pursuant to Section 267a Austrian Commercial Code (UGB) and the consolidated Corporate Governance Report required pursuant to Section 267b Austrian Commercial Code

(UGB) have been prepared. As the audits did not give rise to any objections, the auditors issued unqualified audit opinions both for the annual financial statements 2025 and the consolidated financial statements 2025.

## Sustainability Reporting

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft performed a voluntary limited assurance review of the consolidated non-financial statement in accordance with Section 267a of the Austrian Commercial Code (UGB) as amended by the Corporate Sustainability Reporting Directive (CSRD) as of 31 December 2025.

## Approval and appropriation of net profit

At its meeting of 18 March 2026 and after discussion and review by the Audit Committee, the Supervisory Board reviewed the submitted annual financial statements as of 31 December 2025 and the management report as well as the consolidated financial statements as of 31 December 2025 and the consolidated management report including the consolidated non-financial statement and the consolidated Corporate Governance Report. The final results of these reviews did not give rise to any objections.

Therefore, the Supervisory Board approved the annual financial statements as of 31 December 2025, which have thus been adopted pursuant to Section 96 (4) Austrian Stock Corporation Act (AktG). In addition, the Supervisory Board consented at that meeting to the proposal submitted by the Executive Board regarding appropriation of the net profit reported in the annual financial statements of the Company as of 31 December 2025.

## Appreciation to the Executive Board, employees and all stakeholders

On behalf of the entire Supervisory Board, I would like to thank the Executive Board and all employees of the SBO Group for their strong commitment and contribution to the achievements in the financial year 2025. I am equally grateful to all of SBO's shareholders as well as to all customers and partners for their continued trust.



Ternitz, 18 March 2026

For the Supervisory Board

Norbert Zimmermann

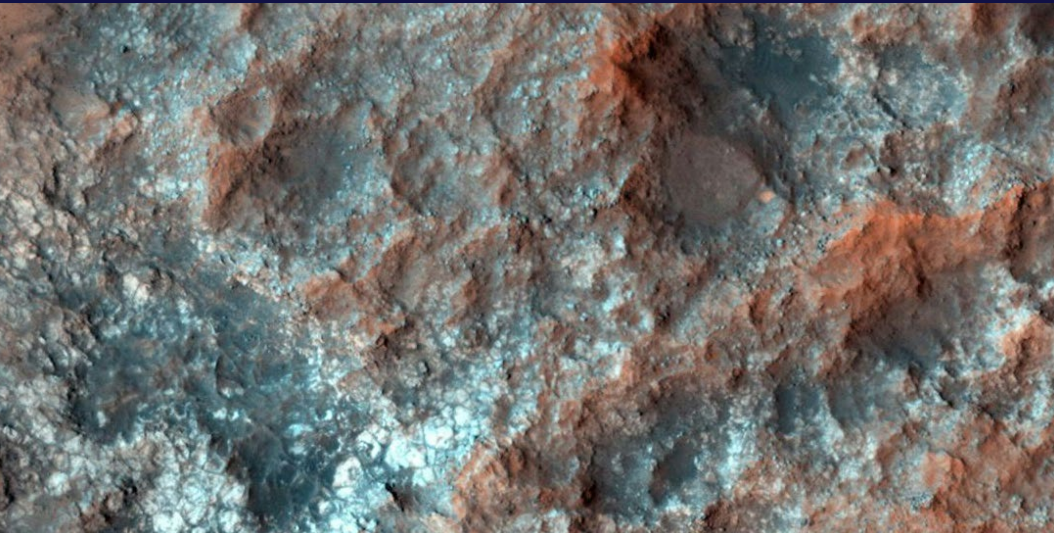
Chairman

# Management Report

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



# Financial Highlights



# Development of the Market Environment

In 2025, the global economy achieved **GDP growth** of 3.3%, remaining at a stable level compared to the previous year. Advanced economies recorded growth of 1.7% in 2025, which is almost on par with the 2024 level (2024: 1.8%). Emerging and developing countries grew by 4.4% (2024: 4.3%), supported by continued strong momentum in India at 7.3% (2024: 6.5%) and higher growth in China (2025 and 2024: 5.0%).<sup>1</sup>

Despite world economic growth, SBO was confronted with the effects of geopolitical tensions, an evolving tariff environment, an oil oversupply, and volatile commodity prices, which weighed on the business environment in 2025. These factors led to uncertainty among SBO's customers, particularly in North America but also internationally, resulting in continued lower spending and reduced drilling and completion activities.

»An oversupply of oil, despite rising demand, as well as ongoing trade and geopolitical tensions, significantly impacted spending decisions in exploration and production projects.«

Global **oil demand** rose to 104.0 million barrels per day (mb/d) in 2025 (2024: 103.3 mb/d), mainly due to growth in China.

**Oil supply exceeded demand**, reaching a level of 106.2 mb/d (2024: 103.1 mb/d). This resulted from strong supply growth in non-OPEC regions and increased production by OPEC+.<sup>2</sup>

Global **exploration and production (E&P) spending** amounted to around USD 445 billion in 2025, representing a 2% decline compared to the previous year. The most significant declines were recorded in the US, Saudi Arabia, Mexico, and China.<sup>3</sup>

**Oil prices** remained highly volatile in 2025, with a significant decline over the course of the year. The introduction of new tariffs in the US led to high uncertainty and a sharp drop in oil prices, which reached a low of USD 60.23 per barrel for European Brent crude in early May. After a recovery in June, prices fell again in the second half of the year. The European Brent crude oil price started the year at USD 74.64 per barrel, peaked at USD 82.03 per barrel in mid-January, and ended the year down 18% overall at USD 60.85 per barrel. West Texas Intermediate (WTI) crude oil followed a similar pattern, starting the year at USD 71.72 per barrel, peaking at USD 80.04 per barrel in mid-January, and closing at USD 57.42 per barrel, a decline of 20%.<sup>4</sup>

<sup>1</sup> International Monetary Fund (IMF), World Economic Outlook Update, January 2026

<sup>2</sup> International Energy Agency (IEA), Oil Market Report, February 2026

<sup>3</sup> Evercore ISI, January 2026

<sup>4</sup> Bloomberg, CO1 Brent Crude und CL1 WTI Crude

**Gas demand** rose by 1% to 4,290 bcm in 2025, mainly driven by higher demand in Europe.<sup>1</sup>

The **Henry Hub gas price** started the year at USD 3.65/MMBtu (million British thermal units) and reached USD 4.00/MMBtu on the last trading day of the year, an increase of 9.6%.<sup>2</sup>

The **number of active oil and gas rigs worldwide (rig count)** declined by 4.4% over the course of the year to 1,783 rigs at the end of December (December 2024: 1,865 rigs). The number of international rigs was in line with the overall trend, falling by 4.4% to 1,065, with this trend only interrupted by a brief recovery during the third quarter. The US rig count declined even more, falling by 7.3% to 546 rigs at the end of December (December 2024: 589 rigs), with the higher decline already becoming evident during the third quarter. In contrast, the number of rigs in Canada rose by 6.2% year-on-year to 172 rigs at the end of December 2025 (December 2024: 162).<sup>3</sup>

»Energy transition technologies and additive manufacturing remain on course for growth.«

**Geothermal energy** is gaining importance: More and more countries are investing to make their energy supply more independent. As a base load source, geothermal energy can make a continuous contribution to the supply of electricity and heat in the future. Market growth in recent years has been driven primarily by the development of improved technologies. The development of next-generation geothermal energy is enabling access to deeper and hotter resources that were previously unattainable with conventional drilling technologies. This led to overall market growth from USD 70 billion in 2024 to USD 74 billion in 2025 (+6%).<sup>4</sup>

**Existing expertise from the oil and gas (O&G) industry** is making a significant contribution to accelerating this technological development. In particular, the transfer of know-how and productivity gains from the O&G industry can significantly reduce the costs of next-generation geothermal energy.

**Next-generation geothermal energy** includes two key technological approaches in particular:

**Enhanced Geothermal Systems (EGS):** These systems expand existing geothermal reservoir capacities or create new reservoirs by specifically increasing the permeability of hot rock, typically through horizontal drilling and hydraulic stimulation.

**Closed-loop geothermal systems (CLG), also known as Advanced Geothermal Systems (AGS):** These require the drilling and sealing of deep, large-scale, artificially closed loops. The systems function as underground heat exchangers in which a fluid circulates and is heated by the surrounding hot rock.

<sup>1</sup> International Energy Agency (IEA), Gas Market Report Q1 2026, January 2026

<sup>2</sup> www.eia.gov

<sup>3</sup> Baker Hughes Rig Count

<sup>4</sup> Fortune Business Insights, February 2026

**3D metal printing**, an essential **additive manufacturing (AM) technology**, has evolved from a prototyping solution to a strategic process for manufacturing high-performance precision components. Technologies such as Direct Metal Laser Sintering (DMLS) and other Powder Bed Fusion (PBF) processes enable the manufacturing of lightweight, complex, and functionally optimized components that are difficult or impossible to manufacture using conventional methods. The global market for outsourced metal AM services, namely contract manufacturing of metal parts, has been estimated at USD 1.5 billion for 2025.<sup>1</sup> Growth is being driven by increasing adoption in the space, aerospace, defense, semiconductor, energy, and other industries, as well as by the growing strategic importance of AM for shorter lead times, high order rates, improved supply chain resilience, greater design flexibility and increasingly larger components.<sup>2</sup> These developments underscore the strategic importance of investing in additive manufacturing as an indispensable pillar of tomorrow's precision manufacturing technologies.

<sup>1</sup> VoxelMatters 2025

<sup>2</sup> Metal AM Magazine, Summer 2025



Navigating challenges.  
Shaping the future.

# Business Highlights

In 2025, SBO implemented its long-term strategy despite a challenging market environment. Progress was made in all four strategic pillars – diversification, market expansion, technology leadership, and operational excellence. These underscore the Group's strategic focus and lay the foundation for sustainable growth over market cycles.

## Diversification

In the reporting year, SBO increasingly leveraged its technology portfolio in the area of energy transition: **The entire product range of the Energy Equipment division** was used for **geothermal projects**. This includes specially developed plugs and slim-OD frac plugs, which enable precise completion steps under high temperature and pressure conditions. Rotary steerable system (RSS) tools and drilling motors were utilized, as well as circulation tools that improve wellbore stability and reduce fluid loss. SBO's technological solutions were used in the development of helium and lithium reserves and in carbon capture and storage (CCS) projects, too.

SBO invested in additive manufacturing (AM) capacities. In addition to purchasing new 3D metal printers, SBO gained access to new customers in high-tech markets through the acquisition of 3T Additive Manufacturing Limited in October 2025. Successful projects in various industries, such as **space, aerospace, defense, semiconductor, energy and other industries**, demonstrate the growing demand for highly complex components, that are manufactured with AM technology.

With the successful NORSOK listing of its own high-performance materials, SBO has made first steps into the **subsea flow control market** and applied its material expertise to critical applications in demanding offshore environments.

In addition, **SBO AG has been operating under its new name since 2025**. This step and the newly introduced brand identity underscore SBO's transformation into a global high-precision technology group with an expanded industrial focus.



THE NEW SBO LOGO

## Market Expansion

SBO has significantly strengthened its global presence through several structural expansions. With the new location in **Dammam (Saudi Arabia)**, assembly, service, repair, and logistics have been consolidated at a regional hub, significantly increasing customer proximity and responsiveness in one of SBO's most important regional markets. The new location has doubled the operating space for the entire portfolio of the Energy Equipment division, including RSS tools, drilling motors, circulation tools and well completion solutions.

Significant progress was also made in other important markets and business areas:

In **well completion**, SBO **gained market share** in the US and further expanded its market position as a leading provider of innovative completion solutions. This development confirms SBO's ability to grow profitably even in a challenging market environment and to continuously expand its global customer relationships. The Group's **regional expansion initiatives** focus on markets with high technological demand and **long-term growth potential**, such as the Middle East and Asia.

By **participating in leading international trade fairs** in Europe, Asia, the Middle East, and North America, SBO has intensified its market presence and presented new applications for additive manufacturing as well as solutions for geothermal energy and CCS.

## Technology Leadership

In the field of **drilling technology**, several significant product developments have been successfully launched on the market. The newly developed "High Dogleg RSS Tool" enables tighter borehole trajectories and expanded directional control, allowing complex drilling profiles, including **U-turn-drilling**, to be realized.

In addition, **bidirectional communication** between the rotary steerable system (RSS) and measurement-while-drilling (MWD) components has been implemented. This real-time data connection improves control behavior, increases precision in drill string guidance, and lays the foundation for more autonomous drilling processes.

A next-generation **high-performance motor** with integrated data sensor has been added to the motor portfolio in 2025. The BICO Brute high-performance drilling motor achieved new record results under the most demanding operating conditions, confirming its outstanding performance across various markets.

In the well completion sector, SBO also reached an operational milestone, exceeding the mark of **one million manufactured frac plugs**.

In **additive manufacturing**, SBO expanded the range of available high-performance materials for printing, extending the number of applications available for 3D-metal printed parts.



COMPLETION SOLUTIONS  
ENERGY EQUIPMENT

## Operational Excellence

The 4,000 m<sup>2</sup> **expansion of the manufacturing site in Vietnam** is an important step toward increasing global delivery flexibility and underscores SBO's commitment to operational excellence. The facility now has more than 12,000 m<sup>2</sup> of manufacturing space and is equipped with SBO's state-of-the-art high-precision manufacturing equipment. The increased capacity strengthens SBO's position in Asia-Pacific and enhance its ability to serve global markets with high quality, flexibility and sustainability. Thanks to its clear focus on operational excellence, the Vietnam facility has established itself as one of the flagship locations in SBO's global network.

The **integration of renewable energy sources** has been expanded at several locations: In Dubai and Saudi Arabia, photovoltaic systems are in operation and reducing local electricity consumption from conventional sources. A photovoltaic system has also been installed in Mexico, covering local energy consumption.

In the US a **new reline and distribution center** was set up, which will accelerate repair processes and increase the availability of high-performance drilling motors starting in 2026.

# Business Development and Financial Review: Results and Analysis

The year 2025 was characterized by an increasingly challenging market environment. An oversupply in the oil market, trade policy uncertainties driven by the introduction of new tariffs, and low oil prices led to reduced customer spending and decreasing drilling and completion activities.

## Key highlights

in MEUR	2025	2024
Sales	455.3	560.4
EBITDA	71.0	101.9
EBITDA margin (%)	15.6	18.2
EBIT	38.5	70.1
EBIT margin (%)	8.5	12.5
Free cash flow	25.5	66.8
Cash and cash equivalents	281.5	314.7
Net debt	78.1	56.0
Gearing ratio (%)	18.5	11.4
Equity ratio (%)	47.2	50.0
Employees (31 December)	1,539	1,596

- **Sales** of MEUR 455.3 were 18.8% below last year's level, primarily driven by lower customer demand in the Precision Technology division.
- Due to the challenging market environment and lower capacity utilization, **EBITDA** and **EBIT** decreased year-on-year. The achieved margins of 15.6% and 8.5%, respectively, remained at a solid level supported by targeted cost-reduction measures and capacity adjustments.
- **Liquid funds** amounted to MEUR 281.5 at year-end, underscoring SBO's excellent financial position and liquidity.
- Despite higher strategic CAPEX and payments for the acquisition of subsidiaries, SBO generated a **free cash flow** of MEUR 25.5.
- The **equity ratio** remained at a high level of 47.2%.
- Capacity adjustments in the Precision Technology division led to a reduction in headcount to 1,539 at year-end, despite additional employees from the acquisition of 3T Additive Manufacturing Limited and headcount increase in the Energy Equipment division.

## Sales development

SBO generated **sales** of MEUR 455.3 (2024: MEUR 560.4), representing a decrease of 18.8%. The main driver was lower customer demand, impacted by the difficult market environment with reduced drilling and completion activities as well as lower spending levels. Customer restraint was particularly evident in the Precision Technology (PT) division, while the Energy Equipment (EE) division remained more resilient. In 2025, 42% of sales were generated in the PT division and 58% in the EE division, compared to a PT/EE split of 51%:49% last year.

The share of sales denominated in USD remained high. In the financial year 2025, the Group generated 82% of its sales in USD (2024: 84%), while the proportion of USD expenses remained unchanged at 56%. The average exchange rate of EUR 1 = USD 1.1293 in 2025 compared with EUR 1 = USD 1.0821 in 2024 had a negative translation impact on sales. Adjusted for currency translation effects, sales declined by 15.5% in 2025.

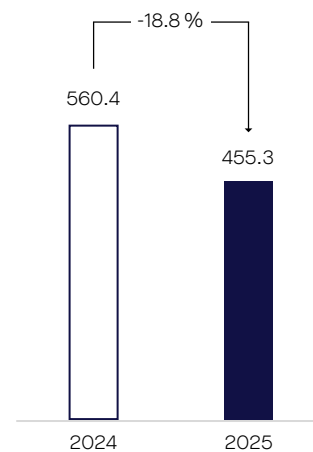
Lower **bookings** in 2025 reflect customers' more restrained spending behavior. Bookings for the full year amounted to MEUR 406.3 (2024: MEUR 483.7). In the fourth quarter alone, bookings amounted to MEUR 99.2, around 10% above the low point reached in the third quarter of 2025. Order backlog at year-end stood at MEUR 89.5 (2024: MEUR 141.8).

## Earnings Performance

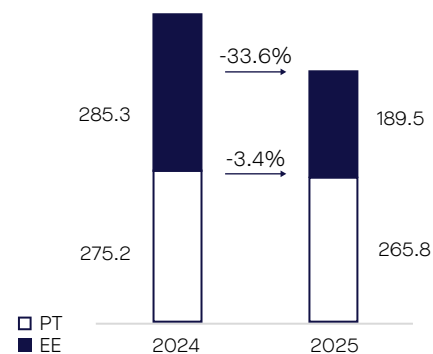
The Group's **gross profit** amounted to MEUR 130.5 in the financial year 2025 (2024: MEUR 170.3), resulting in a decrease of the gross margin from 30.4% in the prior year to 28.7% in 2025. This was primarily due to the lower sales and capacity utilization in the PT division, which could not be fully compensated by the positive development in the EE division. Major components of cost of sales (MEUR 324.7) were materials, personnel expenses and depreciation of fixed assets.

**Selling, general and administrative (SG&A)** decreased year-on-year to MEUR 82.4, or 18.1% of sales (2024: MEUR 88.3, or 15.8%). SG&A expenses consist primarily of personnel expenses, legal, audit and consulting fees, travel expenses as well as communication and insurance expenses.

GROUP SALES  
in MEUR



SALES BY SEGMENTS  
in MEUR



Financial Highlights

**Other operating expenses** amounted to MEUR 27.7 (2024: MEUR 25.5) and included **research and development expenses** of MEUR 12.7 (2024: MEUR 10.5). These were primarily related to the EE division, where investments were made in next-generation geothermal solutions as well as in rotary steerable tools. In addition, other operating expenses included foreign exchange losses of MEUR 15.0 (2024: MEUR 13.6).

**Other operating income** amounted to MEUR 18.1 (2024: MEUR 13.5) and mainly includes foreign exchange gains of MEUR 16.7 (2024: MEUR 10.9).

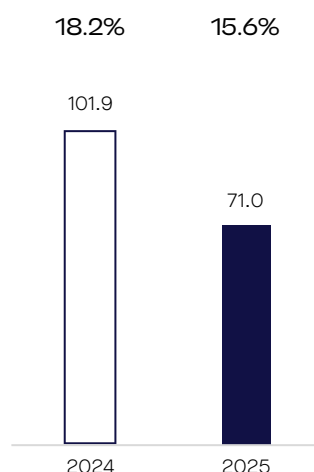
**Earnings before interest, taxes, depreciation, and amortization (EBITDA)** amounted to MEUR 71.0 (2024: MEUR 101.9). The decline is primarily attributable to the lower capacity utilization and reduced sales in the PT division, although targeted cost reductions and capacity adjustments mitigated the impact of lower sales. Measures implemented in the EE division last year led to an improved profitability in EE. Overall, the **EBITDA margin** amounted to 15.6% (2024: 18.2%).

**Profit from operations (EBIT)** decreased to MEUR 38.5 (2024: MEUR 70.1), corresponding to an **EBIT margin** of 8.5% (2024: 12.5%).

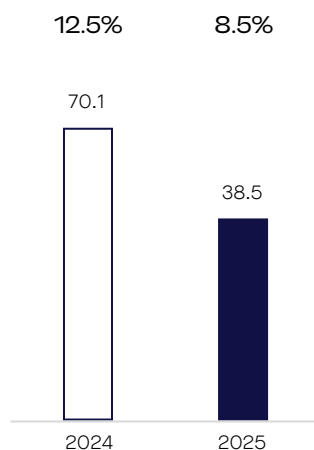
**Profit before tax** amounted to MEUR 32.7 (2024: MEUR 63.6). **Profit after tax** reached MEUR 23.6 (2024: MEUR 45.3). The **effective tax rate** of 27.8% (2024: 28.8%) was above the long-term average of less than 25% due to the partial non-recognition of deferred tax assets for net operating losses.

**Earnings per share (EPS)** for 2025 amounted to EUR 1.50 (2024: EUR 2.88).

EBITDA  
in MEUR | as a % of sales



EBIT  
in MEUR | as a % of sales



## Segment performance:

### PRECISION TECHNOLOGY (PT)

In 2025, the **Precision Technology division** generated **sales** of MEUR 189.5 (2024: MEUR 285.3). The financial year was characterized by lower demand from SBO's customers who, as a result of the challenging market environment with volatile oil prices, geopolitical uncertainties, and trade restrictions, significantly reduced or postponed CAPEX and increasingly focused on maintenance and repair of existing tools.

**EBITDA** in the PT division amounted to MEUR 30.6 with a margin of 16.1% (2024: MEUR 67.0; 23.5%). Targeted capacity adjustments as well as related cost and efficiency measures partially compensated the negative impact of the market environment. **EBIT** amounted to MEUR 18.0 with a margin of 9.5% (2024: MEUR 56.7; 19.9%).

In line with the lower capacity utilization in 2025, **headcount** in the PT division was adjusted and amounted to 827 at year-end 2025 (31 December 2024: 927), although the acquisition of 3T Additive Manufacturing Limited resulted in an increase of 36 employees as of year-end 2025.

### ENERGY EQUIPMENT (EE)

In 2025, the **Energy Equipment division** generated **sales** of MEUR 265.8 (2024: MEUR 275.2). Adjusted for negative currency translation effects, sales amounted to MEUR 277.9 and thus exceeded the prior-year level (+1%). Key drivers of this development were new product launches, market share gains in the US and geographic expansion in the Middle East.

**EBITDA** in the EE division increased to MEUR 45.8 (2024: MEUR 37.8), supported by the implementation of operational and structural measures initiated in the prior year. As a result, the EBITDA margin increased to 17.2% (2024: 13.7%). **EBIT** increased to MEUR 26.3 with a margin of 9.9% (2024: MEUR 16.7; 6.1%).

**Headcount** in the EE division increased to 677 at year-end (31 December 2024: 635), mainly driven by the expansion of the Middle East presence as well as additional employees in R&D and in the new reline and distribution center in the US.

## Balance sheet and cash flow

The weakening of the USD over the course of 2025 is reflected in the balance sheet as of 31 December 2025, due to the translation of assets and liabilities in foreign currency, and led to a decrease in **total assets** to MEUR 894.0 (2024: MEUR 986.1).

**Equity** amounted to MEUR 421.9 as of 31 December 2025 (2024: MEUR 492.7). The decline was almost entirely driven by the weakening of the USD against the EUR (from EUR 1 = USD 1.0389 to EUR 1 = USD 1.1750 as of 31 December 2025) and the corresponding decrease of the currency translation reserve by MEUR 67.0. The resulting **equity ratio** of 47.2% as of 31 December 2025 (2024: 50.0%) remains at a high level despite the year-on-year reduction.

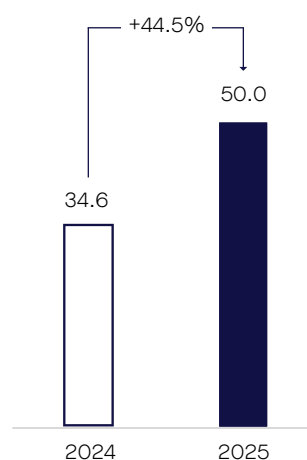
**Liquid funds** amounted to MEUR 281.5 at year-end 2025 (2024: MEUR 314.7), with around half of the decrease compared to the prior year also being currency translation-related. **Net debt** as of 31 December 2025 increased to MEUR 78.1 after MEUR 56.0 in 2024. **Gearing** amounted to 18.5% (2024: 11.4%).

In the financial year 2025, **cash flow from operating activities (operating cash flow)** amounted to MEUR 72.4 (2024: MEUR 98.4), while net working capital was reduced by MEUR 18.3 in 2025 through consistent working capital management.

**Capital expenditure on property, plant and equipment and intangible assets (CAPEX)** amounted to MEUR 50.0 (2024: MEUR 34.6), of which MEUR 9.9 were not yet cash-effective in 2025. Cash outflows were mainly related to site expansions in Vietnam and the Middle East, additional additive manufacturing capacities, and the set-up of the reline and distribution center in the US. In addition, CAPEX were made in the ongoing expansion and renewal of the rental fleet of drilling tools. Purchase commitments for property, plant and equipment amounted to MEUR 3.2 as of 31 December 2025 (2024: MEUR 9.1).

**Cash flow from investing activities** in the financial year 2025 also includes payments for the acquisition of 3T Additive Manufacturing Limited of MEUR 4.7 as well as the payment made in 2025 for the remaining purchase price of MEUR 3.9 from the Praxis acquisition. As a result, **free cash flow**<sup>1</sup> amounted to MEUR 25.5 (2024: MEUR 66.8). Adjusted for payments for the acquisition of subsidiaries, free cash flow in 2025 arrived at MEUR 34.1.

CAPEX  
in MEUR



<sup>1</sup> Sum of cash flow from operating activities and cash flow from investing activities

**Cash flow from financing activities** amounted to MEUR -40.9 (2024: MEUR 79.2) and includes SBO's dividend payment of MEUR 27.6 as well as a negative net balance of borrowings and repayments of MEUR -9.8. In 2024, higher borrowings of MEUR 181.5 resulted in a positive net cash inflow of MEUR 111.4.

## Dividend proposal

Based on the solid earnings level and positive cash generation, the Executive Board will propose a **dividend** of EUR 0.75 per share for the financial year 2025 to the Annual General Meeting. This corresponds to a payout ratio of 50%.

# Research and Development

## Transforming industries with cutting-edge technologies

As the global market leader in the manufacture of high-precision components, SBO delivers solutions that transform entire industries. From complex components to technologies for the energy sector and other industries, our products meet the highest performance and quality standards. With a deep understanding of extreme environments, we deliver custom-made products that stand up to the toughest challenges. Through innovation and sustainability, we are shaping the future and creating new opportunities in industries such as space, aerospace, defense, semiconductor, energy and other industries.

»In 2025, our R&D initiatives focused on additive manufacturing, drilling technology, and material innovation.«

### Advanced additive manufacturing

Additive manufacturing is a key focus of our innovative solutions. In recent years, we have significantly enhanced our expertise in 3D metal printing and established ourselves as a certified supplier to a wide range of demanding industries, including space, aerospace, defense, semiconductor, energy and other industries. In close cooperation with our suppliers, we are continuing to expand our range of machine and powder grades. One example of this is CP-1, an Aluminum-Iron-Zirconium powder with high strength, excellent thermal and electrical conductivity, and an efficient heat treatment process.

In addition, we are working closely with our customers to develop advanced designs and products for new and cutting-edge technologies. These include components for the semiconductor industry, which in turn support innovations in the fields of artificial intelligence and high-performance computing.



3D METAL PRINTED COMPONENT

At the same time, additive manufacturing helps reduce the carbon footprint and advance our commitment to sustainability. As part of our innovation initiatives, we have established a recycling program with one of our suppliers to recycle excess material through re-atomization, thereby strengthening our contribution to the circular economy.

In 2025, another focus was on increasing printing speed and larger component dimensions. Among the newly acquired printers, a new large-format 3D metal printer is particularly noteworthy. It is designed to support our customers especially in the transition from prototype development to serial production.

## Drilling and well completion technology

In 2025, SBO launched several new tools developed through R&D, thereby strengthening its technological positioning:

With OmniSteer, we introduced an advanced rotary steerable tool in the field of drilling technology. It digitally links surface software and downhole tools, enabling real-time monitoring, calibration, and performance analysis. The optimized mechanical architecture increases service life in demanding applications and reduces maintenance requirements for our customers. OmniSteer is specifically designed for high bend rates and extreme temperature conditions, such as those encountered in next-generation geothermal drilling.

Other significant new developments that were successfully commercialized in 2025 included the “High Dogleg RSS Tool”. This tool significantly improved the precision of borehole trajectories and directional control, enabling challenging drilling profiles, including U-turn drilling. The implemented bidirectional real-time communication between the rotary steerable system and MWD components increases control quality and accuracy, paving the way for the development toward more autonomous drilling processes. In addition, the portfolio was expanded with the high-performance BICO Brute drilling motor which features an integrated data sensor and can be used under extreme conditions across markets.

During the reporting year, we further developed tools in well completion. Among others, we used our first high-expansion packer for off-bottom cementing and brought a new permanent bridge plug to market.

In 2025, SBO initiated construction of a new reline and distribution center for its drilling motor business in Houston. The center went into operation in January 2026 and represents a key expansion of service and manufacturing capacities in North America. This contributes substantially to increasing efficiency in the operating business. The integration of relining services in close proximity to customers significantly reduces throughput times, reduces operating costs, and increases supply security. The reline and distribution center improves the flexibility of the drilling motor business and strengthens competitiveness, especially in the North American market.



GEOTHERMAL PLUG

## Material innovation and technological excellence

In 2025, SBO continued its technological expansion into new industrial applications. The successful NORSOK listing of its proprietary high-performance materials marked a significant step into the flow control market beyond drilling and completion. This listing enables SBO materials to be used in demanding offshore environments, including valves, manifolds, flanges, gaskets, and various other flow- and pressure-containing systems. This positions SBO as a qualified supplier of high-performance materials and precision components for critical flow control applications in the subsea industry, an adjacent, high technology market in which SBO's core capabilities are required.

With industry-leading expertise in material and technology development and best in class manufacturing capabilities, SBO will continue to deliver highly innovative products that meet the highest quality requirements of our customers.



HIGH-PRECISION MANUFACTURING | PRECISION TECHNOLOGY

»We combine precision, innovation, and sustainability. Building on our expertise and cutting-edge technologies, we are driving forward the diversification of SBO.«

# Further Information

## REPORT ON THE MAIN FEATURES OF THE INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT SYSTEM WITH REGARD TO THE FINANCIAL REPORTING PROCESS

The Executive Board has overall responsibility for the risk management of the SBO Group, whereas direct responsibility lies with the managing directors of the operational entities. Consequently, the system of internal continuous reporting to corporate headquarters plays a particularly important role in identifying risks at an early stage and implementing countermeasures. Operational entities provide the necessary information by timely monthly reporting to the Executive Board.

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

Furthermore, internal reports prepared by subsidiaries are checked for plausibility at corporate headquarters and compared with budgets in order to take appropriate action whenever deviations occur. For this purpose, subsidiaries are required to prepare annual budgets and mid-term planning to be approved by the Executive Board. In addition, liquidity planning of the subsidiaries is continuously monitored and aligned with the requirements defined by the holding company.

Group controlling and internal audit monitor subsidiaries' compliance with accounting regulations. Moreover, the annual financial statements of all significant operational subsidiaries are audited by international auditors.

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

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

## RISK REPORT

Key risks faced by SBO include global trade policy, economic and market-related risks, as well as strategic, technological and operational risks. In addition, SBO is exposed to financial risks and ESG risks.

A detailed description of the factors affecting SBO's economic development in the global environment – and the related risk factors, such as developments of the global oil and gas markets and the oilfield service industry as well as E&P spending – is provided in the sections "Development of the Market Environment" and "Outlook 2026". Competitive risks are mitigated by the ongoing development of the product portfolio and continuous enhancement of know-how in order to safeguard market position and product quality. The recalibrated strategy, with its pillars for market expansion and diversification, also addresses these developments.

Operational risks – including sales risks as well as uncertainties related to tariffs, procurement and production risks – are presented together with financial risks (foreign currency risks, interest rate risks, credit risks and liquidity risks) in Note 31 of the Notes to the

consolidated financial statements. In addition, risks relating to IT security and digitalization are addressed through state-of-the-art security measures, access controls, penetration testing and comprehensive training. ESG-related impacts, risks and opportunities are explained in detail in the non-financial reporting, in the section on SBM-3 (see chapter "Non-financial statement").

## EVENTS AFTER THE BALANCE SHEET DATE

Reference is made to Note 37 in the consolidated financial statements.

## INFORMATION ACCORDING TO SECTION 243A AND SECTION 267 (3) (3) AUSTRIAN COMMERCIAL CODE (UGB)

Reference is made to Note 19 in the consolidated financial statements.

## HEDGING TRANSACTIONS AND FINANCIAL INSTRUMENTS

Reference is made to Notes 4.6, 30 and 31 in the consolidated financial statements.

# Outlook

According to the latest forecasts by the International Energy Agency (IEA), **global energy demand** will continue to grow in the coming decades. On the one hand, this is driven by the increased use of artificial intelligence and the data centers required to support it. On the other hand, total energy demand in emerging and developing countries is expected to rise due to population and economic growth.

In the IEA's central scenarios, Current Policies (CPS) and Stated Policies (STEPS), **global primary energy demand** is expected to grow by around 0.7% to 1.2% annually until 2035.

»The need for energy security creates attractive growth opportunities in the medium to long term.«

**Oil and gas** continue to play a dominant role in the global energy mix, currently accounting for a combined share of over 50%. Looking ahead to 2050, their share in a continuing growth market for primary energy is estimated at around 47% to 49%. In its recently published World Energy Outlook 2025, the International Energy Agency (IEA) expects global oil demand to rise from 103.1 mb/d to 113 mb/d between 2024 and 2050, while the global LNG market almost doubles from 560 bcm to around 1,020 bcm.

At the same time, renewable energies are experiencing above-average growth in both IEA scenarios. By 2050, **primary energy demand** from **renewable sources** will increase by around 160% in CPS and by around 180% in STEPS. As a result of this development, their share of global primary energy will increase to around 26% to 31% by 2050. Renewable energy sources will thus make a significant contribution to meeting additional demand, with the higher momentum in STEPS reflecting the impact of a broader and more ambitious energy policy framework.<sup>1</sup>

»Rising energy demand requires both: renewables and oil and gas.«

Within the renewable energy portfolio, **geothermal energy** continues to gain importance: The IEA report forecasts an increase in geothermal power generation of more than 50% for advanced economies by 2035. A key driver of this is the significant increase in electricity demand in the US. According to the IEA, this is mainly due to the rapid expansion of data centers and digital infrastructure (especially AI applications), growth in end-use electrification, and new industrial loads. According to Rystad Energy, a research and analytics company specializing in the energy sector, the growth of geothermal energy as an energy source is expected to attract investments of more than USD 120 billion between 2025 and 2035.<sup>2</sup>

<sup>1</sup> International Energy Agency (IEA), World Energy Outlook 2025, Current Policy and Stated Policy Scenarios

<sup>2</sup> Rystad, Global Drilling and Completion Report 4Q 2025, December 2025

Helium and lithium markets also represent significant growth areas. The overall markets for helium are forecast to grow at a rate of 7%, while lithium is expected to increase by as much as 19%.<sup>1</sup>

In addition, the **carbon capture and storage (CCS) drilling and completion** market is expected to evolve into a separate growth segment within well services. Rystad Energy forecasts a significant increase in drilling activity, from just over 200 CCS wells in 2025 to more than 1,000 wells by 2030. The regional focus of CCS drilling activity will initially be in North America, where around 30% of the world's CCS wells are planned, followed by China and Indonesia.<sup>2</sup>

Furthermore, **3D metal printing** will continue to gain importance for the high-tech manufacturing industry, as a key technology. Due to its high degree of design flexibility and the ability to efficiently manufacture complex structures, this technology is widely used in space, aerospace, defense, semiconductor, energy and other industries. The market size for metal additive manufacturing services was around USD 1.5 billion in 2025 and is expected to grow to USD 4.8 billion by 2030.<sup>3</sup> In this dynamic environment, SBO is optimally positioned, not least due to the recent acquisition of 3T Additive Manufacturing Limited.

With the National Defense Authorization Act (NDAA FY2026) Section 849 (Additive Manufacturing), enacted on 18 December 2025, the US government emphasized the strategic importance of additive manufacturing, including 3D metal printing, for defense procurement and security-critical applications. The Act establishes mandatory requirements for security, data sovereignty, and process qualification, as well as the scalable industrial use of additive manufacturing in the defense sector. This development strengthens the role of 3D metal printing as a key technology and is expected to accelerate further market penetration and growth.

<sup>1</sup> Fortune Business Insights, Lithium Market Forecast Report; Spherical Insights, Helium Market Size, Share & Growth Report

<sup>2</sup> Rystad Energy, Global Well Activity Metrics Report, January 2026

<sup>3</sup> VoxelMatters 2025, Metal AM Market 2025

## Outlook for 2026: Navigating the cycle, accelerating diversification

The International Monetary Fund (IMF) forecasts global economic growth of 3.3% for 2026. Economic growth of 1.8% is predicted for advanced economies, with slightly stronger momentum in the US (+2.4%), while economic output in the EU is expected to increase by 1.3%. A growth rate of 4.2% is forecast for emerging and developing countries.<sup>1</sup>

Against this background, global gas consumption is expected to reach a new historic high in 2026, growing by almost 2%.<sup>2</sup> According to estimates by the International Energy Agency (IEA), global oil demand will continue to rise in 2026, with an expected annual increase of around 850,000 barrels per day. At the same time, global oil supply is expected to rise by around 2.4 million barrels per day (mb/d) to 108.6 mb/d over the same period. This expansion in supply continues to lead to an oversupply in the oil market and, accordingly, to subdued oil prices.<sup>3</sup>

However, current analyses by Evercore ISI and Rystad Energy point to a slight trend reversal in 2026, with expected spending growth of 0–2%. As of December 2025, Rystad Energy forecasts around 61,000 wells drilled and completed worldwide in 2026, representing an increase in activity of around 2.9% compared to the previous year.<sup>4</sup>

Although this points to a stabilization of the market in 2026, SBO expects the market environment to remain challenging due to the continuing oversupply of oil, volatile oil prices, geopolitical uncertainties, and an evolving tariff environment. Since 28 February, the geopolitical situation in the Middle East has changed materially and become more tense as a result of military actions and responses. At this stage, potential impacts cannot be assessed reliably and are therefore not reflected in the outlook.

Several international oilfield service companies, including key customers of SBO in the **Precision Technology division**, characterize 2026 as a "transition year". Activity is expected to stabilize, with the first signs of recovery led by international and offshore markets. Currently customers remain cautious in their expenditure plans for 2026. As bookings typically take time to convert into sales and given the reduced bookings in 2025, SBO expects sales in the PT division to remain subdued in the first half of 2026. An improvement is expected in the second half of the year as higher bookings since Q4 2025 will convert into sales. By focusing on cost efficiency and capacity management, SBO is fully prepared for the next upswing. In parallel, SBO continues to drive the implementation of its strategic diversification.

In the **Energy Equipment division**, SBO sees growth opportunities due to the ongoing internationalization of the well completion business, supported by the opening of a regional manufacturing center in the United Arab Emirates (UAE). This strengthens the regional market presence and increases operational proximity to customers. In addition, the newly opened relining center in Houston will help to further strengthen the market position of SBO's drilling motor business in the US. Also, new product developments in the area of plugs and rotary steerable tools will help to actively exploit the growth opportunities that arise.

<sup>1</sup> International Monetary Fund, World Economic Outlook Update, January 2026

<sup>2</sup> International Energy Agency (IEA), Gas Market Report, Q1 2026, January 2026

<sup>3</sup> International Energy Agency (IEA), Oil Market Report, February 2026

<sup>4</sup> Rystad Energy, Global Well Activity Metrics Report, January 2026; Evercore ISI, January 2026

## SBO is driving diversification measures forward.

At the same time, SBO continues to execute its diversification strategy. In 2026, SBO expects **growth** in the area of drilling and completion of **next-generation geothermal wells**, as well as in the development of CCS, lithium, and helium projects. The product portfolio of the Energy Equipment division, consisting of rotary steerable tools, drilling motors, circulation tools, frac plugs and packers, is particularly supportive in this regard. According to the IEA, the technical potential of next-generation geothermal can be 60 times more than today's installed power capacity, second only to solar PV. This technology could cover around 15% of global electricity growth by 2050.<sup>1</sup>

Building on its expertise in **advanced additive manufacturing**, SBO will continue to drive growth across space, aerospace, defense, semiconductor, energy and other industries in 2026. The installation of additional 3D metal printers and the integration of 3T Additive Manufacturing Limited form the basis for continued growth.

In 2025, SBO also generated **material sales in the flow control** sector beyond the traditional drilling and completion business. The expansion of the flow control business will continue to be driven forward in the coming quarters. The latest technological qualifications achieved, including the **NORSOK listing** of the high-performance materials used, represent a significant step for SBO in positioning itself sustainably in this demanding market segment. Based on the strategy presented in 2025, existing material expertise will be specifically applied to new industrial applications to open up additional high-margin business areas.

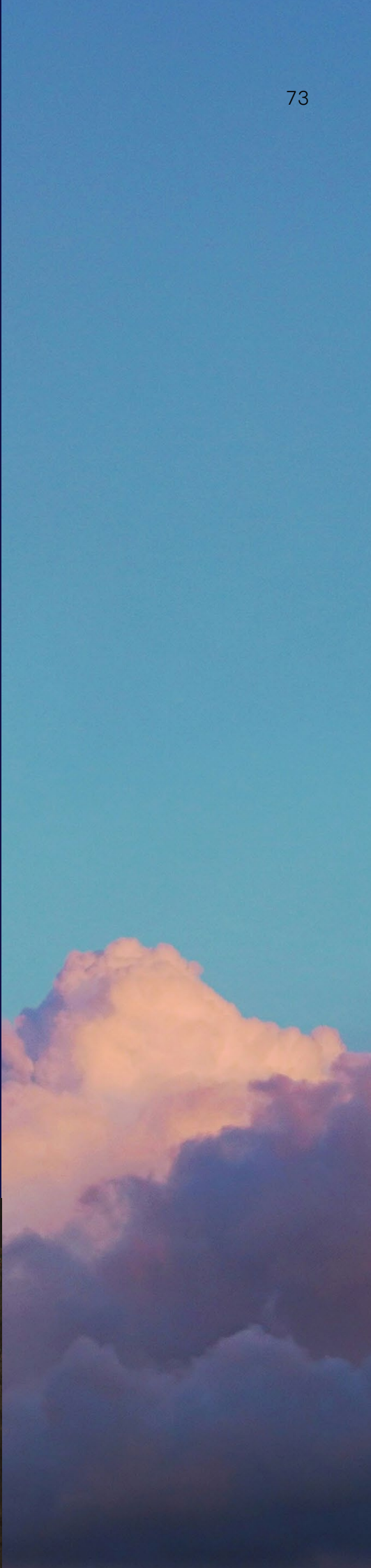
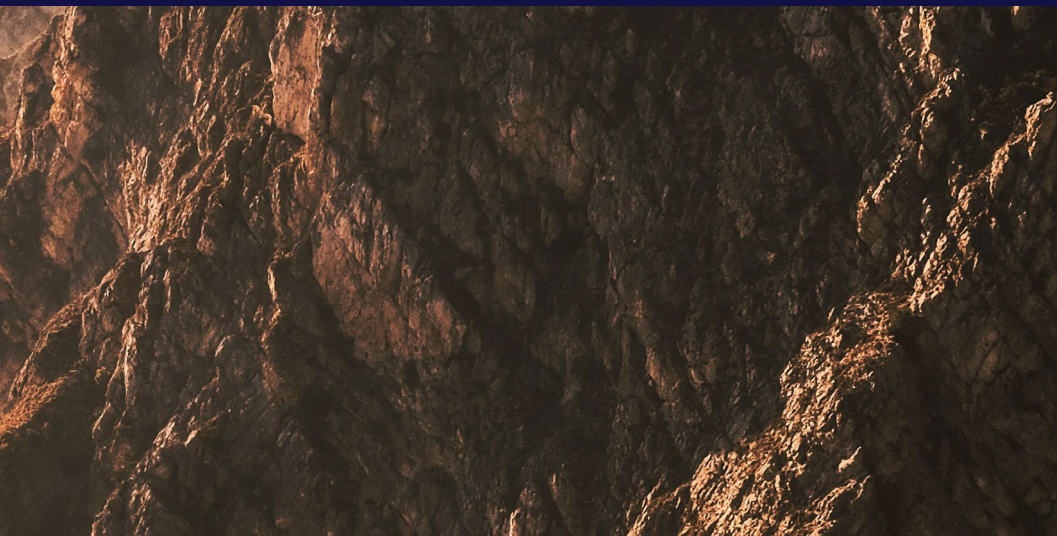
The importance of technologically cutting-edge drilling and completion systems, such as those developed and manufactured by SBO, remains high. Through its technological expertise and disciplined cost management, SBO is well positioned to operate successfully and further strengthen its competitive position even in a volatile and currently challenging market environment.

Thanks to its excellent balance sheet structure and high liquid funds, SBO will execute its strategy along the four pillars of **diversification, market expansion, technology leadership**, and **operational excellence**. With its financial strength SBO will actively pursue organic growth, strategic partnerships, and targeted acquisitions.

<sup>1</sup> International Energy Agency (IEA), The Future of Geothermal, December 2024

# Non-financial Statement





# Non-financial Statement 2025

## ESRS 2 – General Disclosures

The present Non-financial Statement has been prepared in accordance with § 267a UGB as part of the management report of the consolidated financial statements in compliance with the requirements of the Sustainability and Diversity Improvement Act ("Nachhaltigkeits- und Diversitätsverbesserungsgesetz", NaDiVeG). Furthermore, the Non-financial Statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) in preparation for the reporting obligation under the Corporate Sustainability Reporting Directive (CSRD).

### BP-1 General basis for preparation of the Non-financial Statement

The report was prepared on a consolidated level. The scope of the consolidation is the same as for the financial statements.

The Non-financial Statement covers SBO's upstream and downstream value chain, as described in ESRS 1 Section 5.1 "Reporting Company and Value Chain". SBO utilizes the phase-in approach provided by the ESRS for specific value chain information.

SBO has not made use of the option under ESRS 1, section 7.7 (paragraph 106(f)) to omit disclosures relating to intellectual property, know-how or innovations. All relevant data has been fully disclosed in accordance with the ESRS requirements.

### BP-2 – Disclosures in relation to specific circumstances

#### ESTIMATES AND MEASUREMENT UNCERTAINTIES

Scope 3 emissions were calculated using a combination of the average-data method and the spend-based method. Due to the unavailability of product-specific carbon footprint (PCF) data from suppliers, the supplier-specific approach could not be applied. The emission factors used were sourced from scientific databases such as Idemat (2022), DBEIS (2020), Ecoinvent (3.9.1, 2022) and IEA (2022). The resulting accuracy of the calculation varies depending on the data source and methodology. While mass-based emission factors generally have a lower margin of uncertainty, spend-based factors can introduce greater variability due to economic fluctuations and differing price structures. In particular, for suppliers outside the EU, where reliable PCF data is rarely available, there is an increased level of uncertainty in the estimations. To further improve data quality, ongoing efforts are being made to enhance the availability of primary data through supplier engagement programs. This includes direct collaboration with suppliers, regular validation of data sources, and continuous refinement of methodologies based on the latest scientific insights.

The following parameters may involve higher levels of result and/or estimation uncertainty:

E1-6 GHG emissions in Scope 3

E5-5 Products, materials and waste by disposal/treatment method

This uncertainty is addressed by utilizing standards for waste treatment and extrapolation methods for Gender Pay Gap and Remuneration Ratio, while continuously improving data collection and validation methods.

**E1-6 GHG emissions in Scope 3:**

The reported numbers are based on industry-average emission factors to some extent.

**E5-5 Products, materials and waste by disposal/treatment method:**

Currently, there is no data available on waste quantities by disposal method at the level of individual subsidiaries or locations. This will be continuously improved over the next reporting periods. The disclosure on the recyclable share in products and packaging is based on the assumption that the steel contained in the products placed on the market can be reused or recycled 100%.

## ASSUMPTIONS, APPROXIMATIONS AND ASSESSMENTS

**E1-6 GHG emissions in Scope 3:**

Scope 3 data is based to some extent on industry benchmarks, generalized emission factors, projected future scenarios, and estimated values for data gaps.

**E5-5 Products, materials and waste by disposal/treatment method:**

Waste quantities by treatment method were estimated on the basis of waste types and industry standards. Across the Group, scrap metal was classified as waste that is recycled, as it is collected separately and made available to a third party for recycling and reuse purposes. The disclosure on the recyclable share in products and packaging is also based on the assumption that the steel contained in the products placed on the market is reused or recycled 100%.

No references to information outside this report have been included, and all relevant information is fully contained in this report.

## CHANGES COMPARED TO THE PRIOR YEAR

### **S1-16 Gender Pay Gap and Remuneration Ratio**

In 2025, the methodology for calculating total remuneration in accordance with ESRS S1-16 and the gender pay gap was changed. The reason was an error identified by the Austrian Financial Reporting Enforcement Panel.

Instead of calculating the figures per company and subsequently aggregating them, the calculation is now performed centrally at Group level based on a Group-wide median income and in relation to the highest-paid person. Therefore, the comparative figure for 2024 was also adjusted. The underlying remuneration data from the local payroll systems remained unchanged.

## GOV-1 - The role of the administrative, management and supervisory bodies

**Number of Executive Board members 2**

**Number of Supervisory Board members 5**

Employees and other workers are not formally represented in the decision-making bodies at the SBO Holding level due to a lack of legal requirements, but their interests are fundamentally taken into account.

Both the Executive and Supervisory Boards of SBO have diverse professional backgrounds and experience across relevant industries. Their varied expertise serves as a strong foundation for balanced and informed decision-making as well as effective strategic oversight.

In 2025, the Executive Board comprised exclusively men, resulting in a gender distribution of 100% male and 0% female.

The Supervisory Board comprised 60% men (three men) and 40% women (two women).

Considering the Executive Board and Supervisory Board together, comprising seven members in total, the gender distribution is 71.4% male (five men) and 28.6% female (two women).

Female-to-male ratio: 1:2.5

The Supervisory Board is considered fully independent, as per the independence criteria outlined in Annex 1 of the Austrian Corporate Governance Code.

At the top executive level, both the CEO and COO take responsibility for impacts, risks and opportunities, ensuring alignment with strategic objectives. The Supervisory Board oversees these matters, providing guidance and ensuring compliance with sustainability-related priorities and objectives.

In exercising its functions, in particular monitoring and strategic support of the Executive Board, the Supervisory Board discusses the situation and targets of the Company and adopts resolutions. The rules of procedure for the Supervisory Board govern in detail the composition, working method and tasks of the Supervisory Board, the procedure in situations of conflicts of interest, and all committees (Audit Committee, Nomination and Remuneration Committee, Sustainability Committee) and their responsibilities. The Supervisory Board held five meetings in the period under review. Moreover, the Executive Board submitted several oral and written reports to the Supervisory Board to inform them about the development of business and the situation of the company and the Group companies. The focus of the discussions was on the implementation of the Group's strategic direction

and the key business transactions. As part of the key business transactions, the industrial downturn over the course of 2025 and the resulting measures were explained in detail. The opportunities and risks for the existing business model arising from the strategic realignment were presented extensively.

The members of the Supervisory Board attended all Supervisory Board meetings. Only one member was excused from one meeting. Accordingly, the members of the Supervisory Board attended 75% of the Supervisory Board meetings. The Managing Directors of the individual SBO companies and the divisional heads provide the Executive Board with analyses and recommendations on the impacts, opportunities and risks of business activities. The CEO and the COO assess this input and make strategic decisions, with responsibilities relating to impacts, risks and opportunities (IROs) reflected in various policies, including the Code of Conduct, the Whistleblowing Policy and the Ethics and Fair Trade Policy.

Responsibility for risk management is assigned to the Head of Risk Management and the Head of Compliance, whose work is monitored through regular reporting and oversight processes.

Reporting obligations for those responsible for monitoring risks are structured as follows: Risk-monitoring units are required to provide regular reports to the Executive Board, typically on a bi-annual basis or as needed for potential developments. These reports include detailed risk assessments, potential impacts, and proposed mitigation measures. Communication with the Supervisory Board occurs through periodic updates and dedicated reports. The reporting process ensures a clear flow of information to both the executive and supervisory levels, enabling informed decision-making and effective oversight of risks.

SBO uses specialized control mechanisms and procedures, such as internal audits, compliance calls and risk management, all of which are embedded into the corporate structure to effectively manage risks and opportunities.

The Supervisory Board and the Executive Board of SBO monitor key risks and opportunities through regular meetings and detailed reporting, with targets set based on strategic priorities, risk assessments and objectives. Progress towards achieving these targets is monitored using defined metrics and regular status reports; deviations are analysed and, where necessary, addressed by adjusting measures, responsibilities or timelines. As part of the ongoing analysis, the defined impacts, risks and opportunities identified through the double materiality assessment are being reviewed for potential integration into the existing risk management framework to ensure a comprehensive and aligned approach.

The Managing Directors/Executive Board possess relevant commercial as well as technical educational backgrounds and have gained significant professional experience in leadership roles, including managing strategic and operational challenges. The Supervisory Board members bring numerous expertise in areas such as corporate management, finance, technical and business administration, as well as corporate governance, sustainability, and compliance.

Diversity of the Supervisory Board	2025	2024	2023
GOV-1-21d	GOV-1 21-d, e	GOV-1-21d, e	GOV-1 21-d, e
Total number of Supervisory Board members	5	5	5
Male	3	3	3
Female	2	2	2
Proportion of independent board members (%)	100	100	80

Diversity of the Executive Board	2025	2024	2023
GOV-1 21d	GOV-1 21d	GOV-1 21d	GOV-1 21d
Total number of Executive Board members	2	2	2
Proportion male (in %)	100	100	100
Proportion female (in %)	0	0	0

Composition of the Management Board:	GOV-1-22a, GOV-1-21b	Executive Board member CEO	Executive Board member COO
Name	GOV-1-22a	Klaus Mader	Campbell MacPherson

Klaus Mader has been appointed Chairman of the Executive Board as of 1 January 2024 and was previously the Chief Financial Officer of the Group. He has been a member of the Executive Board since October 2015. Prior to joining SBO, Klaus was the Executive Vice President Finance & Administration of TYROLIT Group for over 10 years. Before that he gained significant experience at renowned companies, including Wienerberger Baustoffindustrie AG. Klaus holds a master's degree in business administration from Vienna University of Economics and Business. He is responsible for Strategy, Public Relations / Investor Relations, Risk management, ESG & Sustainability, Compliance, Finance and Accounting, Human Resources, Legal Matters and Digitalization.

Campbell MacPherson was appointed to the Executive Board for the first time as Chief Operating Officer (COO) as of 1 January 2024. He has been with SBO for over 15 years, most recently serving as the Executive Vice President of the Advanced Manufacturing & Services division. In his time with SBO, Campbell MacPherson has served in critical roles including Managing Director of SBO's subsidiaries in the UK, Vietnam for which he led the setup and the Middle East. He also held executive positions in Forth Tool & Valve Ltd. (now Proclad), Havelock Europe and the CEO role for Premier Hytemp. Campbell holds a Bachelor of Engineering in Naval Architecture & Offshore Engineering from the University of Strathclyde, Glasgow. He is responsible for Production, Supply Chain Management, Sales and Marketing, Product and Market Strategy, R&D and Innovation Management

Skills and expertise in monitoring sustainability aspects	GOV-1-23a	Access to experts	Access to experts
Relation of skills and expertise to the material IROs	GOV-1-23b	<p>When developing and implementing the corporate strategy, which encompasses both organic and acquisitive growth, the Executive Board considers sustainability aspects as well as associated opportunities and risks related to environmental, social, and governance (ESG) factors.</p> <p>For example, during an M&amp;A process, the Executive Board evaluates the extent to which a potential transaction impacts SBO's sustainability positioning with regard to key impacts, risks, and opportunities. In this process, the Executive Board is supported by internal and external ESG experts.</p>	

<b>Composition of the Supervisory Board:</b>	<b>Name</b>	<b>Independence</b>	<b>Experience</b>	<b>Skills and expertise in monitoring sustainability aspects</b>
GOV-1-22a, GOV-1-21b	GOV-1-22a	GOV-1-21e	GOV-1-21c	GOV-1-23a
Chairman of the Supervisory Board	Norbert Zimmermann	Yes	<p>Norbert Zimmermann, Chairman of the Supervisory Board, has been a member of the SBO Supervisory Board since 1995. He is a renowned Austrian entrepreneur and has gained extensive management experience at companies such as Spar AG and Berndorf AG and held various Executive Board and Supervisory Board positions in the Berndorf Group, including Chairman of the Supervisory Boards at Berndorf AG and Berndorf Industrieholding AG (to date). In addition to his role as Chairman of the Supervisory Board at SBO, Norbert Zimmermann is actively involved in various foundations. Norbert Zimmermann holds a Master's degree in Commercial Sciences from the Vienna University of Economics and Business.</p>	

Deputy Chairwoman of the Supervisory Board	Brigitte Ederer	Yes	<p>Brigitte Ederer, Deputy Chairwoman of the Supervisory Board, was first elected to the SBO Supervisory Board in 2014. She was active in politics for many years in various roles, including serving as Austria's State Secretary for European Affairs. From 2000 onwards, she held executive positions within the Siemens Group in Austria and Germany. Brigitte Ederer also holds supervisory board mandates at major companies such as ÖBB Holding AG, Marinomed Biotech AG, ams-OSRAM AG, TTTech Computertechnik AG, and WEB Windenergie AG. Brigitte Ederer holds a Master's degree in Economics from the University of Vienna.</p>	Training courses
Member of the Supervisory Board	Simon William Caines Eyers	Yes	<p>Simon WC Eyers has been a member of the SBO Supervisory Board since 2024. He has worked as a manager in technology companies and investment banks such as Goldman Sachs. He was a founding partner of 4D Global Energy Advisors, a partner and advisor at Warburg Pincus International, and Chairman of Evrythng. Simon Eyers also holds supervisory board mandates in international companies, such as Technip Energies. Simon WC Eyers holds a Bachelor of Science in Electrical and Electronic Engineering from the University of Edinburgh.</p>	
Member of the Supervisory Board	Wolfram Littich	Yes	<p>Wolfram Littich has been a member of the SBO Supervisory Board since 2016. He has held various leadership positions in the banking and insurance sectors, including serving on the Executive Board of the Vienna Stock Exchange and Bank Austria. From 2001 to 2017, he was CEO of Allianz Elementar. In addition to his role at SBO, he is a member of various supervisory boards within the Berndorf Group. Wolfram Littich studied Business Administration at the Vienna University of Economics and Business and earned his Doctorate in Economics from the University of Vienna.</p>	

Member of the Supervisory Board	Sonja Zimmermann	Yes	<p>Sonja Zimmermann has been a member of the SBO Supervisory Board since 2018. She holds various executive and supervisory board positions within the Berndorf Group, including Chairwoman of the Supervisory Board at Berndorf AG and a member of the Executive Board of Berndorf Industrieholding AG. As a board member of the Berndorf Private Foundation, she is committed to education, culture, and social projects. Sonja Zimmermann furthermore holds a supervisory board mandate Bank für Tirol und Vorarlberg AG. She holds a Master of Arts in Translation and Interpreting with a focus on Commercial Sciences from the University of Vienna.</p>
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## G1 GOV-1 - The role of the administrative, management and supervisory bodies

The Executive Board of SBO holds both operational and strategic responsibility for corporate governance. At a strategic level, key elements include developing the strategy of SBO. SBO's Code of Conduct guides SBO's principles and practices. In coordination with the compliance team, division heads and local presidents, the Executive Board measures and aligns strategic objectives, which are then implemented and monitored at an operational level.

The Executive Board oversees corporate governance and the business conduct of the subsidiaries, ensuring alignment with SBO's strategic goals and practices. The Supervisory Board provides oversight to ensure compliance and effectiveness. Both members of the Executive Board have expertise in corporate governance and risk management which enables them to guide SBO in alignment with CSRD and ESRS requirements.

## GOV-2 - Information provided to sustainability matters addressed by SBO's administrative, management and supervisory bodies

The Senior Expert ESG and Sustainability supported by local sustainability managers, informs the Executive Board about material impacts, risks, and opportunities. The local sustainability managers collaborate to provide comprehensive analyses and ensure that sustainability-related factors are communicated. The Senior Expert ESG and Sustainability, reports, based on the provided feedback from local sustainability managers, on the effectiveness of strategies and actions. This ensures transparency and accountability of all involved parties. The results are then communicated via regular reports.

The Executive Board considers material impacts, risks, and opportunities when defining the strategy of SBO, using input from subsidiaries to guide their decisions. ESG-related impacts, risks and opportunities are initially identified through the double materiality assessment. A standardized process for systematically considering these factors in decision-making has not yet been implemented. Consideration is carried out on a case-by-case basis within the existing decision-making and planning processes.

During the reporting period, SBO's Executive Board and Supervisory Board addressed the key impacts, risks, and opportunities, including health and safety, financial risks, regulatory changes, working conditions, decarbonization measures, and the diversifi-

cation of the business model. The Executive Board implemented measures to further improve workplace safety, meet regulatory requirements, and drive the strategic development of the Company.

**Health and safety (S1)**

Work accidents due to inadequate safety measures.

**Financial risks (E1, S4)**

rising energy prices (E1); Transitional risk by phase out of fossil fuels (E1); Reduced demand due to new trends in the energy market (S4).

**Regulatory changes (G1)**

Incidents of corruption and bribery; Improper protection of whistleblowers.

**Working conditions (S1)**

High workload; Low standards regarding working conditions and job satisfaction; Work-life balance and adequate working hours; Incidents of violence and harassment at the workplace; Upskilling.

**Energy (E1)**

Energy consumption in production, offices and services.

**Climate Change - business model diversification (E1)**

Emerging new business opportunities.

## **GOV-3 - Integration of sustainability-related performance in incentive schemes**

The remuneration system for SBO's Executive Board includes performance-based variable components linked to both financial and non-financial criteria. Non-financial criteria are partially aligned with sustainable and strategic objectives, contributing to accountability for environmental, social, and governance (ESG) priorities. For the Supervisory Board, remuneration is not linked to company performance, as per Austrian regulations.

In the reporting period 2025 SBO did not integrate sustainability-related targets into the performance measurement of the Executive Board. Performance is evaluated using qualitative criteria that align with SBO's broader strategic goals.

Variable remuneration for Executive Board members includes both financial and non-financial performance criteria. Non-financial criteria are tied to areas like ESG projects and strategic corporate development.

Due to the lack of explicit quantification of climate-related criteria within the qualitative performance criteria, the share of climate-related criteria within variable remuneration to be disclosed in accordance with ESRS E1, paragraph 13 in conjunction with ESRS 2, GOV-3 cannot be determined or disclosed.

The Nomination and Remuneration Committee of the Supervisory Board is responsible for preparing, regularly reviewing and monitoring the implementation of the Remuneration Policy for the Executive Board. The Nomination and Remuneration Committee is responsible for determining the target achievement of the performance criteria for the performance-related remuneration.

## **E1 GOV-3 - Integration of sustainability-related performance in incentive schemes**

Climate-related factors are integrated into the compensation of the Executive Board as part of its sustainability and ESG-related responsibilities; however, they are not separately quantified. The qualitative performance criteria include strategic corporate development, ESG projects, the implementation of key initiatives, as well as market and product innovations.

In the company strategy newly presented in 2025, the Executive Board set the goal of reducing Scope 1 and Scope 2 emissions by 30% by 2030 compared to the reporting year and Scope 3 emissions by 10%. Progress is reviewed regularly. The respective targets form the basis for assessing both the Executive Board's overall performance and the individual performance of each Executive Board member.

## **GOV-4 - Statement on due diligence**

SBO aligns its sustainability reporting with the requirements of the ESRS. Through the double materiality assessment, significant impacts, risks, and opportunities (IROs) across the value chain were identified. These findings are integrated into the Non-financial Statement to demonstrate how key ESG topics are addressed in practice.

Compliance with ESRS standards is ensured through a systematic approach that prioritizes relevant topics and ensures transparent documentation. Transparency is achieved by incorporating stakeholder feedback and clearly presenting the outcomes.

This approach ensures that the essential aspects of due diligence are incorporated into sustainability reporting and continuously improved.

Core elements of due diligence	Paragraphs in the Non-financial Statement
<b>GOV-4-32</b>	<b>GOV-4-32</b>
a) Integration of due diligence into governance, strategy and business model	GOV-1-22A, GOV-2-26A, GOV-3-29A, SBM-1-40A (Description of how due diligence is integrated into governance and strategy) MDR-P (Policies defining how due diligence is managed, including ethical frameworks, human rights, and environmental compliance)
b) Involvement of affected stakeholders in all key steps of the due diligence process	SBM-2-45A, SBM-2-45B, SBM-2-45C, SBM-2-45D (How stakeholders, including employees, suppliers, and communities, are engaged in due diligence) IRO-1, GOV-2-26A (Materiality analysis on stakeholder concerns) ESRS S1-S4: SBM-2-45, S1-SBM-2-12, S2-SBM-2-9 (How stakeholder rights, social impact, and human rights issues are integrated) MDR-P (Policies and procedures for engaging stakeholders in due diligence processes)
c) Identification/determination and assessment of negative impacts	SBM-3-48A, SBM-3-48B, SBM-3-48C, IRO-1 (Methodologies used to identify material ESG risks and opportunities) ESRS E1-E5: SBM-3-48A, SBM-3-48C (Environmental risks such as climate change, pollution, and resource use) ESRS S1-S4: SBM-3-48A (Social risks such as labor rights, supply chain risks, and discrimination)
d) Actions to counter these negative impacts	MDR-A (Actions taken to mitigate or remediate ESG risks, such as changes to supply chain policies, investment in clean technology, or improvement in social programs)
e) Tracking the effectiveness of these efforts and communication	GOV-2-26C, GOV-1-22D (Company-wide monitoring systems, internal reporting structures, and ESG disclosures) MDR-M (Specific metrics used to measure the effectiveness of due diligence actions, such as ESG impact assessments, supplier audits, and diversity ratios) MDR-T (Tracking against sustainability goals, such as net-zero by 2050, supplier ESG compliance or employee well-being initiatives)

## GOV-5 - Risk management and internal controls over sustainability reporting

SBO's approach to risk management in sustainability reporting focuses on ensuring the accuracy, reliability, and transparency of disclosed data. Key components include:

- **Risk Mitigation:** SBO has implemented measures to reduce the likelihood of errors in material key figures. These include standardizing data collection processes and enhancing data verification to improve accuracy and consistency.
- **Training Programs:** Employees involved in sustainability data collection processing and reporting are provided with targeted training to enhance understanding of reporting requirements and processes.
- **Documentation and Control Loops:** SBO employs clear guidelines for collecting and validating key figures, ensuring that all data is subject to comprehensive review and control procedures before being published.

These measures help SBO align its sustainability reporting with legal requirements, thereby ensuring transparency and accountability.

SBO applies a clear process to manage and prioritize risks in sustainability reporting. This includes organizing cross-functional teams for data collection and analysis as well as carrying out validation steps to ensure the accuracy and completeness of the data. In addition, internal controls and review mechanisms are in place to ensure compliance with legal requirements and alignment with SBO's overall sustainability objectives.

**Completeness and Integrity of Data:**

**Risk:** Potential gaps or inaccuracies in sustainability data due to incomplete information from upstream or downstream value chain partners.

**Planned mitigation Strategy:** Establish clear communication protocols with suppliers and partners, implement fallback options such as data extrapolation based on historical data, and enhance data validation processes.

**Monitoring:** Regular reviews of data completeness and integrity by designated teams, with discrepancies flagged for immediate correction.

**Accuracy of Estimation Results:**

**Risk:** Challenges in ensuring precise estimates for sustainability metrics.

**Planned mitigation Strategy:** Develop standardized estimation methodologies and conduct periodic audits to verify accuracy.

**Monitoring:** Continuous evaluation through comparison of estimates with actual results over time.

Responsible persons from the areas of Compliance, Risk management, ESG or Finance report regularly to the Executive Board and the Supervisory Board through structured updates on risk management and internal control mechanisms. This ensures well-founded decision-making and the continuous improvement of sustainability reporting in line with SBO's governance framework.

## SBM-1 - Market position, strategy, business model(s) and value chain

Significant product (groups) / (groups of) services	Share of turnover of SBO	Mention of (possible) negative impacts on people and the environment
<b>SBM-1-40a-i</b>	<b>SBM-1-40a-i</b>	<b>SBM-1-40a-i</b>
Manufacturing of high-precision components	more than 10 %	yes
Sale and rental of drilling tools and well completion equipment	more than 10 %	yes
Manufacturing of non-magnetic steel collars	more than 10 %	yes
Services and repair	less than 10 %	yes

Customer groups served	Share of turnover of SBO	Mention of (possible) negative impacts on people and the environment
<b>SBM-1-40a-ii</b>	<b>SBM-1-40a-ii</b>	<b>SBM-1-40a-i</b>
Large companies	more than 10%	yes
SMEs (small and medium-sized enterprises)	less than 10%	yes
Government sector	less than 10%	yes

Markets served	Share of turnover of SBO	Mention of (possible) negative impacts on people and the environment
<b>SBM-1-40a-ii</b>	<b>SBM-1-40a-ii</b>	<b>SBM-1-40a-i</b>
Middle East	more than 10%	yes
North America	more than 10%	yes
Asia	more than 10%	yes
Central and South America	less than 10%	yes
Other	less than 10%	yes
Europe	less than 10%	yes

<b>Geographical area</b>	<b>Number of employees (HC)</b>
<b>SBM-1-40a-iii</b>	<b>SBM-1-40a-iii</b>
Europe	458
North America	684
Asia-Pacific	128
Middle East	140
Others (South America, Russia)	129
Total	1539

## SUSTAINABILITY TARGETS

SBO has defined specific sustainability targets, including targets for emissions reductions and diversification. Currently, there are no explicitly defined quantitative targets for individual product groups, services, customer groups or stakeholder relationships. At present, products or product groups do not explicitly contribute to achieving the sustainability targets.

## STRATEGIC RELEVANCE OF SUSTAINABILITY ASPECTS

SBO's strategy includes sustainability targets. A key objective is the reduction of emissions, achieved through the transition to renewable energy, optimization of manufacturing processes and resource-efficient circular economy practices. SBO is strategically leveraging its existing technologies to penetrate adjacent industries, such as Next-generation geothermal energy, while simultaneously driving innovation with advanced products in 3D metal printing in energy transition and industrial markets. Key challenges include meeting evolving regulatory requirements, ensuring supply chain resilience and maintaining competitiveness while advancing sustainable solutions.

## BUSINESS MODEL AND VALUE CHAIN

SBO is a manufacturer of high-alloy, non-magnetic steels as well as high-precision components and equipment for the energy sector and other industries. SBO delivers cutting-edge, high-performance solutions from a highly innovative product portfolio protected by strong intellectual property.

Headquartered in Ternitz, Austria, and with subsidiaries across four continents, SBO stays close to its customers and provides fast, efficient, and high-quality products and solutions. Strategic, long-standing relationships with customers and suppliers are essential to deliver industry-specific solutions of the highest quality that both increase efficiency and reduce environmental impact. With its products and services, SBO makes a significant contribution to securing the global energy supply.

SBO's value chain encompasses all key stages – from raw material sourcing to the end use of its products. Finished components are then delivered worldwide to customers in the oil and gas, geothermal, lithium and helium extraction, carbon capture & storage, defense and other industries. After their use, many of these products can be recycled or reintegrated into further industrial processes, supporting long-term operational efficiency.

**Precision Technology (PT):** In this division, SBO manufactures custom components with the highest accuracy – from complex steel parts to additive manufacturing solutions – for industries where precision and high performance are critical, such as the energy, aerospace, defense and semiconductor industries.

**Energy Equipment (EE):** In this division, SBO provides high-end equipment for horizontal and directional drilling and for well-completion in extreme onshore and offshore environments. SBO's solutions are designed for high-temperature and high-pressure conditions and are used in industries such as oil and gas, geothermal, lithium and helium extraction, and carbon capture & storage. SBO's customer-focused innovations can be rented or purchased and deliver efficiency, reliability, and sustainability across diverse industries.

SBO's production processes rely on a range of key raw materials, including steel, metal powder for additive manufacturing, aluminium, resin and hardener (for composite materials), glass fibre material, rubber, polyester, and magnesium. To ensure supply chain stability and security of supply, SBO maintains long-term relationships with its suppliers.

**Outputs:** SBO manufactures high-precision components and equipment, components used for directional drilling, rotary steerable systems, and well-completion products and solutions. These products are primarily used in the energy sector today, but increasingly in geothermal applications.

**Customer Benefits:** The products of SBO meet high performance and quality standards, providing customers with a technological edge and thus competitive advantages in their respective industry through tailored and often customer-specific designs.

**Stakeholder Benefits:**

- **Investors:** Benefit from revenue growth, an increase in company value, and dividends through diversification into business areas such as energy transformation and other industrial applications. Earnings and cash generation across market cycles thanks to a strong market position (niche provider).
- **Employees:** Personal development and career opportunities through innovation-driven programs.
- **Communities:** Experience reduced environmental impact through SBO's technologies as well as the company's compliance and sustainability efforts.

**UPSTREAM AND DOWNSTREAM VALUE CHAIN**

**Upstream Value Chain:** SBO's upstream value chain relies on robust relationships with suppliers of high-quality raw materials, ensuring the consistent manufacturing of its specialized products.

**Downstream Value Chain:** SBO works closely with its customers, offering tailored solutions to maintain high performance standards, reliability, and efficiency improvements. This collaboration significantly contributes to the overall value creation in the energy sector.

## SBM-2 - Interests and views of stakeholders

SBO engages with key stakeholder groups, including customers, suppliers, banks, shareholders, and employees, through regular communication and collaboration. This includes direct exchanges with customers to address specific needs, close coordination with suppliers to strengthen supply chain reliability and foster long-term partnerships, ongoing dialogue with banks regarding financial matters, transparent communication with shareholders on strategic developments, and continuous engagement with employees to support their health, safety and professional growth.

### INTEGRATING INTERESTS AND VIEWS INTO STRATEGY AND BUSINESS MODEL

SBO actively engages with its workforce to understand their interests, views, and rights, considering these insights to inform its strategy and business model while maintaining a strong commitment to respecting human rights. However, the interests and views of value chain workers, affected communities, and consumers are not fully integrated into this process, although their rights are upheld.

Stakeholder	SBM-2-45 a ii	Customers/distributors
Purpose of inclusion	SBM-2-45 a iv	Challenge own assumptions and create better results, products and services, etc.
Organisation/type of integration	SBM-2-45 a iii	Annual and quarterly meetings, stakeholder events, fairs, etc.
Consideration of the results	SBM-2-45 a v	Feedback incorporated into business offering
Description of the interests of key stakeholders with regard to the corporate strategy and business model	SBM-2-45 b	Innovative products, on-time delivery, high quality, financial strength, etc.
Adaptation of the financial year strategy or business model to the interests of stakeholders	SBM-2-45 c i	No changes
Planned adaptation of the strategy or business model to the interests of stakeholders in the future	SBM-2-45 c ii	SBO's customers are critical to SBO's success. Future strategic adjustments may be made based on customer feedback.
Planned steps to address the interests of stakeholders	SBM-2-45 c ii	Continue to implement feedback mechanisms to discuss operational and strategic topics
Realisation date of the planned further steps	SBM-2-45 c ii	Ongoing
Expected result of the changes in strategy, business model and further steps	SBM-2-45 c iii	Grow further with existing customers as well as win new clients

<b>Stakeholder</b>	<b>SBM-2-45 a ii</b>	<b>Employees</b>
Purpose of inclusion	SBM-2-45 a iv	Ensure employee satisfaction, improve working conditions and employee retention
Organisation/type of integration	SBM-2-45 a iii	Feedback box, dialogue with the works council, suggestion system etc.
Consideration of the results	SBM-2-45 a v	Employee surveys were conducted in selected subsidiaries. The results are discussed in management meetings and taken into account when deriving and prioritising improvement measures.
Description of the interests of key stakeholders with regard to the corporate strategy and business model	SBM-2-45 b	Safe and fair working environment, development opportunities
Adaptation of the financial year strategy or business model to the interests of stakeholders	SBM-2-45 c i	No changes
Planned adaptation of the strategy or business model to the interests of stakeholders in the future	SBM-2-45 c ii	SBO continuously integrates valuable ideas for new business opportunities, which may lead to strategic adjustments in the future (e.g., through leadership meetings).
Planned steps to address the interests of stakeholders	SBM-2-45 c ii	Implement training and development workshops
Realisation date of the planned further steps	SBM-2-45 c ii	Ongoing
Expected result of the changes in strategy, business model and further steps	SBM-2-45 c iii	Higher employee retention
<b>Stakeholder</b>	<b>SBM-2-45 a ii</b>	<b>Shareholder</b>
Purpose of inclusion	SBM-2-45 a iv	Aligning with shareholder expectations for company growth, share price, dividend payment and overall financial stability of SBO
Organisation/type of integration	SBM-2-45 a iii	Annual General Meeting, Conferences, roadshows, investor calls and financial quarterly reports
Consideration of the results	SBM-2-45 a v	Input considered for strategy and financial planning
Description of the interests of key stakeholders with regard to the corporate strategy and business model	SBM-2-45 b	Pursue strategies which ensure sustainable and profitable company growth
Adaptation of the financial year strategy or business model to the interests of stakeholders	SBM-2-45 c i	No changes
Planned adaptation of the strategy or business model to the interests of stakeholders in the future	SBM-2-45 c ii	SBO may refine its strategy based on constructive feedback from shareholders, particularly in the context of conferences, roadshows, and similar engagements.
Planned steps to address the interests of stakeholders	SBM-2-45 c ii	Further strengthen reporting processes and enhance governance
Realisation date of the planned further steps	SBM-2-45 c ii	Ongoing
Expected result of the changes in strategy, business model and further steps	SBM-2-45 c iii	Maintained investor confidence and alignment with strategic goals

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<b>Stakeholder</b>	<b>SBM-2-45 a ii</b>	<b>Suppliers</b>
Purpose of inclusion	SBM-2-45 a iv	Foster collaboration for supply chain efficiency and sustainability
Organisation/type of integration	SBM-2-45 a iii	Annual to quarterly meetings. Stakeholder events, direct communication
Consideration of the results	SBM-2-45 a v	Supplier feedback incorporated into procurement processes
Description of the interests of key stakeholders with regard to the corporate strategy and business model	SBM-2-45 b	Stable relationships, sustainable procurement practices
Adaptation of the financial year strategy or business model to the interests of stakeholders	SBM-2-45 c i	No changes
Planned adaptation of the strategy or business model to the interests of stakeholders in the future	SBM-2-45 c ii	Continue close collaboration and maintain regular meetings to ensure ongoing alignment with supplier expectations
Planned steps to address the interests of stakeholders	SBM-2-45 c ii	SBO's suppliers are vital value chain partners and play a crucial role in SBO's success. At this moment in time SBO does not plan to alter its strategy in response to supplier feedback.
Realisation date of the planned further steps	SBM-2-45 c ii	Within 1-5 years
Expected result of the changes in strategy, business model and further steps	SBM-2-45 c iii	Increased reliability and sustainability in the supply chain
<b>Stakeholder</b>	<b>SBM-2-45 a ii</b>	<b>Banks</b>
Purpose of inclusion	SBM-2-45 a iv	Ensure alignment with financial expectations and compliance
Organisation/type of integration	SBM-2-45 a iii	Regular dialogue, financial reports, annual meetings
Consideration of the results	SBM-2-45 a v	Feedback incorporated into financial risk assessments
Description of the interests of key stakeholders with regard to the corporate strategy and business model	SBM-2-45 b	Risk management, stability, and sustainability
Adaptation of the financial year strategy or business model to the interests of stakeholders	SBM-2-45 c i	No changes
Planned adaptation of the strategy or business model to the interests of stakeholders in the future	SBM-2-45 c ii	While banks are key financial partners and essential to the successful execution of SBO's strategy, SBO will not adjust its strategic direction based on their input.
Planned steps to address the interests of stakeholders	SBM-2-45 c ii	Ongoing engagement with financial institutions
Realisation date of the planned further steps	SBM-2-45 c ii	Ongoing
Expected result of the changes in strategy, business model and further steps	SBM-2-45 c iii	Continued strong credit rating and financial reliability

<b>Stakeholder</b>	<b>SBM-2-45 a ii</b>	<b>Authorities, politics</b>
Purpose of inclusion	SBM-2-45 a iv	Compliance with regulations
Organisation/type of integration	SBM-2-45 a iii	Monitoring of political discourse
Consideration of the results	SBM-2-45 a v	Results used to ensure legal compliance
Description of the interests of key stakeholders with regard to the corporate strategy and business model	SBM-2-45 b	Legal and regulatory adherence
Adaptation of the financial year strategy or business model to the interests of stakeholders	SBM-2-45 c i	No changes
Planned adaptation of the strategy or business model to the interests of stakeholders in the future	SBM-2-45 c ii	Authorities and political parties will not play a central role in shaping SBO's future strategy. However, geopolitical changes may necessitate flexible adjustments of any strategy.
Planned steps to address the interests of stakeholders	SBM-2-45 c ii	None
Realisation date of the planned further steps	SBM-2-45 c ii	n/a
Expected result of the changes in strategy, business model and further steps	SBM-2-45 c iii	Compliance with changing legal frameworks
<b>Stakeholder</b>	<b>SBM-2-45 a ii</b>	<b>NGOs</b>
Purpose of inclusion	SBM-2-45 a iv	Limited communication
Organisation/type of integration	SBM-2-45 a iii	No regular formats
Consideration of the results	SBM-2-45 a v	Not applicable
Description of the interests of key stakeholders with regard to the corporate strategy and business model	SBM-2-45 b	Social and environmental considerations
Adaptation of the financial year strategy or business model to the interests of stakeholders	SBM-2-45 c i	No changes
Planned adaptation of the strategy or business model to the interests of stakeholders in the future	SBM-2-45 c ii	At this moment SBO does not plan to modify its strategy based on input from NGOs
Planned steps to address the interests of stakeholders	SBM-2-45 c ii	None
Realisation date of the planned further steps	SBM-2-45 c ii	n/a
Expected result of the changes in strategy, business model and further steps	SBM-2-45 c iii	Minimal direct impact
<b>Stakeholder</b>	<b>SBM-2-45 a ii</b>	<b>Local communities</b>
Purpose of inclusion	SBM-2-45 a iv	Support targeted local initiatives
Organisation/type of integration	SBM-2-45 a iii	Project-based collaboration
Consideration of the results	SBM-2-45 a v	Community feedback integrated into local projects
Description of the interests of key stakeholders with regard to the corporate strategy and business model	SBM-2-45 b	Social impact and environmental improvement

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Adaptation of the financial year strategy or business model to the interests of stakeholders	SBM-2-45 c i	No changes
Planned adaptation of the strategy or business model to the interests of stakeholders in the future	SBM-2-45 c ii	Focus on maintaining existing community engagement activities and evaluating potential new opportunities if aligned with strategic goals
Planned steps to address the interests of stakeholders	SBM-2-45 c ii	At this moment SBO does not plan to modify its strategy based on input from local communities.
Realisation date of the planned further steps	SBM-2-45 c ii	Long-term
Expected result of the changes in strategy, business model and further steps	SBM-2-45 c iii	Strengthened community relationships
<b>Stakeholder</b>	<b>SBM-2-45 a ii</b>	<b>Media</b>
Purpose of inclusion	SBM-2-45 a iv	Public relations and brand positioning
Organisation/type of integration	SBM-2-45 a iii	Press releases, media events
Consideration of the results	SBM-2-45 a v	Media feedback influences corporate image
Description of the interests of key stakeholders with regard to the corporate strategy and business model	SBM-2-45 b	Transparent communication, enhanced reputation
Adaptation of the financial year strategy or business model to the interests of stakeholders	SBM-2-45 c i	No changes
Planned adaptation of the strategy or business model to the interests of stakeholders in the future	SBM-2-45 c ii	SBO will not alter its strategy in response to media influence.
Planned steps to address the interests of stakeholders	SBM-2-45 c ii	None
Realisation date of the planned further steps	SBM-2-45 c ii	Ongoing
Expected result of the changes in strategy, business model and further steps	SBM-2-45 c iii	Improved public image and stakeholder awareness

At SBO, the executive and supervisory boards are informed about stakeholder views and interests regularly through verbal updates or reports and summaries prepared by responsible managers, ensuring these insights are considered in decision-making processes.

## **SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model(s)**

SBO has identified key environmental impacts, risks, and opportunities, mainly focused on emissions and resource consumption in its own manufacturing operations and across the upstream and downstream value chain. Risks also arise from regulatory changes and market dynamics, while opportunities exist in business model diversification and advancements in the circular economy. SBO acknowledges that material impacts, risks, and opportunities significantly affect its business model, value chain, strategy, and decision-making. Current and future focus areas include emission reduction and circular economy optimization.

By applying the double materiality principle, SBO has analyzed all Impact, Risk, and Opportunity factors (IROs). In addition, the climate risk and vulnerability analysis has provided valuable insights, further enhancing the understanding of key climate-related risks and opportunities. SBO is strategically well-positioned to manage these challenges and leverage opportunities.

There were no significant financial impacts during the reporting year caused by IROs.

The double materiality assessment was reviewed for continued relevance in the current reporting year and adjusted in terms of content. One impact was reassessed and classified as non-material (E2 Pollution – microplastics). In addition, IROs with identified overlaps were aggregated. For selected IROs, the allocation within the value chain was further specified to correct imprecision resulting from data collection. As a result, there are now 51 impacts instead of 52, with aggregated impacts each counted as a separate impact, and an unchanged total of 21 risks and opportunities.

The IROs are subject to ESRS disclosure requirements.

## LIST OF ALL MATERIAL IMPACTS SBM - 3 -48 A-H

Topic/Sub-Sub-Topic	E1-Climate change mitigation (Environmental concern)
List of all material impacts	Emissions from transportation, purchased raw materials and from the production of iron and steel
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Entire value chain
Details/Description	Transport-related emissions occur throughout the value chain, as products are transported from raw material suppliers to production sites and subsequently to customers. Carbon emissions and environmental pollution from steel production affect global warming and air quality.
Period	All time horizons
Topic/Sub-Sub-Topic	E1-Climate change mitigation (Environmental concerns)
List of all material impacts	Emissions from oil and gas extracted with SBO products
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Downstream value chain
Details/Description	Indirect greenhouse gas emissions arising from the use of SBO products in oil and gas extraction, as the products support extraction and thereby cause additional emissions.
Period	All time horizons
Topic/Sub-Sub-Topic	E1-Climate change mitigation (Environmental concerns)
List of all material impacts	Use of GHG intensive raw materials
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Own activities
Details/Description	The use of greenhouse gas-intensive raw materials in own operations leads to increased energy consumption and greenhouse gas emissions throughout the manufacturing processes.
Period	All time horizons
Topic/Sub-Topic	E1-Energy (Environmental concerns)
List of all material impacts	Energy Consumption in manufacturing, offices and services
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Own activities
Details/Description	Energy consumption at SBO sites worldwide in production, offices and services increases the company's carbon footprint and leads to additional local environmental impacts, in particular due to the provision of energy from fossil sources. This results in higher energy-related emissions and other environmental impacts associated with energy generation and use.
Period	All time horizons

<b>Topic/Sub-Sub-Topic</b>	<b>E2 Pollution of air and soil (Environmental matters)</b>
List of all material impacts	Air pollution from global industrial processes, from the production of iron and steel, from mining operations for nickel, copper, chromite and other raw materials, from transportation, and soil pollution from mining for nickel, copper, chromite and other raw materials
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Upstream and downstream value chain
Details/Description	The impacts are linked to the strategy and business model because SBO sources key raw materials and intermediate products, in particular steel, through an upstream supply chain. Environmental impacts from raw material extraction, steel production and transportation are therefore directly linked to SBO's procurement strategy, supplier selection and global logistics.
Period	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>E3-Water consumption (Environmental concerns)</b>
List of all material impacts	Water usage
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Entire value chain
Details/Description	Water consumption is linked to the strategy and business model because water is a necessary input in SBO's manufacturing processes and these processes are part of the core operations. This is particularly relevant in regions with water scarcity, as site selection, production planning and operational processes determine the extent to which local water resources are used.
Period	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>E3-Water discharges in the oceans (Environmental concerns)</b>
List of all material impacts	Liquid pollutant discharges in the ocean
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Downstream value chain
Details/Description	Discharges of liquid pollutants into the sea in the context of downstream oil and gas projects in which SBO products are used can adversely affect the marine environment. This can harm marine life and ecosystems, in particular in the event of incidents or insufficient operating and protective measures. Although compliance with legal requirements is expected from major downstream operators and SBO is not aware of any violations to date, a long-term risk to marine biodiversity and marine ecosystems remains.
Period	Long-term

<b>Topic/Sub-Sub-Topic</b>	<b>E4-Land-use change, fresh water-use change and sea-use change (Environmental concerns)</b>
List of all material impacts	Change in land use for mining, freshwater use for production, change in marine use for product use
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Upstream and downstream value chain
Details/Description	Changes in land, freshwater and marine use arise in the upstream and downstream value chain, in particular due to mining for the extraction of raw materials, the use of freshwater in production and the application of products in maritime operating environments. This can result in land conversion, impacts on natural habitats and disruption of ecosystems, including through interventions in forest areas, changes in water availability and conflicts of use in marine areas. These impacts are predominantly long-term as they are linked to the life cycle of mining activities and downstream use.
Period	Long-term
<b>Topic/Sub-Sub-Topic</b>	<b>E4-Climate Change (Environmental concerns)</b>
List of all material impacts	Use of product for extraction of oil and gas
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Downstream value chain
Details/Description	The use of SBO products in drilling and completion activities in the downstream value chain supports the extraction and production of fossil fuels. This enables or intensifies activities that are associated with additional greenhouse gas emissions and contribute to climate change. The impact persists across all time horizons as long as the products are used in oil and gas projects. It means that, through the use of its products, SBO indirectly contributes to the continuation of the fossil value chain and the business model remains linked to the fossil fuel industry.
Period	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>E4-Land degradation: Desertification: Soil sealing (Environmental concerns)</b>
List of all material impacts	Drilling activities causing impact on ecosystems
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Downstream value chain
Details/Description	Drilling and production activities in which SBO products are used in the downstream value chain can contribute to soil degradation and land take in sensitive ecosystems. This can impair vegetation cover and habitats, weaken local ecosystem functions and cause additional disturbances, such as noise, through associated operating activities.
Period	All time horizons

<b>Topic/Sub-Sub-Topic</b>	<b>E4-Pollution (Environmental matters)</b>
List of all material impacts	Pollution along the value chain with impacts on biodiversity
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Upstream and downstream value chain
Details/Description	Pollution along the value chain can arise from emissions and waste from manufacturing, transportation and product use and can thereby adversely affect biodiversity. Pollutants in air, water and soil can place stress on habitats, impair ecosystem quality and contribute to a decline in species and populations.
Period	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>E5-Resources inflows, including resource use</b>
List of all material impacts	Resource consumption for manufacturing and dependence on primary raw materials
Type of sustainability impact	Negative impacts (actual and potential)
Concentration in the value chain	Upstream value chain and own operations
Details/Description	Resource consumption in manufacturing and dependence on primary raw materials lead to high use of natural resources and to waste from production processes. The use of material-intensive materials such as steel increases the environmental impact because additional interventions and emissions occur in the provision of raw materials. Through recycling processes and the use of recycled materials, the need for new raw materials can decrease and environmental impacts can be reduced. This remains limited due to the continued need to purchase primary raw materials. For people and the environment, this means pressure on ecosystems and resource availability. For the business model, inefficient resource use creates cost, sourcing and reputational risks. At the same time, resource efficiency and recycling can strengthen resilience and sustainability.
Period	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>E5-Resources inflows, including resource use (Environmental concerns)</b>
List of all material impacts	Inefficient use of raw materials and resources
Type of sustainability impact	Negative impact (potential)
Concentration in the value chain	Upstream value chain and own activities
Details/Description	Inefficient use of raw materials and other material resources in manufacturing processes, as well as in the use of production and office space, leads to unnecessarily high material consumption and increased volumes of waste. This increases the need for primary raw materials, which can exacerbate resource scarcity and increase pressure on upstream raw material extraction and supply chains. For people and the environment, this means greater use of natural resources and additional stress on ecosystems due to higher demand for raw materials and disposal. For the business model, this results in rising material costs.
Period	All time horizons

<b>Topic/Sub-Sub-Topic</b>	<b>E5-Waste (Environmental concerns)</b>
List of all material impacts	Waste from own processes in regions Asia, Middle East, Central and South America
Type of sustainability impact	Negative impact (potential)
Concentration in the value chain	Own activities
Details/Description	Waste from SBO's own manufacturing processes at sites in Asia, the Middle East, and Central and South America can lead to pollution of soil, water and the local environment if separation, storage or disposal are inadequate. This can adversely affect ecosystems and have a negative impact on residents and employees due to deteriorating environmental quality. SBO is directly responsible for the generation of this waste, while contracted service providers can also influence the actual environmental impacts during disposal. The generation and type of this waste are directly linked to SBO's business model because it arises as a result of ongoing manufacturing processes at the sites and is determined by production procedures, material use and process design. The actual impacts are also linked to the procurement and operating strategy because the selection, management and control of external waste disposal service providers are part of operational value creation and help determine whether environmental impacts are avoided or exacerbated.
Period	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>S1-Collective bargaining, including rate of workers covered by collective agreements (Employee and social concerns)</b>
List of all material impacts	Missing collective bargaining
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Own activities
Details/Description	A lack of collective bargaining or low coverage by collective agreements in individual subsidiaries can weaken employees' collective representation and limit their ability to enforce fair working conditions. This can favour unequal treatment in terms of wages, working hours or additional benefits and reduce perceived fairness within the company. For employees, this can potentially mean limited participation rights. The impact is directly linked to SBO's strategy and business model, as employment relations and the design of employment conditions are part of operational HR and site management in the subsidiaries. The decision on how working conditions are regulated locally, for example through collective agreements, works agreements or internal policies, is therefore closely linked to the Group's organisational and governance structure and the management of an internationally distributed workforce.
Period	All time horizons

<b>Topic/Sub-Sub-Topic</b>	<b>S1-Child labor (Respect for human rights)</b>
List of all material impacts	Incidents of child labor
Type of sustainability impact	Negative impacts (potential)
Concentration in the value chain	Own activities
Details/Description	Child labour is a severe human rights violation and can lead to exploitation, as well as permanently impair the health, development and educational opportunities of affected children. The potential impact is linked to SBO's strategy and business model because the company employs people through its sites and subsidiaries and is therefore responsible for lawful, age-appropriate employment practices within its own HR management. The Code of Conduct and compliance management are intended to prevent this risk and ensure compliance with human rights standards. No cases are known at SBO or in the value chain.
Period	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>S1-Diversity (Employee and social concerns)</b>
List of all material impacts	Incidents of discrimination at the workplace
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Own activities
Details/Description	Discrimination in the workplace can lead to an unfair, exclusionary or hostile working environment and impair the psychological safety and well-being of affected employees. This can reduce motivation, collaboration and performance and increase the risk of conflicts and staff turnover. The link to SBO's strategy and business model lies in the fact that SBO shapes working conditions in its own operations, in particular through leadership, day-to-day collaboration and HR policies such as recruitment, development and remuneration.
Period	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>S1-Employment and inclusion of persons with disabilities (Employee and social concerns)</b>
List of all material impacts	Inclusion of persons with disabilities
Type of sustainability impact	Positive impact (actual)
Concentration in the value chain	Own activities
Details/Description	The employment and integration of people with disabilities creates an inclusive working environment and promotes equal opportunities and fair participation. Employees benefit from more accessible working conditions, individual support and a culture that strengthens diverse perspectives. For stakeholders, this has a positive effect on current and potential employees, their relatives and representative bodies, as access, participation and employability are improved. The link to SBO's strategy and business model arises because employing people with disabilities concerns the design of SBO's own workplaces and the organisation of work.
Period	All time horizons

## Non-financial Statement

<b>Topic/Sub-Sub-Topic</b>	<b>S1-Forced labor (Respect for human rights)</b>
List of all material impacts	Incidents of forced labor
Type of sustainability impact	Negative impacts (potential)
Concentration in the value chain	Own activities, with consideration of the broader regional context
Details/Description	Forced labour is a severe human rights violation and can lead to exploitation, deprivation of liberty, harm to health and severe psychological distress for those affected, in particular in regions with elevated labour rights risks. Even though SBO applies strict internal policies and compliance standards, an inherent risk remains when activities take place in countries or environments with an increased risk of forced labour. The link to the business model arises because SBO deploys workers at its sites and organises work, depending on the country also through external personnel, agencies or subcontractors. Where and how SBO staffs its activities therefore shapes whether employees could potentially be subject to undue pressure or enter relationships of dependency.
Period	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>S1-Gender equality and equal pay for work of equal value (Respect for human rights)</b>
List of all material impacts	Gender inequality
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Own activities
Details/Description	Gender inequality and a lack of equal pay for work of equal value can undermine equal opportunities, fair career development and promotion prospects and lead to disadvantages for certain groups of employees. This can reduce job satisfaction and motivation and reinforce an unfair working environment, also driven by regional cultural norms and employment practices. For stakeholders, this particularly affects employees and potential female applicants, as trust in fairness and organisational mobility is influenced. The impact is linked to how SBO organises its workforce. Pay systems, job evaluations and promotion processes are part of internal management and are implemented in the companies. Even though no cases have been identified to date, a fundamental risk remains that must be addressed through clear policies, transparency and controls.
Period	All time horizons

<b>Topic/Sub-Sub-Topic</b>	<b>S1-Health and safety (Respect for human rights)</b>
List of all material impacts	Work incidents
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Own activities
Details/Description	Work accidents in production facilities and in field service can lead to injuries, adverse health effects and, in extreme cases, permanent damage. In addition to the direct impacts on those affected, uncertainty, stress and declining morale can strain the working environment and team performance. Stakeholders particularly affected include employees and their families. Supervisory authorities and customers may also impose increased requirements for safety evidence. The link to SBO's strategy and business model arises because occupational safety is directly shaped by how SBO manufactures and provides field services. Plant and equipment, work resources, work organisation and the specific on-site procedures determine how activities are carried out and how likely accidents are to occur or how severe they are.
Period	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>S1-Measures against violence and harassment in the workplace (Respect for human rights)</b>
List of all material impacts	Incidents of violence and harassment at the workplace
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Own activities
Details/Description	Violence and harassment in the workplace can severely impair employees' well-being and psychological safety and lead to stress, anxiety, illness and resignations. In addition, corporate culture is damaged when trust, respect and collaboration are lost. For stakeholders, this primarily affects employees and managers, but it can also trigger labour law proceedings and regulatory attention. The link to SBO's strategy and business model lies in the fact that the working environment at SBO is created within its own operations and is shaped by leadership and day-to-day collaboration at the sites.
Period	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>S1 – Adequate wages (Respect for human rights)</b>
List of all material impacts	Purchasing power of employees
Type of sustainability impact	Positive Impact (actual)
Concentration in the value chain	Own activities
Details/Description	Adequate wages increase employees' purchasing power and improve their financial and overall well-being, including for temporary agency workers where they are included in the remuneration framework. This can have a positive effect on the local environment because higher disposable incomes strengthen demand for goods and services. Stakeholders who benefit most are employees and their households, and indirectly also local communities and service providers. The link to SBO's strategy and business model lies in the fact that SBO determines wage and remuneration structures in its own operations and thus directly influences the income situation of employees at its sites.
Period	All time horizons

## Non-financial Statement

<b>Topic/Sub-Sub-Topic</b>	<b>S1-Training and skills development (Employee and social concerns)</b>
List of all material impacts	Upskilling
Type of sustainability impact	Positive Impact (actual)
Concentration in the value chain	Own activities
Details/Description	Training and skills development through internal programmes, on-the-job training and learning initiatives strengthen employees' capabilities, increase job satisfaction and improve career and development opportunities. This enhances employability and supports a positive social benefit because qualifications remain valuable in the labour market over the long term. Stakeholders who benefit most are employees and managers through improved performance, collaboration and prospects. For the business model, continuous training promotes productivity, capacity for innovation and adaptability to technological and market-related changes and thus strengthens competitiveness and employee retention.
Period	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>S2-Working conditions and equal treatment (Respect for human rights)</b>
List of all material impacts	Inadequate housing, non-living wages, gender inequality, violence and harassment in the workplace, work accidents, discrimination in the workplace, and inadequate water supply and wastewater disposal
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Upstream and downstream value chain
Details/Description	Human rights impacts may occur in the value chain, including inadequate housing conditions, non-living wages, discrimination, gender-based unequal treatment, work accidents, violence or harassment, and a lack of access to clean water and sanitation. These impacts can significantly impair the health, safety, dignity, equal opportunities and quality of life of affected individuals and exacerbate social inequalities. Those primarily affected are workers in the value chain and their households. The link to SBO's strategy and business model lies in the fact that SBO sources raw materials, intermediate products and services worldwide for its own production and service delivery. The topic is therefore directly linked to procurement and to the selection of and cooperation with suppliers, in particular where elevated labour rights risks exist in certain countries or industries.
Period	All time horizons

<b>Topic/Sub-Sub-Topic</b>	<b>S2-Child labor (Respect for human rights)</b>
List of all material impacts	Incidents of forced labour and child labour
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Upstream and downstream value chain
Details/Description	<p>Forced labour and child labour are severe human rights violations that can lead to exploitation, deprivation of liberty and harm to health, as well as long-term impairment of the development, education and life prospects of those affected. Even though SBO has not identified any cases within the company or among value chain partners to date and key suppliers and customers have high compliance standards, a fundamental risk remains, in particular in sourcing or business relationships in regions with weaker enforcement of labour rights. For stakeholders, this primarily affects employees and vulnerable groups in the value chain, as well as customers, investors and authorities who may impose increased requirements for evidence, controls and remediation. The link to SBO's strategy and business model lies in the fact that SBO sources raw materials, intermediate products and services worldwide for its own production and service delivery. The topic is therefore directly linked to procurement and to the selection of and cooperation with suppliers, in particular where elevated labour rights risks exist in certain countries or industries.</p>
Period	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>S3-Economic, social and cultural rights of communities (Respect for human rights)</b>
List of all material impacts	Incidents of inadequate water supply and wastewater disposal, lack of food security and inadequate housing in regions Asia, Africa and Central and South America, restrictions on land and resource rights, inadequate community security
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Upstream and downstream value chain
Details/Description	<p>In certain regions, affected communities may face risks due to structural poverty and weak governance. These risks can manifest in lack of food security, inadequate housing conditions, lack of access to clean water and sanitation, and inadequate physical security. In addition, land-related impacts, such as restrictions on land and resource rights, can lead to conflict, displacement or loss of livelihoods. For people, this can potentially result in significant impairments to health, safety, dignity and social stability, in particular for vulnerable groups and in conflict-prone environments. The link to SBO's strategy and business model lies in the fact that SBO operates in different countries through its own sites as well as through projects and supply chains and is therefore embedded in local conditions. Where SBO operates and how activities are implemented on the ground determine whether and to what extent points of contact with affected communities arise and whether land- or resource-related impacts can be triggered or exacerbated.</p>
Period	All time horizons

<b>Topic/Sub-Sub-Topic</b>	<b>S3-Freedom of assembly (Respect for human rights)</b>
List of all material impacts	Harassment of human rights defenders, suppression of freedom of assembly and the right to freedom of expression in Saudi Arabia, Russia and Vietnam
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Upstream and downstream value chain
Details/Description	In Russia, Saudi Arabia and Vietnam, there are elevated human rights risks for affected communities, in particular due to restrictions on freedom of assembly and expression and the intimidation, persecution or imprisonment of human rights defenders. This situation can increase fear and self-censorship, weaken civil society engagement and, in practice, make access to grievance and remedy mechanisms more difficult. This creates reputational and compliance risks for the business model. In addition, business relationships may be strained if SBO's activities in these countries are associated with the human rights restrictions in place there.
Period	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>G1-Corruption and bribery (Combating corruption and bribery)</b>
List of all material impacts	Incidents of corruption and bribery
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Own activities
Details/Description	Incidents of corruption and bribery can distort decision-making processes, undermine fairness and integrity within the company and weaken the trust of employees and business partners in compliant corporate governance. This increases the risk that procurement, sales or administrative decisions are not made on the basis of objective criteria and that internal control systems are circumvented. For stakeholders, this particularly affects employees, customers, suppliers and authorities, as transparency and equal treatment may be impaired. For the business model, this creates significant risks due to legal sanctions, exclusion from tenders, financial losses and reputational damage. Effective preventive measures, including the Code of Conduct, controls, training and the whistleblowing system, strengthen governance and a culture of compliance.
Period	All time horizons

Topic/Sub-Sub-Topic	G1-Protection of whistle-blowers
List of all material impacts	Improper protection of whistle-blowers
Type of sustainability impact	Negative impacts (potential)
Concentration in the value chain	Own activities
Details/Description	<p>Inadequate protection of whistleblowers can result in potential misconduct, breaches of rules or illegal practices not being reported and therefore remaining undetected for longer. This weakens corporate culture, reduces trust in fairness and integrity and can deter affected individuals from raising concerns without fear of disadvantage. For stakeholders, this particularly affects employees and other value chain actors who rely on secure reporting channels. For the business model, this leads to increased compliance and liability risks, potential financial losses and reputational damage. Effective whistleblowing mechanisms strengthen transparency, prevention and long-term integrity.</p>
Period	All time horizons

## LIST OF ALL MATERIAL RISKS AND OPPORTUNITIES

<b>Topic/Sub-Sub-Topic</b>	<b>E1-Climate change adaptation (Environmental concerns)</b>
List of all material risks and opportunities	Emerging new business opportunities
Type of financial impact	Opportunity
Concentration in the value chain	Own activities
Details/Description	SBO strategically leverages its existing technologies to succeed in adjacent areas such as next-generation geothermal energy. At the same time, advanced processes and products in 3D metal printing are being further developed. This opportunity supports the strategy of gradual diversification into high-growth industries and strengthens the long-term development of the business model beyond the core business.
Time horizon	Long-term
<b>Topic/Sub-Sub-Topic</b>	<b>E1-Climate change mitigation (Environmental concerns)</b>
List of all material risks and opportunities	Rising taxes on GHG-Emissions
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	Operating costs related to manufacturing and logistics may increase due to rising carbon prices and taxes on GHG emissions. This increases the cost base and margin pressure in own operations. The risk influences the business model by placing greater focus on efficiency measures, emissions reductions and adjustments to pricing and procurement strategies.
Time horizon	Medium to long-term
<b>Topic/Sub-Sub-Topic</b>	<b>E1-Climate change mitigation (Environmental concerns)</b>
List of all material risks and opportunities	Damages caused by extreme weather events and natural disasters
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	Impacts on facilities and supply chain disruptions may increase due to extreme weather events and natural disasters. This increases the need for more frequent risk assessments, higher insurance premiums and potential downtime and consequential costs. The risk influences the business model by requiring greater prioritisation of resilience measures, site and contingency planning and safeguarding of supply capability.
Time horizon	Medium to long-term

<b>Topic/Sub-Sub-Topic</b>	<b>E1-Climate change mitigation (Environmental concerns)</b>
List of all material risks and opportunities	Transitional risk by phase out of fossil fuels
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	Direct impacts on the sales of components for the oil and gas industry may arise from the phase-out of fossil fuels. This can put demand and revenue in the existing core business under pressure and create a need to adjust capacities and the portfolio. The risk influences the business model by accelerating diversification towards lower-carbon technologies and strengthening the strategic focus on new markets and applications.
Time horizon	Medium to long-term
<b>Topic/Sub-Sub-Topic</b>	<b>E1-Energy (Environmental concerns)</b>
List of all material risks and opportunities	Rising energy prices
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	Rising energy prices increase manufacturing costs in own operations. This reinforces the promotion of energy efficiency programmes and the use of renewable energy to limit cost risks. The risk influences the business model by prioritising efficiency improvements and the transition of energy supply as key levers to safeguard competitiveness.
Time horizon	Short to medium-term
<b>Topic/Sub-Sub-Topic</b>	<b>E3-Water (Environmental concerns)</b>
List of all material risks and opportunities	Water shortages and bottlenecks at manufacturing sites
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	Operational facilities may be affected by water scarcity and shortages if water availability at production sites is restricted. This creates risks to the continuity of production, for example through operational limitations, delays or additional efforts to secure supply. The risk influences the business model by placing greater focus on measures to improve water efficiency, site resilience and safeguarding critical resources.
Time horizon	All time horizons

## Non-financial Statement

<b>Topic/Sub-Sub-Topic</b>	<b>E3-Water (Environmental concerns)</b>
List of all material risks and opportunities	Increasing water scarcity in the upstream value chain (mining sites, steel-manufacture)
Type of financial impact	Risk
Concentration in the value chain	Upstream value chain
Details/Description	Water scarcity can affect suppliers in the upstream value chain, in particular in mining and steel production. This creates a risk of operational disruptions and supply shortages that can impact material availability, schedules and costs. The risk influences the business model by requiring stronger supply chain safe-guarding, diversification of sourcing and more active supplier management.
Time horizon	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>E5-Circular economy (Environmental concerns)</b>
List of all material risks and opportunities	Promoting circular economy practices through better product life cycle management
Type of financial impact	Opportunity
Concentration in the value chain	Entire value chain
Details/Description	Product design and supply chain management are further developed through improved product life cycle management to promote circular economy practices. This improves the sustainability of the product offering, for example through longer service life, improved repairability and more efficient use of materials. The opportunity influences the business model by strengthening strategic positioning through a more sustainable portfolio and supporting differentiation and customer requirements across the product life cycle.
Time horizon	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>E5-Resources inflows, including resource use (Environmental concerns)</b>
List of all material risks and opportunities	Increasing use of recycled materials
Type of financial impact	Opportunity
Concentration in the value chain	Upstream/downstream value chain
Details/Description	Upstream sourcing of raw materials is supplemented by increased use of recycled materials. This can reduce raw material costs and lower the carbon footprint. The opportunity influences the business model by aligning the material strategy more strongly towards circularity, improving security of supply and supporting positioning with regard to customer requirements and regulation.
Time horizon	All time horizons

<b>Topic/Sub-Sub-Topic</b>	<b>S1-Equal treatment and opportunities for all (Employee and social concerns)</b>
List of all material risks and opportunities	Equal opportunities for heterogeneous teams and working groups
Type of financial impact	Opportunity
Concentration in the value chain	Own activities
Details/Description	Talent acquisition and retention are supported by equal opportunities for diverse teams and work groups. This strengthens the promotion of diversity and innovation. The opportunity influences the business model by increasing employer attractiveness, improving team performance and creating the basis for sustainable growth through qualified employees.
Time horizon	Short-term
<b>Topic/Sub-Sub-Topic</b>	<b>S1-Health and safety (Respect for human rights)</b>
List of all material risks and opportunities	Lack of health and safety measures
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	Employees' well-being at production sites may be impaired by inadequate health and safety measures. This increases operational risks as well as the costs of compliance, for example through additional measures, audits or regulatory requirements. The risk influences the business model by requiring stricter safety standards, consistent implementation and investments in prevention and training to safeguard productivity and operational safety.
Time horizon	Short to medium-term
<b>Topic/Sub-Sub-Topic</b>	<b>S1-Health and safety (Respect for human rights)</b>
List of all material risks and opportunities	Work accidents due to inadequate safety measures
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	Work accidents due to inadequate safety measures can lead to injuries and operational disruptions in manufacturing processes. As a provider of high-quality products and services, SBO places great importance on health and safety in all activities. However, risks may arise if implementation is insufficient. The risk influences the business model by requiring additional investments and organisational measures in occupational safety, training and controls. In the event of incidents, it can also lead to downtime, additional costs and reputational impacts.
Time horizon	Short to medium-term

## Non-financial Statement

<b>Topic/Sub-Sub-Topic</b>	<b>S1-Working conditions (Respect for human rights)</b>
List of all material risks and opportunities	Low standards regarding working conditions and job security
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	Low standards in working conditions and workplace safety can impair employee satisfaction and retention. This increases the risk of staff turnover, absenteeism and recruitment effort, which can negatively affect operational continuity. The risk influences the business model by creating a greater need for binding standards, consistent implementation and continuous improvement of working conditions to avoid work-related disruptions and consequential costs.
Time horizon	Short to medium-term
<b>Topic/Sub-Sub-Topic</b>	<b>S1-Working conditions (Respect for human rights)</b>
List of all material risks and opportunities	High standards of working conditions and job security
Type of financial impact	Opportunity
Concentration in the value chain	Own activities
Details/Description	High standards for working conditions and workplace safety support employee satisfaction and retention. This improves employee retention and operational efficiency, for example through lower staff turnover, fewer absences and more stable processes. The opportunity influences the business model by strengthening employer attractiveness and increasing organisational performance through reliable, safe working conditions.
Time horizon	Short to medium-term
<b>Topic/Sub-Sub-Topic</b>	<b>S1-Working conditions (Respect for human rights)</b>
List of all material risks and opportunities	High workload
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	High workloads can increase operational risks and lead to employee fatigue. This can reduce productivity and work quality and increase the risk of errors and downtime. The risk influences the business model by creating additional needs for capacity planning, work organisation and preventive health measures to maintain performance and process stability.
Time horizon	Short to medium-term

<b>Topic/Sub-Sub-Topic</b>	<b>S1-Working conditions (Respect for human rights)</b>
List of all material risks and opportunities	Adequate working hours
Type of financial impact	Opportunity
Concentration in the value chain	Own activities
Details/Description	Appropriate working hours promote employee satisfaction and retention. This improves employees' performance and productivity, including through reduced overload and more stable availability. The opportunity influences the business model by strengthening employer attractiveness and supporting the reliability of operations through sustainable work organisation.
Time horizon	Short to medium-term
<b>Topic/Sub-Sub-Topic</b>	<b>S2-Health and safety (Respect for human rights)</b>
List of all material risks and opportunities	Incidents of health risks through pollutants for workers in mining industries
Type of financial impact	Risk
Concentration in the value chain	Upstream value chain
Details/Description	Incidents involving health risks from pollutants for workers in mining can occur in suppliers' operations. This creates risks to supply chain continuity, for example through disruptions, delays or constraints in the provision of raw materials. The risk influences the business model by increasing requirements for supplier management, due diligence and safeguarding critical sources of supply.
Time horizon	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>S2-Working conditions (Respect for human rights)</b>
List of all material risks and opportunities	Opportunity to report grievances
Type of financial impact	Opportunity
Concentration in the value chain	Downstream/upstream value chain
Details/Description	The ability to report grievances is supported by grievance mechanisms in the supply chain. This increases transparency and accountability by enabling risks and violations to be identified and addressed at an earlier stage. The opportunity influences the business model by strengthening due diligence, reducing compliance risks and supporting the stability of supplier and customer relationships.
Time horizon	All time horizons

## Non-financial Statement

<b>Topic/Sub-Sub-Topic</b>	<b>S3-Communities' civil and political rights (Respect for human rights)</b>
List of all material risks and opportunities	Transportation and logistics risk due to political disturbances
Type of financial impact	Risk
Concentration in the value chain	Downstream/upstream value chain
Details/Description	Transport and logistics risks due to political unrest can disrupt the supply chain and sales. This increases the risk of delays and interruptions that can affect delivery schedules, availability and costs. The risk influences the business model by requiring stronger resilience measures, alternative transport and sourcing options and more robust distribution planning.
Time horizon	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>S4-Consumers and end- users</b>
List of all material risks and opportunities	Reduced demand due to new trends in the energy sector
Type of financial impact	Risk
Concentration in the value chain	Downstream value chain
Details/Description	Changing consumer preferences and new trends in the energy sector can lead to lower demand in the downstream value chain. This can put sales volumes and revenue in existing application areas under pressure. The risk influences the business model by accelerating diversification into new industries and requiring a stronger alignment of the portfolio with growing, future-proof markets.
Time horizon	All time horizons
<b>Topic/Sub-Sub-Topic</b>	<b>G1-Corruption and bribery (Combating corruption and bribery)</b>
List of all material risks and opportunities	Lack of anti-corruption standards
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	A lack of anti-corruption standards increases the risk of corruption and bribery within governance processes. This creates an increased risk of reputational damage as well as financial penalties and other legal consequences. The risk influences the business model by significantly increasing the need for clear anti-corruption standards, effective controls and a lived culture of compliance to mitigate risks.
Time horizon	All time horizons

## E1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

### IDENTIFICATION OF CLIMATE-RELATED RISKS

#### Climate-Related Physical Risks

- Damages caused by extreme weather events and natural disasters: Includes risks like storms, floods, and other extreme weather phenomena that can disrupt operations or damage infrastructure.

#### Climate-Related Transition Risks

- Rising taxes on GHG-Emissions: Financial impact from increasing carbon taxes or regulatory costs.
- Transitional risk by phase-out of fossil fuels: Risks associated with changing regulations and market demands as economies shift to renewable energy.
- Rising energy prices: Increased operational costs due to the rising cost of energy, particularly from fossil fuel sources.

The resilience analysis in combination with the double materiality analysis covered the value chain, including suppliers and customers – from sourcing to end-of-life management. SBO started its resilience analysis in 2023 and finalized it in 2024. The assessment applied climate scenarios (RCP 2.6, RCP 4.5, and RCP 8.5) to evaluate short-term (2030), medium-term (2050), and long-term (2100) risks and opportunities. It focuses on physical risks like extreme weather and water scarcity, as well as transition risks such as regulatory changes and carbon pricing. The results will support SBO's strategy and adaptation measures to enhance resilience. The exact financial effects of physical and transition risks have not yet been fully quantified, but the relevant risks and mitigation measures are being considered as part of the ongoing analysis.

Short-term (2030): To address immediate risks and opportunities affecting current operations and strategies.

Medium-term (2050): To evaluate mid-range impacts and align with global climate goals and regulatory trends.

Long-term (2100): To assess long-lasting physical risks, such as sea-level rise and chronic climate impacts, ensuring long-term strategic resilience.

The resilience analysis revealed key climate-related risks and opportunities. Transition risks, such as rising carbon taxes, and physical risks like extreme weather events emphasize the importance of proactive risk management and long-term strategic planning. The results were also included in SBO's planned climate protection measures including electricity from renewable sources and operational optimizations.

**Strategic Integration**

Development of a long-term decarbonization pathway to minimize regulatory and market-driven transition risks.

**Investment Decisions**

Consideration of climate scenarios (RCP 2.6, 4.5, 8.5) in risk assessment.

Investments in energy from renewable sources, energy efficiency measures, and climate-friendly technologies.

**Mitigation Measures**

Reduction of CO<sub>2</sub> intensity through measures to increase the use of energy from renewable sources and improve energy efficiency.

Scenario analyses for the early identification of financial impacts of climate-related risks.

**Uncertainties in the Resilience Analysis**

Data Gaps in the Value Chain: Limited availability of detailed supplier-level climate impact data.

Climate Scenario Variability: Differences in projections under RCP 2.6, 4.5, and 8.5 scenarios create challenges in long-term planning.

Evolving Regulations: Uncertainty regarding future regulatory frameworks and carbon pricing mechanisms.

**Ability to adjust or adapt strategy and business model to climate change**

SBO considers climate-related risks in strategic decisions, investments, and operational processes. Site-specific measures, such as infrastructure improvements and energy efficiency initiatives, contribute to increasing resilience to physical risks. Climate scenario analyses (RCP 2.6, 4.5, 8.5) support long-term risk assessment, although uncertainties in projections and regulatory developments present challenges. Potential impacts on the supply chain are monitored, and adjustments to evolving market and regulatory conditions are made gradually. SBO continues to refine its measures to enable the most effective possible adaptation to climate risks.

In the short term, SBO's strategy focuses on enhancing energy efficiency and increasing the use of electricity from renewable sources, which strengthens resilience against transition risks. While medium- and long-term plans are still in development, SBO continuously evaluates risks and opportunities to ensure adaptability.

## **E4 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model**

### **BIODIVERSITY IMPACT ASSESSMENT**

The majority of SBO's operating sites are not located within or near biodiversity-sensitive areas. Three sites require attention due to their proximity to key biodiversity areas or protected zones:

Schoeller-Bleckmann do Brasil Ltda. (Brazil - Macae): Located near a biodiversity hotspot.

DSI PBL de Mexico S.A. de C.V. (Mexico - Villahermosa): Situated near a Ramsar site.

DSI FZE Services Private Limited (India - Mumbai): Located near urban biodiversity zones.

The activities at these locations are limited in size and include tool rental only, with no manufacturing. In India, SBO maintains only administrative operations, with no direct involvement in manufacturing. Most of SBO's operating sites have no significant negative impacts on biodiversity or ecosystems, as they are located on appropriately designated properties and comply with all legal requirements. The evaluation is based on an initial analysis and is still being refined to ensure a more comprehensive assessment. While no significant negative risks have been identified so far, further analysis may provide additional insights.

SBO's operating sites have no significant material negative impacts on biodiversity or ecosystems. In the double materiality analysis SBO has identified material negative impacts across the value chain, primarily linked to land-use change, pollution and ecosystem disruption.

No impact on individual species or their population size stemming from activities in our operational area could be identified.

## S1 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

### Interaction with strategy and business model

The fact that SBO operates in countries where incidents related to workplace discrimination, gender inequality and inadequate health and safety measures cannot be fully ruled out has led to the identification of corresponding material negative impacts and related risks in the double materiality assessment. Material positive impacts and opportunities include initiatives to promote diversity, the inclusion of people with disabilities, high standards in working conditions, and training and development programmes. Material positive impacts on SBO's own employees arise in particular from comprehensive training and development programmes aimed at improving employees' skills and career opportunities, and from initiatives to promote diversity by ensuring equal opportunities for all.

Several material impacts, risks and opportunities relating to SBO's own workforce are directly linked to the company's business model and strategic direction. SBO's activities, which require the use of machinery and technical equipment, are associated with material negative impacts and risks related to work accidents, injuries, and health and safety. To meet global requirements and maintain efficiency, shift work and extended working hours may be necessary. This can lead to material negative impacts and risks related to workload and appropriate working hours. SBO's strategic focus on market leadership and high-precision manufacturing is linked to material opportunities through training programmes that improve employees' skills and career prospects. SBO's Code of Conduct provides for non-discrimination and equal opportunities and reflects the ambition to promote a diverse and inclusive workforce. The positive impacts of training and diversity initiatives are, in principle, accessible in all regions in which SBO operates. Depending on the region of operation and labour market conditions, however, they may take effect to varying degrees.

Employee-related impacts, risks and opportunities are closely linked to SBO's corporate strategy and business model. Negative impacts and risks related to health and safety could disrupt operations if not mitigated, underlining the need for continuous adaptation of the business model. Health and safety risks and issues relating to appropriate working hours are reviewed to identify and implement improvement measures. SBO has also developed an understanding that certain groups of people and types of work may be more exposed, in particular employees and external workers in production areas involving machinery operation, noise and physical strain, and shift or night work.

### Affected groups and boundaries

All employees potentially affected by material impacts are listed in ESRS 2 under the description of the value chain (SBM-1) and the list of stakeholders (SBM-2). All material impacts affect both own employees and relevant categories of non-employees.

**Systemic classification**

The identified impacts, risks and opportunities affecting SBO's employees are primarily systemic in nature and reflect industry-wide or regional characteristics. Health and safety risks are systemic and typical of production environments with machinery and technical equipment and are addressed through targeted safety measures. Challenges related to the appropriateness of working hours arise from shift work, which is common in the industry, and extended working hours when required. Risks related to diversity are also systemic in regions with limited legal protection. As part of the double materiality assessment, SBO developed a comprehensive understanding of negative impacts, risks and opportunities affecting employees, value chain partners and the environment through systematic processes and structured analysis. Through the materiality assessment, SBO gained a deeper understanding of risks for certain groups and is aware of the challenges that disadvantaged groups may face in order to promote inclusion and equal treatment across the workforce. A dedicated safety officer is appointed at each site to continuously monitor workplace safety and address safety concerns. Regular safety reviews and direct feedback from employees in production environments ensure that risks related to noise, equipment and physical strain are identified and effectively mitigated.

**Coverage in ESRS 2**

The material impacts, risks and opportunities relating to the own workforce were identified as part of the double materiality assessment and are fully presented in the central list of material impacts, risks and opportunities in accordance with ESRS 2 SBM 3, paragraph 48. The material impacts, risks and opportunities reported there are assigned to the respective ESRS topics and therefore also include all material impacts, risks and opportunities for S1. Beyond the items disclosed in the central list, no further material impacts, risks or opportunities were identified for S1.

There is no significant risk of forced labour among SBO's own employees, including temporary agency workers or self-employed persons who work mainly for SBO. Likewise, there is no significant risk of child labour among SBO's own employees, including temporary agency workers or self-employed persons who work mainly for SBO. These topics were nevertheless assessed as material as part of the double materiality assessment because, under the assessment logic, the potentially very high severity of harm in the event of an incident can lead to materiality even if the likelihood of occurrence is assessed as low.

## S2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

### Interaction with strategy and business model

The identified material impacts include negative impacts related to health and safety, unfair labour practices and wage inequalities in upstream parts of the value chain. Workers in upstream value chain activities, such as mining, are potentially exposed to hazardous conditions, including fine dust exposure and inadequate safety measures. Negative impacts from forced labour and child labour may occur in countries with weak labour rights standards where raw materials are sourced by suppliers. Non-living wages in certain upstream regions impair workers' ability to cover basic living costs.

Processes for systematically identifying and assessing these impacts include regular exchange with suppliers on risks and the application of established due diligence frameworks (e.g. OECD guidelines) to assess compliance with labour rights and to identify high-risk regions or suppliers. The identification of negative impacts is based on industry best practices, sector-specific risk assessments and publicly available data, rather than on direct engagement with stakeholders or specific groups of workers.

These impacts are directly linked to SBO's global reliance on its value chain. The procurement of critical materials such as steel is an integral part of the business model, making the related working conditions materially relevant. SBO is aware that both the Company itself and partners in the value chain operate in countries where incidents related to unfair labour practices, wage inequalities or inadequate health and safety measures cannot be fully ruled out. This underscores the importance of SBO's zero-tolerance policy towards child labour, discrimination against workers and unequal pay for equal work, as set out in SBO's Code of Conduct. SBO's commitment to addressing these challenges is anchored in its corporate responsibility policies. SBO addresses identified shortcomings through responsible sourcing practices, clear supplier requirements and measures to improve working conditions along the value chain. In the 2025 reporting year, a separate Code of Conduct for business partners was also developed and adopted. Full roll-out across the value chain is planned for the coming year.

### Affected worker groups in the value chain

**Workers in raw material extraction:** Workers in mining and other raw material sourcing processes may be exposed to negative impacts related to health and safety due to hazardous working conditions and inadequate safety standards. The degree of exposure is particularly high in regions with insufficient legal protection.

**Workers in manufacturing and processing:** Workers in supplier operations involved in processing raw materials, e.g. in iron and steel production, may be exposed to negative impacts related to pollution exposure and inadequate health and safety measures. In addition, wage disparities exist in some regions.

**Downstream workers in drilling operations:** Workers involved in drilling activities in the downstream value chain where SBO products are used are exposed to negative impacts related to hazardous working conditions, environmental exposure and potential accidents. The degree of exposure is particularly high in regions with limited regulatory oversight.

**Logistics and distribution workers:** Workers involved in transporting SBO products to customers (drivers, warehouse staff, shipping personnel) are exposed to negative impacts such as long working hours, insufficient rest periods and safety risks in handling and transport.

### Systemic classification

Certain workers in the value chain are particularly vulnerable to negative impacts. Migrant workers, especially in raw material extraction or manufacturing, face language barriers, limited knowledge of labour rights and increased dependence on employers, which increases the risk of exploitation or unsafe working conditions. Female workers, particularly in manufacturing or logistics, are in some cases exposed to negative impacts and risks of discrimination, unequal pay or harassment. In addition, there are heightened safety concerns for workers in regions with weak occupational safety protections or high environmental risks, e.g. when handling hazardous materials or during drilling operations. SBO is aware that incidents related to fair work, discrimination, harassment, wage inequality or inadequate health and safety measures cannot be fully ruled out. This underlines the importance of clearly addressing these issues in line with the Code of Conduct and consistently implementing the zero-tolerance policy.

The identified negative impacts and risks are linked to certain geographical regions and raw materials. Parts of Southeast Asia, Africa and South America are known for labour rights violations, particularly due to inadequate enforcement of labour laws. In mining, nickel, copper and chromite are particularly affected, as extraction in regions with weak regulatory oversight can facilitate negative impacts related to forced labour, and child labour is also an issue in some mining areas, particularly in economically disadvantaged regions with high poverty rates and limited access to education. Negative impacts include systemic issues in nickel, copper and chromite mining, including forced labour, inadequate health and safety measures and environmental degradation in countries with weak regulatory frameworks. Further negative impacts relate to inadequate housing conditions and non-living wages in certain regions, affecting health, safety and compliance with adequate working hours and contributing to social instability. In addition, there are persistent negative impacts related to workplace accidents at production and extraction sites due to a lack of safety precautions, particularly in high-risk environments such as mining and heavy industry. Violence, harassment and discrimination can occur as systemic issues in parts of the supply chain, especially in regions with weak labour protection. Gender inequality, discriminatory labour practices and unequal access to opportunities can occur in parts of the supply chain where labour rights are poorly enforced. Water scarcity and poor water management practices in certain regions can be associated with health risks and reduced occupational safety.

### **Coverage in ESRS 2**

All workers in the value chain potentially affected by material impacts are considered in the ESRS 2 disclosures under SBM-1 (description of the value chain) and SBM-2 (list of stakeholders). All relevant workers are included in the scope of disclosure.

The material impacts, risks and opportunities relating to workers in the value chain were identified as part of the double materiality assessment and are fully presented in the central list of material impacts, risks and opportunities in accordance with ESRS 2 SBM 3, paragraph 48. The material impacts, risks and opportunities disclosed there are assigned to the respective ESRS topics and therefore also include all material impacts, risks and opportunities for S2. Beyond the items disclosed in the central list, no further material impacts, risks or opportunities were identified for S2. Opportunities arise from improving working conditions and ethical sourcing practices, strengthening reputation and enhancing supply chain resilience through targeted measures. Certain groups within the value chain, such as workers in high-risk regions or industries, are exposed to local challenges and occupation-specific hazards. Opportunities such as improving safety standards and working conditions can directly benefit these groups by helping to reduce negative impacts and promote fair and safe employment practices.

## S3 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

### Interaction with strategy and business model

SBO is aware of the importance of considering material impacts (including emissions, resource use and other environmental matters with potential impacts on local communities) and of understanding how the resulting material risks and opportunities relate to the corporate strategy and business model. Material negative impacts on affected communities include environmental pollution from emissions from transport, industrial processes and raw material extraction; impacts from land and resource use such as soil degradation, mining activities and land-use change; as well as environmental impacts of raw material extraction that can disrupt ecosystems and impair the health and livelihoods of local communities. Further negative impacts may arise from workplace issues in the upstream and downstream value chain, including forced labour, child labour, inequality and inadequate wages, as well as from unmet basic needs such as limited access to water, sanitation, housing and food security. Human rights violations, including the suppression of freedom of expression, harassment of human rights defenders and a lack of community safety, may have adverse effects in certain regions. Positive impacts related to affected communities arise from other material topics, in particular through the reduction of greenhouse gas emissions and the transition to sustainable operations, through recycling and resource efficiency, and through efforts to employ people with disabilities. Based on the double materiality assessment, no additional stand-alone material positive impacts were identified for S3 that would need to be presented separately beyond the positive effects reported under other topics.

### Affected communities

Nearby communities are communities living close to sites, plants and physical facilities and may be affected by emissions, noise or disruptions caused by SBO's activities. Value chain communities are communities along the upstream or downstream value chain, such as those affected by the activities of suppliers or the logistics network, and may experience material impacts due to activities that are critical to SBO's business operations. Vulnerable groups include communities with limited access to basic services, indigenous peoples, or those that are particularly susceptible to impacts due to their socio-economic status. Communities near supplier operations may be exposed to environmental pressures such as air or water pollution from production processes. Communities affected by logistics and distribution may experience noise pollution, traffic disruptions or increased emissions. Communities near drilling operations may be affected by air and water pollution, noise pollution and potential land-use conflicts. In addition, health risks from exposure to hazardous substances and accidents such as oil spills can pose further challenges. Many of these communities depend on local ecosystems for their livelihoods and are therefore particularly vulnerable to environmental disruption.

### **Systemic classification**

The identified negative impacts are largely systemic and typical for industries that depend on raw material extraction. These include inadequate accommodation, inadequate nutrition, suppression of freedom of association and expression, violations of land and resource rights, security aspects, as well as challenges related to water supply and wastewater management. The double materiality assessment identified transport and logistics aspects that may be caused by political unrest. Although these are not exclusively linked to affected communities, they can impair supply chain stability and operational resilience in certain regions. Based on the double materiality assessment under ESRS 2 IRO-1, no specific communities were identified as particularly vulnerable to negative impacts. Should future assessments indicate risks to communities due to factors such as geographical isolation, limited social services, or cultural and ecological constraints, SBO will analyse and report on these comprehensively. Based on the double materiality assessment, no specific groups of affected communities were identified that face particular risks or opportunities or that differ from the impacts on communities in general.

### **Coverage in ESRS 2**

SBO ensures that all materially affected communities identified through the double materiality assessment are included in the disclosures required by ESRS 2. At present, the communities listed are consistent with the description of the value chain (SBM-1) and the list of stakeholders (SBM-2). No discrepancies were identified between the material impacts on affected communities and their presentation in these sections of ESRS 2. The material impacts, risks and opportunities relating to affected communities were identified as part of the double materiality assessment and are fully presented in the central list of material impacts, risks and opportunities in accordance with ESRS 2 SBM 3, paragraph 48. The material impacts, risks and opportunities disclosed there are assigned to the respective ESRS topics and therefore also include all material impacts, risks and opportunities for S3. Beyond the items disclosed in the central list, no further material impacts, risks or opportunities were identified for S3.

## **S4 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model**

### **Interaction with strategy and business model**

The transition towards renewable energy and decarbonisation represents a material risk for SBO, as it affects demand for components for the oilfield service industry. The need for global security of energy supply and the continued dependence on crude oil and, in particular, natural gas will sustain demand in the long term. This was also reflected by the International Energy Agency in its current World Energy Outlook 2025, where it pointed to increasing demand for oil and gas over the coming decades. The International Energy Agency currently assumes that 90% of investments by companies in oil and gas exploration and production are directed towards compensating for declining production rates ("decline rate") and thus merely serve to maintain the current status quo. At the same time, oil and gas production is becoming increasingly complex and requires advanced technologies in order to meet rising demand. SBO's high-performance solutions provide the Company with a competitive advantage in challenging environments. This positions SBO as a key supplier even in a changing energy landscape. At the same time, SBO is diversifying its business by strategically leveraging its existing technologies to expand into adjacent industries such as next-generation geothermal energy, lithium and helium extraction, carbon capture & storage, defence, and aerospace, while also driving innovation with advanced products in 3D metal printing for the energy transition and other industries. The material risk of lower demand due to new trends in the energy sector is directly linked to SBO's strategic positioning in the oilfield service industry as well as its ongoing diversification into adjacent industries. SBO addresses the changing market environment by leveraging its technological strengths in demanding applications and by further developing its portfolio to strengthen the adaptability of its business model.

**Coverage in ESRS 2**

The material risk relating to S4 was identified as part of the double materiality assessment and is fully presented in the central list of material impacts, risks and opportunities in accordance with ESRS 2 SBM-3, paragraph 48. Beyond the content presented in the central list, no further material impacts, risks or opportunities were identified for S4.

## IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities

### IDENTIFYING IMPACTS, RISKS AND OPPORTUNITIES AND ASSESSING THEIR MATERIALITY

The identification and assessment of impacts, risks and opportunities (IRO) in the reporting year 2024 was carried out in accordance with the double materiality principles pursuant to the methodological requirements of ESRS 1. The process integrates (i) financial materiality (effects of sustainability matters on SBO's financial position and performance) and (ii) impact materiality (impacts of SBO on the environment, society and stakeholders).

SBO has implemented a process to identify, assess, prioritise and monitor potential and actual impacts on people and the environment. The assessment is based on SBO's value chain and covers upstream, own operations and downstream activities. In doing so, SBO explicitly considers both impacts from its own operations (e.g. emissions or resource consumption) and impacts linked to business relationships along the value chain.

As part of the double materiality assessment and the value chain presented, IROs were identified that are linked to business activities, business relationships and geographic locations and represent an increased risk of adverse impacts. Company-specific information and assumptions were used to support an external expert assessment and to distinguish between material and non-material impacts. Key assumptions include alignment with internationally recognised frameworks (including the EU Taxonomy and IPCC climate scenarios) to ensure robust and consistent assessments.

**Process for identification, assessment and prioritisation****Step 1: Identification and context analysis**

Based on SBO's value chain, potential and actual impacts, both positive and negative, were identified across upstream, own operations and downstream activities. IROs arising from SBO's own operations as well as from business relationships were captured.

**Step 2: Stakeholder engagement**

SBO conducted consultations with relevant stakeholder groups to understand their perspectives and assess potential impacts on them. The process focused on stakeholders linked to SBO's activities, business relationships and value chain. Interviews were conducted with selected stakeholders, including employee representatives, customers, suppliers, banks and investors. These discussions addressed topics from the CSRD framework. Stakeholders were asked to provide feedback on key topics and to rate their significance using a predefined scale. The results were used to refine the assessment of material impacts.

Step 3: Assessment in functional workshops

Workshops with the responsible functions were held to assess the identified topics in terms of their positive and negative impacts, risks and opportunities. The assessment considered both potential and actual effects, depending on the respective topic.

Step 4: External methodological support and validation

External experts were engaged to support the process, provide methodological guidance and validate the results. Their involvement ensured that stakeholder perspectives were accurately captured and integrated into SBO's double materiality assessment.

Step 5: Consistency check and final approval

SBO analysed the interlinkages between impacts and the resulting risks and opportunities. First, material impacts were identified and assessed; on this basis, the specific risks and opportunities for SBO were derived. The results were then reviewed to ensure they are consistent with the identified impacts, risks and opportunities. Final approval of the assessment was granted by SBO's Executive Board.

**Assessment logic - Impact materiality (Impact Materiality)**

A methodological double materiality assessment was carried out to identify and assess both negative and positive impacts from an "inside-out" perspective. Key parameters such as severity, scope/extent and irremediability were considered and rated on a predefined scale from 1 to 5, where 5 represents the highest severity for the respective parameter. SBO assesses potential and actual impacts, both positive and negative, using a structured methodology aligned with ESRS 1, section 3.4 on impact materiality. The assessment is based on three parameters: severity, scope/extent and irremediability. These parameters are rated on a predefined scale from 1 to 5.

Severity (1–5)

- 1 = minor
- 2 = moderate
- 3 = significant
- 4 = severe
- 5 = catastrophic

Scope/Extent (1–5)

- 1 = limited
- 2 = concentrated
- 3 = medium
- 4 = far-reaching
- 5 = global/total

**S1 (own workforce) – Scope/Extent (1–5)**

- 1 = 10–29% of the own workforce
- 2 = 30–49% of the own workforce
- 3 = 50–69% of the own workforce
- 4 = 70–89% of the own workforce
- 5 = 90–100% of the own workforce

**Irremediability (1–5)**

- 1 = remediable in the short term with little effort
- 2 = remediable, but resource-intensive (time/cost)
- 3 = only partly remediable (medium term, with significant effort)
- 4 = hardly remediable (long term, with lasting effects)
- 5 = not remediable/irreversible

**Cut-off threshold for material impacts (Cut-off)**

An IRO in the area of impact materiality is classified as material if the determined impact score reaches or exceeds the defined cut-off threshold. The cut-off threshold is 2.7 (impact score  $\geq$  2.7).

**Assessment logic - Financial materiality**

SBO applies a structured process to identify, assess, prioritise and monitor risks and opportunities with potential financial effects, conducted as part of the double materiality assessment in accordance with ESRS 1. First, a risk inventory is created that identifies company-specific risks and opportunities. The assessment is based on two parameters: extent of damage (i.e. financial impact) and probability of occurrence, which are rated on a predefined scale from 1 to 5 (1 = lowest extent of damage, 5 = critical). Probabilities of occurrence are underpinned by defined percentage intervals (internally defined). In addition, SBO's dependencies on ecosystem services were considered, such as local water consumption at operating sites as well as social capital. These dependencies directly contributed to the identification and assessment of specific risks and opportunities.

**Extent (1–5)**

- 1 = negligible (very low)
- 2 = low
- 3 = medium
- 4 = high
- 5 = very high

**Probability (Probability)**

- 0.2 = unlikely
- 0.4 = possible
- 0.6 = likely
- 0.8 = very likely
- 1.0 = almost certain

**Cut-off threshold for material financial risks and opportunities (Cut-off)**

An IRO in the area of financial materiality is classified as material if the determined financial score reaches or exceeds the defined cut-off threshold. The cut-off threshold is 2.7 (financial score  $\geq$  2.7).

**Decision-making process and control procedures**

Final approval of the assessment was granted by SBO's Executive Board, thereby confirming the materiality of these impacts, risks and opportunities. Currently, sustainability risks at SBO are handled separately from other risk categories under a dedicated approach. The integration of the processes for identifying, assessing and managing sustainability-related impacts and risks into SBO's overarching risk management system has been initiated. While ESG risks are currently assessed using a specific scale focused on non-financial aspects, their classification has been aligned with financial thresholds to ensure comparability. SBO

plans to further harmonise the assessment methods and to fully integrate ESG risks as a central element of the risk management framework in the coming years. SBO uses the same process to identify and manage ESG opportunities as it does for ESG risks.

#### **Data sources and tools**

SBO used a combination of internal and external data sources to assess impacts, risks and opportunities. Internal data include the number of employees and purchasing volume. External sources include indices such as the OECD and UNICEF social index as well as environmental tools such as the Water Risk Filter and the WWF Biodiversity Risk Filter.

## **E1 IRO-1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities**

### **EFFECTS ON CLIMATE CHANGE**

SBO's climate-related impacts primarily result from emissions across the entire value chain. Material sources include transport emissions, emissions from the procurement and use of raw materials, and emissions from manufacturing at the operating sites. In addition, emissions arise from oil and gas production carried out using SBO's equipment. To assess and manage these impacts, SBO applies a structured double materiality assessment (DMA) process that considers both financial materiality (the influence of climate-related factors on the Company's performance) and impact materiality (SBO's influence on climate change and the environment).

#### **Identification and assessment of climate-related risks and opportunities**

Climate-related risks and opportunities are assessed through data collection, stakeholder engagement and analyses, taking into account regulatory developments, market trends and physical climate risks. The analysis covers both transition and physical risks and also identifies potential opportunities.

#### **Physical climate risks – approach, scenarios and data basis**

The identification and assessment of climate-related physical risks in SBO's own operations and the value chain followed a systematic process. This included analysing the potential impacts of extreme weather events, temperature fluctuations and other climate-related phenomena on assets, the supply chain and logistics. SBO assessed risks in the upstream value chain (e.g. disruptions in raw material extraction) as well as risks in the downstream value chain, including impacts on distribution channels. Climate modelling tools and historical data were used to identify geographic and operational hotspots. The objective is a comprehensive risk assessment to mitigate potential disruptions and strengthen the resilience of the value chain.

When assessing physical climate risks, high-emissions climate scenarios such as RCP 8.5 (or SSP5-8.5) were included in order to reflect severe consequences if insufficient climate mitigation measures are implemented. In addition, climate scenarios reflecting different greenhouse gas emission levels are used (IPCC RCP 2.6, RCP 4.5 and RCP 8.5). Relevant regional climate projections based on these emission pathways are also included in the analysis (localised climate models and region-specific datasets) to appropriately reflect geographic differences (temperature trends, precipitation patterns, extreme weather events).

### **Gross risks, exposure and methodological limitations in the value chain**

For SBO, the assessment of gross physical risks considers the potential exposure of assets and business activities to climate-related hazards such as extreme weather events and long-term environmental changes. The focus is on specific operating sites, drilling and completion processes and the dependence on specific materials due to their geographical distribution and climate-sensitive locations. SBO documents challenges in assessing risks across the entire upstream and downstream value chain (including suppliers and waste management systems), but recognises the importance of these assessments for operational resilience. As detailed data for the entire value chain are only available to a limited extent, SBO focuses on localised assessments for core activities.

### **Time horizons, taxonomy approach and transparency on exclusions**

To meet the CSRD reporting requirements, the identification and assessment of climate-related hazards was carried out over short-, medium- and long-term time horizons. The process followed a standardised approach using the climate hazards table in accordance with the EU Taxonomy (Annex A, Annex 1, Delegated Act 2021/2139). Where robust climate data were available, these were used. For hazards with limited data availability (e.g. wildfires or specific wind-related risks), qualitative assessments were required or the hazards could not be included due to a lack of reliable data. Exclusions and methodological limitations were transparently documented.

Short-, medium- and long-term time horizons were clearly defined and linked to the expected life cycle of SBO's assets, strategic planning horizons and capital allocation plans. The time horizons correspond to the years 2030 (short term), 2050 (medium term) and 2100 (long term) and are aligned with IPCC scenarios for climate risk assessments.

### **Results of physical risk analysis and assessment methodology**

To quantify exposure, a site-specific localisation approach was applied using geographic coordinates and risk mapping tools. Risks such as flooding, heavy rainfall, storms, extreme temperatures and droughts were considered. The vulnerability of individual sites was analysed using vulnerability matrices; risks were classified according to severity and probability on a scale from 1 to 6. The analysis shows that sites are affected to varying degrees. Flooding and strong winds in particular can cause structural damage and operational disruptions; rising temperatures can increase the likelihood of production outages (e.g. due to overloading of cooling systems). Financial impacts vary by site and scenario. Increased repair costs and potential downtime were identified as material risk factors. To mitigate risks, adaptation measures were defined, including increased infrastructure resilience, optimisation of cooling and drainage systems and adjustments to operational processes.

### **Transition risks and opportunities – status and further development**

From SBO's perspective, climate-related transition risks and opportunities across operations and the value chain were assessed in line with the TCFD recommendations. These risks arise in particular from regulatory changes, shifts in customer preferences towards lower-emission technologies and new societal and market expectations; potential cost increases due to stricter emissions regulations were also considered. As part of an initial screening process, transition events were identified across short-, medium- and long-term time horizons (2030/2050/2100). SBO has not performed scenario analysis for transition risks. The detailed assessment of exposure to transition risks (including probability, magnitude and duration) is under development. SBO is in the process of identifying assets and business activities that may be incompatible with the transition to a net-zero emissions economy or require significant effort to achieve such compatibility. SBO recognises the importance of aligning long-term risks with climate policy objectives (EU Green Deal, net-zero emissions by 2050); a framework for a comprehensive assessment of these risks is being developed and will be implemented in future reporting cycles.

**Link to financial reporting**

SBO recognises the importance of aligning climate scenarios and financial reporting in order to adequately capture physical climate risks and opportunities. The sustainability report contains a detailed assessment of potential ESG-related risks, including possible impacts and corresponding management approaches. Financial reporting takes ESG-related risks into account, in particular in relation to long-term assets (property, plant and equipment as well as intangible assets including goodwill and other intangible assets). Supplementary explanations are provided in the notes to the consolidated financial statements.

## **E2 IRO-1 - Description of the processes to identify and assess material pollution-related impacts, risks and opportunities**

### **POLLUTION**

As part of the materiality analysis, SBO conducted an assessment of its own sites for pollution-related risks, considering both physical and transition risks. Additionally, the analysis covered upstream and downstream activities across the entire value chain to ensure a comprehensive evaluation in accordance with EU Taxonomy and CSRD requirements. Recognized materiality assessment methods were applied to identify and evaluate relevant risks, including impact materiality assessments and the use of quantitative thresholds and qualitative evaluations. The analysis was based on scientific foundations and stakeholder inputs to ensure a well-founded and objective assessment of material risks. SBO primarily relied on internal stakeholder engagements and external guidance. The perspectives of affected communities were not specifically included in the assessment process. Future evaluations may consider broader stakeholder engagement as regulatory requirements and best practices evolve.

SBO identified material pollution impacts at its manufacturing sites, particularly related to emissions and waste streams. In the upstream value chain, resource extraction and material processing are key pollution sources, while downstream value chain impacts are tied to waste management and recycling. Business activities with material impacts include manufacturing processes, waste handling, and upstream value chain procurement of raw materials. These findings are integrated into SBO's ongoing risk and opportunity assessments.

## **E3 IRO-1 - Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities**

### **WATER AND MARINE RESOURCES**

SBO has evaluated its operations and value chain to identify impacts, risks, and opportunities related to water and marine resources. SBO utilized the World Resources Institute's Aqueduct Water Risk Atlas to assess water stress levels at its facilities. These assessments informed SBO's strategies to mitigate water-related risks and capitalize on opportunities within its operations and supply chain.

SBO has consulted relevant stakeholder groups as part of its assessment of water and marine resource impacts, risks, and opportunities. Engagement has primarily been conducted via internal stakeholders, including suppliers and experts. These efforts aim to ensure a comprehensive understanding of impacts while addressing material issues identified in the value chain. SBO is currently not applying the LEAP approach.

## **E4 IRO-1 - Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities**

### **BIODIVERSITY**

SBO has assessed actual and potential biodiversity and ecosystem impacts across its operations and value chain. The assessment uses structured criteria based on ESRS guidance, focusing on severity, scope, and irremediability. Impacts are analyzed, differentiating regions with diverse standards. SBO integrates stakeholder input and scientific data to evaluate materiality, emphasizing ecosystem changes due to resource use and waste generation. The approach aligns with CSRD and SASB frameworks to ensure comprehensive impact analysis and reporting.

Dependencies on biodiversity and ecosystems at its own sites and across its upstream and downstream value chains are not fully assessed. Future evaluations may consider key criteria such as the extent of potential damage, probability of occurrence, and dependencies on ecosystem services like pollination.

SBO conducted a double materiality assessment to evaluate biodiversity-related risks and impacts, using scientific literature, global reports, and environmental studies. Key sources included the IPCC AR6 Synthesis Report (2023), European Environment Agency reports, UNEP studies, and research on habitat destruction and biodiversity loss from National Geographic, Science Advances, and the Royal Society B.

The assessment covered transitory and physical biodiversity risks, such as habitat destruction from mining, deep-sea drilling impacts, invasive species spread through shipping, and pollution across SBO's value chain. Additional insights were taken from studies on shipping traffic (Nature Sustainability) and offshore drilling safety (ScienceDirect).

While these sources provided a broad understanding of biodiversity risks, SBO has not yet conducted a dedicated, in-depth analysis to quantify these risks, nor has it analyzed any systemic risks. SBO is currently evaluating whether further assessments are needed to strengthen risk monitoring and mitigation efforts.

SBO has not yet conducted consultations with affected communities.

SBO's materiality assessment has identified significant biodiversity-related impacts stemming from upstream value chain activities.

These include:

**Land-use change associated with mining operations:** Mining activities upstream contribute to habitat loss and alterations in land use, which can significantly impact local ecosystems and biodiversity.

**Freshwater use and sea-use change (upstream and downstream value chain):** The extraction and manufacturing processes involve substantial freshwater use, creating potential stress on local water resources and aquatic ecosystems.

**Pollution along the value chain:** Pollution from upstream value chain operations, including industrial waste and emissions, affects biodiversity by contaminating ecosystems and reducing habitat quality.

These impacts demonstrate clear dependencies and potential consequences for ecosystems and, indirectly, for local communities relying on these resources. SBO has not identified any negative impacts within our own operations; therefore, no mitigation measures are planned. However, this will continue to be analyzed as part of our ongoing assessment process. A detailed list of SBO's locations relevant to this assessment can be found in SBM-3-16.

## E5 IRO-1 - Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

### RESOURCE USE AND CIRCULAR ECONOMY

SBO aligns its practices with EU Taxonomy and CSRD requirements. The development and integration of additional tools such as Material Flow Analysis (MFA) or Product Environmental Footprint (PEF), to comprehensively assess actual and potential impacts, risks, and opportunities across its operations and value chain are currently not planned. To date, SBO has not carried out a systematic review of its assets and activities to identify and assess material impacts, risks and opportunities related to resource use and the circular economy. The current assessment is based on a qualitative review of the material stages of the value chain—particularly material sourcing, own production and end-of-life management—as well as on available information from procurement, production and waste management.

Manufacturing facilities use high-grade metals and alloys, with opportunities in improving material efficiency. Waste management handles scrap metals and manufacturing residues, supporting circular economy efforts. Product lifecycle services focus on refurbishing, remanufacturing, and recycling tools and components to extend their use and reduce waste.

SBO emphasizes the strategic importance of high-grade steel, alloys, and other specialized materials, which are integral to the manufacturing of precision components. These materials are indispensable due to their unique mechanical and chemical properties, ensuring optimal performance in demanding and extreme environments. SBO remains committed to securing a reliable supply of these essential resources while actively exploring opportunities to enhance resource efficiency and recyclability in line with general circular economy principles.

SBO is committed to continuous improvement rather than maintaining a business-as-usual approach. By proactively enhancing supply chain efficiency, SBO can unlock new opportunities upstream in the value chain. Downstream in the value chain, a

stronger focus on recyclability and circular economy practices can help optimize waste management costs and ensure regulatory compliance, reinforcing long-term sustainability and resilience.

The transition to a circular economy basically presents both opportunities and risks for SBO. While further expenditures in product redesign and infrastructure for material recovery may enhance these efforts, the company already has strong foundations in place. Ongoing improvements in supply chain management and stakeholder collaboration will help optimize circular practices while minimizing operational complexities.

**Upstream Value Chain (Material Procurement):** The highest resource usage during the sourcing of raw materials, particularly high-grade metals and alloys. Risks at this stage include supply chain disruptions, environmental impacts from mining, and reliance on external suppliers.

**Manufacturing (Own Operations):** Negative impacts, such as energy consumption, emissions, and waste generation (including hazardous waste), are most concentrated in manufacturing processes.

**Downstream value chain (End-of-Life Management):** The downstream stage involves waste management, including the disposal and recycling of used components.

SBO has not conducted specific consultations with affected communities regarding resource inflows, resource outflows, and waste management.

## G1 IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities

SBO approaches the identification and assessment of material impacts, risks, and opportunities in business conduct matters by integrating location, activity, sector, and transaction structure as key evaluation criteria. This process aligns with the materiality analysis conducted under ESRS 2 and IRO-1 requirements. SBO identified corporate governance as material through stakeholder engagement and sector-specific evaluations, assessing its significance across various geographic locations and business activities. This determination was guided by factors such as regulatory requirements, operational activities, and stakeholder priorities, ensuring a comprehensive understanding of governance-related risks and opportunities. Further refinements to clearly link ESRS G1 and ESRS 2 criteria may enhance the transparency of this process.

## IRO-2 - Disclosure Requirements in ESRS covered by SBO's sustainability statements

SBO determines material information to be disclosed in alignment with the requirements of ESRS 1, section 3.2. The materiality assessment process involves evaluating impacts, risks, and opportunities (IROs) against predefined thresholds and criteria. These thresholds are established by considering stakeholder expectations, regulatory requirements, and alignment with frameworks such as GRI and ISSB. SBO reconciles identified IROs with the specific ESRS disclosure points to ensure compliance with both general and company-specific reporting obligations. In cases where material sustainability aspects are not yet fully addressed, SBO commits to disclosing the gaps and defining a timeframe.

### IRO-2 - 56 - LIST OF DISCLOSURE REQUIREMENTS FOLLOWED

ESRS Code	Disclosure requirement	Page	Incorporation by reference
<b>IRO-2-56</b>	<b>IRO-2-56</b>	<b>IRO-2-56</b>	<b>BP-2-16</b>
<b>ESRS 2</b>			
BP-1	General basis for preparation of sustainability statements	74	
BP-2	Disclosures in relation to specific circumstances	74	
GOV-1	The role of the administrative, management and supervisory bodies	76	
GOV-2	Information provided to and sustainability matters addressed by SBO's administrative, management and supervisory bodies	81	
GOV-3	Integration of sustainability-related performance in incentive schemes	82	
GOV-4	Statement on due diligence	83	
GOV-5	Risk management and internal controls over sustainability reporting	84	
SBM-1	Strategy, business model and value chain	86	
SBM-2	Interests and views of stakeholders	89	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	94	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	123	
IRO-2	Disclosure requirements in ESRS covered by SBO's sustainability statement	132	

<b>ESRS Code</b>	<b>Disclosure requirement</b>	<b>Page</b>	<b>Incorporation by reference</b>
<b>E1</b>			
GOV-3	Integration of sustainability-related performance in incentive schemes	82	
E1-1	Transition plan for climate change mitigation	155	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	114	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	126	
E1-2	Policies related to climate change mitigation and adaptation	155	
E1-3	Actions and resources in relation to climate change policies	155	
E1-4	Targets related to climate change mitigation and adaptation	158	
E1-5	Energy consumption and mix	163	
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	165	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phasing-In	
<b>E2</b>			
IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	128	
E2-1	Policies related to pollution	173	
E2-2	Actions and resources related to pollution	173	
E2-3	Targets related to pollution	173	
<b>E3</b>			
IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	129	
E3-1	Policies related to water and marine resources	174	
E3-2	Actions and resources related to water and marine resources	174	
E3-3	Targets related to water and marine resources	174	
E3-4	Water consumption	175	
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Phasing-In	
<b>E4</b>			
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	177	
SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	116	
IRO 1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	129	
E4-2	Policies related to biodiversity and ecosystems	179	
E4-3	Actions and resources related to biodiversity and ecosystems	179	
E4-4	Targets related to biodiversity and ecosystems	179	

ESRS Code	Disclosure requirement	Page	Incorporation by reference
<b>E5</b>			
IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	130	
E5-1	Policies related to resource use and circular economy	180	
E5-2	Actions and resources related to resource use and circular economy	180	
E5-3	Targets related to resource use and circular economy	180	
E5-4	Resource inflows	181	
E5-5	Resource outflows	183	
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Phasing-In	
<b>S1</b>			
SBM-2	Interests and views of stakeholders	89	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	117	
S1-1	Policies related to own workforce	188	
S1-2	Processes for engaging with own workers and workers' representatives about impacts	192	
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	193	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	194	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	200	
S1-6	Characteristics of SBO's employees	201	
S1-7	Characteristics of non-employee workers in SBO's own workforce	203	
S1-8	Collective bargaining coverage and social dialogue	204	
S1-9	Diversity metrics	204	
S1-10	Adequate remuneration of employees in line with applicable benchmarks	205	
S1-12	Persons with disabilities	205	
S1-14	Health and safety metrics	206	
S1-15	Work-life balance metrics	Phasing-In	
S1-16	Compensation metrics (pay gap and total compensation)	206	
S1-17	Incidents, complaints and severe human rights impacts	207	
<b>S2</b>			
SBM-2	Interests and views of stakeholder	89	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	119	
S2-1	Policies related to value chain workers	213	
S2-2	Processes for engaging with value chain workers about impacts	214	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	216	

ESRS Code	Disclosure requirement	Page	Incorporation by reference
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	217	
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	219	
<b>S3</b>			
SBM-2	Interests and views of stakeholders	89	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	121	
S3-1	Policies related to affected communities	220	
S3-2	Processes for engaging with affected communities about impacts	220	
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	220	
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	221	
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	222	
<b>S4</b>			
SBM-2	Interests and views of stakeholders	89	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	122	
S4-1	Policies related to consumers and end-users	223	
S4-2	Statement in case the undertaking has not adopted a general process to engage with consumers and/or end-users	223	
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	224	
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	224	
<b>G1</b>			
GOV-1	The role of the administrative, supervisory and management bodies	81	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	132	
G1-1	Corporate culture and business conduct policies and corporate culture	225	
G1-3	Prevention and detection of corruption and bribery	229	
G1-4	Confirmed incidents of corruption or bribery	232	

Disclosure requirement	Datapoint	Paragraph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
<b>IRO-2-56</b>	<b>IRO-2-56</b>	<b>IRO-2-56</b>	<b>IRO-2-56</b>	<b>IRO-2-56</b>	<b>IRO-2-56</b>	<b>IRO-2-56</b>	<b>IRO-2-56</b>	<b>IRO-2-56</b>
<b>ESRS 2</b>								
GOV-1	Board's gender diversity	§21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/181627, Annex II		material	76
GOV-1	Percentage of board members who are independent	§21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		material	76
GOV-4	Statement on due diligence	§30	Indicator number 10 Table #3 of Annex 1				material	83
SBM-1	Involvement in activities related to fossil fuel activities	§40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/245328 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		material	86
SBM-1	Involvement in activities related to chemical production	§40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		not material	
SBM-1	Involvement in activities related to controversial weapons	§40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/181829, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not material	
SBM-1	Involvement in activities related to cultivation and production of tobacco	§40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not material	
<b>E1</b>								
E1-1	Transition plan to reach climate neutrality by 2050	§14				Regulation (EU) 2021/1119, Article 2(1)	material	155
E1-1	Undertakings excluded from Paris-aligned Benchmarks	§16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book[1]Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		material	155

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Disclosure requirement	Datapoint	Para-graph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
E1-4	GHG emission reduction targets	§34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		material	159
E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	§38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				material	163
E1-5	Energy consumption and mix	§37	Indicator number 5 Table #1 of Annex 1				material	163
E1-5	Energy intensity associated with activities in high climate impact sectors	para-graphs 40 to 43	Indicator number 6 Table #1 of Annex 1				material	163
E1-6	Gross Scope 1, 2, 3 and Total GHG emissions	§44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		material	165
E1-6	Gross GHG emissions intensity	para-graphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		material	165
E1-7	GHG removals and carbon credits	§56				Regulation (EU) 2021/1119, Article 2(1)	not material	n/a
E1-9	Exposure of the benchmark portfolio to climate-related physical risks	§66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		material	n/a

Disclosure requirement	Datapoint	Paragraph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
E1-9	Disaggregation of monetary amounts by acute and chronic physical risk	§66 (a)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			material	n/a
E1-9	Location of significant assets at material physical risk	§66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			material	n/a
E1-9	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	§67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 §34; Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			material	n/a
E1-9	Degree of exposure of the portfolio to climate-related opportunities	§69			Delegated Regulation (EU) 2020/1818, Annex II		material	n/a
<b>E2</b>								
E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	§28		Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1			not material	
<b>E3</b>								
E3-1	Water and marine resources	§9		Indicator number 7 Table #2 of Annex 1			material	174
E3-1	Dedicated policy	§13		Indicator number 8 Table 2 of Annex 1			material	174

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Disclosure requirement	Datapoint	Para-graph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
E3-1	Sustainable oceans and seas	§14	Indicator number 12 Table #2 of Annex 1				material	174
E3-4	Total water recycled and reused	§28 (c)	Indicator number 6.2 Table #2 of Annex 1				material	175
E3-4	Total water consumption in m3 per net revenue on own operations	§29	Indicator number 6.1 Table #2 of Annex 1				material	175
<b>E4</b>								
SBM-3 – E4	Activities related to sites located in or near biodiversity-sensitive areas negatively affect these areas where conclusions or necessary mitigation measures have not been implemented or are ongoing	§16 (a) i	Indicator number 7 Table #1 of Annex 1				material	116
SBM-3 – E4	Material negative impacts with regards to land degradation, desertification or soil sealing have been identified	§16 (b)	Indicator number 10 Table #2 of Annex 1				material	116
SBM-3 – E4	Own operations affect threatened species	§16 (c)	Indicator number 14 Table #2 of Annex 1				material	116
E4-2	Sustainable land / agriculture practices or policies	§24 (b)	Indicator number 11 Table #2 of Annex 1				material	179
E4-2	Sustainable oceans/ seas practices or policies	§24 (c)	Indicator number 12 Table #2 of Annex 1				material	179
E4-2	Policies to address deforestation	§24 (d)	Indicator number 15 Table #2 of Annex 1				material	179
<b>E5</b>								
E5-5	Non-recycled waste	§37 (d)	Indicator number 13 Table #2 of Annex 1				material	183
E5-5	Hazardous waste and radioactive waste	§39	Indicator number 9 Table #1 of Annex 1				not material	

Disclosure requirement	Datapoint	Paragraph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
<b>S1</b>								
SBM-3 – S1	Risk of incidents of forced labor	§14 (f)	Indicator number 13 Table #3 of Annex I				material	117
SBM-3 – S1	Risk of incidents of child labor	§14 (g)	Indicator number 12 Table #3 of Annex I				material	117
S1-1	Human rights policy commitments	§20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				material	188ff
S1-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	§21			Delegated Regulation (EU) 2020/1816, Annex II		material	188ff
S1-1	Processes and measures for preventing trafficking in human beings	§22	Indicator number 11 Table #3 of Annex I				material	188ff
S1-1	Workplace accident prevention policy or management system	§23	Indicator number 1 Table #3 of Annex I				material	188ff
S1-3	Grievance/complaints handling mechanisms	§32 (c)	Indicator number 5 Table #3 of Annex I				material	193ff
S1-14	Number of fatalities and number and rate of work-related accidents	§88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		material	206
S1-14	Number of days lost to injuries, accidents, fatalities or illness	§88 (e)	Indicator number 3 Table #3 of Annex I				material	206
S1-16	Unadjusted gender pay gap	§97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		material	206
S1-16	Annual Total Compensation	§97 (b)	Indicator number 8 Table #3 of Annex I				material	206
S1-17	Incidents of discrimination	§103 (a)	Indicator number 7 Table #3 of Annex I				material	207

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Disclosure requirement	Datapoint	Para-graph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
S1-17	Non-respect of UNGPs on Business and Human Rights and OECD	§104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		material	207
<b>S2</b>								
SBM-3 – S2	Significant risk of child labor or forced labor in the value chain	§11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				material	119
S2-1	Human rights policy commitments	§17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				material	213ff
S2-1	Policies related to value chain workers	§18	Indicator number 11 and n. 4 Table #3 of Annex 1				material	213ff
S2-1	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	§19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		material	213ff
S2-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	§19			Delegated Regulation (EU) 2020/1816, Annex II		material	213ff
S2-4	Human rights issues and incidents connected to its upstream and downstream value chain	§36	Indicator number 14 Table #3 of Annex 1				material	217
<b>S3</b>								
S3-1	Human rights policy commitments	§16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				material	220
S3-1	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	§17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		material	220

Disclosure requirement	Datapoint	Paragraph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
S3-4	Human rights issues and incidents	§36	Indicator number 14 Table #3 of Annex 1				material	221
<b>S4</b>								
S4-1	Policies related to consumers and end-users	§16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				material	223
S4-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	§17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		not material	223
S4-4	Human rights issues and incidents	§35	Indicator number 14 Table #3 of Annex 1				not material	224
<b>G1</b>								
G1-1	United Nations Convention against Corruption	§10 (b)	Indicator number 15 Table #3 of Annex 1				material	225
G1-1	Protection of whistle-blowers	§10 (d)	Indicator number 6 Table #3 of Annex 1				material	225
G1-4	Fines for violation of anti-corruption and anti-bribery laws	§24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		material	232
G1-4	Standards of anti-corruption and anti-bribery	§24 (b)	Indicator number 16 Table #3 of Annex 1				material	232

# Environmental Information

## Disclosures pursuant to Article 8 of Regulation 2020/852 (Taxonomy Regulation)

As part of the European Commission's 2025 Omnibus Initiative I, Commission Delegated Regulation (EU) 2026/73, published in the Official Journal on 8 January 2026, also amended Commission Delegated Regulation (EU) 2021/2178 on Article 8 of the EU Taxonomy Regulation (EU) 2020/852. This results in a reduction in the scope of the reporting templates and, subject to certain conditions, relief in the assessment of covered economic activities as well as financings and investments. Article 4 of Delegated Regulation (EU) 2026/73 provides, as a transitional provision, that for financial years starting between 1 January and 31 December 2025, entities may disclose information pursuant to the EU Taxonomy Regulation in the version applicable on 31 December 2025. SBO makes use of this transitional provision and therefore, as at 31 December 2025, reports under the previous requirements. As uncertainties in the legal interpretation of certain parts of the provisions remain, SBO refers, where considered appropriate, to the European Commission's interpretations as published in its notices in the Official Journal.

### THE EU TAXONOMY REGULATION AT A GLANCE

The European Green Deal aims to achieve a green transformation to help the EU become climate-neutral by 2050. Article 8 of the EU Taxonomy Regulation, Regulation (EU) 2020/852, sets the course for greater transparency on sustainability measures. It covers only those economic activities that are explicitly listed in the relevant delegated acts. In the manufacturing sector, the focus is primarily on emissions-intensive industries. However, the supplier industry has not yet been adequately taken into account. Significant innovations take place in the supplier industry that can make an important contribution to climate neutrality. The EU Taxonomy standardises the definition of environmental sustainability and serves as guidance for investment decisions. Companies must classify their economic activities in accordance with the criteria of the Regulation. If economic activities can be allocated to one or more potentially sustainable activities, they are considered "taxonomically eligible". If they also meet the criteria for a "substantial contribution", the requirements for "do no significant harm", and the "minimum safeguards", they are considered "taxonomically aligned". The EU Taxonomy Regulation requires companies to classify their economic activities based on the technical screening criteria of the relevant delegated acts. This applies in particular to the environmental objectives of climate change mitigation and climate change adaptation and, where relevant, to the other environmental objectives. These activities are assessed against the criteria for a "substantial contribution", "do no significant harm", and the "minimum safeguards". For the environmental objectives of the Taxonomy, sustainable use and protection of water and marine resources (WTR), transition to a circular economy (CE), pollution prevention and control (PPC), and protection and restoration of biodiversity and ecosystems (BIO), no taxonomically eligible economic activities were identified for the 2025 reporting year based on the review performed.

## Manufacturing and cross-sector activities

### MANUFACTURE OF IRON AND STEEL (ENVIRONMENTAL OBJECTIVE: CLIMATE CHANGE MITIGATION)

An economic activity in this category is a transitional activity within the meaning of Article 10(2) of the EU Taxonomy Regulation. SBO is a manufacturer of non-magnetisable, corrosion-resistant steels. Production takes place in a joint process with the main supplier. This specific type of process split has developed historically and is partly reflected in joint patents. The main supplier produces customised raw materials in close coordination with SBO. Cold forging and further processing are carried out by SBO.

The EU Taxonomy is a dynamic framework whose requirements remain subject to adjustments and new interpretations. The FAQs published on 5 March 2025 (C/2025/1373) interpret economic activity CCM 3.9 in such a way that products that have been reshaped or further processed after melting and casting, for example by cold forging, are not to be reported under 3.9. Based on these findings, SBO does not report any revenue, CAPEX or OPEX under economic activity 3.9 Manufacture of iron and steel.

The product portfolio in the Energy Equipment segment, including tools and equipment for drilling and completion of oil, gas and geothermal wells, could not be allocated to any of the economic activities listed in Annex I of Delegated Regulation (EU) 2021/2139. The company is not engaged in gas extraction or processing. Therefore, no activities at SBO sites fall under the Taxonomy categories CCM or CCM 4.29 to 4.31. This assessment was reviewed again for the 2025 financial year and confirmed.

In the 2025 financial year, SBO also carried out infrastructure and cross-sector activities. The EU Taxonomy Regulation not only classifies core economic activities in terms of environmental sustainability. It also takes into account certain capital expenditure and operating expenses in areas such as renewable energy, buildings or vehicle fleets. The following economic activities are relevant for SBO and all fall under the environmental objective of climate change mitigation.

### TRANSPORT BY MOTORCYCLES, PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (CCM 6.5)

In particular, the acquisition, financing, rental, leasing and operation of vehicles of classes M, N or L are taxonomy-eligible. In this specific case, this activity is relevant with regard to CAPEX and OPEX in connection with the vehicle fleet that are relevant for SBO.

### TRANSPORT OF GOODS BY ROAD (CCM6.6)

The acquisition, financing, leasing, rental and operation of vehicles of classes N1, N2 or N3 for the transport of goods by road that fall under the EURO VI standard Level E or its successor are taxonomy-eligible. In this specific case, this activity is relevant with regard to CAPEX and OPEX in connection with SBO's own delivery trucks.

## **CONSTRUCTION OF NEW BUILDINGS AND RENOVATION OF EXISTING BUILDINGS (CCM 7.1 && 7.2)**

Individual construction and civil engineering works or preparation thereof are taxonomy-eligible.

## **INSTALLATION, MAINTENANCE AND REPAIR OF ENERGY-EFFICIENT DEVICES (CCM 7.3)**

Individual renovation measures that consist of the installation, maintenance or repair of energy-efficient devices are taxonomy-eligible.

## **INSTALLATION, MAINTENANCE AND REPAIR OF RENEWABLE ENERGY TECHNOLOGIES (CCM 7.6)**

Taxonomy-eligible are the installation, maintenance and repair of renewable energy technologies on-site. For SBO, this activity is particularly important in connection with the installation of photovoltaic systems at its own locations.

## **ACQUISITION OF AND OWNERSHIP OF BUILDINGS (CCM 7.7)**

The acquisition of real estate and the exercise of ownership of these properties is a taxonomy-eligible activity. In addition to ownership, capitalized usage rights to rented buildings can also represent taxonomy-eligible CapEx. For SBO, the activity is particularly important with regard to administrative and operational buildings.

## **TAXONOMY-ALIGNMENT FOR FINANCIAL YEAR 2025**

An economic activity is considered taxonomically aligned if it is taxonomically eligible and meets the criteria for a substantial contribution, the requirements to do no significant harm and the minimum safeguards. In addition to the already reported Taxonomy-aligned activity 7.3, installation, maintenance and repair of energy-efficient equipment, SBO assessed and reported further relevant activities in accordance with the extended Taxonomy framework. The inclusion of additional environmental objectives resulted in an expanded review of potentially taxonomically eligible activities, in particular in the context of resource efficiency and circular economy.

### **Minimum social safeguards**

In order to achieve taxonomy-alignment, SBO must ensure that, in addition to the two criteria "substantial contribution" and "do no significant harm", the economic activities under consideration are carried out in compliance with Article 18 of the Taxonomy Regulation. Taking into account the Final Report on Minimum Safeguards of the Platform on Sustainable Finance published in October 2022, SBO focuses on the topics of human rights, bribery / corruption, taxes and fair competition. The following aspects were taken into account in detail:

## HUMAN RIGHTS

Business is conducted in compliance with the catalog of internationally recognized human rights. There is a Code of Conduct that requires managers and employees to take appropriate measures to detect, prevent and mitigate possible and actual human rights violations. There have been no convictions related to human rights violations.

## BRIBERY / CORRUPTION

SBO has set up a whistleblowing service that ensures protected communication channels and enables incidents of bribery/corruption to be reported on its own online platform. In addition, there are group-wide guidelines and a zero-tolerance policy regarding bribery, fraud and any form of corruption.

## TAXES

In the course of the SBO Group's economic activities, tax expenses arise in various forms worldwide. Sales taxes, corporate taxes, taxes related to wages and salaries, etc. mean that SBO's economic activities make economic contributions in individual countries. SBO does not pursue an aggressive tax policy. The location of the individual companies follows exclusively the local economic activities in the respective industrial centers. In Note 25 of the Notes to the 2025 consolidated financial statements, the reconciliation to the effective group tax rate is presented.

## FAIR COMPETITION

SBO promotes compliance with the relevant competition rules through the Group-wide Code of Conduct, clearly defined behavioural requirements and the option to report potential breaches via protected channels. In addition, SBO adopted a dedicated Code of Conduct for Business Partners this year, which specifies expectations towards suppliers and other relevant third parties. The implementation and embedding of the Business Partner Code of Conduct is planned as the next step. For SBO, fair competition means not entering into or carrying out cartels, anti-competitive business practices or agreements that exploit or expand market dominance or market power. It also means not engaging in anti-competitive mergers and acquisitions. This applies in particular where such conduct involves fixed prices, bid rigging, production restrictions or quotas, or the allocation of markets by assigning customers, suppliers, territories or business areas.

## KEY PERFORMANCE INDICATORS (KPI)

On this basis, the following key figures are shown:

<b>INFORMATION IN %</b>	<b>TURNOVER</b>	<b>CAPEX</b>	<b>OPEX</b>
Taxonomy-eligible overall	0.0	13.7	1.9
Not taxonomy-eligible overall	100.0	86.3	98.1
Taxonomy-aligned overall	0.0	0.0	0.0
Not taxonomy-aligned overall	100.0	100.0	100.0



Financial year		2025		Substantial contribution criteria										DNSH criteria ("Does Not Significantly Harm")					
(1) Economic Activities	(2) Code	(3) CAPEX	(4) Proportion of CAPEX, year 2025	(5) Climate Change Mitigation	(6) Climate Change Adaptation	(7) Water	(8) Pollution	(9) Circular Economy	(10) Biodiversity	(11) Climate Change Mitigation	(12) Climate Change Adaptation	(13) Water	(14) Pollution	(15) Circular Economy	(16) Biodiversity	(17) Minimum Safeguards	(18) Proportion of Taxonomy-aligned (A.1) or -eligible (A.2), CAPEX, year 2024	(19) Category enabling activity	(20) Category transitional activity
Text	TEUR	%	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Installation, maintenance and repair of energy efficiency equipment																			
CCM 7.3	0	0.0%	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.6%	E	
<b>CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>0.6%</b>		
<b>Of which enabling</b>		<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>0.6%</b>	<b>E</b>	
<b>Of which transitional</b>		<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>0.0%</b>		<b>T</b>
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	2	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.0%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	644	0.9%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.6%		
Freight transport services by road	CCM 6.6	125	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.1%		
Construction of new buildings	CCM 7.1	1,124	1.6%	EL	EL	N/EL	N/EL	EL	N/EL								3.3%		
Renovation of existing buildings	CCM 7.2	763	1.1%	EL	EL	N/EL	N/EL	EL	N/EL								2.1%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	16	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								2.2%		
Acquisition and ownership of buildings	CCM 7.7	6,676	9.8%	EL	EL	N/EL	N/EL	N/EL	N/EL								9.3%		
<b>CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>9,350</b>	<b>13.7%</b>	<b>13.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>								<b>20.6%</b>		
<b>A. CAPEX of Taxonomy-eligible activities (A.1+A.2)</b>		<b>9,350</b>	<b>13.7%</b>	<b>13.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>								<b>21.2%</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
<b>CAPEX of Taxonomy-non-eligible activities</b>		<b>58,992</b>	<b>86.3%</b>																
<b>TOTAL</b>		<b>68,342</b>	<b>100.0%</b>																

Non-financial Statement

Financial year	DNSH criteria ("Does Not Significantly Harm")																		
	2025	Substantial contribution criteria								DNSH criteria ("Does Not Significantly Harm")									
(1) Economic Activities	Code	OPEX	Proportion of OPEX, year 2025	(5) Climate Change Mitigation	(6) Climate Change Adaptation	(7) Water	(8) Pollution	(9) Circular Economy	(10) Biodiversity	(11) Climate Change Mitigation	(12) Climate Change Adaptation	(13) Water	(14) Pollution	(15) Circular Economy	(16) Biodiversity	(17) Minimum Safeguards	Proportion of Taxonomy-mv-aligned (A.1) or -eligible (A.2.) OPEX, year 2024	Category enabling activity	Category transitional activity
Text	TEUR		%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.6%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	6	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
<b>OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>6</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>0.6%</b>		
<b>Of which enabling</b>		<b>6</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>0.6%</b>	<b>E</b>	
<b>Of which transitional</b>		<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>0.0%</b>		<b>T</b>
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	45	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Freight transport services by road	CCM 6.6	103	0.5%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Renovation of existing buildings	CCM 7.2	0	0.0%	EL	EL	N/EL	N/EL	EL	N/EL								0.3%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	252	1.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.4%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	3	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Acquisition and ownership of buildings	CCM 7.7	0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.2%		
<b>OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>403</b>	<b>1.8%</b>	<b>1.8%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>								<b>2.2%</b>		
<b>A. OPEX of Taxonomy-eligible activities (A.1+A.2)</b>		<b>408</b>	<b>1.9%</b>	<b>1.9%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>								<b>2.8%</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
<b>OPEX of Taxonomy-non-eligible activities</b>		<b>21,396</b>	<b>98.1%</b>																
<b>TOTAL</b>		<b>21,804</b>	<b>100.0%</b>																

TEMPLATE 1 – NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

**NUCLEAR ENERGY RELATED ACTIVITIES**

1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

**FOSSIL GAS RELATED ACTIVITIES**

4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

TURNOVER SHARE / TOTAL  
TURNOVER

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	0%	0%
CCM	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

## CAPEX SHARE / TOTAL CAPEX

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	0%	13.7%
CCM	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

**OPEX SHARE / TOTAL OPEX**

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	0%	1.9%
CCM	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

**DETAILED EXPLANATIONS**

The calculation of the Key Performance Indicators (KPI) is carried out in accordance with Annex 1 of Commission Delegated Regulation (EU) 2021/2178.

**INFORMATION ON THE CONSOLIDATED FINANCIAL STATEMENTS TO AVOID DOUBLE COUNTING AND GENERAL PROCEDURES**

SBO's consolidated financial statements as at 31 December 2025 were prepared in accordance with the principles of the IFRS Accounting Standards and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. Details of the accounting policies applied are presented in the notes to the SBO consolidated financial statements. The principles of the IFRS consolidated financial statements for determining revenue, CapEx and OpEx form the basis for deriving the Taxonomy KPIs. To avoid double counting, only revenue from external customers was considered when capturing revenue, enabling a simple and transparent reconciliation to consolidated revenue. In the 2025 financial year, SBO reports no revenue under EU Taxonomy economic activities. For the CapEx KPI, screening was performed at individual entity level and then transferred to the consolidated value of the SBO Group. For OpEx, screening was carried out at individual entity level followed by aggregation, with intra-group recharges excluded in advance to avoid an inappropriate increase in the KPI. In general, it should be noted that, when deriving non-eligible, eligible and aligned revenue, CapEx and OpEx, a clear allocation to individual economic activities was possible and no allocation key was used. This also enabled the exclusion of potential double counting of revenue, CapEx and OpEx across different economic activities.

## CALCULATION OF TURNOVER KPI

The revenue KPI for FY2025 was calculated as the share of net turnover from goods or services, including intangible assets, associated with taxonomy-aligned economic activities (numerator), divided by total net turnover (denominator). In FY2025, no taxonomy-aligned revenues were recorded. The denominator corresponds to the consolidated revenue for the period from 1 January to 31 December 2025 as presented in SBO's 2025 consolidated financial statements. To determine the numerator, screening was carried out at entity level, followed by allocation to non-eligible, eligible or aligned economic activities. As explained earlier in this report, SBO no longer treats revenue from the sale of high-alloy non-magnetisable stainless steels as taxonomically eligible. Therefore, the revenue KPI for the 2025 financial year is zero. Total revenue for the 2025 financial year amounted to TEUR 455,267 and is presented in the consolidated income statement under "Revenue". More detailed information on revenue can be found in note 21 to the consolidated financial statements.

## CALCULATION OF CAPEX KPI

This KPI is defined as Taxonomy-aligned CapEx (numerator) divided by consolidated capital expenditure. The denominator comprises the consolidated additions to property, plant and equipment and intangible assets during the financial year under review, before depreciation and revaluations, including those resulting from revaluations and impairments for the respective financial year, and excluding changes in fair value. The denominator also includes additions to property, plant and equipment and intangible assets resulting from business combinations, as well as right-of-use assets in accordance with IFRS 16. The denominator of TEUR 68,342 is calculated as total additions to property, plant and equipment and intangible assets of TEUR 63,631, less additions to prepayments of TEUR 378, plus transfers from prepayments of TEUR 5,089. As a result of the business combination with 3T Additive Manufacturing Limited, additions totaling TEUR 5,866 were recognized. Further details are provided in Notes 8, 9, and 35 to the Notes to the consolidated financial statements. Non-eligible, eligible and aligned investments could be clearly identified and allocated to the respective economic activities. Therefore, no allocation key was used.

## CALCULATION OF OPEX KPI

This KPI is defined as taxonomically eligible and taxonomically aligned operating expenditure in the numerator divided by total operating expenditure as defined by the EU Taxonomy in the denominator. The denominator comprises direct, non-capitalised costs relating to research and development, building renovation measures, short-term leasing, maintenance and repair, and all other direct expenditure related to the day-to-day servicing of property, plant and equipment by the company or by third parties to whom activities are outsourced that are necessary to ensure the continued and effective functioning of these assets. Across the Group, the operating expenditure listed above was reviewed against the EU Taxonomy to determine whether it could be allocated to a taxonomically eligible and taxonomically aligned economic activity. The Group-wide standardised presentation scheme for non-capitalised operating expenditure, which is also included in the consolidated income statement, formed the starting point for the screening. Taxonomically eligible and taxonomically aligned OpEx could be clearly identified and allocated to the respective economic activities. Therefore, no allocation key was used.

## CHANGES IN TAXONOMY-ELIGIBLE KPIs COMPARED TO THE PRIOR PERIOD

Turnover: No change compared to the prior year.

CAPEX: In absolute terms, taxonomically eligible CapEx increased from MEUR 8.0 in 2024 to MEUR 9.3 in 2025. Due to the increase in the denominator from MEUR 37.5 in 2024 to MEUR 68.3 in 2025, the percentage share of taxonomically eligible CapEx decreased from 21.2 % in 2024 to 13.7 % in 2025. The majority of taxonomically eligible CapEx in 2025 relates to the expansion in the Middle East and the Relining Center in Houston. The related acquisition of buildings and the entering into new lease agreements under IFRS 16 are reported under economic activity 7.7 "Acquisition and ownership of buildings".

OPEX: In 2025, taxonomically eligible OpEx of 1.9% is reported. This represents a slight decrease compared to 2024, when taxonomically eligible OpEx amounted to 2.8%. R&D expenditure continues to represent the largest share of taxonomically eligible OpEx.

# E1 Climate Change

## E1-1 - Transition plan for climate change mitigation

### E1-1 - 17 - CLIMATE TRANSITION PLAN

SBO is developing a transition plan for climate change mitigation and will conduct a comprehensive analysis of all necessary components. As part of this process, SBO is committed to aligning its climate targets with internationally recognized frameworks and is actively working towards joining the Science Based Targets initiative (SBTi). Although the specific SBTi standard for the oil and gas sector had not been published as of 2025, SBO is already focusing on defining climate targets that support and advance its sustainable business strategy.

## E1-2 - Policies related to climate change mitigation and adaptation

### E1-MDR-P - 62 & 65 & E1-2 - 25

SBO is in the process of developing a comprehensive ESG framework, as no standalone framework has been established to date. ESG aspects have so far been addressed in overarching policies such as the Code of Conduct and the company strategy. The introduction of a standalone ESG framework is being implemented step by step, as content, responsibilities and processes must be aligned across the Group, integrated into existing management and control systems, and implemented in the operating units.

## E1-3 - Actions and resources in relation to climate change policies

### E1-MDR-A - 62

SBO is in the process of designing its climate transition plan and is currently developing measures to implement the planned decarbonisation steps. The evaluation of the CapEx and OpEx required to implement these measures has not yet been completed, which is why this information cannot currently be disclosed. The measures and the climate transition plan will be published once the financial assessments have been completed and final internal alignment has taken place.

## E1-4 - Targets related to climate change mitigation and adaptation

### MDR-T - 80 A -J

These targets will be integrated into the climate transition plan that is currently being developed and is expected to be finalized over the coming years. The plan focuses on climate mitigation and energy efficiency, with particular emphasis on reducing emissions across Scopes 1, 2 and 3, lowering energy consumption, and transitioning to energy from renewable sources.

**by 2030:**

30% reduction in Scope 1 and 2 emissions.

10% reduction in Scope 3 emissions.

**by 2050:**

Achieve net-zero emissions across Scope 1, 2, and 3, aligned with the Paris Agreement.

## DEFINED TARGET LEVELS AND MEASUREMENT APPROACH

The target is relative, as it is expressed as a percentage reduction compared to a baseline.

The targets are stated in metric tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e), which is the standard unit for measuring greenhouse gas (GHG) emissions.

## SCOPE

**Upstream Value Chain Activities:**

Raw Material Procurement: Emissions related to the extraction and transportation of raw materials used in manufacturing. Supply Chain Emissions: Emissions from suppliers, including those associated with the procurement of raw material.

**Downstream Value Chain Activities:**

Product Use: Emissions associated with the use of SBO's products, such as components for drilling and well completion, stem from the consumption of extracted resources.

**End-of-Life and Disposal:**

Emissions from the disposal or recycling of products at the end of their life cycle.

**Geographical Areas:**

The target addresses all geographical regions where SBO operates.

The base year for SBO's GHG emissions reduction targets is 2022. This year serves as the reference for measuring the targeted reduction of Scope 1 and Scope 2 emissions, a 30% reduction by 2030, and Scope 3 emissions, a 10% reduction by 2030. The base year 2022 was selected because it represents SBO's business activities under normal operating conditions without material one-off effects. Representativeness was ensured by confirming that 2022 is comparable with the current reporting year in terms of organisational structure, consolidation scope and material emission sources.

The target period extends until 2050, with an interim milestone set for 2030.

The targets were defined through a comprehensive assessment of potential measures and their expected impacts. This process involved identifying feasible actions and evaluating their effectiveness in reducing emissions and contributing to overall sustainability goals.

In addition to the internal evaluation, we also conducted a thorough screening of the climate-related targets and strategies of our key suppliers and customers. This approach ensures that our targets are aligned with broader value chain expectations and supports a coordinated effort towards achieving shared sustainability objectives.

SBO's environmental targets are aligned with the long-term goal of achieving net-zero emissions. At present, it is formally not possible to fully align with SBTi standards because sector-specific guidance for the oil and gas industry was still not available in 2025. SBO has set its targets to the best of its knowledge and belief. Compatibility with the official SBTi framework will be reassessed once the sector standard is published. At this stage, the 2030 milestone targets are not yet aligned with the SBTi framework.

Stakeholders were not involved in the target-setting process for material sustainability matters during the reporting period. This was due to the ongoing development of our internal frameworks and strategies. SBO recognizes the importance of stakeholder engagement and plans to actively involve relevant stakeholders in future target-setting processes to ensure their perspectives are integrated into our sustainability goals.

SBO's environmental targets are newly established, and no changes have been made to the targets, corresponding metrics, measurement methodologies, assumptions, or data collection processes. As a result, there are no adjustments affecting comparability over time.

As the targets have been set this year, they are in the early stages of implementation, and no measurable progress has been recorded. Further details are provided in Table E1-6.

## E1-4 - GHG EMISSION REDUCTION TARGETS

### **Consistency between targets and GHG inventory limits**

The GHG emission reduction targets are consistent with the GHG inventory boundaries.

**Decarbonization levers Scope 1 & 2 in tCO<sub>2</sub>e:**

The reduction values in Scope 1 and 2 are derived from reported consumption data and the resulting emissions. They result from the transition to electricity from renewable sources and the replacement of gas heating systems and gas-powered machinery.

Electrification: 3,762 tCO<sub>2</sub>e

Use of renewable energy: 8,516 tCO<sub>2</sub>e

**Decarbonization levers Scope 3 in tCO<sub>2</sub>e:**

SBO's decarbonization levers in Scope 3 are based on estimates derived from the respective Scope 3 category, as the exact measures within the value chain cannot yet be precisely quantified due to significant dependencies on the actions of our value chain partners. The main focus lies on purchased materials within Scope 3.1, with "Material efficiency and consumption reduction" primarily referring to the more sustainable production of steel.

Fuel switching: 11,337 tCO<sub>2</sub>e

Material efficiencies and consumption reduction: 60,274 tCO<sub>2</sub>e

Energy efficiencies: 5,826 tCO<sub>2</sub>e

Other: 2,885 tCO<sub>2</sub>e

**Consideration of Climate Scenarios in Decarbonization Strategy & External verification:**

SBO is in the early stages of analyzing various climate scenarios to identify relevant environmental, social, technological, market, and policy-related developments. Our targets have not been externally verified, and our 2030 goal is not fully aligned with the 1.5°C trajectory. While our reduction ambitions are based on a detailed internal assessment and an evaluation of measures across our value chain, further refinement will be necessary to ensure full compatibility with internationally recognized climate pathways.

**E1-4-AR 30B - PLANS TO ADOPT NEW TECHNOLOGIES AND THE ROLE OF THESE TO ACHIEVE ITS GHG EMISSION REDUCTION TARGETS**

SBO manufactures components used in carbon capture & storage (CCS) applications; however, CCS is not considered part of our own emissions reduction strategy and is therefore not quantified or included in this context.

## E1-4 Targets

Addressed material (sub-) topic	MDR-T-80a	Climate protection
Addressed material IRO	MDR-T-80a	Greenhouse gas emissions
Addressed policy	MDR-T-80a	Transition plan for climate protection (Climate Transition Plan - in development)
Title of the target	MDR-T-80a	SBO plans to reduce its absolute Scope 1 & 2 emissions by 30 % compared to 2022 by 2030.
Target level	MDR-T-80b	-30
Absolute or relative target	MDR-T-80b	Relative target
Target unit	MDR-T-80b	%
Target value in tCO <sub>2</sub> e	E1-4-34a	9,550 tCO <sub>2</sub> e
Included greenhouse gases	E 1-4-34b	All seven Kyoto gases (CO <sub>2</sub> , HFC, SF6, PFC, CH4, N2O, NF3)
Included scopes	E 1-4-34b	Scope 1 & 2 (market-based)
For GHG reduction targets (only for Scope 3 targets):	E 1-4-34b	N/A
Included Scope 3 subcategories	E 1-4-34b	N/A
Allocation per scope	E 1-4-34b	Scope 1 & 2
Included share of scopes and total emissions	E 1-4 34b	Scope 1 & 2
Target scope in terms of business activities	MDR-T-80c	Own activities
Target scope in terms of geographical areas	MDR-T-80c	Global
Target base year	MDR-T-80d	2022
Target baseline value	MDR-T-80d	13,643 tCO <sub>2</sub> e
Target period	MDR-T-80e	2030
Milestones or interim targets	MDR-T-80e	None

<b>Addressed material (sub-) topic</b>	<b>MDR-T-80a</b>	<b>Climate protection</b>
Addressed material IRO	MDR-T-80a	Greenhouse gas emissions
Addressed policy	MDR-T-80a	Transition plan for climate protection (Climate Transition Plan - in development)
Title of the target	MDR-T-80a	SBO plans to reduce its absolute Scope 3 emissions by 10% compared to 2022 by 2030.
Target level	MDR-T-80b	-10
Absolute or relative target	MDR-T-80b	Relative target
Target unit	MDR-T-80b	%
Target value in tCO <sub>2</sub> e	E1-4-34a	80,321 tCO <sub>2</sub> e
Included greenhouse gases	E 1-4-34b	All seven Kyoto gases (CO <sub>2</sub> , HFC, SF <sub>6</sub> , PFC, CH <sub>4</sub> , N <sub>2</sub> O, NF <sub>3</sub> )
Included scopes	E 1-4-34b	Scope 3
Included Scope 3 subcategories	E 1-4-34b	All
Allocation per scope	E 1-4-34b	Scope 3
Included share of scopes and total emissions	E 1-4 34b	Scope 3
Target scope in terms of business activities	MDR-T-80c	Upstream and downstream value chain
Target scope in terms of geographical areas	MDR-T-80c	Global
Target base year	MDR-T-80d	2022
Target baseline value	MDR-T-80d	89,246 tCO <sub>2</sub> e
Target period	MDR-T-80e	2030
Milestones or interim targets	MDR-T-80e	None

<b>Addressed material (sub-) topic</b>	<b>MDR-T-80a</b>	<b>Climate protection</b>
Addressed material IRO	MDR-T-80a	Greenhouse gas emissions
Addressed policy	MDR-T-80a	Transition plan for climate protection (Climate Transition Plan - in development)
Title of the target	MDR-T-80a	SBO plans to reduce its absolute Scope 1 & 2 emissions by 90% compared to 2022 by 2050.
Target level	MDR-T-80b	-90
Absolute or relative target	MDR-T-80b	Relative target
Target unit	MDR-T-80b	%
Target value in tCO <sub>2</sub> e	E1-4-34a	1,364 tCO <sub>2</sub> e
Included greenhouse gases	E 1-4-34b	All seven Kyoto gases (CO <sub>2</sub> , HFC, SF <sub>6</sub> , PFC, CH <sub>4</sub> , N <sub>2</sub> O, NF <sub>3</sub> )
Included scopes	E 1-4-34b	Scope 1 & 2 (market-based)
Included Scope 3 subcategories	E 1-4-34b	N/A
Allocation per scope	E 1-4-34b	Scope 1 & 2
Included share of scopes and total emissions	E 1-4 34b	Scope 1 & 2
Target scope in terms of business activities	MDR-T-80c	Own activities
Target scope in terms of geographical areas	MDR-T-80c	Global
Target base year	MDR-T-80d	2022
Target baseline value	MDR-T-80d	13,643 tCO <sub>2</sub> e
Target period	MDR-T-80e	2050
Milestones or interim targets	MDR-T-80e	None

<b>Addressed material (sub-) topic</b>	<b>MDR-T-80a</b>	<b>Climate protection</b>
Addressed material IRO	MDR-T-80a	Greenhouse gas emissions
Addressed policy	MDR-T-80a	Transition plan for climate protection (Climate Transition Plan - in development)
Title of the target	MDR-T-80a	SBO plans to reduce its absolute Scope 3 emissions by 90 % compared to 2022 by 2050.
Target level	MDR-T-80b	-90
Absolute or relative target	MDR-T-80b	Relative target
Target unit	MDR-T-80b	%
Target value in tCO <sub>2</sub> e	E1-4-34a	8,925 tCO <sub>2</sub> e
Included greenhouse gases	E 1-4-34b	All seven Kyoto gases (CO <sub>2</sub> , HFC, SF <sub>6</sub> , PFC, CH <sub>4</sub> , N <sub>2</sub> O, NF <sub>3</sub> )
Included scopes	E 1-4-34b	Scope 3
Included Scope 3 subcategories	E 1-4-34b	All
Allocation per scope	E 1-4-34b	Scope 3
Included share of scopes and total emissions	E 1-4 34b	Scope 3
Target scope in terms of business activities	MDR-T-80c	Upstream and downstream value chain
Target scope in terms of geographical areas	MDR-T-80c	Global
Target base year	MDR-T-80d	2022
Target baseline value	MDR-T-80d	89,246 tCO <sub>2</sub> e
Target period	MDR-T-80e	2050
Milestones or interim targets	MDR-T-80e	None

## E1-5 - Energy consumption and energy mix

### E1-5 – 36–38 & AR 34 - ENERGY CONSUMPTION AND ENERGY MIX

#### E1-5 - 39 - ENERGY

Energy consumption and energy mix	2024	2025
Fuel consumption from coal and coal products (MWh)	-	-
Fuel consumption from crude oil and petroleum products (MWh)	5,787	7,445
Fuel consumption from natural gas (MWh)	10,730	11,539
Fuel consumption from other fossil sources (MWh)	-	-
Consumption from purchased or received electricity, heat, steam and cooling from fossil sources (MWh)	14,378	15,058
<b>Total consumption of fossil energy (MWh)</b>	<b>30,896</b>	<b>34,042</b>
Share of fossil energy sources of total energy consumption (in %)	60	65
Consumption from nuclear sources (MWh)	5,748	1,474
Share of consumption from nuclear sources of total energy consumption (in %)	11	3
Fuel consumption for renewable sources, including biomass (MWh)	-	-
Consumption from purchased or received electricity, heat, steam and cooling and from renewable sources (MWh)	13,553	14,929
Consumption of self-generated renewable energy other than fuels (MWh)	1,365	1,716
<b>Total consumption of renewable energy (MWh)</b>	<b>14,917</b>	<b>16,645</b>
Share of renewable sources of total energy consumption (in %)	29	32
<b>Total energy consumption (MWh)</b>	<b>51,562</b>	<b>52,179</b>
Own energy generation	2024	2025
Self-generated energy from fossil sources (MWh)	-	-
Self-generated energy from renewable sources (MWh)	1,996	2,317

#### E1-5 - 40 – ENERGY INTENSITY PER NET REVENUE

Energy intensity per net revenue	2024	2025	Change to previous year (in %)
Total energy consumption from activities in climate-intensive sectors per net revenue from activities in climate-intensive sectors (MWh/currency unit)	92	115	25

**E1-5 - 41 - TOTAL ENERGY CONSUMPTION FROM ACTIVITIES IN HIGH CLIMATE IMPACT SECTORS**

The total energy consumption from activities in high climate impact sectors amounts to 52,179 MWh.

**E1-5 - AR 38B - NET REVENUE FROM ACTIVITIES IN HIGH CLIMATE IMPACT SECTORS AND OTHER THAN HIGH CLIMATE IMPACT SECTORS**

The net revenue is reported in the sales section of the profit and loss statement.

**E1-5 - 42 - HIGH CLIMATE IMPACT SECTORS**

SBO is a manufacturer and equipment supplier in the energy industry and beyond. Operating in this sector, SBO's activities, especially the manufacturing of components like drilling and completion equipment, contribute to a carbon footprint due to energy consumption and emissions from manufacturing processes.

## E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions

	Retrospective				Milestones and target years		
	Base Year	2024	2025	Change to previous year (in %)	2030	2050	Annual % target/ Base year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions (tCO <sub>2</sub> eq)	4,180	4,120	4,178	1.41%	2,926	418	-3%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0	0.00%	-	-	-
<b>Scope 2 GHG emissions</b>							
Gross location-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	11,647	12,086	11,266	-6.78%	8,153	1,165	-3%
Gross market-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	9,463	9,210	8,859	-3.81%	6,624	946	-3%
<b>Significant scope 3 GHG emissions</b>							
Total gross indirect (Scope 3) GHG emissions (tCO <sub>2</sub> eq)	89,246	106,249	92,967	-13%	80,321	8,925	-3%
1 Purchased goods and services	57,813	66,386	55,585	-16%			
2 Capital goods	6,473	9,680	10,741	11%			
3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	3,658	3,971	3,843	-3%			
4 Upstream transportation and distribution	1,243	3,391	2,854	-16%			
5 Waste generated in operations	3,691	3,877	3,715	-4%			
6 Business travelling	2,599	3,264	3,173	-3%			
7 Employee commuting	2,084	2,450	2,391	-2%			
8 Upstream leased assets	0	0	0	0%			
9 Downstream transportation	5,611	6,554	2,623	-60%			
10 Processing of sold products	5,466	5,778	7,294	26%			
11 Use of sold products	0	0	0	0%			
12 End-of-life treatment of sold products	607	896	749	-16%			
13 Downstream leased assets	0	0	0	0%			
14 Franchises	0	0	0	0%			
15 Investments	0	0	0	0%			
<b>Total GHG emissions</b>							
Total GHG emissions (location-based) (tCO <sub>2</sub> eq)	105,073	122,455	108,411	-11%			
Total GHG emissions (market-based) (tCO <sub>2</sub> eq)	102,889	119,579	106,004	-11%			

GHG intensity per net revenue	2024	2025	Change to previous year (in %)
Total GHG emissions (location-based) per net revenue (tCO <sub>2</sub> eq/Monetary Unit)	218	233	9%
Total GHG emissions (market-based) per net revenue (tCO <sub>2</sub> eq/Monetary Unit)	213	233	9%

#### E1-6 - 46 - GUIDELINES FOR DISCLOSING GHG EMISSIONS IN ACCORDANCE WITH ESRS 1

The system boundaries for calculating the Corporate Carbon Footprint include all locations that SBO directly controls

#### E1-6 - 47 - DISCLOSURE REQUIREMENTS FOR SIGNIFICANT CHANGES IN REPORTING UNDERTAKING AND VALUE CHAIN IMPACT ON GHG EMISSIONS COMPARABILITY

The organisational boundaries were largely maintained compared to the prior year. In the reporting year 2025, however, 3T Additive Manufacturing Limited was acquired and included in the reporting boundary, meaning the consolidation scope, from the acquisition date. No other companies, investments or sites were acquired or sold, and no additional Scope 3 categories were included.

#### E1-6 - AR 39 B - DISCLOSURE OF METHODOLOGIES, SIGNIFICANT ASSUMPTIONS AND EMISSIONS FACTORS USED TO CALCULATE OR MEASURE GHG EMISSIONS

In preparing the Corporate Carbon Footprint (CCF) report, SBO applies methodologies, emission factors, and assumptions aligned with the Greenhouse Gas Protocol.

Scope 3 emissions were calculated for the first time in 2023 using a combination of the average-data and spend-based methods. Emission factors were derived from sources such as Ecoinvent, Idemat, and DBEIS, while data gaps were addressed through plausible assumptions, such as estimating product weights or using average employee commuting data.

SBO is actively engaging with suppliers and investing in improved data management tools and employee training to enhance accuracy and transparency in future emissions reporting.

## **E1-6 – AR 42 C – GROSS SCOPE 1, 2 AND 3 GHG EMISSIONS AND TOTAL GHG EMISSIONS**

The consolidation results of other companies are not relevant for calculating SBO's gross greenhouse gas emissions, as only emissions from the SBO consolidation scope and the related Scope 1, Scope 2, and Scope 3 activities are taken into account.

## **E1-6 – 51 – DISCLOSURES ON SCOPE 3 GHG EMISSIONS**

SBO has verified the significance of all 15 Scope 3 categories, but certain categories were considered not relevant for the GHG-calculation. Specifically, Scope 3.8 (leases of assets) was excluded, as SBO does not lease warehouses or similar assets in its upstream value chain. Additionally, Scope 3.11 and 3.13, which relate to the energy consumption of SBO products, were not applied, as SBO's sold and rented products do not directly require electricity or fossil fuels for their use. Further exclusions include Scope 3.14 (franchises), as SBO does not grant franchise licenses, and Scope 3.15 (investments), since all subsidiaries are fully consolidated in both the financial and sustainability reports.

For the remaining Scope 3 categories, emissions were calculated using the average data method and spend-based method due to the limited availability of supplier-specific carbon footprint data, particularly from suppliers outside the EU. In the future, SBO aims to obtain more detailed supplier-specific information to improve the accuracy of these calculations.

## **E1-6 – AR 46 H-I – CONSOLIDATED GROUP**

An internal summary of the calculation approaches for each scope is available in the CCF report. It includes a detailed breakdown of the methodologies used for each Scope category (Scope 1, 2, and 3), including the use of the average data method and spend-based method for Scope 3 emissions. It also highlights the data sources, such as emission factors from reputable databases (e.g., DBEIS, Ecoinvent, Idemat) and the approach to estimating emissions for specific categories where data was unavailable.

For auditors, detailed documentation of the calculation method, data sources, and other relevant aspects, such as assumptions and estimations, is available. This ensures transparency and allows the auditor to verify the accuracy and completeness of the emissions calculations in line with Greenhouse Gas (GHG) Protocol standards.

## **E1-6 – 55 – AR 55 – RECONCILIATION OF NET REVENUE**

The net revenue is reported in the sales section of the profit and loss statement.

## E1-MDR-M - Metrics relating to material sustainability aspects

### E1-MDR-M-77B

The figures have not been externally verified. To validate the measurements, internal quality controls were carried out, including checks for data completeness, comparisons with prior year values, and plausibility checks between group companies.

<b>LIST OF METRICS USED</b>	<b>ESRS OR UNDERTAKING-SPECIFIC METRICS</b>	<b>METHODS, SIGNIFICANT ASSUMPTIONS, AND LIMITATIONS</b>
MDR-M-76	MDR-M-77	MDR-M-77a
Total energy consumption related to own operations	ESRS metric	The sum of energy consumption from fossil, nuclear, and renewable sources is calculated by aggregating data from energy meters, as well as energy bills. Each subsidiary delivers energy consumption per energy source. Data is consolidated at group level for each KPI. For the majority of energy consumption, energy mix is available, only few estimations were required.
Total energy consumption from fossil sources	ESRS metric	The sum of energy consumption from fossil sources is calculated by aggregating data from energy meters, as well as energy bills. Each subsidiary delivers energy consumption per energy source. Data is consolidated on group level for each KPI.
Fuel consumption from coal and coal products	ESRS metric	SBO does not directly generate energy by using coal, however electricity purchased include electricity generated by coal, therefore energy/electricity bills are used as a source. Each subsidiary delivers energy consumption per energy source. Data is consolidated on group level for each KPI.
Fuel consumption from crude oil and petroleum products	ESRS metric	Energy consumption from crude oil is based on diesel and petrol, as well as fuel oil (light and heavy) consumption. SBO does consume diesel and petrol, mostly used for company vehicles. Data from each subsidiary is categorized and then aggregated on group level, ensuring all values are standardized translated into MWh. For most of the fuel consumed, energy bills are used as data sources, in few cases estimations are used.
Fuel consumption from natural gas	ESRS metric	The sum of energy consumption from natural gas is calculated by collecting data on various natural gas products, including propane, butane, natural gas, liquefied petroleum gas (LPG), liquefied natural gas (LNG), and compressed natural gas (CNG) from energy bills and energy meters, categorizing this data, and aggregating the consumption figures for each product type into a total, ensuring all values are in the same unit (e.g., MWh).
Fuel consumption from other fossil sources	ESRS metric	Currently there is no fuel consumption from other fossil sources.
Share of fossil energy in total energy consumption	ESRS metric	Share of fossil energy is calculated by dividing the total energy consumption from fossil sources by the total energy consumption.

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Total energy consumption from nuclear sources	ESRS metric	Total energy consumption from nuclear sources is used in a few locations and is calculated in megawatt-hours (MWh), by aggregating energy mixes from the invoice of electricity suppliers. Data is consolidated on group level for each KPI.
Share of nuclear energy in total energy consumption	ESRS metric	Share of nuclear energy is calculated by dividing the total energy consumption from nuclear sources by the total energy consumption.
Total energy consumption from renewable sources	ESRS metric	Total renewable energy consumption is assessed using data from consumption of self-generated renewable energy and purchased renewable energy. Each subsidiary delivers energy consumption per energy source. Data is consolidated on group level for each KPI.
Fuel consumption from renewable sources, including biomass, biofuels, biogas, hydrogen from renewable sources	ESRS metric	Currently SBO does not consume a material amount of energy of such sources.
Consumption of self-generated non-fuel renewable energy	ESRS metric	Data gathered from various sources, including energy production reports, utility invoices, and renewable energy monitoring systems. Data is consolidated on group level for each KPI.
Share of renewable energy in total energy consumption	ESRS metric	Share of renewable energy is calculated by dividing the total energy consumption from renewable sources by the total energy consumption.
Consumption of purchased or acquired electricity	ESRS metric	Data is sourced from energy bills and energy meters for each subsidiary. Data is consolidated on group level for each KPI.
Consumption of purchased or acquired heat	ESRS metric	SBO consumes only a non-significant amount of acquired heat through district heating. Data is sourced from energy bills and energy meters for each subsidiary. Data is consolidated on group level for each KPI.
Consumption from purchased or acquired cooling	ESRS metric	Not applicable
Consumption from purchased or acquired steam	ESRS metric	Not applicable
Non-renewable energy production	ESRS metric	Not applicable
Renewable energy production	ESRS metric	Data on renewable energy production is collected with energy production reports, utility invoices, and renewable energy monitoring systems. Currently, renewable energy is produced with PV-systems in a few subsidiaries. Each subsidiary delivers energy consumption per energy source. Data is consolidated on group level for each KPI.
Energy intensity of activities in high climate impact sectors (total energy consumption per net revenue)	ESRS metric	Data from total fossil energy consumption is divided by net revenue of the reporting year.

Gross Scope-1-GHG-Emissions	ESRS metric	Data were collected based on invoices for natural gas and petrol/diesel consumption. In few cases, mileage and average consumption were used for company vehicles. Emission factors from IEA 2021 and AIB 2021 were used.
Gross Scope-2-GHG-Emissions (location-based)	ESRS metric	Gross Scope 2 GHG emissions (location-based) are calculated in accordance with the Greenhouse Gas Protocol (GHG Protocol) – Scope 2 Guidance. This approach focuses on the average emission factors of the grid in the geographical locations where electricity is consumed. In the absence of specific local emission factors, country or region-wide averages are applied.
Gross Scope-2-GHG-Emissions (market-based)	ESRS metric	Gross Scope 2 GHG emissions (market-based) are calculated based on information from the electricity provider.
Total GHG emissions based on location	ESRS metric	The sum of Gross Scope 1, Gross location-based Scope 2 GHG emissions and Total gross indirect (Scope 3) GHG emissions
Total GHG emissions market-based	ESRS metric	The sum of Gross Scope 1, Gross market-based Scope 2 GHG emissions and Total gross indirect (Scope 3) GHG emissions
Greenhouse gas intensity (location-based)	ESRS metric	Data from total GHG emission (location-based) is divided by net revenue of the reporting year.
Greenhouse gas intensity (market-based)	ESRS metric	Data from total GHG emission (market-based) is divided by net revenue of the reporting year.
Total gross indirect (Scope 3) GHG emissions (tCO <sub>2</sub> eq)	ESRS metric	The sum of indirect emission from Scope 3.1-3.15
Scope 3.1 Purchased goods and services	ESRS metric	The raw materials were assigned to mass-based emission factors from Idemat. In accordance with the average-date method weights (metric tons) purchased of those raw materials were collected from each group company and multiplied by the emission factor ("EF") outlined above to derive total CO <sub>2</sub> e emissions. For other goods and services purchased, for which no information on weight were available or the average data method was not applicable (e.g. services such as expenses for insurance or IT-support for example), the spend based method was applied.
Scope 3.2 Capital goods	ESRS metric	The spend based method was applied. The spend-based emission factors were taken from the DEFRA 2022 database.
Scope 3.3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	ESRS metric	The upstream emissions of fuels like petrol, diesel and ethanol but also district heating and electricity were considered. The upstream electricity emissions were assessed location based. The respective emission factors for the consumption of natural gas, petrol, diesel and district heating were taken from the Ecoinvent database and the respective emission factor for bio ethanol from Ecoinvent. The emission factors for the upstream electricity emissions were calculated based on IEA and Ecoinvent database.

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Scope 3.4 Upstream transportation and distribution	ESRS metric	Data on emissions could not be directly derived by information received from carriers, therefore the average data method based on tonne-kilometre (tkm), or in other words the distance-based method was applied. The individual type of transport and the relevant EF from the Ecoinvent database per tonne-kilometre was used to derive the CO <sub>2</sub> e emissions of this Scope. If distances/mileage was not available directly from shipping documents, online sources such as Google Maps or Searates.com were used to derive mileage from the supplier to the relevant SBO location.
Scope 3.5 Waste generated in operations	ESRS metric	CO <sub>2</sub> e emissions were derived by multiplying the weight disposed by emission factors. The emissions caused by the disposal of waste were determined using emission factors from the Ecoinvent database. Liquid waste was also measured in metric tons. One of SBO's major "waste category" is metal scrap in the form of metal chips, stemming from the turning and milling operations. Those metal chips are sold to third parties / scrap dealers and therefore are regarded as secondary products and not as waste. As a result, metal chips sold are excluded from scope 3.5 and considered under scope 3.12 instead.
Scope 3.6 Business travelling	ESRS metric	The spend-based emission factors were taken from the DBEIS database and adjusted for exchange rate and inflation. The air-travel data were taken from DEFRA.
Scope 3.7 Employee commuting	ESRS metric	Average headcount by group company was used as a basis to determine CO <sub>2</sub> e emissions stemming from employee commuting. Depending on the location / region of group company average emissions per employee according to data basis (Jayakrishnan et al 2023) were applied.
Scope 3.8 Upstream leased assets	ESRS metric	Non-significant amounts of leased assets were directly considered in Scope 1 emissions.
Scope 3.9 Downstream transportation	ESRS metric	The location of the customer is defined as the boundary of accounting for Scope 3.9 inventory is set here. The individual type of transport and the relevant EF from the Ecoinvent database (version 3.9.1, 2022) per tonne-kilometre was used to derive CO <sub>2</sub> e emissions of this Scope. If distances/mileage were not available directly from shipping documents, online sources such as Google Maps or Searates.com were used to derive mileage from SBO to the relevant customer location.
Scope 3.10 Processing of sold products	ESRS metric	This scope category includes emissions from processing / manufacturing of sold raw materials (non-magnetic steel) by third parties, subsequent to the sale by SBO. Third parties will apply machining services to manufacture finished goods, so the main source of additional energy required is electricity. SBO estimates the required average kWh to manufacture the final product and multiplies this with the related emission factor for electricity. The emission factor was based on location-based emissions for electricity of the SBO company that sells the bar to a third party.
Scope 3.11 Use of sold products	ESRS metric	SBO products sold (metal/steel components and downhole drilling tools) do not directly require energy such as fossil fuels or electricity to be used by SBO's customers.

Scope 3.12 End-of-life treatment of sold products	ESRS metric	As part of the calculation model, the emissions from the disposal of the manufactured products were also evaluated using emission factors from the Ecoinvent database.
Scope 3.13 Downstream leased assets	ESRS metric	SBO products rented to customers (downhole drilling tools such as drilling-motors, circulation tools or rotary steerable systems) do not directly require energy such as fossil fuels or electricity to perform their services.
Scope 3.14 Franchises	ESRS metric	Not applicable
Scope 3.15 Investments	ESRS metric	Not applicable, as all group companies are fully consolidated.
Percentage of GHG Scope 3 calculated using primary data	ESRS metric	Currently SBO does not use primary data, as those are not available from suppliers yet. However SBO is working closely with major suppliers to receive primary data in the future.

## E2 Pollution

### E2-1 - Policies related to pollution

#### E2-MDR-P - 62 - REASONS FOR THE LACK OF POLICIES

SBO currently has no specific policies related to pollution. The reason for this is that, while pollution has been identified as a material topic in the course of the double materiality assessment, it requires further evaluation and alignment with the company's strategy before dedicated policies can be established. SBO is currently assessing these areas further to determine the need for specific policies in the future.

### E2-2 - Actions and resources related to pollution

#### E2-MDR-A - 62 - REASONS FOR THE LACK OF ACTION

SBO uses small quantities of certain substances in its manufacturing processes. These include oils and other materials that are commonly used in industrial production. Due to proper handling of the low quantities used, additional detailed reviews were not conducted until now.

### E2-3 - Targets related to pollution

#### E2-MDR-T -72 - TARGETS

SBO currently has no specific targets set under E2 Pollution, as these topics have so far been addressed within a broader framework. Due to new regulatory requirements, SBO is currently in the analysis process to assess the need for specific targets.

## **E3 Water and marine resources**

### **E3-1 - Policies related to water and marine resources**

#### **E3-MDR-P - 62 - REASONS FOR THE LACK OF POLICIES**

Measures to improve water efficiency are an integral part of SBO's overall sustainability efforts, in particular in subsidiaries facing water scarcity. To adequately address water scarcity risks at SBO's own production sites, site-specific approaches are currently being assessed.

Considering that SBO's subsidiaries employ around 1,500 people on four continents, with each subsidiary averaging fewer than 100 employees, there is currently no need for a specific concept to mitigate water scarcity risks affecting suppliers in the upstream value chain, such as in mining and steel production.

#### **E3-1 - 13 - WATER STRESS AREAS**

SBO operates sites in regions with water scarcity. To address the related risks, we record water consumption by site and continuously monitor developments. Site-specific water management concepts are being assessed.

### **E3-2 - Actions and resources related to water and marine resources policies**

#### **E3-MDR-A - 62 - REASONS FOR THE LACK OF ACTION**

SBO has prioritized addressing immediate and direct environmental impacts within its operations, which is why specific actions for marine resource protection and upstream water scarcity management have not been implemented.

### **E3-3 - Targets related to water and marine resources**

#### **E3-MDR-T - 72 - TARGETS**

SBO has not defined any specific water management targets. However, it will evaluate whether setting such targets is necessary.

**E3-4 - 29 Water consumption and water intensity ratio**

KPI	2025	2024	Unit
Total water consumption	60,234	86,674	m <sup>3</sup>
Total water consumption in areas at water risk, including areas of high-water stress	4,271	3,819	m <sup>3</sup>
Total water recycled and reused	122,790	156,953	m <sup>3</sup>
Total water stored	399	875	m <sup>3</sup>
Changes in water storage	-476	-	m <sup>3</sup>
KPI	2025	2024	Unit
Water intensity ratio	132	155	m <sup>3</sup> /mio € net revenue

**E3-4 - 28 - CONTEXTUAL INFORMATION ON WATER DATA**

Methods used include scenario analysis to evaluate water risk impacts, data collection from operational sites. Significant assumptions consider stable supply chain operations and alignment with broader sustainability goals, such as resource efficiency and compliance with ESRS requirements.

Local context, including water stress and community needs, is factored into evaluations to ensure relevance and feasibility. SBO assesses water-related metrics primarily through direct measurements and third-party data, including water bills, meter readings, and subsidiary-level data collection, which is aggregated at the group level.

The analysis of high-water-stress areas is conducted using the Aqueduct (WRI) tool. In our analysis, we have identified water stress at our locations in Saudi Arabia and Dubai.

Data on recycled and reused water is based on third-party records. Water storage data is derived from the capacity of storage units at each location.

## E3-MDR-M - Metrics relating to material sustainability aspects

### E3-MDR-M -77B

The figures have not been externally verified. To validate the measurements, internal quality controls were carried out, including checks for data completeness, comparisons with prior year values, and plausibility checks between group companies.

<b>LIST OF METRICS USED</b>	<b>ESRS OR UNDERTAKING-SPECIFIC METRICS</b>	<b>METHODS, SIGNIFICANT ASSUMPTIONS AND LIMITATIONS</b>
MDR-M-76	MDR-M-77	MDR-M-77a
Total water consumption	ESRS metric	Data on total water consumption is based on water bills from third parties as well as meter readings for groundwater consumption. Data is collected on the level of each subsidiary and then aggregated on the group level.
Total water consumption in areas at water risk, including areas of high-water stress	ESRS metric	Data on total water consumption is based on water bills from third parties as well as meter readings for groundwater consumption. Data is collected on the level of each subsidiary and then aggregated on group level. Each location was mapped with Aqueduct (WRI) to assess which location is in an area of high-water stress. The total water consumption of those locations was used to calculate total water consumption in areas with water risk.
Total water recycled and reused	ESRS metric	Data on water recycling is based on bills of a third party measuring the amount of recycled water procured and recycled. Data is collected on the level of each subsidiary and then aggregated on group level.
Total water stored	ESRS metric	Data on water storage is based on the size of water storage units in each location that stores water. Data is collected on the level of each subsidiary and then aggregated on the group level.
Changes in water storage	ESRS metric	Currently it is estimated that there are no changes in water storage.
Water intensity ratio	ESRS metric	Revenue for water intensity was aligned with financial reporting. Data on total water consumption is based on water bills from third parties as well as meter readings for groundwater consumption. Data is collected on the level of each subsidiary and then aggregated on the group level.

## E4 Biodiversity and ecosystems

### E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model

#### E4-1 – 13 A – ASSESSING THE RESILIENCE OF THE BUSINESS MODEL AND STRATEGY

SBO has analyzed and assessed physical, transition and systemic risks related to biodiversity and ecosystems as part of our materiality assessment and risk and opportunity analysis. A full resilience analysis has not been carried out.

#### E4-1 – 13 B – SCOPE OF RESILIENCE ANALYSIS

SBO has considered its operational sites and locations with significant environmental interactions, focusing on areas where our own activities intersect with critical ecosystems, in the risk assessment for biodiversity risks.

Upstream and downstream activities in the value chain have been partially considered, particularly for suppliers and partners operating in areas of ecological sensitivity. For upstream value chain, raw material extraction sites and for downstream value chain, product life cycle impacts were prioritized.

The site analysis of biodiversity risks was conducted only for SBO's own operational sites, not for the value chain. Since the final application of our products is not fully known, we have assumed that the primary biodiversity risk arises from the activities themselves rather than specific end-use locations.

Associated Risks:

Key risks include potential habitat degradation, regulatory non-compliance, and reputational impacts due to operations or partnerships in biodiversity-sensitive areas.

Future efforts will focus on enhanced data collection and collaboration with stakeholders across the value chain to deepen risk analysis and mitigation.

#### E4-1 – 13 C – MAIN ASSUMPTIONS

Raw material sourcing and downstream value chain product lifecycle impacts are assumed to have potential biodiversity risks, especially in regions with fragile ecosystems. Climate change effects, such as temperature shifts and habitat loss, are assumed to exacerbate biodiversity risks in certain operational and supply chain regions.

The assumption that biodiversity risks exist in upstream raw material sourcing and downstream product lifecycle impacts is based on widely recognized scientific findings and environmental reports. Studies such as the IPCC AR6 Synthesis Report (2023), European Environment Agency research on raw material sourcing, and UNEP pollution and health assessments highlight the significant ecological impacts of mining activities, land-use changes, and pollution. Additionally, reports from Nature Sustainability, National Geographic, and the Royal Society B emphasize the long-term biodiversity risks associated with industrial activities, including habitat destruction, invasive species spread via global supply chains, and pollution from fossil fuel use. These sources collectively support the conclusion that SBO's upstream and downstream activities have potential biodiversity-related risks.

#### **E4-1 - 13 D - TIME HORIZONS USED**

For biodiversity-related impacts, risks, and opportunities, the double materiality analysis considered multiple time horizons: short-term (<1 year), medium-term (2-5 years), and long-term (5-10 years).

#### **E4-1 - 13 E - RESULTS OF THE RESILIENCE ANALYSIS**

The analysis identified risks related to operations and value chain activities, including habitat disruption and ecosystem degradation. Resilience measures include adherence to environmental standards and engagement with stakeholders to minimize impacts. Certain operations and supply chain activities depend on natural resources sourced from regions at ecological risk. For example, raw material extraction (e.g. steel) and energy-intensive activities are directly linked to ecosystems. Transition risks include potential changes in environmental legislation (e.g., stricter biodiversity regulations), shifts in market demand for sustainable products, and reputational risks from non-compliance or ecosystem harm. These may impact operational costs and stakeholder trust.

#### **E4-1 - 13 F - STAKEHOLDER INVOLVEMENT**

Stakeholders were not specifically consulted about biodiversity-related risks. SBO considers to expand stakeholder engagement in this area in the coming years. Stakeholder engagement on biodiversity may be prioritized based on proximity to operations, supply chain relevance, and expertise in biodiversity and ecosystem preservation. Future engagement may focus on directly affected stakeholders, including local communities and environmental groups, to ensure comprehensive risk identification.

#### **E4-1 - 14 - REFERENCE TO INFORMATION ACCORDING TO ESRS 2 SBM-3**

The assessment of biodiversity risks and the resilience of our strategy and business model has been partially addressed in our materiality analysis. This assessment forms part of our broader environmental and governance considerations. While biodiversity-specific risks are recognized, there is no need for a formal policy. Further detailed analysis is considered to enhance SBO's understanding and reporting in alignment with ESRS 2 SBM-3 requirements.

## **E4-2 - Policies related to biodiversity and ecosystems**

### **E4-MDR-P - 62 - REASONS FOR THE LACK OF POLICIES**

SBO has not implemented a standalone biodiversity policy, as there are no significant impacts on biodiversity from its own operations. The need for such a policy will be reassessed if future developments require it.

## **E4-3 - Actions and resources related to biodiversity and ecosystems**

### **E4-MDR-A - 62 - REASONS FOR THE LACK OF ACTION**

SBO is committed to broader environmental goals such as emissions reduction, which also contribute to biodiversity protection. Biodiversity has not been addressed as a standalone priority within the ESG framework, resulting in no specific actions currently in place for it. So far, the topic has been integrated into broader environmental initiatives rather than being managed separately.

## **E4-4 - Targets related to biodiversity and ecosystems**

### **E4-MDR-T - 72 - TARGETS**

SBO has not set specific biodiversity targets due to the lack of significant impacts from its own operations. The relevance of biodiversity targets will be reviewed if operational or regulatory conditions change.

## **E5 Resource use and circular economy**

### **E5-1 - Policies related to resource use and circular economy**

#### **E5-MDR-P - 62 - REASONS FOR THE LACK OF POLICIES**

SBO is actively advancing recyclable product designs, resource efficiency optimization, and collaboration with suppliers to increase the use of recycled materials. Therefore, there is currently no need for a formal policy specifically addressing ESRS E5 – Resource Use and Circular Economy.

### **E5-2 - Actions and resources in relation to resource use and circular economy**

#### **E5-MDR-A - 62 - REASONS FOR THE LACK OF ACTION**

SBO has initiated several measures that address key aspects of resource use and circular economy. These include efforts to optimize resource efficiency and collaborate with suppliers to increase the use of recycled materials. The absence of a fully integrated approach is due to ongoing assessments aimed at deepening the understanding of specific impacts, risks, and opportunities.

### **E5-3 - Targets related to resource use and circular economy**

#### **E5-MDR-T -72 - TARGETS**

SBO monitors progress through ongoing assessments of material impacts, risks, and opportunities. This includes evaluating resource efficiency improvements, tracking waste reduction efforts, and assessing collaborations with suppliers on increasing recycled material use.

These measures ensure continuous progress and provide a basis for setting future targets. At this stage, no specific targets have been set, as the company is still in the process of analyzing the most effective measures to implement.

## E5-4 - Resource inflows

KPI	2025	2024	Unit
Overall total weight of products and technical and biological materials used during the reporting period	13,536	14,337	tons
Percentage of biological materials (and biofuels used for non-energy purposes) that are sustainably sourced	0	0	%
The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging)	6,474	7,303	tons
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials	48	51	%

### E5-4 - 32 - METHODS FOR CALCULATING THE DATA

SBO uses a combination of direct measurements and estimations to calculate data related to resource use and the circular economy, ensuring compliance with CSRD reporting standards and maintaining transparency in its disclosures.

**Direct Measurements:** Key resource consumption data, including energy usage and material inputs, are recorded using robust internal monitoring systems. These systems are managed and verified by operational teams to ensure accuracy, reliability, and consistency across all reporting activities. **Estimations:** In cases where direct measurements are not feasible—such as supplier-provided data—estimations are applied based on recognized industry standards, historical data, and material specifications.

All reported usage data reflect materials in their original state and are presented without further adjustments.

### E5-4 - AR 22 - TRANSPARENCY ON SOURCING FROM BY-PRODUCTS/WASTE STREAM

SBO integrates materials derived from by-products and waste streams into its operations wherever feasible, reinforcing its commitment to resource efficiency and circular economy principles.

**Metal Offcuts:** Metal scrap is reused by third parties and fed into new production processes, which significantly minimizes waste and optimizes material use. Recycled steel is integrated into manufacturing processes, reducing reliance on primary raw materials and supporting sustainable resource management. Waste heat recovery systems are deployed in production facilities to improve energy efficiency and reduce overall energy consumption. These measures are an integral part of SBO's sustainability strategy and enable the reduction of material waste, improved resource utilization, and alignment with CSRD requirements regarding transparency and accountability in resource use and circular economy practices.

#### E5-4 - AR 25 - AVOIDANCE OF DOUBLE COUNTING IN CASE OF OVERLAPPING OF THE CATEGORIES OF REUSE AND RECYCLING

SBO reports on the recycling category, as reuse is not tracked or reported in our current processes. Recycling Definition: Recycling refers to the recovery and reprocessing of materials to be used in new applications, which alters the material's original properties. For example, scrap steel from our operations is collected and melted to create new steel products.

Avoiding Double Counting: Since reuse is not reported, there is no overlap or risk of double counting between these categories. Recycling activities are recorded independently and consistently, ensuring compliance with CSRD requirements and maintaining transparency in our reporting. Should reuse reporting become relevant in the future, SBO will establish clear definitions and tracking mechanisms to differentiate it from recycling.

<b>CATEGORY OF RESOURCE INFLOW</b>	<b>DESIGNATION OF THE RESOURCE INFLOW</b>	<b>CRITICAL SUBSTANCES/ RARE EARTHS</b>	<b>UTILISATION OF RESOURCE INFLOWS</b>
E5-4-30	E5-4-30	E5-4-30	E5-4-30
Raw materials/materials	steel	No	Upstream value chain and own activity
Raw materials/materials	metal powder	No	Upstream value chain and own activity
Raw materials/materials	aluminium	Yes	Upstream value chain and own activity
Raw materials/materials	resin and hardener	No	Upstream value chain and own activity
Raw materials/materials	fiber glass	No	Upstream value chain and own activity
Raw materials/materials	rubber products	No	Upstream value chain and own activity
Raw materials/materials	polyester products	No	Upstream value chain and own activity
Raw materials/materials	magnesium	Yes	Upstream value chain and own activity
Packaging	plastic	No	Own activity
Packaging	wood	No	Own activity

**E5-5 - Resource outflows**

<b>MOST IMPORTANT PRODUCT GROUPS</b>	<b>PRODUCT CON- CEPTUALISATION ACCORDING TO CIRCULAR PRINCIPLES</b>	<b>CIRCULAR PRINCIPLE USED</b>	<b>FULFILMENT OF THE CIRCULAR-ORIENTED TURNOVER</b>	<b>REPAIRABILITY RATING SYSTEM</b>
E5-5-35	E5-5-35	E5-5-35	E5-5-35	E5-5-36b
Manufactured parts such as MWD/LWD Tools	Yes	Recycling	No circular-oriented turnover	No
NON-MAG MATERIAL (SOLID and DRILLED BARS)	Yes	Recycling	No circular-oriented turnover	No
DRILLING MOTORS & MOTOR SPARE PARTS	Yes	Repairability	No circular-oriented turnover	No
CIRCULATION TOOLS	Yes	Repairability	No circular-oriented turnover	No
ROTARY STEERABLE TOOLS	Yes	Repairability	No circular-oriented turnover	No
OTHER DOWNHOLE TOOLS	Yes	Repairability	No circular-oriented turnover	No
PLUGS	No	Not applicable	No circular-oriented turnover	No
OTHER WELL COMPLE- TION EQUIPMENT	No	Recycling	No circular-oriented turnover	No

### E5-5 - 36C-37 - RATES OF RECYCLABLE CONTENT IN PRODUCTS & TOTAL AMOUNT OF WASTE

Rates of recyclable content in...	2025	2024	Unit
... products	72	75	%
... products packaging	-	-	%
<b>Waste</b>	<b>2,025</b>	<b>2,024</b>	<b>Unit</b>
<b>Total waste generated</b>	<b>12,484</b>	<b>13,396</b>	<b>metric tons</b>
Total hazardous waste	1,053	1,493	metric tons
Total radioactive waste	-	-	metric tons
Hazardous waste diverted from disposal	-	-	metric tons
Hazardous waste diverted from disposal due to preparation for reuse	-	-	metric tons
Hazardous waste diverted from disposal due to recycling	-	-	metric tons
Hazardous waste diverted from disposal due to other recovery operations	-	-	metric tons
Non-hazardous waste diverted from disposal	2,757	4,205	metric tons
Non-hazardous waste diverted from disposal due to preparation for reuse	-	-	metric tons
Non-hazardous waste diverted from disposal due to recycling	2,757	4,205	metric tons
Non-hazardous waste diverted from disposal due to other recovery operations	-	-	metric tons
Hazardous waste directed to disposal	1,053	1,493	metric tons
Hazardous waste directed to disposal by incineration	-	-	metric tons
Hazardous waste directed to disposal by landfilling	1,053	1,493	metric tons
Hazardous waste directed to disposal by other disposal operations	-	-	metric tons
Non-hazardous waste directed to disposal	8,673	7,698	metric tons
Non-hazardous waste directed to disposal by incineration	-	-	metric tons
Non-hazardous waste directed to disposal by landfilling	8,673	7,698	metric tons
Non-hazardous waste directed to disposal by other disposal operations	-	-	metric tons
<b>Non-recycled waste</b>	<b>9,726</b>	<b>9,191</b>	<b>metric tons</b>
<b>Percentage of non-recycled waste</b>	<b>78</b>	<b>69</b>	<b>%</b>

## E5-5 - 38 - RELEVANT WASTE STREAMS & MATERIALS CONTAINED IN WASTE

SBO identifies the following waste streams as relevant to its activities:

**Metal Shavings and Offcuts:** Generated during the precision machining of high-alloy and stainless-steel components. These are collected for reuse or recycling.

**Industrial Scrap Steel:** Residual steel material from production processes, reintegrated into recycling streams.

**Waste Oils and Lubricants:** Resulting from machine operations, treated and disposed of according to environmental regulations.

**Packaging Waste:** Includes materials such as wooden boxes, plastic wrapping, and cardboard used for transporting components.

**Hazardous Waste:** Limited quantities from operational processes, such as used solvents and chemicals, are managed responsibly.

**Composite waste:** This mainly arises during the processing and disposal of composite materials. Due to their material composition, they are difficult to recycle and require specialised disposal procedures.

**Office Waste:** Generated from administrative operations, including paper, cardboard, and electronic waste. Office waste is sorted and recycled where possible, following local waste management regulations.

SBO ensures these waste streams are monitored, with an emphasis on recycling and resource recovery, in line with its circular economy commitments.

## E5-5 - 40 - METHODS FOR CALCULATING THE DATA

SBO utilizes a combination of direct measurements and estimations to calculate waste quantities and resource outflows, ensuring data accuracy while accommodating operational differences across sites.

**Direct Measurements:**

**Production Waste:** Where available, calibrated weighing systems are used at collection points to directly measure waste streams such as metal offcuts, packaging waste, and hazardous materials.

**Resource Outflows:** Quantities of sold products and related packaging materials are recorded using shipping documentation, including delivery notes and invoices, to ensure precise tracking of materials leaving the organization.

Estimations:

In facilities where weighing systems are not in place, waste quantities are estimated based on production data, material usage rates, and historical records. Industry-specific benchmarks are also applied where relevant to ensure consistency. For irregular or minor waste streams, estimations are used based on operational records and similar past activities.

## E5-MDR-M - Metrics relating to material sustainability aspects

### E5-MDR-M - 77 D - CURRENCY SPECIFICATION FOR METRICS

SBO uses the presentation currency specified in its financial statements for all monetary measurements. This ensures consistency across sustainability reporting and financial disclosures, providing stakeholders with clear and comparable information.

### E5-MDR-M -77B

The figures have not been externally verified. To validate the measurements, internal quality controls were carried out, including checks for data completeness, comparisons with prior year values, and plausibility checks between group companies.

<b>LIST OF METRICS USED</b>	<b>ESRS OR UNDERTAKING-SPECIFIC METRICS</b>	<b>METHODS, SIGNIFICANT ASSUMPTIONS AND LIMITATIONS</b>
MDR-M-76	MDR-M-77	MDR-M-77a
Total weight of technical and biological materials used during the reporting period	ESRS metric	Data on the total weight of materials used is based on the total weight of materials procured in the reporting period. Data is collected on the level of each subsidiary and then consolidated on the group level.
Percentage of biological materials (and biofuels used for non-energy purposes) sourced from sustainable sources.	ESRS metric	Currently no materials that qualify as certified biological materials are procured.
The absolute weight of secondary reused or recycled components, secondary intermediate products, and secondary materials used in the manufacture of the company's products and services, including packaging.	ESRS metric	The percentage of reused or recycled steel is calculated for each product category and subsumed to a general number for recycled steel on a group level. This recycling rate is then contrasted with the total weight of steel used to calculate the weight of reused or recycled materials.
Percentage of secondary reused or recycled components, secondary intermediate products, and secondary materials.	ESRS metric	The absolute weight of recycled or reused materials (based on recycled steel) is divided by the total weight of materials used on a group level.

<b>LIST OF METRICS USED</b>	<b>ESRS OR UNDERTAKING-SPECIFIC METRICS</b>	<b>METHODS, SIGNIFICANT ASSUMPTIONS AND LIMITATIONS</b>
MDR-M-76	MDR-M-77	MDR-M-77a
Total waste generated	ESRS metric	Waste data is collected by waste type. Data is collected at each subsidiary and then consolidated at Group level.
Waste by hazardous and non-hazardous waste and treatment type	ESRS metric	Waste data is collected by waste type. Treatment methods are estimated depending on the type of waste. The total quantity of scrap metal is considered as sent for recycling, as it is collected separately for the purpose of reuse and recycling. Waste data is collected at each subsidiary level and subsequently consolidated at group level.
Non-recycled waste	ESRS metric	The absolute weight of waste that is not diverted to recycling is consolidated at Group level.
Percentage of non-recycled waste	ESRS metric	The absolute weight of non-recycled waste is divided by the total weight of waste at Group level.
Total amount of hazardous waste	ESRS metric	Waste data is collected by waste type, split into hazardous and non-hazardous waste. Hazardous waste data is collected at each subsidiary and then consolidated at Group level.
Total amount of radioactive waste	ESRS metric	Waste data is collected by waste type, split into hazardous and non-hazardous waste. Currently, there is no radioactive waste.

# S1 Own Workforce

## S1-1 - Policies related to own workforce

### S1-MDR-P - 62 - REASONS FOR THE LACK OF POLICIES

A standalone, comprehensive S1 framework in the sense of a separate Group-wide overarching framework document that consolidates all material S1 topics in a single document does not exist. This is because SBO addresses Group-wide minimum requirements through existing overarching frameworks and deliberately organises the detailed design of selected topics in a decentralised manner in order to appropriately reflect local needs and operational requirements.

SBO's subsidiaries employ around 1,500 employees across four continents, with each subsidiary averaging fewer than 100 employees. Accordingly, SBO defines overarching frameworks in key areas such as IT, Compliance, HR and ESG, while enabling subsidiaries to implement local processes tailored to their specific needs in order to achieve maximum effectiveness.

In addition, SBO has company-wide frameworks such as the Code of Conduct, the Whistleblowing Policy and the Ethics Policy, which provide clear requirements for its local subsidiaries. These policies are described in ESRS G1 and cover, among other things, the following key topics:

**Diversity, equal opportunities and non-discrimination:** The principles of fairness and equal treatment are reflected in the Code of Conduct and the Ethics Policy.

**Training and skills development:** Training initiatives are carried out locally in the subsidiaries. Therefore, it is not necessary to establish a formal policy.

**Employee engagement:** Structured processes for employees as well as mechanisms for regularly measuring satisfaction and incorporating feedback are managed at subsidiary level.

Reason for the absence of frameworks:

As described above, SBO has established overarching policies in key areas while empowering subsidiaries to introduce local processes tailored to their specific needs to ensure maximum effectiveness.

Planned actions:

SBO is aware of the importance of aligning its policies with the requirements of ESRS S1 to ensure comprehensive reporting and consistent practices across all subsidiaries where relevant and effective. SBO will assess the need for meaningful actions to further strengthen Group-wide practices, taking into account local requirements and operational needs.

## S1-MDR-P - 65 A - KEY CONTENT

**Group-wide policies:** Code of Conduct, Ethics Policy, Whistleblowing Guideline - These policies are described in ESRS G1.

**Addressed IRO's:** Child labor, Diversity, Inclusion of persons with Disability, Forced labor, Gender equality, Health and safety, Measures against violence and harassment, Adequate wages

## S1-1 - 19 - GUIDELINES WITH REGARD TO THE OWN WORKFORCE ACCORDING TO ESRS 2-MDR-P

Overall, SBO is committed to fostering a safe, inclusive, and growth-oriented working environment for all employees. Tailored initiatives are designed to support specific workforce groups, such as diversity programs for apprentices aimed at increasing female representation in management, as well as health and safety standards.

## S1-1 - 20 - RELEVANT HUMAN RIGHTS OBLIGATIONS FOR ITS OWN WORKFORCE

SBO's policies demonstrate a clear commitment to respecting and protecting human rights in accordance with international standards. This includes compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. SBO's Code of Conduct outlines specific actions to respect internationally recognized human rights and ensures compliance with legal and regulatory frameworks in areas such as labor, health, and safety.

SBO's general approach to protecting human rights and workers' rights within its own workforce is rooted in adherence to international frameworks, including the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. SBO commits to ensuring equal opportunities, fair treatment, and the elimination of discrimination based on factors such as race, gender, age, or union membership. It also upholds fair wages, respects freedom of association, and actively works to prevent child labor and forced labor across all operations.

To implement these commitments, managers and employees are tasked with identifying, preventing, and mitigating potential negative human rights impacts. SBO's Code of Conduct, which applies globally, forms the foundation for these efforts, emphasizing ethical practices, transparency, and accountability. This approach ensures a consistent and comprehensive framework to protect human and workers' rights throughout the organization.

SBO's general approach to involving employees and their representatives in human rights and workers' rights within the organization is based on clear commitments and open dialogue. Operational managers and employees are actively involved in identifying, preventing, and mitigating human rights risks through regular assessments and compliance training. Employee representatives, where present, play a crucial role in addressing workplace concerns and contributing to the development of fair policies. Furthermore, SBO encourages direct communication between employees and the compliance management team to address any grievances or infringements related to human rights. This collaborative approach ensures that employee input is considered and that policies remain aligned with their needs and international human rights standards.

If human rights violations are identified, SBO engages in a dialogue with affected parties to seek remedies. Actions may include corrective measures such as revised policies, employee retraining, or disciplinary actions against individuals responsible for violations. The approach is designed to address and rectify the issue promptly and effectively. This systematic approach ensures that SBO addresses human rights violations effectively and aligns with international standards and its Code of Conduct.

### **S1-1 - 21 - ALIGNMENT OF POLICIES WITH RELEVANT INTERNATIONALLY RECOGNIZED INSTRUMENTS, INCLUDING THE UNITED NATIONS GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS**

SBO's policies align with several internationally recognized frameworks, including the OECD Guidelines for Multinational Enterprises, the UN Global Compact Principles, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. These commitments ensure compliance with global standards on human rights, fair labor practices, and ethical conduct. SBO employs a structured compliance management system derived from ISO 37301 but not certified Compliance Management Systems, ensuring adherence to these principles. Key processes include regular internal audits, training programs for managers and employees, and a whistleblowing system to report violations. The Group Compliance Department oversees compliance monitoring, supported by Local Compliance Coordinators, and reports directly to the Executive Board.

### **S1-1 - 22 - CONSIDERATION OF THE TOPICS OF HUMAN TRAFFICKING, FORCED LABOR AND CHILD LABOR IN THE POLICIES**

SBO explicitly addresses the topics of human trafficking, forced labor, and child labor within its Code of Conduct. These policies align with international frameworks such as the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the UN Global Compact Principles. SBO maintains a zero-tolerance policy in this area, ensuring strict compliance across its operations.

The majority of SBO's customers and a lot of SBO's supplier are publicly listed companies, which are also required to comply with relevant legal regulations.

### **S1-1 - 23 - POLICIES OR MANAGEMENT SYSTEMS RELATED TO THE PREVENTION OF OCCUPATIONAL ACCIDENTS**

The topic of occupational accidents is of paramount importance for SBO. Subsidiaries have their own local regulations, and in all manufacturing companies as well as other relevant companies, dedicated HSE managers monitor implementation and compliance to ensure workplace safety.

## **S1-1 - 24 A - SPECIFIC APPROACHES TO ELIMINATE DISCRIMINATION, PROMOTE EQUAL OPPORTUNITIES, OR OTHER WAYS TO PROMOTE DIVERSITY AND INCLUSION**

SBO is committed to the principles of equal opportunities and equal treatment in employment and ensures that no discrimination occurs on the grounds of ethnicity, skin colour, gender, religion, political opinion, nationality, social origin, age, disability, pregnancy, marital status, sexual orientation or trade union activity. In addition, measures are in place to prevent and combat harassment, intimidation and defamation in the workplace. The policy addresses discrimination in particular with regard to ethnicity and ethnic origin or skin colour, gender, sexual orientation or gender identity, disability, age, religion, political opinion, nationality and social origin. It also considers other forms of discrimination covered by EU and national law. These commitments are set out in the Code of Conduct, which promotes equal opportunities and the treatment of all employees without discrimination on these and other grounds.

SBO's Code of Conduct addresses vulnerable groups by promoting diversity, equality and inclusion within the workforce. SBO's Code of Conduct explicitly prohibits discrimination on the grounds of ethnicity, gender, religion, social origin or any other status. Particular emphasis is placed on creating opportunities for underrepresented groups, such as women in manufacturing or management, and on ensuring safe working conditions for all employees.

SBO has not defined any additional specific policy commitments or separate support measures for particularly vulnerable groups within its own workforce. Instead, it pursues a Group-wide uniform approach of equal treatment and non-discrimination based on the Code of Conduct and the related compliance policies.

The policies apply to employees at all levels, promote gender diversity and support vulnerable groups in regions where additional challenges may exist, such as discriminatory practices or inadequate occupational health and safety.

SBO has implemented comprehensive procedures to prevent and combat discrimination within its workforce, as set out in the Code of Conduct and in corporate reporting. Discrimination risks are monitored through compliance assessments and reporting mechanisms. Employees can confidentially report incidents via the whistleblowing system, which ensures anonymity and protection against retaliation. All reported cases are thoroughly investigated, and appropriate remedial actions are taken to resolve issues and prevent recurrence. Diversity and inclusion are actively promoted by supporting equal opportunities regardless of gender, ethnicity, religion or other characteristics.

## **S1-2 - Processes for engaging with own workers and workers' representatives about impacts**

### **S1-2 - 27 - INVOLVING THE WORKFORCE AND ITS PERSPECTIVES**

SBO considers employee feedback into decision-making processes and the development of impactful initiatives. Employees' insights are gathered through various channels, including interviews and discussions with works councils, ensuring their voices contribute to continuous improvement. Employee input is actively considered during regular team meetings and on an ad-hoc basis.

As part of the company's suggestion system, employees' proposals for process improvements are incentivized. These include not only quality and rationalization initiatives but also areas such as environmental protection, occupational safety, and workplace improvements.

For example, following employee initiatives to improve working conditions during the hot season in affected regions, SBO implemented additional air conditioning units and optimized overtime regulations. Furthermore, in coordination with employees, SBO has intensified training and development programs, which have strengthened employees in their professional growth and fostered their long-term commitment to the company.

These proactive measures underscore SBO's commitment to fostering an engaging, supportive, and inclusive work environment that aligns with its strategic objectives and addresses sustainability impacts.

The resources allocated to this topic primarily involve personnel, as the subsidiaries have dedicated HR representatives and, in some cases, works councils responsible for employee engagement.

Regular dialogue between employees, employee representatives and management provides a platform to discuss relevant topics.

Involvement mechanisms include informing employees about actions and decisions, consulting representatives on concerns, and enabling co-determination in relevant matters. Involvement primarily happens at the site level, but inputs are also integrated into group-wide policies. Employee involvement happens on an ongoing basis.

SBO's Group Compliance Department, under the direct supervision of the Executive Board, holds operational responsibility for implementing and overseeing compliance-related processes, which include diversity and inclusion. This Group Compliance role is embedded as part of the broader compliance management system, which includes functions such as Regional Compliance Managers and Local Compliance Coordinators. These roles ensure that local managers and employees are informed, trained, and supported on relevant compliance topics. Furthermore, SBO's commitment to non-discrimination and equal opportunity aligns with international frameworks such as the OECD Guidelines and the UN Global Compact.

Where SBO's subsidiaries have a Works Council, agreements are established to regulate relevant workplace matters.

SBO evaluates employee involvement on local subsidiary level through surveys, feedback systems, and performance reviews. Metrics like staff turnover and retention are analyzed, and over 31,932(2024: 51,022) training hours were recorded in 2025 to support employee growth. Feedback helps address concerns and guide improvements, ensuring alignment with workforce needs.

### **S1-2 - 28 - STEPS TAKEN TO GAIN INSIGHTS INTO THE PERSPECTIVES OF THE MOST VULNERABLE/DISADVANTAGED PEOPLE IN THEIR OWN WORKFORCE**

SBO recognizes the importance of protecting vulnerable groups and is committed to addressing their needs within its workforce. Diversity and inclusion are integral to SBO's organizational approach. To date, there have been no reported cases related to this issue within SBO.

## **S1-3 - Processes to remediate negative impacts and channels for own workers to raise concerns**

### **S1-3 - 32 A - E - GENERAL APPROACH AND PROCEDURE FOR IMPLEMENTING OR PARTICIPATING IN REMEDIES**

SBO is committed to responsible workforce management and continuously works to identify and address potential risks. Risks are considered as part of ongoing discussions and operational reviews. Measures to improve working conditions or update policies are taken as needed. Employees can raise concerns through established channels, and SBO aims to foster open communication to ensure transparency and accountability. Potential impacts and corresponding mitigation measures, as well as their effectiveness, are regularly discussed during quarterly compliance calls. Awareness of S1 risks, impacts, and opportunities is continuously strengthened in this context. In case of acute risks, these topics are specifically addressed, appropriate measures are derived and learnings are shared to ensure continuous improvements.

SBO ensures open communication channels for employees to raise concerns or provide feedback. These channels include internal platforms, a dedicated whistleblowing system with an option for anonymity or direct communication with Line Manager or HR. These initiatives are aimed at fostering a transparent and supportive working environment.

The whistleblowing system, accessible via SBO's website, allows employees to report concerns confidentially, maintaining the privacy of the reporter unless disclosure is required by law or internal investigation procedures.

SBO has a defined procedure for handling employee complaints, which is outlined in its compliance framework. Complaints are monitored by the Compliance team, which ensures proper documentation and resolution.

SBO ensures the accessibility of grievance channels for all employees, including those without regular access to online platforms. The whistleblowing system is designed to be available both online and through alternative channels, such as local compliance coordinators, to guarantee accessibility across all workforce segments.

SBO monitors issues raised by employees through formal processes established in its Whistleblowing Guideline. These processes ensure that complaints can be submitted anonymously and that handling aligns with compliance standards. To track progress, complaints are documented, and outcomes are reported internally.

### **S1-3 - 33 - KNOWLEDGE AND TRUST OF YOUR OWN WORKFORCE IN THE STRUCTURES OR PROCESSES**

SBO ensures that employees are aware of the available structures and processes for raising concerns. Information is communicated through established internal channels, and employees are encouraged to provide feedback. Efforts are made to foster trust in these mechanisms by maintaining open dialogue, ensuring transparent communication about available reporting channels, providing anonymous reporting options and offering continuous feedback on raised concerns. SBO takes steps to protect individuals in the value chain who raise concerns by ensuring confidentiality and safeguarding against retaliation. These protections extend to all stakeholders, including employee representatives in the value chain, to encourage the safe and open reporting of grievances.

### **S1-4 - Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions**

#### **S1-MDR-A - 62 - REASONS FOR THE LACK OF ACTIONS**

During the reporting period, no specific Group-wide measures or programmes were defined for the material topics relating to SBO's own workforce. The following sections explain the reasons for the absence of such measures.

Diversity, equal opportunities and non-discrimination are addressed Group-wide through the Code of Conduct, which sets out binding principles on equal treatment and non-discrimination.

Adequate wages and working conditions are of central importance to SBO and are addressed through corresponding principles in the Code of Conduct. There are no structured Group-wide measures or programmes for systematic implementation, consistent management and ongoing monitoring across all Group companies.

Freedom of association and collective bargaining are explicitly respected by SBO, and where employee representation bodies are established, SBO maintains regular and constructive dialogue with works councils and trade unions. Against this background, no additional Group-wide measures beyond existing practices have been defined to date, as no specific need has currently been identified.

## S1 – HEALTH AND SAFETY

### S1-MDR-A - 68 A - KEY ACTIONS AND EXPECTED RESULTS

SBO complies across the Group with international health and safety standards to ensure a safe and healthy working environment. The measures implemented aim to prevent work accidents, minimise risks arising from non-compliance with safety regulations and promote employee well-being.

These measures directly support the SBO Code of Conduct by embedding high standards in day-to-day operations and ensuring a sustainable improvement of working conditions. They contribute to achieving key corporate objectives, such as preventing fatal work accidents and promoting a safe and healthy working environment for all employees. SBO's health and safety measures apply to all sites within the Group. These measures ensure that workplace safety standards are consistently implemented and monitored across all facilities.

Stakeholders affected by these measures include employees, who benefit directly from improved workplace safety and training programmes. In addition, suppliers, customers and local communities benefit indirectly through improved operating standards, risk management practices and a strengthened relationship with SBO as a responsible partner. These measures contribute to SBO's overall commitment to promoting a safe and sustainable working environment.

SBO's health and safety measures are part of an ongoing commitment and have no defined end date, as they are continuously monitored, reviewed and adapted to evolving standards and requirements. Audits, training and policy updates are carried out annually.

For SBO, satisfied and motivated employees are its greatest asset. Therefore, SBO is committed to mitigating potential impacts that must be reported under ESRS S1.

Health and safety: Ensuring safe working conditions by complying with international safety standards, for example OHSAS, as well as regular safety training and risk assessments to minimise work accidents and health hazards.

### PROGRESS

Health and Safety:

SBO expanded its health and safety programs by conducting regular risk assessments, providing safety trainings across all locations, and aligning workplace practices with international safety standards such as OHSAS. In 2025, HSE will be a key focus area within the "Compliance Future Fit" program, where the entire group will collaboratively address essential group-wide compliance priorities, including health, safety, and environmental (HSE) topics.

## FINANCIAL RESOURCES

SBO invests directly in areas such as health, safety, training, and human rights, covering training, equipment, audits or compliance.

SBO is evaluating the need for specific allocation of capital expenditures (CAPEX) and operating expenses (OPEX) to the action plans under ESRS S1.

SBO is evaluating the need for the exact allocation of future funds, including capital expenditures (CAPEX) and operating expenses (OPEX), for the action plan under ESRS S1.

## S1-4 – 38 A – D PREVENT, MITIGATE OR REMEDY MATERIAL ADVERSE IMPACTS ON THE COMPANY'S OWN WORKFORCE

SBO's actions under ESRS S1 explicitly target the prevention and mitigation of negative impacts on its own workforce. Key measures include ensuring workplace safety through adherence to OHSAS standards, conducting regular risk assessments, and providing health and safety trainings. Additionally, actions addressing human rights, such as the whistleblowing mechanisms, aim to mitigate risks like discrimination, harassment, and other violations within the workforce. These efforts are designed to proactively address potential negative impacts while fostering a safe work environment.

SBO is taking several actions to remedy situations for those affected by its material impacts:

**Workplace Health and Safety:** SBO ensures adherence to international safety standards, conducts regular risk assessments, and provides targeted safety trainings to employees. These measures directly address workplace risks and prevent accidents or injuries.

**Human Rights Protections:** SBO implements anti-discrimination and harassment policies, establishes grievance mechanisms (such as a whistleblowing system), and conducts awareness training for employees. These actions ensure employees' rights are protected and concerns are addressed promptly.

These actions are integrated into SBO's broader company strategy to address and mitigate material impacts while fostering a safe, inclusive, and supportive environment for all stakeholders. Progress is regularly measured and documented by the Compliance team. The measures described are embedded as annual routine processes and are carried out on a recurring basis.

SBO's actions under ESRS S1 also target positive impacts. These include promoting employee development via training and upskilling opportunities, and strengthening employee engagement through inclusive practices and grievance mechanisms.

SBO places great importance on providing its workforce with diverse career opportunities. Training and education efforts are appropriately rewarded. Apprentices regularly demonstrate outstanding performance in competitions, reflecting the high quality of training provided. Progress is recorded and tracked in a decentralised manner. The measures are implemented on an ongoing basis.

Furthermore, employee concerns and grievances are handled with the utmost care, diligence, and confidentiality, ensuring appropriate actions are taken when necessary.

The effectiveness of SBO's actions and initiatives is tracked and evaluated through structured monitoring and reporting processes:

**Key Performance Indicators (KPIs):** Metrics such as Lost-Time Injury Rates (LTIR), training participation rates, and employee satisfaction scores are regularly monitored to evaluate the impact of health and safety programs, training initiatives, and workforce engagement. In some subsidiaries, employee satisfaction scores are also tracked separately.

**Feedback Mechanisms:** Employee surveys, grievance systems, and consultation with employee representatives provide qualitative insights into the effectiveness of actions. This feedback is integrated into decision-making and future planning.

**Sustainability Reporting:** Progress is reported annually as part of SBO's sustainability report, aligned with ESRS standards. This includes updates on key actions, outcomes, and any identified gaps. These measures ensure that actions and initiatives are continuously refined to achieve meaningful results for SBO's workforce.

#### **S1-4 - 39 - PROCEDURE FOR IDENTIFYING THE MEASURES TO BE TAKEN FOR CERTAIN ACTUAL OR POTENTIAL ADVERSE EFFECTS ON ITS OWN WORKFORCE**

SBO uses a structured set of procedures to determine necessary and appropriate actions to address specific actual or potential negative impacts on its workforce.

**Risk Assessments:** Regular assessments are conducted to identify potential risks, such as workplace safety hazards or labor rights violations. These assessments focus on both operational practices and workforce conditions.

**Grievance Mechanisms:** Employees have access to whistleblowing systems and other reporting channels to raise concerns about negative impacts, such as discrimination, harassment, or unsafe conditions. These inputs are systematically reviewed by the compliance team.

**Stakeholder Consultations:** SBO engages with employees, their representatives, and other relevant stakeholders to gather insights into workforce-related issues. This collaboration helps prioritize and define appropriate responses.

**Compliance Monitoring:** Internal audits and reviews ensure adherence to policies like the Code of Conduct, Ethics Policy and the Compliance Management Policy. Non-compliance triggers corrective actions to address identified gaps.

These procedures enable SBO to proactively address negative impacts while ensuring alignment with its broader policies and values.

#### **S1-4 - 40 A - B - MEASURES TO MITIGATE THE MATERIAL RISKS ARISING FROM THE EFFECTS AND DEPENDENCIES RELATED TO ITS OWN WORKFORCE**

SBO's approach to mitigating material workforce-related risks is fully integrated into its overall Risk Management System (RMS). Identified risks are systematically assessed, documented within the standardized risk management process, and continuously monitored as part of the company's annual risk evaluation and reporting to the Executive and Supervisory Boards.

SBO's actions target the promotion of opportunities for its workforce. Key initiatives include:

**Employee Training and Development:** SBO offers training programs to enhance skills, foster career advancement, and prepare employees for future industry challenges. This supports both individual development and organizational resilience.

**Diversity and Inclusion:** SBO is committed to fair treatment and equal opportunities, creating a strong foundation for greater workforce inclusivity and addressing underrepresentation in certain roles.

**Safe and Supportive Work Environment:** By ensuring compliance with health and safety standards and maintaining grievance mechanisms, SBO promotes an environment where employees can thrive and contribute effectively.

These actions align with SBO's long-term strategic goals, fostering a motivated and empowered workforce while supporting sustainable growth.

#### **S1-4 - 41 - MEASURES TO AVOID MATERIAL NEGATIVE IMPACTS ON THE WORKFORCE**

SBO's commitment to preventing negative impacts on its workforce includes a range of measures to promote a safe, inclusive and supportive working environment. Key initiatives include:

**Compliance with labour rights and standards:** SBO complies with international labour guidelines to ensure fair and equitable treatment of employees.

**Compliance training:** Regular training is provided for shopfloor employees and HR staff to ensure compliance with company policies and legal requirements.

**Enhanced health and safety measures:** SBO implements safety measures, including regular risk assessments, safety training and health promotion measures such as fitness programmes.

**Employee engagement and feedback:** Establishing feedback channels and conducting employee surveys to measure satisfaction and address areas for improvement.

**Professional development opportunities:** Provision of training, mentoring and coaching programmes to support professional growth and skills development.

## **S1-4 – 42 – EFFECTIVENESS OF ACTIONS**

SBO assesses the effectiveness of actions by setting specific targets aligned with its policies and strategic objectives.

Health and Safety: Reduction in Lost-Time Injury Rates (LTIR) and achieving zero workplace fatalities.

## **S1-4 – 43 – ALLOCATION OF FUNDS AND TRANSPARENT PRESENTATION OF HANDLING**

SBO allocates a variety of measures to manage material impacts effectively, ensuring alignment with its sustainability goals and workforce well-being. Key resources include:

Safety Training and Equipment: Training sessions are conducted to educate employees on workplace safety, complemented by investments in safety equipment and systems to mitigate risks.

Health and Wellness Programs: Initiatives such as health checks and fitness programs are offered to promote employee health and address physical and mental well-being.

Professional Development: SBO invests in training and development programs, providing employees with opportunities for upskilling and career growth.

Engagement and Recognition: Feedback mechanisms and communication channels are in place to ensure employee voices are heard. Recognition programs reward outstanding contributions and foster a positive work culture.

## **S1-4 – AR 43 – MEASURES TO MITIGATE NEGATIVE IMPACTS ON WORKERS RESULTING FROM THE TRANSITION TO A GREENER, CLIMATE-NEUTRAL ECONOMY**

The transition to a greener, net-zero emission economy presents both opportunities and challenges for SBO. On the one hand, emerging industries may drive the adoption of new technologies and processes, requiring role adjustments. On the other hand, they may create new job opportunities and necessitate the development of new skills to meet evolving operational demands. SBO is committed to supporting its employees throughout this transition, ensuring that SBO remains a leading provider of precision components and equipment.

## **S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

### **S1-5 - 44 - REDUCING THE NEGATIVE IMPACT ON WORKERS**

Health and Safety: Achieving a reduction in Lost-Time Injury Rates (LTIR) and maintaining zero workplace fatalities.

Diversity and Inclusion: Setting goals to enhance the representation of underrepresented groups.

### **S1-MDR-T - 81 B - TRACKING THE EFFECTIVENESS OF POLICIES AND MEASURES RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES**

SBO tracks the effectiveness of its concepts and measures concerning material impacts, risks, and opportunities. This is achieved through:

Quantitative Monitoring: Metrics such as participation in training programs, Lost-Time Injury Rates (LTIR), and diversity ratios are regularly assessed to understand progress in key areas.

Audits and Assessments: Periodic internal audits evaluate compliance with policies like the Code of Conduct ensuring alignment with broader ESG objectives.

This approach allows SBO to maintain accountability and improve outcomes while working towards formalizing measurable targets in the future.

Established Methods for Tracking Effectiveness: SBO focuses on continuous monitoring through compliance audits, employee feedback, and alignment with existing policies like the Code of Conduct.

Qualitative and Quantitative Indicators include:

Qualitative: consultation with employee representatives, and feedback collected through structured channels.

Quantitative: Metrics such as participation in training programs, diversity ratios, Lost-Time Injury Rates (LTIR), and compliance with established safety and human rights guidelines.

Reference Period: Progress is typically measured over an annual reporting cycle, aligned with SBO's sustainability and operational reviews. This ensures consistent tracking and comparability across reporting periods.

### **S1-5 - 47 A - SETTING THE TARGETS**

Targets relating to SBO's own workforce are defined either centrally (for executive positions) or decentrally at the level of the respective subsidiaries, depending on the employment level. Target setting is based on Group-wide uniform guiding principles, taking into account local conditions, locally prioritised topics, and internal data and feedback (e.g. from performance reviews, local surveys or dialogue formats with employee representative bodies, where applicable). The definition and approval of targets is carried out centrally for executive positions or in accordance with the subsidiary's local governance.

**S1-5 - 47 B - TRACKING TARGET PERFORMANCE**

Tracking progress towards target achievement is also carried out centrally or decentrally at the respective subsidiaries, depending on the employment level. The responsible functions at SBO Holding level or within the local entities monitor developments using appropriate metrics and internal reporting processes and derive the measures required in the event of deviations.

**S1-5 - 47 C - IDENTIFY INSIGHTS OR OPPORTUNITIES FOR IMPROVEMENT**

Consultations with Employee Representatives: Structured discussions with employee representatives ensure that workforce perspectives are incorporated into decision-making and performance evaluations.

Feedback Mechanisms: Channels such as suggestion boxes, QR-code reporting systems, and feedback sessions enable employees to propose improvements and share ideas.

**S1-6 - Characteristics of the undertaking's employees****S1-6 - 50-51 - CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES**

Gender	2025	2024
Male	1,308	1,370
Female	231	226
Other	0	0
Not reported	0	0
Total employees	1,539	1,596

Country	Number of employees 2025 (headcount)
Austria	337
USA	662

Country	Number of employees 2024 (headcount)
Austria	387
USA	706

12/31/2025

	FEMALE	MALE	OTHER (*)	NOT DISCLOSED	TOTAL
Number of employees (headcount / FTE)	231	1,308	0	0	1,539
Number of permanent employees (headcount / FTE)	231	1,307	0	0	1,538
Number of temporary employees (headcount / FTE)	0	1	0	0	1
Number of non-guaranteed hours employees (headcount / FTE)	0	0	0	0	0

KPI	2025	2024	Unit
total number of employees who have left the undertaking (reporting period)	513	450	HC
employee turnover rate (reporting period)	25	22	%

KPI	2025	2024	Unit
Non employees* within own workforce	89	91	HC

## S1-6 - 50 D - METHODS AND ASSUMPTIONS

SBO generates data on the number of employees through HR management systems and payroll records that track permanent and temporary employment contracts across all subsidiaries. This data collection is decentralized and regularly updated to ensure accuracy and consistency. Those collected data is then sent to the headquarters, where it is consolidated.

The employee figures at the end of the reporting period are reported as actual headcount as of the reporting date, rather than as an average. This method ensures that the figures reflect the most accurate and up-to-date representation of SBO's workforce at the end of the reporting period. Temporary or project-based employees are included based on their employment status on the reporting date, ensuring consistency across all reporting categories.

Specific background information is necessary to provide context for the workforce data:

**Employee Turnover:** SBO operates in a highly cyclical industry, where employee fluctuation is not uncommon. Additionally, variations in turnover rates may result from regional labor market conditions or project-based employment in certain locations.

**Employment Types:** The composition of the workforce includes permanent, temporary, and subcontracted employees. Understanding the proportion of each category is essential to interpret overall headcount and workforce dynamics accurately.

Geographical Distribution: Workforce data is influenced by the global presence of SBO, with differences in employment conditions, regulations, and cultural practices impacting the numbers across regions.

Sector-Specific Factors: As SBO predominantly operates in the oil and gas industry, workforce dynamics may also be impacted by industry-specific trends, such as cyclical demand or shifts towards sustainability-related initiatives.

A cross-reference is made between the total number of employees reported and the most representative figures in the financial statements. The workforce data aligns with disclosures in the financial reports, particularly those related to personnel expenses and headcount trends. This ensures consistency between sustainability reporting and financial reporting, providing a clear and accurate overview of SBO's workforce as it relates to operational and financial performance.

## S1-7 - Characteristics of non-employee workers in the undertaking's own workforce

### S1-7 - 55 A - CHARACTERISTICS OF NON-EMPLOYEES IN THE UNDERTAKING'S WORKFORCE

KPI	2025	2024	Unit
Non employees* within own workforce	89	91	HC

### S1-7 - 55 B - METHODS AND ASSUMPTIONS

SBO generates data on external workers, such as subcontractors, freelancers, or temporary agency workers, in the form of contractor records and operational reports at site level. These systems track the number of non-employees engaged at various locations and for specific projects.

Non-employees at SBO are typically reported as headcount rather than full-time equivalents (FTEs). This approach reflects the total number of individuals engaged with the organization, regardless of the number of hours worked. The number of non-employees at the end of the reporting period is reported as HC as of the reporting date.

There is no specific background information necessary.

### S1-7 - 57 - BASIS FOR ESTIMATING THE NUMBER OF NON-EMPLOYEES

SBO has data on non-employees. This information is collected through vendor management systems, site-level operational reports, and contractor agreements. The data is tracked to ensure accurate reporting and alignment with project requirements. Estimates are generally not used, as the data is based on actual records maintained by project managers and HR systems.

## S1-8 - Collective bargaining coverage and social dialogue

### S1-8 - 60 A - EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

KPI	2025	2024	Unit
Percentage of employees covered by collective bargaining agreements	92	85	%

### S1-8 - 60 B -C, 63 A & B- SHARE AND SCOPE OF COLLECTIVE BARGAINING AGREEMENTS WITHIN AND OUTSIDE THE EUROPEAN ECONOMIC AREA AND WORKPLACE REPRESENTATION WITHIN THE EUROPEAN ECONOMIC AREA

Coverage rate	Collective bargaining coverage		Social dialogue
	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl)
0 – 19%			
20 – 39%			
40 – 59%			
60 – 79%			
80 – 100%	Austria	USA	Austria

No change compared to the prior year.

## S1-9 - Diversity metrics

### S1-9 - 66 A - GENDER DISTRIBUTION IN TOP MANAGEMENT

KPI	2025	2024	Unit	2025	2024	Unit
Top management gender distribution						
Male	16	14	HC	89	87	%
Female	2	2	HC	11	13	%
Other	0	0	HC	0	0	%
Not reported	0	0	HC	0	0	%

KPI	2025	2024	Unit
Employees <30 years old	228	239	HC
Employees 30 – 50 years old	915	959	HC
Employees >50 years old	396	398	HC
TOTAL	1,539	1,596	Headcount

## S1-9 - AR 71 - DEFINITION OF TOP MANAGEMENT

SBO defines top management as the Executive Board members, division heads, and managing directors who report directly to the Executive Board.

## S1-10 - Adequate remuneration of employees in line with applicable benchmarks

SBO ensures that all employees receive adequate remuneration in accordance with applicable wage regulations and benchmarks. The lowest wages within the company are aligned with the minimum or adequate wage requirements set forth by national legislation, collective agreements, or internationally recognized standards.

## S1-12 - Persons with disabilities

### S1-12 - 79 – PERCENTAGE OF PERSONS WITH DISABILITIES AMONGST THE EMPLOYEES

KPI	Value	Unit
Persons with disabilities amongst employees total *)	1	%

\*) 2024: 1%

### S1-12 - AR 76 - CONTEXTUAL INFORMATION

SBO collects data about people with disabilities using its HR management systems and employee self-reporting mechanisms, ensuring compliance with local data protection regulations. Employees can voluntarily disclose disabilities through confidential reporting channels, which are used for compliance and inclusion initiatives.

Definition of Disabilities: SBO adopts definitions provided by local legislation in the countries where it operates. These definitions align with international frameworks, such as the UN Convention on the Rights of Persons with Disabilities, but variations may exist due to local legal interpretations.

## S1-14 - Health and safety metrics

### S1-14 - 88 - HEALTH AND SAFETY METRICS

SBO discloses the percentage of its workforce covered by a certified health and safety management system on a headcount (HC) basis,

KPI	Unit	2025	2024
People in own workforce* who are covered by the undertaking's health and safety management system**	%	37	19
Fatalities as a result of work-related injuries and work-related ill health for own workforce	Count	0	0
Fatalities as a result of work-related injuries and work-related ill health for other workers working on undertaking's sites	Count	0	0
Recordable work-related accidents for own workforce	Count	23	21
LTIR	Ratio	1.6	6.3
Cases of recordable work-related ill health for own workforce	Count	0	0
Days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health for own workforce	Count	145	340
Days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health for other workers working on undertaking's sites	Count	0	0

## S1-16 - Compensation metrics (pay gap and total compensation)

### S1-16 - 97 C - BACKGROUND INFORMATION NEEDED TO UNDERSTAND THE DATA

The methods applied include analyses of pay structures and the integration of relevant financial data. Objective factors influencing data collection include, in particular, the type of work performed and the country of employment. Regional differences in collective bargaining systems and labour law frameworks are taken into account accordingly.

The disclosed gender pay gap reflects influencing factors such as the type of employment, for example full-time or part-time employment. Currency and exchange rate fluctuations and differences in remuneration structures between geographic locations can affect the comparability of remuneration data.

In the 2025 financial year, the calculation of total remuneration in accordance with ESRS 2 S1-16 was adjusted compared to the prior year following an error identified by the Austrian Financial Reporting Enforcement Panel. While in 2024 the pay ratio was first calculated per Group company and then aggregated into a Group-wide factor, taking into account the respective number of employees, the calculation for 2025 and for the comparative year 2024 was performed based on a Group-wide determination of median income and a subsequent calculation of the factor relative to the highest-paid individual within the Group. The underlying remuneration data continue to come unchanged from the local payroll systems of the respective companies. Data were collected to ensure comparability and aggregated in accordance with a uniform Group-wide calculation logic.

In the same way, the calculation of the gender pay gap in 2025 was adjusted. Instead of determining it decentrally in the individual companies and aggregating it at Group level, it was changed to a central calculation based on a Group-wide data set. As a result, the comparative figure for 2024 was adjusted. Apart from this methodological change, there were no material changes to the underlying data sets during the reporting period. All data collected were processed consistently and in line with established internal procedures.

## S1-16 - 97 A & 98 - GENDER PAY GAP

KPI	Unit	2025	2024
Gap in pay between undertaking's female and male employees	%	7	16
Annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees	Rate	26	30

Following a methodological adjustment to the calculation, the key figures disclosed in the non-financial statement were reviewed and corrected retrospectively. For the 2024 reporting year, the gender pay gap was reported as 8% and the ratio of total remuneration, highest to median total remuneration, as a factor of 8. Applying the updated methodology results in a gender pay gap of 16% and a total remuneration ratio of a factor of 30 for 2024. The adjustment ensures consistent application of the methodology and an appropriate presentation of the key figures.

## S1-17 - Incidents, complaints and severe human rights impacts

### S1-17 - 102 INFORMATION ON WORK-RELATED INCIDENTS, COMPLAINTS AND HUMAN RIGHTS VIOLATIONS, AS WELL AS RELATED FINES AND SANCTIONS

During the reporting period, SBO recorded no confirmed cases of discrimination, including harassment, within the company. To identify, address, and prevent discrimination, SBO has implemented robust systems and ensures compliance with its Code of Conduct and relevant policies. Internal stakeholders, in particular employees, are the primary focus of anti-discrimination measures, while external stakeholders, such as contractors, are also covered through broader policy commitments. SBO applies a zero-tolerance approach to discrimination and harassment and has clear procedures for reporting, investigating, and resolving incidents, including anonymous reporting channels. The effectiveness of these measures is continuously evaluated by monitoring the use and outcomes of grievance mechanisms.

### S1-17 - 103 NUMBER OF INCIDENTS OF DISCRIMINATION, INCLUDING HARASSMENT

During the reporting period, one discrimination case was reported and it was not substantiated. No significant fines, sanctions or compensation payments were recorded.

## S1-MDR-M - Metrics in relation to material sustainability aspects

### S1-MDR-M - 77B

The figures have not been externally verified. To validate the measurements, internal quality controls were carried out, including checks for data completeness, comparisons with prior year values, and plausibility checks between group companies.

#### S1-6

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS, SIGNIFICANT ASSUMPTIONS AND LIMITATIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Total number of employees (headcount) and breakdown by gender	ESRS metric	Data on employees were collected from each subsidiary and then aggregated on group level, including a breakdown by gender. Gender is based on the information provided by employees.
Total number of employees (headcount) and by country for countries in which the undertaking has 50 or more employees representing at least 10% of its total number of employees	ESRS metric	Data on employees were collected from each subsidiary and then aggregated on group level. Each country, in which there are more than 50 employees that represent at least 10% of the total number of employees, is displayed in the table.
Total number of employees by contract type and by gender	ESRS metric	Data on contract types of employees were collected from each subsidiary and aggregated on group level. The data was further broken down by gender.
The total number of employees who have left the undertaking during the reporting period	ESRS metric	The number of people leaving the company includes terminations, dismissals, retirements and other forms of employees leaving the company voluntarily or involuntarily. Data on employees leaving the company during the reporting year was collected from each subsidiary and aggregated on group level.
The rate of employee turnover in the reporting period	ESRS metric	Terminations in the reporting period divided by Total headcount (31.12.2024) plus recruitments in the reporting period

#### S1-7

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS, SIGNIFICANT ASSUMPTIONS AND LIMITATIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Total number of non-employees in the undertaking's own workforce	ESRS metric	Data on headcount of non-employees was collected from each subsidiary as of the reporting date and then consolidated on group level.

## S1-8

LIST OF METRICS USED	ESRS OR SBO-SPECIFIC METRICS	METHODS, SIGNIFICANT ASSUMPTIONS AND LIMITATIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Percentage of employees covered by collective bargaining agreements	ESRS metric	Data on the percentage of employees covered by collective bargaining agreements is collected from each subsidiary and then aggregated on group level.
Percentage of employees in the European Economic Area ("EEA"), covered by collective bargaining agreements for each country with significant employment	ESRS metric	Data on the percentage of employees in the EEA covered by collective bargaining agreements is collected from each subsidiary and then aggregated on group level.
Percentage of employees outside the EEA, covered by collective bargaining agreements by region	ESRS metric	Data on the percentage of employees covered by collective bargaining agreements outside the EEA is collected from each subsidiary and then consolidated on group level.
Global percentage of employees covered by workers' representatives, reported at the country level for each EEA country where the undertaking has more than 10% of its employees	ESRS metric	Data on the percentage of employees covered by workers' representatives by specific EEA country is collected from each subsidiary and then aggregated on group level.

## S1-9

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS, SIGNIFICANT ASSUMPTIONS AND LIMITATIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Gender distribution in management positions	ESRS metric	Data on gender distribution in management positions was collected from each subsidiary and then aggregated on group level, including a breakdown by gender. Gender is based on the information provided by employees.
Percentage of gender distribution in management positions	ESRS metric	Number of men, women, and diverse individuals divided by the total number of management positions.
Distribution of employees by age group	ESRS metric	Data on age distribution of all employees was collected from each subsidiary and aggregated on group level.

**S1-10**

<b>LIST OF METRICS USED</b>	<b>ESRS OR UNDERTAKING-SPECIFIC METRICS</b>	<b>METHODS AND SIGNIFICANT ASSUMPTIONS</b>
MDR-M-76	MDR-M-77	MDR-M-77a
Countries where employees earn less than the applicable minimum wages.	ESRS-Metrik	All SBO subsidiaries pay above the national benchmarks for fair wages. Data on the lowest income category has been collected for each subsidiary. The wage level of the lowest income category was compared to the national benchmarks for fair wages.
Percentage of employees paid below the applicable wage benchmark.	ESRS-Metrik	Not applicable, as all employees are paid above the national benchmarks.

**S1-12**

<b>LIST OF METRICS USED</b>	<b>ESRS OR UNDERTAKING-SPECIFIC METRICS</b>	<b>METHODS AND SIGNIFICANT ASSUMPTIONS</b>
MDR-M-76	MDR-M-77	MDR-M-77a
Percentage of employees with disabilities	ESRS metric	Data was collected for each subsidiary on the number of employees with disabilities. Different definitions of "disability" were applied based on location of business operation.

## S1-14

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS AND SIGNIFICANT ASSUMPTIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Percentage of employees in the company's own workforce covered by a certified health and safety management system based on legal requirements and/or recognized standards or guidelines.	ESRS metric	Data on the number of employees covered by a health and safety management system was collected for each subsidiary and then consolidated at the group level. It was verified whether the existing management system is based on legal requirements or recognized standards or guidelines.
Number of fatalities due to work-related injuries and occupational diseases. (own and other workforce)	ESRS metric	Data on the number of fatalities resulting from workplace accidents and occupational diseases was collected for each subsidiary and then aggregated at the group level.
Number and rate of recorded workplace accidents.	ESRS metric	The data on the number and rate of workplace accidents was collected for each subsidiary and then aggregated at the group level.
Number of recorded cases of work-related illnesses.	ESRS metric	Data on work-related illnesses was collected for each subsidiary and then aggregated at the group level.
Number of lost days due to work-related injuries and fatalities resulting from workplace accidents and occupational diseases (own and other workforce).	ESRS metric	The data on the number of lost days was collected for each subsidiary and then aggregated at the group level.
LTIR	ESRS metric	The LTIR was calculated based on the number of work-related accidents with lost time, relative to total hours worked, and aggregated at the group level.

## S1-16

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS AND SIGNIFICANT ASSUMPTIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Gender pay gap – total and by employee category	ESRS metric	The earnings data are collected by the respective subsidiaries and transmitted to the Group function in a standardised data structure. Based on these underlying earnings data, the gender pay gap is calculated centrally for the Group in accordance with the ESRS methodology.
Ratio of the total annual remuneration of the highest-paid individual to the median of the total annual remuneration of all employees (excluding the highest-paid individual)	ESRS metric	The data on the pay ratio are reported as underlying data by the respective subsidiaries. At Group level, the median of employees' total remuneration is determined from the full set of these data and compared with the value of the highest-paid person.

**S1-17**

<b>LIST OF METRICS USED</b>	<b>ESRS OR UNDERTAKING-SPECIFIC METRICS</b>	<b>METHODS AND SIGNIFICANT ASSUMPTIONS</b>
MDR-M-76	MDR-M-77	MDR-M-77a
Total number of incidents of discrimination, including harassment, reported during the reporting period	ESRS metric	Data on number of incidents of discrimination including harassment was collected from each subsidiary and then aggregated on group level. Data was not available for 1 subsidiary, which was excluded from calculations.
Total amount of fines, penalties, and compensation for damages as a result of the incidents	ESRS metric	Data on the total amount of fines as a result of incidents was collected from each subsidiary and then consolidated on group level.
Number of severe human rights incidents connected to the own workforce in the reporting period	ESRS metric	Data on severe human rights incidents was collected from each subsidiary and then aggregated on group level.
Total amount of fines, penalties and compensation for damages connected to severe human rights incidents in SBOs' workforce	ESRS metric	Data on the total amount of fines because of human rights incidents was collected from each subsidiary and then consolidated on group level.
Number of severe human rights incidents where SBO played a role securing remedy for those affected during the reporting period	ESRS metric	Data on severe human rights incidents where the company played a role securing remedy for those affected was collected from each subsidiary and then consolidated on group level.

## S2 Workers in the Value Chain

### S2-1 - Policies related to value chain workers

#### S2-MDR-P - 62 - REASON FOR LACK OF POLICIES

SBO has established policies and measures addressing key aspects of ESRS S2 – Workers in the Value Chain, including health and safety, non-discrimination, and fair working conditions. These are embedded in the Code of Conduct, which ensure safe working environments, equal treatment, and respect for workers' rights. While there is no specific standalone policy explicitly titled for ESRS S2, the existing framework covers the core requirements. SBO is committed to continuously reviewing and enhancing its policies to align with the evolving CSRD/ESRS standards. Policies are described in ESRS G1 and cover key topics including:

Adequate working conditions

Equality

Measures against violence and harassment.

#### S2-1 – 17 – HUMAN RIGHTS INCLUDING WORKERS' RIGHTS, INCLUSION AND MEASURES TO REMEDY HUMAN RIGHTS IMPACTS AND/OR ENABLE THEM

SBO has implemented comprehensive policies addressing human rights, which are embedded in the SBO Group's Code of Conduct. These policies align with internationally recognized frameworks, including the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

To ensure compliance with these standards, SBO has established processes to prevent, detect, and mitigate risks related to human rights violations across its global operations. These processes include regular assessments, internal controls, and mechanisms to address identified risks. SBO remains committed to upholding and continuously improving its adherence to these principles as part of its corporate responsibility and sustainability efforts.

SBO's strategy to protect human rights in relation to workers in the value chain is guided by internationally recognized human rights frameworks. SBO prioritizes fair labor practices, the prevention of forced labor, child labor, and discrimination, as well as ensuring safe and healthy working conditions. These principles are reflected in SBO's policies and are extended throughout its value chain by engaging with suppliers and partners to ensure alignment with human rights standards.

In line with this commitment, the vast majority of SBO's customers are publicly listed companies, which are also required to comply with relevant legal regulations.

SBO's Code of Conduct emphasizes alignment with internationally recognized standards, including the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. These policies commit SBO to preventing, mitigating, and addressing human rights violations. Future efforts will focus on integrating targeted remedial measures to strengthen SBO's human rights strategy.

## **S2-1 - 18 - CONSIDERATION OF THE TOPICS OF HUMAN TRAFFICKING, FORCED LABOUR AND CHILD LABOUR IN THE POLICIES**

SBO maintains a Code of Conduct, which outlines general expectations for ethical behaviour and compliance with legal standards. This forms the foundation of SBO's commitment to human rights across the value chain. As part of SBO's continuous improvement efforts, it is reviewing and refining its policies to explicitly integrate these critical topics, ensuring alignment with international standards and best practices. This process reflects SBO's dedication to enhancing the integrity and sustainability of its supply chain.

## **S2-1 - 19 - ALIGNMENT WITH INTERNATIONALLY RECOGNIZED STANDARDS**

SBO's policies are aligned with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and reflect adherence to internationally recognized standards, including the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. These frameworks guide SBO's commitment to human rights, fair working conditions, and non-discrimination across its value chain.

SBO has implemented a reporting system for human rights violations in the supply chain, accessible via its whistleblowing and compliance platforms. Based on the review, no violations were found to contradict the UNGPs, ILO Declaration, or OECD Guidelines.

## **S2-2 - Processes for engaging with own workers and workers' representatives about impacts**

### **S2-2 - 22 - INTEGRATION OF THE VIEWS OF WORKERS IN THE VALUE CHAIN INCLUDING GLOBAL FRAMEWORK AGREEMENTS OR OTHER AGREEMENTS THAT SBO HAS CONCLUDED AND EFFECTIVENESS**

SBO has established mechanisms, such as the whistleblowing platform and compliance reporting systems, to enable workers in the value chain to share their views on material topics, including labor conditions and human rights. Until today no cases or feedback from workers in the value chain were reported. As a result, there were no instances where such views directly influenced decisions or actions. SBO remains committed to monitoring and incorporating feedback from workers in the value chain as part of its ongoing efforts to ensure compliance and uphold labor standards.

SBO recognizes the importance of collaboration with workers across the value chain and has therefore implemented a whistleblowing platform.

At SBO, responsibility for topics related to workers in the value chain is integrated into broader leadership roles rather than being assigned to a single dedicated position. This ensures a comprehensive and cross-functional approach to these important areas.

SBO ensures high standards for human rights in the value chain through its existing policies and practices. While no formal agreements with international trade union federations are in place, SBO continuously evaluates whether initiatives such as the Bangladesh Accord, the ACT Initiative, or partnerships with organizations like the Fair Labour Association make sense.

Existing grievance mechanisms, such as the whistleblowing platform, provide a clear channel for stakeholders to raise concerns.

During the reporting period, no findings were made, as there were no reported cases or formal agreements addressing workers' topics in the value chain. SBO is committed to evaluating mechanisms to systematically track, assess, and improve the involvement of workers in the value chain in future reporting periods.

Given SBO's position within the value chain, its influence in this area is limited. Instead, SBO considers its whistleblowing platform a key mechanism for addressing significant concerns, particularly those related to labor rights violations.

At this stage, SBO does not see an immediate need to implement additional engagement mechanisms beyond existing policies and practices. However, the company continuously evaluates its approach and remains open to further developments if deemed necessary.

#### **S2-2 - 23 - STEPS TO GAIN INSIGHTS INTO THE PERSPECTIVES OF WORKERS IN THE VALUE CHAIN, WHO MAY BE PARTICULARLY VULNERABLE TO IMPACT AND/OR MARGINALIZED**

SBO has not identified specific vulnerable groups of workers within the value chain who may be particularly affected by impacts. As a result, no specific steps have been taken in the reporting year to gain insights into their perspectives or address their needs.

#### **S2-2 - 24 - NO GENERAL PROCEDURE FOR COOPERATION WITH THE WORKFORCE**

SBO provides a whistleblowing platform accessible to all workers within the value chain, serving as a key mechanism for addressing significant concerns, particularly those related to labor rights violations.

At this stage, SBO does not see an immediate need to establish additional formal engagement procedures within the value chain. However, the company continuously evaluates its approach and remains open to further developments if required.

## **S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns**

### **S2-3 - 27 A - D - GENERAL APPROACH AND PROCEDURE FOR IMPLEMENTING OR PARTICIPATING IN REMEDIES**

SBO's compliance and whistleblowing systems provide avenues for identifying and reporting issues. SBO does not have a formalized corporate due diligence mechanism specifically tailored to addressing material negative impacts on workers in the value chain.

SBO provides a whistleblowing platform as the primary communication channel for workers in the value chain to raise concerns or communicate their needs. This platform is managed directly by SBO and ensures confidentiality and anonymity for users. Workers can access the platform online to report issues related to labor conditions, human rights, or other concerns relevant to the value chain.

No additional mechanisms, such as trade union representation or dialogue processes, are in place. SBO plans to evaluate the adequacy of existing channels and explore opportunities for additional mechanisms, including third-party-managed systems, to enhance accessibility and effectiveness.

SBO ensures that the whistleblowing platform, as the primary communication channel for workers in the value chain, is accessible by providing online availability and confidentiality to encourage its use. The usage of specific marketing materials and direct communication with Compliance Managers shall increase the awareness of how to deal with compliance incidents.

SBO's whistleblowing platform is monitored and managed by the Head of Compliance, who oversees the tracking and progress of individual complaints and concerns. The Head of Compliance ensures that each case is processed confidentially and tracks its status until resolution. Reports on the number of complaints processed, substantiated, and resolved are maintained internally and provided to relevant committees as required.

To ensure the effectiveness of this channel, SBO relies on the Head of Compliance oversight and periodic reviews of the process. SBO is continuously improving the system.

SBO's policies are in place to protect whistleblowers from retaliation, as outlined in SBO's Whistleblowing Guideline. These protections ensure confidentiality and safeguard individuals reporting grievances. While employee representatives are not explicitly included in the protection measures, SBO adheres to its commitment to non-retaliation and plans to strengthen these mechanisms to align with best practices under ESRS standards.

Therefore, SBO does not conduct regular checks on value chain workers' awareness of grievance mechanisms, such as the whistleblowing platform.

## S2-4 - Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

### S2-MDR-A - 62 - REASONS FOR THE LACK OF ACTION

SBO adheres to all applicable legal regulations and has established internal policies and processes to ensure compliance with human rights and labor standards. While these measures are in place, SBO continuously assesses whether further actions are necessary to address specific material topics in its value chain.

Consequently, SBO evaluates potential risks on an ongoing basis and will take action if any material issues are identified.

**Adequate Housing:** Against the background of the previous statements, no actions have been implemented, as there has not been a single case to date of inadequate housing. Should SBO become aware of cases of inadequate housing, it will of course investigate them thoroughly.

**Non-Living Wages:** Against the background of the previous statements, no targeted actions exist to address living wage disparities. Should SBO become aware of cases where non-living wages are an issue, it will of course investigate them thoroughly.

**Child Labor and Forced Labor:** These practices are strictly prohibited under SBO's Code of Conduct. Given this, there has been no single case of child labor and forced labor. Should SBO become aware of cases with regards to Child Labor and Forced Labor, it will of course investigate them thoroughly.

**Gender Equality:** Diversity and inclusion are part of SBO's principles. Therefore, no targeted actions to address pay or representation disparities have been established.

**Health and Safety:** As health and safety standards exist, no additional actions have been implemented for industry-specific risks (e.g., mining pollutants). SBO may consider to review this area for future enhancements.

**Violence and Harassment:** The whistleblowing allows reporting of violence and harassment. Therefore no additional dedicated measures have been implemented.

**Water and Sanitation:** This topic has not been prioritized due to its limited relevance to SBO's operations. It will be monitored to determine if future action is necessary.

#### **S2-4 – 32 & 37 – MEASURES TO PREVENT, MITIGATE OR REMEDY MATERIAL NEGATIVE IMPACTS ON WORKERS IN THE VALUE CHAIN**

General policies and mechanisms such as the Code of Conduct and Whistleblowing Platform indirectly contribute to mitigating risks like discrimination, forced labor, or unsafe working conditions. On top of that, there are no targeted actions in place to address specific negative impacts in the value chain.

Future plans may include evaluating material impacts and developing dedicated measures to systematically prevent and mitigate these issues as part of SBO's broader sustainability strategy.

#### **S2-4 – 33 A – C – PROCEDURES FOR IDENTIFYING THE MEASURES FOR SPECIFIC ACTUAL OR POTENTIAL ADVERSE IMPACTS ON WORKERS IN THE VALUE CHAIN**

Current mechanisms, such as the Whistleblowing Platform, allow for the reporting of concerns, which may prompt case-by-case responses. However, no structured risk assessment or due diligence process is in place to proactively identify and address these impacts.

Existing mechanisms, such as the Code of Conduct and Whistleblowing Platform, provide a foundational framework for ethical practices. While these mechanisms exist, there is currently no formal approach or procedure specifically designed to address material impacts on workers in the value chain.

SBO is in the process of developing a Supplier Code of Conduct, which will be integrated into general purchasing practices to help mitigate risks such as non-living wages, forced labor, and inadequate working conditions.

In practice, issues of workers in the value chain reported through the Whistleblowing Platform are reviewed by the Head of Compliance, who oversees the process and ensures necessary corrective actions are implemented on a case-by-case basis.

#### **S2-4 – 34 A – B – MEASURES TO MITIGATE MATERIAL RISKS AND TRACK EFFECTIVENESS IN THE VALUE CHAIN**

SBO's current actions do not specifically target risk mitigation related to workers in the value chain. For SBO's own workforce, material risks are integrated into SBO's broader risk management process, which includes compliance monitoring and internal audits. These processes address areas such as health and safety, non-discrimination, and ethical practices.

SBO currently does not have specific actions in place that target the promotion of opportunities, or the exploitation of material opportunities related to labor in the value chain.

## **S2-4 - 35 - ENSURING THAT PRACTICES DO NOT CAUSE SIGNIFICANT NEGATIVE IMPACTS ON WORKERS IN THE VALUE CHAIN**

SBO ensures that its own practices aim to avoid contributing to material negative impacts on employees in the value chain through adherence to its Code of Conduct and responsible business practices. There are no formalized processes in place.

## **S2-4 - 36 - SERIOUS PROBLEMS AND INCIDENTS RELATED TO HUMAN RIGHTS**

During the reporting period, no issues or incidents of serious human rights violations were reported to SBO. The Whistleblowing Platform remains the primary mechanism for reporting such concerns, and all submissions are reviewed by the Head of Compliance. SBO remains committed to addressing any reported incidents promptly and ensuring alignment with international human rights standards.

## **S2-4 - 38 - ALLOCATED FUNDS FOR MATERIAL IMPACT MANAGEMENT**

SBO has provided dedicated resources to manage material impacts in the value chain, including Supply Chain Managers and Compliance Officers at Group level as well as within the subsidiaries. These roles are responsible for monitoring compliance with ethical and legal standards, addressing risks and ensuring that business practices are aligned with SBO's sustainability commitments.

Supply Chain Managers are responsible for purchasing practices and carry out supplier assessments and risk assessments. The Head of Compliance manages grievance mechanisms and ensures compliance with policies, including the Code of Conduct. Together, these roles ensure a structured approach to addressing material impacts along the value chain.

Progress in the reporting period: During the reporting period, there were no material changes to roles, responsibilities or the underlying processes. Accordingly, no additional progress compared with the previous year can be reported.

## **S2-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

### **S2-MDR-T - 72 - TARGETS**

SBO has not established targets under ESRS S2 but monitors the effectiveness of its concepts and measures through qualitative assessments of material impacts, risks, and opportunities. This approach includes stakeholder engagement and outcome reviews, ensuring alignment with strategic goals while identifying areas for future development, including setting measurable targets.

## S3 Affected Communities

### S3-1 - Policies related to affected communities

#### S3-MDR-P - 62 - REASONS FOR THE LACK OF POLICIES

SBO employs approximately 1,500 people worldwide on four continents, with the average number of employees per legal entity globally being fewer than 100. Against this background, the company currently has no specific policies or strategies for managing material impacts, risks, and opportunities related to affected communities. While future strategies may address different community types, there are currently gaps in identifying and managing relevant social and economic impacts. In particular, clear frameworks for considering community aspects such as social equity, regional development, or indirect socio-economic effects are lacking. Due to the company's structure, with relatively small entities, no targeted measures or strategies have been implemented to address these challenges to date.

### S3-2 - Processes for engaging with affected communities about impacts

#### S3-2 - 24 - APPROACH TO THE INVOLVEMENT OF AFFECTED COMMUNITIES

SBO has not implemented a formal process for engaging with affected communities but recognizes the importance of fostering transparent and constructive dialogue. The company is committed to continuously evaluating its approach to stakeholder engagement and will provide updates on future developments.

### S3-3 - Processes to remediate negative impacts and channels for affected communities to raise concerns

#### S3-3 - 27 A - D - GENERAL APPROACH AND PROCEDURE FOR IMPLEMENTING OR PARTICIPATING IN REMEDIES

Due to the above-explained nature of SBO's company size and business, the company has no general approach or procedure for implementing or participating in remedies. Potential material negative impacts could theoretically arise in areas such as adequate food and housing, freedom of assembly and expression, impacts on human rights defenders, land-related impacts, security-related impacts, and access to water and sanitation. In practice, no cases of such impacts have been identified within SBO's operations to date.

SBO has a whistleblower mechanism in place, which can be used to report concerns, complaints, or issues. This mechanism is accessible to internal and external stakeholders and could potentially be utilized by affected communities. The whistleblower mechanism is primarily designed for compliance and ethical issues. It could be adapted or promoted as a channel for addressing specific concerns of affected communities. SBO could enhance the whistleblower mechanism by incorporating specific options for community-related issues, such as categorizing environmental or social topics, and ensuring user-friendly access for external stakeholders.

The whistleblowing platform is currently available via the company website as well as by post, in person, by telephone, or by email.

Currently the Whistleblowing platform is used to track and monitor complaints. SBO has a responsible person that checks the Whistleblowing platform and makes sure that the complaints are forwarded to the party responsible.

### **S3-3 - 28 - KNOWLEDGE AND TRUST OF AFFECTED COMMUNITIES IN THE STRUCTURES OR PROCESSES**

Affected communities can get access to SBO's whistleblowing platform. The trust of affected communities in these processes has not been systematically evaluated. There is no existing mechanism to collect or analyze feedback regarding their trust or satisfaction with the grievance procedures. For further details on the overall governance and structure of the whistleblowing mechanism, please refer to G1-1.

### **S3-4 - Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions**

#### **S3-MDR-A - 62 - REASONS FOR THE LACK OF ACTION**

No specific actions have been implemented to address the needs or concerns of affected communities systematically because there was no incident.

SBO is confident that the whistleblowing platform provides a foundation for affected communities to report incidents effectively.

#### **S3-4 - 36 - SEVERE HUMAN RIGHTS ISSUES AND INCIDENTS CONNECTED TO AFFECTED COMMUNITIES**

No incidents of human rights abuse have been reported to SBO by affected communities as of the latest reporting period.

## **S3-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

### **S3-MDR-T - 81 - No measurable results-oriented targets available**

SBO does not formulate measurable, results-oriented targets due to the ongoing development of a comprehensive framework for addressing material impacts on affected communities. The absence of robust data and structured stakeholder engagement processes has delayed target setting.

Due to the above explained nature of SBOs company size and business SBO has no formal system in place to track the effectiveness of its concepts and measures regarding material impacts, risks, and opportunities. Potential actions may be defined in the future.

SBO relies on qualitative approaches, such as internal reviews, stakeholder feedback, and ESG reporting, to track the general effectiveness of its concepts and actions.

Progress is generally measured on an annual basis, aligned with SBO's ESG reporting cycle.

## S4 Consumers and End-users

### S4-1 - Policies related to consumers and end-users

#### S4-MDR-P - 62 - REASONS FOR THE LACK OF POLICIES

SBO builds strong customer relationships by following its Code of Conduct and Fair Trade Policy, ensuring trust and ethical practices. Policies are detailed in G1.

The IRO "Reduced demand due to new trends in the energy sector" is specifically addressed in SBO's recalibrated strategy, focusing on Energy Transition such as Geothermal and Carbon Capture and Storage.

#### S4-1 - 16 B - APPROACH TO THE INVOLVEMENT OF CONSUMERS AND/OR END-USERS

SBO informs consumers and end-users about its actions to prevent and minimize risks through its website and other online platforms. Sustainability-related content is regularly updated to keep all stakeholders informed.

### S4-2 Procedures for engaging consumers and end users with regard to impacts.

#### S4-2 - 22 STATEMENT IN CASE THE UNDERTAKING HAS NOT ADOPTED A GENERAL PROCESS TO ENGAGE WITH CONSUMERS AND/OR END-USERS

Structured interaction with these stakeholders has not yet been implemented through standardized procedures or defined mechanisms.

#### S4-3 - 25 B-C-D & 26 CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS OR NEEDS

SBO provides a whistleblowing platform as a key channel for consumers and end-users to raise concerns or report grievances confidentially. The whistleblowing system allows individuals to report issues related to business conduct, compliance violations, or ethical concerns without fear of retaliation.

To maintain accessibility, the whistleblowing platform is available online and can be accessed through SBO's official website. All submissions are reviewed systematically, and reported concerns are investigated following a structured process. SBO ensures that all cases are handled with due diligence and transparency, with appropriate corrective actions taken where necessary.

SBO periodically assesses the effectiveness of the whistleblowing platform by monitoring its usage and evaluating the resolution of reported cases. The company remains committed to strengthening this mechanism to enhance trust and encourage responsible reporting.

#### **S4-4 - Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions**

##### **S4-MDR-A - 62 - REASONS FOR THE LACK OF ACTION**

SBO is currently screening the potential for organic and acquisitive growth opportunities in growing non-O&G markets.

#### **S4-5 - Targets Related to Addressing Material Negative Impacts, Promoting Positive Impacts, and Managing Material Risks and Opportunities**

##### **S4-MDR-T -72 - TARGET**

No specific targets have been defined in this area. SBO is in the process of analyzing whether and to what extent target setting is necessary. Once this assessment is complete, SBO will derive appropriate measures and, if necessary, define relevant targets.

# G1 Business conduct

## G1-1 - Business conduct policies and corporate culture

### G1-MDR-P - 65 - KEY ELEMENTS OF POLICIES

Addressed material (sub-) topic	MDR-P-65a	Corruption and bribery
Addressed material IROs	MDR-P-65a	Incidents of corruption and bribery Lack of anti-corruption standards
Title of the policy	MDR-P-65a	Code of Conduct
Objectives of the policy	MDR-P-65a	The objective of the Code of Conduct is to establish clear principles and guidelines for ethical behaviour, ensuring that all employees act with integrity, fairness, and in compliance with laws and regulations. It serves to promote a culture of transparency, accountability, and respect across all business operations and interactions.
Monitoring of the policy	MDR-P-65a	Regular audits, Parameters used for performance measurement, Feedback mechanisms
Scope of application in terms of business activities	MDR-P-65b	This policy is applicable to SBO's own business activities and cover the upstream and downstream value chain.
Excluded business activities	MDR-P-65b	None
Scope of application in terms of geographical areas	MDR-P-65b	Global
Scope of application in terms of affected stakeholders	MDR-P-65b	Own labor force; Contractor; Customer; Suppliers
Accountability for the policy	MDR-P-65 c	Executive Board
External standards or initiatives	MDR-P-65 d	US Foreign Corrupt Practices Act (FCPA); The UK Bribery Act; The Austrian Criminal Code; OECD Guidelines for Multinational Enterprises (2011 Edition); UN Global Compact
Involvement of stakeholders in defining the policy	MDR-P-65 e	None
Availability of the policy	MDR-P-65 f	Website, intranet, compliance platform

<b>Addressed material (sub-) topic</b>	<b>MDR-P-65a</b>	<b>Corruption and bribery</b>
Addressed material IROs	MDR-P-65a	Incidents of corruption and bribery Lack of anti-corruption standards
Title of the policy	MDR-P-65a	Fair Trade Policy and Ethics Policy
Objectives of the policy	MDR-P-65a	The objective of the Fair-Trade Policy is to ensure ethical business practices by promoting fairness, honesty, and transparency in all operations. It emphasizes zero tolerance for bribery, corruption, and other forms of corporate misconduct, safeguarding compliance with laws and fostering trust with stakeholders.
Monitoring of the policy	MDR-P-65a	Regular audits, Parameters used for performance measurement, Feedback mechanisms
Scope of application in terms of business activities	MDR-P-65b	This policies are applicable to SBO's own business activities and cover the upstream and downstream value chain.
Excluded business activities	MDR-P-65b	None
Scope of application in terms of geographical areas	MDR-P-65b	Global
Scope of application in terms of affected stakeholders	MDR-P-65b	Own labor force; Contractor; Customer; Suppliers
Accountability for the policy	MDR-P-65 c	Executive Board
External standards or initiatives	MDR-P-65 d	US Foreign Corrupt Practices Act (FCPA); The UK Bribery Act; The Austrian Criminal Code
Involvement of stakeholders in defining the policy	MDR-P-65 e	None
Availability of the policy	MDR-P-65 f	intranet, compliance platform

<b>Addressed material (sub-) topic</b>	<b>MDR-P-65a</b>	<b>Protection of whistle-blowers</b>
Addressed material IROs	MDR-P-65a	Improper protection of whistle-blowers
Title of the policy	MDR-P-65a	Whistleblowing Guideline
Objectives of the policy	MDR-P-65a	To provide a secure and confidential platform for employees, contractors, customers, and suppliers to report incidents, concerns, or violations related to corruption, bribery, or unethical conduct. The policy emphasizes the protection of whistleblowers and ensures transparency and accountability.
Monitoring of the policy	MDR-P-65a	Managed by the Group Compliance Management, which handles notifications, preserves confidentiality, and conducts thorough investigations. Audits and secured record-keeping are used to monitor effectiveness, with data stored securely and deleted post-investigation unless further legal action is needed
Scope of application in terms of business activities	MDR-P-65b	This guideline is applicable to SBO's own business activities and cover the upstream and downstream value chain.
Excluded business activities	MDR-P-65b	None
Scope of application in terms of geographical areas	MDR-P-65b	Global
Scope of application in terms of affected stakeholders	MDR-P-65b	Own labor force; Contractor; Customer; Suppliers
Accountability for the policy	MDR-P-65 c	Executive Board
External standards or initiatives	MDR-P-65 d	European Market Abuse Regulation (MAR); National laws related to whistleblowing protections
Involvement of stakeholders in defining the policy	MDR-P-65 e	None
Availability of the policy	MDR-P-65 f	Website, intranet, compliance platform ,

## **G1-1 - 9 - WAY IN WHICH THE CORPORATE CULTURE IS FOUNDED, DEVELOPED, PROMOTED AND EVALUATED**

SBO establish its corporate culture through a clear Code of Conduct, which define its values, ethical principles, and expectations for employees and stakeholders. SBO develops this culture by embedding these principles in its daily operations, leadership training and employee engagement programs.

To promote its culture, SBO communicates its values and commitments via internal platforms and meetings. SBO evaluates its corporate culture through employee feedback, surveys and performance reviews, ensuring alignment with its strategic goals and stakeholder expectations.

### **G1-1 – 10 A – IDENTIFY, REPORT AND INVESTIGATE CONCERNS ABOUT UNLAWFUL CONDUCT OR CONDUCT THAT IS CONTRARY TO THE CODE OF CONDUCT OR SIMILAR INTERNAL RULES**

SBO has established a formal mechanism for reporting misconduct, as described in the Whistleblowing Guideline. This system enables employees and other stakeholders to anonymously report concerns regarding misconduct, non-compliance, or unethical behaviour. The grievance mechanism encompasses both external regulations and internal rules, including the Code of Conduct, compliance guidelines, and other company policies that govern ethical and proper behaviour as well as any other form of misconduct.

Reports can be submitted through confidential channels. The Compliance Officer or the designated compliance team are responsible for handling and addressing these matters. A formal investigation process is in place to evaluate concerns, implement remedial actions, and ensure de-escalation where necessary. This process prioritizes confidentiality and the protection of whistleblowers.

External stakeholders, including suppliers, customers, and business partners, can also use the established communication channels to report concerns or incidents. The grievance mechanism is directed at both internal stakeholders (e.g., employees) and external stakeholders (e.g., customers, suppliers, investors, banks, and the community). It ensures that anyone connected to the organization can raise concerns about misconduct or non-compliance.

### **G1-1 – 10 B – EXISTENCE OF ANTI-CORRUPTION OR ANTI-BRIBERY POLICIES IN LINE WITH THE UNITED NATIONS CONVENTION AGAINST CORRUPTION**

SBO has implemented a corporate governance framework, including a Code of Conduct that explicitly addresses anti-bribery and anti-corruption as part of its ethical standards.

### **G1-1 – 10 C PROTECTION OF WHISTLEBLOWERS**

SBO has a formal whistleblowing system managed by the compliance officer or designated compliance team members, ensuring reports are handled confidentially and fairly. Employees are informed about reporting channels through onboarding materials, compliance training, and regular communications. Training is provided to all employees on the process flow, with specialized training for those handling reports to ensure whistleblowers are valued and protected from retaliation.

SBO ensures protection for whistleblowers through a dedicated whistleblowing mechanism that guarantees confidentiality and safeguards against retaliation. Employees can report anonymously, and the company ensures anonymity by using secure reporting channels and limited access to reported information. The organization is aligned with EU Directive 2019/1937 and regularly reviews its policies to maintain compliance with legal and regulatory requirements.

## **G1-1 - 10 E - PROCEDURES FOR FOLLOWING UP ON WHISTLEBLOWER REPORTS AND INVESTIGATING CORPORATE GOVERNANCE INCIDENTS**

SBO is in the process of reviewing its policies to determine whether further alignment with the EU Directive is necessary. Any updates or adjustments to its approach will be communicated accordingly.

SBO's whistleblowing framework already facilitates secure and confidential reporting in line with the best practices. While SBO does not implement processes exceeding the requirements of EU Directive 2019/1937, SBO continuously evaluate and enhance its procedures to meet stakeholder expectations.

## **G1-1 - 10 G - POLICIES FOR INTERNAL ORGANIZATIONAL TRAINING ON CORPORATE MANAGEMENT**

SBO conducts internal corporate governance training as part of its compliance program. These trainings are directed at all employees, focusing on leadership roles and high-risk areas such as finance, procurement, sales, and compliance. Training sessions are held during onboarding and after significant updates to policies. Key topics include anti-corruption, bribery, whistleblowing, business rules, sanction management and embezzlement prevention. This ensures that employees understand their responsibilities and act in line with SBO's ethical standards.

## **G1-1 - 10 H - MOST VULNERABLE FUNCTIONS RELATED TO CORRUPTION AND BRIBERY**

SBO's functions most exposed to corruption and bribery include finance, compliance, purchasing and sales, particularly in regions with a high Corruption Perception Index.

## **G1-3 - Prevention and detection of corruption and bribery**

### **G1-3 - 18 A - PREVENTING, DETECTING AND COMBATING ALLEGATIONS OR INCIDENTS RELATING TO CORRUPTION OR BRIBERY**

SBO has a systematic procedure in place to address incidents related to the prevention of corruption and bribery. To prevent such incidents, SBO have established policies, regular employee training, and risk assessments. Cases of corruption and bribery can be reported anonymous through secure and confidential channels, such as a dedicated whistleblowing hotline and email system.

Once reported, incidents are managed through a formal process overseen by the compliance officer or a designated compliance team. This process includes thorough investigations, documentation and corrective actions to address and mitigate risks. These measures ensure both prevention and effective resolution of corruption and bribery-related issues.

### **G1-3 - 18 B - INVESTIGATOR OR COMMITTEE OF INQUIRY**

The Compliance Management Department is responsible for investigating suspected cases of corruption or bribery and reports directly to the CEO. If a suspected case concerns the CEO, independence in the investigation is ensured by involving external auditors, independent legal counsel or an independent internal committee.

To avoid conflicts of interest, the individuals or functions conducting the investigation are fully separated from those responsible for the operational management of corruption or bribery issues, ensuring an unbiased and transparent process.

### **G1-3 - 18 C - PROCEDURE FOR COMMUNICATING THE RESULTS TO THE MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES & G1-3 - 19 - DISCLOSURE OF MISSING PROCEDURES AND FUTURE PLANS**

SBO has an internal procedure in place for communicating the results of investigations into suspected cases of corruption or bribery. Once an incident has been reported, processed, and closed, the findings are formally shared with the Local Manager, Executive Board and where applicable, the Supervisory Board. This ensures transparency, accountability, and alignment with governance requirements.

### **G1-3 - 20 - ACCESSIBILITY OF POLICIES**

SBO's policies on the prevention of corruption and bribery are relevant to employees, suppliers, customers and other key stakeholders. These policies are made accessible for employees already during onboarding via the company intranet and through public channels, such as the corporate website, for external stakeholders. Stakeholders are informed about the policies through regular internal meetings and direct communications tailored to external parties like suppliers or customers.

## G1-3-21 A&amp;B – ANTI-CORRUPTION OR ANTI-BRIBERY TRAINING

2024	Value	Unit
Functions-at-risk covered by training programmes	64	%

2025	Value	Unit
Functions-at-risk covered by training programmes	80	%

2024	At-risk functions	Managers	Other own workers
<b>Training coverage</b>			
Total	164	182	1,250
Total receiving training	105	93	957
<b>Delivery method and duration</b>			
Classroom training (average hours)	2.9	1.3	0.3
Computer-based training (average hours)	2.9	1.0	1.0
Voluntary computer-based training (average hours)	0.1	0.0	0.0

2025	At-risk functions	Managers	Other own workers
<b>Training coverage</b>			
Total	280	194	1,063
Total receiving training	223	156	722
<b>Delivery method and duration</b>			
Classroom training (average hours)	1.9	0.6	0.2
Computer-based training (average hours)	0.5	1.1	0.8
Voluntary computer-based training (average hours)	0.1	0.1	0.0

Employees in at-risk functions: 80 % (2024: 64 %) of the employees in this group have completed training on corruption prevention, company policies, and procedures for suspicion detection.

Management: 80 % (2024: 51 %) of the executives have undergone training on corruption prevention, company policies, and procedures for suspicion detection. Additionally, topics such as ethics, due diligence, safety, and contracts were covered.

All other employees: 68 % (2024: 77 %) of the employees outside the at-risk functions and management have received training on corruption prevention, company policies, and procedures for suspicion detection. Furthermore, topics such as ethics, the code of conduct, due diligence, safety, and whistleblowing systems were addressed.

## **G1-3-21 C – INFORMATION ABOUT MEMBERS OF SUPERVISORY AND EXECUTIVE BOARD RELATING TO ANTI-CORRUPTION OR ANTI-BRIBERY TRAINING**

The SBO Executive and Supervisory Board actively participates in compliance training sessions that cover anti-corruption and anti-bribery topics or reviews the regular summaries on compliance-related matters, which include anti-bribery and anti-corruption updates.

## **G1-4 – Incidents of corruption or bribery Implementation and enforcement of the Code of Conduct**

### **MDR-A 68A – KEY ACTIONS AND EXPECTED RESULTS**

SBO implements the Code of Conduct Group-wide to prevent corruption and bribery and ensures compliance with it. This includes regular updates to the Code of Conduct, mandatory training for employees, ongoing communication of the requirements, compliance reviews and consistent measures in the event of violations. This reduces risks arising from unethical behaviour, legal breaches and potential reputational damage.

SBO ensures compliance through regular updates, employee training, and enforcement measures.

Expected results include:

- increased awareness
- improved compliance
- strengthened stakeholder trust

### **EXTENT**

The Code of Conduct applies across all SBO entities. The document defines ethical expectations for suppliers and customers and ensures alignment with governance policies.

### **TIME HORIZONS**

The Code of Conduct is continuously implemented and reviewed.

## PROGRESS

SBO ensures adherence by integrating the Code of Conduct conducting periodic compliance reviews.

- Code of Conduct enforcement across all business units
- Regular policy updates to reflect new regulatory requirements
- Compliance assessments conducted to monitor adherence

## FINANCIAL RESOURCES

An exact financial allocation per measure has not yet been conducted and a specific breakdown by individual measure has not yet been established.

## COMPLIANCE TRAINING

### MDR-A 68A – KEY ACTIONS AND EXPECTED RESULTS

Compliance training, as well as training on anti-corruption and ethical conduct, ensures that all employees and key stakeholders are informed about ethical business practices, anti-corruption policies and regulatory compliance. It reduces governance risks and promotes a corporate culture of integrity.

## EXTENT

Compliance training is decentralized and conducted for employees

## TIME HORIZONS

Recurring compliance training is conducted at regular intervals, with updates provided in response to regulatory changes or emerging risks.

## PROGRESS

Regular assessments of training effectiveness

## FINANCIAL RESOURCES

An exact financial allocation per measure has not yet been conducted.

**WHISTLEBLOWING SYSTEM**

**MDR-A 68A – KEY ACTIONS AND EXPECTED RESULTS**

SBO’s whistleblowing system provides a secure and confidential platform for employees and stakeholders to report governance concerns in order to ensure transparency and ethical accountability. To this end, confidential reporting channels are made available to all stakeholders and clear investigation procedures are applied to handle reports effectively.

**EXTENT**

The system applies to all employees, suppliers, and business partners across SBO’s operations.

**TIME HORIZONS**

The system is continuously maintained and improved.

**PROGRESS**

Regular governance audits to ensure compliance.

**FINANCIAL RESOURCES**

A precise financial allocation to the whistleblowing system has not yet been determined and a specific allocation per measure has not yet been conducted.

**G1-4 - 25 - 24A & 26 NUMBER OF CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY & NUMBER OF CONVICTIONS AND AMOUNT OF FINES FOR VIOLATIONS OF ANTI-CORRUPTION AND ANTI-BRIBERY LAWS**

KPI	2025	2024	Unit
Convictions for violation of anti-corruption and anti- bribery laws	0	0	Count
Fines for violation of anti-corruption and anti- bribery laws	0	0	€

KPI	2025	2024	Unit
Incidents involving actors in its value chain	0	0	Count

## G1-MDR-M - Key performance indicators relating to material sustainability aspects

### G1-MDR-M - 77B

The figures have not been externally verified. To validate the measurements, internal quality controls were carried out, including checks for data completeness, comparisons with prior year values, and plausibility checks between group companies.

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS, SIGNIFICANT ASSUMPTIONS, AND LIMITATIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Percentage of functions-at-risk covered by training programmes	ESRS metric	Functions-at-risk are considered to be management, procurement, finance & controlling and legal. Data was compiled from each subsidiary. Scope and content of trainings depends on location and was summarised accordingly. No data was available for one subsidiary, which was excluded from the calculations.
Training Coverage	ESRS metric	The coverage percentage is determined by the number of employees in these functions who completed the training in a given reporting period.
Delivery Method and Duration	ESRS metric	Training is delivered through a mix of in-person sessions, e-learning modules, and interactive workshops. Duration varies by subsidiary.
Frequency and topics covered	ESRS metric	The frequency of training varies by subsidiary and employee role. Topics covered include anti-corruption policies, bribery risk mitigation, ethical decision-making, and regulatory compliance.
Number of convictions for violations of anti-corruption and anti-bribery laws (including value chain actors)	ESRS metric	The legal departments of all subsidiaries are counting all convictions for violations of anti-corruption and anti-bribery laws, if there are any. Data is consolidated on group level.
Amount of fines for violation of anti-corruption and anti-bribery laws	ESRS metric	The legal departments of all subsidiaries are summing all fines for violations of anti-corruption and anti-bribery laws, if there are any. Data is consolidated on group level.

Ternitz, 4 March 2026

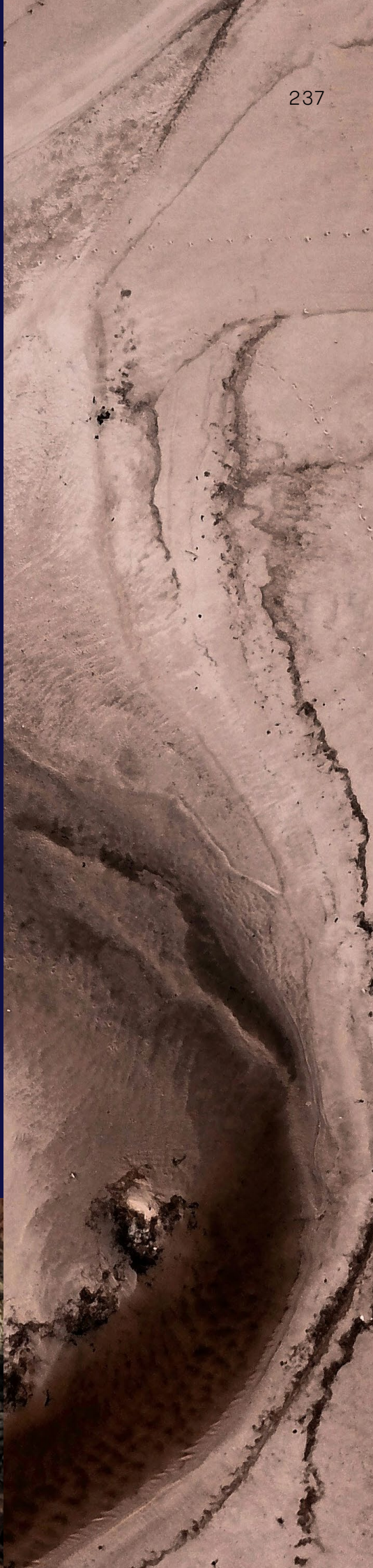
Klaus Mader

Campbell MacPherson

Executive Board

# Consolidated Financial Statements







Transforming industries  
with cutting-edge  
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# Consolidated profit and loss statement

in TEUR	Note	2025	2024
<b>Sales</b>	21	<b>455,267</b>	<b>560,446</b>
Cost of goods sold	22	-324,732	-390,145
<b>Gross profit</b>		<b>130,535</b>	<b>170,301</b>
Selling expenses	22	-37,703	-39,226
General and administrative expenses	22	-44,743	-49,059
Other operating expenses	23	-27,692	-25,470
Other operating income	23	18,138	13,540
<b>Profit from operations</b>		<b>38,535</b>	<b>70,086</b>
Interest income	24	8,330	5,705
Interest expenses	24	-14,192	-12,204
Other financial income		0	21
<b>Financial result</b>		<b>-5,862</b>	<b>-6,478</b>
<b>Profit before tax</b>		<b>32,673</b>	<b>63,608</b>
Income taxes	25	-9,098	-18,292
<b>Profit after tax</b>		<b>23,575</b>	<b>45,316</b>
Average number of shares outstanding	19	15,759,465	15,759,465
<b>Earnings per share in EUR (basic = diluted)</b>		<b>1.50</b>	<b>2.88</b>

# Consolidated statement of comprehensive income

in TEUR	Note	2025	2024
<b>Profit after tax</b>		<b>23,575</b>	<b>45,316</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>			
Currency translation adjustment - subsidiaries	20	-58,408	26,544
Currency translation adjustment - other items <sup>1</sup>	20	-11,149	5,430
Income tax effect	25	2,564	-1,249
<b>Total Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>-66,993</b>	<b>30,725</b>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>			
Remeasurement gains on defined benefit plans	16	294	205
Income tax effect	25	-68	-47
<b>Total Other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>226</b>	<b>158</b>
<b>Other comprehensive income, net of tax</b>		<b>-66,767</b>	<b>30,883</b>
<b>TOTAL COMPREHENSIVE INCOME, NET OF TAX</b>		<b>-43,192</b>	<b>76,199</b>

<sup>1</sup> Mainly from net investments in foreign entities such as long-term receivables.

# Consolidated balance sheet

<b>ASSETS</b>			
in TEUR	Note	31.12.2025	31.12.2024
<b>Current assets</b>			
Cash and cash equivalents		281,470	314,686
Trade receivables	5	106,362	131,444
Income tax receivables		4,022	1,546
Other receivables and other assets	6	8,991	12,590
Inventories	7	156,079	188,668
<b>Total current assets</b>		<b>556,924</b>	<b>648,934</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	156,702	145,061
Goodwill	9	133,204	146,809
Other intangible assets	9	18,457	14,496
Long-term receivables and assets	10	4,078	2,737
Deferred tax assets	11	24,600	28,072
<b>Total non-current assets</b>		<b>337,041</b>	<b>337,175</b>
<b>TOTAL ASSETS</b>		<b>893,965</b>	<b>986,109</b>

# Consolidated balance sheet

## LIABILITIES AND EQUITY

in TEUR	Note	31.12.2025	31.12.2024
<b>Current liabilities</b>			
Liabilities to banks	12	41,548	42,787
Current portion of long-term loans	15	45,786	29,786
Lease liabilities	18	3,243	2,776
Trade payables		34,904	32,131
Income tax payable		6,103	9,867
Other liabilities	13	38,765	53,662
Other provisions	14	4,209	4,237
<b>Total current liabilities</b>		<b>174,558</b>	<b>175,246</b>
<b>Non-current liabilities</b>			
Long-term loans	15	272,285	298,071
Lease liabilities	18	13,269	8,273
Provisions for employee benefits	16	5,295	6,174
Other liabilities	17	5,729	4,975
Deferred tax liabilities	11	902	672
<b>Total non-current liabilities</b>		<b>297,480</b>	<b>318,165</b>
<b>Equity</b>			
Share capital	19	15,759	15,759
Capital reserve		59,526	59,526
Legal reserve	20	785	785
Other reserves		19	19
Currency translation reserve	20	-3,529	63,464
Retained earnings	20	349,367	353,145
<b>Total equity</b>		<b>421,927</b>	<b>492,698</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>893,965</b>	<b>986,109</b>

# Consolidated statement of changes in equity

2025							
in TEUR	Share capital	Capital reserve	Legal reserve	Other reserves	Currency translation reserve	Retained earnings	Total
Note	19		20		20	20	
<b>1 January 2025</b>	<b>15,759</b>	<b>59,526</b>	<b>785</b>	<b>19</b>	<b>63,464</b>	<b>353,145</b>	<b>492,698</b>
Profit after tax						23,575	23,575
Other comprehensive income, net of tax					-66,993	226	-66,767
<b>Total comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-66,993</b>	<b>23,801</b>	<b>-43,192</b>
Dividend payment <sup>1</sup>						-27,579	-27,579
<b>31 December 2025</b>	<b>15,759</b>	<b>59,526</b>	<b>785</b>	<b>19</b>	<b>-3,529</b>	<b>349,367</b>	<b>421,927</b>

<sup>1</sup> The dividend per share amounted to EUR 1.75.

2024							
in TEUR	Share capital	Capital reserve	Legal reserve	Other reserves	Currency translation reserve	Retained earnings	Total
Note	19		20		20	20	
<b>1 January 2024</b>	<b>15,759</b>	<b>59,526</b>	<b>785</b>	<b>19</b>	<b>32,739</b>	<b>339,189</b>	<b>448,017</b>
Profit after tax						45,316	45,316
Other comprehensive income, net of tax					30,725	158	30,883
<b>Total comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,725</b>	<b>45,474</b>	<b>76,199</b>
Dividend payment <sup>1</sup>						-31,518	-31,518
<b>31 December 2024</b>	<b>15,759</b>	<b>59,526</b>	<b>785</b>	<b>19</b>	<b>63,464</b>	<b>353,145</b>	<b>492,698</b>

<sup>1</sup> The dividend per share amounted to EUR 2.00.

Consolidated statement of changes in equity

Consolidated cash flow statement

# Consolidated cash flow statement

in TEUR	Note	2025	2024
Profit before tax		32,673	63,608
Depreciation, amortization and impairments	8, 9	32,489	31,847
Interest result	24	5,862	6,499
Change in provisions for employee benefits	16	-879	186
Gain / loss from sale of property, plant and equipment		-254	-511
Other non-cash expenses and revenues		1,239	1,732
Interest paid		-13,937	-9,427
Interest received		8,410	5,275
Income taxes paid		-13,147	-23,860
Income taxes received		1,698	736
<b>Cash flow from profit</b>		<b>54,154</b>	<b>76,085</b>
Change in trade receivables		13,901	6,322
Change in other receivables and other assets		1,322	-314
Change in inventories		15,896	25,269
Change in trade payables		2,087	-8,637
Change in other liabilities and provisions		-14,926	-292
<b>Cash flow from operating activities</b>	<b>34</b>	<b>72,434</b>	<b>98,433</b>
Expenditures for property, plant and equipment	8	-40,619	-33,969
Expenditures for intangible assets	9	-9,377	-587
Change in payables for capital expenditure	8, 9	9,908	-587
Expenditures for the acquisition of subsidiaries less cash acquired	35	-8,595	0
Proceeds from sale of property, plant and equipment		1,726	3,555
<b>Cash flow from investing activities</b>	<b>34</b>	<b>-46,957</b>	<b>-31,588</b>
<b>Free cash flow</b>	<b>34</b>	<b>25,477</b>	<b>66,845</b>
Dividend payment		-27,579	-31,518
Repayment of lease liabilities		-2,875	-2,889
Change in liabilities to banks	12	19	3,696
Proceeds from long-term loans	15	20,000	181,500
Repayments of long-term loans	15	-29,786	-70,120
Repayments of other long-term liabilities		-682	-1,459
<b>Cash flow from financing activities</b>	<b>34</b>	<b>-40,903</b>	<b>79,210</b>
<b>Change in cash and cash equivalents</b>		<b>-15,426</b>	<b>146,055</b>
Cash and cash equivalents at the beginning of the year		314,686	162,351
Effects of exchange rate changes on cash and cash equivalents		-17,790	6,280
<b>Cash and cash equivalents at the end of the year</b>	<b>34</b>	<b>281,470</b>	<b>314,686</b>

# Notes to the Consolidated Financial Statements

## Note 1 – General information about the company

SBO AG (formerly: SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft), with its registered office in 2630 Ternitz, Hauptstraße 2, was founded on 26 May 1994 in Ternitz, Austria, and is registered in the commercial register at the commercial court in Wiener Neustadt, Austria, under FN 102999w. By resolution of the Annual General Meeting on 24 April 2025, the company name was changed to "SBO AG". The name change was entered in the commercial register on 1 July 2025.

The object of the Company comprises in particular the manufacture and sale of high-alloy non-magnetic steels, as well as products made of metals, composites or other materials for the drilling, completion and production technology, in particular for the oil, gas and geothermal industry, as well as for applications in other industries, including in the fields of environmental technology and renewable energies, as well as the provision of services in these areas.

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

## Note 2 – Accounting principles

The consolidated financial statements as of 31 December 2025 were prepared in accordance with the principles of the IFRS Accounting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. The additional requirements of Section 245a (1) of the Austrian Commercial Code (Unternehmensgesetzbuch, 'UGB') were also adhered to.

These consolidated financial statements of SBO AG and its subsidiaries for the 2025 financial year (reporting date: 31 December 2025) were approved for publication by the Executive Board on 4 March 2026.

The consolidated financial statements are prepared in euros. Unless otherwise stated, all values are rounded to the nearest thousand euros (TEUR). The totals of the rounded amounts and percentages may show rounding differences due to the use of automated calculation aids.

## Note 3 – Scope of consolidation

In addition to SBO AG as the ultimate parent company, 35 (previous year: 34) subsidiaries were included in the consolidated financial statements as of 31 December 2025.

COMPANY	Location	Interest in % <sup>1</sup>	Interest in % <sup>1</sup>
		31.12.2025	31.12.2024
SCHOELLER-BLECKMANN Precision Technology GmbH (formerly: SCHOELLER-BLECKMANN Oilfield Technology GmbH)	Ternitz, AT	100.0	100.0
SBO Beteiligungs GmbH (formerly: SBO GmbH)	Ternitz, AT	100.0	100.0
Schoeller Bleckmann America, Inc.	Wilmington, US	100.0	100.0
Bafco Investment Co.	Houston, US	100.0	100.0
Knust-Godwin LLC	Houston, US	100.0	100.0
Schoeller-Bleckmann Energy Services L.L.C. <sup>2</sup>	Lafayette, US	100.0	99.0
Schoeller-Bleckmann Sales Co. L.L.C.	Houston, US	100.0	100.0
The WellBoss Company, LLC	Houston, US	100.0	100.0
The WellBoss Company, Inc.	Calgary, CA	100.0	100.0
The Wellboss Company FZE	Dubai, UAE	100.0	100.0
The WellBoss Company for Maintenance	Dammam, KSA	100.0	100.0
BICO Drilling Tools Inc.	Houston, US	100.0	100.0
BICO DRILLING TOOLS FZE	Dubai, UAE	100.0	100.0
BICO Faster Drilling Tools Inc.	Nisku, CA	100.0	100.0
Foxano AG	Luzern, CHE	100.0	100.0
D-TECH (UK) Limited	Bristol, UK	100.0	100.0
D-TECH Drilling Tools Inc.	Houston, US	100.0	100.0
3T Additive Manufacturing Limited	Newbury, UK	100.0	0.0
Schoeller-Bleckmann Oilfield Equipment (UK) Limited	Chesterfield, UK	100.0	100.0
Darron Tool and Engineering Limited	Chesterfield, UK	100.0	100.0
Darron Oil Tools Limited	Chesterfield, UK	100.0	100.0
Schoeller-Bleckmann Darron Limited	Aberdeen, UK	100.0	100.0
Schoeller-Bleckmann Darron (Aberdeen) Limited <sup>2</sup>	Aberdeen, UK	94.0	94.0
Techman Engineering Limited	Chesterfield, UK	100.0	100.0
Schoeller-Bleckmann (UK) Limited	Chesterfield, UK	100.0	100.0
Nomatek LLC	Noyabrsk, RU	100.0	100.0
DSI FZE	Dubai, UAE	100.0	100.0
DSI FZE Services Private Limited	Mumbai, IND	100.0	100.0
Schoeller Bleckmann Saudi LLC	Dammam, KSA	100.0	100.0
DSI PBL de Mexico S. A. de C. V.	Villahermosa, MX	100.0	100.0
ADRIANA HOLDING COMPANY LIMITED	Dubai, UAE	100.0	100.0
Schoeller Bleckmann do Brasil, Ltda.	Macaé, BR	100.0	100.0
Knust-SBD Pte. Ltd.	Singapore, SG	100.0	100.0
Schoeller-Bleckmann Middle East FZE (formerly: Schoeller-Bleckmann Oilfield Equipment Middle East FZE)	Dubai, UAE	100.0	100.0
Schoeller-Bleckmann Vietnam Co., Ltd. (formerly: Schoeller-Bleckmann Oilfield Equipment Vietnam Co., Ltd.)	Binh Duong, VN	100.0	100.0

<sup>1</sup> Interest held directly and indirectly<sup>2</sup> Refer to Note 17 for details on shares held by the management of these companies

For all companies, the shares correspond to the voting rights, which means that control of the subsidiaries can be derived directly from the shares held.

The following change in the scope of consolidation took place in 2025:

Acquisition of 100% of the shares in 3T Additive Manufacturing Limited, Newbury, in October 2025 (see Note 35).

## Note 4 – Significant accounting principles

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

### 1. Changes in accounting principles

The Group applied the following new or amended standards and interpretations for the first time in the 2025 financial year. These do not have a material impact on the consolidated financial statements as of 31 December 2025.

<b>STANDARDS/ INTERPRETATIONS</b>		<b>Effective Date<sup>1</sup></b>
IAS 21 Amendments	Effects of exchange rate changes: Lack of exchangeability	1.1.2025 <sup>1</sup>

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

The following new or revised standards and interpretations which have been published but not yet adopted by the EU, or which are not yet mandatory, were not applied early in the 2025 financial year. They will be applied in the future reporting period for which application is mandatory. The effects of these new regulations on current or future reporting periods and foreseeable future transactions are not considered to be material in the Group, with the exception of the changes resulting from the new IFRS 18 standard.

<b>STANDARDS/IN- TERPRETATIONS</b>		<b>Effective Date<sup>1,2</sup></b>	<b>Impact on SBO Group's financial statements</b>
IFRS 9 and IFRS 7 Amendments	Changes in the classification and measurement of financial instruments	1.1.2026 <sup>1</sup>	minor
IFRS 9 and IFRS 7 Amendments	Contracts for power from renewable energies	1.1.2026 <sup>1</sup>	minor
IFRS 18	Presentation and disclosure in financial statements	1.1.2027 <sup>1</sup>	see below
IFRS 19 incl. Amendments	Subsidiaries without public accountability	1.1.2027 <sup>2</sup>	no
Annual improvements	Annual IFRS improvements	1.1.2026 <sup>1</sup>	no
IAS 21 Amendments	The effects of changes in foreign exchange rates: translation to a hyperinflationary currency	1.1.2027 <sup>2</sup>	no

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

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

IFRS 18, which is to be applied from the 2027 financial year, regulates the restructuring of the income statement, specifies the requirements for presentation using the cost of sales or nature of expense method and contains extensive guidelines on appropriate classification. IFRS 18 requires transactions affecting profit or loss to be classified and allocated to the following categories: Operating, investing, financing, income taxes, discontinued operations. IFRS 18 also introduces two new mandatory subtotals, operating profit and profit before financing and income tax. In addition, the new standard regulates extended disclosure requirements, in particular for management-defined performance measures, as well as changes to the cash flow statement. The potential impact of the amended structuring requirements for both the income statement and the cash flow statement on SBO was subjected to an initial analysis; an adjustment of the reporting processes is currently in preparation.

## 2. Reporting date

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

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

Non-controlling interests in the Group are recognized at the acquisition date at the proportionate share of the remeasured identifiable net assets. Subsequently, an appropriate share of net profit/loss after tax and other comprehensive income is allocated to non-controlling interests. Thus, a loss at the respective subsidiary could lead to a negative balance (for further accounting policies, see disclosures on financial liabilities in Note 4.6). Changes in the equity interest in a subsidiary without loss of control are recognized as equity transactions.

## 4. Foreign currency translation

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

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

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

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

Currencies developed as follows:

1 EUR =	Rate on Reporting date		Average Annual Rate	
	31.12.2025	31.12.2024	2025	2024
USD	1.1750	1.0389	1.1293	1.0821
GBP	0.8726	0.8292	0.8566	0.8466
CAD	1.6088	1.4948	1.5782	1.4819
BRL	6.4364	6.4253	6.3055	5.8268
CHF	0.9314	0.9412	0.9371	0.9526
RUB	92.0938	117.5123	93.4679	101.5188
VND	31,001.0	26,661.0	29,639.2	27,219.0

Currency translation differences from the inclusion of financial statements of subsidiaries in the consolidated financial statements, as well as from long-term foreign currency intragroup receivables that qualify as part of a net investment in a foreign entity, as their settlement is neither planned nor expected in the foreseeable future, are recorded in the consolidated financial statements within equity under the item CURRENCY TRANSLATION RESERVE; the change in the current year is presented under OTHER COMPREHENSIVE INCOME in the consolidated statement of comprehensive income. When the net investment is sold, these currency differences are reclassified to profit or loss.

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

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

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

## 6. Financial instruments

### 6.1 RECOGNITION AND INITIAL MEASUREMENT

Trade receivables and debt instruments issued are recognized from the date on which they arise. All other financial assets and liabilities are initially recognized on the trade date when the entity becomes a party to the contractual terms of the instrument.

Trade receivables without a significant financing component are initially recognized at the transaction price. All other financial assets or financial liabilities are measured at fair value on initial recognition.

### 6.2 CLASSIFICATION AND SUBSEQUENT MEASUREMENT

A financial asset is classified as follows upon initial recognition and subsequently measured:

- at amortized cost
- Debt instruments measured at fair value with changes in other comprehensive income (FVOCI debt instruments)
- Equity instruments measured at fair value with changes in other comprehensive income (FVOCI equity instruments)
- at fair value through profit or loss (FVTPL).

Financial assets are not reclassified after initial recognition unless the company changes its business model for managing financial assets. In this case, all affected financial assets are reclassified on the last day of the reporting period in which the change in the business model takes place.

A financial asset is measured at amortized cost if both of the following conditions are met and it has not been designated as FVTPL: it is held within a business model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI criterion) on the principal amount outstanding.

A debt instrument is designated at FVOCI if both of the following conditions are met and it has not been designated as FVTPL: it is held within a business model whose objective is both to hold financial assets to collect contractual cash flows and to sell financial assets, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI criterion) on the principal amount outstanding.

All financial assets that are not measured at amortized cost or at FVOCI (for example, financial assets held for trading and those that are managed and their performance is evaluated on the basis of fair value) are measured at FVTPL. This includes all derivative financial assets (see Note 30).

When assessing the SPPI criterion, SBO considers the contractual arrangements of the instrument. This includes an assessment of whether the financial asset contains a contractual agreement that could change the timing or amount of the contractual cash flows so that they no longer meet these conditions. In making the assessment, the Company considers certain events that would change the amount or timing of the cash flows, conditions that would adjust the interest rate, prepayment and extension options and conditions that restrict the Company's right to receive cash flows from a particular asset.

An early repayment option is in line with the SPPI criterion if the amount of the early repayment essentially comprises unpaid interest and principal payments on the outstanding principal amount, whereby appropriate compensation for the early termination of the contract may be included. SBO does not currently hold any financial assets, other than those held for trading, that do not meet the SPPI criterion.

Financial liabilities are classified and measured at amortized cost or at fair value through profit or loss (FVTPL). A financial liability is classified at FVTPL if it is classified as held for trading, is a derivative or is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains or losses, including interest expenses, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses and foreign currency translation differences are recognized in profit or loss. Gains or losses from derecognition are also recognized in profit or loss.

Derivatives are initially recognized at fair value and subsequently measured at fair value. Any resulting changes are recognized in profit or loss.

## 6.3 FINANCIAL INSTRUMENTS IN DETAIL

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

### AT AMORTIZED COST

#### Financial assets

All cash balances, demand deposits, and short-term highly-liquid financial investments that can be converted to known amounts of cash and cash equivalents on demand, and which are subject to only insignificant fluctuations in value included under the item CASH AND CASH EQUIVALENTS, are classified as cash funds. Current investments are non-derivative financial assets not held for trading that are available-for-sale assets with a term of less than three months or a longer terms with short-term termination options without significant termination penalties.

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

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

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

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

Management evaluates the adequacy of the allowances for doubtful accounts based on experienced credit defaults and take into account both qualitative and quantitative factors. An impairment matrix is used that considers the maturity structure of receivables and experiences with regard to defaults during the past 5 years, whereby unsuccessful legal measures after 3 years were also considered as default, and customer creditworthiness as well as changes in payment behavior. Due to the cyclicity in the oilfield service industry and recurring economic downturns and upswings in the industry, future expectations regarding potential bad debt patterns can also be derived from historical developments. Stringent receivables management, which includes close coordination with sales from the acceptance of the order to the receipt of payment, ongoing credit checks to reduce credit risk, as well as close monitoring of payment behavior also provide a solid basis for assessing expected payment defaults.

## Financial Liabilities

Financial liabilities comprise in particular TRADE PAYABLES, liabilities to banks and other lenders as well as lease liabilities.

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

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

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

## AT FAIR VALUE THROUGH PROFIT OR LOSS

### Derivative financial instruments and hedging relationships

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

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

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

For the financial instruments as of 31 December 2025 and 31 December 2024, see Note 30.

## 7. Inventories

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

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

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

	<b>Useful life in years</b>
<b>Other intangible assets:</b>	
Software	3 – 4
Technology	5 – 10
Customer base	5 – 10
Non-compete agreements	5 – 10
Trademarks and Licenses	10
<b>Property, plant and equipment:</b>	
Buildings and improvements	5 – 50
Technical plant and machinery	3 – 17
Other equipment, operating and office equipment	2 – 10
Right-of-use assets	3 – 10*

\* in exceptional cases longer according to the underlying contract

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

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

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

Leased assets capitalized according to IFRS 16 are recorded within property, plant and equipment as right-of-use assets. The lease liabilities resulting from the future lease payments are presented in the balance sheet as lease liabilities. Interest rates for capitalized leased assets are based on the minimum interest rate for new loans at the inception of each lease or in correspondence with the lessor's implicit rate of return. SBO applies the practical expedient for lease agreements with a lease term equal or less than 12 months as well as for low value lease agreements (see Note 18).

## 9. Goodwill

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

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

## 10. Current and deferred income taxes

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

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

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

The Minimum Taxation Act (“MinBestG”) applicable in Austria since 2024 to ensure a global minimum taxation for groups of companies (“Pillar Two”) is currently not applicable to SBO due to the fact that the anchored sales limits were not exceeded in 2025. As the ultimate parent company within the meaning of the MinBestG, SBO continues to evaluate the possible effects of global minimum taxation on the Group. As the revenue thresholds are not expected to be exceeded in the short-term, no application or effects on SBO are currently expected.

## 11. Provisions

In accordance with IAS 37, provisions are recognized when the Company has current legal or constructive obligations as a result of past events and for which payment is probable. Provisions are recognized at the amount determined based on management’s best estimate at the reporting date. Provisions are not recorded if they cannot be reasonably estimated.

## 12. Provisions for employee benefits

### DEFINED BENEFIT PLANS

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

All remeasurements relating to defined benefit plans (actuarial gains and losses) are recognized under OTHER COMPREHENSIVE INCOME, in accordance with IAS 19. Refer to Note 16 for further details on provisions for severance payments.

## DEFINED CONTRIBUTION PLANS

Defined contribution pension schemes exist at several Group companies based either on specific legal obligations under national law or based on shop agreements or individual contractual pension agreements. The Group's obligation is limited at paying the contributions to each pension fund when due. There is no legal or constructive obligation to make future payments.

All contributions to defined contribution plans are recognized as an expense at the time when employees have provided the services that obligate the Company to make the contribution.

## OTHER LONG-TERM EMPLOYEE BENEFITS

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

## 13. Revenue recognition

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

Individual entities within the SBO Group operate as lessors. Rental revenues are recognized based on actual usage by the customer (performance obligations which are satisfied over time). In general, SBO does not hold finance lease agreements.

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

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

## 14. Research and development

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

## 15. Estimates, judgments, and assumptions

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

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

Estimates are necessary about the period over which PROPERTY, PLANT AND EQUIPMENT and INTANGIBLE ASSETS can be expected to be used (see Notes 8 and 9). In addition, if indications of impairment of PROPERTY, PLANT AND EQUIPMENT or INTANGIBLE ASSETS are identified, estimates are required when determining the recoverable amount. When evaluating right-of-use assets and lease liabilities estimates are required for determining the term of a lease, and extension options, respectively (see Note 18).

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

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

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

In addition to evaluations based on historic cash receipts RECEIVABLES require assumptions regarding the probability of default (see Note 5). Besides overdue balances and market risks, also past customer experiences are taken into account. Regarding SALES REVENUES estimations are required for expected returns relating to sales with a right of return (see Note 13) as well as for volume discounts to be granted.

For the recognition of PROVISIONS, management must evaluate the probability of occurrence at the reporting date. Provisions are recognized at the value that corresponds to management's best estimate at the reporting date (see Note 14).

Expenses for defined benefit plans are determined based on actuarial calculations. The actuarial measurement is based on assumptions regarding the discount rates, future wage and salary increases, mortality rates, and employee turnover rates (see Note 16).

Liabilities for management's interest in subsidiaries and participation rights are measured using estimates of the service period of the respective individuals in the company and future profitability of the subsidiaries. The Company assumes that the respective share of the subsidiary's annual income essentially corresponds to the effective interest expense (see Note 17).

## 16. Climate related risks - Estimates, judgments, and assumptions

SBO Group has been monitoring climate change and its consequences for years with regard to the potential impact on the Group's business activities. A distinction must be made between the consequences of climate change itself and the resulting necessary adjustments as well as the framework conditions for avoiding and reducing climate-damaging greenhouse gases. The risks relating to the avoidance and reduction of greenhouse gases must be assessed in the context of the European Green Deal and the associated regulations of the European Union, such as the Corporate Sustainability Reporting Directive (CSRD) or as the EU Taxonomy Regulation. Climate change as such and physical consequences such as extreme weather events were examined as part of the double materiality analysis. SBO sites are only to a limited extent exposed to possible extreme weather events and are well prepared for them, respectively. Locations in the US in particular have been familiar with preventive measures for years, for example to avoid damage caused by flooding or to prevent the negative effects of heat waves. The risk of physical consequences of climate change for the company is classified as significant in terms of preventive measures, but not as financially material. When assessing financial materiality, the main focus was on expected developments over a twelve-month time horizon.

Among other things, the European Green Deal requires companies to have a plan to ensure that their business model and strategy are compatible with the transition to a sustainable economy and with limiting global warming to 1.5 °C in line with the Paris Agreement. At the same time, investments are to be shifted primarily to sustainable economic activities. In the long-term, the energy sector is also to be restructured with the aim of gradually replacing fossil fuels with renewable energies or neutralizing their emissions.

SBO's business model can be divided into the following areas: Manufacturing and distribution of non-magnetic steels, high-precision manufacturing of components according to customer order as well as development, rental and sale of downhole drilling tools and completion equipment. At present, the aforementioned products and solutions are mainly used in the energy industry, traditionally for the production of oil and gas, but increasingly also in energy transition applications such as geothermal energy or carbon capture & storage. However, SBO's business model is not based on the production, refining or distribution of fossil fuels.

A more stringent climate policy could lead to a further decline in demand for oil in the European Union and - due to the reduced need for tools for drilling for crude oil - affect SBO Group's current core business due to the lower demand for tools for drilling for oil. According to long-term market expectations, however, global demand for this resource is expected to increase for a long time to come. In addition, the European Union has recognized natural gas as an essential transition resource for achieving climate targets and has classified electricity generation from fossil gaseous fuels as a taxonomy-compliant economic activity.

Products and solutions from SBO are used equally in drilling for oil and natural gas, but also for geothermal drilling. Manufactured goods and services of SBO Group are primarily in demand outside the European Union, meaning that the European climate policy framework only has a partial impact on the economic activities and (manufacturing) sites of SBO Group. Nevertheless, assumptions regarding individual non-current assets recognized in the consolidated financial statements (mainly goodwill) require estimates and judgments regarding future developments with regard to climate change and the related climate policy framework.

(Manufacturing) sites of SBO Group have a relatively low energy consumption, which will be reduced even further through appropriate measures in the coming years. The main source of energy for the manufacture of SBO products is electricity, with the share of electricity from renewable energy sources amounting to around 50 % in 2025. The share from renewable energy sources is supported by the operation of photovoltaic systems at SBO locations to cover the company's own consumption at the respective location. For those Photovoltaic systems that are not owned by SBO and not recognized as a lease, respectively, the own-use exemption according to IFRS 9.2.4 is applied.

The economic activities as well as the sites of the SBO Group are subject to physical climate risks only to a minor extent in terms of temperature changes, wind, precipitation or erosion. Overall, climate-related physical risks were therefore classified as low from a financial perspective in terms of the expenses required to avoid them therefore classifying overall climate-related risks currently as low. Climate scenario analyses and vulnerability analyses were prepared for major production sites in Austria, the US and the Middle East, which also confirm this expectation with regard to future risks.

Further assumptions on climate-related risks, estimates and judgments are presented in Note 9 Intangible assets and Note 31 Risk report.

## Note 5 -Trade receivables

Trade receivables usually have payment terms of up to 90 days. As of 31 December 2025 one group company had trade receivables of TEUR 174 (previous year: TEUR 0) with a term of more than 12 months. No collateral was received for the receivables existing as of 31 December 2025 and 2024.

An analysis of trade receivables is presented below:

### 31.12.2025

in TEUR

Maturity	Gross value	Lumpsum allowance (ECL)	Individual allowance	Net value
Not or < 30 days past due	90,017	-93	-299	89,625
30 – 90 days past due	12,124	-171	-75	11,878
90 – 180 days past due	4,176	-241	-60	3,875
> 180 days past due	4,565	-505	-3,076	984
<b>Total</b>	<b>110,882</b>	<b>-1,010</b>	<b>-3,510</b>	<b>106,362</b>

### 31.12.2024

in TEUR

Maturity	Gross value	Lumpsum allowance (ECL)	Individual allowance	Net value
Not or < 30 days past due	114,704	-402	-338	113,964
30 – 90 days past due	9,073	-110	-31	8,932
90 – 180 days past due	7,320	-251	-187	6,882
> 180 days past due	6,624	-395	-4,563	1,666
<b>Total</b>	<b>137,721</b>	<b>-1,158</b>	<b>-5,119</b>	<b>131,444</b>

Allowances for doubtful accounts are recognized in line with IFRS 9 based on historical experience, the current market situation including expectations regarding future incoming payments and in consideration of days sales outstanding (see Note 4). As of 31 December 2025, allowances measured for lifetime expected credit losses according to the simplified approach amounted to TEUR 1,010 (previous year: TEUR 1,158).

Allowances for trade receivables break down as follows:

<b>31.12.2025</b>			
in TEUR	<b>Not credit-impaired</b>	<b>Credit-impaired</b>	<b>Total</b>
Gross book value	105,435	5,447	110,882
Allowance	-1,010	-3,510	-4,520
<b>Total</b>	<b>104,425</b>	<b>1,937</b>	<b>106,362</b>
<b>31.12.2024</b>			
in TEUR	<b>Not credit-impaired</b>	<b>Credit-impaired</b>	<b>Total</b>
Gross book value	130,108	7,613	137,721
Allowance	-1,158	-5,119	-6,277
<b>Total</b>	<b>128,950</b>	<b>2,494</b>	<b>131,444</b>

Allowances developed as follows:

in TEUR	<b>2025</b>	<b>2024</b>
As of 1 January	6,277	6,397
Currency translation adjustments	-443	256
Utilization	-1,250	-2,339
Reversal	-1,759	-280
Additions	1,695	2,243
<b>As of 31 December</b>	<b>4,520</b>	<b>6,277</b>

## Note 6 – Other receivables and other assets

This line item mainly consists of receivables from tax authorities and prepaid expenses. Other receivables and other assets break down as follows:

in TEUR	31.12.2025	31.12.2024
Prepaid Expenses	3,998	5,676
Tax receivables (without corporate income taxes)	1,600	1,611
Deposits	1,002	2,769
Right of return in accordance with IFRS 15	617	566
Accrued interest	345	499
Derivatives	63	6
Other receivables and assets	1,366	1,463
<b>Total</b>	<b>8,991</b>	<b>12,590</b>

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

## Note 7 – Inventories

The classification of inventories is shown in detail below:

in TEUR	31.12.2025	31.12.2024
Raw materials and supplies	25,266	23,567
Work in progress	58,021	83,501
Finished goods	72,792	81,600
<b>Total</b>	<b>156,079</b>	<b>188,668</b>

Valuation allowances expensed in 2025 were TEUR 2,687 and are included within COST OF GOODS SOLD (previous year: TEUR 3,157).

## Note 8 – Property, Plant and Equipment

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

2025							
in TEUR	Land and buildings	Technical plant and machinery	Other equipment, operating and office equipment	Advance payments	Assets under construction	Right-of-use assets	Total
<b>Cost</b>							
1 January 2025	109,953	367,130	17,204	5,553	4,561	21,415	<b>525,816</b>
Currency translation adjustments	-6,831	-26,432	-1,051	-303	-407	-2,302	<b>-37,326</b>
Business combinations	104	2,249	25	0	0	2,020	<b>4,398</b>
Additions	3,857	27,194	730	378	8,460	7,769	<b>48,388</b>
Transfers	1,563	8,001	4	-5,089	-4,479	0	<b>0</b>
Disposals	-194	-16,614	-1,051	0	0	-2,520	<b>-20,379</b>
31 December 2025	108,452	361,528	15,861	539	8,135	26,382	<b>520,897</b>
<b>Accumulated depreciation and impairment</b>							
1 January 2025	47,990	309,253	13,700	0	0	9,812	<b>380,755</b>
Currency translation adjustments	-2,258	-21,010	-814	0	0	-994	<b>-25,076</b>
Additions from depreciation	3,263	19,777	1,207	0	0	3,123	<b>27,370</b>
Disposals	-193	-15,230	-964	0	0	-2,467	<b>-18,854</b>
31 December 2025	48,802	292,790	13,129	0	0	9,474	<b>364,195</b>
<b>Carrying amount</b>							
<b>31 December 2025</b>	<b>59,650</b>	<b>68,738</b>	<b>2,732</b>	<b>539</b>	<b>8,135</b>	<b>16,908</b>	<b>156,702</b>
<b>31 December 2024</b>	<b>61,963</b>	<b>57,877</b>	<b>3,504</b>	<b>5,553</b>	<b>4,561</b>	<b>11,603</b>	<b>145,061</b>

Additions to property, plant, and equipment, excluding rights of use, amounted to TEUR 40,619 in the financial year 2025 (previous year: TEUR 33,969). Cash payments for investments in property, plant, and equipment amounted to TEUR 38,388 in the financial year 2025 (previous year: TEUR 34,556), with the difference of TEUR 2,231 (previous year: TEUR -587) relating to a change in payables for capital expenditure.

**2024**

in TEUR	Land and buildings	Technical plant and machinery	Other equipment, operating and office equipment	Advance payments	Assets under construction	Right-of-use assets	Total
<b>Cost</b>							
1 January 2024	104,691	354,145	15,859	3,696	2,320	19,350	<b>500,061</b>
Currency translation adjustments	2,991	11,278	461	22	76	878	<b>15,706</b>
Additions	3,888	21,002	1,731	4,535	2,813	4,942	<b>38,911</b>
Transfers	236	2,722	31	-2,557	-432	0	<b>0</b>
Disposals	-1,853	-22,017	-878	-143	-216	-3,755	<b>-28,862</b>
31 December 2024	109,953	367,130	17,204	5,553	4,561	21,415	<b>525,816</b>
<b>Accumulated depreciation and impairment</b>							
1 January 2024	45,594	301,513	12,713	0	0	9,805	<b>369,625</b>
Currency translation adjustments	906	9,171	343	0	0	346	<b>10,766</b>
Additions from depreciation	3,110	18,257	1,548	0	0	3,041	<b>25,956</b>
Transfers	-36	29	7	0	0	0	<b>0</b>
Disposals	-1,584	-19,717	-911	0	0	-3,380	<b>-25,592</b>
31 December 2024	47,990	309,253	13,700	0	0	9,812	<b>380,755</b>
<b>Carrying amount</b>							
<b>31 December 2024</b>	<b>61,963</b>	<b>57,877</b>	<b>3,504</b>	<b>5,553</b>	<b>4,561</b>	<b>11,603</b>	<b>145,061</b>
<b>31 December 2023</b>	<b>59,097</b>	<b>52,632</b>	<b>3,146</b>	<b>3,696</b>	<b>2,320</b>	<b>9,545</b>	<b>130,436</b>

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

As of 31 December 2025, purchase commitments for investments in property, plant and equipment amounted to TEUR 3,206 (previous year: TEUR 9,081).

For details on capitalized right-of-use assets see Note 18.

## Note 9 – Intangible assets

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

2025					
in TEUR	Goodwill	Technology	Customer base	Other intangible assets	Total
<b>Cost</b>					
1 January 2025	254,712	70,724	35,195	17,733	<b>378,364</b>
Currency translation adjustments	-25,308	-4,599	-3,779	-1,864	<b>-35,550</b>
Business combinations	2,698	0	1,115	353	<b>4,166</b>
Additions	0	0	0	9,377	<b>9,377</b>
Disposals	0	0	0	-112	<b>-112</b>
31 December 2025	232,102	66,125	32,531	25,487	<b>356,245</b>
<b>Accumulated amortization and impairments</b>					
1 January 2025	107,903	65,004	31,550	12,602	<b>217,059</b>
Currency translation adjustments	-9,005	-4,041	-3,394	-1,042	<b>-17,482</b>
Additions from amortization	0	2,694	951	1,474	<b>5,119</b>
Disposals	0	0	0	-112	<b>-112</b>
31 December 2025	98,898	63,657	29,107	12,922	<b>204,584</b>
<b>Carrying amount</b>					
<b>31 December 2025</b>	<b>133,204</b>	<b>2,468</b>	<b>3,424</b>	<b>12,565</b>	<b>151,661</b>
<b>31 December 2024</b>	<b>146,809</b>	<b>5,720</b>	<b>3,645</b>	<b>5,131</b>	<b>161,305</b>

Additions to intangible assets, excluding business combinations, amounted to TEUR 9,377 in the financial year 2025 (previous year: TEUR 587). Cash payments for investments in intangible assets amounted to TEUR 1,700 in the financial year 2025 (previous year: TEUR 587), while the difference of TEUR 7,677 (previous year: TEUR 0) relates to a change in payables for capital expenditure.

**2024**

in TEUR	Goodwill	Technology	Customer base	Other intangible assets	Total
<b>Cost</b>					
1 January 2024	245,241	68,693	33,620	17,906	<b>365,460</b>
Currency translation adjustments	9,471	2,031	1,575	763	<b>13,840</b>
Additions	0	0	0	587	<b>587</b>
Disposals	0	0	0	-1,523	<b>-1,523</b>
31 December 2024	254,712	70,724	35,195	17,733	<b>378,364</b>
<b>Accumulated amortization and impairments</b>					
1 January 2024	106,834	60,561	29,279	11,366	<b>208,040</b>
Currency translation adjustments	1,069	1,631	1,338	464	<b>4,502</b>
Additions from amortization	0	2,812	933	2,146	<b>5,891</b>
Disposals	0	0	0	-1,374	<b>-1,374</b>
31 December 2024	107,903	65,004	31,550	12,602	<b>217,059</b>
<b>Carrying amount</b>					
<b>31 December 2024</b>	<b>146,809</b>	<b>5,720</b>	<b>3,645</b>	<b>5,131</b>	<b>161,305</b>
<b>31 December 2023</b>	<b>138,407</b>	<b>8,132</b>	<b>4,341</b>	<b>6,540</b>	<b>157,420</b>

As of 31 December 2025, purchase commitments for acquisitions of intangible assets amounted to TEUR 273 (previous year: TEUR 651).

## 1. Goodwill

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

in TEUR	31.12.2025	31.12.2024
<b>Segment "Precision Technology" (PT)</b>		
Knust-Godwin LLC	11,446	12,945
SCHOELLER-BLECKMANN Precision Technology GmbH (formerly: SCHOELLER-BLECKMANN Oilfield Technology GmbH)	4,655	4,655
Schoeller-Bleckmann Darron (Aberdeen) Limited	798	798
3T Additive Manufacturing Limited	2,700	0
<b>Segment "Energy Equipment" (EE)</b>		
The WellBoss Company, LLC	92,317	104,395
DSI FZE	21,288	24,016
<b>Total</b>	<b>133,204</b>	<b>146,809</b>

As part of the initial recognition of the business combination of 3T Additive Manufacturing Limited on 1 October 2025, a goodwill of TEUR 2,698 was recognized (carrying amount as of 31 December 2025: TEUR 2,700) and provisionally allocated to a newly formed cash generating unit.

In 2025, the global economy achieved GDP growth of 3.3%, remaining stable compared to the previous year. Advanced economies recorded growth of 1.7% in 2025, which was almost on par with 2024 (2024: 1.8%). Emerging and developing countries grew by 4.4% (2024: 4.3%), supported by continued strong momentum in India and China. The International Monetary Fund (IMF) forecasts global economic growth of 3.3% for 2026. Despite world economic growth, SBO was confronted with the effects of geopolitical tensions, uncertainties in the international tariffs environment, an oil oversupply, and volatile commodity prices in the financial year 2025, all of which weighed on the business environment. These factors led to uncertainty among SBO's customers, particularly in North America, but also internationally, resulting in continued lower spending and reduced drilling and completion activities. However, current analyses by Evercore ISI and Rystad Energy point to a slight trend reversal in 2026, with expected spending growth of 0–2%. As of December 2025, Rystad Energy forecasts around 61,000 wells drilled and completed worldwide in 2026, representing an increase in activity of around 2.9% compared to the previous year.

With regard to SBO's long-term business development, global demand for energy, and currently in particular for oil and gas, is the main driver. According to current estimates by the International Energy Agency (IEA), global energy demand will continue to rise in the coming decades. This is due, on the one hand, to the increased use of artificial intelligence and the resulting need for data centers. On the other hand, total energy demand in emerging and developing countries is expected to rise sharply due to population and economic growth. Oil and gas continue to play a dominant role in the global energy mix, currently accounting for a combined share of over 50%. Looking ahead to 2050, their share in a continuing growth market for primary energy is estimated at around 47% to 49%. The products and services of the oilfield service industry are essential in this context in order to be able to reliably meet the globally rising demand for energy. The framework conditions described above represent the starting point for the valuation of the cash-generating units as of 31 December 2025.

All cash generating units are measured based on the value in use by discounting expected future cash flows using an after-tax cost of capital rate (WACC = weighted average cost of capital). The WACC was determined based on the current market data for comparable companies in the same industry segment, taking into account country-specific inflation expectations. The detailed planning period covers 5 years (previous year: 5 years), and the cash flows are based on budget plans prepared by management.

For deriving cash flows in the terminal value, a constant growth rate of 1 % (previous year: 1 %) was assumed for all cash generating units. The cash flows in the terminal value were derived taking into account a retention ratio corresponding to the growth rate. The long-term growth expectations were derived on the basis of studies relating to global energy demand and the underlying energy mix. Long-term studies on global energy demand, such as the World Energy Outlook 2025 of the International Energy Agency (IEA), anticipate a global increase in demand for oil and gas well beyond the detailed planning period of the impairment tests, which is currently served by SBO's largest customers. As SBO's business model is not the production, refining or sale of these fossil fuels, but rather the high-precision manufacturing and development of products for the energy industry, the business model of SBO does not exclusively depend on oil and gas. The ongoing diversification measures in geothermal energy, 3D metal printing, and by offering manufacturing expertise in other industries are increasingly strengthening SBO's business model. The energy sector is undergoing a long-term transition (energy transition), with the aim of gradually replacing fossil fuels with renewable energies in order to reduce greenhouse gas emissions. The share of renewable energies in the overall global energy mix is therefore set to increase in future. However, due to the constantly growing absolute demand for energy, the expansion of renewable energies cannot replace fossil fuels or reduce them to an extent that would no longer allow the oilfield service industry to grow.

Furthermore, the demand for SBO products by the energy industry and the oilfield service industry is not directly linked to the expected output of oil and gas, but to the framework conditions for the development of these resources. Increasingly complex drilling and completion projects require high-end equipment, which requires the manufacturing know-how, high precision components and product innovation of companies like SBO. In summary, the growth assumptions from SBO's point of view can be regarded as appropriate, also taking into account the energy transition.

The following discount rates were applied as of 31 December 2025 and 31 December 2024:

#### WACC (BEFORE TAX)

in %	31.12.2025	31.12.2024
<b>Segment "Precision Technology" (PT)</b>		
Knust-Godwin LLC	10.4%	11.7%
SCHOELLER-BLECKMANN Precision Technology GmbH	11.9%	12.7%
Schoeller-Bleckmann Darron (Aberdeen) Limited	11.5%	12.3%
3T Additive Manufacturing Limited	12.6%	-
<b>Segment "Energy Equipment" (EE)</b>		
The WellBoss Company, LLC	11.6%	12.4%
DSI FZE	11.7%	13.0%

The change of discount rates compared to the previous year largely results from lower beta factors (derived from an unchanged peer group).

Cash flows were determined based on revenue forecasts and planned capital expenditures. The value in use of a cash generating unit is impacted the most by sales revenues. Forecasts of sales and cash flows take into account the cyclicality of the industry derived from historical experience on the one hand, and long-term developments of the sales market on the other hand. Medium-term sales forecasts are based on the expected business development in the energy sector and the oilfield service industry in particular. This is derived from expected drilling activities, the geographic sales markets, and company-specific developments. In addition, margin forecasts are derived from the expected product mix and cost developments based on expected developments of material prices and planned capital expenditures. The estimated personnel development (based on planned headcount, required qualifications of employees needed and expected personnel cost based on the current economic situation) are also taken into account. The margins and cash flows resulting from the aforementioned planning assumptions are critically assessed before being used to determine the value in use. The annual impairment tests are based on the medium-term plans updated as part of the annual budgeting process, which take into account the general conditions described above. The updated medium-term plans assume continued growth in the energy industry and a sustained high level of activity in the oilfield service industry. Risks related to climate change and their possible consequences on the economic activities of SBO Group and consequently the values in use determined as of 31 December 2025 are considered to be low as stated in Note 4.16.

Physical climate risks such as heat, wind, precipitation, flood, sea level rise, or erosion are considered low for significant SBO (manufacturing) sites, important customers and major suppliers of SBO Group. Adaptation of the (manufacturing) sites to changed conditions caused by climate change beyond the usual extent to maintain business operations, is therefore not expected to an extent, that would require a material adjustment to the cash flow forecasts. The main energy source required in the manufacturing process is electricity, which is already largely generated from renewable energy sources. Energy costs account for a low share of manufacturing costs in a low single-digit percentage range. In summary, the planning assumptions of the cash-generating units carrying goodwill, do not contain any material assumptions in connection with climate change in the form of increased CAPEX or expenses. Similarly, risks in connection with climate change do not require any significant adjustments to the valuation of property, plant and equipment (e.g. shortening the useful life of property, plant and equipment). This was confirmed by climate scenario analyses prepared for key manufacturing sites in Austria, the US and the Middle East. SBO therefore considers the assumed medium and long-term growth expectations to be appropriate, even taking climate change into account.

The impairment tests carried out did not result in any impairment needs. Apart from the initial recognition of goodwill from the acquisition of 3T Additive Manufacturing Limited, changes in the carrying amounts of goodwill of all other cash generating units in 2025 resulted from foreign currency translation. As of 31 December 2025 a sensitivity analysis was performed for all cash generating units carrying goodwill as part of the impairment tests performed. As the value in use reacts to changes in the assumptions regarding cash flows and the discount factors in particular, the analysis on key assumptions took into account an isolated increase in the discount factor by 2 percentage points (31 December 2024: 2 percentage points) as well as a reduction of cash flows by 10% (31 December 2024: 10%), as deemed possible by management. Although risks related to climate change are considered to be low, sensitivity analyses were performed with regard to the potential adverse effects of the energy transition on the economic activities of SBO considering a negative growth rate of minus 1 percentage point in the terminal value (31 December 2024: minus 1 percentage point) to account for any climate policy risks that could have adverse consequences for SBO's economic activities. This analysis resulted in no impairment loss on any of the listed cash generating units.

## 2. Other intangible assets

The carrying amounts of OTHER INTANGIBLE ASSETS as of 31 December 2025 include intangibles acquired in the course of the business combination 3T Additive Manufacturing Limited in 2025. These refer to customer relationships (carrying amount as of 31 December 2025: TEUR 1,060) with a useful life of 5 years. For further details regarding the business combination 3T Additive Manufacturing Limited see Note 35.

Furthermore, technology as well as trademarks with a useful life of ten years, acquired as part of the initial recognition of Down-hole Technology, LLC (now The WellBoss Company, LLC) in 2016 are included.

In addition, technologies with a useful life of 7 years and customer relationships with a useful life of 5 years are included from the initial recognition of Praxis Completion Technology FZCO (now The Wellboss Company FZE) in 2023.

Furthermore, in financial year 2025, license rights for the use of manufacturing technologies with a useful life of 10 years were acquired (carrying amount as of 31 December 2025: TEUR 7,378).

In addition, other intangible assets include technologies, customer base and trademarks from business combinations in previous years, which were already fully amortized in previous years.

OTHER INTANGIBLE ASSETS also include rights of use for IT software.

## Note 10 – Long-term receivables and assets

This item includes interest-bearing loans granted to the management of companies included in the scope of consolidation for the acquisition of shares or profit participation rights in these companies (see also Note 17). The Company has only a limited credit risk as the shares must be returned to the Company if the loan conditions are not satisfied. The loans must be repaid pro rata on an ongoing basis; full repayment must be made at the latest when the shares or profit participation rights are transferred back and therefore at the latest when the employment relationship ends. Furthermore, deposits are included in this position as follows:

in TEUR	31.12.2025	31.12.2024
Loans	936	1,412
Deposits	299	184
Other receivables and assets	2,843	1,141
<b>Total</b>	<b>4,078</b>	<b>2,737</b>

As of 31 December 2025 and 31 December 2024 no impairments were required. There were no overdue receivables.

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

## Note 11 – Deferred taxes

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

in TEUR	31.12.2025		31.12.2024	
	Assets	Liabilities	Assets	Liabilities
Property, plant and equipment	932	-5,233	1,317	-3,989
Other intangible assets (differences in useful lives)	3,322	-778	5,184	-588
Goodwill and other intangible assets (measurement differences)	16,546	-11,004	21,847	-11,320
Inventories (measurement differences)	6,335	-23	7,816	-36
Other items (measurement differences)	2,401	-219	2,796	-1,582
Provisions	3,093	0	2,366	0
Foreign currency effects from elimination of intercompany balances	-173	0	117	0
Unused tax losses	8,499	0	3,472	0
<b>Subtotal</b>	<b>40,955</b>	<b>-17,257</b>	<b>44,915</b>	<b>-17,515</b>
Offset within legal tax units and jurisdictions	-16,355	16,355	-16,843	16,843
<b>Total</b>	<b>24,600</b>	<b>-902</b>	<b>28,072</b>	<b>-672</b>

Deferred taxes amounting to TEUR 11,258 (previous year: TEUR 8,819) relating to unused tax losses of TEUR 52,584 (previous year: TEUR 40,869) for which their future use does not meet the level of certainty required by IAS 12 based on the current medium-term plan were not recognized or adjusted. Thereof, TEUR 5,119 will expire after 2030 (previous year: TEUR 2,646 will expire after 2029) while TEUR 47,464 (previous year: TEUR 38,223) can be carried forward indefinitely.

The gross deferred tax assets include tax claims of a companies in three tax jurisdictions that generated losses in the financial year and whose deferred tax assets exceeded the deferred tax liabilities by a total of TEUR 10,148 (previous year: TEUR 1,816) (TEUR 5,122 (previous year: profit), TEUR 739 (previous year: TEUR 800) and TEUR 2,522 (previous year: profit) and TEUR 1,765 (previous year: TEUR 1,016)). The recognition of these deferred tax assets as of 31 December 2025 is based on the implementation of organizational measures that have already taken place, the expected elimination of the loss-generating expenses, customer orders already received and the permissible offsetting of losses within tax groups.

There are outside basis differences (i.e. between the tax base of equity interests and the pro-rata equity) at subsidiaries included in the consolidated financial statements, in particular from retained earnings and losses not covered by equity. As of 31 December 2025, timing differences amounted to TEUR 139,300 (previous year: TEUR 159,559), because distributions or disposals of equity investments of individual companies would generally be taxable. However, as the Group is not planning any distributions or disposals for these companies in the foreseeable future, no deferred taxes were recognized in accordance with IAS 12.39. In the absence of planned distributions, no withholding taxes were recognized as of 31 December 2025 (previous year: TEUR 0).

## Note 12 – Liabilities to banks

As of 31 December 2025, the current liabilities to banks were as follows:

<b>2025</b>		
<b>Currency</b>	<b>Amount in TEUR</b>	<b>Interest rate in %</b>
GBP loans	7,336	5.15 % – 6.45 % variable
USD loans	10,212	5.63 % – 5.87 % variable
Export promotion loans in EUR	24,000	2.08 % – 2.35 % variable
<b>Total</b>	<b>41,548</b>	

As of 31 December 2024, the current liabilities to banks were as follows:

<b>2024</b>		
<b>Currency</b>	<b>Amount in TEUR</b>	<b>Interest rate in %</b>
GBP loans	7,236	6.10 % variable
USD loans	11,551	5.87 % – 6.17 % variable
Export promotion loans in EUR	24,000	3.48 % – 3.75 % variable
<b>Total</b>	<b>42,787</b>	

The export promotion loans represent revolving credit facilities that can be utilized by the Company on a permanent basis subject to compliance with certain credit agreements. In accordance with the export promotion guidelines, receivables in the amount of TEUR 28,800 (previous year: TEUR 28,800) were agreed as collateral for these loans.

## Note 13 – Other liabilities (current)

Other current liabilities break down as follows:

in TEUR	31.12.2025	31.12.2024
<b>Other non-financial liabilities</b>		
Unused vacation	3,104	2,248
Other personnel expenses	10,648	20,117
Tax liabilities (without corporate income taxes)	3,507	6,335
Social security and other employee benefits	2,135	2,590
Refund liabilities according to IFRS 15	1,487	1,072
Contract liabilities according to IFRS 15	1,100	609
<b>Subtotal other non-financial liabilities</b>	<b>21,981</b>	<b>32,971</b>
<b>Other financial liabilities</b>		
Deferred compensation for business combination Praxis	0	4,081
Accrued interest	4,104	4,413
Derivatives	17	1,122
Miscellaneous other liabilities	12,663	11,075
<b>Subtotal other financial liabilities</b>	<b>16,784</b>	<b>20,691</b>
<b>Total other liabilities</b>	<b>38,765</b>	<b>53,662</b>

Miscellaneous other financial liabilities include various accruals for customer credits, commissions and other outstanding invoices for services received.

The deferred compensation in connection with the acquisition of Praxis in 2023 was paid in full in 2025.

Changes in contract liabilities (advance payments received and accrued revenue) for the years 2025 and 2024 are as follows:

in TEUR	2025	2024
Contract liabilities as of 1 January	609	860
Prepayments received	934	1,257
Recognized as revenues	-458	-1,523
Currency translation adjustments	15	15
<b>Contract liabilities as of 31 December</b>	<b>1,100</b>	<b>609</b>

## Note 14 – Other provisions

The other provisions developed as follows:

in TEUR	01.01.2025	Business combination	Utilization	Reversal	Additions	Currency translation adjustments	31.12.2025
Warranties and guarantees	4,135	0	-73	-744	273	-28	3,563
Other	102	532	0	-13	25	0	646
<b>Total</b>	<b>4,237</b>	<b>532</b>	<b>-73</b>	<b>-757</b>	<b>298</b>	<b>-28</b>	<b>4,209</b>

## Note 15 – Long-term loans including current portion (amortization for the following year)

As of 31 December 2025, long-term loans amount to TEUR 318,071. Thereof, an amount of TEUR 45,786 is to be repaid as scheduled during the next year. In total, long-term loans were comprised of the following:

2025				
Currency	Amount in TEUR	Interest rate in %	Term	Repayment
EUR	15,000	3.880 % fixed	2024 – 2031	annually from 2026
EUR	15,500	3.785 % fixed	2024 – 2031	annually from 2028
EUR	20,000	3,611% variable	2025 – 2030	bullet loan
EUR	18,000	3,412% variable	2024 – 2029	bullet loan
EUR	5,000	4,910% fixed	2023 – 2029	annually from 2024
EUR	30,000	4,317% fixed	2024 – 2029	bullet loan
EUR	15,000	3,860% fixed	2024 – 2029	bullet loan
EUR	68,000	3,785% fixed	2024 – 2029	bullet loan
EUR	20,000	3,538% fixed	2024 – 2029	bullet loan
EUR	10,000	3,573% variable	2023 – 2028	bullet loan
EUR	20,000	3,408% variable	2023 – 2028	bullet loan
EUR	10,000	3,060% variable	2023 – 2028	bullet loan
EUR	3,000	2,445% fixed	2018 – 2028	bullet loan
EUR	2,500	3,523% variable	2023 – 2027	semi-annually from 2024
EUR	1,143	3,473% variable	2018 – 2027	annually from 2021
EUR	20,500	2,352% fixed	2018 – 2027	bullet loan
EUR	2,857	1,832% fixed	2018 – 2027	annually from 2021
EUR	5,571	1,732% fixed	2018 – 2027	annually from 2021
EUR	10,000	4,189% variable	2020 – 2026	bullet loan
EUR	26,000	2,100% fixed	2020 – 2026	bullet loan
	<b>318,071</b>			

As of 31 December 2025, no loans were backed by collateral. Furthermore, the contractual terms do not contain any covenants according to which loans can be called due if individual financial covenants are breached.

See Note 30 for fair values; see Note 31 for interest rate risks.

The total amount of long-term loans as of 31 December 2024 of TEUR 327,857 were comprised of the following:

## 2024

Currency	Amount in TEUR	Interest rate in %	Term	Repayment
EUR	15,000	3.880 % fixed	2024 – 2031	annually from 2026
EUR	15,500	3.785 % fixed	2024 – 2031	annually from 2028
EUR	30,000	4.317 % fixed	2024 – 2029	bullet loan
EUR	15,000	3.860 % fixed	2024 – 2029	bullet loan
EUR	68,000	3.785 % fixed	2024 – 2029	bullet loan
EUR	20,000	3.538 % fixed	2024 – 2029	bullet loan
EUR	18,000	4.726 % variable	2024 – 2029	bullet loan
EUR	6,250	4.910 % fixed	2023 – 2029	annually from 2024
EUR	20,000	4.533 % variable	2023 – 2028	bullet loan
EUR	10,000	4.405 % variable	2023 – 2028	bullet loan
EUR	10,000	4.125 % variable	2023 – 2028	bullet loan
EUR	3,000	2.445 % fixed	2018 – 2028	bullet loan
EUR	3,750	4.222 % variable	2023 – 2027	semi-annually from 2024
EUR	20,500	2.352 % fixed	2018 – 2027	bullet loan
EUR	4,286	1.832 % fixed	2018 – 2027	annually from 2021
EUR	8,357	1.732 % fixed	2018 – 2027	annually from 2021
EUR	1,714	4.045 % variable	2018 – 2027	annually from 2021
EUR	26,000	2.100 % fixed	2020 – 2026	bullet loan
EUR	10,000	5.497 % variable	2020 – 2026	bullet loan
EUR	17,000	1.900 % fixed	2020 – 2025	bullet loan
EUR	3,000	5.298 % variable	2020 – 2025	bullet loan
EUR	2,500	1.707 % fixed	2018 – 2025	annually from 2022
	<b>327,857</b>			

In total, no loans were backed by collateral as of 31 December 2024. Furthermore, the terms of the agreements do not contain any provisions stipulating that loans may be called in the event of a breach of individual financial covenants.

## Note 16 – Provisions for employee benefits

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

in TEUR	31.12.2025	31.12.2024
Severance payments	2,870	3,514
Jubilee payments	2,425	2,660
<b>Total</b>	<b>5,295</b>	<b>6,174</b>

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

	2025	2024
Discount rate	3.90 %	3.40 %
Salary increases	4.00 %	4.00 %
Employee turnover rate (for jubilee payments)	0.0 % - 15.0 %	0.0 % - 15.0 %

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

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

### Provisions for severance payments

The provision for severance payments developed as follows:

in TEUR	2025	2024
Present value of severance benefit obligation as of 1 January	3,514	3,470
Current service cost	125	128
Interest cost	119	121
<b>Total expenses for severance payments</b>	<b>244</b>	<b>249</b>
Remeasurements	-294	-205
Current severance payments	-594	0
<b>Present value of severance benefit obligation as of 31 December</b>	<b>2,870</b>	<b>3,514</b>

The expenses shown in the table are included in the consolidated profit and loss statement within personnel expenses of each functional area (see Note 22).

Remeasurements of provisions for severance payments recognized in OTHER COMPREHENSIVE INCOME in accordance with

IAS 19 are comprised of the following:

in TEUR	2025	2024
<b>Remeasurement of obligations</b>		
from changes to financial assumptions	145	-135
from historical experience	-439	-70
<b>Total</b>	<b>-294</b>	<b>-205</b>

The average term of the severance obligations as of 31 December 2025 was 10.1 years (previous year: 10.3 years).

## Sensitivity analysis

The following sensitivity analysis shows the effects on the obligation resulting from changes in key actuarial assumptions. One significant influencing factor was changed in each case, while the other influencing factors were kept constant. In reality, however, it is rather unlikely that these factors will not correlate. The changed obligation was determined in line with the actual obligation, using the projected unit credit method (PUC-method) in accordance with IAS 19.

<b>2025</b>			
in TEUR		<b>Present value of obligation (DBO) 31.12.2025</b>	
	<b>Change in assumption</b>	<b>Change in provision given an increase in assumption</b>	<b>Change in provision given a decrease in assumption</b>
Discount rate	+/- 0.5 percentage points	-134	145
Increase in salaries	+/- 0.5 percentage points	136	-128
<b>2024</b>			
in TEUR		<b>Present value of obligation (DBO) 31.12.2024</b>	
	<b>Change in assumption</b>	<b>Change in provision given an increase in assumption</b>	<b>Change in provision given a decrease in assumption</b>
Discount rate	+/- 0.5 percentage points	-170	184
Increase in salaries	+/- 0.5 percentage points	173	-162

## Provision for jubilee payments

The provision for jubilee payments developed as follows:

in TEUR	2025	2024
Present value of jubilee payment obligation as of 1 January	2,660	2,518
Current service cost	188	192
Interest cost	89	88
<b>Total expenses for jubilee payments</b>	<b>277</b>	<b>280</b>
Remeasurements	-368	-103
Current jubilee payments	-144	-35
<b>Present value of jubilee payment obligation as of 31 December</b>	<b>2,425</b>	<b>2,660</b>

## Defined contribution pension plans

Payments made in connection with defined contribution pension and employee benefit plans were expensed and amounted to TEUR 1,198 in the 2025 financial year (previous year: TEUR 1,360). Contributions of approximately TEUR 1,300 are expected for the following year.

## Note 17 – Other liabilities (non-current)

Other non-current liabilities break down as follows:

in TEUR	31.12.2025	31.12.2024
Management interests	740	928
Participation rights	2,615	3,918
Other liabilities	2,374	129
<b>Total</b>	<b>5,729</b>	<b>4,975</b>

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

Company	31.12.2025	31.12.2024
Schoeller-Bleckmann Energy Services L.L.C.	0.00 %	1.00 %
Schoeller-Bleckmann Darron (Aberdeen) Limited	6.00 %	6.00 %

In the fourth quarter of 2025, SBO acquired 1.0% of the shares in Schoeller-Bleckmann Energy Services L.L.C. and now holds 100.0%.

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

Company	31.12.2025	31.12.2024
DSI FZE	0.00 %	0.40 %
SCHOELLER-BLECKMANN Precision Technology GmbH	0.85 %	0.85 %
The WellBoss Company, LLC	1.00 %	1.00 %
D-TECH Drilling Tools, Inc	1.00 %	1.00 %

The interest expense and interest income recognized for management interests and participation rights is reported under INTEREST EXPENSES and INTEREST INCOME (see Note 4.6).

## Note 18 – Leasing

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

in TEUR	31.12.2025	31.12.2024
Land and buildings	14,702	9,460
Other equipment, operating and office equipment	2,206	2,143
<b>Total</b>	<b>16,908</b>	<b>11,603</b>

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

in TEUR	2025	2024
Land and buildings	2,060	2,145
Other equipment, operating and office equipment	1,063	896
<b>Total</b>	<b>3,123</b>	<b>3,041</b>

The maturity analysis of undiscounted lease payments included in the present value of lease liabilities as of 31 December 2025 breaks down as follows:

in TEUR	31.12.2025	31.12.2024
due < 1 year	3,869	2,892
due 2 – 5 years	8,921	6,591
due > 5 years	11,559	7,071
<b>Total of undiscounted lease payments</b>	<b>24,349</b>	<b>16,554</b>

Amounts recognized in profit and loss in the 2025 financial year break down as follows:

in TEUR	2025	2024
Interest expenses for lease liabilities	644	372
Expenses for short-term leases	715	1,035
Expenses for low value leases	371	19

The following amounts were recognized in the cash flow statement in the 2025 financial year:

in TEUR	2025	2024
Total cash outflow relating to leases	4,532	4,428

As of 31 December 2025 and 31 December 2024, there were no leases that had already been entered into but had not yet commenced.

## Note 19 – Share capital

The Company's share capital as of 31 December 2025 as well as of 31 December 2024 was EUR 16 million and is divided into 16 million shares with a par value of EUR 1.00 each.

In the Annual General Meeting from 25 April 2024 the Executive Board was authorized for a period of five years to increase the share capital by up to TEUR 1,600 by issuing new shares, with the approval of the Supervisory Board. At the Annual General Meeting on 25 April 2024 the Executive Board was authorized to acquire treasury shares of the Company up to a maximum of 10% of the share capital for a period of 30 months. In the 2025 and 2024 financial years the company did not make use of the authorization to acquire treasury shares.

As of the 2025 reporting date, the Company held 240,535 treasury shares which corresponds to 1.50% of the share capital with a cost of TEUR 7,798. The number of shares outstanding as of 31 December 2025 and 31 December 2024 was therefore 15,759,465 shares.

As of 31 December 2025, Berndorf Industrieholding AG, Vienna, held approximately 33.6% of the share capital (previous year: approximately 33.6%).

## Note 20 – Reserves

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

The CURRENCY TRANSLATION RESERVE mainly contains currency translation differences from the inclusion of financial statements of foreign subsidiaries in the consolidated financial statements. Currency translation differences and the associated income tax effects from long-term intragroup foreign currency receivables that qualify as part of a net investment in a foreign entity are also included in this position. The change in 2025 in the amount of TEUR -8,585 (previous year: TEUR 4,181) is recognized in other income in the STATEMENT OF COMPREHENSIVE INCOME.

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

In the 2025 financial year a dividend of TEUR 27,579 (previous year: TEUR 31,518) was distributed relating to a share capital eligible for dividends of TEUR 15,759 (previous year: TEUR 15,759). Accordingly, the dividend per share amounted to EUR 1.75 (previous year: EUR 2.00).

## Note 21 – Sales revenues

Sales break down as follows:

in TEUR	Precision Technology		Energy Equipment		Total	
	2025	2024	2025	2024	2025	2024
Product sales	170,006	264,812	158,945	154,698	328,951	419,510
Services and repairs	14,678	15,874	8,126	7,946	22,804	23,820
Rental revenue	4,829	4,603	98,683	112,513	103,512	117,116
<b>Total</b>	<b>189,513</b>	<b>285,289</b>	<b>265,754</b>	<b>275,157</b>	<b>455,267</b>	<b>560,446</b>

in TEUR	Precision Technology		Energy Equipment		Total	
	2025	2024	2025	2024	2025	2024
North America	88,663	119,881	174,731	163,081	263,394	282,962
Europe	33,483	45,114	9,577	5,818	43,060	50,932
Middle East	13,629	12,024	51,456	47,394	65,085	59,418
Asia	41,458	94,093	15,036	16,143	56,494	110,236
Central and Latin America	869	1,344	11,663	36,979	12,532	38,323
Other	11,411	12,833	3,291	5,742	14,702	18,575
<b>Total</b>	<b>189,513</b>	<b>285,289</b>	<b>265,754</b>	<b>275,157</b>	<b>455,267</b>	<b>560,446</b>

Revenues are allocated based on the customer's location. In 2025 sales revenues of TEUR 353,295 relate to performance obligations which were satisfied at a point in time (previous year: TEUR 466,200) and TEUR 101,972 to performance obligations which were satisfied over time (previous year: TEUR 114,246) (mainly rental revenue).

The Company rents out drilling tools under rental contracts with terms of generally less than a year. Apart from a few exceptional cases, rental income is charged according to use and is therefore variable.

## Note 22 – Additional breakdown of expenses

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

in TEUR	2025	2024
<b>Sales</b>	<b>455,267</b>	<b>560,446</b>
Cost of materials	-164,915	-221,620
Personnel expenses	-139,229	-150,822
Change in inventory	-23,383	-9,690
Depreciation of property, plant and equipment	-27,370	-25,956
Amortization of other intangible assets	-5,119	-5,891
Foreign exchange losses	-14,983	-13,576
Miscellaneous expenses	-59,871	-76,345
<b>Subtotal</b>	<b>-434,870</b>	<b>-503,900</b>
Foreign exchange gains	16,700	10,943
Miscellaneous other operating income	1,438	2,597
<b>Subtotal other operating income</b>	<b>18,138</b>	<b>13,540</b>
<b>Profit from operations</b>	<b>38,535</b>	<b>70,086</b>

## Note 23 – Other operating income and expenses

The main items within OTHER OPERATING EXPENSES are:

in TEUR	2025	2024
Research and development expenses	12,722	10,481
Foreign exchange losses	14,983	13,576

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

The main items within OTHER OPERATING INCOME are:

in TEUR	2025	2024
Foreign exchange gains	16,700	10,943
Income from the disposal of fixed assets	240	1,433

## Note 24 – Interest income and expenses

INTEREST INCOME at TEUR 8,330 (previous year: TEUR 5,705) mainly relates to bank deposits and other loans.

INTEREST EXPENSES break down as follows:

in TEUR	2025	2024
Loans	13,266	11,238
Interest on management interests and participation rights	282	594
Accrued interest on lease liabilities according to IFRS 16	644	372
<b>Interest expenses</b>	<b>14,192</b>	<b>12,204</b>

## Note 25 – Income taxes

A reconciliation of income taxes applying the Austrian corporate tax rate to the reported Group tax rate is as follows:

in TEUR	2025	2024
Consolidated tax expense at a presumed tax rate of 23 % (income +/- expense -)	-7,515	-14,630
Foreign tax rate differentials	3,163	3,936
Change in domestic and foreign tax rates	0	294
Withholding and foreign taxes	-1,302	-1,483
Non-deductible expenses	-1,617	-1,627
Non-taxable income and tax allowances	725	518
Prior year adjustments	465	-173
Unrecognized tax losses	-3,909	-3,438
Write-down of loss carryforwards recognized in the previous year	-200	-3,020
Utilization of tax losses not recognized in the previous year	605	730
Capitalization of tax losses not recognized in the previous year	0	200
Profit share of management interests	-19	-10
Other differences	506	411
<b>Consolidated tax expense</b>	<b>-9,098</b>	<b>-18,292</b>
Profit before tax	32,673	63,608
<b>Consolidated tax rate</b>	<b>27.8%</b>	<b>28.8%</b>

INCOME TAXES break down as follows:

in TEUR	2025	2024
Current taxes	-5,558	-16,001
Deferred taxes	-3,540	-2,291
<b>Total</b>	<b>-9,098</b>	<b>-18,292</b>

The following income taxes were recognized in OTHER COMPREHENSIVE INCOME:

in TEUR	2025	2024
<b>Current taxes</b>		
Currency translation adjustments	0	-227
Remeasurements IAS 19	-68	-47
<b>Deferred taxes</b>		
Currency translation adjustments	2,564	-1,022
<b>Total</b>	<b>2,496</b>	<b>-1,296</b>

The net deferred tax assets reported in the balance sheet were decreased by TEUR 2,206 in the 2025 financial year due to currency translation effects (previous year: increased by TEUR 1.335).

The Company's dividend distribution to shareholders did not result in any income tax consequences for the company for either the 2025 financial year or the comparative period in 2024.

## Note 26 – Segment reporting

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

In accordance with IFRS 8, the following segment reporting follows the "management approach", in which the entire Executive Board of SBO AG is the chief operating decision maker monitoring the performance of the business units and deciding on the allocation of resources to the business segments.<sup>1</sup>

in the "Precision Technology" (PT) segment (until 2024: "Advanced Manufacturing & Services" - AMS), SBO specializes in high-precision metal components, ranging from complex steel parts to additive manufacturing solutions for industries that require maximum precision and performance. In the "Energy Equipment" (EE) segment (until 2024: "Oilfield Equipment" - OE), SBO offers high-tech equipment for directional drilling and well completion, including high-precision flow control products.

Management of the Company and the allocation of resources are based on the financial performance of these segments. Sales revenue, earnings before interest, taxes, depreciation and amortization (EBITDA) as well as operating result (EBIT) are monitored separately by management for the purpose of making decisions on the allocation of resources.

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

Intragroup sales are made at arm's length conditions.

**2025**

in TEUR	Precision Technology	Energy Equipment	SBO Holding & Consolidation	Group
External sales	189,513	265,754	0	455,267
Intercompany sales	57,379	29,838	-87,217	0
Total sales	246,892	295,592	-87,217	455,267
EBITDA	30,591	45,769	-5,336	71,024
Profit / loss from operations (EBIT)	18,037	26,292	-5,794	38,535
Capital expenditures including right-of-use assets	19,134	38,304	327	57,765
Depreciation and amortization	12,554	19,477	458	32,489
thereof impairments	0	0	0	0
Headcount (average)	864	654	35	1,553
Headcount (reporting date)	827	677	35	1,539

**2024**

in TEUR	Precision Technology <sup>1</sup>	Energy Equipment <sup>1</sup>	SBO Holding & Consolidation	Group
External sales	285,289	275,157	0	560,446
Intercompany sales	110,107	28,845	-138,952	0
Total sales	395,396	304,002	-138,952	560,446
EBITDA	66,999	37,820	-2,886	101,933
Profit / loss from operations (EBIT)	56,733	16,699	-3,346	70,086
Capital expenditures including right-of-use assets	19,102	19,456	940	39,498
Depreciation and amortization	10,266	21,121	460	31,847
thereof impairments	0	0	0	0
Headcount (average)	962	621	34	1,617
Headcount (reporting date)	927	635	34	1,596

<sup>1</sup> From 2025, SBO's business segment will operate under new names. The name of the former Advanced Manufacturing & Services segment was changed to "Precision Technology." The Oilfield Equipment segment is now referred to as "Energy Equipment." There has been no change in the allocation to the segments.

Referring to the results reported in column SBO-Holding & Consolidation for profit/loss from operations an amount of TEUR 1,210 (previous year: TEUR -666) is attributable to consolidation effects.

## Geographic information

Sales break down as follows:

in TEUR	2025	2024
Austria	2,284	4,516
US	239,931	261,161
Singapore	33,725	70,054
Rest of World	179,327	224,715
<b>Total</b>	<b>455,267</b>	<b>560,446</b>

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

For information on the most important customers, see Note 31.

Non-current assets break down as follows:

in TEUR	2025	2024
Austria	40,997	37,926
US	192,866	203,686
United Arab Emirates	31,387	30,750
Rest of World	43,113	34,004
<b>Total</b>	<b>308,363</b>	<b>306,366</b>

Assets are allocated to the location of the respective company.

## Note 27 – Remuneration of the executive and supervisory boards

The Executive Board's remuneration is composed as follows:

### 2025

in TEUR	Base salary	Pension fund contributions	Subtotal	Performance based remuneration	Total
Klaus Mader	715	157	872	668	1,540
Campbell MacPherson	522	81	603	289	892
<b>Total</b>	<b>1,237</b>	<b>238</b>	<b>1,475</b>	<b>957</b>	<b>2,432</b>

### 2024

in TEUR	Base salary	Pension fund contributions	Subtotal	Performance based remuneration	Total
Klaus Mader	701	437	1,138	614	1,752
Campbell MacPherson	512	30	542	0	542
<b>Total</b>	<b>1,213</b>	<b>467</b>	<b>1,680</b>	<b>614</b>	<b>2,294</b>

The base salary also includes non-cash benefits. The performance based remuneration components relate to amounts granted for the prior year that were paid out in the current financial year. In the financial year 2025, the former CEO Gerald Grohmann, who left the company on 31 December 2023, was paid a variable compensation of TEUR 1,183 for the previous year for the last time (2024: TEUR 1,502).

Expenses for pensions and severance payments for the two members of the Executive Board amounted to TEUR 260 (previous year: TEUR 484), and related to expenses for defined contribution pension agreements.

The remuneration paid to the Supervisory Board in the 2025 financial year for the 2024 financial year amounted to TEUR 205 and was a flat remuneration (previous year: TEUR 201).

No loans were granted to the members of the Executive or the Supervisory Board in the 2025 or 2024 financial years.

## Note 28 – Share-based payments

There are currently no share-based remuneration programs at SBO.

## Note 29 – Transactions with related parties

In the 2025 financial year, there were no reportable transactions with related parties.

## Note 30 – Financial instruments

### 1. Derivative financial instruments

#### FORWARD EXCHANGE CONTRACTS

The Austrian company hedges its receivables balances denominated in US dollars and CAN dollars by concluding forward exchange contracts. All transactions are short-term exposures (3–6 months).

#### FORWARD EXCHANGE CONTRACTS AS OF 31 DECEMBER 2025

in TEUR	Receivables at hedged rate	Receivables at reporting date rate	Fair value
USD	10,669	10,610	59
CAD	1,385	1,398	-13

#### FORWARD EXCHANGE CONTRACTS AS OF 31 DECEMBER 2024

in TEUR	Receivables at hedged rate	Receivables at reporting date rate	Fair value
USD	27,664	28,770	-1,106
CAD	2,832	2,842	-10

The forward exchange contracts are measured at fair value and recognized in profit or loss since not all requirements for hedge accounting in accordance with IAS 39 are met. Changes in fair values are reported as foreign exchange gains under other operating income or as foreign exchange losses under other operating expenses.

## 2. Overview of existing financial instruments

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

CLASSIFICATION OF FINANCIAL INSTRUMENTS 31.12.2025						
in TEUR						
	Valuation method according to IFRS 9					Carrying amount financial instrument
	Carrying amount	No financial instrument	Financial asset at amortized cost	Financial liability at amortized cost	At fair value through profit & loss	
<b>Current assets</b>						
Cash and cash equivalents	281,470	0	281,470			281,470
Trade receivables	106,362	0	106,362			106,362
Income tax receivable	4,022	4,022				0
Other receivables and other assets	8,991	8,928			63	63
Inventories	156,079	156,079				0
<b>Total current assets</b>	<b>556,924</b>	<b>169,029</b>	<b>387,832</b>	<b>0</b>	<b>63</b>	<b>387,895</b>
<b>Non-current assets</b>						
Property, plant and equipment	156,702	156,702				0
Goodwill	133,204	133,204				0
Other intangible assets	18,457	18,457				0
Long-term receivables and assets	4,078	3,142	936			936
Deferred tax assets	24,600	24,600				0
<b>Total non-current assets</b>	<b>337,041</b>	<b>336,105</b>	<b>936</b>	<b>0</b>	<b>0</b>	<b>936</b>
<b>TOTAL ASSETS</b>	<b>893,965</b>	<b>505,134</b>	<b>388,768</b>	<b>0</b>	<b>63</b>	<b>388,831</b>
<b>Current liabilities</b>						
Liabilities to banks	41,548	0		41,548		41,548
Current portion of long-term loans	45,786	0		45,786		45,786
Lease liabilities*	3,243	0		3,243		3,243
Trade payables	34,904	0		34,904		34,904
Income tax payable	6,103	6,103				0
Other liabilities	38,765	21,981		16,767	17	16,784
Other provisions	4,209	4,209				0
<b>Total current liabilities</b>	<b>174,558</b>	<b>32,293</b>	<b>0</b>	<b>142,248</b>	<b>17</b>	<b>142,265</b>
<b>Non-current liabilities</b>						
Long-term loans	272,285	0		272,285		272,285
Lease liabilities	13,269	0		13,269		13,269
Provisions for employee benefits	5,295	5,295			0	0
Other liabilities	5,729	0		5,729		5,729
Deferred tax liabilities	902	902			0	0
<b>Total non-current liabilities</b>	<b>297,480</b>	<b>6,197</b>	<b>0</b>	<b>291,283</b>	<b>0</b>	<b>291,283</b>
<b>Equity</b>						
Share capital	15,759	15,759				0
Capital reserve	59,526	59,526				0
Legal reserve	785	785				0
Other reserves	19	19				0
Currency translation reserve	-3,529	-3,529				0
Retained earnings	349,367	349,367				0
<b>Total equity</b>	<b>421,927</b>	<b>421,927</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>893,965</b>	<b>460,417</b>	<b>0</b>	<b>433,531</b>	<b>17</b>	<b>433,548</b>

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

**CLASSIFICATION OF FINANCIAL INSTRUMENTS 31.12.2024**

in TEUR	Valuation method according to IFRS 9					
	Carrying amount	No financial instrument	Financial asset at amortized cost	Financial liability at amortized cost	At fair value through profit & loss	Carrying amount financial instrument
<b>Current assets</b>						
Cash and cash equivalents	314,686	0	314,686			314,686
Trade receivables	131,444	0	131,444			131,444
Income tax receivable	1,546	1,546				0
Other receivables and other assets	12,590	12,584			6	6
Inventories	188,668	188,668				0
<b>Total current assets</b>	<b>648,934</b>	<b>202,798</b>	<b>446,130</b>	<b>0</b>	<b>6</b>	<b>446,136</b>
<b>Non-current assets</b>						
Property, plant and equipment	145,061	145,061				0
Goodwill	146,809	146,809				0
Other intangible assets	14,496	14,496				0
Long-term receivables and assets	2,737	1,325	1,412			1,412
Deferred tax assets	28,072	28,072				0
<b>Total non-current assets</b>	<b>337,175</b>	<b>335,763</b>	<b>1,412</b>	<b>0</b>	<b>0</b>	<b>1,412</b>
<b>TOTAL ASSETS</b>	<b>986,109</b>	<b>538,561</b>	<b>447,542</b>	<b>0</b>	<b>6</b>	<b>447,548</b>
<b>Current liabilities</b>						
Liabilities to banks	42,787	0		42,787		42,787
Current portion of long-term loans	29,786	0		29,786		29,786
Lease liabilities*	2,776	0		2,776		2,776
Trade payables	32,131	0		32,131		32,131
Income tax payable	9,867	9,867				0
Other liabilities	53,662	32,971		19,569	1,122	20,691
Other provisions	4,237	4,237				0
<b>Total current liabilities</b>	<b>175,246</b>	<b>47,075</b>	<b>0</b>	<b>127,049</b>	<b>1,122</b>	<b>128,171</b>
<b>Non-current liabilities</b>						
Long-term loans	298,071	0		298,071		298,071
Lease liabilities	8,273	0		8,273		8,273
Provisions for employee benefits	6,174	6,174		0		0
Other liabilities	4,975	0		4,975		4,975
Deferred tax liabilities	672	672		0		0
<b>Total non-current liabilities</b>	<b>318,165</b>	<b>6,846</b>	<b>0</b>	<b>311,319</b>	<b>0</b>	<b>311,319</b>
<b>Equity</b>						
Share capital	15,759	15,759				0
Capital reserve	59,526	59,526				0
Legal reserve	785	785				0
Other reserves	19	19				0
Currency translation reserve	63,464	63,464				0
Retained earnings	353,145	353,145				0
<b>Total equity</b>	<b>492,698</b>	<b>492,698</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>986,109</b>	<b>546,619</b>	<b>0</b>	<b>438,368</b>	<b>1,122</b>	<b>439,490</b>

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

### 3. Fair value of financial instruments

The Company uses the following hierarchy to determine and disclose the fair values of financial instruments by valuation technique:

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

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

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

The financial instruments recognized at fair value in the consolidated financial statements and measured using level 2 are allocated as follows:

in TEUR	Balance sheet item	2025	2024
<b>Assets</b>			
Derivatives (FVTPL)	Other receivables and other assets	63	6
<b>Liabilities</b>			
Derivatives (FVTPL)	Other liabilities	-17	-1,122

There were no reclassifications between the individual measurement levels during the 2025 and 2024 reporting periods. If required, items are generally reclassified at the end of the reporting period.

The forward exchange contracts are measured on the basis of observable spot exchange rates.

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

For financial instruments measured at cost, the carrying amount and the different fair value are shown in the following table:

in TEUR	Level	2025		2024	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Liabilities</b>					
Loans and liabilities to banks	2	-359,619	-358,515	-370,644	-369,228

## 4. Net result from financial instruments

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

2025						
in TEUR	Remeasurement			Derecognition / disposal		Net result
	Impairment	Profit and loss	Other comprehensive income	Profit and loss	Other comprehensive income	
At amortized cost (loans and receivables)	64	0	0	-58	0	6
At fair value through profit or loss						
Derivatives: Forward exchange contracts	0	1,162	0	0	0	1,162
<b>2024</b>						
in TEUR	Remeasurement			Derecognition / disposal		Net result
	Impairment	Profit and loss	Other comprehensive income	Profit and loss	Other comprehensive income	
At amortized cost (loans and receivables)	-1,964	0	0	-118	0	-2,082
At fair value through profit or loss						
Derivatives: Forward exchange contracts	0	-1,910	0	0	0	-1,910

The total interest expense for financial liabilities not valued at fair value through profit or loss, determined using the effective interest rate method, was TEUR 14,192 (previous year: TEUR 12,204), the corresponding interest income was TEUR 8,330 (previous year: TEUR 5,705).

## Note 31 – Risk report

The business activities of the SBO Group are exposed to a variety of risks that are inseparable from global entrepreneurial activity. Effective management and control systems are in place to identify, analyze and manage these risks. The management of the individual companies monitors the operational risks and reports on them to the Group management.

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

### 1. Macroeconomic risks

The business development of SBO is to a large extent exposed to economic cycles, in particular to the cycle of the oilfield service industry. In order to minimize the associated fluctuation risk in bookings, the group's manufacturing sites are designed to be as flexible as possible.

The SBO Group's business risks have not changed fundamentally in the 2025 financial year. The year 2025 remained marked by geopolitical tensions, uncertainties in the international tariff environment, and high volatility in the commodity markets. Starting in 2022, the Russian war of aggression in Ukraine had a strong impact globally, but particularly on the energy markets, and shifted activities to other regions such as the US, North Africa and the Middle East. Economic activities with Russia are subject to far reaching restrictions. Deliveries from the Group to Russia were halted completely already in 2022 and will not be resumed in the foreseeable future. The subsidiary operating as a service and repair shop in Russia runs its operations autonomously. Currently, there are no material circumstances that would lead to a change in the assessment of power over the investee and thus to a change in the scope of consolidation.

The energy sector is also undergoing a long-term transformation with the aim of gradually replacing fossil fuels with renewable energies, a goal that is currently being driven forward in the European Union in particular. Tighter climate policy could trigger a decline in demand for oil within the EU and affect the SBO Group's core business due to the reduced need for oil drilling tools. As explained in Note 4.16, the European Union represents only a small part of SBO's sales market. Furthermore, the energy transition can only be achieved by using crude oil and natural gas, as these are important raw materials for renewable energy technologies. Gas is also an indispensable component of the energy mix and plays an essential role in the coal phase-out. Nevertheless, SBO Group is also preparing strategically for a changing environment with regard to climate change in order to exploit new opportunities. The economic activities and locations of the SBO Group are only exposed to a small extent to physical climate risks in terms of temperature changes, wind, precipitation or erosion. The expenses and investments required to avoid climate-related physical risks are classified as financially immaterial for the planning period of 12 months. Climate risk and vulnerability analyses were prepared for key manufacturing sites in Austria, the US and the Middle East, which did not identify any material risks in the long-term in connection with the consequences of climate change (e.g. heat waves, hurricanes, etc.). Neither macroeconomic nor climate policy developments required the Group to make provisions in 2025.

## 2. Sales and procurement risks

The market for the SBO Group's products and services is determined to a large extent by the ongoing development and application of new technologies. Securing and maintaining the customer base therefore depends on the ability to offer customer-oriented new products and services.

In 2025, around 30.7% of sales were generated with the three largest customers (these are global service companies in the directional drilling market) (previous year: 42.2%). SBO counters the risk of suffering potential noticeable sales declines from the loss of a customer through continuous innovation, quality assurance measures and close customer retention.

Through SBO's international activities it is also exposed to the possible consequences of geopolitical risks and uncertainties in trade policy, in particular tariffs, which can exert pressure on supply chains and results. In this regard, the US tariffs imposed in 2025 which are subject to ongoing changes, are to be mentioned, as these may lead to increased uncertainty on the part of customers in the oilfield service industry and thus to lower ordering activity, primarily in the Precision Technology segment. However, the global presence of SBO and its customers, as well as SBO's diversified procurement strategy, enables it to adapt to political changes, thereby helping to mitigate these risks.

On the procurement side, raw materials, in particular alloy surcharges for non-magnetic steel, are subject to strong price fluctuations, some of which are passed on to customers as agreed.

The Company procures high-alloy non-magnetic steel, which is by far the most important raw material, to a great extent from one supplier and is therefore exposed to risks such as delayed deliveries, capacity bottlenecks or outages. From today's perspective, the Company foresees no difficulty in continuing to purchase quality steel from this supplier. However, in the event of a failure by this supplier, there are only limited short-term replacement options.

## 3. Substitution risks

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

## 4. Financial risks

On the one hand, the company has various financial assets that result directly from its business activities, such as trade receivables, cash and cash equivalents and short-term investments. On the other hand, financial instruments are used to finance the company's business activities, such as liabilities to banks and trade payables.

The company also has derivative financial instruments whose purpose is to hedge currency risks resulting from business activities and its sources of financing. No derivatives are used for trading or speculative purposes.

The financial instruments mainly result in interest-related cash flow risks as well as liquidity, currency and credit risks for the Group.

## FOREIGN CURRENCY RISKS

Foreign currency risks result from fluctuations in the value of financial instruments or cash flows due to exchange rate fluctuations.

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

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

Additional risks arise from the translation of the annual financial statements of the foreign companies into the Group currency. Sales, earnings, and carrying amounts of these companies are dependent on the applicable exchange rate. Due to the significant investments in the US, one of the main sales market and headquarters of important production facilities, changes in the US dollar have a significant impact on the consolidated financial statements.

The following table shows the impact of a reasonably possible change in the US dollar exchange rate on the consolidated financial statements only with regard to changes in the value of derivative instruments (forward exchange contracts for intragroup transactions), as there are no significant trade receivables or payables that are not denominated in the functional currency of the respective Group company:

in TEUR	<b>2025</b>		<b>2024</b>	
Change in EUR/USD exchange rate	+10 Cents	-10 Cents	+10 Cents	-10 Cents
Change in profit / loss before tax	911	-911	2,551	-2,551

## INTEREST RATE RISKS

Interest rate risks result from fluctuations in market interest rates that lead to a change in value of financial instruments and interest rate-related cash flows.

The majority of the long-term loans existing on the balance sheet date have fixed interest rates. The market value of these long-term loans is therefore subject to fluctuations. The interest rates of the individual loans are disclosed in Note 15. With the exception of loans and lease liabilities, no other liabilities are interest bearing and therefore are not subject to any interest rate risk.

Furthermore, the interest rate risk is reduced by the portfolio of short-term interest-bearing investments held by the company. Depending on whether the company has a surplus of funds on the investment or borrowing side, interest rate risks can therefore result from both a rise and a decrease in interest rates.

The table below shows the impact of a reasonably possible change in interest rates (impact on the interest expense for variable-interest liabilities to banks or on the interest income for variable-interest bank balances) on consolidated earnings before taxes (there is no impact on consolidated equity):

in TEUR	2025		2024	
Change in base points	+100	+200	+100	+200
Change in profit / loss before tax	744	1,488	672	1,344

## CREDIT RISKS

The credit risk arises from the non-fulfilment of contractual obligations by business partners and the resulting loss of assets. The maximum default risk results from the carrying amount of the receivables.

The credit risk for receivables from customers can be considered low, as there are long-standing, stable business relationships with major customers with good credit ratings. Before entering into new customer relationships, credit risk management measures such as credit checks are carried out. The creditworthiness of existing customers is checked on an ongoing basis and outstanding receivables are monitored regularly. Provision is made for default risks by recognizing valuation allowances (see Notes 4 and 5). Neither macroeconomic developments or the Russian war of aggression on Ukraine nor climate-related risks have led to observable or expected changes in the estimated default risk.

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

For other financial assets (cash and cash equivalents), the maximum credit risk in the event of counterparty default corresponds to the carrying amount of these financial instruments. However, the credit risk determined on the basis of expected losses within twelve months due to the short terms can be considered as low here, as only banks with a high credit rating are selected.

## LIQUIDITY RISKS

Liquidity risk is the risk of not being able to raise the funds required to settle liabilities on time at all times.

Due to the Company's strong self-financing capability, the liquidity risk is relatively low. In addition to obtaining liquid funds through the operating business, external financing is obtained from banks as required. Due to the global diversification of financing options, there is no significant concentration of risk. Climate-related risks are currently not a relevant factor in the liquidity risk assessment. It is not foreseeable whether and to what extent such climate-related factors could become a risk in the future when taking out new credit lines for SBO's core business.

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

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

**31.12.2025**

in TEUR	Due on demand	2026	2027	2028	2029 or beyond
Liabilities to banks	43,029	0	0	0	0
Long-term loans	0	56,812	40,072	59,633	200,112
Lease liabilities	0	3,869	3,342	2,368	14,770
Management interests and participation rights	0	1,161	0	0	3,355
Trade payables	0	34,904	0	0	0
Derivatives	0	17	0	0	0
Other	0	15,606	2,553	0	102
<b>Total</b>	<b>43,029</b>	<b>112,369</b>	<b>45,967</b>	<b>62,001</b>	<b>218,339</b>

**31.12.2024**

in TEUR	Due on demand	2025	2026	2027	2028 or beyond
Liabilities to banks	44,766	0	0	0	0
Long-term loans	0	41,653	56,896	40,013	238,466
Lease liabilities	0	2,892	2,476	1,898	9,288
Management interests and participation rights	0	0	0	0	4,846
Trade payables	0	32,131	0	0	0
Derivatives	0	1,122	0	0	0
Other	0	19,723	0	0	0
<b>Total</b>	<b>44,766</b>	<b>97,521</b>	<b>59,372</b>	<b>41,911</b>	<b>252,600</b>

## CAPITAL MANAGEMENT

The company's primary objective is to ensure that it maintains a high credit rating and a solid equity ratio in order to support its business activities and maximize shareholder value.

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

Gearing amounted to 18.5% as of 31 December 2025 (previous year: 11.4%)

in TEUR	31.12.2025	31.12.2024
Liabilities to banks	41,548	42,787
Long-term loans	318,071	327,857
Less: cash and cash equivalents	-281,470	-314,686
<b>Net debt</b>	<b>78,149</b>	<b>55,958</b>
<b>Total equity</b>	<b>421,927</b>	<b>492,698</b>
<b>Gearing</b>	<b>18.5%</b>	<b>11.4%</b>

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

## Note 32 – Contingent liabilities

There were no contingent liabilities on the part of the Company as of 31 December 2025 or 31 December 2024.

## Note 33 – Other obligations

Other obligations consist exclusively of short-term leases or low value leases (see Note 18) and purchase commitments for investments in property, plant and equipment and intangible assets (see Notes 8 and 9).

## Note 34 – Cash flow statement

The Company's cash flow statement shows the change of cash and cash equivalents for the Company and the subsidiaries during the reporting year as a result of cash inflows and outflows. Cash and cash equivalents correspond to the cash and cash equivalents in the consolidated balance sheet and exclusively comprise cash on hand and bank balances including short-term deposits. Due to current foreign exchange regulations as of 31 December 2025, cash and cash equivalents of the subsidiaries in Russia amounting to TEUR 8,463 (previous year: TEUR 6,312) are subject to restrictions on the general use within the Group.

Within the cash flow statement, cash flows are broken down into cash flows from operating activities, from investing activities and from financing activities. Free cash flow presented in the cash flow statement is calculated as the sum of cash flow from operating activities and cash flow from investing activities.

Cash flows from foreign operations were calculated by using average foreign exchange rates.

Cash flow from operating activities is calculated using the indirect method. This calculation is based on profit before income taxes and adjusted for non-cash income and expenses. This result and the balance sheet changes in net current assets (excluding cash and cash equivalents) provide the cash flow from operating activities.

Dividend payments are reported as part of financing activities.

Payments made in 2025 in connection with the acquisition of 3T Additive Manufacturing Limited in the amount of TEUR 4,699 (see Note 35) and the remaining purchase price payment from the acquisition of Praxis in 2023 in the amount of TEUR 3,896 (see Note 13) are reported within cash flow from investing activities under the item "Expenditures for the acquisition of subsidiaries less cash acquired".

Financial liabilities were as follows during the 2025 and 2024 financial years:

<b>2025</b>					
in TEUR	01.01.2025	Cash changes	Non-cash changes		31.12.2025
			Foreign currency effects	Other changes	
Long-term loans including current portion	327,857	-9,786	0	0	318,071
Liabilities to banks	42,787	19	-1,698	440	41,548
Lease liabilities	11,049	-2,875	-1,261	9,599	16,512
Deferred compensation business combination	4,081	-3,896	-327	142	0
Other financial liabilities	4,846	-682	-238	2,862	6,788
<b>Total liabilities from financing activities</b>	<b>390,620</b>	<b>-17,220</b>	<b>-3,524</b>	<b>13,043</b>	<b>382,919</b>
<b>2024</b>					
in TEUR	01.01.2024	Cash changes	Non-cash changes		31.12.2024
			Foreign currency effects	Other changes	
Long-term loans including current portion	216,477	111,380	0	0	327,857
Liabilities to banks	38,144	3,696	947	0	42,787
Lease liabilities	8,967	-2,889	521	4,450	11,049
Deferred compensation business combination	3,587	0	239	255	4,081
Other financial liabilities	5,348	-1,459	150	807	4,846
<b>Total liabilities from financing activities</b>	<b>272,523</b>	<b>110,728</b>	<b>1,857</b>	<b>5,512</b>	<b>390,620</b>

## Note 35 – Business combinations

### Year 2025:

On 2 October 2025 the regulatory approval was granted in the UK for the acquisition of 100 % of the shares in 3T Additive Manufacturing Limited. As a result, the company's assets and income and expenses were consolidated by the Group starting from 1 October 2025.

The UK-based company is a leading supplier of 3D metal printing technologies. 3T Additive Manufacturing Limited operates a fully integrated production facility in Newbury (UK), covering the entire value chain from design and prototyping to series production and post-processing. The company serves a global customer base in high-tech industries such as space, aerospace, defense, semiconductors, and oil and gas. The acquisition of the company not only strengthens SBO's market position in 3D metal printing, but also provides access to a new customer base in this high-growth business area, thereby supporting the execution of SBO's diversification strategy.

The purchase price allocation on the basis of the fair values determined at the time of acquisition was as follows:

in TEUR

<b>Purchase price paid in cash = Total Consideration</b>	<b>4,828</b>
- Net assets	-2,130
<b>Goodwill</b>	<b>2,698</b>

The net assets acquired were made up as follows on the basis of the fair values determined at the time of acquisition:

in TEUR

Intangible assets	1,468
Property, plant and equipment including right-of-use assets	4,398
Inventories	959
Trade receivables	934
Other receivables and assets	271
Cash and cash equivalents	129
	<b>8,159</b>
Liabilities to banks	-440
Trade Liabilities	-1,892
Other liabilities and provisions	-3,177
Deferred tax liabilities	-520
<b>Net assets</b>	<b>2,130</b>

See Note 9 for information on acquired intangible assets.

Trade receivables and other receivables and assets corresponded to the fair value and were not impaired.

The cash outflow from the business combination amounted to:

in TEUR

Purchase price paid in cash	4,828
Cash and cash equivalents acquired with the company	-129
	<b>4,699</b>

The goodwill determined in the course of initial recognition was allocated to the "Precision Technology" segment and resulted from the expected business development taking into account the expected synergies from the business combination. The goodwill recognized is not deductible for tax purposes.

The acquisition increased reported consolidated revenue for the financial year 2025 by TEUR 1,359 and decreased reported operating profit by TEUR 431. If the acquisition had taken place at the beginning of the year, consolidated revenue in 2025 would have been higher by further TEUR 3,690.

Transaction costs of TEUR 159 were paid in the financial year 2025, which were recognized in administrative expenses.

Another payment made in 2025 for the acquisition of subsidiaries relates to the deferred compensation payment of TEUR 3,896 for the business combination Praxis from 2023 (see Notes 13 and 34).

## Year 2024:

No business combinations were carried out in the financial year 2024.

## Note 36 – Employees

The average number of employees during the year and as of the reporting date was as follows:

	Annual average		Reporting date	
	2025	2024	31.12.2025	31.12.2024
Blue collar	1,053	1,147	1,002	1,117
White collar	500	470	537	479
	<b>1,553</b>	<b>1,617</b>	<b>1,539</b>	<b>1,596</b>

While the decline in the number of blue collar workers is primarily due to the lower level of activity in 2025, the increase in white collar workers is mainly the result of capacity expansion in the areas of additive manufacturing, primarily from the acquisition of 3T Additive Manufacturing Limited, and Energy Equipment, primarily in the area of research and development.

## Note 37 – Events after the reporting date

The global impact of the attacks in the Middle East starting on 28 February 2026 cannot be estimated at the time of preparation of the 2025 consolidated financial statements. They are classified as a non-adjustable event and are not reflected in the 2025 consolidated financial statements. SBO will continue to monitor developments in the Middle East and evaluate any potential impact on its business operations, financial position, and earnings on an ongoing basis. Beyond that, no further events of particular significance occurred after the balance sheet date that would have led to a different presentation of the net assets, financial position and results of operations in the consolidated financial statements as of 31 December 2025.

## Note 38 – Proposed dividend

The Executive Board proposes distributing a dividend of EUR 0.75 (previous year: EUR 1.75) per share to shareholders for the year 2025. This results in a total distribution of MEUR 11.8 (previous year: MEUR 27.6).

## Note 39 – Expenses incurred for the group auditor

The following expenses were incurred for the Group auditor, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft:

in TEUR	2025	2024
Audit fees	661	598
Other assurance services	91	150
Other consulting services	41	0

In addition to the consolidated financial statements, the financial statements of the Austrian entities and the reporting packages of the US companies were also audited by the Group auditor in 2025 and 2024. In 2025, the reporting packages of the Canadian companies were audited by the Group auditor as well. Furthermore, in 2025 as well as 2024 the non-financial statement was subject to a voluntary limited assurance engagement by the Group auditor and comprises the majority of other consulting services.

# Management Disclosures

## Executive Board

**Klaus Mader**

Chief Executive Officer from 1 January 2024

**Campbell MacPherson**

Chief Operating Officer from 1 January 2024

Klaus Mader's existing Executive Board contract runs until 30 September 2028 and that of Campbell MacPherson until 31 December 2026.

# Supervisory Board

## **Norbert Zimmermann**

(Chairman)

Initial appointment: 1995

End of the current term of office: 2027

## **Brigitte Ederer**

(Deputy Chairwoman)

Initial appointment 2014

End of the current term of office: 2029

## **Simon William Caines Eyers**

Initial appointment: 2024

End of the current term of office: 2028

## **Wolfram Littich**

Initial appointment: 2016

End of the current term of office: 2026

## **Sonja Zimmermann**

Initial appointment: 2018

End of the current term of office: 2028

## COMMITTEES OF THE SUPERVISORY BOARD

### NOMINATION AND REMUNERATION COMMITTEE

Norbert Zimmermann

Sonja Zimmermann

Brigitte Ederer

### AUDIT COMMITTEE

Wolfram Littich

Norbert Zimmermann

Sonja Zimmermann

Brigitte Ederer

Each year, at least one member of the Supervisory Board retires at the end of the Annual General Meeting, thus ensuring that at least one member can be elected to the Supervisory Board at the Annual General Meeting. Insofar as the order of retirement is not determined by the term of office, this is decided by drawing lots.

In the Supervisory Board meeting that takes place prior to the holding of an Annual General Meeting to discuss the proposed resolutions and nominations in accordance with Section 108 (1) Austrian Stock Corporation Act (Aktiengesetz, 'AktG'), a lot shall be drawn to determine which member of the Supervisory Board shall retire at the end of the following Annual General Meeting. The retiring member is immediately eligible for re-election.

Ternitz, 4 March 2026

Klaus Mader

Campbell MacPherson

Executive Board

# Auditor's Report

## Report on the Consolidated Financial Statements

### Audit Opinion

We have audited the consolidated financial statements of

SBO AG,  
Ternitz,

and its subsidiaries ("the Group"), which comprise the Consolidated balance sheet as at 31 December 2025, and the Consolidated profit and loss statement, Consolidated statement of comprehensive income, Consolidated cash flow statement and Consolidated statement of changes in equity for the year then ended, and the Notes to the consolidated financial statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

### Basis of our Opinion

We conducted our audit in accordance with the EU Regulation No. 537/2014 ("EU Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Our liability as auditors is guided under Section 275 UGB (Austrian Commercial Code).

### Key Audit Matters

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

## RECOVERABILITY OF GOODWILL

Refer to notes to the Consolidated Financial Statements “Note 4 - significant accounting principles, 9. Goodwill” and explanations to the balance sheet “Note 9 - Intangible assets” as well as general information on “Explanation 4 - significant accounting principles, 16. Estimates, judgements and assumptions”

## RISK FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The recoverability of goodwill is of particular importance because in the consolidated financial statements of the company, this item reports a book value of MEUR 133.2 as of December 31, 2025. At least once a year and, if necessary, on an event-related basis, goodwill is subject to an impairment test by SBO AG.

Impairment tests are based on assumptions and estimates. The recoverability of goodwill is essentially dependent on the management’s assessment of future cash inflows and outflows, the discount rates applied, growth rates as well as the planning period considered and is therefore subject to significant estimation uncertainties.

For the consolidated financial statements, there is a risk that inappropriate assumptions and estimates may have a significant impact on the recoverable amount and thus the recoverability of goodwill in the consolidated balance sheet and the operating result in the consolidated profit and loss statement.

## OUR RESPONSE

We have assessed the recoverability of goodwill as follows:

- To assess the appropriateness of the underlying internal plans, we have gained an understanding of the planning process, discussed the assumptions about growth rates and operating results in conversations with the responsible senior persons in the company and reconciled the planning data used for the valuation with the current budget figures approved by the Supervisory Board and the medium-term planning released by the Executive Board.
- To assess the adherence to planning, we compared the actual cash inflows and outflows that occurred during the fiscal year in samples with the planning figures of the previous periods. We discussed any observed deviations with management.
- Our valuation specialists traced the methodology of the valuation models and assessed whether they comply with the relevant standards. The underlying assumptions in determining the cost of capital rates were compared by our valuation specialists with market and industry-specific benchmarks and the mathematical correctness of the valuation model was retraced.
- The composition of the Cash Generating Unit (CGU) and the allocation of the assets, liabilities and cash flows to the CGU were evaluated.
- Additionally, we have assessed whether the disclosures in the notes with respect to the recoverability of goodwill are appropriate.

## Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report.

We expect the annual report to be provided to us after the date of the auditor's report.

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

In conjunction with our audit, it is our responsibility to read this other information as soon as it becomes available, to assess whether, based on our knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

## Responsibilities of Management and Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the IFRS Accounting Standards as adopted by the EU, the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee is responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements taken as a whole, are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the EU Regulation and with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users based on the consolidated financial statements.

As part of an audit in accordance with the EU Regulation and with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

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

- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, as well as whether the consolidated financial statements represent the underlying business transactions and events in a manner that achieves fair presentation.
- We plan and conduct the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence on the financial information of the components within the Group, in order to form an audit opinion. We are responsible for directing, supervising and reviewing the audit activities carried out for the purposes of auditing the consolidated financial statements. We remain solely responsible for our audit opinion.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when, in rare cases, we determine that a matter should not be included in our auditor's report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

# Report on Other Legal and Regulatory Requirements

## Group Management Report

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with the applicable legal requirements. It is our responsibility to determine whether the consolidated non-financial statement has been prepared as part of the group management report, to read it and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or otherwise appears to be materially misstated.

Management is responsible for the preparation of the group management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports.

### OPINION

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

### STATEMENT

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

## Additional information in accordance with Article 10 EU Regulation

We were elected as auditors at the Annual General Meeting on 24 April 2025 and were appointed by the Supervisory Board on 17 July 2025 to audit the consolidated financial statements of the Company for the financial year ending on 31 December 2025.

We have been auditors of the Company, without interruption, since the consolidated financial statements as of 31 December 2023.

We declare that our opinion expressed in the "Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the Audit Committee, in accordance with Article 11 EU Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 EU Regulation) and that we have ensured our independence throughout the course of the audit.

## Engagement Partner

The engagement partner is Ms Heidi Schachinger.

Vienna, 5 March 2026

### **KPMG Austria GmbH**

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

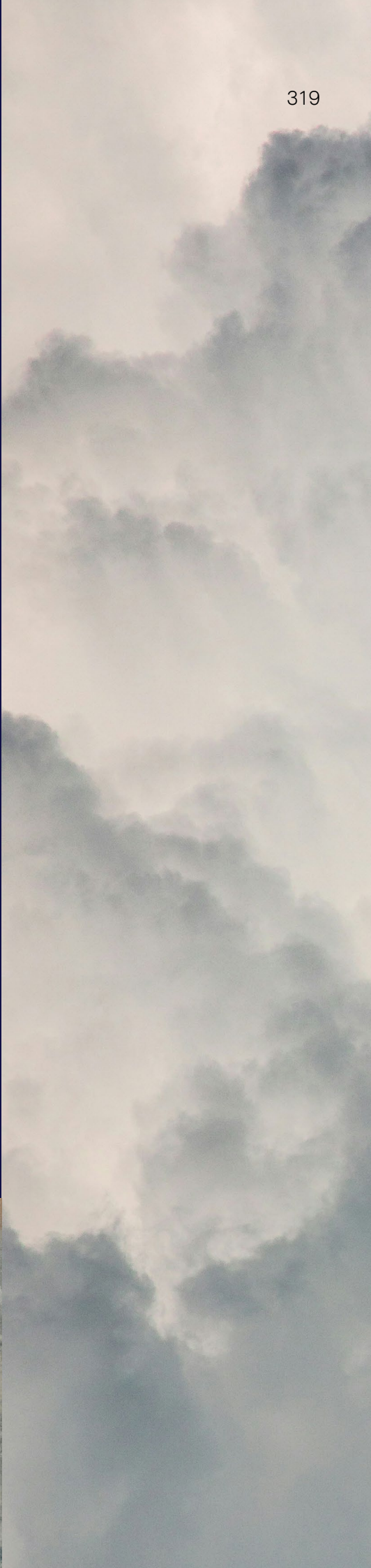
### **Heidi Schachinger**

Wirtschaftsprüferin

(Austrian Chartered Accountant)

# Corporate Information





# Company Information

## 01 SBO AG

Hauptstrasse 2, A-2630 Ternitz, Austria  
Phone: (+43) 2630 315 100  
Email: info@sbo.at

## 02 SCHOELLER-BLECKMANN PRECISION TECHNOLOGY GMBH

Hauptstrasse 2, A-2630 Ternitz, Austria  
Phone: (+43) 2630 315 0  
Email: sbot@sbo.co.at

## 03 KNUST-GODWIN LLC

586 Stonegate Drive, Katy, TX 77494, USA  
Phone: (+1) 713 785 1060  
Email: webmaster@kgsbo.com

## 04 SCHOELLER-BLECKMANN SALES CO. LLC

11525 Brittmoore Park Drive, Houston, TX 77041, USA  
Phone: (+1) 713 856 6500  
Email: info@sbsaleshouston.com

## 05 THE WELLBOSS COMPANY, LLC

12450 Cutten Road, Houston, TX 77066, USA  
Phone: (+1) 281 820 2545  
Email: info@thewellboss.com

## 06 BICO DRILLING TOOLS INC.

1604 Greens Road, Houston, TX 77032, USA  
Phone: (+1) 281 590 6966  
Email: sales@bicodrilling.com

## 07 D-TECH DRILLING TOOLS, INC.

14103 Interdrive W, Houston, TX 77032, USA  
Phone: (+1) 281 925 1150  
Email: info@dtechdrilling.com

## 08 SCHOELLER-BLECKMANN ENERGY SERVICES LLC

712 St. Etienne Road, P.O. Box 492, Broussard, LA 70518-0492, USA  
Phone: (+1) 337 837 2030  
Email: info@sbesllc.com

## 09 BICO FASTER DRILLING TOOLS INC.

2107 - 7<sup>th</sup> Street, Nisku, AB T9E 7YE3, Canada  
Phone: (+1) 780 955 5969  
Email: sales@bicodrilling.com

## 10 THE WELLBOSS COMPANY, INC.

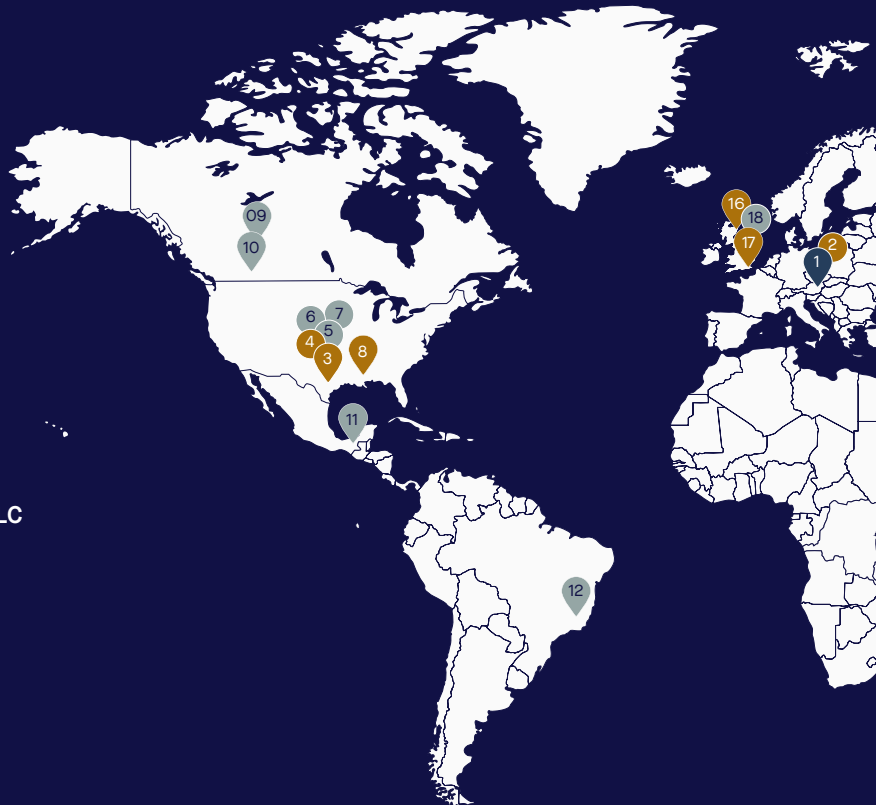
#2910, 605-5<sup>th</sup> Ave SW,  
Calgary, AB T2P 3H5, Canada  
Phone: (+1) 403 723 2262  
Email: info@thewellboss.com

## 11 DSI PBL DE MEXICO, SA DE CV

San Pio M5 L1, Parque Logisitico Industrial Tabasco, Lazaro Cardenas 2<sup>a</sup> Section, CP. 86287, Centro, Tabasco, Mexico  
Phone: (+52) 993 317 0093  
Email: mexico@dsi-pbl.com

## 12 SCHOELLER BLECKMANN DO BRASIL LTDA.

Est Piloto Rommel Oliveira Garcia, 275 – Área 06, 27932-355 - Imboassica - Macaé - RJ, Brasil  
Phone: (+55) 22 3737 0260  
Email: comercial@sbbrazil.com



**13 KNUST-SBD PTE LTD.**

14 Gul Street 3, Singapore 629268  
Phone: (+65) 6861 4302  
Email: sales@knust-sbd.com.sg

**14 SCHOELLER-BLECKMANN VIETNAM CO., LTD.**

Lot B2.6, D3 Street, Dong An 2 Industrial Park,  
Binh Duong Ward, Ho Chi Minh City, Vietnam  
Phone: (+84) 274 3 589 590  
Email: info@sboevn.com

**15 NOMATEK LLC**

Industrial node Peley, Panel XI, Noyabrsk, 629800,  
Yamalo-Nenetsky Autonomous District,  
Russian Federation  
Phone: (+7) 3496 342601  
Email: office@nomatek.ru

**16 SCHOELLER-BLECKMANN DARRON (ABERDEEN) LTD.**

Howemoss Terrace, Kirkhill Industrial Estate, Dyce,  
Aberdeen AB21 OGR, UK  
Phone: (+44) 1224 799 600  
Email: sales@sddl.co.uk

**17 3T ADDITIVE MANUFACTURING LIMITED**

Building 101, Warehouse Road, Greenham Business  
Park, Newbury RG19 6HN, UK  
Phone: (+44) 1635 580 284  
Email: enquiries@3t-am.com

**18 D-TECH (UK) LTD.**

Unit H1B Horizon 38, Bolingbroke Way, Filton,  
Bristol BS34 6FE, UK  
Phone: (+44) 1454 611 420  
Email: info@dtechdrilling.com

**19 SCHOELLER-BLECKMANN MIDDLE EAST FZE**

Roundabout 10, Road 911, Jebel Ali Free Zone,  
P.O. Box 61327, Dubai, UAE  
Phone: (+971) 4 883 4228  
Email: info@sboe.ae

**20 DSI FZE**

Roundabout 10, Road 911, Jebel Ali Free Zone,  
P.O. Box 30576, Dubai, UAE  
Phone: (+971) 4 880 8228  
Email: enquiries@dsi-pbl.com

**21 BICO DRILLING TOOLS FZE**

Plot Number B060E02, Jebel Ali Free Zone,  
P.O. Box 30576 Dubai, UAE  
Phone: (+971) 4 880 8228  
Email: sales@bicodrilling.com

**22 THE WELLBOSS COMPANY FZE**

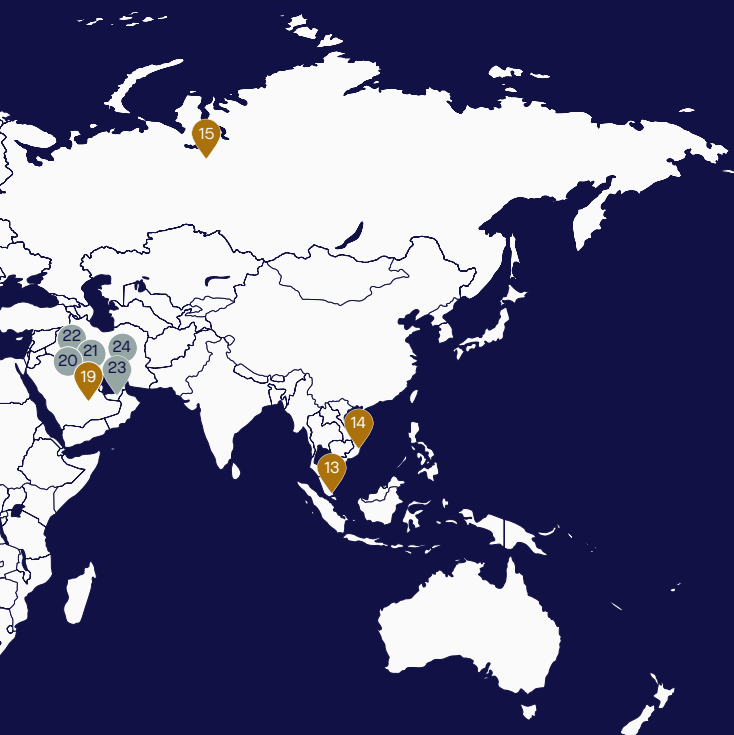
740 Street, RA08-KB03, Jebel Ali Free Zone,  
Dubai, UAE  
Phone: (+971) 4 887 6396  
Email: info@thewellboss.com

**23 SCHOELLER BLECKMANN SAUDI LLC**

Building # 6443, Al Dammam 1112 Street,  
2nd Industrial City, Dammam, 34321, KSA  
Phone: (+966) 13 8348814  
Email: enquiries@dsi-pbl.com

**24 THE WELLBOSS COMPANY FOR MAINTENANCE**

Building # 6443, Al Dammam 1112 Street,  
2nd Industrial City, Dammam, 34321, KSA  
Phone: (+966) 56 773 3718  
Email: info@thewellboss.com



# Imprint

This Annual Report was prepared with the greatest possible diligence. Nevertheless, mistakes and printing errors cannot be excluded. This Annual Report includes information and forecasts that are based on the future development of the SBO Group and its member companies. These forecasts represent estimates, which have been prepared based on the information currently available. Should the assumptions underlying these forecasts not realize or risks – as those described in the risk report – occur, actual results may differ from the results currently expected.

This report may not be misinterpreted as a recommendation to buy or sell shares in SBO AG.

In the interest of better readability, we refrain from simultaneously using feminine and masculine versions and use only the masculine form. All references to persons apply equally to all genders.

This English translation of the report is for convenience. Only the German version shall be binding.

Published on 19 March 2026

## **For further information:**

SBO AG  
A-2630 Ternitz / Austria, Hauptstrasse 2  
Tel.: (+43) 2630 315 0  
E-Mail: [info@sbo.at](mailto:info@sbo.at)  
Internet: [www.sbo.at](http://www.sbo.at)

## **Imprint:**

Publisher and responsible for the content: SBO AG, Ternitz

In cooperation with: Mensalia Unternehmensberatungs GmbH, Vienna  
Graphic design: brand unit GmbH, Vienna  
Photos: SBO AG

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