

**ANNUAL REPORT
2023**

KEY FIGURES

	in EUR million		2023		2022	
NET SALES	626.9		601.8			
TOTAL OUTPUT	650.4		624.6			
EBITDA / MARGIN*	59.6	9.2%	83.6	13.4%		
EBIT / MARGIN*	36.9	5.7%	62.0	9.9%		
EBT / MARGIN*	91.3	14.0%	51.8	8.3%		
NP / MARGIN*	69.5	10.7%	39.4	6.3%		
EQUITY	267.1		224.8			
INTEREST-BEARING DEBT**	-21.6		22.7			
FIXED ASSETS	199.4		172.6			
TOTAL ASSETS**	516.2		503.7			
EQUITY RATIO**	51.7%		44.6%			
NET GEARING	-8.1%		10.1%			
HEADCOUNT	2,480		2,456			
OUTPUT PER EMPLOYEE	0.26		0.25			

* Returns relate to operating revenue

** less cash and marketable securities; "minus sign" = net cash

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BERNDORF AG: PEOPLE

“INNOVATION IS OUR OPPORTUNITY” – FRANZ VIEHBÖCK WANTS TO DEFY EUROPE’S INDUSTRIAL WEAKNESS



FRANZ VIEHBÖCK, CEO

Born in Vienna in 1960, Franz Viehböck studied electrical engineering at Vienna University of Technology and was awarded his degree in 1985. After training as an astronaut, he spent time on the Mir space station in 1991. As part of an elite group of just over 500 people who have gone into space, the former Boeing manager brought his pioneering spirit to Berndorf Band when he joined the company's management team in 2002.

We must not allow ourselves to be deceived. Even though 2023 was another positive financial year for Berndorf AG, we are definitely feeling the effects of the declines – in some case dramatic – on our European home markets. There is a great deal to suggest that, rather than a short-term slump, they represent a long-term contraction of industry in Europe. In this situation, the Berndorf Group's globally diversified structure is proving to be an effective advantage. Last year, we benefited from the highly favourable developments in the USA and in Asian markets.

As an industrial centre, Europe finds itself caught in a double bind. Firstly, bureaucratic climate policy and a sharp rise in labour and energy costs are creating more obstacles than opportunities. And secondly, competitors from outside Europe are entering markets that are off limits to us due to economic sanctions. If you want industrial operations to succeed on the old continent, you need to look to innovation for opportunities. And this is a challenge we gladly accept! We will continue to invest in Europe in 2024 wherever we can make up for competitive disadvantages, which is demonstrated by the expansion projects at Lumpi in Berndorf and Silica in Poland.

Franz Viehböck has held various positions at the Berndorf Group over the course of more than two decades. In 2008 he was appointed to the Berndorf AG Management Board as CTO. He took up his current post of Berndorf Group CEO in 2020.

“EUROPE’S INDUSTRIAL FUTURE NEEDS PLANNING SECURITY” – DIETMAR MÜLLER SEES NEED FOR ACTION



DIETMAR MÜLLER, CFO

Dietmar Müller was born in Linz in 1964. He received his degree in social sciences and economics from Vienna University of Economics and Business in 1990. His cosmopolitan outlook paved the way for his transition from university life to a career with hidden champion and global leader Berndorf Band.

From Berndorf AG's perspective, there is no sign of a robust, longer-term upturn at present. Because individual industries

have different economic cycles, the fact that the Berndorf Group companies are active in a variety of markets is an advantage. It allows declines and increases to even each other out. Even so, Berndorf is unable to completely detach itself from global economic developments.

And a creeping exodus of industrial companies has begun in our home market of Central Europe. Excessive costs, too much red tape, ailing infrastructure – especially in Germany – and, above all, political uncertainties are damaging Europe as an industrial location. It is putting European industry to the test. Lots of companies lack the necessary planning security when it comes to making investments in industrial production.

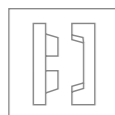
However, healthy companies need to invest in order to secure technologies and shore up their market positions. As a result, the Berndorf Group's international set-up has taken on even more significance, with new investment and capacity expansion worldwide currently centring on Eastern Europe, India and the USA. The strategy for Central Europe must now be to build trust and restore planning security in order to safeguard the future of industry.

Dietmar Müller has worked at the Berndorf Group for more than three decades in a variety of functions. He has been CFO of the Berndorf Group since 2008.

BERNDORF GROUP COMPANIES



CONSOLIDATED BERNDORF GROUP



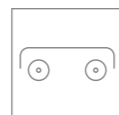
STANDARD PARTS MANUFACTURER

HASCO Hasenclever GmbH + Co KG
 HASCO Austria GmbH
 HASCO Encounter Ltd.
 HASCO Trading (Shenzhen) Co. Ltd.



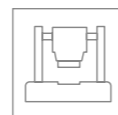
HEAT TREATMENT

AICHELIN Ges.m.b.H.
 AICHELIN Service GmbH
 AICHELIN China Group (AHSB, ATT, ATP)
 Atmosphere Group (AFC-Holcroft)
 EMA Indutec GmbH
 NOXMAT GmbH
 Bosio d.o.o.
 Aichelin ACE d.o.o.
 SAFED France SAS



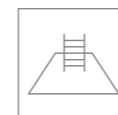
STEEL BELTS AND BELT SYSTEMS

Berndorf Band GmbH
 Berndorf Band Engineering GmbH
 Berndorf Sondermaschinenbau GmbH
 Berndorf Belt Technology, Inc.
 Beijing Baidefu Technology Development Co. Ltd.
 Berndorf Band Japan Co. Ltd.
 SBS Steel Belt Systems USA Inc.
 Berndorf Steel Belt Systems Co. Ltd.



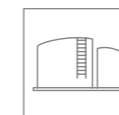
PRESS PLATES

HUECK Rheinische GmbH
 HUECK Engraving GmbH & Co. KG
 HUECK Design GmbH



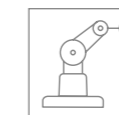
POOL CONSTRUCTIONS

Berndorf Metall- und Bäderbau GmbH
 Berndorf Bäderbau Projekt GmbH
 Berndorf Bäderbau s.r.o.
 Berndorf Bäderbau Deutschland GmbH
 Berndorf Bäderbau Schweiz AG
 Berndorf Bäderbau Sp. z o.o.
 Berndorf Bazény s.r.o.
 Wasserwelt Homburg GmbH



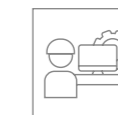
PROCESS ENGINEERING

Silica Verfahrenstechnik GmbH
 Silica Anlagenbau GmbH & Co. KG
 Silica Polska Sp. z o.o.



MECHATRONICS

Venturetec Rotating Systems GmbH
 PC&S Technologies GmbH
 Berndorf International GmbH



R&D

BIT GmbH

BERNDORF GROUP

HASCO Suisse AG
 HASCO Internorm Ltd.
 HASCO France S.A.R.L.
 HASCO Nordic AB
 HASCO Normalien Mexico S.A. De C.V.
 HASCO Iberica S.L.U.
 HASCO Portuguesa Lda.
 HASCO America Inc.
 HASCO Polska SP zo.o.
 HASCO Canada Inc.
 HASCO Singapore (PTE) Ltd.
 HASCO India Pvt. Ltd. OOO
 HASCO RU

AICHELIN Unitherm Heat Treatment Systems India Pvt. Ltd.
 EMA Induction Technology Beijing Co. Ltd.
 NOXMAT Energy Technique Beijing Co. Ltd.
 NOXMAT Combustion Technologies Pvt. Ltd.
 Noxmat USA Inc.
 Prompech Ltd. Co.

Berndorf Band Latinoamérica S.A.S.
 SBS Steel Belt Systems s.r.l.
 ESICO B.V.

OOO Rheinische Technology
 Hueck Decent Engraving India Private Limited
 Rheinische Filztuchfabrik GmbH

Berndorf Bäderbau France SAS

Meerstetter Engineering GmbH
 TEUP Technische Entwicklung und Produktions GmbH
 stoba Sondermaschinen GmbH

JOINT VENTURES

Joh. Pengg AG
 Partium Group
 FerRobotics Compliant Robot Technology GmbH
 3D Precision SA
 Online Media Communications Design GmbH
 Bee Security GmbH

ECONOMIC CLIMATE AND BUSINESS PERFORMANCE

RECESSION REACHES AUSTRIAN ECONOMY

Wars and persistent rises in inflation influenced economic growth all over the world in 2023. The social and political uncertainties that had already been building at the end of 2022 ultimately manifested themselves in an overall decline in gross domestic product in many key industrial markets in 2023. The latest calculations by Statistics Austria point towards a contraction in Austrian GDP of 0.8% for the year as a whole, meaning that the economy slipped into recession. This unfavourable macroeconomic development was compounded by persistently high inflation rates. Only five eurozone countries experienced sharper price increases than Austria.

SITUATION EXACERBATED BY PERSISTENT INFLATION

At the national level, inflation reached its peak for the year in January when it hit 11.2%, with the lowest level, 5.3%, reported in November. Prices increased by an average of 7.8% in 2023. Following the 8.6% increase recorded in 2022 – the highest since the oil crisis 50 years ago – the annual inflation rate in Austria in 2023 continued to run at an extremely high level for the second year in succession. Now fuelled to a lesser extent by energy prices, inflation increasingly became attributable to secondary effects driven by businesses passing on higher costs to consumers. Developments in the eurozone were, by comparison, much more relaxed. Moderate euro area annual inflation of 2.9% in De-

cember was only slightly above the ECB's target of 2%. Interest rates remained high, as the central banks continued their tight monetary policy for the time being.

BERNDORF GROUP IN 2023: ON AN EVEN KEEL THANKS TO BALANCED PORTFOLIO

Berndorf AG navigated its path through the tough global economy in 2023 thanks to a combination of a tight and prudent management approach, and through harnessing the full potential of the Group's diverse international structure. For the most part, the Group was able to meet the target that it set for itself a year ago of clearly outperforming the market across the board. The different economic cycles in the various sectors served by the companies in the Berndorf Group made it possible to weigh out growth and contraction in the different markets against each other. On balance, the Berndorf Group was unable to completely detach itself from global economic developments despite its best efforts. Around half of the Group companies had to contend with a significant tapering off of the favourable economic cycle seen over the past two years. Hasco and Venturetec recorded an appreciable drop in orders, with intake down by as much as a fifth compared to the previous year in some cases. Besides the prevailing recessionary dynamic, the negative trading environment in the construction industry had an impact on important customers in the wood processing sector. Primarily, this development manifested itself in a drop in demand for the Berndorf Band Group. This made it all the more important that the key operational drivers behind the Berndorf Group's successful course of recent years were in a position to bring their economic strength to bear in 2023. One case in point, the AICHELIN Group, made the most of its strong position in the USA and China to outperform the stagnating European mechanical engineering segment. Aichelin China in particular

benefited from soaring demand for components for wind power systems in the Far East. As a result, the company's performance significantly outstripped that of the world's second-largest economy, which, though in recovery, was still in a fragile condition after the tribulations of the pandemic.

INNOVATIONS SECURE GROWTH AND EXPORT RATIO

Berndorf Bäderbau was able to sustain the record order intake it saw in 2022. Through its successful introduction to the market of surface design innovations for pressed sheet metal applications, Hueck Rheinische replicated the trend – as did Silica – thanks to a major order for large-volume, innovative energy storage technology. The companies' effective participation in global investments geared towards bringing about the energy transformation has proved to be a successful strategy for many parts of Berndorf AG.

Securing the technological edge in these sectors through continued innovation has proved its worth as a targeted approach, especially for export-oriented companies. While nominal exports of goods from Austria – according to Oesterreichische Nationalbank's (OeNB) export indicator – showed signs of a return to a downward trend at the start of the second half of 2023, the Berndorf Group was able to maintain an export ratio that was in line with its already high long-term average.

RETAINING EXPERIENCED KEY PERSONNEL

The credit for identifying the needs of markets worldwide at an early stage and offering the best possible solutions for the resulting demand stemming from them rests with the close-knit teams at the Group companies. Even under difficult conditions – such as an ailing economy and high wage growth – Berndorf continues to invest in its people. Strategies

range from promoting employment among women and keeping older employees involved in work processes for longer, to appointing skilled workers from our own apprenticeship schemes.

Even though a growing number of insolvencies caused the unemployment figures in Austria to rise at the end of 2023 for the first time in a long time, competition for skilled workers remains fierce. The Berndorf companies are committed to filling vacancies from within their own ranks. The company does everything it can to keep highly-trained specialists at the Group by working together across locations, even during economic downturns.

Continuous modernisation of working conditions is also a key factor when it comes to retaining top talent. To help achieve this, Berndorf companies have access to vital liquidity reserves in collaboration with Berndorf AG. This helps underpin the standing of all of the companies in the Berndorf Group: because they deliver reliable quality and best-in-class technology for their customers, they are harder to replace than others.

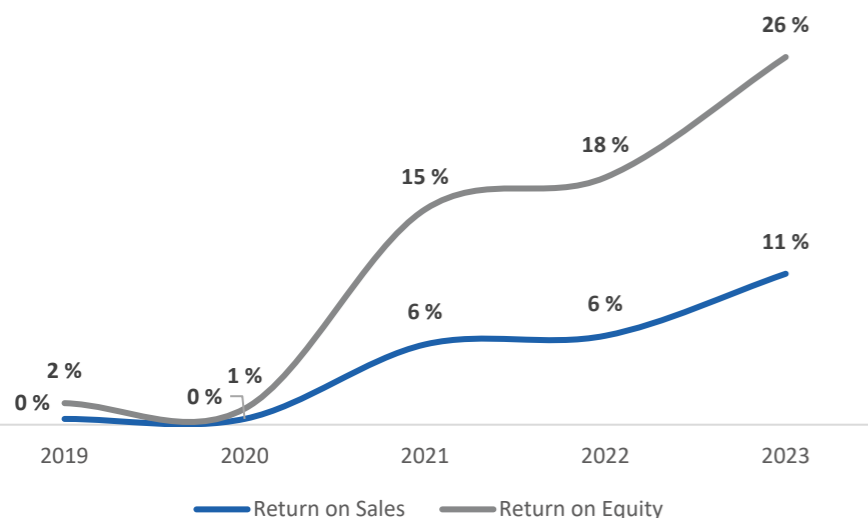
REVENUE AND EARNINGS

2023: BERNDORF AG CONFOUNDS HEADWINDS

In spite of a general economic downturn in 2023, the Berndorf Group still managed to follow up on its two record-breaking years in 2021 and 2022 with a third consecutive year of very good results. Clearly outperforming the market as a whole, this performance was all the more remarkable as the prevailing economic headwinds were compounded further still by EU economic policy decisions that are having an adverse effect on industry.

Even though economic analysts expect a drop in overall economic output for Austria and Germany in 2023, revenue for the Berndorf Group was up by a further 4%, from

EUR 601.8m to EUR 626.9m. Profit before tax rose significantly once again, to EUR 91.3m (2022: EUR 51.8m) However, it should be noted that pure operating profit – excluding one-time effects – was around EUR 3m lower than in the same period in 2022. Profit for the year was EUR 69.5m.



FINANCIAL POSITION



The Berndorf Group's total assets rose by EUR 43.4m year-on-year, to EUR 679.2m. Bank loans and overdrafts fell by EUR 13.4m year on year. Equity rose from EUR 224.5m to EUR 266.7m as a result of the profit for the year, and after adjustment for dividends of EUR 25.8m.

RISK MANAGEMENT

Interests in affiliated companies and participating interests are monitored by way of the Group's regular reporting. In the event of impairment, corresponding depreciation and amortisation is recognised. Trade receivables are monitored at Group company level by means of proactive receivables management. If default risk is identified in connection with these receivables, individual impairment losses are recognised in accordance with the Group's accounting policies.

Loans included in other receivables are regularly assessed in terms of potential default risks on the basis of the latest financial information on the borrower. If there is a risk of default, impairments are recognised accordingly.

Cash in hand, cheques and cash at bank reported under cash and cash equivalents mainly includes balances at Austrian banks with excellent credit ratings. Therefore, the risk of default is classified as low.

Financial assets held as current assets can be liquidated at short notice. The prices of these assets are only subject to minor fluctuations.

Almost all of the Group's bank loans and overdrafts are at fixed interest rates. In some cases, derivative financial instruments (interest rate swaps) are used to hedge interest rate risk associated with variable-interest loans.

Currency risks arising from receivables and liabilities are monitored by means of active cash flow management. If material, unsecured excess exchange differences arise, currency swaps are used to hedge exchange rate fluctuations.

HIGH EQUITY RATIO

The equity ratio likewise increased to stand at a solid 39.3% at the end of 2023 (2022: 35.4%). After adjustment for cash and marketable securities, the equity ratio was 51.7%.

Net cash flows from operating activities totalled EUR 63.4m in the reporting period.

LIQUIDITY SAFEGUARDS FLEXIBILITY

The Group's cash and marketable securities advanced year on year from EUR 132m to EUR 163m. This development was attributable to solid cash flow from operating activities (EUR 63.4m) and the partially paid proceeds from the sale of a 39% interest in the Musso Group, which exceeded expenses for loan repayments, dividends and investments.

Most of this liquidity is invested in money markets and around 20% in defensive multi-asset funds, meaning that the Berndorf Group has retained the flexibility required to respond quickly and appropriately to opportunities and crises.

LONG-TERM FINANCE

Long-term finance is secured via promissory notes and additional long-term loans.

Detailed, forward-looking liquidity planning ensures that the Group has the resources it needs to maintain its long-term financial independence. At present, the Group makes no use of factoring to collect receivables, and none of its receivables are securitised (asset-backed securities).

INVESTMENT, RESEARCH AND DEVELOPMENT



INVESTMENT

The companies in the Berndorf Group invested EUR 24.8m in intangible assets and in property, plant and equipment during the reporting period (2022: EUR 25.8m). As a result, investment was slightly higher than depreciation and amortisation (EUR 22.3m). Group companies financed their investment activities principally from operating cash flow. Berndorf AG kept investment activity at a high level in 2023, while continuing to focus on the need to safeguard liquidity so that the Group companies had the greatest possible room to manoeuvre financially. Investment continues to centre on innovation, digitalisation and modernisation, as well as increasing production efficiency.

180 YEARS OF MODERNISATION AT THE BERNDORF SITE

180 years after Krupp and Schoeller first started manufacturing cutlery on an industrial scale in Berndorf, this industry stronghold is still going strong. Since the privatisation of Berndorf AG 35 years ago, the company has been committed to creating a modern environment in a historic location where ideas and people can develop and reach their full potential. In 2023, the business park was occupied by various Berndorf AG subsidiaries as well as a growing number of external tenants.

Although the location already offers exceptional quality in terms of technology, infrastructure and environmental friendliness, the investment programme will continue at various different levels. Contemporary and sustainable yet always careful in the context of the wider site, the industrial location will continue to develop in the 21st century.

Besides continuing to expand alternative electricity generation – Berndorf has been the third-largest electricity-producing business location in Lower Austria since 2022 – use of alternative forms of heating will be accelerated in the medium term. In addition, energy requirements will be cut by insulating and refurbishing existing properties in tandem with a systematic new-build programme.

In all of these activities, moving away from sealed surfaces and finding new uses for areas that have already been sealed will provide the guiding principle. This also goes for the major construction site in the east of the Berndorf site, where work began in 2023. In a EUR 25m project, Berndorf AG will add around 15,000m² of space to help the Lumpi-Berndorf wire and cable works keep pace with rapidly rising international demand for transmission lines for electrical energy. Once completed, a PV array and heat pump system will be among the facility's basic amenities, making it the most modern production building on the Berndorf site.

RESEARCH AND DEVELOPMENT

Promoting the development of R&D in Europe is among the declared aims of Berndorf AG as a Group that is firmly rooted in Austria. The fact that industrial operations on the ground were left facing an extremely anaemic overall economy in 2023 – the negative effects of which were exacerbated by unfavourable economic policy decisions by the EU – gives cause for concern.

An increasing number of sectors are withdrawing production and research capacities from Europe. From Berndorf AG's perspective, it makes it all the more worrying that the economic policy direction currently being pursued at the European level looks set to continue, and will put industrial jobs at further risk as a result. The capacity that is lost along the way will no longer be available to take up the slack when the global economy picks up again.

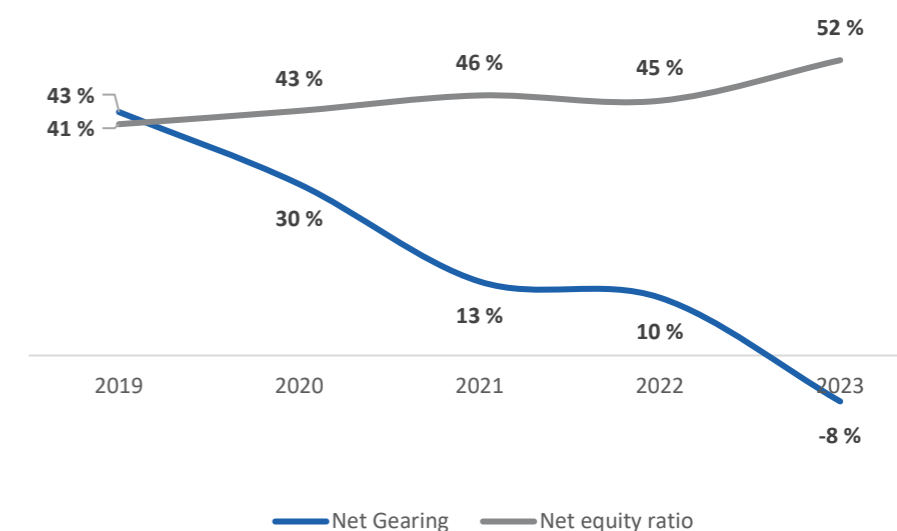
Throughout its 180-year history, Berndorf AG has seen that standing by its commitment to a long-term R&D strategy enables it to cultivate an innovative spirit and research-led mindset – even in economically challenging times. The Group companies' continued ability to seek out opportunities for innovative projects in Europe will be crucial if Berndorf AG is to have a successful future.

Successful R&D investments are designed to give Berndorf companies the opportunity to offset the competitive disadvantages they face by turning their intelligence and technological expertise to their advantage and translating them into very strong operating results. Following the establishment of Berndorf Innovation and Technologie GmbH (BIT) in 2018, Group companies have had the chance to apply for additional funding for innovative projects that have the potential to make a long-term impact.

FRESH BIT FUNDING IN THE PIPELINE

Having overcome the hiatus induced by the pandemic and successfully allocated fresh funding once again in 2022, the programme got back under way in spring 2023 with a fourth round of funding. All of the projects submitted were rated as high quality and the corresponding funding applications were approved, ensuring that the R&D ratio has held firm at a high level throughout the Group.

The BIT initiative is structured in a way which ensures that innovations brought onto the market as a result of the successful projects generate gradual returns over time. In a reflection of its long-standing commitment to promoting innovation, Berndorf AG consciously adopted a long-term approach regarding the returns on the funding extended. The innovation projects driven forward in this way have largely performed extremely well, making an important contribution towards underpinning the core competences of Berndorf businesses, and helping to ensure that they are well-equipped in the face of competitive market conditions going forward. All of this has encouraged Berndorf AG to earmark fresh funding of up to EUR 3m for 2024.



SUSTAINABILITY AND THE ENVIRONMENT

Berndorf AG is the holding company of a group of globally active small and medium-sized industrial enterprises serving niche markets, all of which are committed to pursuing a sustainable business model. This entails building on the Group's knowledge, experience, skills and international network of contacts, always with a view to living up to its social and environmental responsibilities.

FINANCIALLY INDEPENDENT – ENVIRONMENTALLY SUSTAINABLE

In the course of its privatisation 35 years ago, Berndorf AG plotted a course for the evolution of an innovative, profitable group built on strong financial foundations. The nature of the ownership structure is such that managers and employees reap the rewards of sustainable commercial activities. For Berndorf AG, being profit-oriented also means ensuring that Group companies remain in good shape and are able to operate effectively over the long term. This enables the Berndorf Group to live up to its financial, environmental and social responsibilities, both to its people and to society, safeguarding sustainable living environments for years to come. This all-important appreciation of what is absolutely fundamental for all our futures means we have to face the fact that the Earth's natural resources are not unlimited. Taking this as its starting point, the Management Board of Berndorf AG identifies opportunities for the Group companies to make a lasting contribution to supporting the planet's positive evolution through new technology.

SYSTEMATIC IMPROVEMENTS IN PRODUCTION STANDARDS

In particular, these include constant improvements in the quality of production processes, which pave the way for continuing ISO environmental management certification of various production locations worldwide. Multi-year programmes are in place

to implement energy-efficient building upgrades, create nature reserves and rainwater soakaways at the Group's facilities worldwide. When establishing new production sites, Berndorf Group companies always strive to achieve the highest European environmental and technological standards, regardless of location. Berndorf AG also supports long-term basic research that could lead to the complete replacement of high-risk production methods in metal processing.

ON TRACK FOR CLIMATE-NEUTRAL OPERATIONS

In the diverse markets that Berndorf serves worldwide, each of the companies in the Group works closely with their customers to perform systematic research into new technological solutions that contribute to reducing global CO2 emissions and help to avoid unnecessary transportation. The Berndorf companies have identified significant potential over the coming years for decarbonising heat treatment processes, as well as prospective gains related to the energy-efficient production and storage of hydrogen for a variety of industrial applications. Berndorf AG's strong focus on sustainability and environmental protection is also designed to feed into training and mentoring programmes for senior managers at the Group companies year in year out.

BEING PROFIT-ORIENTED ENSURES THAT GROUP COMPANIES REMAIN IN GOOD SHAPE AND ARE ABLE TO OPERATE EFFECTIVELY. GLOBALLY THEY BRING THE GROUP'S KNOWLEDGE, EXPERIENCE, SKILLS AND INTERNATIONAL NETWORK OF CONTACTS TO BEAR IN A WAY THAT HELPS THEM LIVE UP TO THEIR SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES.

HUMAN RESOURCES, RISK AND OPPORTUNITY MANAGEMENT



In 2023 the Berndorf Group had an average of 2,480 employees (full time equivalent) at its consolidated subsidiaries. Berndorf AG is the parent of a global group of companies with strong European roots. Although more than 90% of total revenue comes from foreign operations and customers, about a quarter of Berndorf's employees are based in Austria, which underlines the strength of the Group's ties with its historic industrial foundations.

SECURING PROFESSIONAL EXPERTISE IN TEAMS

Berndorf AG has implemented a range of initiatives that have driven forward the expansion of a diversified, team-based structure. The talents@berndorf programme for high potentials offers young academics in the fields of business and technology an opportunity to combine theory with practical application. Many of these "Berndorf talents" have already become indispensable members of staff at their respective companies.

In times of growing competition on a labour market that is becoming increasingly tense due to a wide range of external factors, it has been possible in more and more cases to retain and continue integrating long-serving employees who have already reached retirement age into Group company operations. Valued for their professional expertise, contribution to team spirit and passion for the company, these employees are only too happy to stay on.

WOMEN'S NETWORK RAISES AWARENESS

Berndorf's corporate philosophy not only promotes diversity in terms of age, ethnicity and nationality; gender equality also plays a vital role in day-to-day operations. Set up in 2019, the Women's Network is run by a group of dedicated female executives from the Group companies. They work tirelessly to raise awareness of the importance of equal opportunities, and have the support of Berndorf AG's Management Board and Supervisory Board.

Information on the number of female employees as well as female managers at Management and Supervisory Board level and on the various committees at the Berndorf companies has been an integral part of the Group's reporting since 2020. This highlights what still needs to be done in order to attract more women to work for our companies. At present, women make up 18% of the Group's workforce.

QUALIFICATION PROGRAMMES: LASTING RECIPROCAL IMPACT ON COMPANIES

Providing development opportunities for our employees is a core consideration for the Berndorf Group companies. The critical success factor is not just individualised development of highly-qualified managers, but also the initiation of systemic improvements through specialised networking. To take one such example, the "womentoring project", which was originally launched for individual female managers, became a permanent, all-gender mentoring programme for the entire Berndorf Group in 2022/23.

Entitled "Our path to climate neutrality", the final presentation prepared by the 12th Berndorf Academy class continues to have an impact on companies to this day. The induced savings calculated on the basis of in-depth research thanks to careful use of resources have demonstrated what each particular Group company is capable of achieving on its path to climate neutrality. The climate protection officers at the individual Berndorf companies have been working on implementing the changes since 2023.

A new chapter in skills development for managers was opened at the turn of 2022/23. The Berndorf Executive Academy has been replaced by the more extensive Berndorf Leadership Academy (BLA). This extended, part-time qualification programme is currently aimed at more than 60 executives in the Berndorf Group worldwide.

QUALITY CERTIFICATE FOR APPRENTICESHIPS

In the increasingly fierce competition to attract the best skilled workers of tomorrow, the quality of in-house apprenticeship training is becoming more and more important. In 2022, the Berndorf apprenticeship workshop reached an important milestone when it became the first ever training centre in Austria to be issued with Quality Austria's ISO 29993:2017 quality certificate for learning services outside formal education – a seal of approval like this provides a key source of guidance for the many young people who are trying to choose the right industrial apprenticeship, particularly given the numerous apprenticeship options available in Austria.

In an especially encouraging development, more and more young women are making the most of the opportunities available and taking up technical apprenticeships in Berndorf. Two women successfully completed their final mechanical engineering technician apprenticeship examinations in the reporting period. In March 2023, they became the first women in the company's 100-year history to join the core team of technicians at Berndorf Bäderbau.

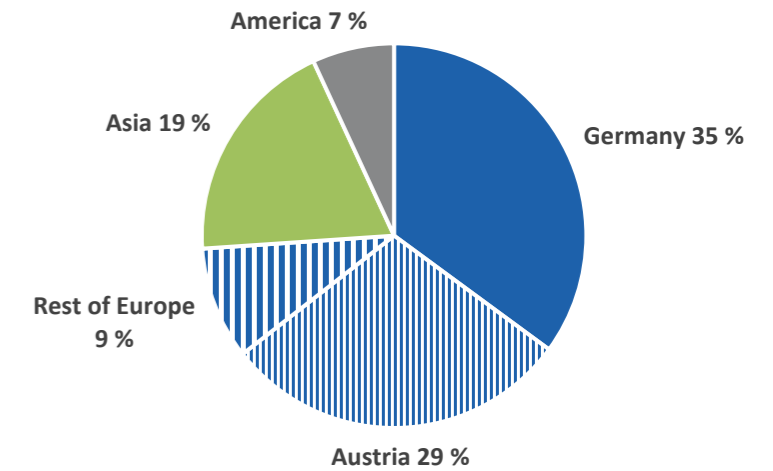
RISK AND OPPORTUNITY MANAGEMENT

There is a strong sense of risk awareness among management and staff throughout the Group. Each of the Group's business segments has an internal control system (ICS) as part of its enterprise risk management system, so that risk awareness is formally integrated into company structures and clear to everyone. This issue is also covered in the Group companies' rules of procedure. The Group-wide financial management guidelines implemented in detail by the Group companies regulate financial targets and principles in order to maintain solvency and financial security at all times, as well as underpinning financial independence and ensuring the transparency, management and limitation of financial risks.

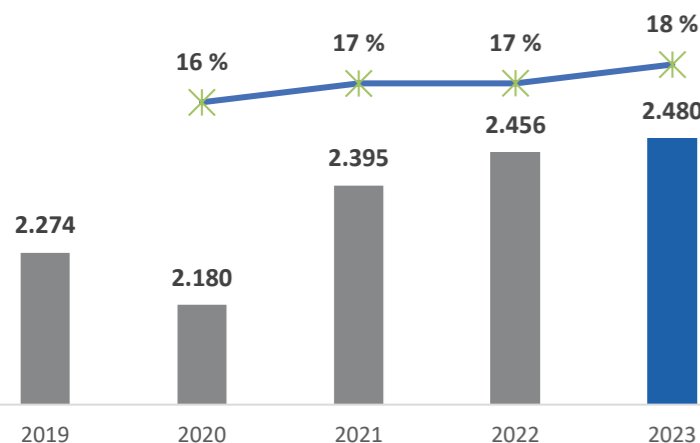
A global view of the Berndorf Group in 2023 also reveals how the companies' highly diverse product portfolios cushion the impact of cyclical fluctuations. The Group's broad customer base minimises its exposure to sudden falls in demand. The Group negotiates fixed interest rates wherever necessary in order to manage financial risks. Where appropriate, currency risks are balanced by means of currency futures and local production.

Variations in prices and base materials can largely be passed on to customers. Liquidity risk is limited, thanks to cash and marketable securities of EUR 163.0m and sufficient equity (gross equity ratio: 39.3%, net equity ratio: 51.7%).

EMPLOYEES WORLDWIDE



HEADCOUNT



Default risks are kept to a minimum by means of insurance and the subsidiaries' broad customer base. The risks faced by the Berndorf Group remain manageable and do not present any cause for concern regarding the company's ability to continue as a going concern.

IT

Minimising risk is at the heart of Berndorf AG's IT security strategy. With international teams increasingly collaborating on networked IT platforms, the resulting accelerated pace of digitalisation is placing ever greater demands on the security of digital communication systems. Consequently, security experts at the individual Group companies work together continuously to apply Berndorf's corporate values even more strictly to information security. In 2023, the Berndorf IT Security Day event celebrated its 10th anniversary. A total of 16 participants working in a range of industries exemplified the emphasis that companies in the Berndorf Group place on personal exchanges between experts in this area. Professional oversight for this area is the responsibility of Bee Security GmbH, a joint venture founded in 2018 in which Berndorf AG inquired an interest in 2019. Its remit includes auditing all of the precautionary measures introduced in this area, and supporting efforts to raise awareness of everyday IT security threats.

OUTLOOK FOR 2024

According to economic research forecasts, the clouds hanging over the European economy are only expected to lift very slowly in 2024. Especially in Central Europe, the economy will be stagnant at best in the first half in the wake of last year's recession. One of the major exceptions is the tourism industry, which has continued to boom in Austria. By contrast, the contraction in the industrial sector may well persist for the time being, as high interest rates are still weighing on demand for capital goods. This is having a negative impact on industry in countries such as Germany, Austria and the Czech Republic, which have long stood out for their high degree of specialisation.

CONTRACTION IN INDUSTRY SET TO CONTINUE, INFLATION SLOWING

The current weakness in industrial performance is now also starting to have an impact on related service industries. In Austria, retailers are increasingly feeling the effects, as is the transport sector. A significant pick-up in growth is not expected until the third and fourth quarters of 2024. The EU Commission's forecast – which was recently revised downwards for the third time – predicts growth of 0.8% for the year as a whole. Growth in Europe is expected to gain traction in 2025 and is seen reaching 1.2%.

However, sluggish economic growth in Europe will also cause price rises to slow in 2024. In contrast to its earlier expectations of inflation of 3.2% for this year, the European Commission is now forecasting a rate of 2.7% in 2024. This drop-off is reflected in eurozone producer prices, which are falling more and more quickly. A month-on-month decline of 10.6% was reported in December 2023, which was lower than analysts' expectations. By way of comparison, producer prices dropped by 8.8% in November.

MODEST GLOBAL ECONOMIC GROWTH

Economic growth remains extremely fragile outside Europe too, and the OECD sees the world economy recovering only slowly in 2024. The latest figures suggest that global economic growth will reach 2.9% this year. At present, companies with facilities in the USA are in a position to capitalise on their competitive advantages over the EU.

US businesses are benefiting from a significantly more favourable energy cost environment than their European counterparts, and from a more upbeat investment climate, which has been given a further

boost by support measures focused on innovation, including the Inflation Reduction Act (IRA). While the domestic political gridlock between the Republicans and the Democrats in the run-up to the US presidential election in November 2024 has led to a degree of uncertainty, concerns are also increasingly being voiced about the impending threat of deflation in China, the world's second-largest economy.

COMPETITIVE IMBALANCES IN FAR EAST MARKETS

China reported the biggest fall in prices for 14 years at the start of 2024. This has left consumers highly reluctant to spend, which in turn has put the brakes on economic growth. Nevertheless, the country is expected to hit the official government target of GDP growth in excess of 5%. The expansion in gross domestic product has been even stronger in India – according to IMF forecasts, growth will come in above the 6% mark for the second year in succession in 2024.

Recently overtaken for the first time as the world's biggest car exporter by China, which shipped five million vehicles to buyers abroad in 2023, Japan's soaring stock market is giving grounds for optimism regarding economic performance in 2024. The current boom in artificial intelligence (AI) has pushed the Tokyo stock exchange's Nikkei index above 39,000 points – a high not seen since the late 1980s.

Japan is keen to put its new-found economic strengths on show with the next World Expo – which is being hosted by Osaka for the second time after 1970 – just around the corner in 2025. The country is also looking to shake off the setback of its surprise slide into recession in 2023 that relegated its economy to fourth place in the world, behind Germany, which also saw its economy contract.

BERNDORF MAINTAINING FOCUS ON EXPORT GROWTH

Even though the complex global economic environment only holds the prospect of muted growth, an analysis of specialised markets reveals significant potential for export-led businesses – like those that make up the Berndorf Group. Our optimism stems from the fact that we are in a position to build on the foundations we laid successfully last year.

According to the Research Centre International Economics (FIW) trade indicator published by the Austrian Institute of Economic Research in February 2024, domestic exporters are cur-

rently posting encouraging gains in market share. Exports by Austrian companies grew by 2.7% last year, while the remaining eurozone countries saw their exports fall by the same degree.

The latest findings of the FIW research partnership showed particularly strong performance in mechanical engineering sector exports to the USA – a not-insignificant industry for the Berndorf Group. Rapidly growing demand for wind turbines in Asia is also having a positive impact. This is reflected in the performance and outlook for the Berndorf Group's heat treatment specialist AICHELIN, which has a strong presence in China.

BERNDORF: STAYING PROFITABLE THANKS TO INNOVATION

It is important not to overlook the fact that in a period of high inflation, opportunities to gain market share are offset in many cases by falling margins. The influence of rising wage costs, high energy prices, excessive European regulations, and in particular the increasing international competition between suppliers on the market is simply too strong to ignore. As a result, Berndorf AG expects revenue to remain flat in 2024, alongside a drop in earnings. This means that those Berndorf Group companies whose customers have reined in investment will be forced to streamline their organisational structures. This will call for a more focused approach to addressing customer requirements, using smaller, highly qualified teams, with a view to enhancing efficiency and also profitability. The goal of Berndorf AG's Management Board is to ensure that all Group companies are in a position to outperform the wider market in 2024, as they did last year.

Berndorf will continue to actively capitalise on the opportunities opened up by innovation in order to meet this challenge, with Berndorf AG leading by example: this year the company is allocating additional funding to the BIT innovation programme. In view of Berndorf AG's responsibility to promote the dynamism and strength of all the Group companies in the future, investment in the development of new technologies is paramount.

KEEPING A STEP AHEAD OF THE COMPETITION WORLDWIDE

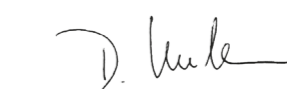
The targets for future investments will depend on local conditions, which are, in turn, shaped by wage and energy costs. Many companies have already decided to relocate new investments and capacity increases to India or the USA, due to the absence of the necessary planning certainty in Europe. The overabundance of industrial policy regulations, coupled with a lack of openness to technology, will massively restrict the EU's future competitiveness. The Berndorf AG Management Board will take upcoming investment decisions in close consultation with the Group companies. We will continue to pursue our objectives in industries where it is possible to compensate intelligently for competitive disadvantages and turn them into advantages in the long run. The expansion projects scheduled for 2024 at LB's wire plant and at Silica in Poland show that even in Europe, a strong sense of commitment can keep businesses a step ahead of competitors from all over the world.

In the Berndorf AG Management Board's view, ensuring that the Group companies remain on a stable footing and continue to follow conservative financial policies will be decisive. Based on these foundations and as the representatives of the Group's owners, the Supervisory Board supports the Group's continued development with a long-term, forward-looking approach. Berndorf's industrial sector has a long tradition of joining forces to overcome major challenges, and of rising to difficult tasks. And by working with our employees, we believe that even in the current environment we can do exactly that once again.

Berndorf, 13 March 2024



Franz Viehböck



Dietmar Müller

REPORT OF THE SUPERVISORY BOARD



SONJA ZIMMERMANN

Chairwoman of the Supervisory Board
Shareholder Representative

In the 2023 financial year, the Supervisory Board held four meetings and performed its duties in accordance with the law and the articles of association.

The Management Board informed the Supervisory Board at regular intervals verbally and in writing about the course of business and the situation of the Group and Group companies. The Supervisory Board discussed in detail all transactions and measures requiring its approval. At the meetings of the Supervisory Board, members discussed in particular acquisitions, the economic situation of Group companies and their outlook, measures to improve competitiveness and market position, as well as the Group's investment and financial planning.

The 2023 financial statements and consolidated financial statements of Berndorf AG prepared by the Management Board, and the consolidated management report summarised in the operational review, were audited by Deloitte Wirtschaftsprüfungs

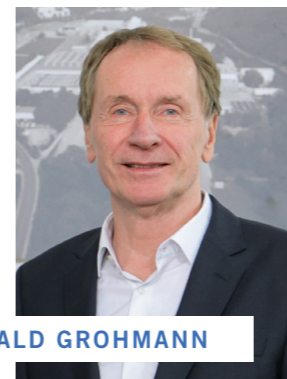
GmbH. Examination of the financial statements and consolidated financial statements did not reveal any material grounds for objection and they were thus awarded an unqualified audit opinion.

The Supervisory Board agrees with the result of the audit, with the financial statements including the operational review and proposal for the appropriation of net income submitted by the Board of Directors, and approves the financial statements in accordance with section 125(3) of the Austrian Stock Exchange Act (Aktiengesetz), which are thus considered adopted. The Board also agrees with the consolidated financial statements prepared in accordance with section 246 of the Austrian Business Code (Unternehmensgesetzbuch).

We would like to express our sincere thanks to the members of the Management Board and to all employees for their dedication and outstanding performance.

Berndorf, March 2024

Sonja Zimmermann,
Chairwoman of the Supervisory Board



GERALD GROHMANN

Shareholder Representative



WOLFRAM LITTICH

Shareholder Representative



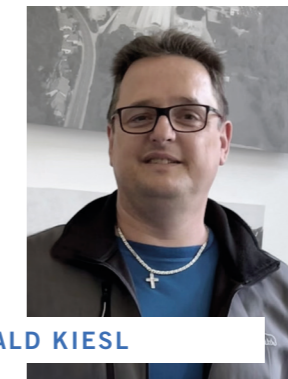
ELISABETH ENGELBRECHTSMÜLLER-STRAUSS

Shareholder Representative



BARBARA BURGER

Shareholder Representative



EWALD KIESL

Shareholder Representative

BALANCE SHEET ASSETS

		EUR thsd	2023	2022
A.	NON-CURRENT ASSETS		199,448	172,558
	i. INTANGIBLE ASSETS		12,832	16,555
	1. Concessions, copyrights and other rights		2,523	2,044
	2. Goodwill		10,297	14,505
	3. Advance Payments		12	5
	ii. PROPERTY, PLANT AND EQUIPMENT		106,903	103,916
	1. Land, buildings and improvements on leasehold property		46,083	47,142
	2. Machinery, plant and equipment		29,688	32,742
	3. Other machinery, plant and equipment		19,198	18,116
	4. Advance payments and assets under construction		11,934	5,916
	iii. FINANCIAL ASSETS		79,712	52,088
	1. Investments in affiliated companies (not consolidated)		17,755	23,314
	2. Investments			
	a) Investments in associated companies (consolidated)		26,521	22,370
	b) Investments in associated companies (not consolidated)		2,478	3,788
	c) Other investments		159	164
	3. Loans to affiliated companies (not consolidated)		182	227
	4. Loans to associated companies (not consolidated)		0	0
	5. Marketable securities and rights		1,643	1,925
	6. Other loans		30,975	300
	7. Advance payments		0	0
B.	CURRENT ASSETS		465,519	450,348
	i. INVENTORY		140,160	147,658
	1. Raw materials and supplies		55,424	65,478
	2. Work in progress less prepayments from customers		43,666	40,819
	3. Finished goods and trading stock less prepayments from customers		14,053	15,007
	4. Merchandise		13,137	11,599
	5. Services not yet invoiced less prepayments from customers		7,403	4,889
	6. Advance payments less prepayments from customers		6,477	9,865
	ii. RECEIVABLES AND OTHER ASSETS		162,373	170,649
	1. Trade accounts receivable		113,050	115,359
	2. Accounts receivable from affiliated companies (not consolidated)		9,174	7,769
	3. Accounts receivable from associated companies		989	2,398
	4. Other receivables and assets		39,159	45,123
	iii. MARKETABLE SECURITIES		25,010	25,928
	iv. CASH, CHEQUES AND BANK BALANCES		137,977	106,113
C.	PREPAID EXPENSES		3,367	2,813
D.	DEFERRED TAX ASSETS		10,876	10,071
	TOTAL ASSETS		679,209	635,790

BALANCE SHEET EQUITY & LIABILITIES

		EUR thsd	2023	2022
A.	SHAREHOLDERS' EQUITY		266,671	224,499
	i. CAPITAL STOCK		11,000	11,000
	ii. PARTICIPATION CERTIFICATES		3,020	3,020
	iii. CAPITAL SURPLUS		3,334	3,334
	iv. RESERVES		24,577	24,577
	v. FOREIGN CURRENCY TRANSLATION ADJUSTMENTS		1,808	4,558
	vi. MINORITY INTERESTS		19,701	18,347
	vii. UNAPPROPRIATED RETAINED EARNINGS		203,231	159,665
	of which retained earnings		159,665	121,847
B.	GRANTS		392	330
C.	ACCRUED LIABILITIES		120,122	97,822
	1. Accruals for severance payments		15,966	14,829
	2. Accruals for pensions		29,335	29,710
	3. Tax accruals		19,919	6,908
	4. Other accruals		54,903	46,376
D.	LIABILITIES		289,521	306,594
	1. Bank loans and overdrafts		141,413	154,774
	2. Advance payments		83,763	73,210
	3. Trade accounts payable		38,121	49,838
	4. Liabilities due to drawn drafts and issued promissory notes		214	437
	5. Accounts payable to affiliated companies (not consolidated)		3,389	10,088
	6. Accounts payable to associated companies		286	311
	7. Other liabilities		22,334	22,935
E.	DEFERRED INCOME		2,503	1,544
	TOTAL LIABILITIES		679,209	635,790

INCOME STATEMENT

		in TEUR	
		2023	2022
1.	NET SALES	626.909	601.760
2.	Change in work in progress and finished goods, and goods and services not yet invoiced	22.447	20.084
3.	Own work capitalised	1.068	2.768
4.	Other operating income	10.998	40.208
a.	Income from disposals of property, plant and equipment	790	18.835
b.	Income from reversals of accruals	2.794	5.373
c.	Other	7.414	16.000
5.	Costs of materials and purchased services	-322.419	-311.766
a.	Cost of raw materials, supplies and trading stock	-225.207	-210.384
b.	Cost of purchased services	-97.212	-101.382
6.	Staff costs	-183.978	-177.353
a.	Wages	-41.345	-40.193
b.	Salaries	-105.257	-99.052
c.	Employee benefit costs		
aa.	Retirement benefit expense	-1.590	-3.510
bb.	Termination benefit expense and payments to employee benefit funds	-2.971	-3.288
cc.	Expenses for social security contributions and other pay-related contributions	-30.903	-29.096
dd.	Other	-1.912	-2.213
7.	Amortisation of intangible and depreciation of tangible assets	-22.709	-21.627
8.	Other operating expenses	-95.410	-92.079
a.	Taxes	-1.521	-2.077
b.	Other	-93.889	-90.002
9.	OPERATING INCOME	36.905	61.995

		in TEUR	
		2023	2022
10.	Income from Investments	14,604	6,744
a.	Affiliated companies	3,271	1.135
b.	Associated companies	11,333	3,473
11.	Income from other long-term securities and loans	21	138
	(of which affiliated companies EUR 0 thsd; 2022: EUR 125 thsd)		
12.	Other interest and similar income	4,839	2,360
	(of which affiliated companies EUR 530 thsd; 2022: EUR 176 thsd)		
13.	Negative interest on investments	0	-77
14.	Income from disposal of financial assets held as current assets	55,337	0
15.	Expenses related to financial assets held as current assets	-10,286	-4,243
a.	of which depreciation and amortisation EUR 8,283 thsd (2022: EUR -526 thsd)		
b.	of which expenses arising from affiliated companies EUR -9,031 thsd (2022: EUR -450thsd)		
16.	Interest and similar expense	-10,123	-15,147
	(of which affiliated companies: EUR -96 thsd; 2022: EUR -4 thsd)		
17.	NET FINANCE COSTS	54,392	-10,225
18.	PROFIT BEFORE TAX	91,297	51,770
19.	Taxes on income	-21,814	-12,419
a.	Current tax	-22,663	-9,814
b.	Deferred taxes	849	-2,605
20.	NET PROFIT	69,483	39,351

AUDITORS' REPORT

The consolidated financial statements of Berndorf Aktiengesellschaft, Berndorf, for the year ended 31 December 2023 (comprising the balance sheet, income statement and statement of cash flows) shown in the annual report are abridged versions. The abridged version of the consolidated financial statements does not include a consolidated statement of changes in equity for the year ended 31 December 2023 or notes to the accounts.

However, pursuant to section 281(2)(3) UGB [Austrian Business Code], we hereby state that the consolidated financial statements of Berndorf Aktiengesellschaft, Berndorf for the year ended 31 December 2023, drawn up in accordance with the statutory requirements, comprising the consolidated balance sheet as at 31 December 2023, and the consolidated income statement, cash flow statement and statement of changes in equity for the year then ended, as well as the notes to the accounts, were given an audit certificate by Deloitte Audit Wirtschaftsprüfungs GmbH.

The full consolidated financial statements and audit certificate have not yet been disclosed in the official gazette section of the Wiener Zeitung and entered in the company register of the Republic of Austria under reg. no. FN 115391i.

Vienna, March 2024

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