



Annual Report Summary

The Sustainable Colourful Metal Family Group



2022

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Foreword

Providing a safe work environment where all our Family members feel safe to be who and where they are is key to our ROTO Family. For that reason, every meeting starts with a Safety First touchpoint, aimed at improving safety awareness and safety behaviour. Unfortunately, the overall incident-related safety results of ROTO decreased because of the acquisition of Prestia. We are, however, convinced that every accident can be prevented, and we are determined to realise this ambition.

While we were recovering from the covid pandemic, new challenges emerged in 2022 because of Russia's unprecedented acts of aggression against Ukraine. Consequently, Staco Polska decided to immediately stop trading with Russia and started to support refugees in Niepolomice, Poland, where Staco Polska is located. As a result of these large geo-political uncertainties, ROTO had to cope with the effects of unstable prices and supplies of raw materials plus vastly increasing energy costs, increases in salary costs and rising inflation in general. Although all this influenced volumes and margins, from a financial point of view, 2022 was still an excellent year.

Further deployment of our ROTO Strategy House

We continued implementing our ROTO Strategy House: our compass to drive The Sustainable Colourful Metal Family Group and meet the 17 UN Sustainable Development Goals (SDGs), integrated into our eight core themes. We worked on establishing qualified and quantified strategic plans for each of the Business Units, giving these Units more autonomy along the guidelines of those strategic plans and aiming to improve our analytical and forward-looking capabilities. To ensure cooperation and harmonisation among the Business Units, three ROTO Communities have been established and installed, working on common themes and making decisions on topics regarding Finance, Human Resource Management (HRM) and Safety, Health, Environment & Quality (SHEQ).

Integration of Prestia

At the same time, 2022 was key for further integration of Prestia, with 400 new Family members and more than € 50 million turnover in France. Prestia is working on its own strategic plans and collaborating with Rotocoat on all the different operational and strategic themes. Numerous opportunities have been identified, starting with safety in the first place, which has been broadly embraced by Prestia.

Excellent performance

Overall, 2022 was a positive year. All our Business Units contributed to ROTO's broad value creation and financial result, which reached a consolidated after-tax result of € 17.1 million (2021: € 11.7 million), strengthening ROTO's financial position.



Thank you

We are proud to have achieved this in an ever faster changing world, and we are very grateful to our Business Units and Family members for playing a fundamental role in delivering these excellent results. Therefore, we confidently continue our efforts for 2023 and beyond.



Again, a big thank you to all our Family members for their continuous efforts during 2022 and for being more and more entrepreneurial, reliable, passionate and committed!

Sustainable future

Sustainability remains high on our agenda and continues to be anchored in our DNA: it is crucial that we reduce and minimise our impacts and maximise the positive effects of our activities to contribute to society and create broad value for all our stakeholders in the ROTO Ecosystem.

To help us identify our impact areas and the associated risks, we are working on labelling our data. This will help us make informed and transparent decisions and report on them in accordance with the Corporate Sustainability Reporting Directive (CSRD).

Uitgeest, 20 June 2023

Ditmar Koster, CEO and Tom van Lindert, CFO

Our company profile



Roto The Sustainable Colourful Metal Family Group

Roto B.V. is a 100% independent Family business and is the holding company of ROTO. It acts as a committed investment company for ROTO and is continuously looking for a sustainable return.

We support our Business Units strategically and financially to achieve further sustainable growth and added value for our Family members and the ROTO Ecosystem. ROTO consists of five Business Units with a diversified portfolio, both in terms of activities and geographically:



The integration of Prestia is well underway and we encourage collaboration between our Business Units to strengthen our ROTO Family culture.



If everyone is moving forward together, then success takes care of itself.

Henry Ford

Within our ROTO Family Group, the Business Units operate autonomously and focus on their core business: steel and steel processing, grating technology, surface treatment and zinc recycling. The Business Units are primarily focused on the European market and provide their services from Belgium, France, Germany, the Netherlands, Poland and the United Kingdom.

Our ROTO Strategy House: the why, how and what

Our why, how and what become clear from our ROTO Strategy House, a house with a solid foundation, strong walls and a sturdy roof, declaring our purpose, core values, Business Unit strategies and strategic core themes and integrating the 17 SDGs as much as possible. In 2022, our ROTO Strategy House was modified to reflect ROTO's new corporate identity; the purpose and content remain unchanged.



The Sustainable Colourful Metal Family Group

Entrepreneurial, Reliable, Passionate & Committed



YOU BUILD WE SUPPLY



> Create and inspire



RELIABLE AND FAST



Sustainable excellence



Safety



People



Sustainability



Marketing



Sales



Digitalisation



Innovation



Finance

Our purpose

For our ROTO Family, 'living' in our ROTO Strategy House, our purpose of being **The Sustainable Colourful Metal Family Group** is central.

- 1. The:** it is our ambition to be world champions in our field.
- 2. Sustainable:** we are committed to a sustainable future for our Family members and the environment, and we have sustainable financial policies to secure the future of our Family Group.
- 3. Colourful:** we not only have diverse and colourful activities but also a diverse and colourful work force.
- 4. Metal:** the playing field in which we want to be world champions. We explicitly exclude other materials to ensure focus.
- 5. Family:** we are a Family business. All members of the ROTO Family support each other in good and bad times, share the burdens and reap the benefits.
- 6. Group:** we work together as a group towards a sustainable financial future that gives us the freedom to realise our ambitions. Together we are stronger.

We believe that as **The Sustainable Colourful Metal Family Group**, we can contribute to a better, more sustainable and more colourful future for our Family members, the ROTO Ecosystem and everyone around us. And by doing so, we can pass on our Family business to future generations.

Our core values

Our core values **entrepreneurial, reliable, passionate and committed** indicate who we want to be and what you can expect from us. Our core values are an important part of our Family culture, connecting our Family members to the ROTO Ecosystem and reflecting how we want to do business and interact with each other.

We are convinced that by working this way, we enjoy our work more, perform better, have a positive influence on our Family members and add value within our Business Units. We can only be sustainable by embracing and living our core values every day.

<p>Entrepreneurial Ondernemend Esprit d'entreprendre Unternehmerisch Przedsiębiorczy</p>	<p>Reliable Betrouwbaar Fiabile Zuverlässig Godny Zaufania</p>	<p>Passionate Gepassioneerd Passionné Leidenschaftlich Pełen Pasji</p>	<p>Committed Betrokken Engagé Engagiert Zaangażowany</p>

Our core values



Entrepreneurial

Ondernemend Esprit d'entreprendre
Unternehmerisch Przedsiębiorczy

We have a positive attitude and are open to improvements and new opportunities. We encourage each other to ask questions and be ambitious. To make progress, we take new initiatives and are not afraid to make mistakes and learn from them.



Reliable

Betrouwbaar Fiable
Zuverlässig Godny zaufania

A deal is a deal: we do what we say, and we say what we do, whether internally, with customers or with other stakeholders of the ROTO Ecosystem. We work openly and honestly together and challenge each other. We contribute positively to the implementation of decisions taken and help solve problems and create new opportunities.



Passionate

Gepassioneerd Passionné
Leidenschaftlich Peten pasji

We do our utmost: working with passion and enthusiasm makes life much more enjoyable and inspiring. We also encourage each other to be eager to learn and to focus on innovation and development. By daring to dream, test and also fail, we can push boundaries.



Committed

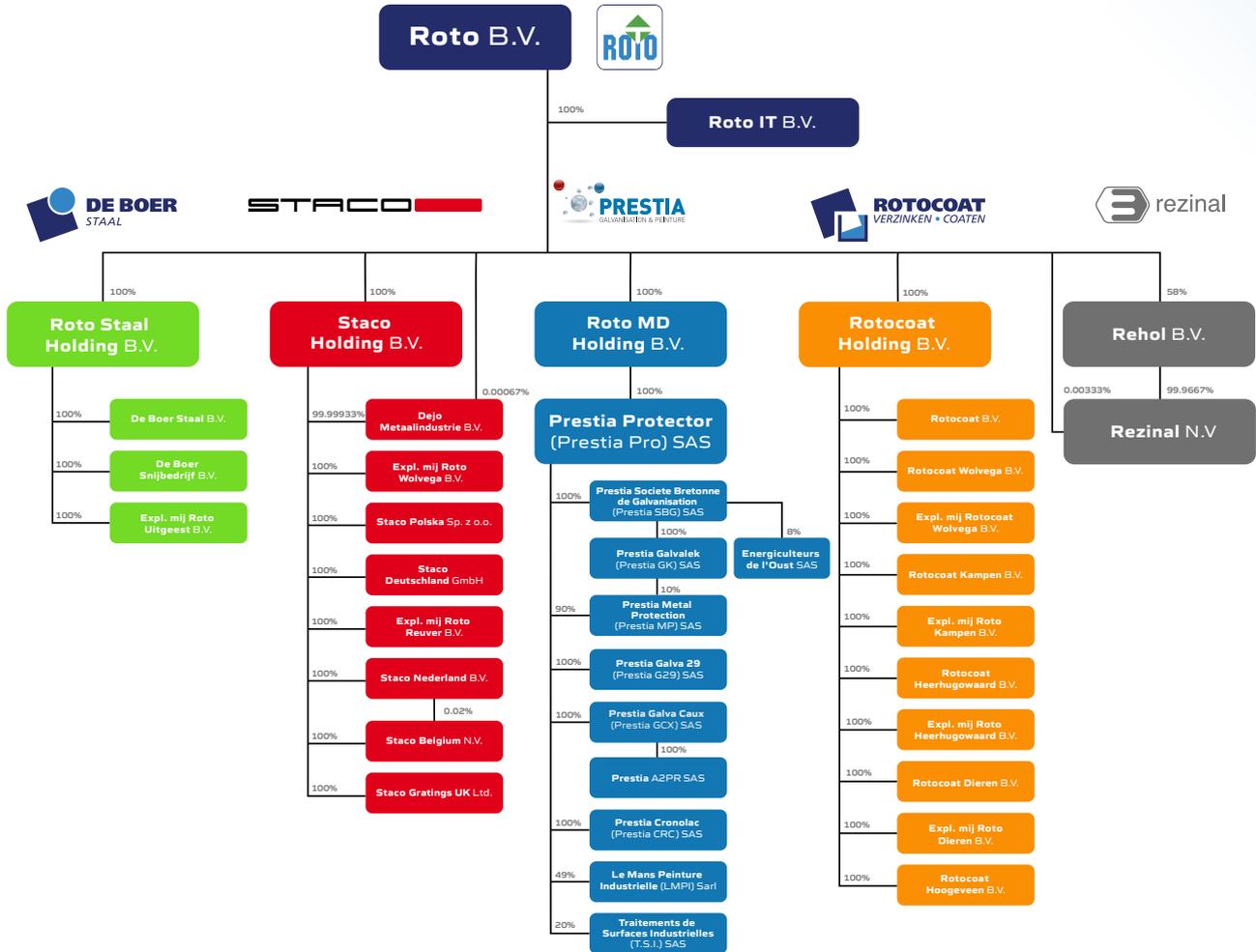
Betrokken Engagé
Engagiert Zaangażowany

We are loyal and committed to ourselves, our Family members and the business. We are helpful and take care of each other, remaining critical and demanding at the same time. We always go the extra mile where necessary and are committed to achieving our sustainability objectives.

Our Business Units

Our five Business Units provide different activities, products and services and operate in different markets. Therefore, they all have their own business strategy which contributes to our purpose.

Legal structure





2022 was an important year in which we developed our strategical roadmap for a sustainable future and De Boer Staal became a net CO2 contributor (scope 1 and 2).

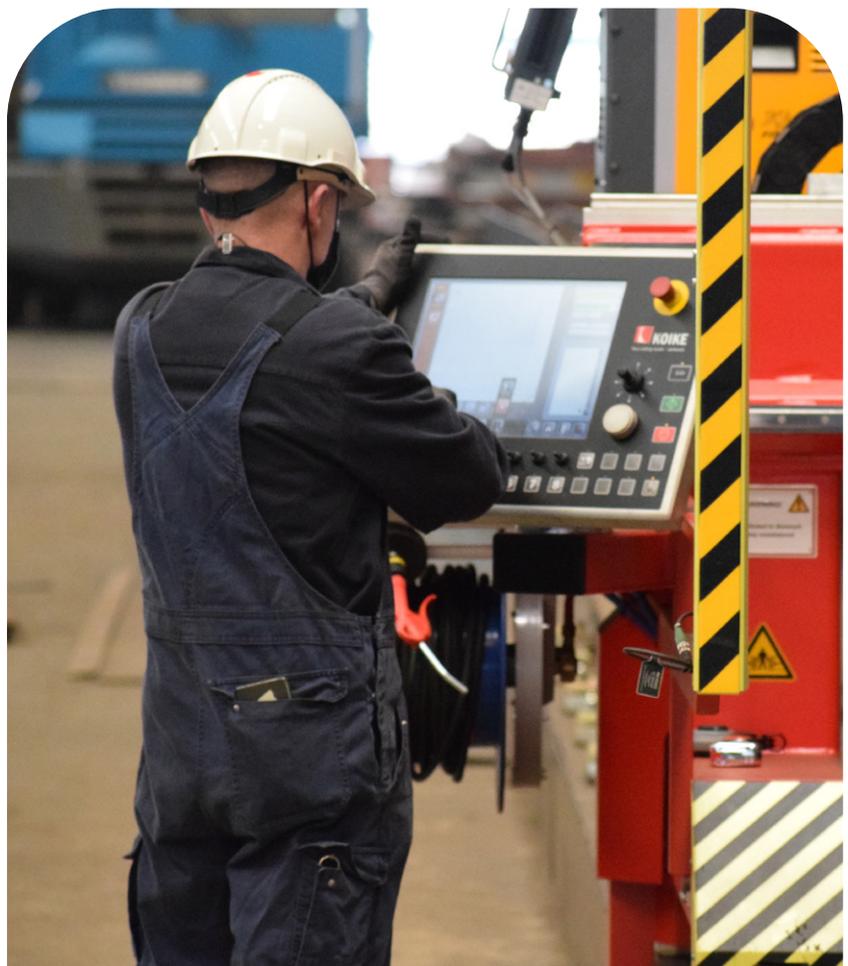
Jack Vet , Brendon Beumer en Erik van Kampen managementteam De Boer Staal

(*scope 1 and 2)



The why of De Boer Staal is **'you build we supply'**. After restating its strategy and leaving the trade, the future pillar for De Boer Staal is being the preferred cutting company for specific identified product market combinations (PMCs), focusing on shipbuilding, bridges, sluices and works of art, groundworks, road construction and waterways as well as the production of machines and equipment.

YOU BUILD WE SUPPLY





“

Through our ongoing investment in people and machinery, we have made some exciting progress in our journey to become the preferred choice for our customers in every grating and façade application.

Ludger Kramer, Stephanie Dörenberg and Luc Munninghof, management team Staco



With '**Create and Inspire**', Staco focuses on more complex assignments with a higher margin. In its strategic review, Staco sharpened its why to 'Staco is the preferred sustainable choice in every challenging metal grating or façade project'.

Staco provides a complete range of gratings, stair treads and associated products in steel, stainless steel, aluminium and expanded metal, which genuinely contributes to the architectural value of a building. Staco products are found in multiple and varied sectors including industry, residential and commercial/retail construction, offshore and shipbuilding, agriculture and civil engineering. Staco is an international group and has production sites and sales offices throughout Europe. Staco,

Create and Inspire





For the full year of 2022, Prestia was a member of the ROTO family. A year full of passionate discoveries, challenges in an entrepreneurial mindset and with family members who are reliable and committed.

Merci, Dankjewel, Danke, Dzięk, Thank You.

Marc Toulgoat, David Benoist, Ali Karabulut, Christian Wozniak and Arnaud Zedet, management team Prestia



Under the slogan '**Sustainable Services & Protection**', Prestia specialises in the anti-corrosion treatment of steel by galvanisation, powder coating, metallisation and wet painting. Prestia's production sites are located in the north-west of France and provide a high level of service. In its strategic plan, the new why changed towards '**Together, let's protect and build a colourful and sustainable future**' whereby Prestia will provide sustainable services and protections.

Sustainable Services & Protection





In 2022, Rotocoat worked on its further strategic development. The cooperation with Prestia was intensified and the investment in a modern and sustainable pre-treatment at Rotocoat Heerhugowaard, with the longest pickling baths in the Netherlands and a new zinc furnace with a more sustainable burner system, was completed. For 2023, we aim to become more sustainable again and we will focus on ROTO's core values.

Mehmet Cildir, Saskia de Rie, Klaas Bergsma, Pieter Sikkema and Gerlof Koster, management team Rotocoat

In its strategy plan, Rotocoat refocused the why to **'together sustainable, reliable and fast'**. It provides services such as the hot-dip galvanising and centrifuge galvanising of steel, the application of protective powder coatings on galvanised steel, steel, aluminium and stainless steel and thermal zinc spraying.

Rotocoat has four production sites in the Netherlands and is equipped to preserve large, wide and heavy materials. The combination of hot-dip galvanising and powder coating (duplex system) provides the most durable protection against corrosion of steel and gives the material a beautiful appearance.

Together sustainable, reliable and fast





After receiving the internationally recognised United Nations certificate of SDG Pioneer for Sustainable Entrepreneurship, Rezinal's ambition for 2023 is to grow to the next level, becoming an SDG Champion. Given our core activities and purpose, Rezinal has been focusing on sustainable excellence for many years, but in light of worldwide developing insights, we are even more committed to these goals and our ambitions.

Kristiaan Deckers, Patricia Denier and Dieter Stulens, management team Rezinal



With its why being '**Sustainable excellence**', Rezinal aims to be a world leader and trendsetter in zinc recycling with a most efficient production process focusing on zinc ashes, zinc scrap and other zinc-containing materials. This enables Rezinal to produce circular zinc of the highest quality, alongside by-products such as fine zinc ashes and zinc bottom dross. The circular zinc and by-products are used in high-value applications such as brass production, hot-dip galvanisation and zinc oxide production. Circular zinc is a logical solution for a world increasingly aware of the importance of sustainability.

Sustainable excellence



**Eight core
themes
integrated
in 17 SDGs**

Our objectives, based on the 17 SDGs, are integrated into our eight core themes for which 37 Key Performance Indicators (KPIs) have been determined. These KPIs apply to all five Business Units.

The overarching ROTO dashboard is used to measure our progress and is central to our continuous challenge and build. Moving forward, we will further enhance our balanced scorecard.



The table shows which SDGs we have integrated per core theme.

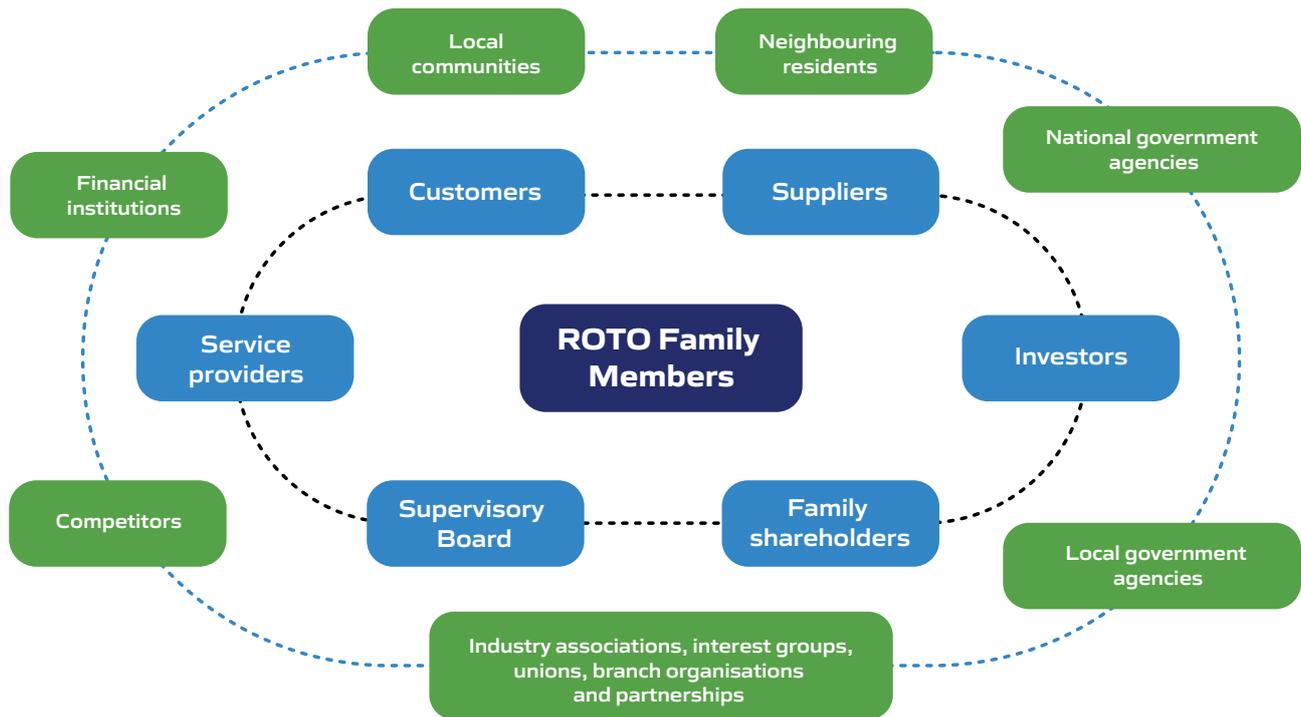
	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR GOALS	
Safety			✓					✓	✓		✓						✓	✓
People			✓	✓	✓			✓		✓							✓	
Sustainability					✓	✓	✓			✓	✓		✓	✓	✓			
Marketing								✓			✓	✓						✓
Sales								✓	✓									✓
Digitalisation				✓					✓									✓
Innovation							✓	✓	✓									✓
Finance	✓	✓						✓	✓									

Our ecosystem

It is in our best interest to take good care of our economic, social and sustainable environment, i.e. our Family members, customers and suppliers, in the places where we operate and interact with our stakeholders. The ROTO Ecosystem strives for the best possible outcome.

All members and stakeholders of the ROTO Ecosystem have an interest in ROTO and affect or are affected by each other and pursue added value for their collective goals.

The ROTO Ecosystem members and stakeholders are:



Our Highlights

January



Jan Sebel becomes board member of Stichting Administratiekantoor ROTO

January



Rotocoat Heerhugowaard operational again after replacing the zinc kettle as the final part of the complete renovation of the pre-treatment department

February



Supporting our Family members of Staco Polska (Niepolomice) for immediate help to Ukrainian refugees and Family members

February



New look and feel ROTO Idea Bus

March



Rotocoat signs the Construction Agreement Steel with representatives of nearly 30 organisations from the steel construction sector

March



ROTO Leadership Team meeting at Rotocoat Wolvega and engaging in a workshop to sharpen sustainability goals

April



Rotocoat with its trademark Zinculair® achieves the C2C bronze certification

April



De Boer Staal celebrates one year of accident-free work

May



Prestia joins the FIM (Fédération des Industries Mécaniques)

May



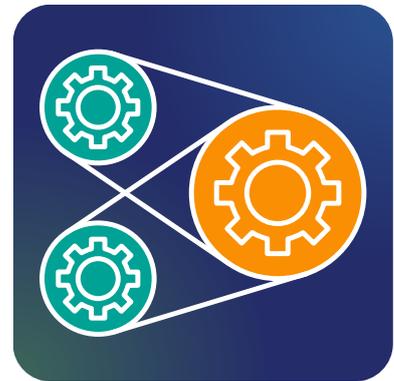
New Roto Supervisory Board member Petra van Saaze

June



ROTO Leadership Team meeting at Prestia SBG focusing on innovation (Blue Ocean and Design Thinking)

June



Rotocoat and Prestia participate in a common lean project to achieve best practices and improvements

Our Highlights

July



New Roto Supervisory Board member Arnaud de Boer

July



Rezinal Medieval Event for customers and suppliers in Landcommanderij Alden Biesen

August



Holiday season to recharge the battery and regain energy

August



Rezinal participates in television programme 'Doe maar duurzaam'

September



ROTO Leadership Team and partners on incentive trip in Bruges

September



Rotocoat organises a boat trip for customers

October



Presentation of Prestia's strategic plan 'Ensemble 30'

October



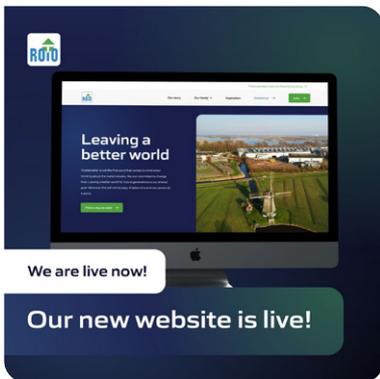
Communicating Rotocoat's campaign 'More than galvanising'

November



Solar panels Staco Nederland go live

November



Going live of new corporate identity, brand book and website of ROTO

December



ROTO People Survey held at Prestia GCX and Staco Nederland with significant improvements

December



Holiday greeting card from Prestia's Directoire is used to once again share our ROTO Strategy House, core values and themes with all French Family members

Our ESG key figures

The main principles and rules governing our actions as well as the standards we set for ourselves in dealings with the ROTO Ecosystem are listed in the voluntary ROTO Code of Conduct.

Because we want to make our performance measurable beyond market value and financial performance, we defined our eight core themes, incorporating the 17 UN SDGs, and translated them into KPIs that are embedded in our integrated dashboard. This is how we measure our performance in the following three categories: environmental, social and governance (ESG).



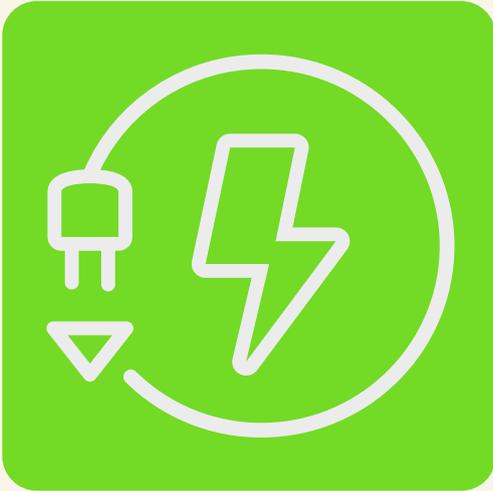
Governance

Guidelines for reporting on financial items have been determined and explained in the ROTO accounting manual. Each Business Unit is responsible for its own reporting, both on KPIs and financially, for substantiating its achieved results and for its expectations for the year-end results. The results for each Business Unit are discussed during the quarterly business reviews with the holding management, and they are shared in the quarterly reporting to the Supervisory Board and shareholders.

The Business Unit's reporting of financial and non-financial results is supplemented by the full consolidated financial figures such as balance sheet, profit and loss accounts and cash flow statement as well as the financial position of the company in terms of cash position, loan and covenant positions, investments in the reporting period and the expected investments for the coming periods. The Supervisory Board and the shareholders meet quarterly to discuss strategic plans, reported results and expectations for the coming periods.

Environmental

2020 excluded Prestia figures



Energy consumption

81,235 mWh

2021 **91,154 mWh**
2020 **62,248 mWh**

CO₂ emissions

(scope 1 and 2)

19,219 ton

2021 **21,369 ton**
2020 **19,700 ton**





Water consumption

27,370 m³

2021 **34,655 m³**
2020 **25,905 m³**

Donations to good causes

€ 56,100

2021 **€ 38,425**
2020 **€ 30,000**



Safety and wellbeing

2020 excluded Prestia figures

Age structure



36x



2021 **40x** 2020 **17x**

Number of FTEs



1187

2021 **1155** 2020 **766**

Netherlands

464

2021 **1155** 2020 **766**

Abroad

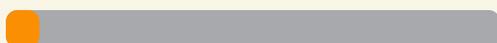
723

2021 **703** 2020 **323**

Absenteeism due to illness



7.7%



2021 **7.9%** 2020 **6.6%**

Age structure



Own FTE <30

110 FTE



2021 **120** 2020 **40**

Own FTE >30 - <50

483 FTE



2021 **325** 2019 **342**

Own FTE >50

410 FTE



2021 **384** 2020 **290**

Ratio men / women

11 %



2021 **11.8 %** 2020 **11.9 %**



98 FTE

2021 **89 FTE** 2020 **60 FTE**

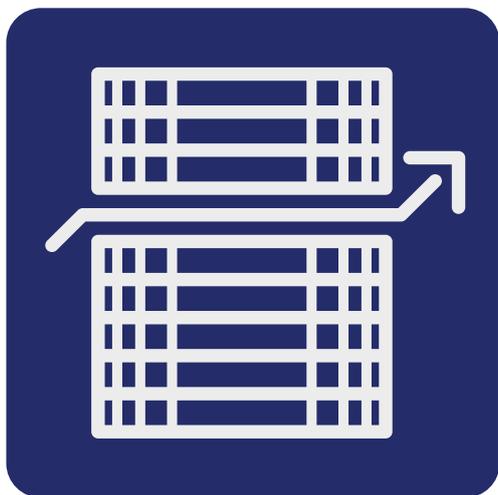


1,078 FTE

2021 **1,048 FTE**
2020 **713 FTE**

Our financial key figures

(Amounts x € 1,000, prestia figures included since 5 october 2021)



Net revenue

€ 276,775

2021 € 195,319

2020 € 146,433

Result after tax

€ 17,141

2021 € 11,700

2020 € 3,371





EBITDA

€ 40,906

2021 € 25,780
2020 € 8,813

EBITDA/Net revenue

14.8%

2021 13.2%
2020 6.0%



Our financial key figures

(Amounts x € 1,000, prestia figures included since 5 october 2021)



Equity/total assets

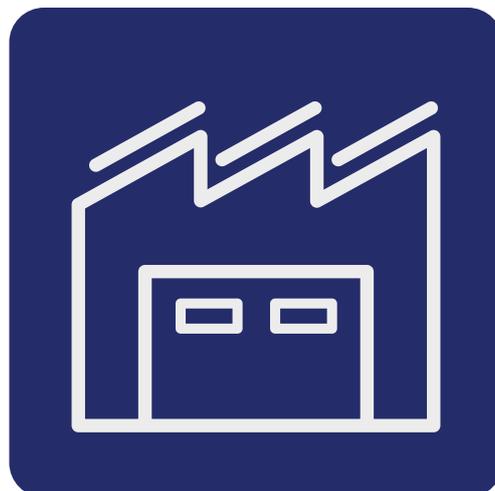
46.1%

2021 **38.6%**
2020 **54.5%**

Investments

€ 15,000

2021 **€ 10,512**
2020 **€ 4,810**





**Current assets -/
current liabilities**

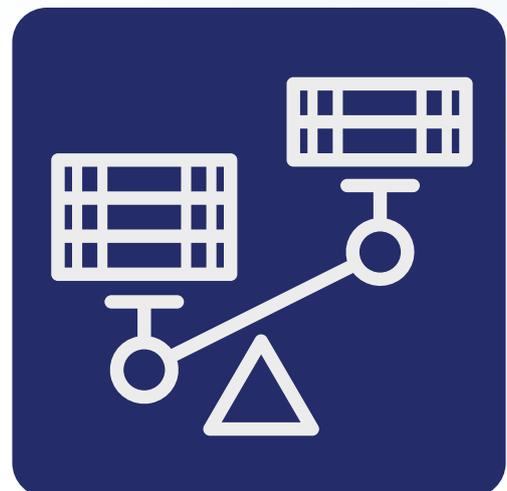
€ 65,654

2021 € 51,255
2020 € 47,514

Quick ratio

0.94

2020 0.97
2021 1.07





Safety

Providing a safe work environment where all our Family members are safe to be who and where they are is key to our ROTO Family. That is why building a safety culture that prevents accidents and condemns inappropriate behaviour in any form is our number one priority.

Safety First: Zero accidents

Our ambition is zero accidents because we strongly believe that every accident is preventable. The ROTO People Survey (2021) shows that more than 80% of our Family members feel the company cares about their health and safety, that their work environment is a safe place, and that they feel they can talk to colleagues safely. However, safety regulations are not always followed and not all near misses, however small, are reported. To reach our goal of a safe workplace with zero accidents, we continue to focus on improving these scores, and we aim for the remaining part of our Family members that still have a somewhat cautious attitude towards Safety First in the workplace.

Safety First: Zero tolerance of improper conduct

A claim of improper conduct, such as for bullying, aggressive behaviour or violence, discrimination and sexual or any other form of harassment, can have a negative effect on the well-being of our Family members. Improper conduct can have far-reaching consequences and may lead to physical stress and workplace stress resulting in illness. Complaints are taken seriously, handled carefully, and measures are taken if necessary. To prevent undesirable behaviour, we have drawn up a Code of Conduct and a complaints procedure.

In the ROTO People Survey (2021), our Family members told us that they do not experience any discrimination or harassment in their work environment. We are above the industry benchmark, dedicated to ensuring that all our Family members feel safe in their working environment.



Safety First, always!

Even though Safety First has been put firmly on the agenda, a lot of our ambition still needs to be transformed into reality. To continue building on the strong fundamentals that have been laid in order to progress in our decisive endgame towards a culture where all accidents can be avoided, safety awareness and safety behaviour must be embedded in our DNA. That is why, from 2021, every meeting starts with a Safety First touchpoint.



In 2022, a scale floor was set up to help operators know the weight of the parts they have to hang. This information is crucial for using the appropriate hanging tools in a safe way.

Nadine Lefevre, sales administration and logistics Prestia Cronolac & Omar Amraoui, SHEQ manager Prestia

Safety behaviour – Dupont Bradley Curve

The collective decision of the ROTO Leadership Team is to start in 2023 with a zero-measurement based on the Dupont Bradley Curve, resulting in concrete action plans and goals to work on for all Business Units.



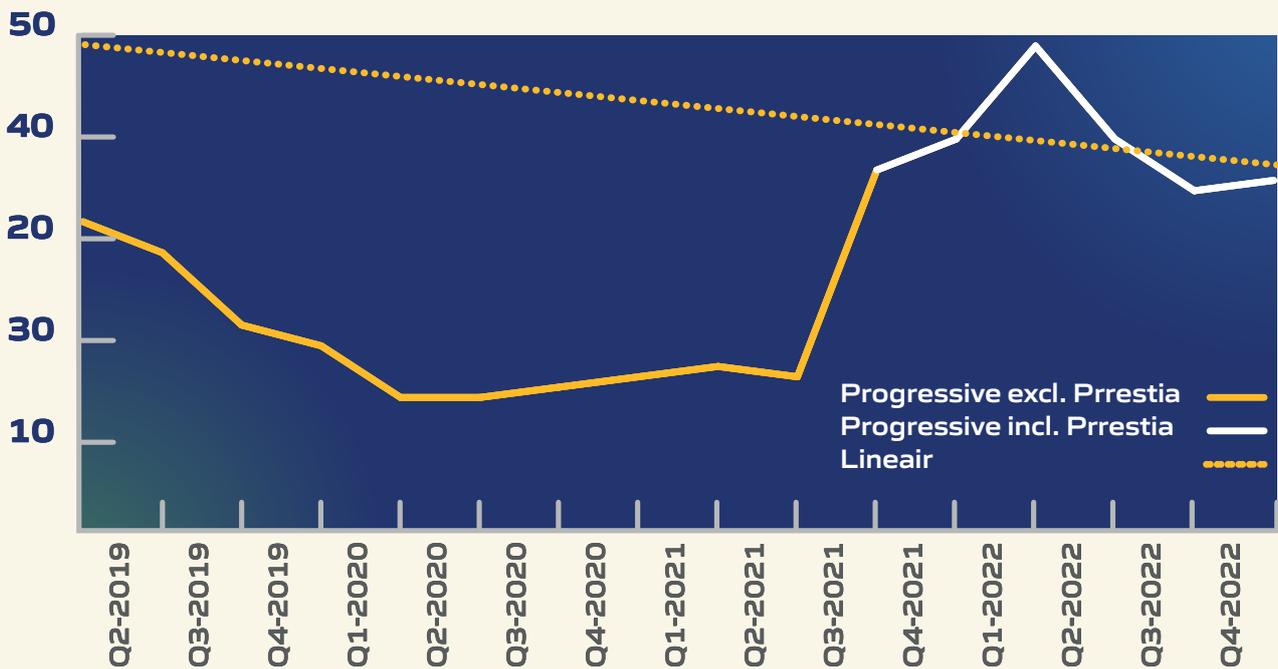
ISO 45001 for all Business Units

By complying with ISO 45001, we demonstrate to our Family members, potential future Family members and the ROTO Ecosystem that we care about the working conditions and well-being of our Family members. Prestia, Rezinal and Staco already comply with ISO 45001. De Boer Staal and Rotocoat will follow in 2023.

Challenging Safety Index

All our Business Units report and register unsafe conditions, hazards, near misses, minor incidents and lost time accidents. To measure the extent to which our policies lead to safer working, we register the frequency rate in our Safety Index: the number of accidents in the past 12 months per 1 million production hours.

Safety Index



The Safety Index target since 2021 is 10 or lower. The total of 16 lost time accidents in 2022 (2021: 19) resulted in a 2022 Safety Index of 12 (2020: 15) for ROTO excluding Prestia. However, with 54 lost time accidents in 2022 at Prestia, the total Safety Index landed at 36, far above our target. Reaching a Safety Index of 10 or lower and ultimately 0 remains a major challenge that will require our continued attention and determination.

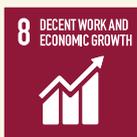
First steps for improvement have been taken by Prestia by issuing uniform safety equipment for all employees and starting with some basic and technical measures, such as installing safety lighting and pedestrian proximity detection on forklifts.

We also measure actual absenteeism based on the number of days lost as a result of accidents, which in 2022 was 405 (2021: 353) for ROTO excluding Prestia. Including Prestia, however, the number reached 3,532 days, and this equates to 13 FTEs not working for a full year. Unfortunately, at Rezinal, which reached a proud 1,000 consecutive days without lost time accidents last year, there was one severe accident. On the positive side, at Rotocoat Kampen more than two and half years were achieved without a lost time accident.



We create a safe workplace together, talk to each other about unsafe working conditions and report unsafe situations using the GSM app. This enables us to identify risks and take measures before accidents occur. In 2022, all of us at Rotocoat reported and resolved 379 hazardous situations.

Erwin Vogelpoel, SHEQ manager Rotocoat





People

Our Family members are our most valuable assets and the key to our success. It is important that they feel part of our ROTO Family, that they feel safe and valued and that they are challenged and supported to be the best they can be..

ROTO People Survey

In 2021, the ROTO People Survey (RPS) was carried out for the first time as a baseline measurement which gave us valuable information on the status quo. The results were shared and discussed with all our Family members, leading to concrete improvement plans. To monitor progress and continue to improve our ROTO Family, the RPS will be repeated every two years. The next one is scheduled for the end of 2023. At two sites – Prestia GCX and Staco Nederland – an intermediate RPS was conducted at the end of 2022 to ensure that action plans are leading to improvements. In both cases, the outcome was positive, showing the results that the action plans delivered.

In 2022, ROTO started with improved performance management: based on our strategy, core values and core themes, specific personal goals are set together with the Finance, HRM and SHEQ Communities and the ROTO Leadership Team.



As a people-focused company in the grating industry, we pride ourselves on building strong relationships with our customers and providing exceptional support and expertise to help them achieve their goals. We believe that people are the key to success, and we are committed to providing top-notch service and innovative solutions to meet our customers' needs.

Olga Celary, sales Staco Polska



ESPRIT D'ENTREPRENDRE

ONDERNEMEND ENTREPRENEURIAL
UNTERNEHMERISCH PRZEDSIĘBIORCZY



FIABLE

BETROUWBAAR RELIABLE ZUVERLÄSSIG
GODNY ZAUFANIA



PASSION

GEPASSIONEERD PASSIONATE
PEŁEN PASJI



LE GROUPE FAMILIAL MÉTALLURGIQUE COLORÉ



STACO



Visualisation and implementation of our core values

In 2022, the visualisation of our core values was extended to Prestia's sites. Uniformity in presentation ensures everyone is on the same page and makes it clear that these core values apply to all our Family members. Furthermore, we will continue to actively communicate our core values and anchor them in our onboarding procedures, development interviews, our staff handbook and staff regulations.



At first, my new job at Prestia involved multiple things, such as HR, IT and insurance. But when Prestia became part of the ROTO family, more attention was paid to the employees and so the HR department needed to grow. Therefore, I decided to focus on HR. I love new challenges and opportunities, and that is what they give me here at Prestia!

Patrick de Portzamparc, HR business partner Prestia



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Recruitment, diversity and inclusion a challenging task

We are The Sustainable Colourful Metal Family Group and respect and welcome Family members of all kinds of background, ethnicity, religion, gender, sexual orientation or with different opinions. To promote inclusion and attract a more diverse workforce in all positions, we are improving our diversity and recruitment policies and focusing more on equal opportunities for all.



Ambition matters, not age. Ad interim SHEQ coordinator Ferry van der Kaars has a boundless ambition. That is why we hired him. Ferry is 81 years young and runs half marathons.

Brendon Beumer, managing director De Boer Staal

With increased competition in the labour market, recruitment is challenging. The availability of skilled people is a major concern in all countries where we operate. It is not easy to find people for production work, and finding people with specific technical skills is even more difficult. To mitigate the risk, we partner with multiple agencies and provide continuous training and development through our newly launched and existing internal academies. We have set up preferred employer programmes and involve our Family members more in recruitment. To this end, we launched a referral bonus programme.



ROTO management and Supervisory Board

As of 1 January 2021, Ditmar Koster (CEO) and Tom van Lindert (CFO) form ROTO's management. During 2022, the ROTO management mainly focused on redefining and integrating the collaborative strategy of ROTO and the five Business Units. It is guarding the ROTO Strategy House, the core values and the eight core themes ROTO has defined, leading to broad value creation.

Roto B.V. applies the provisions of the mitigated two-tier regime and has an independent Supervisory Board consisting of four persons. Petra van Saaze and Arnaud de Boer joined the Supervisory Board in 2022. Coert Zachariasse (chairman) and Heleen Cocu-Wassink remained in their position.

Hybrid way of working is here to stay

As a result of covid, a scheme was introduced to facilitate working from home, which was continued in 2022 to a maximum of 50% of regular hours. This arrangement gives our Family members more flexibility and less travel time. However, for most of our Family members at our production sites, working on site remains a necessity.

Absenteeism due to illness

In 2022, the absenteeism rate due to illness for ROTO was 7.7% (2021: 7.9%), well above our long-term target of 4% (or less) which we aim to achieve with a different and more personalised employee-oriented approach by the Family members responsible for HRM. Challenges and lessons learned are discussed in the HRM Community.

The absenteeism frequency of between 0.9 and 1.6 over the whole year is, on average, slightly worse than in 2021 (0.8 and 1.1 respectively), partly still due to the latest struggles with covid and the subsequently recurring 'normal' flu.





Sustainability

We are committed to a sustainable future for the ROTO Ecosystem, which requires a healthy planet and an inclusive society that offers work and equal opportunities for everyone. For us, sustainability involves more than just the environment. We aim for broad value creation in support of the Sustainable Development Goals of the United Nations. We are convinced that we must act for our future licence to operate, and we have anchored this in our purpose: **The Sustainable Colourful Metal Family Group**. On this journey, we will encounter new business opportunities.

Integrated UN Sustainable Development Goals

To give substance to our sustainability goals, the 17 SDGs have been integrated into our eight core themes and translated into KPIs, which is shown in this report on the page 'Eight core themes integrated in 17 SDGs'. This helps us identify where and how we can make the most impact and how we can contribute to solving global problems in the areas of poverty, health, inequality, climate change, peace and justice. During 2022 and 2023, ROTO's Business Units are working towards external UN SDG certification. The planned initiatives are audited for the first time. Upon successful completion, the company will receive the official UN SDG certification. Rezinal has already gone through this three-year process and received the UN certificate for 'SDG Pioneer' in 2021. It is currently aiming for the 'SDG Champion' status in 2023.



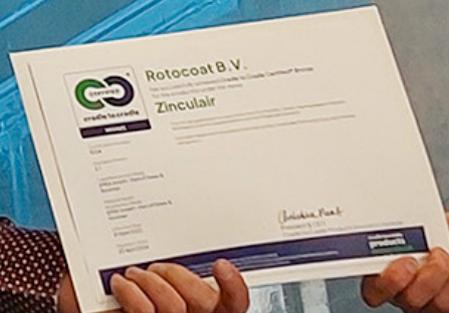
Sustainability and circularity are the future. That is why the Steel Construction Agreement was created in 2022 in the steel construction industry to share knowledge and insights with like-minded organisations. Rotocoat is one of the parties that signed this agreement. Sustainable, reliable and fast together is the key to sustainability.

Klaas Bergsma, commercial director Rotocoat



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Cradle to Cradle (C2C) certification

Rotocoat has achieved the C2C Bronze certificate. Staco, which obtained the C2C Silver certificate in the past, has now unfortunately received the C2C Bronze certificate due to lead still being used in the galvanisation process. However, this creates new opportunities, and Staco is working to regain the C2C Silver certificate. As the industry in general is adapting to less lead from 2022, Rezinal is presenting a new low-lead variant of recycled zinc called R4.

Total energy and water consumption

Our total energy consumption decreased by 10.9% to 81,235 mWh (2021: 91,154 mWh). Our total water consumption decreased by 5.1% to 32,890 m3 (2021: 34,655 m3). This shows our sustainability actions and our strategic investments, for example in the renovation of the pre-treatment of the galvanisation plant at Rotocoat Heerhugowaard, delivered results.

Dutch Wind reduces CO2 emission

Our CO2 production (scope 1 and 2) was reduced by 10.1% to 19,219 tonnes (2021: 21,369 tonnes) via savings in energy consumption and the procurement of electricity with the Dutch Wind certificate for our Dutch businesses. Where available, we will procure green energy.

Further investments in energy transformation are being prepared to contribute to reducing our environmental impact. By electrification wherever possible, we will further reduce our CO2 emissions. When discussing our (replacement) investments, energy consumption and CO2 emissions are considerations and an integral part of the decision-making process.

Possible investments in wind turbines at our sites were not yet feasible due to government regulations and lack of available infrastructure on the electricity grid.





Solar energy reduces carbon footprint

In 2022, the 3,240 solar panels on the roof of De Boer Staal's production hall generated green electricity, of which a total of 783 mWh (2021: 582 mWh) was returned to the energy grid. Including this return, De Boer Staal is de facto the first Business Unit in our Family Group to be CO₂ neutral based on scope 1 and 2.

In November 2022, the first tranche of solar panels on the roof in Reuver (where Staco is located) became operational. This is not yet materially contributing to the reduction of the carbon footprint in this reporting year, but for the following years, the production of green energy will influence Staco's CO₂ production. Project planning is further investigating the options for solar panels at some Rotocoat and Staco sites.



Using state-of-the-art manufacturing technologies, we have reduced the carbon footprint per kg of zinc to just 0.15 kg, a fraction of the global industry average. Rezinal is now aiming to further reduce its carbon emissions all the way to net zero.

Stijn Aerts, prevention advisor Rezinal

Reduction of TOC emissions

At present, Rezinal, the largest CO₂ producer in our Family Group, is focusing on reducing CO₂ in zinc recycling production. Although the CO₂ production has risen due to increased production, it is good to emphasise that the CO₂ burden for recycled zinc production is approximately ten times lower than for primary zinc production. In 2022, Rezinal invested in reducing Total Organic Carbon (TOC) emissions from the Coreco (scrap zinc) furnace. For 2023, Rezinal has procured green energy.



Methanisation plant reduces CO2 production

Together with agricultural neighbours, Prestia has formed an association called Energiculteurs de l'Oust, which exploits a methanisation plant. This 'shit factory' transforms agricultural waste into gas that is used to produce electricity, which is delivered to the grid, and heat, which is used to heat the pre-treatment baths of Prestia SBG's galvanisation plant, leading to a CO2 reduction of 274 tonnes.

Switching to electric company cars

In our company car policy for the Netherlands, we have already switched to fully electric, and Belgium followed in 2022. Depending on the infrastructure for charging electric vehicles in the different countries, our other Business Units will follow as soon as possible or switch to hybrid as an intermediate step.

Green hot-dip galvanising

Rotocoat stopped adding lead to its zinc baths, and Rezinal developed a low-lead alloy. As the importance of green production increases, Rotocoat is collaborating with Zinkinfo Benelux (ZIB) on developing a blueprint for the 2035 galvanisation plant using green hydrogen. In collaboration with the Dutch employers' organisation FME, Rotocoat joined the sixth cluster, which encompasses a wide range of industries with unique characteristics that want to cooperate on themes regarding the process and chain efficiency related to sustainability goals.

Electric zinc furnace

Prestia has the largest zinc kettle in France, which is equipped with an electric furnace.



In 2022, collaboration began with the members of the Rotocoat Family around the themes of reducing energy consumption and therefore reducing CO2. A major challenge for the years to come.

Christian Wozniak, managing director Prestia



Donations to social and environmental good causes

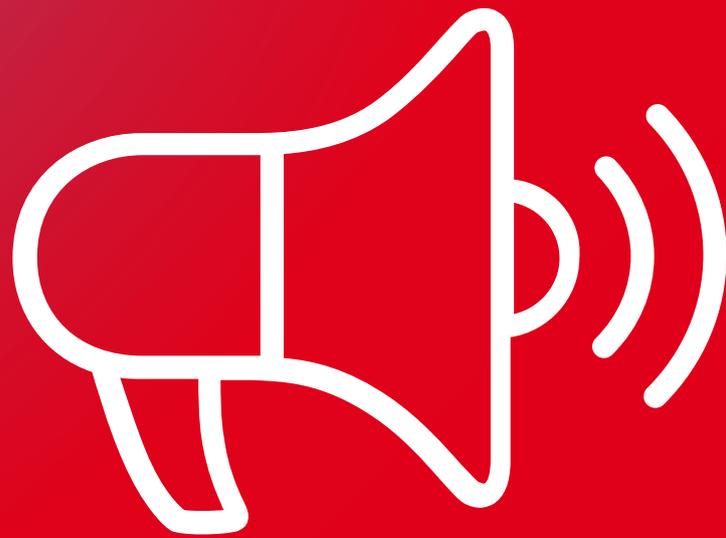
€ 56,100



We see the year 2022 as a bridging year towards our updated 'good causes' policy. More focus on direct actions on specific needs than on more general charities but always in support of social and sustainable causes for various organisations.

- In 2022, ROTO donated € 56,100 (2021: € 38,425) to charities and good causes working in the following areas:
- people: donations for Ukraine refugees;
- culture: initiatives to support local activities e.g. sports, music;
- health: sponsoring initiatives that collect money for specific health issues and support housing for the socially disabled;
- poverty: donations for food packages for poor families.





Marketing

Building brands

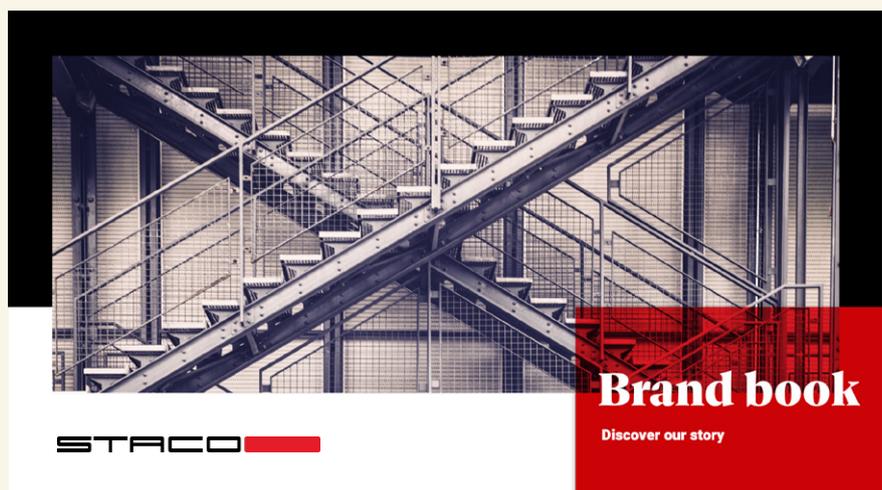
In line with our ROTO Strategy House, the Business Units are moving towards a brand and service oriented marketing approach to emphasise what our brands stand for and what added value they offer. Rotocoat has registered the Zinculair® and Centrizink® brands, which will be used in conjunction with its C2C certification and its new brand strategy.

ROTO launched its new corporate identity and website at the end of 2022. Rotocoat and Staco will follow in the first half of 2023, De Boer Staal a little later.

Marketing and communication

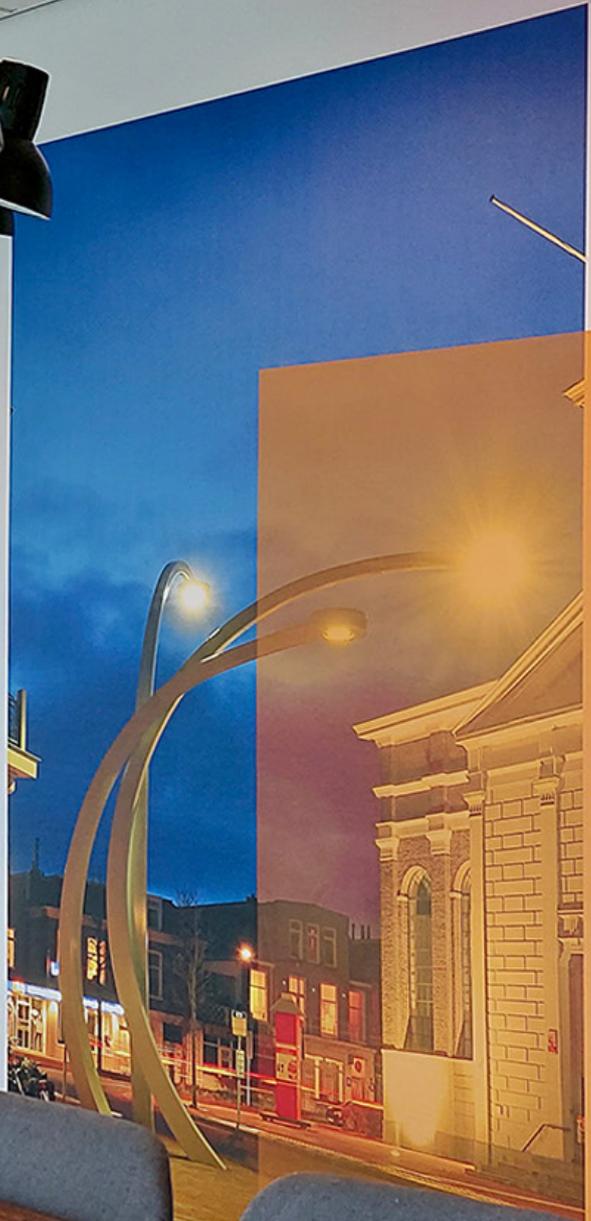
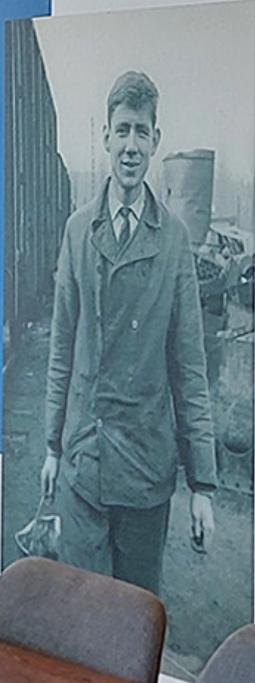
Given the importance of communication and our strategic goal of building brands, we have invested in our organisation by increasing our marketing capabilities. Externally, we have focused on the use of social media such as LinkedIn, sharing current posts faster and more regularly, inviting recipients to engage in conversations with us through a different channel. A major topic on the agenda of the HRM Community is the implementation of an interactive communication platform as an enhancement of the narrowcasting systems used by De Boer Staal, Rotocoat, Rezinal and Staco.

Staco is working with a content calendar for social media and website posts. It also focuses on the launch of the new 'Create and Inspire' brand story, the new brand book and content creation for the new website. In addition to these marketing topics, Staco is working on expanding online lead generation to engage even more proactively with customers and prospects. To launch the new brand story and brand book among Staco Family members, townhall meetings have been organised during which the new brand story was supported by an innovative game.





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The new website is a huge project, especially due to the complexity caused by the different languages and tone-of-voice. In addition, the desire was for a more customer-oriented approach instead of a product-oriented one. With this, we accommodate both existing and new customers. The new website is more simplified but still sufficiently technical.

Werner de Vries, marketing Staco Holding

Rotocoat launched a pilot for 'the Rotocoat Experience' at Rotocoat Kampen. By improving the appearance of communal areas, Rotocoat wants to create a warm, passionate and committed atmosphere so that Family members and customers feel at home at Rotocoat. Further rollout to other Rotocoat locations will follow in the course of 2023.

Rezinal has been working on a series of short corporate videos for social media on various topics such as sustainability, product quality and sourcing of raw materials.





Sales

Our markets in Europe remain uncertain and volatile. Global demand for building materials, such as steel and zinc, and transportation services were high during 2022 but are now decreasing. Order intake and sales volumes fluctuate depending on the Business Unit. Sharp fluctuations in steel and zinc prices, higher energy costs and wage increases affect our margins and require more agility in our pricing models.

Zinc prices

Developments in zinc markets in 2022 show a gradual upward trend with a strong peak at the end of April. At the beginning of the financial year, the zinc price was US\$3,600 per tonne and after a steady increase to nearly US\$4,500 per tonne, the zinc price landed just above US\$3,000 per tonne at the end of the financial year. In the first two months of 2023, the zinc price was volatile.

The zinc price has an opposite effect on the figures of our Business Units Rotocoat, Prestia and Rezinal. On the one hand, the rising zinc price negatively impacts the cost of sales due to the higher purchase price for zinc. On the other hand, sales are also affected by the rising zinc price. The zinc price on the London Metal Exchange (LME) is closely monitored following a fixed purchase strategy.

LME zinc price per tonne 2022





BUS 8+8t

12-3

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24.300



It is truly inspiring to see our customers embrace sustainable solutions by using our high-quality recycled secondary zinc metal to reduce their overall CO2 output. It is a testament to the power of collaboration and innovation in building a more sustainable future.

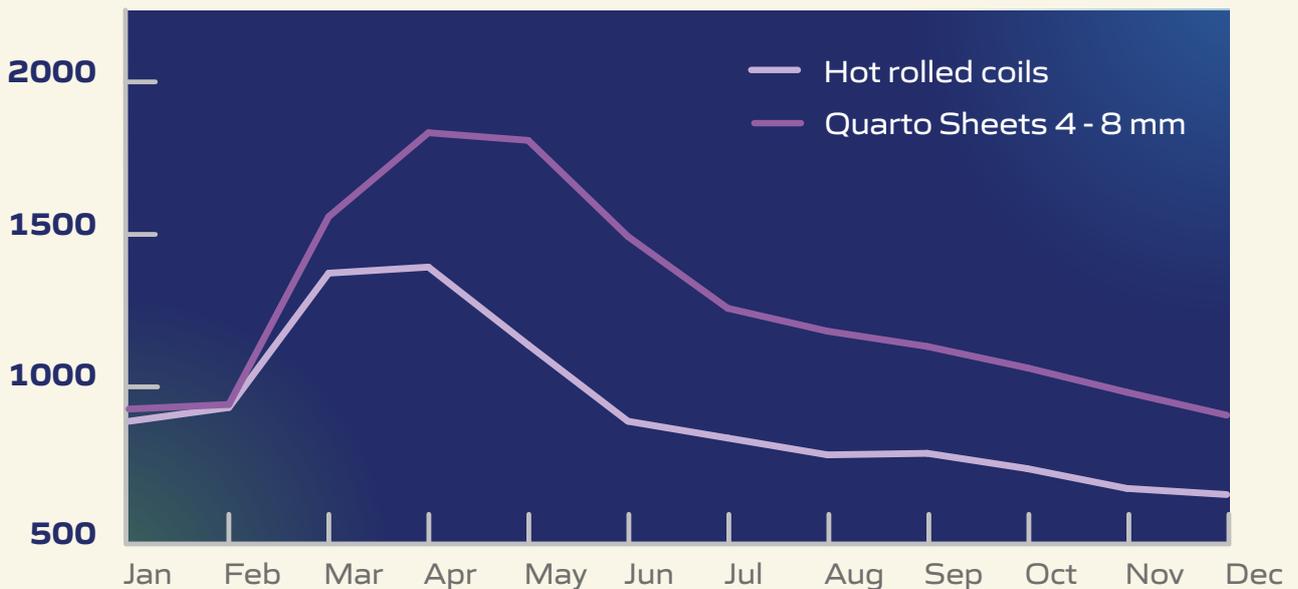
Dieter Stulens, commercial director Rezinal

Steel prices

Steel prices initially showed a steep upward trend in 2022. From May onwards, prices started to decrease before stabilising towards the end of the year at price levels lower than at the beginning of the year.

The steel price fluctuations have a direct financial effect on De Boer Staal and Staco, and it remains difficult to determine the right time to buy steel.

Market price development steel 2022 - quarto sheets and hot rolled coils





Energy prices

As the graphs below show, energy prices fluctuated sharply after the start of the war in Ukraine and peaked during spring and summer, accelerating energy transformation across the board. Since the European winter was milder than expected, there was less consumption by industry and households and thus the energy prices fell. Whereas in our current operations the extra costs incurred led to a necessity to adapt prices, it stimulated us even more in our transformation journey in line with our ROTO Strategy House and the UN SDGs to reduce consumption and switch to energy from more sustainable resources.

TTF Natural Gas Prices

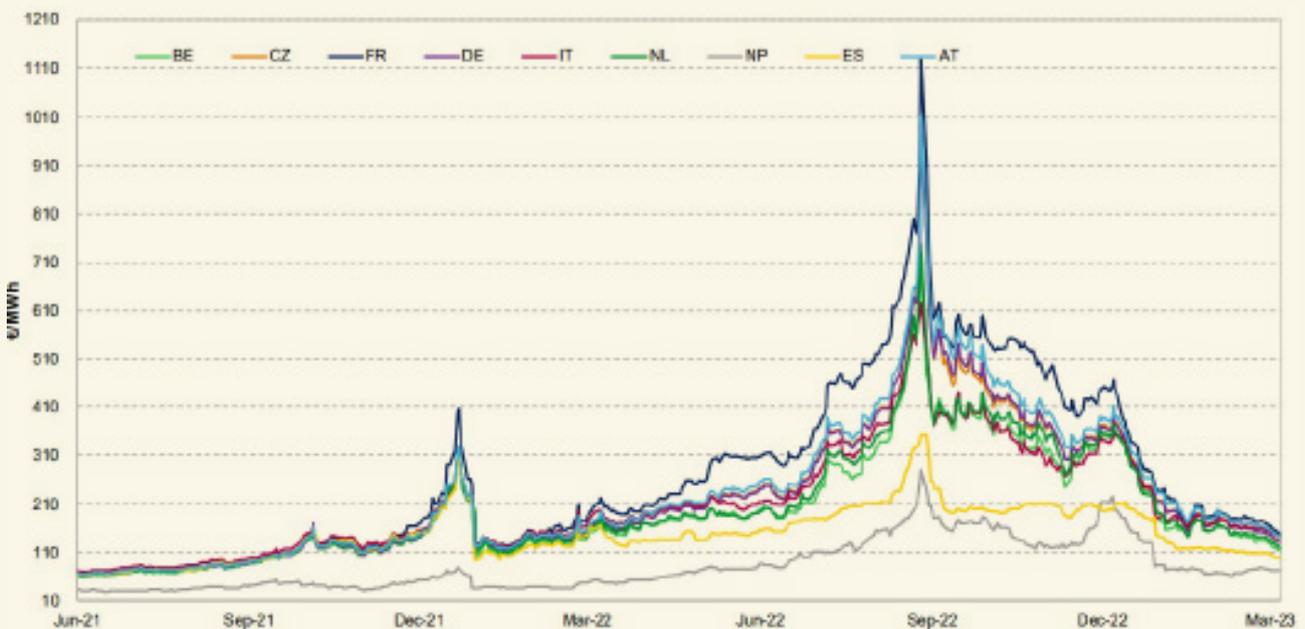
Natural Gas



Source: Schneider Electric

Western Europe Y+1 Power Prices

Carbon & Electric Power



Source: Schneider Electric



De Boer Staal

De Boer Staal worked on a new strategic plan to determine the direction of the Business Unit for the next three to five years. De Boer Staal has shown good performance, partly due to their stocks of steel, where comparatively high prices led to higher turnover and higher margins.

Staco

For Staco, sales in the strategic 'Create and Inspire' services, like façade applications, remained stable with positive margin developments. In Poland, the market for standard gratings was dominated by low prices and short delivery times. Next to that, Staco Polska was impacted by its decision to immediately stop the export to Russia after the outbreak of war in Ukraine.

Activities in the Dutch building and construction market remained more or less stable, as did the sales market in Belgium. In Germany, there is severe price competition for all types of gratings. The UK market showed a slight recovery, especially at the end of the year as Staco Gratings UK won some larger orders.

Prestia

Prestia presented her new strategic plan 'Ensemble 30' and consolidated its market share in France, adapting its prices to reflect higher zinc and rising energy prices.



2022 has required more adaptability and agility. We are making sure that we embrace challenges and use them to improve our performance. Each new development is an opportunity to make progress while respecting our values.

Julien Le Gac, sales office manager Prestia G29/CRC



Rotocoat

Rotocoat entered the stage of implementing and executing the projects for the implementation of the strategic plan. Although competition intensified in the second half of 2022, Rotocoat was able to realise a better-than-expected result.



It is important for Rotocoat to help customers with their projects. In 2022, we have taken that extra step for our customers. We really see our work as a collaboration between Rotocoat and the customer. A good example of this is our digital customer portal. We are hearing more and more positive reactions about the convenience of this portal and the insight that customers have into their orders. It saves both the customer and Rotocoat time and money at the touch of a button.

Arwin Louwink, sales manager Rotocoat

Rezinal

Rezinal had an excellent financial year, linked to LME (London Metal Exchange) zinc price developments, and at the same time it had operational challenges in production. The focus for Rezinal is on living up to its 'sustainable excellence' in zinc recycling by boosting its volumes.





Digitalisation

Digitalisation makes it easier for people to work together and run processes more efficiently. It supports building our brands and customer experience and optimises our services. As the world is driven by data, digitalisation is a transformation which helps us identify trends and make better business decisions.

Software updates for the next level

ROTO continued to work on replacing hardware, upgrading and modernising software and increasing IT security in general. The group roadmap for IT & Business Solutions is under development to support the implementation of the strategic plans of the Business Units. It was decided to use D365 throughout the whole group as the finance solution for all Business Units.

Rezinal successfully implemented a completely new tailor-made ERP solution at the beginning of 2022.

De Boer Staal decided on a new ERP application to be rolled out in 2023.

To support the Staco strategy, several IT projects are ongoing, mainly with regard to RFQ software, Power BI reporting, document processing and the implementation of D365, which will also be used for operations.



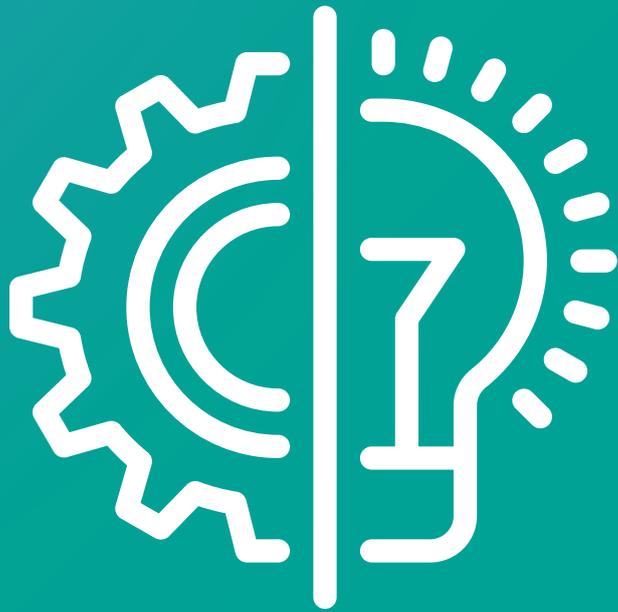
We embrace digitalisation in the grating industry, leveraging technology to enhance our production processes and deliver top-quality products and services that meet the evolving needs of our customers. Our commitment to digitalisation sets us apart in the grating industry, enabling us to deliver customised solutions and superior service to our customers through the power of innovative technology.

Olga Celary, sales Staco Polska



At Rotocoat, a web portal gives customers integrated access to their own customised information such as order tracing, quotations and transport planning. Rotocoat is developing various apps to support business processes, for example for scanning incoming and outgoing materials and improving technical operational support.





Innovation

In a changing environment, it is essential to constantly reinvent ourselves, use inventive and sustainable techniques and adapt to the changing needs of the markets. That is why we encourage our Business Units and Family members to step up and engage in our development journey. Discussions are welcome and mistakes create opportunities. We explore new ways to innovate by piloting the implementation of the Design Thinking process at Prestia and Staco.

Since these research and development activities are not related to the systematic scientific exploration of new products and services, they are not separately identified as immaterial fixed assets.

Innovation board and meetings

Staco continued with its innovation board consisting of Family members from sales and production, which meets regularly and discusses ongoing projects and new initiatives, like new ways of constructing gratings or similar products which combine freedom of design with efficient production.

Rezinal also regularly organises special innovation and lean sessions with its Family members, leading to more innovative ideas and a faster implementation of new ideas or solutions.



We launched 34 project ideas to optimise processes and techniques in 2022. These came out of collective brainstorming sessions with our colleagues. Organisations that involve their employees in the innovation process are more likely to generate breakthrough ideas and achieve success as they can tap into the collective creativity and knowledge of their workforce.

Geoffrey Noben, maintenance manager and Claudio Perelli, production manager Rezinal



Centriclean project

Rezinal actively participates in the European Centriclean project. The aim of this project is to develop a system to keep the zinc bath at the galvanisation plants clean at all times, so that there is no need to skim zinc ashes and hard zinc.

First in Europe

A new zinc kettle and a new innovative zinc furnace have been installed at Rotocoat Heerhugowaard. This zinc furnace, the first of its kind in Europe, is equipped with a new type of burner that uses a heat recovery system that is expected to consume 15% less energy, thus reducing CO2 emissions.



We had planned for it in advance and therefore great to see what the new chemical pre-treatment brings us. Firstly, it is a major improvement for our employees because we are no longer bothered by acid fumes and moisture. This also benefits our machines and the building. An additional and very pleasant advantage is that it increases our production capacity. We are therefore very happy with it!

Ilkay Ince, foreman Rotocoat Heerhugowaard



B  **EasyFlipper** **A**

Robotisation

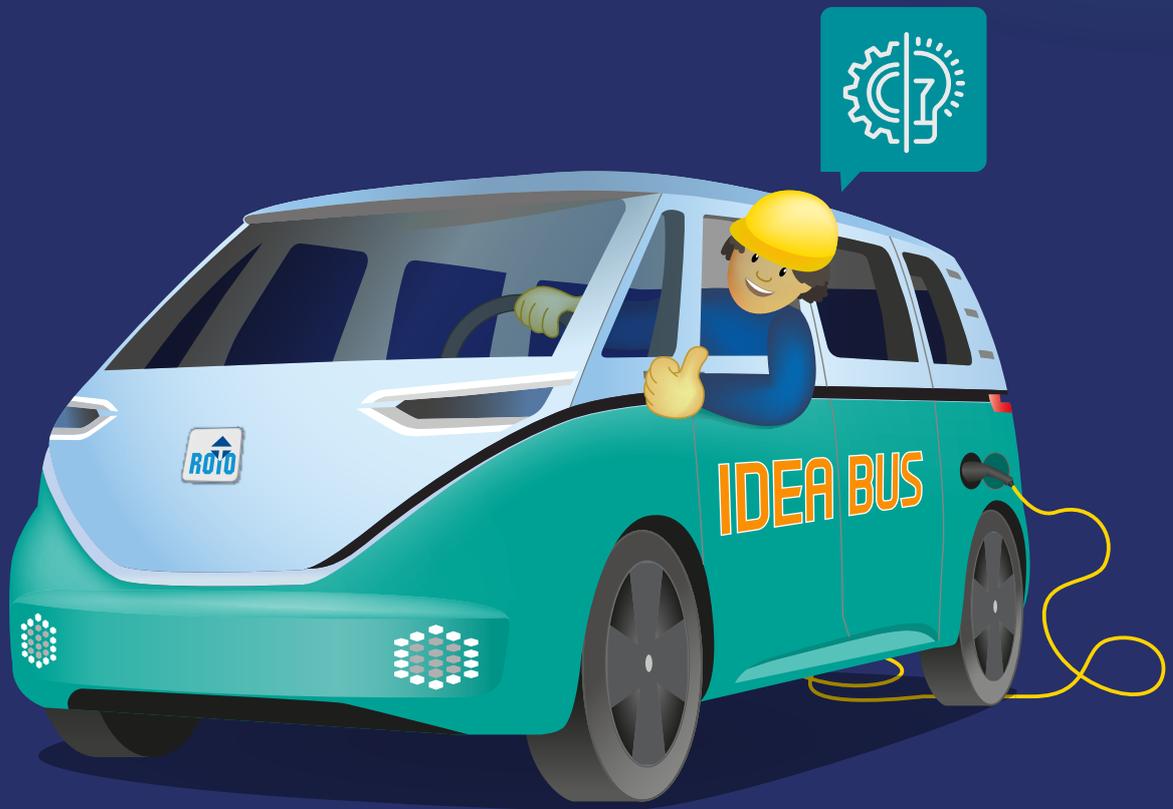
One of the findings of the ROTO People Survey was that 63% indicated that the physical working conditions, such as ventilation, temperature and space to work, are alright. That is also why Rotocoat and Prestia are looking at innovative ideas to improve these conditions and especially to ease heavy lifting for our Family members working in production. Rotocoat has ordered back braces and started a pilot with exoskeletons. Prestia has also started a pilot with exoskeletons and ordered a robot arm to make heavy lifting easier.

In 2022, after a test period, De Boer Staal decided to purchase a so-called Easyflipper, a two-way automatic flipping system which can flip steel parts more safely and quickly than conventionally with cranes. De Boer Staal is investigating the purchase of a deburring robot.



The EasyFlipper can flip heavy metal parts from one side to the other in the post-processing department; it has made work easier and more ergonomic.

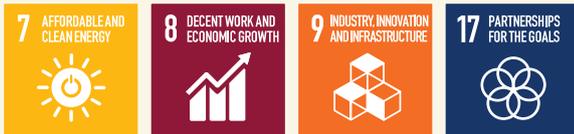
Ali Cindy, production worker De Boer Staal



ROTO Idea Bus

To encourage innovation and the submission of ideas, we use the ROTO Idea Bus. Good ideas are rewarded with a premium or incentive premium. Every year, the winning idea is highlighted, and the winner is put in the spotlight.

The innovation prize for the best idea of 2022 was recently awarded to Dirk Jansma, our Family member from Rotocoat Wolvega. Rotocoat Heerhugowaard won the ROTO Innovation Award for submitting the most innovative ideas that resulted in premiums or incentive premiums.





Finance

While we were recovering from the corona pandemic, 2022 provided new challenges because of Russia's unprecedented acts of aggression against Ukraine and the uncertainties that followed. Consequently, ROTO immediately decided to stop its business with Russia and support refugees in Niepolomice, Poland, where Staco Polska is located. Afterwards, we had to cope with the effects of unstable prices and supplies of raw materials, vastly increasing energy costs, increases in personnel costs and inflation in general. Although this influenced volumes and margins, 2022 was overall an excellent year. All our Business Units contributed to the results and produced a consolidated result after tax of € 17.1 million (2021: € 11.7 million).

Revenue and result

Revenue increased in 2022 by 41.7% to € 276.8 million (2021: € 195.3 million), largely attributable to the consolidation of Prestia for the full year (compared to only three months in 2021) and a still high average zinc price, resulting in a substantial higher revenue for Rezinal. Increased sales prices provided additional revenue for our Business Units Staco, De Boer Staal and Rotocoat.

All Business Units contributed to the operating result of € 31.9 million (2021: € 20.6 million) in which the increased costs for procurement and direct personnel have already been absorbed. Better operating results leading to higher taxes of € 8.3 million (2021: € 4.5 million) and the effect on the non-controlling interest of € 6.0 million (2021: € 4.0 million) explain the difference between operating result and net profit after tax.

As in 2021, ROTO benefited from rising steel and zinc prices in 2022, but the potential risk of backlogging volumes and prices immediately increased. Aligning available stocks with production planning and sales forecasts mitigates potential risks. Agility in adapting our prices is challenging for our sales teams and has management's full attention.



Investments

In 2022, we invested € 15.0 million (2021: € 10.5 million) in our five Business Units. At Staco Nederland various strategic investments were made in new machinery and equipment as well as in renovation of buildings and solar panels. For Rotocoat, the remainder of investments at the site in Heerhugowaard took a larger share, whereas Prestia had a longer list of investments at the various sites. Rezinal and De Boer Staal had mainly smaller investments.

Due to the positive cash flow, all investments in 2022 were fully financed from own resources. In 2023, investment ambitions reach a level of € 15.5 million, apart from some bigger strategic investments that are in preparation for further decision-making.

Group solvency and cash flow

Following the good results, our group solvency, expressed as a percentage of total assets, increased from 38.6% at year-end 2021 to 46.1% at year-end 2022. No dividend was paid in 2022 and it was proposed to add the 2022 net profit in full to the general reserves to enable ROTO to strengthen its strategic positions. The financial position and operating cash flow are sufficient to continue activities without additional financing. ROTO complies with the agreements made with credit institutions.

As a result of higher zinc and steel prices, the working capital increased to € 65.7 million at year-end 2022 (year-end 2021: € 51.3 million). The increase was visible in working capital items such as stocks, receivables corrected by a decrease of liquid assets and the decrease in short-term debt. Overall, the increase in working capital items was related to the increasing (commodity) prices at the end of 2022 compared to 2021. While inventory volume declined due to order book deliveries for which the required orders had been pre-purchased, the increased prices of inventory items had a larger positive effect, leading to a higher inventory value. The positive cash flow from operating activities has been used for payment of investments and repayment of loans resulting in a decrease of cash and cash equivalents of € 13.0 million (2021: an increase of € 12.4 million).



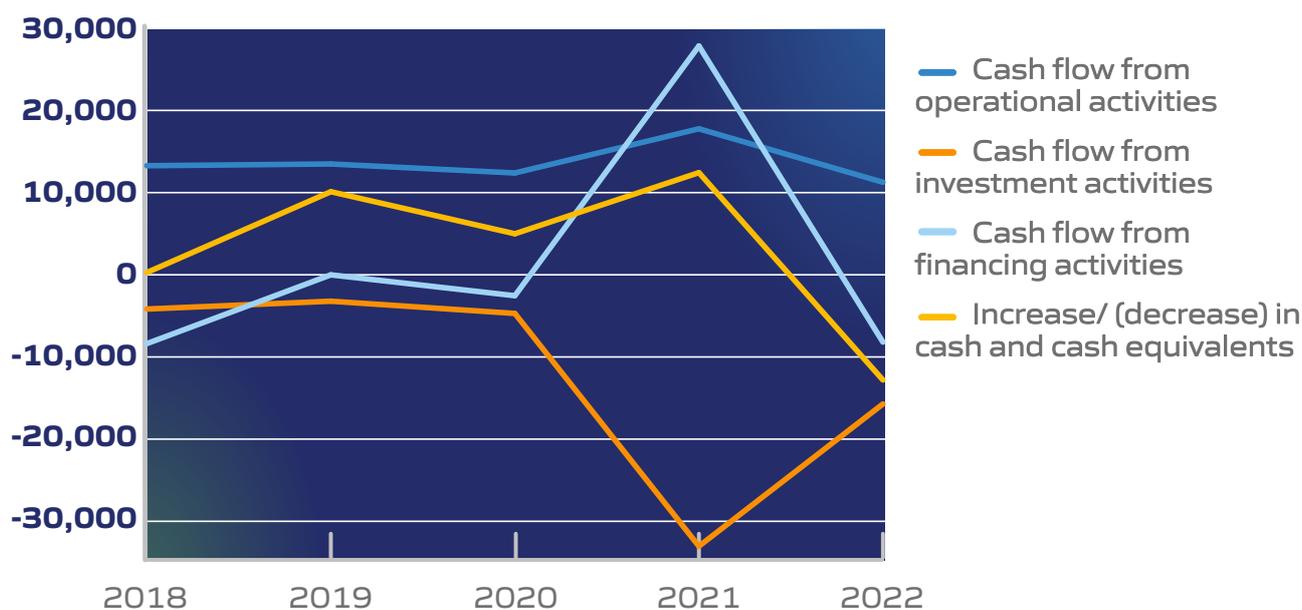
The cash flow from operating activities amounted to € 11.3 million in 2022 (2021: € 17.8 million). The decrease in operating cash flow of € 6.5 million (2021: increase of € 5.7 million) is on the one hand attributable to a higher net revenue result of € 11.3 million (2021: € 16.1 million), a higher depreciation of € 3.7 million (2021: € 1.0 million) and an increase in other changes in the fixed assets of € 6.0 million. On the other hand, it is negatively influenced by an increase in capital absorbed in the working capital of in total € 27.6 million (2021: € 5.2 million), largely related to higher zinc and steel prices for inventory items and lower short-term debt in addition to the € 7.2 million increase in paid corporate taxes.

The cash flow from investment activities shows a decrease of € 17.4 million (2021: increase of € 28.5 million), mainly explained by the investment in Prestia in 2021 and an increase in investments of € 4.5 million in 2022 compared to 2021 (2021: € 5.7 million compared to 2020).

The cash flow from financing activities is minus € 8.4 million (2021: plus € 27.6 million). In 2022, € 8.2 million was repaid on long-term debt compared to the € 23.1 increase in debt in connection with the acquisition of Prestia in 2021. No dividend was paid in 2022.

The financial position and the operating cash flow are sufficient to continue activities without additional financing. ROTO amply complies with the agreements made with credit institutions.

Cash flows (in € 1,000)

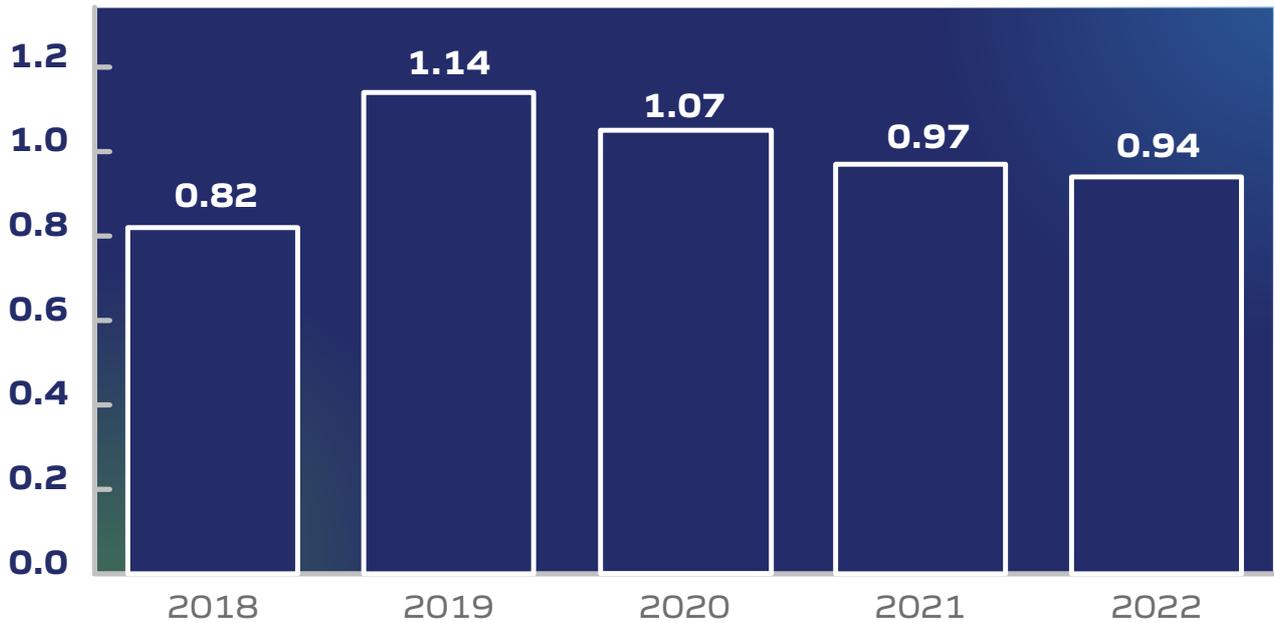




Liquidity

The quick ratio (cash and cash equivalents plus receivables in relation to current liabilities) amounts to 0.94 at the end of 2022 (end of 2021: 0.97). Although the ratio is a little lower and just below 1, ROTO has sufficient liquid assets. Cash positions and cash developments are monitored with the required attention and on a periodic basis.

The current ratio (including inventories) of 2.14 at the end of 2022 (end of 2021: 1.75) is slightly higher. This is due to the increase in inventory valuation as a result of higher zinc and steel prices at the end of the year compared to last year's closing.



Risk management

ROTO's risk management can be characterised as risk averse. ROTO evaluates the risk from time to time and decides based on the outcome whether the existing policy can be continued or whether adjustments are necessary.

Key Theme Risks

↑ Increased risk

⊖ Risk remained unchanged

↓ Decreased risk

⊖ Safety first

Strategic, people and operational

Continuous management focus on building safety awareness and behaviour. By promoting diversity and inclusiveness, all our Family members should feel safe to be who they are and where they are, which helps their well-being and operational continuity. Introducing standardised group safety approach.

⊖ Fraud and corruption

Strategic, people, financial and operational

Breach of internal procedures. Business Code of conduct is in place, which is propagated by the top of central and local management. There are strict procedures for approval of all financial transactions.

⊖ Cyber security

IT, financial and operational

Infringement, data loss or unauthorised access. Strict access procedures and continuous enhancement of our IT systems and platforms. Reinforcement of the organisational structure. Strict back-up procedures. Execution of pen-tests. Continuous internal training.

⊖ Commodity prices

Sales and operational

Commodity price volatility. For zinc and steel: partly covered by a mix of group activities and adapting procurement strategies. Focus of sales force on agile pricing by intensified management attention.

Energy

Sales and operational

Energy price volatility and availability. Frequently monitoring energy market prices and adapting procurement strategies.

Geopolitical situation

People, operational and sales

Geopolitical instability.
Special attention and support for our Ukrainian Family members and their loved ones. Financial risk is limited. Business with Russia still ceased.

Markets

Sales and operational

Shipbuilding industry struggling with internationalising competition. Fierce competition in other industry markets.

Reputation

Strategic

Breach of internal procedures or license conditions. Living our core values. Building an integrated system based on the SDGs and the best available technologies and measured in our ROTO dashboard.

Supply chain

Strategic

Risk of breach of internal procedures.
Building an integrated system based on the SDGs and measured in our ROTO dashboard and living our core values.

People

People and operational

Aging Family members. Scarcity and availability of capable, skilled and diverse (future) Family members. Education and development. Ambition for ISO 45001 certification for all Business Units. Promoting diversity and inclusiveness. Attracting new Family members with complementary talents and skills.

Risk management

↑ Sustainability

Strategic, operational and people

Roadmap to Paris 2030: accelerating transition to sustainable technologies and energy sources, availability of permits, best available technology. Lacking infrastructure. In process for enhanced C2C and UN SDG certification. Use of certified green energy. Aiming to minimise potential effects of future carbon taxation.

↓ Innovation and digitalisation

Strategic, operational and people

Speed and size of innovation and digitalisation. Investments in new and innovative projects. Innovation meetings to collaborate on new ideas or solutions. Continuous investment in digitalisation.

⊖ Exchange rate

Strategic and operational

Risk of exchange rate volatility. Exposure in the upstream material supply and in our operations in Poland and the United Kingdom. Future transactions in Poland partly hedged.

⊖ Debtors

Strategic and operational

Diversified customer portfolio. Insurance of credit risks, supplemented by a strict internal debtor policy.

↓ Liquidity, cash flow and interest rate

Financial

Increased commodity prices lead to increased working capital. Liquidity monitored continuously. The interest rate risk is partly hedged by financial instruments.

The monthly reporting based on the secured reporting format, including the continuous focus on the estimated year-end results, has contributed to the risk management structure as an integral part of our internal control and monitoring procedures.

The risk-averse approach and the hedging or mitigation of the above risks ensured that the impact of undesirable changes in commodity and exchange markets were manageable for ROTO in 2022. The continuation of this policy ensures that ROTO is adequately protected against these types of risks.

Outlook to the future

Safety First

Building a safety culture that prevents accidents and condemns inappropriate behaviour in any form is the number one priority within ROTO and the management of all our Business Units. Providing a safe work environment where all our Family members feel safe to be who they are and where they are is central to our ROTO Family.

Therefore, all Business Units have adopted the Dupont Bradley Curve as a measure of the current status and guideline for improvement. The zero-measurement will be done in the coming months and will undoubtedly lead to a concrete action plan with numerous actions. New innovative methods will also be introduced to improve physical working conditions and heavy lifting in particular.

People

With an ageing workforce and a tendency that recruitment is becoming more complex, whilst we continue investing in labour conditions, find new ways of recruitment and stimulate our Family members to grow and develop themselves by investing in training and education through our newly initiated and existing internal academies. We do not expect the number of Family members to grow significantly in 2023.

Instability in Europe

As the injustice continues, we remain concerned about the suffering of so many people in the Eastern European region and the impact on everyday life around the world. We are convinced that matters will be resolved in a righteous way but at the same time regret the impact on the lives of so many. We follow developments in this volatile world day to day and do our utmost to stay on track for our Family members and the ROTO Ecosystem.

Sustainability

Action is required, which is why we are continuously aligning our goals with the 17 SDGs of the United Nations and are adapting to meet the ESG requirements. Plans for energy efficiency at all locations are contributing to the CO2 emissions goals. Awareness of these topics is recognised group-wide in the KPIs that have been developed for all eight core themes. These KPIs are our compass for navigating the Business Unit's performance.



Marketing and Sales

We want to develop new markets, both in France and by aligning the strategic sales and marketing goals of each Business Unit.

Innovation and digitalisation

We encourage our Business Units and Family members to engage in research and development and to collaborate on new ideas or solutions with internal and external stakeholders and partners. These activities are not related to systematic scientific exploration of new products and services but are part of our continuous innovation and digitalisation projects.

Investments

The completion of investments resulting from Staco's strategic plans and new strategic investments for De Boer Staal and Prestia will be our main investment activities. Each Business Unit investment is aimed at further developing the company in the future, such as the investment in ERP software initiatives and the further development of operational ERP systems to benefit from a more digitalised working environment. Our budgeted capital expenditure amounts to € 15.5 million (2022: € 15.5 million).

Budget

After a very good 2022, the start of 2023 is more moderate and slightly behind budgeted expectations. The 2023 budget is challenging but not unrealistic, partly depending on social and economic developments. The budget assumes a positive result, a depreciation level of approximately € 9.5 million (2022: € 8.5 million), an expected level of working capital and sufficient cash flow to finance the planned investments from own resources.

ROTO's solvency and liquidity position is strong and provides a solid financial foundation from which it can be further developed.

Economic expectations

Expectations for economic development are uncertain due to price fluctuations of key commodities, energy supply and the availability of skilled personnel, which will be key factors as well.



Report of the Supervisory Board 2022

The year 2022 has, from a financial point of view, been very successful for ROTO. It showed solid growth in the group's turnover and profitability, despite a challenging and uncertain geopolitical and economic outlook. 2022 was Prestia's first full year of integration. We are pleased to see that the integration is progressing on many fronts. All Business Units have contributed positively to the result, but the sharply risen energy costs and the highly inflationary economic environment have put pressure on margins. Also, the large volatility of commodity prices, in particular steel and zinc, contributed positively this year. At the same time, this volatility underlines the need for careful management of stocks of raw materials, as volatility is a two-way street that also involves significant downward risks.

As announced in our previous report, the Supervisory Board was further extended by two new board members. In 2022, Petra van Saaze joined the Supervisory Board with a focus on sales, marketing and branding. Also, to underline the strong commitment to ROTO of the De Boer family, Arnaud de Boer joined the Supervisory Board. In line with our ambition, we have now achieved an equal distribution of men and women, which also perfectly fits with our goals for the CSRD and other requirements.

Meetings and topics

In 2022, the Supervisory Board met nine times, including a 2-day visit to Prestia with the complete new Supervisory Board which served as an excellent opportunity for alignment and team development, at the meetings the management of Roto B.V. was also present. These meetings, always starting with Safety First, discussed the Business Unit's quarterly reports, operations, sustainability, investment plans and innovation, as well as the audit report on ICT and administrative organisation and the planning and results of the audit procedures.

Special topics for discussion were strategy, entrepreneurship, value creation, risk management, the results of the ROTO People Survey, HR policy and the importance of strengthening leadership and control in the various Business Units and taking steps towards ESG and CSRD reporting.

A value-driven approach to business leads to broad value creation

The current challenging and often unpredictable geopolitical situation only emphasises the need for a solid strategy and risk management to ensure future success. As such, it is crucial to build on our ROTO Strategy House and our values as well as reporting and steering towards broad value creation along the lines of the UN Sustainable Development Goals.

This year, particular attention was given to the individual strategy plans of the Business Units. Also, as a board, we visited Prestia on site and started rotating our board meetings to different ROTO sites when possible. It remains the Supervisory Board's strong conviction that a value driven, proactive approach to sustainability is essential from both a risk management and entrepreneurial perspective.

ROTO's growth in a dynamic world emphasises the need to keep developing and strengthening our Business Units' leadership and control. The ROTO leadership team has actively made large strides in this regard over the past year, despite challenging operational circumstances. It is the Supervisory Board's conviction that developing and supporting leadership within our Business Units stimulates entrepreneurship allows us to remain agile and proactive, close to our core markets and clients, whilst retaining control and overview.



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Coert Zachariasse, chairman of ROTO's Supervisory Board

Performance evaluation

The Supervisory Board has also assessed the management of Roto B.V. and concluded that it performed well in 2022. Their focus remained on further rolling out the ROTO Strategy House and its core values, while staying vigilant on the operational performance of ROTO, both of which have resulted in excellent financial results. The Supervisory Board will maintain an open and constructive dialogue with the management of Roto B.V. and support them to the best of its ability.

In a separate meeting, the Supervisory Board evaluated its own performance. The self-evaluation showed that the variety in backgrounds and the expertise within the Supervisory Board is sufficient to fulfill a critical supervisory role.

Outlook

As stated earlier, the year 2022 has seen a great deal of volatility, both geopolitical and economical. The war in Ukraine and the subsequent sanctions against Russia have resulted in very volatile commodity prices, a steep increase in energy prices and a high-inflation economy. Central banks have reacted by sharply raising interest rates.

All this has a severe impact on the construction industry, the offshore industry, the energy prices and the commodity markets. It is a fact that ROTO is and will be affected by these profound changes. It is, however, impossible to assess the effect on developments in our core markets in the longer term. Therefore, the results for 2023 are difficult to predict.

The Supervisory Board follows developments closely and is kept well informed by the management of Roto B.V. about the consequences for the ROTO Business Units. ROTO's financial position is robust, and the group has a strong liquidity position. This buffer gives the management of Roto B.V. the peace of mind to take adequate measures and continue the strategic investment decisions to align the organisation for the future. The Supervisory Board will continue to monitor developments critically in 2023 in order to perform its supervisory duties optimally.

Entrepreneurial, reliable, passionate and committed

The Supervisory Board would like to thank all our passionate and committed Family members that helped ROTO to further strengthen its position in 2022. We particularly thank all the individual and collective actions that spontaneously took place to alleviate the dire conditions of people in Ukraine as a result of the ongoing war. For us, this shows that our ROTO values are broadly shared within our ROTO Family. Of course, the current volatility of the economic developments will affect the sectors where ROTO does business in 2023. The management teams of the Business Units feel strongly committed to our ROTO Strategy House, which gives us confidence that they will steer ROTO safely through these unpredictable economic and political times.

Uitgeest, 20 June 2023

The Supervisory Board

Coert Zachariasse, Chairman

Heleen Cocu-Wassink

Petra van Saaze

Arnaud de Boer

Summary consolidated financial statements

Consolidated balance sheet as at 31 December 2022 before profit distribution

Assets (x € 1,000)	31 December 2022	31 December 2021
Fixed assets		
Intangible fixed assets	10,761	12,023
Property, plant and equipment	76,357	75,059
Financial fixed assets	612	816
Current assets		
Inventories and work in progress	68.823	53,594
Receivables	38.176	37,253
Cash and cash equivalents	16.075	29,042
Total	210,804	207,787

Equity and liabilities (x € 1,000)	31 December 2022	31 December 2021
Own equity	97,159	80,139
Minority interests	16,695	11,239
Provisions	8,260	8,267
Long-term liabilities	31,270	39,508
Short-term liabilities	57,420	68,634
Total	210,804	207,787

Consolidated profit and loss account 2022

(x € 1,000)	2022	2021
Net turnover	276,775	195,319
Direct costs of sales	214,471	152,873
Gross profit	62,304	42,446
Sales expenses	1,872	931
Other operational expenses	28,510	20,885
General expenses	30,382	21,816
Operating result	31,922	20,630
Interest result and related income and costs	(1,401)	(627)
Result on ordinary activities before tax	30,521	20,003
Taxation on result on ordinary activities	(8,310)	(4,514)
Result participations	890	245
Result on ordinary activities after tax	23,101	15,734
Minority share	(5,960)	(4,034)
Net result after taxation	17,141	11,700

Consolidated cash flow statement for 2022

(x € 1,000)	2022	2021
Cash flow from operating activities	11,260	17,811
Cash flow from investment activities	(15,902)	(33,332)
Cash flow from financing activities	(8,415)	27,592
Net cash flow	(13,057)	12,071
Translation differences	90	368
Increase / (decrease) in cash and cash equivalents	(12,967)	12,439
Balance as at 1 January	29,042	16,603
Change	(12,967)	12,439
Balance as at 31 December	16,075	29,042

Auditor's report

The figures included in this summary consolidated financial statements were taken from the financial statements filed with the Chamber of Commerce. For a complete picture we refer to the 2022 financial statements filed for Roto B.V., for which Mazars Accountants N.V. issued an unqualified auditor's report on 20 June 2023. The auditor did not perform any work on the figures included in this annual report summary.

ROTO businesses

ROTO

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rotogroep.nl



Staco Belgium

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De Boer Staal

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Netherlands

deboerstaal.nl



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Germany

staco.de



De Boer Snijbedrijf

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NL-1911 DA Uitgeest
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France
prestia.fr



Prestia SBG

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La Chapelle Caro
56460 VAL D'OUST
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prestia.fr



Prestia GK & Prestia MP

ZI du poirier
14650 CARPIQUET
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Prestia G29 & Prestia CRC

ZA de Kéranguéven
29460 HANVEC
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Prestia GCX & Prestia APY

ZI du Bois de l'Arc
76760 YERVILLE
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Thank you for taking the time to read our annual report.
We look forward to seeing you soon.



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