



Annual Report Summary

The Sustainable Colourful Metal Family Group



2023

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ROTO Businesses

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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.

In 2022, ROTO's overall safety performance declined after the acquisition of Prestia. However, in 2023, results improved as the number of incidents decreased and an extensive programme was launched throughout ROTO in collaboration with DSS (Dupont Safety Systems) to improve the safety culture in general, while aiming to prevent incidents and accidents. ROTO continues working on that ambition.

Energy prices remained relatively high, especially at the beginning of the year, and salary costs and interest rates increased. Meanwhile, steel and zinc prices fluctuated and decreased. As a result of the general economic situation, ROTO experienced a backdrop in volumes across various markets, which contributed to a partial erosion of market prices and margins. Taking these factors into account, 2023 is considered to be a moderate year from a financial point of view.

In December 2023, there was a change in ROTO's leadership as Ditmar Koster (CEO) left ROTO. As per 1 January 2024, Petra van Saaze, member of the Supervisory Board, took over the role of CEO ad interim, ensuring a seamless leadership transition.

Continuing to work based on our ROTO Strategy House

We continued working based on our ROTO Strategy House: our compass for leading The Sustainable Colourful Metal Family Group and meeting the seventeen Sustainable Development Goals (SDGs) of the United Nations, which are integrated into our eight core themes. We worked on the qualified and quantified strategic plans for each of the Business Units, stimulating their autonomy along the guidelines of their own strategic plans, while improving our analytical and forward-looking capabilities. To ensure cooperation and harmonisation between the Business Units, three ROTO Communities worked on common themes and made decisions on topics related to Finance, Human Resource (HR) and Safety, Health, Environment & Quality (SHEQ).

Moderate financial result

Overall, 2023 presented various challenges with peaks and valleys in the financial results of our five Business Units. During this year, ROTO's focus was not just on financial ambitions but encompassed broad value creation in various ways. Despite economic headwinds in some of our markets, this resulted in a consolidated after-tax result of € 6.3 million (2022: € 17.1 million), further strengthening ROTO's financial position.



We are proud to have achieved this result in an ever faster changing world, and we are very grateful to our Business Units and Family members for playing a fundamental role in our aim to deliver excellent results. Therefore, we confidently continue our efforts for 2024 and beyond. A big thank you to all our colleagues for their passion, commitment, reliability and entrepreneurship during 2023!

Petra van Saaze and Tom van Lindert, Management Board of ROTO

Broad value creation

Apart from financial results, ROTO focuses on a dashboard based on broad value creation, tied to its eight core themes. Sustainability, one of those eight themes, remains high on the agenda: it is crucial that we reduce and minimise our impact and maximise the positive effects of our activities on 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, the Netherlands, 23 April 2024

Petra van Saaze, CEO, and Tom van Lindert, CFO

Our company profile



Roto The Sustainable Colourful Metal Family Group

Roto B.V. is a one hundred percent independent Family business. As the holding company of ROTO, we are continuously looking for sustainable returns. 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:



In 2023, further aligning the strategies of each of the five Business Units and adapting those strategies in changing market conditions were important topics in the collaboration between our Business Units. This strengthened our ROTO Family culture. In an everchanging environment, it is important to find new perspectives and to adjust our business approach when needed.



We cannot solve our problems with the same thinking we used when we created them.

Albert Einstein

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

Our ROTO Strategy House

Our basic principles are made clear in our ROTO Strategy House, a house with a solid foundation, strong walls and a sturdy roof. It captures our purpose, our core values, the set-up of our Business Units and our strategic core themes, and it integrates the seventeen SDGs in our way of working. In 2023 and the beginning of 2024, our ROTO Strategy House adopted the new corporate identities of De Boer Staal and Rotocoat. The purpose and content remain unchanged.



The Sustainable Colourful Metal Family Group

Entrepreneurial, Reliable, Passionate & Committed



Smart with Steel



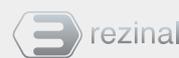
Create and inspire



GALVANISATION & PEINTURE



Sustainable, reliable and flexible together



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 fields of operation.
- 2. Sustainable:** we are committed to a sustainable future for our Family members and the environment, based on sustainable financial policies to secure continuity and the future of our Family Group.
- 3. Colourful:** we do 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. 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 and what we want to be and what you may 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.

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 fail, and trying again, if necessary, we can push boundaries.



Committed

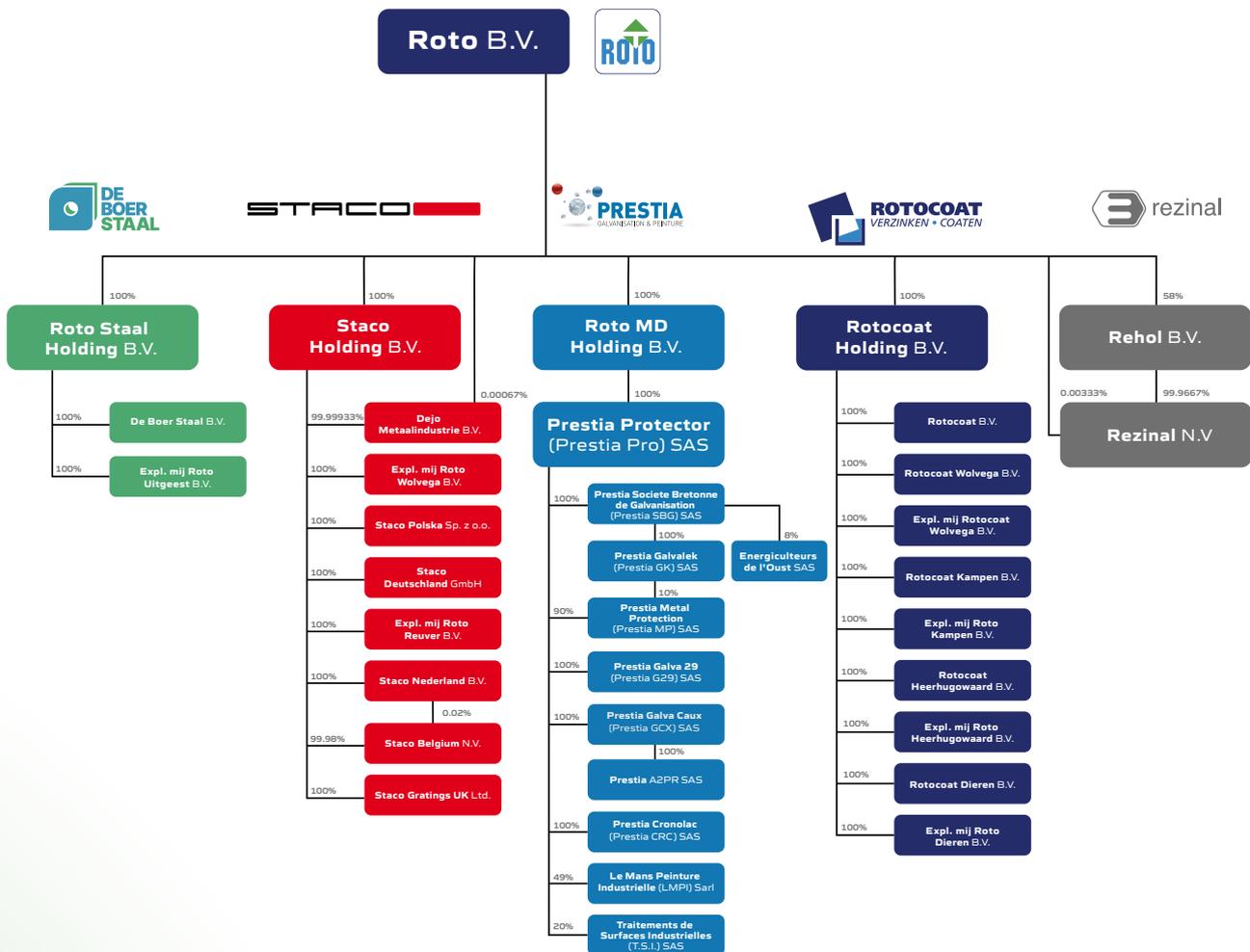
Betrokken Engagé
Engagiert Zaangażowany

We are loyal and committed to ourselves, our Family members and the business. We are helpful and take care of each other, while at the same time remaining critical and demanding. 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 and thus collectively contribute to our purpose.

Legal structure





Erik van Kampen, Brendon Beumer and Jack Vet,
management team De Boer Staal



De Boer Staal: **'Smart with Steel'**. De Boer Staal wants to be the preferred partner for companies that need processed steel. From plasma cutting and autogenic cutting to bending or deburring sheet metal: this company does it in a smart way.

De Boer Staal focuses on specific product market combinations such as machine building, shipbuilding, road construction, waterways and bridges, sluices and works of art. De Boer Staal,

Smart with Steel



2023 was an important year in which we said goodbye to our steel trading activities and created one company: De Boer Staal. We continued building and strengthening our steel processing and sales capabilities to prepare ourselves for a further sustainable future.

Erik van Kampen, Brendon Beumer and Jack Vet,
management team De Boer Staal





Luc Munninghof and Ludger Kramer, management team Staco



With **'Create and Inspire'**, Staco focuses on more complex assignments. Its why is: **'Staco is the preferred sustainable choice in every challenging metal grating or façade project'**.

Staco is one of the largest producers of metal gratings and panels for construction and the industry in Europe.

In addition to standard applications, Staco also focuses on customer-specific applications. It distinguishes itself by providing added value for customers through its own production facilities and sales offices. As a result, designers, engineers and manufacturers of utility or industrial buildings, offshore wind farms, ports, roads and special vehicles prefer Staco products.

This strategy towards customer intimacy is called "Create and Inspire". This entails Staco's ambition to evolve into a trusted (chain) partner, aiming to become "the preferred sustainable choice in every grating and facade project". Through this approach, Staco seeks to establish enduring relationships with its customers and provide customer solutions that meet their specific needs and requirements. By prioritising sustainability and customer-centricity, Staco aims to solidify its position as a leader in the industry. Staco,



Create and Inspire



Our new investments in personnel and state-of-the-art machinery will help us to further improve our service to our customers regarding challenging projects and applications.

Luc Munninghof and Ludger Kramer, management team Staco





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



With 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 services.

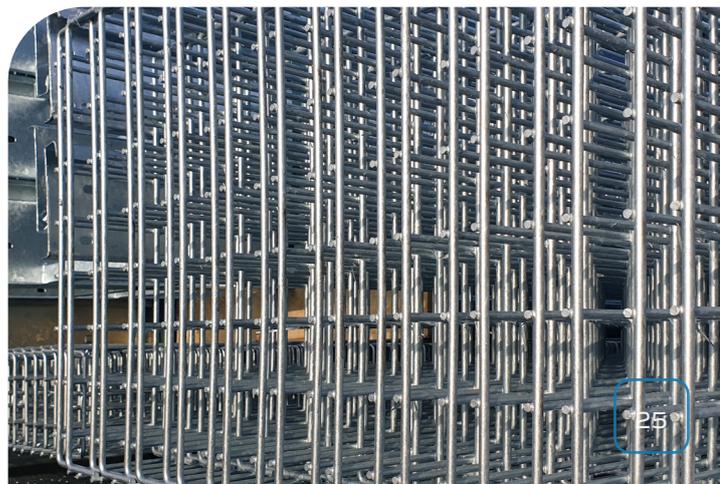
With the why in its strategic plan being 'Together, let's protect and build a colourful and sustainable future', Prestia will provide sustainable services and protection for all steel products. Prestia,

Sustainable Services & Protection



In 2023, Prestia wrote a new chapter within ROTO. The Business Unit was able to adapt to new contexts and transform them into opportunities to strengthen its margins while following the path of continuous improvement in safety and sustainability, without of course forgetting the reinforced quest for client satisfaction.

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





Pieter Sikkema, Klaas Bergsma, Gerlof Koster, Mike Schong and Saskia de Rie,
management team Rotocoat



In the refocus of her strategy plan, Rotocoat slightly changed the why to **'Sustainable, reliable and flexible together'**. 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.

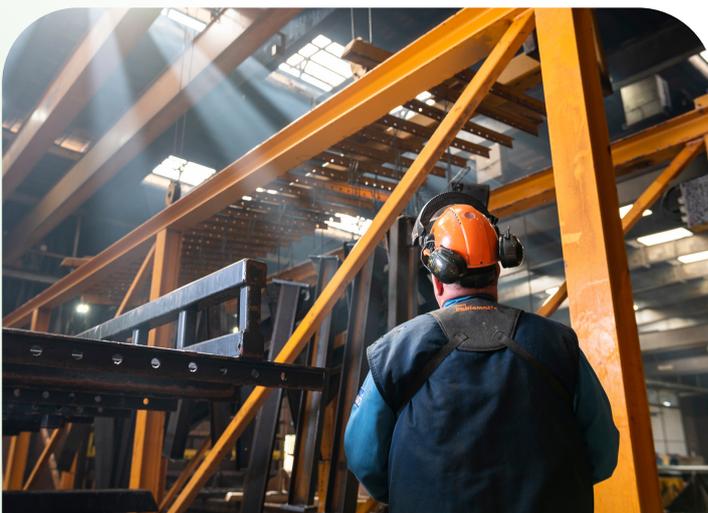
Rotocoat has four production sites in the Netherlands and is equipped to preserve large, wide and heavy materials. The combination of hot-dip galvanising and powder coating (duplex system) provides the most durable protection against corrosion of steel and gives the material a beautiful appearance. Rotocoat,

Sustainable, reliable and flexible together



In 2023, Rotocoat completed its strategic and commercial plan, with emphasis on strengthening the brand 'Zinculair', sustainability and customer care. The new pay-off is 'Sustainable, reliable and flexible together'. Our investments are focused on becoming CO2 neutral before 2040.

Pieter Sikkema, Klaas Bergsma, Gerlof Koster, Mike Schong and Saskia de Rie,
management team Rotocoat





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



With its why being '**Sustainable excellence**', Rezinal aims to be the world leader and trendsetter in zinc recycling with an 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 that is increasingly aware that raw materials are exhaustive and that the re-use of raw materials is of the utmost importance for a sustainable future. Rezinal,

Sustainable excellence



Rezinal champions sustainability by producing the world's most eco-friendly zinc through advanced recycling technologies, significantly reducing energy, water usage and CO₂ emissions to 0.077 kg CO₂/kg zinc – far below the 3.96 kg CO₂/kg industry average. Aiming for net zero carbon, Rezinal exemplifies environmental stewardship and a commitment to a sustainable future.

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



**Eight core
themes
integrated
in seventeen
SDGs**

Our objectives, based on the 17 SDGs, are integrated into our eight core themes for which 23 Key Performance Indicators (KPIs) have been determined. These KPIs apply to all five Business Units.



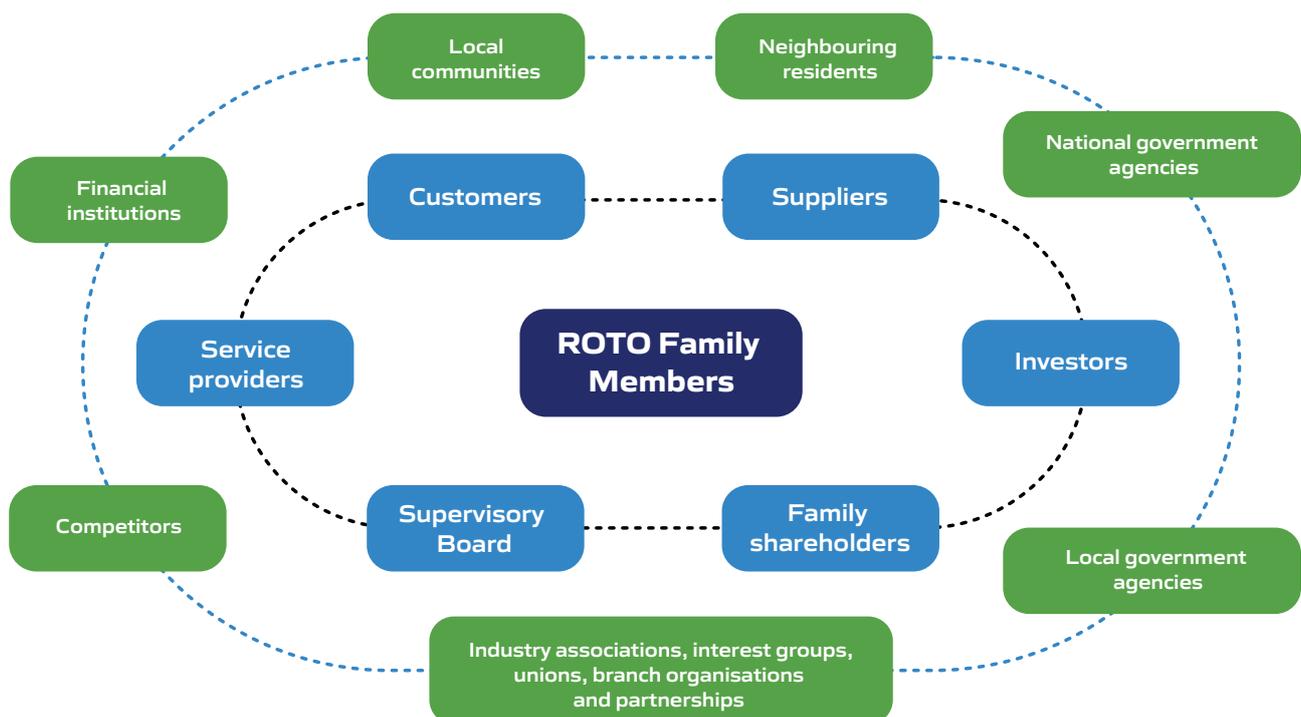
The table shows which SDGs we have integrated per core theme.

	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 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

While operating our businesses and interacting with our Family members and stakeholders, it is in our best interest to take good care of our economic, social and sustainable environment. All Family members, customers, suppliers or neighbours and governments have an interest in ROTO. Our ROTO Ecosystem model illustrates the relationships between ROTO and its stakeholders. It shows that they affect each other and collectively pursue added value aligned with their respective goals. The ROTO Ecosystem strives for the best possible outcome.

The ROTO Ecosystem members and stakeholders are:



Our highlights

January



Staco France start sales office



Prestia kick off Ensemble 30 strategy event for all employees

February



DSS survey related to safety culture

February



Prestia introduces use of exoskeleton

March



De Boer Staal participates in the "Kom binnen Bij bedrijven Dagen"



Go live of new website Staco

April



VOKA SDG laureate certificates all Business Units



Rotocoat Wolvega refits centrifugal galvanizing line

May



New bikes for employees Rezinal

May



De Boer Staal implements new activity: drilling services

June



Meeting Rotocoat Dieren in cooperation with Bouwen met Staal



De Boer Staal achieves 14001 and 45001 certification

Our highlights

July



Coert Zachariasse reappointed as chairman of the Supervisory Board



Solar panels Rotocoat Heerhugowaard

August



Staco Nederland celebrates 50 years

August



Rotocoat Academy launches its first e-learning modules

September



Rezinal receives VOKA export award (2nd place) in the category large enterprises



Rotocoat customer day with boat trip

October



Prestia Ensemble 30 - strategy event for all employees



Staco AP3: start production

November



Rezinal receives VOKA SDG Champion certificate

November



ROTO Family Survey

December



Merger De Boer Staal & De Boer Snijbedrijf



Introduction ROTO Connect App

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 ROTO Code of Conduct.

Because we want to make our performance measurable beyond market value and financial performance, we defined eight core themes, incorporating the seventeen 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). It also helps us prepare for the upcoming CSRD reporting requirements, which ROTO will embrace.

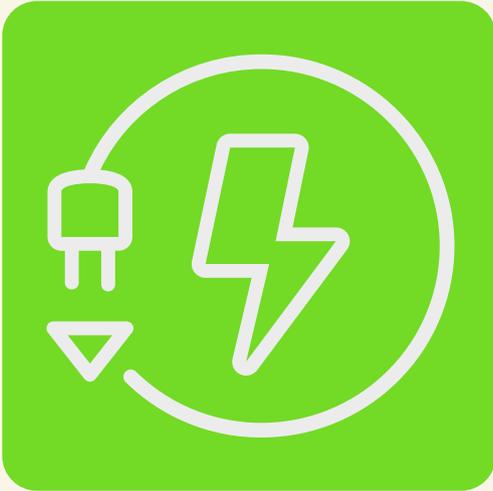


Governance

Guidelines for reporting on financial items are 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 Management Board of ROTO and 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 complete set of consolidated financial figures, including the balance sheet, profit and loss accounts and the cash flow statement. Additionally, the financial position of the company is detailed, encompassing aspects such as cash position, loan and covenant positions, investments made in the reporting period and expected investments for the coming periods. The Supervisory Board and the shareholders meet on a quarterly basis to discuss strategic plans, reported results and expectations for the coming periods. Each meeting is at a different ROTO location. Besides quarterly meetings, additional meetings and visits to ROTO locations are scheduled when necessary.

Environmental



Energy consumption

79,755 mWh

2022 **81,235 mWh**
2021 **91,154 mWh**



CO₂ emissions (scope 1 and 2)

19,085 ton

2022 **20,344 ton**
2021 **21,369 ton**



Water consumption

31,730 m³

2022 **32,890 m³**
2021 **34,655 m³**



Donations to good causes

€ 45,169

2022 **€ 56,100**
2021 **€ 38,425**

Safety and wellbeing

2020 excluded Prestia figures

Accident frequency



25x



2021 **36x** 2021 **40x**

Number of FTEs



1174

2022 **1187** 2021 **1155**

Netherlands

452

2022 **464** 2021 **452**

Abroad

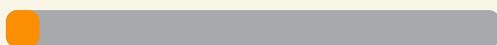
722

2022 **723** 2021 **703**

Absenteeism due to illness



6.9%



2022 **7.7%** 2021 **7.9%**

Age structure



Own FTE <30

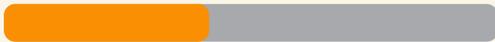
95 FTE



2022 **110** 2021 **120**

Own FTE >30 - <50

455 FTE



2022 **483** 2021 **490**

Own FTE >50

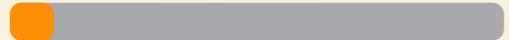
414 FTE



2022 **410** 2021 **384**

Ratio men / women

11.05 %



2022 **11.00 %** 2021 **11.80 %**



94 FTE

2022 **98 FTE** 2021 **89 FTE**

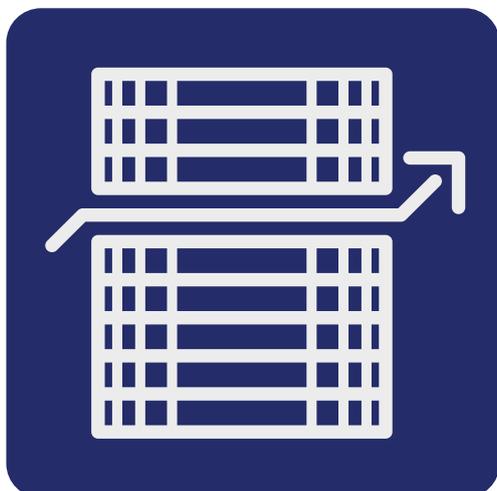


1,039 FTE

2022 **1,078 FTE**
2021 **1,048 FTE**

Our financial key figures

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



Net revenue

€ 240,432

2022 € 276,775
2021 € 195,319



Result after tax

€ 6,278

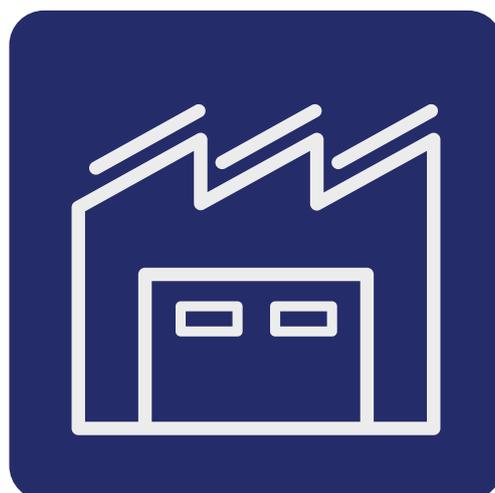
2022 € 17,141
2021 € 11,700



Equity/total assets

52.4%

2022 46.1%
2021 38.6%



Investments

€ 8,512

2022 € 15,000
2021 € 10,512



EBITDA

€ 17,145

2022 € 40,906
2021 € 25,780



EBITDA/Net revenue

7.1%

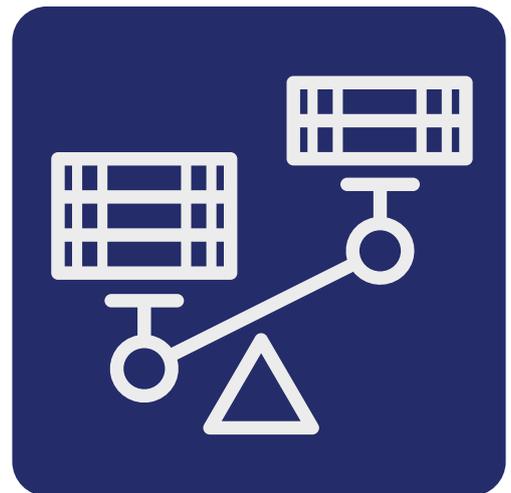
2022 14.8%
2021 13.2%



Current assets -/- current liabilities

€ 59,494

2022 € 65,654
2021 € 51,255



Quick ratio

1.13

2022 0.94
2021 0.97



Safety

Providing a safe work environment where all our Family members are safe to be who and where they are is an essential part of our core values. That is why our number one priority is cultivating a safety culture aimed at preventing accidents and a just culture that facilitates learning from incidents that might occur.

Safety First: zero accidents

Our ambition is zero accidents because we strongly believe that every accident is preventable. The ROTO Family Survey (2023) shows that safety and workplace conditions are rated slightly higher compared to the first measurement in 2021 (then called the ROTO People Survey). However, ROTO still lags behind the comparable industry norm, and we are ambitious to improve our performance in this area. All ROTO Business Units are working on reducing the number of accidents to zero, based on the Dupont Bradley Curve.

A psychologically safe work environment: zero tolerance of improper conduct

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

The ROTO Family Survey (2023) revealed that ROTO is above the industry benchmark in terms of opening up about psychological safety. People feel free to speak up, to their coworkers or team leads, which is a good sign and helps us prevent undesirable behaviour.

Safety First: always!

With Safety First, we set high ambitions for a safe work environment. Together with DSS+, the Business Units are working to transform this ambition into reality. The foundations have been laid to progress towards a safety culture in which we continuously learn from incidents and mistakes. We believe that all accidents can be avoided; zero accidents is our end game. Step by step, the safety culture in all Business Units is being improved.



Rezinal proudly celebrated 2,036 accident-free days with no work-induced absences among our own employees at the end of 2023. Our commitment to safety is unwavering, and we continue to reinforce this through initiatives like the Safety Perception Survey conducted in collaboration with DSS. We firmly believe that the key to safety lies in understanding the factors influencing our safety performance, tracking progress through measurement and relentlessly pursuing continuous improvement, making safety the top priority for each and every employee.

Claudio Perelli – production manager Rezinal

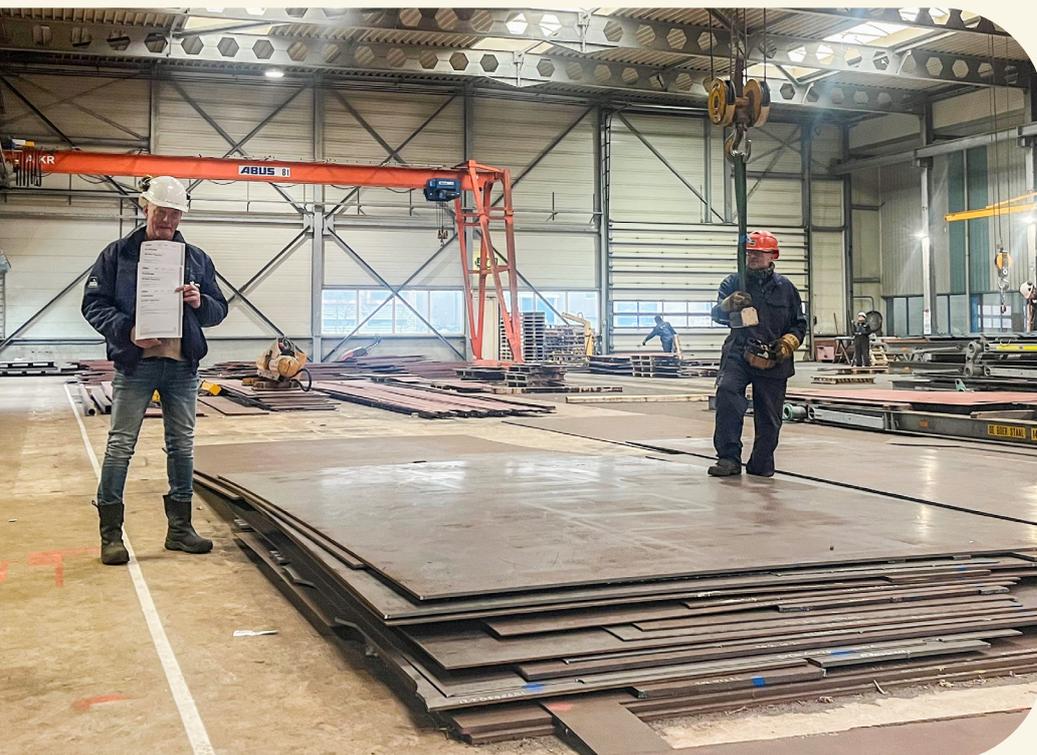
ISO 45001 for all Business Units

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 wellbeing of our colleagues. All Business Units of ROTO comply with ISO 45001, except for Rotocoat where audit certification is planned for 2024.



By attaining our ISO 14001 and 45001 certifications, we have enhanced our ability to effectively administer our integrated management system.

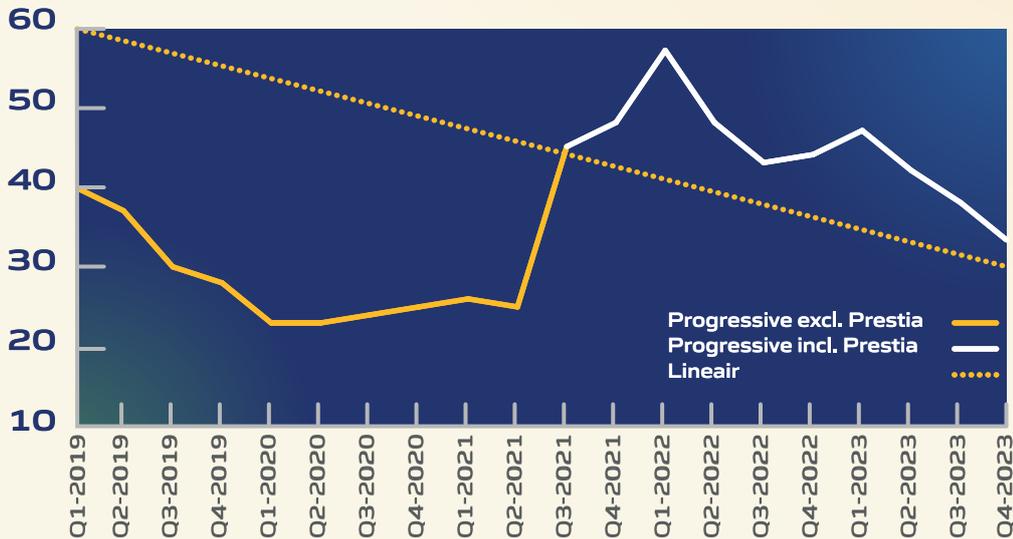
Martin van Woesik - SHEQ coordinator De Boer Staal



Safety Index: working on our ambitions

All our Business Units report and register unsafe conditions, hazards, near misses, minor incidents and lost time injuries (LTI). 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 twelve months per one million production hours.

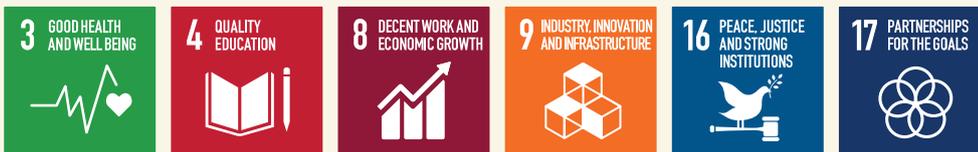
Safety Index



Since 2021, the target for the Safety Index is 10 or lower. However, after the acquisition of Prestia at the end of 2021, it became clear that a level of 10 or lower in the short term was very ambitious for the whole of ROTO. Nevertheless, significant strides were made in Prestia's safety programme, amongst others, resulting in 47 lost time injuries for ROTO in 2023 (2022: 75 LTI's) and an overall Safety Index of 25 (2022: 36).

Staco and Rezinal realised a safety index of less than 10. De Boer Staal and Rotocoat followed this with 15 and 18 respectively. Prestia came from 124 at the beginning of 2022 and dropped to 84 at the end of 2022 and 54 at the end of 2023, which is – although not satisfactory – a great achievement. Reaching a Safety Index of 10 or lower and ultimately 0 remains a major challenge that requires our continuous attention and determination.

ROTO also measures absenteeism based on the number of absence days as a result of accidents, which in 2023 was 497 (2022: 405) for ROTO excluding Prestia. Including Prestia, the number reached 2,398, a significant decrease from the 3,532 absence days in 2022.





People

Our Family members are valuable 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, based on our core values, they are challenged and supported to be the best they can be. For this reason, ROTO is working on strengthening its HR capabilities. The recruitment of HR directors, both for Prestia and Staco, will simultaneously increase capabilities within the HR community.

ROTO Family Survey

In 2023, the number of Family members fluctuated between 1,122 at year-end and 1,196 after Q1-2023, reflecting a downward trend in economic activity.

After the first baseline measurement at the end of 2021, the ROTO Family Survey (RFS) was carried out for the second time at the end of 2023. Again, this gave us valuable information on the level of engagement and on which improvements should be made to align with our ambitious goals. The results were shared and discussed with all our Family members, with the request to implement concrete improvement plans where necessary. ROTO's Management Board intends to repeat the survey every two years, so the next one is scheduled for the end of 2025.

In 2022, ROTO started with improved performance management: based on our strategy, core values and core themes, specific personal goals are set annually together with the Finance, HR and SHEQ Communities and the ROTO Leadership Team. This will be continued and further improved in 2024.



In 2023, Rezinal conducted a new employee satisfaction study, reaffirming our commitment to a thriving workplace. Our goal in conducting this study was to gain valuable insights directly from our employees, enabling us to continuously improve our workplace environment, foster a culture of collaboration and wellbeing and ensure that every member of our team feels valued and engaged.

Patricia Denier – finance and administration manager Rezinal

Further implementation of our core values

All ROTO Business Units are aware of ROTO's core values, thanks in part to the visualisation created for these core values. Uniformity in presentation ensures that everyone is on the same page and makes it clear that the core values apply to all our Family members. In 2023, communication about the core values continued, including in our onboarding procedures, development interviews, staff handbook and staff regulations.

Gender quota on female leadership within ROTO

Via the diversity portal of the SER, ROTO has expressed its ambition for a gender quota on female leadership: 50% for the Management Board by 2030, 50% for the Supervisory Board (already realised since 2022) and 30% for the Leadership Team by 2030. In 2023, this ambition was only realised for the Supervisory Board. Since the beginning of 2024, the ambition has also been realised for ROTO's Management Board. It is, however, still challenging for the Leadership Team: in 2023, only 10% was female. Since female representation is low in all levels of the organisation, ROTO will need to focus on external female talent to achieve this ambition.

Continuing investment in learning and development

To stimulate our Family members to grow and develop themselves, we continue to invest in learning and development. Not only in training programmes to comply with the latest guidelines or required licences but also in individual or team development training. Prestia, Rotocoat and Staco are working on their own academies: complete learning and training programmes to increase knowledge and provide opportunities to work on capabilities, skills and hence employability. This way, we show our long-term commitment to our Family members. In addition, both Rotocoat and Staco are working on traineeships for young talent.

Recruitment, diversity and inclusion: a challenging task

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



Recruitment is challenging and the availability of skilled people is a major concern in all countries where we operate, whether for straightforward production work or production work that requires specific skills. To mitigate the risk, we partner with multiple agencies, work on our propositions based on the employee journey and provide continuous training and development. We have set up preferred employer programmes and involve our Family members more in recruitment. Last but not least, ROTO's HR Community chose an interactive communication tool in the form of a dedicated app (ROTO Connect) to improve communication from ROTO and its Business Units to employees and among employees themselves. The app will be launched in the first half of 2024.



Rotocoat is developing, and with the implementation of ROTO Connect, we are showing that the organisation wants to move forward. ROTO Connect is an interactive platform that improves the internal communication so that everyone can find the information they need at any time. The trust and freedom that we were given as a project group provided extra motivation and enthusiasm, which ultimately led to a beautiful end result.

Aukje van der Weij - HR employee Rotocoat

ROTO Management Board and Supervisory Board

As of 1 January 2021, Ditmar Koster (CEO) and Tom van Lindert (CFO) formed ROTO's Management Board. During 2023, the Management Board mainly focused on the strategy of the five Business Units and the ROTO Strategy House, the core values and the eight core themes, leading to broad value creation based on the seventeen SDGs. As per December 2023, Ditmar Koster left the Management Board. Petra van Saaze, a member of the Supervisory Board since 2022, assumed the position of CEO from 1 January 2024.

Roto B.V. applies the provisions of the mitigated two-tier regime and has an independent Supervisory Board. In 2023, this consisted of four persons: Coert Zachariasse (chairman), Heleen Cocu-Wassink, Petra van Saaze and Arnaud de Boer. As per 1 January 2024, Petra van Saaze left the Supervisory Board, which now consists of three persons. At the moment, no decision has been taken on recruiting an additional member.

Hybrid working is here to stay

As a result of Covid-19, a scheme was introduced to facilitate working from home. After the Covid period, this scheme was continued to enable more flexibility and less travel time. Family members are now allowed to work from home up to a maximum of 50% of regular hours. In practice, most of them choose to work 60-80% in the office as they like personal interaction at our sites. However, it is necessary for most Family members at our production sites to work on site 100% of the time.

Absenteeism due to illness

For ROTO, the absenteeism rate due to illness was 6.9% in 2023 (2022: 7.7%), 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 HR. Challenges and lessons learned are discussed in the HR Community.

The absenteeism frequency, ranging between 0.9 and 2.1 over the whole year, is relatively high compared to our goal of 0.8 and is, on average, slightly higher than in 2022 (0.9 and 1.6 respectively). This can partly be attributed to the recurring 'yearly' flu.





Sustainability

ROTO is committed to fostering a sustainable future on a healthy planet and with an inclusive society that provides 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 and are convinced of its necessity for our future licence to operate. This is anchored in our purpose: **The Sustainable Colourful Metal Family Group.**

Integrated UN Sustainable Development Goals

To give substance to our sustainability goals, the seventeen SDGs are integrated into eight core themes and translated into KPIs, which is shown in this report on the page 'Eight core themes integrated in seventeen 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. All five of ROTO's Business Units are working towards external UN SDG certification: upon successful completion of the audits, each Business Unit will receive official UN SDG certification. Rezinal has already gone through this process and received the UN certificate for 'SDG Pioneer' in 2021 and 'SDG Champion' in 2023.



All our units have obtained the ISO 14001 environmental management system certification to better control our impact, prevent environmental pollution and raise awareness among our employees about environmental issues.

Gaëlle Jean-Louis – environmental manager Prestia

Cradle to Cradle (C2C) certification

In 2022, Rotocoat 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 a low percentage of lead still being used in the galvanisation process. With an eye on improvement, Staco is working to regain the C2C Silver certificate.

A lower lead percentage is becoming an industry trend. As the industry in general is adapting to zinc with less lead, Rezinal has developed a new low-lead variant of recycled zinc, called R4, and is finding that ash delivered for recycling generally contains less lead than before.

Total energy and water consumption

Our total energy consumption decreased by 1.8% to 79,755 mWh (2022: 81,235 mWh). Our total water consumption decreased by 3.5% to 31,730 m3 (2022: 32,890 m3). With every investment, sustainability impact is part of the decision-making process. This applies not only to our strategic investments but also to replacement investments.

Solar energy reduces carbon footprint

In 2023, the 3,240 solar panels on the roof of De Boer Staal's production hall generated green electricity, of which a total of 661 mWh (2022: 783 mWh; 2021: 582 mWh) was returned to the energy grid. With this return included, 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 2023, the second tranche of solar panels on the roof of Staco Nederland in Reuver (about 275 mWh) became operational. With a yearly total capacity of 475 mWh, these solar panels produced 243 mWh of electricity, most of which is used in its own production.

In 2023, the first tranche of solar panels (about 345mWh) was installed on the roofs of Rotocoat Heerhugowaard. Project planning continues investigating the options for solar panels at certain Rotocoat and Staco sites.



By achieving the Pioneer Certificate from Voka

Charter Sustainable Entrepreneurship, Staco has embedded the seventeen sustainability goals of the United Nations into its business operations.

This makes Staco future-proof. A team of experts assisted Staco in taking various steps in sustainability, which led to demonstrable results.

Luc Habets - innovation and marketing manager Staco

Dutch Wind reduces CO2 emissions

Our CO2 production (scope 1 and 2) was reduced by 6.2% to 19,085 tonnes (2022: 20,344 tonnes) due to savings in energy consumption and also largely due to lower surface treatment volumes in 2023. Besides this, our Dutch electricity usage in 2023 came from Dutch Wind. Where available, we will procure green energy.



Further investments in energy transformation are being prepared to contribute to reducing our environmental impact. When discussing our (replacement) investments, energy consumption and CO2 emissions are considered and an integral part of the decision-making process. Electrification will further reduce our CO2 emissions. Any opportunities – especially in the Netherlands – may be hampered by a lack of available infrastructure on the electricity grid, which unfortunately will remain for the next five to ten years. Possible investments in wind turbines at our sites were not yet feasible due to government regulations.

Reduction of carbon emissions

At present, Rezinal, the largest CO2 producer in our Family Group, is focusing on reducing CO2 in its zinc recycling process. A part of the electricity is procured as green energy. In 2023, the production level was lower than in 2022, with a decreasing effect on the CO2 production level. A big advantage of recycled zinc is that CO2 emissions from the production of recycled zinc is approximately ten times lower than from primary zinc production.

Methanisation plant reduces electricity usage

Together with agricultural neighbours, Prestia has formed an association called 'Energiculteurs de l'Oust', which exploits a methanisation plant. This biogas factory transforms agricultural waste into gas that is used to produce electricity and heat. The electricity is then delivered to the grid, and the heat is used to heat the pre-treatment baths of Prestia SBG's galvanisation plant, leading to a reduction of electricity usage of 1,147 mWh (2022: 1,019 mWh).

Switching to electric company cars

In our company car policy for the Netherlands, ROTO had already switched to full electric a couple of years ago. Belgium followed in 2022 and at the beginning of 2024, Prestia decided to make the switch as well. Apart from Germany and Poland, where ROTO chose hybrid cars, in all other countries the vast majority of company cars will be fully electric in the next two to three years.

Energy transformation

Prestia has the largest zinc kettle in France, which is equipped with an electric furnace. It seems that in the future it will be possible to transform other sites of Prestia to electricity as well instead of gas. In 2022 and early 2023, Rotocoat installed a new zinc kettle and a new innovative zinc furnace 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 consumes 30% less energy, thus reducing CO2 emissions. Prestia will start the complete refurbishment of the Prestia GK galvanising plant in Carpiquet in 2024 to become the first CO2 neutral (scope 1 and 2) galvanising plant in France. Rotocoat will replace one of its powder coating muffle ovens in Wolvega with a hybrid electric alternative, which is expected to use about 90% less gas than the current oven.



We have implemented the use of low-temperature degreaser and powder to reduce our energy consumption.

Cécile Olive - baths manager Prestia SBG

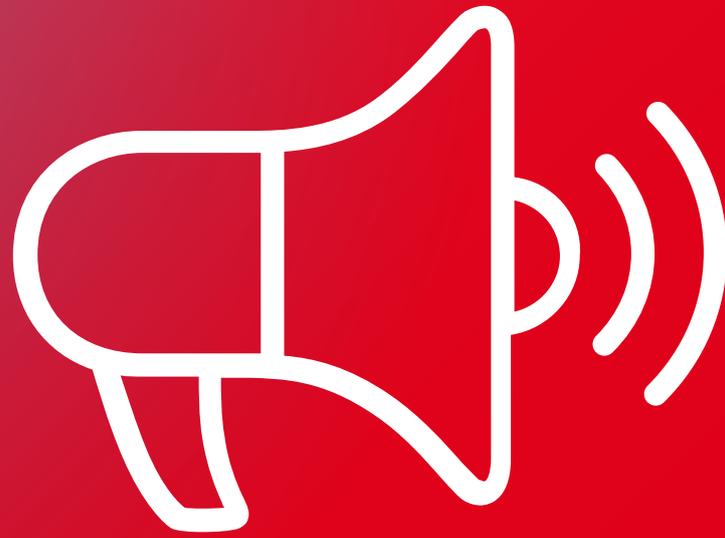
Donations to social and environmental good causes

In 2023, ROTO donated € 45,169 (2022: € 56,100) to charities and good causes working in the following areas:

- people: donations for Ukraine refugees;
- culture: initiatives to support local activities such as sports and 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.

The ROTO forest in Java contributed to 38 tonnes CO2 compensation per full year (totalling up to 79 tonnes until the end of 2023).





Marketing

Building brands

Based on the purpose of 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 Zinclair® and Centrizink® brands, which will be used in conjunction with its C2C certification and its brand strategy. ROTO launched its new corporate identity and website at the end of 2022, Staco followed in the first half of 2023 and De Boer Staal and Rotocoat in the beginning of 2024. Prestia is expected to follow during the second half of 2024 or early 2025. All websites are designed to follow the customer's journey rather than just focusing on technology and products.



Marketing at Prestia has become a major focus, strengthening our sense of belonging internally. The October Ensemble 2030 event is the precursor to this new journey, enhancing our brand image externally with clients and partners.

Quentin Aubele - technical sales representative Prestia GCX and APY

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 posts faster and more regularly, inviting recipients to engage in conversations with us through a different channel.

Staco executes marketing based on a content calendar for social media and website posts, extending and deploying the new 'Create and Inspire' brand story. In addition, Staco is working on expanding online lead generation to engage even more proactively with customers and prospects. ROTO fully complies to governance requirements where cookies are used on our websites. To make this clear to all our website visitors, ROTO has developed renewed policies in 2023 and published these on all websites: a cookie policy, privacy policy and policy regarding rights of data subjects.



With Caroline Cardot joining the marketing and communication team, BU Prestia can now showcase our clients' projects and, more broadly, our expertise.

**Julien Le Gac - inside sales representative
Prestia G29 and CRC**



Both Prestia and Rotocoat have invested in townhall meetings with all their Family members, explaining the Business Unit's strategy, the Strategy House of ROTO and the core values. The meetings were warmly welcomed and a good opportunity to inform everyone in person, answer any questions and respond to doubts that arose.

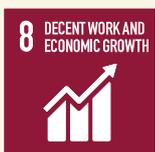


For me, 2023 was all about firsts and secret projects. This means that while I learned a lot and worked on some very cool projects, like Rotocoat's new brand story and the new website, I couldn't really show people anything yet. Thankfully, these secrets of mine will come to light very soon. I cannot wait to show people what I've been working on. Definitely keep your eyes peeled for exciting things happening for Rotocoat in 2024!

Marleen Bomhof - PR & Communication Rotocoat

Rezinal continued working on a series of short corporate videos for social media on various topics such as sustainability, product quality and the sourcing of raw materials. Further to that, Rezinal remains actively present at numerous congresses and fairs in the zinc and galvanising communities to network and spread knowledge about sustainable zinc.

Additionally, ROTO stimulates the Business Units to participate in local initiatives and invest in communication with the neighbouring communities in which we operate and where our Family members live.





Sales

Markets in Europe remain uncertain and volatile. Global demand for building materials, such as steel and zinc, and transportation services in Europe showed a downward trend in 2023. Order intake and sales volumes fluctuate depending on the Business Unit, but generally a decrease in volumes is observed. Fluctuations in steel and zinc prices, higher energy costs and wage increases affect our margins and require that we remain agile in our pricing models.

Zinc prices

Developments in zinc markets in 2023 first showed a steep upward trend with a peak at the end of January to a level of about US\$ 3,500 per tonne, followed by a steady decline to levels around US\$ 2,200 per tonne in June and fluctuations between US\$ 2,200 and US\$ 2,600 per tonne for the remainder of the year. In the first two months of 2024, the zinc price fluctuated around levels of US\$ 2,500 per tonne.

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

LME zinc price per tonne 2023



Source: LME

Steel prices

In 2023, steel prices initially showed an upward trend, followed by a steep decline towards October 2023 and slight recovery towards the end of 2023, at price levels more equal to those at the beginning of the year. Steel price fluctuations have a direct financial effect on De Boer Staal and Staco, and it remains difficult to determine the right moment to buy steel: in tight sales markets with lower volumes, competitors tend to react immediately to decreases in steel prices, whereas it takes a while to adapt to new increases in markets where overcapacity is a driving force.

Market price development steel 2023 - quarto sheets and hot rolled coils



Source: NovioStaal – Steel Journal

Energy prices

As the graphs show, energy prices fell in 2023 after the sharp fluctuations in 2022. However, they remain at higher levels than in the past. ROTO remains intrinsically motivated to accelerate the energy transformation in all Business Units. However, hampered by a lack of available infrastructure, especially in the Netherlands, ROTO has to look for roads less travelled and be more creative in finding solutions. Otherwise, we will not be able to realise our ambitious goals: in some cases, sufficient electrical network capacity will not be available before 2030. ROTO will continue its ambitious energy transformation journey to reduce consumption and switch to energy from more sustainable resources.

TTF Natural Gas Prices

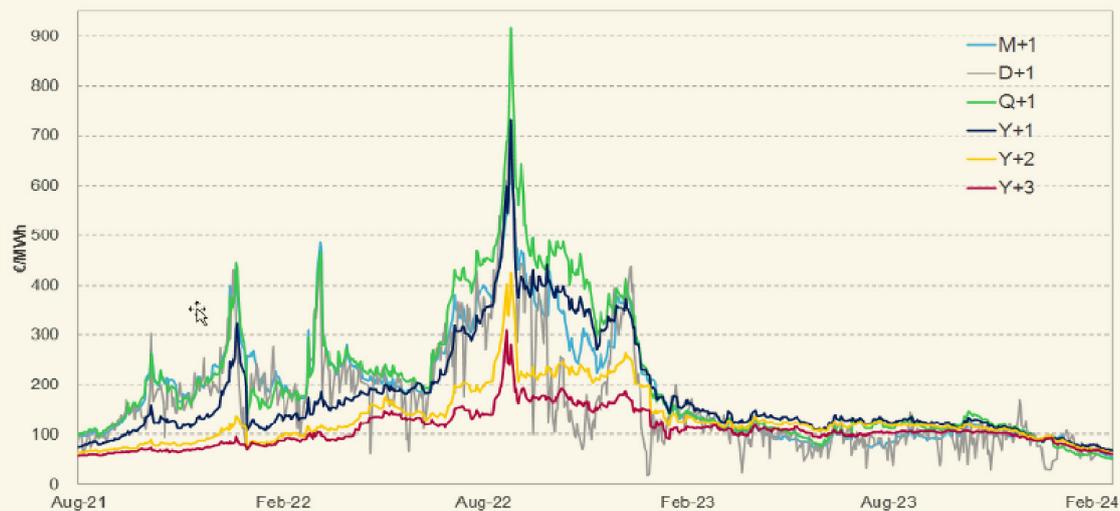
Natural Gas



Source: Schneider Electric

Dutch Power Prices

Carbon & Electric Power



Source: Schneider Electric

De Boer Staal

De Boer Staal worked on implementing its strategic plan, changing the focus from steel trade to steel cutting for newly defined product market combinations (PMCs). Although market demand decreased, De Boer Staal was able to gain some volume, but given the fluctuations in the steel market and competition, this was not always at the desired price. Under these circumstances, the result for 2023 was below budget and not fully aligned with the strategic plan. De Boer Staal continues its strategic journey in 2024.



The new drill press is an excellent machine capable of drilling holes quickly. Safe and tailored to fit. Ideal for all types of holes. Thanks to the teamwork between sales and operations, we have successfully integrated drilling into our proposition.

Amer Hafian – engineer De Boer Staal

Staco

For Staco, sales in the strategic 'Create and Inspire' services, like façade applications, remained stable and generally with good margins. Total volume fell short of expectations. In Germany and Poland, the market for more standard gratings was dominated by low prices and short delivery times. Competition that was formerly focused on the Russian market is now seeking alternatives in the European market. Activities in the Belgium and Dutch building and construction market declined. In Germany, there is severe price competition for all types of gratings. On the UK market, Staco Gratings UK won some larger orders.

In this light, the result for 2023 was below expectations. Staco focuses on reforming its strategy in 2024. With the new AP3 machine for perforated gratings fully implemented, good opportunities have arisen to regain volumes and markets.

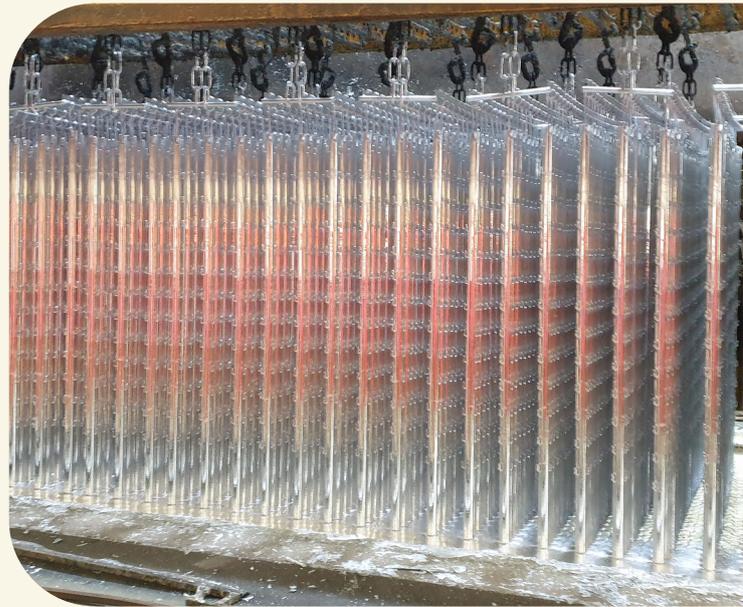


We always focus on our customers.

David Keymeulen - sales Staco Belgium

Prestia

Prestia was severely hit by high energy prices but managed to pass these costs on to customers (excluding the costs covered by energy-price related government grants), resulting in the loss of some of the volumes but still ending with results above the budget for 2023 and in alignment with Prestia's strategic plan 'Ensemble 2030'. While working on its strategic plan, Prestia sees good opportunities for further sustainable growth and will start the complete refurbishment of the galvanising plant of Prestia GK in Carpiquet in 2024, making it the first CO2 neutral (scope 1 and 2) galvanising plant in France.





Communication allows us to build strong relationships with clients and understand and respond to their needs, creating lasting loyalty and invaluable trust.

Vincent Lamour - technical sales representative Prestia G29, CRC and SBG

Rotocoat

Rotocoat continued to execute projects to implement the strategic plan. Although market conditions led to declining volumes in the first half of 2023, there was some recovery in the second half, and Rotocoat was able to realise a result that was just below budget. Rotocoat has set itself an ambitious budget for 2024. Management will continue to work on subgoals and actions following the strategic plan.

Rezinal

Due to the sharp decrease in zinc prices, coupled with LME (London Metal Exchange) zinc price developments and operational challenges in production, Rezinal had an unsatisfactory financial year. The focus for Rezinal is on living up to its 'sustainable excellence' in zinc recycling by boosting its volumes and efficiency.





Digitalisation

Digitalisation makes it easier for people to work together and run processes more efficiently, thereby supporting our brands, improving customer experience and optimising our services. As the world is driven by data, digitalisation helps us identify trends and make better business decisions.

Software updates for the next level

ROTO's IT strategy serves the strategic objectives of the Business Units by providing an appropriate and secure infrastructure. This infrastructure has been further improved and modernised. The integration of Prestia in the ROTO infrastructure has started.

The group roadmap for IT & Business Solutions continues to follow the implementation of the Business Units' strategic plans and focuses on increasing IT security in general, as dependency is becoming more prevalent and working without all IT facilities is only possible for a limited period of time. Given the steadily increasing external threats, continuous improvement is necessary; standing still is not an option.



The implementation of the Kizeo application has significantly improved our order tracking system. Now, we can efficiently trace parts during their shuttle transfer, both on entry and exit. This ensures that the initial order is complete at the final production check.

Anthony Daigremont – logistics manager Prestia GK

Implementation of D365, the financial package for all BU's to simplify management of the IT environment and standardise ROTO's consolidation and financial BI, started at Roto B.V. (holdings) and went live on 1 January 2024. De Boer Staal aims for a go-live together with the new (Bemet) ERP and Rezinal in the first half of 2024. Other BU's will follow in due course. Staco will be last in line as the change to D365 has implications for the existing ERP (Enterprise Resource Planning) environment.



If we let SigmaNest do the work, there are multiple paths to success.

Tim Ockers - engineer De Boer Staal

After 2022, where Rezinal successfully implemented a completely new tailormade ERP solution, De Boer Staal decided on a new ERP application, which is under development and will be rolled out in 2024. At the same time, Rotocoat and Prestia will assess the alignment of their ERP strategy. Staco, following the replacement of RFQ software, Power BI reporting and document processing software, will focus on the migration to and implementation of D365, not just financially but for operations as well.

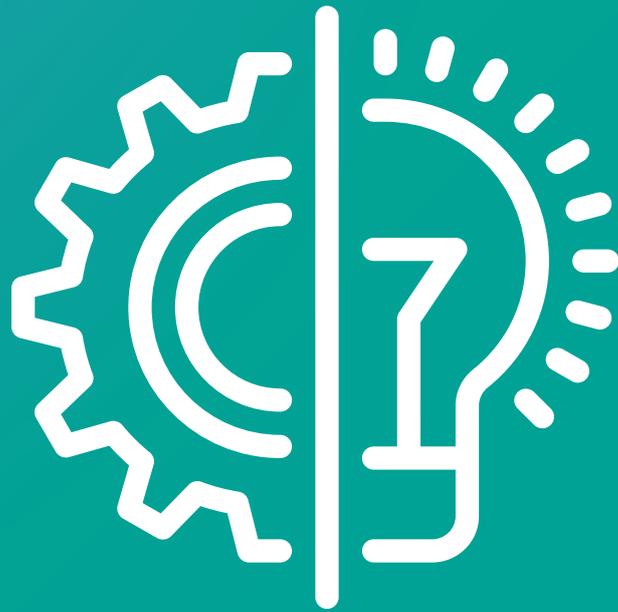


In 2023, Rezinal launched the Voka Digichange project, marking a significant step in our commitment to digital transformation. With Voka Digichange, we are crafting a digital strategy through a tangible action plan, with a strong focus on involving our employees as a crucial element in this transformative journey. While Rezinal has been at the forefront of digitalisation for years, our participation in this programme reflects our unwavering dedication to pushing the boundaries of innovation.

Wouter Vennekens - quality manager Rezinal

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. This experience will be used in the common developments of both Prestia and Rotocoat.





Innovation

Reinventing ourselves, using inventive and sustainable techniques and adapting to the changing needs of the markets is an essential and continuous challenge in an ever changing environment. To engage everybody in our development journey, we welcome discussions, encourage experiments and learn from mistakes as they create opportunities. However, 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

Rezinal and Prestia regularly organise innovation and lean sessions with their Family members, generating innovative ideas, which are followed by fast implementation of new ideas or solutions whenever possible. Staco continued with its innovation board, consisting of Family members from sales and production, which meets regularly and discusses ongoing projects and new initiatives, such as new ways of constructing gratings or similar products which combine freedom of design with efficient production and calculation tools.



The new perfoline AP3 consists of a perforation section followed by a fully automatic bending cell = efficiency meets accuracy!

Lars Janssen - engineer Staco Nederland

Energy transformation

Rotocoat installed a new zinc kettle and a new innovative zinc furnace at Rotocoat Heerhugowaard in 2022 and early 2023. 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 consumes 30% less energy, thus reducing CO2 emissions. Prestia – which already has its first fully electric zinc kettle at Prestia SBG (Val d'Oust) – will start in 2024 with the complete refurbishment of the Prestia GK galvanising plant in Carpiquet, making it the first CO2 neutral (scope 1 and 2) galvanising plant in France. Rotocoat will replace one of its powder coating ovens in Wolvega with a hybrid electric alternative, which is expected to use about 90% less gas than the current oven.



An AI will soon be deployed to adjust the heating of our zinc bath by anticipating actual needs. This will improve product quality while reducing our energy footprint.

Emmanuel Caillaud - maintenance and new works manager at Prestia SBG



Robotisation

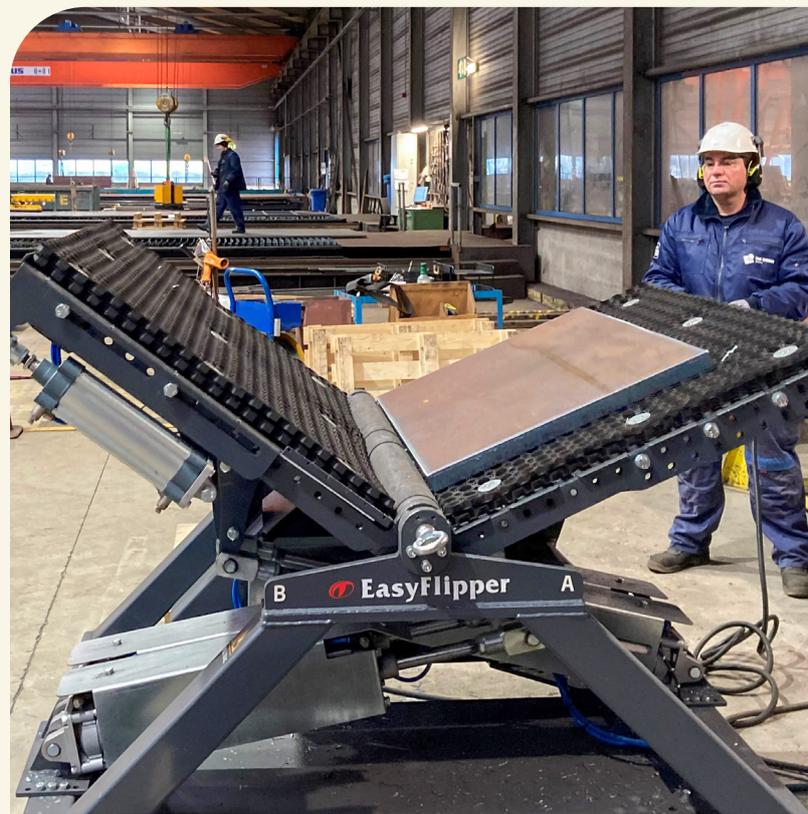
One of the outcomes of the ROTO Family Survey was that only 62% indicated that physical working conditions, such as ventilation, temperature and space to work, are adequate. That is why Rotocoat and Prestia are looking for innovative ideas to improve these conditions and especially to ease heavy lifting for our Family members working in production. Prestia started using exoskeletons and received a robot arm in the beginning of 2024 to ease the heavy lifting. At Rotocoat, the knotting machine was recently commissioned, helping to lighten the work of attaching material to the jigs.



The new knotting machine makes the work of our production employees easier and lighter. It is the first model/prototype, so modifications will be necessary. We have to learn how to work with the machine and how we can improve it in the future. Standing still is not an option. We keep looking forward to see how we can make progress.

Bashir Qayyumi - technical service manager Rotocoat Dieren & Mohamed Ahammar - technical service manager Rotocoat Wolvega

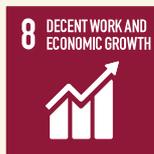
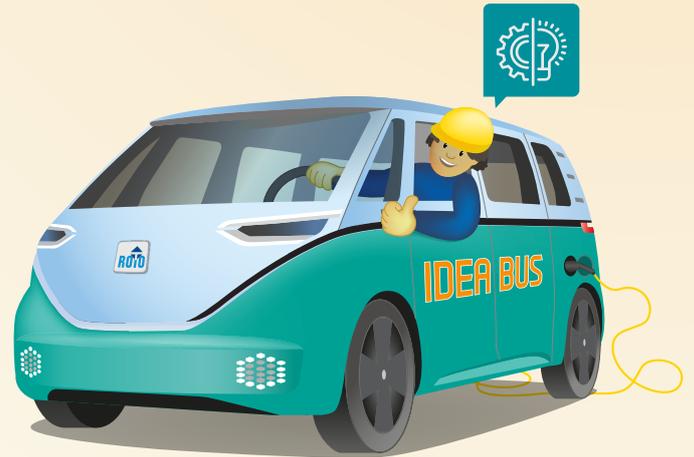
The so-called EasyFlipper, a two-way automatic flipping system that was implemented at the end of 2022, which enables safer and faster flipping of steel parts compared to conventional cranes, is now in use at De Boer Staal to everyone's full satisfaction. Research into the purchase of a deburring robot continues.



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 2023 was recently awarded to Margreet Hop, our Family member from Rotocoat Kampen. Staco Polska won the ROTO Innovation Award for submitting the most innovative ideas that resulted in premiums or incentive premiums.





Finance

A previously unknown virus, material shortage, geo-political turmoil, extreme energy prices and the resulting uncertainties have affected the world and ROTO for a couple of years now. Each in its own way and differently from one country to another. Even after two years, the war in Ukraine remains of significant influence, especially in Eastern Europe. The snowball effect of rising international commodity prices, which started in 2022, had a much broader impact, leading to inflation and increased wages.

Revenue and result

After the successful years 2021 and 2022, 2023 was moderate with a consolidated result after tax of € 6.3 million (2022: € 17.1 million).

Revenue decreased by 14.6% to € 236.4 million in 2023 (2022: € 276.8 million), largely explained by the decline in zinc prices for Rezinal and the strategical repositioning of De Boer Staal leaving the steel trade market. Although volumes decreased, this was not visible in the revenue of the Business Units Staco, Prestia and Rotocoat, due to better average prices.

The operating result of € 7.9 million (2022: € 31.9 million) was largely influenced by the zinc price development. While Rezinal contributed significantly in 2022, it experienced a negative operating result in 2023. Furthermore, the operational result of De Boer Staal was also affected by the relatively low steel prices.

The difference between the operating result and net profit after tax is explained by lower taxes and the effect on the non-controlling interest. Taxes amounted to € 1.6 million in 2023 (2022: € 8.3 million), which is directly related to a lower operating result. The effect on the non-controlling interest was a positive € 1.1 million (2022: negative € 6.0 million), which was directly influenced by Rezinal's results.

As mentioned in our 2022 board report, the relative high zinc and steel prices in the previous period contain a potential risk when market prices decrease. This effect is visible in the 2023 financial statements. Agility in adapting our prices is challenging for our sales teams and has management's full attention but also depends on the actions of competitors.

Investments

In 2023, ROTO invested € 8.5 million (2022: € 15.0 million) in its five Business Units. This included various strategic investments, such as in new machinery and equipment, replacement investments and several investments from a sustainability perspective, for example in solar panels. Thanks to the positive cash flow, nearly all investments in 2023 were financed from our own resources.

In 2024, investment ambitions rise to a level of € 12.4 million, apart from some larger strategical investments that are being prepared for further decision-making.

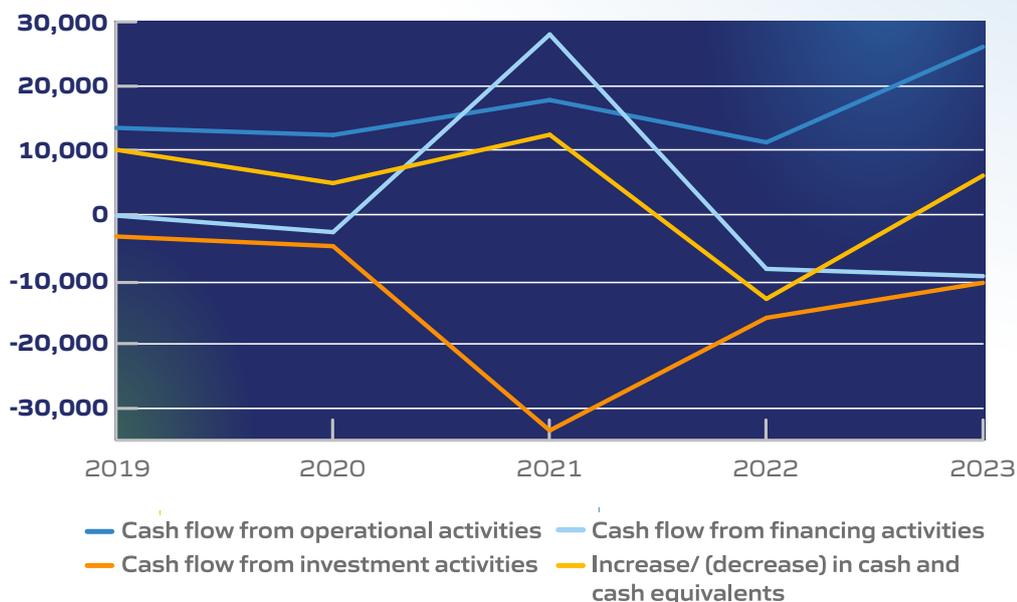
Group solvency, working capital and cash flow

Due to the good results, our group solvency, expressed as a percentage of total assets, increased from 46.1% at year-end 2022 to 52.4% at year-end 2023. No dividend was paid in 2023, and the 2023 net profit will be added to the general reserves.

As a result of lower zinc and steel prices, the working capital decreased to € 59.5 million at the end of 2023 (2022: € 65.7 million). The decrease was visible in working capital items such as stocks, trade receivables and trade payables. The consolidated cash position of € 22.2 million (2022: € 16.1 million) increased considerably despite repayments on external financing, as visible in the cash flow from financing activities.

The cash flow from operating activities amounted to € 24.2 million in 2023 (2022: € 11.3 million). The increase in operating cash flow of € 12.9 million (2022: increase of € 6.5 million) is attributable to the lower value of inventories based on the lower valuation of zinc prices, which has a positive effect on cash flows of more than € 31.2 million. On the other hand, operating cash flow is negatively affected by € 24.0 million based on the net result. Working capital management resulted in a positive contribution to the operating cash flow of € 12.2 million

Cash flows (in € 1,000)



The cash flow from investment activities shows a decrease of € 7.3 million (2022: decrease of € 17.4 million), which is mainly explained by the investment level of € 8.5 million (2022: € 15.0 million) consisting of numerous smaller investments, excluding a strategic investment in machinery.

The cash flow from financing activities amounted to -/ - € 9.6 million (2022: -/ - € 8.4 million). Besides the agreed repayments on existing loans, ROTO voluntary made additional repayments of up to € 2.6 million to reduce the outstanding debt and thus interest costs. No dividend was paid in 2023. The financial position and operating cash flow are sufficient to continue activities without additional financing. In 2023, financing conditions were adapted to more appropriate levels for ROTO. ROTO complies with the agreements made with credit institutions.

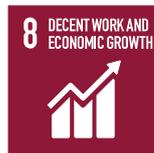
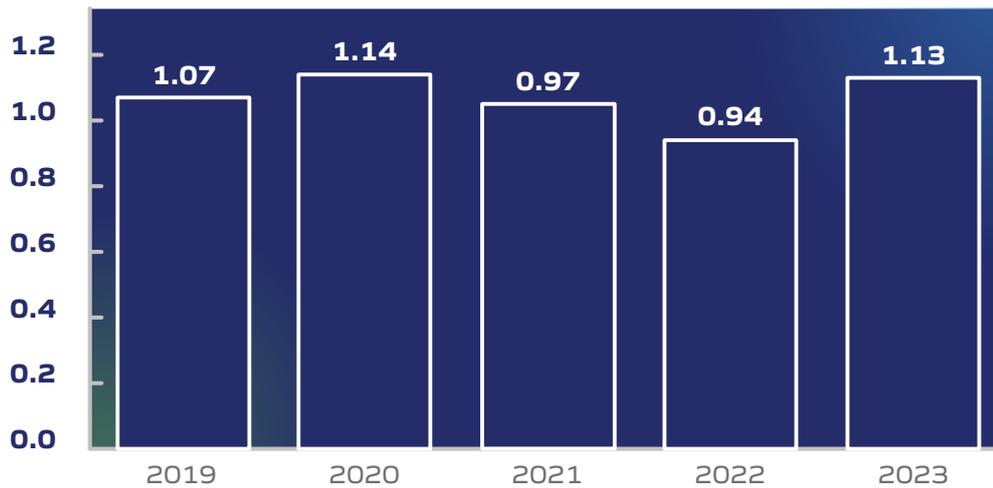
The financial position and operating cash flow allow ROTO to continue activities without additional financing.

Liquidity

The quick ratio (cash and cash equivalents plus receivables in relation to current liabilities) amounts to 1.13 at the end of 2023 (2022: 0.94), indicating the favourable cash position. Cash positions and cash developments are monitored with the required attention and on a periodic basis.

The current ratio (including inventories) of 2.17 at the end of 2023 (2022: 2.14) is slightly higher because all current ratio elements are affected by decreasing raw material prices. The net cash position increased with a positive effect on the current ratio compared to last year's closing.

Quick ratio per 31 december



Risk management

ROTO's risk management can be characterised as risk averse. ROTO evaluates her risk regularly and decides based on the outcome whether the existing policy can be continued or whether adjustments are necessary. Her risk table below shows the outcome of this process, including an evaluation as to whether the specific risk has changed compared to the previous year.

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. Focusing on improving safety culture and a standardised group safety approach (DSS). By promoting diversity and inclusiveness, all our Family members should feel safe to be who they are and where they are, which helps their wellbeing and operational continuity.

↑ Cyber security

IT, financial and operational

Infringement, data loss or unauthorised access. Globally increasing risks due to new technologies. Business more dependent on IT than in the past at increasing security costs. Strict access procedures and continuous enhancement of our IT systems and platforms. Strict back-up procedures. Execution of pen tests. Continuous internal training. Measurement of maturity by external party in 2024, where necessary leading to concrete action plan.

⊖ Fraud and corruption

Strategic, people, financial and operational

Breach of internal procedures. Risk of remuneration methodology. A 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. There are strict procedures regarding the remuneration policy, especially for management.

↓ Energy

Sales and operational

Energy price volatility and availability. Frequently monitoring energy market prices and adapting procurement strategies to limit the uncovered risks

↑ Geopolitical situation

People, operational and sales

Geopolitical instability, leading to uncertainties or adverse change of the business cycle. Financial risk following disappearing markets. Business with Russia still ceased. Risk of everchanging legislation.

↑ Markets and products

Sales and operational

Dutch shipbuilding industry struggling with internationalising competition. Market growth in production/construction is limited. Fierce competition in other markets. Risk of product liability, mitigated by ISO certification, internal procedures and quality control.

⊖ Commodity prices

Sales and operational

Commodity price volatility and availability of raw materials. 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.

⊖ Reputation

Strategic

Breach of internal procedures, legislation or licence conditions. Living our core values. Building an integrated system based on the SDGs and the best available technologies and measured in our ROTO dashboard. Communicating in a transparent way.

⊖ Supply chain

Sales and operational

Disruption in the supply chain still possible. Stabilised markets during 2023 at a relatively low price level.

⊖ People

People and operational

Aging colleagues. Scarcity and availability of capable, skilled and diverse (future) Family members. Education and development. ISO 45001 certification. Promoting diversity and inclusiveness. Attracting new Family members with complementary talents and skills, putting effort to keep colleagues fit for their job and engaged.

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. Working in a sustainable way avoiding damage to our environment. Using CSRD as an improvement chance.

⇒ Innovation and digitalisation

Strategic, operational and people

Speed and size of innovation and digitalisation. Investments in new and innovative projects. Investments in well-being and safety of colleagues. Development of equipment and automation and robotisation. Innovation meetings to collaborate on new ideas or solutions. Continuous investment in digitalisation.

⇒ Debtors

Operational and financial

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.

⇒ 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. Limited risk to ROTO.

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 2023. 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 remains the number one priority within ROTO. 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.

All Business Units have carried out programmes on safety culture, based on the Dupont Bradley Curve. After the zero measurement, all Business Units are working on their improvement plans, which will lead to numerous actions. This will be followed by a second measurement, planned for late 2024, which will show whether and which improvements have been realised. With the weaving tool, exoskeletons and mover, new innovative methods have been introduced to improve physical working conditions and heavy lifting in particular. This journey will continue as part of our ambitions regarding our core themes People, Sustainability and Innovation.

People

With an ageing workforce and more complex recruitment, we continue investing in labour conditions and finding new ways of recruitment. We stimulate our Family members to grow and develop themselves by investing in training and education through our newly initiated and existing internal academies or otherwise. We do not expect the number of Family members to grow significantly in 2024.

Instability in Europe

As the war in Ukraine continues, we regret the impact on the lives of so many. We are following developments in this volatile world on a daily basis and are doing our utmost to stay on track for our Family members and the other members and stakeholders of the ROTO Ecosystem.

Sustainability

Despite infrastructural challenges, we continue to align our goals with the seventeen SDGs of the United Nations and adapt to meet the ESG requirements. Projects 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

Especially for Business Units short of volumes and facing high levels of competition, it remains important to develop new markets and align their strategic sales and marketing goals with changed and changing market conditions.

Innovation and digitalisation

ROTO encourages its Business Units and Family members to engage in research and development, to collaborate on new ideas or solutions with internal and external stakeholders and partners and to experiment with new techniques in order to improve our way of working or at least learn new ways to improve. 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 main investments in 2024 are regular replacements in addition to sustainability investments related to safety and environmental key focus points. Investments by each Business Unit are aimed at further development, leading to investments in ERP software initiatives and the further development of operational ERP systems to benefit from a more digitalised working environment. A few larger investment projects are in the finalisation stage, and because of the extended duration of these projects' implementation processes, complete finalisation is not expected in 2024 and will partly continue in 2025. Therefore, the budgeted capital expenditure for 2024 amounts to € 12.4 million (2023: € 15.5 million).

Budget

As 2023 proved to be a moderate year, the start of 2024 continues at the same level and is slightly behind budgeted expectations. The 2024 budget is challenging but not unrealistic as it still partly depends on material prices, social and economic developments and incidents that might introduce new dynamics and uncertainties. As always, we can expect new challenges but we are confident that our Leadership Team will cope with them when necessary.

The budget aims for a positive result, a depreciation level of approximately € 10.1 million (2023: € 9.5 million), an expected working capital that is almost equal to the level of 2023 and sufficient cash flow to finance the planned investments from our 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 developments are uncertain due to price fluctuations of key commodities, energy supply and the availability of skilled personnel, which will also be key factors.



Report of the Supervisory Board 2022

The year 2023 has been a dynamic year for ROTO. The effects of the post-Covid inflationary environment and the subsequent increases in interest, slowed down economic growth in general and hit the real estate and construction industry in particular. The effects of these are visible in downward price pressures in some Business Units, as well as lower order intakes. Also, commodity prices, in particular that of zinc, fell significantly in 2023 after sharp increases that occurred post-Covid, necessitating impairments of stock, especially at Rezinal. Despite these headwinds, we are pleased to report a positive result for 2023. The results for 2023 underline the value of the diversity of Business Units, which helps spreading and mitigating risks and dampening the effects of economic cycles through diversification.

The year 2023 was further marked with a change in the leadership of ROTO. Our CEO, Ditmar Koster, chose to pursue his career outside of ROTO. The Supervisory Board would like to thank him for his entrepreneurial drive, the positive change in governance, the strengthening of the Business Units and the integration of Prestia within ROTO. The Supervisory Board is pleased to have found Petra van Saaze, our fellow member in the Supervisory Board, prepared to take over the role of CEO ad interim, ensuring a seamless leadership transition.

The board is also looking ahead to 2024, which will see the retirement of our CFO Tom van Lindert. The Supervisory Board successfully found a successor in Bas Zaal, who will join Roto B.V. from April 2024, ensuring a smooth transition.

Meetings and topics

In 2023, the Supervisory Board met seven times, rotating our board meetings at different ROTO sites when possible, including a two-day visit to Staco Polska, which served as an excellent opportunity for alignment and further team development. The board, management and shareholder representation also had a joint meeting with ROTO's external legal advisor to ensure that the Supervisory Board's bylaws and regulations are in line with the latest legislation and to clearly define the roles and responsibilities of the Management Board, Supervisory Board and Board members of the Stichting Administratiekantoor Roto B.V. The Supervisory Board has also installed a remuneration committee, as well as an audit committee.

At the Supervisory Board 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 innovations, 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, leadership, value creation, risk management, investments, 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 economical and geopolitical situation only emphasises the need for a solid strategy, risk management and operational excellence to ensure success in a challenging world. This year, attention was paid to consolidating the strategy plans of individual Business Units, harmonising ERP systems and further decarbonising operations. Our value-driven, proactive approach to sustainability is essential from both a risk management and entrepreneurial perspective. This commitment is embedded in ROTO's strong core values as a family business and helps us navigate the challenges ahead. It is the Supervisory Board's conviction that developing and supporting leadership within our Business Units stimulates entrepreneurship, which allows us to remain agile and proactive, close to our core markets and clients, whilst retaining control and overview.



It is the Supervisory Board's conviction that developing and supporting leadership within our Business Units stimulates entrepreneurship and allows us to remain agile and proactive, close to our core markets and clients, whilst retaining control and overview.

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 2023. Its focus remained on further rolling out the ROTO Strategy House and its core values, while staying vigilant on ROTO's operational performance. This resulted in positive financial results. The Supervisory Board will maintain an open and constructive dialogue with the Management Board and supports it to the best of its ability.

In a separate meeting, the Supervisory Board evaluated its own performance. The self-evaluation showed that the variety of backgrounds and the expertise within the Supervisory Board is sufficient to fulfil a critical supervisory role. Given that Petra van Saaze has left the board to fulfil the role as CEO ad interim, the board will reassess its composition in 2024.

Outlook

As stated earlier, the year 2023 has seen a great deal of volatility, both geopolitical and economical. Although inflation seems to be easing, the current interest rate appears restrictive for the economy in general and has a profound impact on the construction industry. It is a fact that ROTO is and will be affected by these profound changes. It is, however, impossible to predict the longer-term effect on developments in our core markets. Therefore, results for 2024 are difficult to foresee. Although the diversification of our Business Units helps to spread risks, the Supervisory Board follows developments closely, always in open dialogue and close contact with the management of Roto B.V. ROTO's financial position remains robust, and the group has a very strong balance sheet and liquidity position. This buffer gives the Management Board 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 2024 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 2023. We particularly thank everybody for all the individual and collective actions that have increased the safety of our staff in our facilities. For us, this shows that ROTO's values are broadly shared within our ROTO Family. Of course, the current volatility of economic developments will affect the sectors where ROTO does business in 2024. The management teams of the Business Units feel strongly committed to our values and strategy, which gives us confidence that they will steer ROTO safely through these unpredictable economic and political times.

Uitgeest, the Netherlands, 23 April 2024

The Supervisory Board

Coert Zachariasse, Chairman

Heleen Cocu-Wassink

Arnaud de Boer

Summary consolidated financial statements

Consolidated balance sheet as at 31 December 2023 before profit distribution

Assets (x € 1,000)	31 December 2023	31 December 2022
Fixed assets		
Intangible fixed assets	9,424	10,761
Property, plant and equipment	77,447	76,357
Financial fixed assets	1,500	612
Current assets		
Inventories and work in progress	52,842	68,823
Receivables	35,198	38,176
Cash and cash equivalents	22,190	16,075
Total	198,601	210,804

Equity and liabilities (x € 1,000)	31 December 2023	31 December 2022
Own equity	104,070	97,159
Minority interests	13,704	16,695
Provisions	6,306	8,260
Long-term liabilities	23,785	31,270
Short-term liabilities	50,736	57,420
Total	198,601	210,804

Consolidated profit and loss account 2023

(x € 1,000)	2023	2022
Total turnover	240,432	276,775
Direct costs of sales	201,937	214,471
Gross profit	38,495	62,304
Sales expenses	885	1,872
Other operational expenses	29,664	28,510
General expenses	30,549	30,382
Operating result	7,946	31,922
Interest result and related income and costs	(1,314)	(1,401)
Result on ordinary activities before tax	6,632	30,521
Taxation on result on ordinary activities	(1,596)	(8,310)
Result participations	120	890
Result on ordinary activities after tax	5,156	15,734
Minority share	1,122	(5,960)
Net result after taxation	6,278	17,141

Consolidated cash flow statement for 2023

(x € 1,000)	2023	2022
Cash flow from operating activities	24,196	11,260
Cash flow from investment activities	(8,632)	(15,902)
Cash flow from financing activities	(9,566)	(8,415)
Net cash flow	5,998	(13,057)
Translation differences	117	90
Increase / (decrease) in cash and cash equivalents	6,115	(12,967)
Balance as at 1 January	16,075	29,042
Change	6,115	(12,967)
Balance as at 31 December	22,190	16,075

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 2023 financial statements filed for Roto B.V., for which Mazars Accountants N.V. issued an unqualified auditor's report on 23 april 2024. The auditor did not perform any work on the figures included in this annual report summary.

ROTO Businesses

ROTO

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NL-1911 DA Uitgeest
Netherlands

rotogroep.nl



Staco Deutschland

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Germany
staco.de



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Netherlands

deboerstaal.nl



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Staco Holding

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staco.eu



Staco Polska

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Poland

staco.pl



Staco Nederland

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stacoroosters.nl



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Staco Belgium

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staco.be



Rezinal

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France
prestia.fr



Prestia SBG

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La Chapelle Caro
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France
prestia.fr



Prestia GK & Prestia MP

ZI du poirier
14650 CARPIQUET
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prestia.fr



Prestia G29 & Prestia CRC

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Prestia GCX & Prestia APY

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**Thank you for taking the time to read our annual report.
We look forward to seeing you soon.**



ROTO B.V.

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