QUARTERLY STATEMENT

3 Months 2022

3M

SALZGITTER AG
People, Steel and Technology

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THE SALZGITTER GROUP IN FIGURES

		Q1 2022	Q1 2021	+/-
Crude steel production	kt	1,712.6	1,644.5	68.1
External sales	€ m	3,349.9	2,094.1	1,255.8
Steel Production Business Unit	€ m	1,204.4	743.2	461.2
Steel Processing Business Unit	€ m	466.7	334.2	132.5
Trading Business Unit	€ m	1,302.7	673.3	629.4
Technology Business Unit	€ m	333.7	300.9	32.8
Industrial Participations / Consolidation	€ m	42.3	42.5	-0.1
EBIT before depreciation and amortization (EBITDA)	€ m	548.1	202.8	345.3
Earnings before interest and taxes (EBIT)	€ m	478.8	128.6	350.3
Earnings before taxes (EBT)	€ m	465.3	117.3	348.0
Steel Production Business Unit	€ m	290.3	43.2	247.1
Steel Processing Business Unit	€ m	4.4	-28.4	32.8
Trading Business Unit	€ m	98.1	44.7	53.4
Technology Business Unit	€ m	13.1	25.0	-11.9
Industrial Participations / Consolidation[1]	€ m	59.4	32.8	26.6
Consolidated result	€ m	368.8	76.6	292.3
Earnings per share – basic	€	6.80	1.38	5.41
Return on capital employed (ROCE)[2]	%	35.2	13.2	22.0
Cash flow from operating activities	€ m	-15.2	108.8	-124.0
Investments[3]	€ m	67.2	79.1	-11.9
Depreciation / amortization[3 4]	€ m	-69.3	-74.2	5.0
Total assets	€ m	10,764.8	8,599.5	2,165.3
Non-current assets	€ m	4,187.9	4,205.8	-18.0
Current assets	€ m	6,576.9	4,393.7	2,183.2
of which inventories	€ m	3,093.1	1,892.5	1,200.6
of which cash and cash equivalents	€ m	668.2	578.4	89.8
Equity	€ m	4,011.1	2,834.6	1,176.5
Liabilities	€ m	6,753.7	5,764.9	988.8
Non-current liabilities	€ m	2,972.1	3,342.1	-370.1
Current liabilities	€ m	3,781.6	1,892.5	1,889.1
of which due to banks[5]	€ m	857.0	578.4	278.6
Net financial position on the reporting date[6]	€ m	-619.7	-447.1	-172.6
Employees				
Personnel expenses	€ m	-447.2	-424.3	-22.9
Core workforce on the reporting date[7]	Empl.	22,492	22,475	17
Total workforce on the reporting date[8]	Empl.	24,272	24,136	136

Disclosure of financial data in compliance with IFRS
[1] Retroactive adaptation of the previous year figure due to new Group structure
[2] Annualized
[3] Excluding financial assets
[4] Scheduled and unscheduled write downs
[5] Current and non-current bank liabilities
[6] Including investments, e.g. securities and structured investments
[7] Excl. trainee contracts and excl. non-active age-related part-time work
[8] Incl. trainee contracts and incl. non-active age-related part-time work

PROFITABILITY OF THE GROUP AND ITS BUSINESS UNITS

EARNINGS SITUATION WITHIN THE GROUP

		Q1 2022	Q1 2021
Crude steel production	kt	1,712.6	1,644.5
External sales	**€ m**	**3,349.9**	**2,094.1**
EBIT before depreciation and amortization (EBITDA)	€ m	548.1	202.8
Earnings before interest and taxes (EBIT)	€ m	478.8	128.6
Earnings before taxes (EBT)	**€ m**	**465.3**	**117.3**
Consolidated result	**€ m**	**368.8**	**76.6**
Return on capital employed (ROCE)[1]	**%**	**35.2**	**13.2**
Investments	€ m	67.2	79.1
Depreciation / amortization	€ m	–69.3	–74.2
Cash flow from operating activities	€ m	–15.2	108.8
Net financial position[2]	**€ m**	**–619.7**	**–447.1**
Equity ratio	%	37.3	33.0

[1] Annualized
[2] Including investments, e.g. securities and structured investments

In the first quarter of 2022, the Salzgitter Group generated a pre-tax profit of € 465.3 million (Q1 2021: € 117.3 million), the highest quarterly operating result in the history of the company. The prices of rolled steel products at a record level sent profit up by leaps and bounds for the Steel Production and Trading business units that were the key drivers behind the gratifying earnings trend in the period under review. The Steel Processing and Technology business units also contributed positive results. Furthermore, the result includes a contribution of € 61.9 million from the participating investment in Aurubis AG accounted for using the equity method (Q1 2021: € 42.5 million). The Salzgitter Group's external sales saw price-induced growth of 60 % to € 3,349.9 million (Q1 2021: € 2,094.1 million). An after-tax result that stood at € 368.8 million (Q1 2021: € 76.6 million) brings earnings per share to € 6.80 (Q1 2021: € 1.38) and return on capital employed to 35.2 % (ROCE; Q1 2021: 13.2 %). The equity ratio was raised to 37.3 %, thereby underscoring the Salzgitter Group's continued sound balance sheet.

SPECIAL ITEMS

	EBT		Restructuring		Impairment / Reversal of impairment		Other		EBT without special items	
In € million	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Steel Production	290.3	43.2	–	–	–	–	–	–	290.3	43.2
Steel Processing	4.4	–28.4	–	–	–	–	–	–	4.4	–28.4
Trading	98.1	44.7	–	–	–	–	–	–	98.1	44.7
Technology	13.1	25.0	–	–	–	–	–	–	13.1	25.0
Industrial Participations / Consolidation	59.4	32.8	–	–	–	–	–	–	59.4	32.8
Group	**465.3**	**117.3**	–	–	–	–	–	–	**465.3**	**117.3**

STEEL PRODUCTION BUSINESS UNIT

		Q1 2022	Q1 2021
Order intake[1]	kt	1,586.7	1,471.7
Order backlog on reporting date[1]	kt	1,377.7	1,250.5
Crude steel production	kt	1,390.2	1,302.3
Salzgitter Flachstahl	kt	1,104.0	1,032.1
Peiner Träger	kt	286.1	270.2
Rolled steel production	kt	1,224.8	1,238.5
Salzgitter Flachstahl	kt	956.8	960.5
Peiner Träger	kt	268.0	278.0
Shipments[1]	kt	1,505.2	1,530.0
Segment sales[2]	**€ m**	**1,603.7**	**994.3**
External sales	**€ m**	**1,204.4**	**743.2**
EBIT before depreciation and amortization (EBITDA)	€ m	330.8	83.5
Earnings before interest and taxes (EBIT)	€ m	294.4	47.0
Earnings before taxes (EBT)	**€ m**	**290.3**	**43.2**

[1] Excluding the DMU Group
[2] Including sales with other business units in the Group

Along with the two steel producing companies of Salzgitter Flachstahl GmbH and Peiner Träger GmbH, the Steel Production Business Unit also comprises DEUMU Deutsche Erz- und Metall-Union GmbH (DMU) as an important internal transformation partner for our SALCOS® – SAlzgitter Low CO_2 Steelmaking program. With the aim of massively reducing CO_2 emissions in steel production, we are incrementally switching the production of steel to a hydrogen-based route under SALCOS®. In contrast to the former process involving blast furnaces, hydrogen and green electricity will replace the carbon formerly required for producing steel (↗ https://salcos.salzgitter-ag.com/en/). Salzgitter AG plans to have completed the technical transformation of the steelworks to accommodate the new procedure by the year 2033. This technology enables the carbon footprint of steel production to be reduced by 95 %. Furthermore, the business unit includes the companies of Salzgitter Mannesmann Stahlservice GmbH (SMS), Salzgitter Bauelemente GmbH (SZBE) and Salzgitter Europlatinen GmbH (SZEP).

MARKET DEVELOPMENT

It is not yet possible to predict the ultimate impact of the war in Ukraine on economic recovery after the pandemic. The drastic surge in energy prices has driven inflation to its highest level for over 40 years. Moreover, part of the eastern European market can no longer be tapped for German exports. As a result, the order intake of Germany's industry dropped surprisingly sharply by 2 % in February. On the steel market, the war in Ukraine has led to a shortfall in the global supply of steel and consequently to increased demand for domestic wide strip and heavy plate. The market for tubes and pipes also gained visible momentum due to projects materializing at short notice from the energy sector. Both effects serve to largely compensate stagnating demand from the automotive sector and ensured stable prices and plant capacity utilization. The sections business was also determined by the energy price trend. In anticipation of price hikes, the stockholding steel trade moved to substantially replenish its below-average inventory levels at the start of the year. Although reticence in buying on the part of end consumers partly caused demand in February to decline, by March it had already returned to normal levels, however, in connection with significant hikes in the cost of scrap and energy.

PROCUREMENT

IRON ORE

The uptrend in the price of iron ore observed at the end of 2021 continued in the first quarter of 2022. After rainfall in Brazil initially sent ore prices up, a notable increase in China's demand for iron ore following the easing of restrictions on production was anticipated going forward. The Ukraine war has so far not incurred any severe impact on iron ore prices, as only small volumes of iron ore fines are exported from Russia and the Ukraine. By contrast, the iron ore pellet market has suffered huge shortages of high quality blast furnace pellets due to the war, which has caused supply problems for a number of European steel companies. Consequently, the premiums have risen sharply; high quality lump ore as a substitute for pellets and fines qualities that allow sinter production to be ramped up also recorded similar price increases. In comparison with the year-earlier period, prices quoted in the first quarter shed 15 % to 142 USD / dmt.

COKING COAL

Given the low level of availability of free spot volumes, FOB Australia prices began the year significantly above 400 USD / mt again, reaching new record highs virtually on a daily basis. In anticipation of a substantial price correction, many consumers attempted to delay any necessary buying as far as possible. This strategy did not, however, have any effect on pricing. Instead, prices stabilized at a high level due to the low volume of deals on the spot market. The market situation changed abruptly upon Russia's invasion of Ukraine. Buyers of Russian coal now engaged in procurement to cover their needs, prompted by uncertainty concerning supply in an already tense market environment. As a result, FOB Australia prices reached a new peak of 670.50 USD / mt. After consumers had made their purchases at the end of March, a price correction set in with prices falling to just under 400 USD / mt FOB Australia. Prices averaged 488 USD / mt in the first quarter of 2022, reflecting an increase of 284 % compared with the previous year's period.

Salzgitter AG does not source iron ore, pellets or coking coal from Russia or Ukraine. The low volume of coal for injection that has been supplied by Russia to date will be procured from alternative sources in the summer quarter. We hedge defined iron ore and coking coal volumes in order to mitigate procurement risks.

STEEL SCRAP

Supply and demand on Germany's scrap market held the balance in January, with prices therefore remaining largely unchanged. Over the course of the quarter, the German scrap market witnessed significant price hikes, with pricing driven mainly by the war in Ukraine. Above all Turkish steel producers benefited from the absence of Russian, Ukrainian and Belorussian market participants, which resulted in strong demand on their part for scrap. Disrupted supply chains, drastic price rises for energy and raw materials, compounded by excess demand for input materials and end products, have also left their indelible mark on the scrap market. Many automotive producers and their suppliers had to cut back on production and introduce short-time work due to the interruption in the cable harness supply from Ukraine and the semiconductor shortage that has not yet been resolved. New scrap from manufacturing was therefore in decline and availability remained tight. Similarly, volumes of old scrap also posted a lower level.

BUSINESS DEVELOPMENT

The **order intake** of the Steel Production Business Unit exceeded the year-earlier period, as the strip steel and the sections business in particular recorded higher order activity. **Crude steel output** trended upward accordingly, while **rolled steel production** matched the previous year's level. **Orders on hand** also increased notably and **shipments** nearly reached the previous year's level. The substantial upturn in the selling prices of strip steel products and sections generated a significant increase in **segment** and **external sales**, which also reflected DMU's sales growth. With SZFG's record result and PTG's excellent performance, **earnings before taxes** came in at € 290.3 million (Q1 2021: € 43.2 million). DMU and the business unit's other companies also delivered higher, positive earnings contributions. Burdens emanated from the sharp increase in commodity prices, particularly coking coal, alloy agents and scrap, along with energy.

INVESTMENTS

With a view to securing the supply of pig iron, the relining of SZFG's Blast Furnace A has been approved. The investment project's main contract has been awarded and preliminary work has commenced.

Increased customer requirements for galvanized high-strength and ultra-high-strength steel grades are being accommodated through the construction of the Hot Dip Galvanizing Line 3 in Salzgitter. Construction has largely been completed, and the facilities are currently at the functional testing stage.

A hydrogen-fueled direct reduction plant, designed for flexible use with natural gas / hydrogen, is being built on the Salzgitter site as a pilot facility for SALCOS® (SAlzgitter Low CO_2 Steelmaking). Work on the foundations and building construction has finished, and plant assembly is currently under way.

STEEL PROCESSING BUSINESS UNIT

		Q1 2022	Q1 2021
Order intake	€ m	788.5	476.1
Order backlog	€ m	1,045.1	612.0
Crude steel production	kt	322.4	342.1
Rolled steel production	kt	291.4	243.6
Shipments	kt	419.4	344.9
Segment sales[1]	**€ m**	**783.3**	**503.9**
External sales	**€ m**	**466.7**	**334.2**
EBIT before depreciation and amortization (EBITDA)	€ m	19.4	–9.8
Earnings before interest and taxes (EBIT)	€ m	6.6	–27.7
Earnings before taxes (EBT)	**€ m**	**4.4**	**–28.4**

[1] Including sales with other business units in the Group

Along with the steel tubes producing companies and heavy plate activities of the Salzgitter Group, the **Steel Processing Business Unit** comprises various medium-sized steel processing companies with similar core processes and operating value drivers. The tubes and pipes portfolio covers a wide range of line pipe diameters with the EUROPIPE Group (EP Group; 50 %), Mannesmann Line Pipe GmbH (MLP), as well as Mannesmann Grossrohr GmbH (MGR). The business unit also includes the precision steel tubes of the Mannesmann Precision Tubes Group (MPT Group) and the seamless stainless and nickel-based tubes of the Mannesmann Stainless Tubes Group (MST Group). The two heavy plate mills of Ilsenburger Grobblech GmbH (ILG) and Salzgitter Mannesmann Grobblech GmbH (MGB) also form part of the business unit. Along with standard grades, Ilsenburg produces high strength and sour gas resistant plate. MGB's competence resides above all in the production of line pipe plate for on- and offshore pipelines in medium to large batch sizes. Through its participation in Hüttenwerke Krupp Mannesmann GmbH (HKM), the business unit has its own supply of input material.

HKM is reported at 30 % on a proportionate basis and is included accordingly in the order intake, sales and the result of the business unit but not in the figures for orders on hand and shipments. The participating investments in the EP Group and in Turkish pipes producer Borusan Mannesmann Boru Yatirim Holding A.S. (BMBYH; 23 %) are accounted for using the proportionate after-tax result (at-equity consolidation).

MARKET DEVELOPMENT

QUARTO PLATE

On the quarto plate market, planned infrastructure projects led to a growing need for steel in the wind energy industry and in steel construction as from mid-January. Russia's invasion of Ukraine and the resulting heavy plate shortages in Europe had a significant impact on market development. Accordingly, heavy plate prices rose by leaps and bounds in March 2022 in the face of the very abrupt nosedive in plate and slab imports from Russia and Ukraine caused by the war and the sanctions imposed. This scenario triggered even greater demand from traders and consumers. At the same time, steel producers had to deal with a massive surge in the cost of energy and raw materials. At the end of November 2021, EU heavy plate producers applied for the anti-dumping measures against China, in force since 2017, to be extended. The procedure was opened at the start of March 2022 and will last for around a year. In the event of an extension, duties will remain in place for another five years.

STEEL TUBES AND PIPES

The number of projects to be awarded on the market for large-diameter pipes rose notably in the first quarter, accelerated by the war in Ukraine. The investment propensity of oil and gas conglomerates with international operations increased on the back of significant oil and gas price hikes and the necessary investments in gas grids, the aim being to achieve greater independence from Russia. The war in Ukraine translated into huge demand for medium-diameter line pipes in Germany and Europe, with above-average high order intake in March. Demand from the trade returned to normal levels. The challenges inherent in procuring components, such as microchips and wiring harnesses for cars, were felt in all major vehicle markets and impacted sales in the precision tubes products segment. The robust trend in plant and machinery engineering as well as in the energy industry served only partly to cushion these declines. Despite the massive price hikes at the start of the year, the seamless stainless tubes market proved to be initially stable until March when another explosion in energy prices and hefty nickel price volatility caused by commodity speculation had a significant impact on production. Surging prices prompted notable reticence in orders being placed, with major projects in particular being put back in anticipation of prices returning to calmer waters.

BUSINESS DEVELOPMENT

The order intake and orders on hand of the Steel Processing Business Unit increased considerably compared with the year-earlier period on the back of volumes and selling prices as both the heavy plate and the steel tubes business reported significant growth. Activity at the Mülheim heavy plate mill mainly reflected the two pipeline projects with the EP Group, while ILG benefited from a friendlier market situation, also because of the lack of exports from eastern Europe, among other factors. In the large-diameter pipes business, further projects were awarded alongside the Wilhelmshaven pipeline that is to connect up with the LNG terminal still to be built by the end of the year. Although the tense supply chain situation negatively impacted bookings from the automotive business in the precision tubes products segment, the counterpart figures in the first three months of 2021 were nevertheless exceeded due to the higher selling prices. The business unit's shipments rose significantly compared with the year-earlier period thanks to the overall improvement in the order situation. Segment and external sales exceeded the year-earlier figures, boosted by price- and volume-induced increases across almost all companies. The business unit reported € 4.4 million in **earnings before taxes** (Q1 2021: €– 28.4 million). The turnaround is first and foremost attributable to the significantly improved results of the two heavy plate companies. A counter effect emanated from the extremely high input material and energy costs that burdened the results of the precision tubes and stainless tubes group in particular.

TRADING BUSINESS UNIT

		Q1 2022	Q1 2021
Shipments	kt	1,062.0	888.0
Segment sales[1]	**€ m**	**1,326.1**	**681.7**
External sales	**€ m**	**1,302.7**	**673.3**
EBIT before depreciation and amortization (EBITDA)	€ m	101.8	48.1
Earnings before interest and taxes (EBIT)	€ m	97.8	44.0
Earnings before taxes (EBT)	**€ m**	**98.1**	**44.7**

[1] Including sales with other business units in the Group

The **Trading Business Unit** comprises a well-developed organization of stockholding steel trading subsidiaries in Europe with a wide range of processing capabilities, various companies specialized in plate, as well as an international trading network spanning the globe. Along with selling rolled steel and tubes products of the Salzgitter Group and complementary products of other producers, feedstock is also procured on the international markets for Group companies and external customers.

MARKET DEVELOPMENT

The demand for steel on the key markets of the Trading Business Unit, especially of the European stockholding steel trade, was determined by the war in Ukraine in the first quarter of 2022. Following an already strong start to the year, shipment volumes and market prices rose sharply again toward the end of the quarter. The effect of the war on international trading manifested above all in a challenging situation in logistics, with reports of rising prices and dwindling capacities.

BUSINESS DEVELOPMENT

The **shipments** of the Trading Business Unit increased considerably compared with the previous year's period. Both the stockholding steel trade and international trading, as well as the UES Group, contributed to this result. At the same time, the marked price increases resulted in **segment** and **external sales** almost doubling compared with the first three months of 2021. In particular, another increase in the price level in conjunction with lower inventory prices in the stockholding business and at the UES Group, along with the gratifying developments in volumes and margins in international trading, delivered excellent **earnings before taxes** of € 98.1 million (Q1 2021: € 44.7 million).

TECHNOLOGY BUSINESS UNIT

		Q1 2022	Q1 2021
Order intake	€ m	518.6	358.0
Order backlog on reporting date	€ m	1,074.8	734.3
Segment sales[1]	**€ m**	**334.0**	**301.0**
External sales	**€ m**	**333.7**	**300.9**
EBIT before depreciation and amortization (EBITDA)	€ m	19.0	31.8
Earnings before interest and taxes (EBIT)	€ m	12.0	25.3
Earnings before taxes (EBT)	**€ m**	**13.1**	**25.0**

[1] Including sales with other business units in the Group

Three manufacturers of special machinery steeped in tradition are grouped within the **Technology Business Unit**. Around 90 % of sales is generated by the KHS Group that, as a plant engineering specialist, holds a leading position in filling and packaging technology. The KHS Group is a full-line supplier. Its product range covers intralogistics and processing through to the filling and packaging of beverages. The Klöckner DESMA Elastomer Group (KDE Group) manufactures injection molding machinery for rubber and silicon products, while DESMA Schuhmaschinen GmbH (KDS) sells special machinery for the shoe industry.

MARKET DEVELOPMENT

According to the German Engineering Federation (VDMA), order intake in the first three months of 2022 exceeded the year-earlier level by 7% overall despite dipping in March. Both local and international demand picked up considerable momentum. The market for packaging machinery also significantly exceeded the year-earlier figures in terms of bookings.

BUSINESS DEVELOPMENT

The **order intake** of the Technology Business Unit achieved growth in the first quarter of 2022 that significantly outstripped the industry trend. The KHS Group succeeded in clearly outperforming the high year-earlier level. The project business featured prominently, bolstered by sustained strong demand. In line with the economic trend, the KDE Group improved on the previous-year's figures, while KDS also lifted its order intake notably in a year-on-year comparison. The business unit's **orders on hand** and its **segment** and **external sales** clearly exceeded 2021 levels. All the business unit's companies made positive contributions to the segment result. The Technology Business Unit generated an overall **pre-tax profit** of € 13.1 million (Q1 2021: € 25.0 million). The year-earlier result was positively impacted by the sale of the KHS Group's pouch business.

The KHS Group continues to rigorously pursue the comprehensive "KHS Future" efficiency and growth program. With a focus on reducing costs and expanding the service business, the program has already made a significant contribution to the higher result achieved and is aimed at promoting the development of the company in the future against the backdrop of a fiercely competitive and challenging market environment.

INDUSTRIAL PARTICIPATIONS / CONSOLIDATION

		Q1 2022	Q1 2021
Sales[1]	€ m	298.2	220.8
External sales	€ m	42.3	42.5
EBIT before depreciation and amortization (EBITDA)	€ m	77.1	49.1
Earnings before interest and taxes (EBIT)	€ m	68.0	40.1
Earnings before taxes (EBT)[2]	€ m	59.4	32.8

[1] Including sales with other business units in the Group
[2] Retroactive adaptation of the previous year figure due to the assignment of HSP Spundwand und Profil GmbH

Industrial Participations / Consolidation comprises activities that are not directly allocated to a business unit. As a management holding company, Salzgitter AG does not have any operations of its own. Instead, it manages Salzgitter Mannesmann GmbH and Salzgitter Klöckner Werke GmbH under which the major companies of the Salzgitter Group are held. In addition, the results of companies operating primarily within the Group, as well as those of Group companies that support the core activities of the business units with their products and services, are recorded here.

Sales in the Industrial Participations / Consolidation segment, which are based mainly on business in semi-finished products with subsidiaries and external parties, rose notably on the back of increased economic activity compared with the first three months of 2021. **External sales** remained unchanged at the previous year's level. **Earnings before taxes** (€ 59.4 million; Q1 2021: € 32.8 million) include a contribution of € 61.9 million from the participating investment in Aurubis AG accounted for using the equity method (Q1 2021: € 42.5 million). The results from the valuation of derivatives positions and net interest income from cash management of the consolidated group delivered a marginally negative contribution on balance (€ –0.2 million; Q1 2021: € 11.1 million). The companies that mainly operate on behalf of the Group more than doubled their earnings before taxes compared with the year-earlier period, also through the disposal of a property.

PROFITABILITY, FINANCIAL POSITION AND NET ASSETS

EXPLANATIONS ON THE BALANCE SHEET

The **total assets** of the Salzgitter Group rose by € 510 million in the first three months of 2022 compared with December 31, 2021.

Non-current assets dropped by € 62 million as against the last reporting date. The shares in the companies accounted for using the equity method increased slightly (€ +46 million). Investments in intangible assets and in property, plant and equipment (€ +67 million) stood at the level of scheduled depreciation and amortization of fixed assets (€ –69 million) in the period under review. Deferred tax assets (€ –110 million) declined due to the lower volume of pension provisions and the utilization of deferred tax assets on tax loss carryforwards at the domestic parent company. **Current assets** were up by € 572 million in comparison with the last reporting date. This was due in particular to the substantial increase in trade receivables, including contract assets (€ +587 million). Inventories decreased by € 30 million as against the last reporting date. The lower level of cash and cash equivalents (€ –74 million) was offset by other receivables and assets (€ +78 million).

On the **liabilities side**, pension provisions dropped by € –277 million given the higher actuarial rate of 2.1 % compared with the end of the previous year (2021/12/31: 1.3 %). Equity increased also on the back of the positive result (€ +654 million). With the growth in equity and higher total assets, the equity ratio stood at a sound 37.3 %. Non-current liabilities were € –275 million lower overall than the year-earlier figure, which reflected the lower pension provisions in particular. Current liabilities rose by € 131 million. While trade payables, including contract liabilities (€ –58 million), did not fall far short of the levels on the last reporting date, other liabilities (€ +159 million) and other tax liabilities (€ +33 million) increased.

Due to a reporting-date-related increase in working capital, the **net financial position** of € –620 million dropped tangibly below the level posted on the balance sheet date at year-end 2021 (€ –544 million). Cash investment, including securities (€ 744 million; 2020/12/31: € 820 million), was offset by liabilities of € 1,364 million (2021/12/31: € 1,365 million), of which € 705 million were owed to banks (2021/12/31: € 688 million). As before, assets and liabilities from leasing arrangements are not considered in the net financial position. The higher business volume is reflected by the significant rise in trade receivables and trade payables respectively on the balance sheet date that do not impact the net financial position until the payment date.

NOTES TO THE CASH FLOW STATEMENT

Given a pre-tax result of € 465 million, a negative **cash flow from operating activities** of € –15 million was reported (previous year: € +109 million). While the improved result had a positive influence on the operating cash flow, this was offset by the notable increase in working capital.

The **cash outflow from investing activities** of € –49 million (previous year: € –123 million, including disbursements for cash investments of € –50 million), mainly reflects progress made in the major strategic projects, along with regular investment requirements, and largely comprises disbursements for capital expenditure in intangible assets and in property, plant and equipment (€ –61 million; previous year: € –78 million). Proceeds from the disposal of property, plant and equipment had an offsetting effect.

The repayments of loans and interest payments resulted in a **negative cash outflow from financing activity** (€ –15 million; previous year: € –35 million).

As a result of the negative overall cash flow, **cash and cash equivalents** (€ 668 million) decreased accordingly compared with December 31, 2021 (€ 742 million).

EMPLOYEES

	2022/03/31	2021/12/31	Change
Core workforce[1]	**22,492**	**22,356**	**136**
Steel Production Business Unit	**7,271**	7,158	113
Steel Processing Business Unit	**5,340**	5,341	–1
Trading Business Unit	**1,935**	1,934	1
Technology Business Unit	**5,323**	5,298	25
Industrial Participations / Consolidation	**2,623**	2,625	–2
Apprentices, students, trainees	**1,148**	1,310	–162
Non-active age-related part-time employment	**632**	590	42
Total workforce	**24,272**	**24,255**	**17**

Rounding differences may occur due to pro-rata shareholdings.
[1] Excluding executive body members

As of March 31, 2022, the **core workforce** of the Salzgitter Group numbered 22,492 employees, which is 136 persons more than at the end of the financial year 2021. A major part of the increase in the workforce was accounted for by another 123 persons joining Salzgitter Flachstahl GmbH and is due to hiring temporary employees outsourced that was planned in any case at an earlier point in time and to offering employment to trainees in January 2022. A total of 136 trainees were hired during the reporting period, 99 of whom were given temporary contracts. A countereffect emanated above all from members of the company going into non-active age-related part-time or reaching retirement age. The **total workforce** stood at 24,272 persons. The number of **temporary staff** outsourced stood at 1,068 on March 31, 2022, which is 91 persons more than on the previous year's reporting date. At the end of the reporting period, 80 employees were working **short time** in the domestic Group companies, 60 of whom are active at Salzgitter Europlatinen GmbH.

FORECAST, OPPORTUNITIES AND RISK REPORT

OUTLOOK

Compared with the previous year, the business units anticipate that business in the financial year 2022 will develop as follows:

As part of the **Steel Production Business Unit**, the strip steel segment expects business to develop extremely well. Although disrupted supply chains resulted in production downtime in the automotive industry during the first quarter, this shortfall should be partly made up again over the course of the year. Moreover, finding alternative customers is proving successful. Inasmuch, we assume that capacity utilization will be largely covered by demand. Our order intake and orders on hand indicate a sustained, positive selling price level. On the raw materials front, we expect much lower costs for iron ore but significantly higher costs for coking coal. We also anticipate that business will perform well in the sections segment. All in all, we anticipate an increase in sales boosted by higher average selling prices in the Steel Production Business Unit, along with a significantly higher pre-tax profit compared with the year-earlier period.

The **Steel Processing Business Unit** companies generally expect a tangible improvement in the business situation. Positive effects from the commissioning of Ilsenburg's new heat treatment line and the production of feedstock for the "Scarborough contract" of EUROPIPE in the Mülheim mill are resulting in good capacity utilization for the companies producing heavy plate. While, similar to Mannesmann Grossrohr GmbH, the German mill of the EUROPIPE Group is reporting improved capacity utilization and predicting further booking opportunities, the US EUROPIPE companies continue to be determined by unsatisfactory bookings. Volumes are expected to increase in the medium-diameter line pipes segment. The precision tubes companies assume higher volumes in all product areas but, as with the stainless tubes group, are confronted by reticence on the part of market participants. All in all, we forecast the following for the business unit: a significant increase in shipment volumes and – despite the pronounced burden energy prices are placing on all companies – a markedly improved, positive pre-tax result compared with the previous year that was impacted by impairment.

The **Trading Business Unit** remains optimistic about the performance of its companies and assumes that the exceptionally good earnings situation in the first quarter can be outperformed in the second quarter, with margins returning to more normal levels in the second half of the year. Despite difficult trading conditions, international trading anticipates stable shipments. All in all, we expect growth in shipments and sales for the segment and a very gratifying pre-tax profit that will nevertheless drop notably below the previous year's record figure.

The companies of the **Technology Business Unit** began the new year with improved orders on hand compared with the previous year, with further growth generated in the first quarter of 2022. Driven by the rigorous expediting of the "KHS Future" program and the marketing and sales of new, innovative products, we predict improved profitability of the KHS Group, accompanied by sales growth. The two DESMA specialist mechanical engineering companies anticipate a sustained market recovery and a pre-tax result that exceeds the year-earlier figure. Consequently, we anticipate higher sales for the business unit, as well as earnings before taxes - adjusted for the effect on earnings from the disposal of the pouch business in the financial year 2021 – that will exceed the previous year's level.

Thanks to the strong first-quarter we now anticipate the following for the **Salzgitter Group** in the financial year 2022:

- an increase in sales to just under € 11 billion,
- a pre-tax profit (EBT) of between € 750 million and € 900 million, and
- a return on capital employed that is around the previous year's level.

In the context of the above, we have taken commodity and energy costs as well as steel prices at the current level as a basis and assume ongoing unrestricted availability of natural gas as a precondition for maintaining production. Sustained supply and capacity bottlenecks on the procurement markets, compounded by geopolitical tensions, pose uncertainty for the anticipated development. We make explicit reference to virtually unquantifiable forecast risks in connection with the Ukraine war.

RISK MANAGEMENT

At the time of reporting, we find ourselves dealing with the impact of the Russia/Ukraine war, disruptions in global supply and logistics chains, as well as extreme volatility on the raw materials and energy markets, with the associated wave of higher inflation rates. At present, and to the extent foreseeable, we have factored the effects on earnings in the companies into guidance for the current year, as far as can be estimated.

Despite reduced discernibility, there were no risks that could endanger the Salzgitter Group as a going concern as of the reporting date. With regard to the individual **opportunities and risks**, we make reference to the Annual Report 2021.

GEOPOLITICAL RISKS

On February 24, 2022, Russia began its attack on Ukraine. With regard to the Salzgitter Group, economic uncertainties pertain in particular to price trends and supply reliability on the procurement markets for energy and commodities and future sales prospects. At the time of reporting, the direct impact on our customers and suppliers was changing, partly on a daily basis. Framework conditions shifting at short notice makes it impossible to reliably quantify the consequences. With regard to supply reliability, we are in contact with alternative suppliers and expect delivery in line with requirements to continue. The decline in sales in the war-affected regions of Russia and Ukraine does not have a significant impact on us.

The delivery volumes of Russian natural gas to the EU were at a level expected at the time of reporting. Furthermore, countermeasures with the full support of Germany's policymakers, such as the construction of LNG terminals on the coast and ramping up imports from Norway and the Netherlands, have been initiated in order to significantly mitigate the medium-term dependence on Russian gas and to achieve independence.

A stable supply of natural gas is also fundamentally important for our Group. At the same time, however, it should be noted that significant areas of our activities are less affected. Metallurgy for steel production at the Salzgitter site can be operated independently, while processing slabs into coils necessitates natural gas. Due to the district heating supply of nearby residential areas, we expect – if it comes to it – to receive emergency supplies from the grid operator pursuant to Section 53a of Germany's energy industry law. Serious constraints on production are therefore not anticipated. Our location in Ilsenburg where heavy plate is rolled will be supplied with natural gas from the Netherlands. Section production at the Peine site would also still be able to continue if natural gas supplies were limited, albeit with lower output. Furthermore, we place emphasis on the fact that the companies of our Technology and Trading business units would not be directly affected.

The current increase in COVID-19 infection rates in China, compounded by massive lockdowns, is likely to impact negatively on various supply chains in the coming months. Freight prices are also expected to rise due to the lower levels of shipping availability.

The sharp increase in the price of input raw materials, energy and preliminary products resulting from the aforementioned developments has triggered the highest inflation rates in Germany since the 1970s. The German government's Council of Experts has meanwhile lowered its economic forecast for 2022 from 4.6 percent to 1.8 percent.

In the knowledge that the global supply chains are extremely vulnerable, conclusions can also be drawn about new developments for companies producing and selling mainly in Europe, such as Salzgitter AG. Re-localizing production chains, new infrastructure investment, along with the strategic privatization of local suppliers versus importers, could increase the need for local products in the medium term.

SECTORAL RISKS

The statements made in the Annual Report 2021 generally retain their validity. The following additional aspects are to be taken into account.

The imposing of sanctions against imports of finished steel products from Russia and Belarus, as well as the cessation of supplies from Ukraine have prompted some steel consumer associations to demand that all trade safeguard measures be lifted. To counteract concerns about supply shortages, the EU Commission has distributed all Russian and Belarus import quotas among other countries within the EU safeguard system. Nevertheless, if the current safeguard measures are downscaled, significant price risks can be assumed for all important strip steel products. Moreover, a danger emanates from the possibility of steel products subject to sanctions being further processed in non-EU countries and then entering the EU market.

On April 27, the EU Commission decided to lift all import duties on products from Ukraine, initially for a period of one year. Along with regular duties, this also includes all anti-dumping and safeguard measures. The EU Commission's proposal still has to be ratified by the Council and Parliament.

The question remains open as to whether anti-dumping and anti-subvention instruments are to be extended in the context of expiration reviews conducted every five years or whether new duties are to be imposed in current procedures.

In the meantime, negotiations are still underway on introducing a Carbon Border Adjustment Mechanism (CBAM) to prevent the risk of carbon leakage for the purpose of replacing the free CO_2 allowance allocation in the long term. An extended transition period with test phases, export discounts and stringent rules against obviating the measures are critical for creating an effective mechanism. Insufficient progress has been made in particular regarding the transition period and export discounts. An ineffective CBAM, accompanied by the discontinuation of free allotment, would have negative consequences for the profitability of the EU steel industry compared with non-European competitors. The negotiations between the Council of Ministers, the EU Parliament and EU Commission are still ongoing.

INTERIM REPORT

CONSOLIDATED INCOME STATEMENT

In € million	Q1 2022	Q1 2021
Sales	3,349.9	2,094.1
Increase / decrease in finished goods and work in process / other own work capitalized	−10.5	−18.2
Total operating performance	**3,339.3**	**2,075.9**
Other operating income	162.2	114.8
Cost of materials	2,193.8	1,333.1
Personnel expenses	447.2	424.3
Amortization and depreciation of intangible assets and property, plant and equipment	69.3	74.2
Other operating expenses	366.8	265.2
Result from impairment losses and reversal of impairment losses of financial assets	−0.1	−1.4
Income from shareholdings	–	–
Result from investments accounted for using the equity method	54.7	36.1
Finance income	1.9	1.9
Finance expenses	15.5	13.2
Earnings before taxes (EBT)	**465.3**	**117.3**
Income tax	96.5	40.7
Consolidated result	**368.8**	**76.6**
Amount due to Salzgitter AG shareholders	367.6	74.9
Minority interest	1.2	1.7
Appropriation of profit		
Consolidated result	368.8	76.6
Profit carried forward from the previous year	45.1	–
Minority interest in consolidated net result	1.2	1.7
Dividend payment	–	–
Transfer from (+)/ to (−) other retained earnings	−367.6	−74.9
Unappropriated retained earnings of Salzgitter AG	**45.1**	**–**
Earnings per share (in €) – basic	**6.80**	**1.38**
Earnings per share (in €) – diluted	**–**	**–**

STATEMENT OF COMPREHENSIVE INCOME

In € million	Q1 2022	Q1 2021
Consolidated result	368.8	76.6
Recycling		
Changes in value from currency translation	9.1	9.2
Changes in value from cash flow hedges	106.2	−10.0
Fair value change	97.7	−13.6
Recognition with effect on income	8.4	3.5
Deferred taxes	–	–
Changes in the value of investments in companies accounted for using the equity method	12.6	4.3
Fair value change	10.9	–
Recognition with effect on income	–	–
Currency translation	1.7	4.3
Deferred taxes	–	–
Deferred taxes on other changes without effect on income	0.0	−1.0
Subtotal	127.9	2.5
Non-recycling		
Changes in equity instruments measured at fair value without effect on income	–	–
Fair value change	–	–
Deferred taxes	–	–
Remeasurements	203.8	82.1
Remeasurement of pensions	265.1	107.1
Deferred taxes	−61.3	−25.0
Changes in the value of investments in companies accounted for using the equity method	–	–
Subtotal	203.8	82.1
Other comprehensive income	331.7	84.6
Total comprehensive income	700.6	161.2
Total comprehensive income due to Salzgitter AG shareholders	699.4	159.5
Total comprehensive income due to minority interest	1.2	1.7
	700.6	161.2

CONSOLIDATED BALANCE SHEET

Assets in € million	2022/03/31	2021/12/31
Non-current assets		
Intangible assets	213.6	216.5
Property, plant and equipment	2,049.7	2,051.4
Investment property	79.2	79.5
Financial assets	50.1	51.4
Investments in companies accounted for using the equity method	1,373.4	1,327.8
Trade receivables	7.2	8.3
Other receivables and other assets	32.9	21.6
Income tax assets	0.0	1.9
Deferred income tax assets	381.8	491.8
	4,187.9	4,250.2
Current assets		
Inventories	3,093.1	3,123.3
Trade receivables	1,964.4	1,452.8
Contract assets	398.1	323.0
Other receivables and other assets	375.0	296.7
Income tax assets	28.5	17.0
Securities	49.6	49.7
Cash and cash equivalents	668.2	741.8
	6,576.9	6,004.3
Assets available for sale	–	0.5
	6,576.9	6,004.7
	10,764.8	10,254.9

Equity and liabilities in € million	2022/03/31	2021/12/31
Equity		
Subscribed capital	161.6	161.6
Capital reserve	257.0	257.0
Retained earnings	3,742.2	3,170.3
Other reserves	163.0	82.0
Unappropriated retained earnings	45.1	45.1
	4,368.9	3,716.0
Treasury shares	–369.7	–369.7
	3,999.2	3,346.3
Minority interest	11.9	10.7
	4,011.1	3,357.0
Non-current liabilities		
Provisions for pensions and similar obligations	1,901.5	2,178.6
Deferred tax liabilities	146.8	147.1
Income tax liabilities	24.4	25.7
Other provisions	268.1	267.5
Financial liabilities	623.1	621.5
Other liabilities	8.1	6.6
	2,972.1	3,247.0
Current liabilities		
Other provisions	265.2	263.1
Financial liabilities	888.7	893.2
Trade payables	1,642.5	1,728.9
Contract liabilities	382.1	353.8
Income tax liabilities	68.8	36.1
Other liabilities	534.3	375.6
	3,781.6	3,650.7
	10,764.8	10,254.9

CASH FLOW STATEMENT

In € million	Q1 2022	Q1 2021
Earnings before taxes (EBT)	465.3	117.3
Depreciation write-downs (+) / write-ups (–) of non-current assets	69.1	74.1
Income tax paid (–) / refunded (+)	–16.6	–12.6
Other non-cash expenses (+)/ income (–)	3.4	11.2
Interest expenses	15.5	13.2
Gain (–) / loss (+) from the disposal of non-current assets	–7.8	1.7
Increase (–) / decrease (+) in inventories	35.7	46.0
Increase (–) / decrease (+) in trade receivables and other assets not attributable to investment or financing activities	–591.3	–426.2
Use of provisions affecting payments, excluding income tax provisions	–54.5	–50.0
Increase (+) / decrease (–) in trade payables and other liabilities not attributable to investment or financing activities	66.0	334.1
Cash outflow / inflow from operating activities	–15.2	108.8
Cash inflow from the disposal of intangible assets, property, plant and equipment and investment property	10.6	3.1
Cash outflow for investments in intangible assets, property, plant and equipment and investment property	–60.5	–78.2
Cash inflow from investments of funds	–	–
Payments for financial investments	0.0	–50.0
Cash inflow from the disposal of non-current assets	2.3	2.5
Cash outflow for investments in non-current assets	–0.8	–0.0
Cash outflow from investment activities	–48.5	–122.7
Payouts to company owners	–	–
Deposits from taking out loans and other financial debts	4.2	–
Repayment of loans and other financial liabilities	–11.2	–10.4
Interest paid	–7.8	–24.5
Cash outflow / inflow from financing activities	–14.8	–34.9
Cash and cash equivalents at the start of the period	741.8	621.4
Gains and losses from changes in foreign exchange rates	4.9	5.8
Payment-related changes in cash and cash equivalents	–78.5	–48.7
Cash and cash equivalents at the end of the period	668.2	578.4

NOTES

SEGMENT REPORTING

In € million	Steel Production		Steel Processing		Trading	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
External sales	1,204.4	743.2	466.7	334.2	1,302.7	673.3
Sales to other segments	397.9	250.1	250.9	104.1	23.4	8.4
Sales to group companies that are not allocated to an operating segment	1.4	1.0	65.8	65.6	0.0	0.0
Segment sales	1,603.7	994.3	783.3	503.9	1,326.1	681.7
Interest income (consolidated)	0.0	0.0	0.3	0.2	0.5	0.7
Interest income from other segments	–	–	–	–	–	–
Interest income from group companies that are not allocated to an operating segment	1.1	0.2	1.0	1.9	3.6	2.2
Segment interest income	1.2	0.2	1.3	2.1	4.0	2.9
Interest expenses (consolidated)	3.8	2.9	1.8	1.7	3.6	2.1
Interest expenses to other segments	–	–	–	–	–	–
Interest expenses from group companies that are not allocated to an operating segment	1.5	1.0	1.7	1.1	0.1	0.1
Segment interest expenses	5.3	4.0	3.5	2.8	3.8	2.2
of which interest portion of allocations to pension provisions	2.7	2.3	1.1	1.0	0.3	0.3
Depreciation of property, plant and equipment and amortization of intangible assets	36.5	36.5	12.8	17.9	4.0	4.1
of which scheduled depreciation of property, plant and equipment and amortization of intangible assets	36.5	36.5	12.8	17.9	4.0	4.1
EBIT before depreciation and amortization (EBITDA)	330.8	83.5	19.4	–9.8	101.8	48.1
Earnings before interest and taxes (EBIT)	294.4	47.0	6.6	–27.7	97.8	44.0
Segment earnings before taxes	290.3	43.2	4.4	–28.4	98.1	44.7
of which resulting from investments in companies accounted for using the equity method	–	–	–7.2	–6.4	–	–
Investments in property, plant and equipment and intangible assets	30.4	33.1	13.8	33.0	2.8	3.1

Technology		Total segments		Industrial Participations / Consolidation		Group	
Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
333.7	300.9	3,307.5	2,051.6	42.4	42.5	3,349.9	2,094.1
0.3	0.1	672.4	362.7	255.8	178.3	928.2	541.0
–	–	67.3	66.6	–	–	67.3	66.6
334.0	301.0	4,047.2	2,480.9	298.2	220.8	4,345.3	2,701.6
0.8	0.3	1.5	1.3	0.4	0.6	1.9	1.9
–	–	–	–	3.5	2.5	3.5	2.5
1.1	0.3	6.8	4.5	–	–	6.8	4.5
1.9	0.6	8.3	5.8	3.9	3.1	12.3	8.9
0.5	0.6	9.7	7.3	5.8	5.9	15.5	13.2
–	–	–	–	6.8	4.5	6.8	4.5
0.2	0.3	3.5	2.5	–	–	3.5	2.5
0.7	0.8	13.2	9.8	12.6	10.4	25.8	20.2
0.4	0.4	4.5	4.0	2.4	2.2	6.9	6.2
7.0	6.6	60.2	65.2	9.1	9.1	69.3	74.2
7.0	6.6	60.2	65.2	9.1	9.1	69.3	74.2
19.0	31.9	471.0	153.7	77.1	49.1	548.1	202.8
12.0	25.3	410.8	88.5	68.0	40.1	478.8	128.6
13.1	25.0	405.9	84.5	59.4	32.8	465.3	117.3
–	–	-7.2	-6.4	61.9	42.5	54.7	36.1
5.0	4.6	52.0	73.8	15.2	5.3	67.2	79.1

PRINCIPLES OF ACCOUNTING AND CONSOLIDATION, BALANCE SHEET REPORTING AND VALUATION METHODS

1. The consolidated financial report of Salzgitter AG, Salzgitter (SZAG), for the reporting period from January 1 to March 31, 2022, has been prepared as a condensed report with selected notes. The report has been drawn up, as before, in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) in consideration of the requirements set out under IAS 34 for condensed interim reports.
2. In comparison with the annual financial statements as at December 31, 2021, no changes have been made in the accounting, valuation, calculation and consolidation methods applied to the interim financial statement for the period ended March 31, 2022.
3. In calculating the fair value of defined benefit obligations as of March 31, 2022, an actuarial rate of 2.1 % was applied (December 31, 2021: 1.3 %). The resulting reduction in provisions for pensions and similar obligations is reported in other comprehensive income (pension revaluation) and incurs a corresponding increase in equity.
4. The recognition of the lease liabilities assigned to financial liabilities is calculated as the present value of the lease payments to be made. In subsequent measurement, the carrying amounts of the lease liability are compounded and reduced by the lease payments remitted with no effect on income. The usage rights reported in property, plant and equipment are recognized at the cost of acquisition less accumulated depreciation and amortization and, if appropriate, any necessary impairment.

In accordance with the accounting rules for leases (IFRS 16), the historical cost of acquisition of the usage rights and leasing liabilities is shown in the following:

In € million	2022/03/31	2021/12/31
Right of use of land, similar rights and buildings, including buildings on land owned by others	125.7	125.7
Right of use of plant equipment and machinery	57.1	48.4
Right of use of other equipment, plant and office equipment	27.3	25.2
Non-current assets	210.1	199.2
Right of use of land, similar rights and buildings, including buildings on land owned by others	31.6	29.1
Right of use of plant equipment and machinery	25.5	23.2
Right of use of other equipment, plant and office equipment	16.6	15.4
Depreciation / amortization	73.6	67.7
Lease liabilities	141.3	136.3

An amount of € 118.5 million is attributable to non-current lease liabilities. Moreover, depreciation and amortization stood at € 6.5 million, interest expenses at € 0.8 million, and cash outflow totaled € 7.2 million in the first three months of 2022.

5. A piece of land from Industrial Participations / Consolidation already designated for sale back at the end of 2021 was sold in the first quarter of 2022.

SELECTED EXPLANATORY NOTES TO THE INCOME STATEMENT

1. Sales by business segment are shown in the segment report.
2. Earnings per share are calculated in accordance with IAS 33. Basic earnings per share, calculated from the weighted number of shares of SZAG, stood at € 6.80 in the period under review. Dilution would occur if earnings per share were reduced through the issuance of potential shares from option and conversion rights. Such rights did not exist as of the balance sheet date.

RELATED PARTY DISCLOSURES

In addition to business relationships with companies that are consolidated fully, relationships also exist with companies that must be designated as related companies in accordance with IAS 24. The category of joint operations exclusively comprises Duisburg-based Hüttenwerke Krupp Mannesmann GmbH. The category of other associated companies comprises the majority interests and joint ventures of the Federal State of Lower Saxony.

The sale of goods and services essentially comprise deliveries of input material for the manufacture of large-diameter pipes. Their volumes are shown in the table below:

In € million	Sale of goods and services	Purchase of goods and services	Receivables	Liabilities
	01/01/-03/31/2022	01/01/-03/31/2022	2022/03/31	2022/03/31
Non-consolidated Group companies	8.5	8.3	14.6	17.7
Joint ventures	25.5	62.6	11.9	35.0
Joint operations	1.3	0.3	21.6	55.2
Associated companies	–	0.3	–	–
Other related parties	0.3	1.6	5.4	97.1

INFORMATION PURSUANT TO SECTION 37W PARAGRAPH 5 OF THE GERMAN SECURITIES TRADING ACT (WPHG)

This set of interim financial statements and the interim report have not been the subject of an auditor's review.

LEGAL DISCLAIMER

Some of the statements made in this report possess the character of forecasts or may be interpreted as such. They are made upon the best of information and belief and by their nature are subject to the proviso that no unforeseeable deterioration occurs in the economy or in the specific market situation pertaining to the business units, but rather that the underlying bases of plans and outlooks prove to be accurate as expected in terms of their scope and timing. Notwithstanding prevailing statutory provisions and capital market law in particular, the company undertakes no obligation to continuously update any forward-looking statements that are made solely in connection with circumstances prevailing on the day of their publication.

For computational reasons, rounding-off difference of +/- one unit (€, % etc.) may occur in the tables.

The Quarterly Statement of Salzgitter AG is also available in German. In the event of any discrepancy, the German version shall prevail.