

“Guided by new management, we will drive forward the transformation and embrace our fresh start in 2021”

Mr. Alder, you've passed the baton to Mr. Christen. What do you think, in retrospect, were the most important stabilization measures in 2020?

There were three areas, alongside the obvious name change to Swiss Steel Group, where we ramped up our focus last year. The first core element was the restructuring concept. This step consisted of a comprehensive analysis to determine whether the existing business model could be transformed to generate a profit and whether the end customer markets would recover in the near term. The result of this review was positive, as anticipated. And the transformation will now pave the way for the Company's success going forward. The second core element was the financing concept in the aim of restoring the balance sheet and solidifying the basis for the transformation. In deciding to strengthen our financing by means of the capital increase approved in December 2020 and now expected to be completed in March 2021, which will be accompanied by a significant easing of future credit conditions, we sent an important message to employees, customers and suppliers: Swiss Steel Group is a reliable partner in the long term. The third element is the reorganization of top management. Following stabilization and refinancing, the team consisting of Clemens Iller and

Matthias Wellhausen will make way for the new team with Mr. Frank Koch and Mr. Markus Böning. Last but not least, the Board of Directors unanimously voted to support the Company on its new course by taking a considerable cut in compensation.

How do you think management performed in 2020?

The team headed up by Clemens Iller did a very good job in the face of the extreme challenges faced in 2020. In addition to managing the operating business, together they successfully conducted two complex financing rounds under extreme pressure, set up a broad-based efficiency enhancement program – which so far is being implemented ahead of schedule – and, above all, demonstrated outstanding

loyalty to the Company and its shareholders throughout the crisis. Clemens Iller decided to make way for new managerial blood and step down from his position. We owe great thanks to him and his team.

Is the new team the right one to set the Company on a successful course for the future?

Frank Koch brings with him everything Swiss Steel Group needs in its CEO to lead the Company to success even in the ongoing extremely challenging environment. Backed by his impressive career extending from his basic training to his position as CEO of a complex industrial company, with stints at several leading steel companies, Frank Koch has outstanding strategic and operational expertise

“Swiss Steel Group has laid the foundation for success: strengthened financing, strong management team and sustainable production processes. With these elements, we believe that the Swiss Steel Group is well-positioned to satisfy international demand for solutions based on special long steel.”



Current Chairman Heinrich Christen (left side) and former Chairman Jens Alder in conversation

and experience. He has successfully implemented comprehensive turn-around and restructuring programs and made significant improvements to the operations and financial performance of the companies under his management. Markus Böning has already been on board since October 2020. He has more than 15 years' international experience as CFO in several industrial companies in the automotive supplier industry, the steel industry and the pharmaceutical industry.

Finally, what is your take on the composition of the shareholder structure and the impact on the Board of Directors?

In my opinion, given the very challenging situation we find ourselves in, a clear strategic focus and quick decision-making processes are crucial within the Board of Directors. With this in mind, when appointing its members, we made sure that the board is balanced in the interests of independence and endowed with the requisite expertise to reflect all issues when making decisions on the Company's direction. That aside, we are especially grateful to Big Point Holding AG for its support. It stood by our side as far back as the first

half of 2020, when things started to get tough, when it granted us a shareholder loan, and gave us considerable support during the first capital increase completed in January 2020 and the one expected for completion in March 2021. Last but not least, I want to take this opportunity to thank all shareholders – and especially the small shareholders – for their continued confidence in us.

Now over to you, Mr. Christen. The change of name, the handover of the baton, the new top management: this clearly signifies a fresh start. How important is it to send out a signal like this, in your opinion?

I'd like to start off by thanking Jens Alder, who led us with confidence and circumspection during this difficult period. It's also important for me to emphasize that, as a representative of Big Point Holding AG, as Mr. Alder touched upon, I will balance and safeguard all interests on the Board of Directors and also in my role as Chairman. Therefore, I was delighted to be elected by the Board of Directors unanimously and without reservations as the successor to Jens Alder. The Board of Directors as a whole has a clear vision of where it

wants to take our company in the years ahead. This is aligned with my and Mr. Haefner's vision, which makes it a pleasure to work on strategy in this committee. But we need time for this – we are just at the "end of the beginning", to quote Churchill.

To come back to your question: yes, we considered a fresh start to be very important. On the one hand, the name change was appropriate, indeed necessary, when we left the old owner family at the beginning of 2020. At the same time, however, we wanted to highlight the central role of Switzerland with a strong Swiss shareholder and also emphasize the quality and targeted customer focus that Swiss firms are known for worldwide. Accordingly, this Swissness was a key aspect we wanted to see anchored in the new name and in the logo. Another important factor to mention here is, of course, global orientation – also this typical Swissness! Given our central location in Europe, which neighbors our three major geographical markets in Germany, France and Italy, and underpinned by our strong foothold in North America and our global distribution network, we think we are in a good position to kick-start our business.



A new name is no doubt a very good way of sending out this message. What is your perception of the business model as a whole?

One of the core competencies that gives us particular confidence for the future is the in-depth knowledge embodied in our experts and engineers in the field of metallurgy and technology – something that is repeatedly confirmed by external observers and market participants. We are of the firm conviction that we manufacture excellent products and also believe in the long-term future of steel as a material. The sustainability of the business model is just as important. With that in mind, in our electric arc furnaces we melt exclusively scrap, refine alloy elements based on their area of application, and thus establish a perfect circular economy. Our electric arc furnaces mean that we have a fundamentally very CO₂-efficient production process, and we can further enhance our sustainability depending on the energy source used. The goal in the coming year is to highlight this sustainability in a more targeted manner toward our customers and suppliers.

Last question: How will the transition from Clemens Iller to Frank Koch be structured and when will the first announcements be made on the new strategic focus?

The goal would be to have the change-over complete by January 1, 2022 at the latest. I would like to take this opportunity to express my sincere thanks to Clemens Iller for his loyalty, in spite of his advance knowledge of the envisioned handover, and for getting us into the excellent position we're in now. Regarding our course for the future, Mr. Koch will be given the necessary time to learn the lay of the land and then to develop the strategy in close collaboration with the Board of Directors and initiate any structural measures.

Frank Koch

CEO

Frank Koch, MBA, has been appointed by the Board of Directors in December 2020 as future CEO of Swiss Steel Group and will take over at the latest as of January 1, 2022. He began his professional career in 1991 with training in industrial business management in the steel division of ThyssenKrupp. An internship in the ThyssenKrupp Group featuring various assignments abroad and general management training in St. Gallen were followed by management functions at the ThyssenKrupp Group, among others at Deutsche Edelstahlwerke, which today is part of Swiss Steel Group. From 2003 to 2005 he was responsible for strategy and sales at Acciaierie Bertoli Safau, which belongs to the Italian plant engineering company. He rejoined Deutsche Edelstahlwerke at the end of 2005, where he was responsible for the sales and strategy division until 2007. Beginning in 2008 he took on consecutive positions as CSO and in Logistics at steelworks Georgsmarienhütte GmbH. In 2015, he took on primary responsibility as COO of the GMH Group within the local holding organization. From January 1, 2017 to end-2020 he managed the GMH Group as CEO.