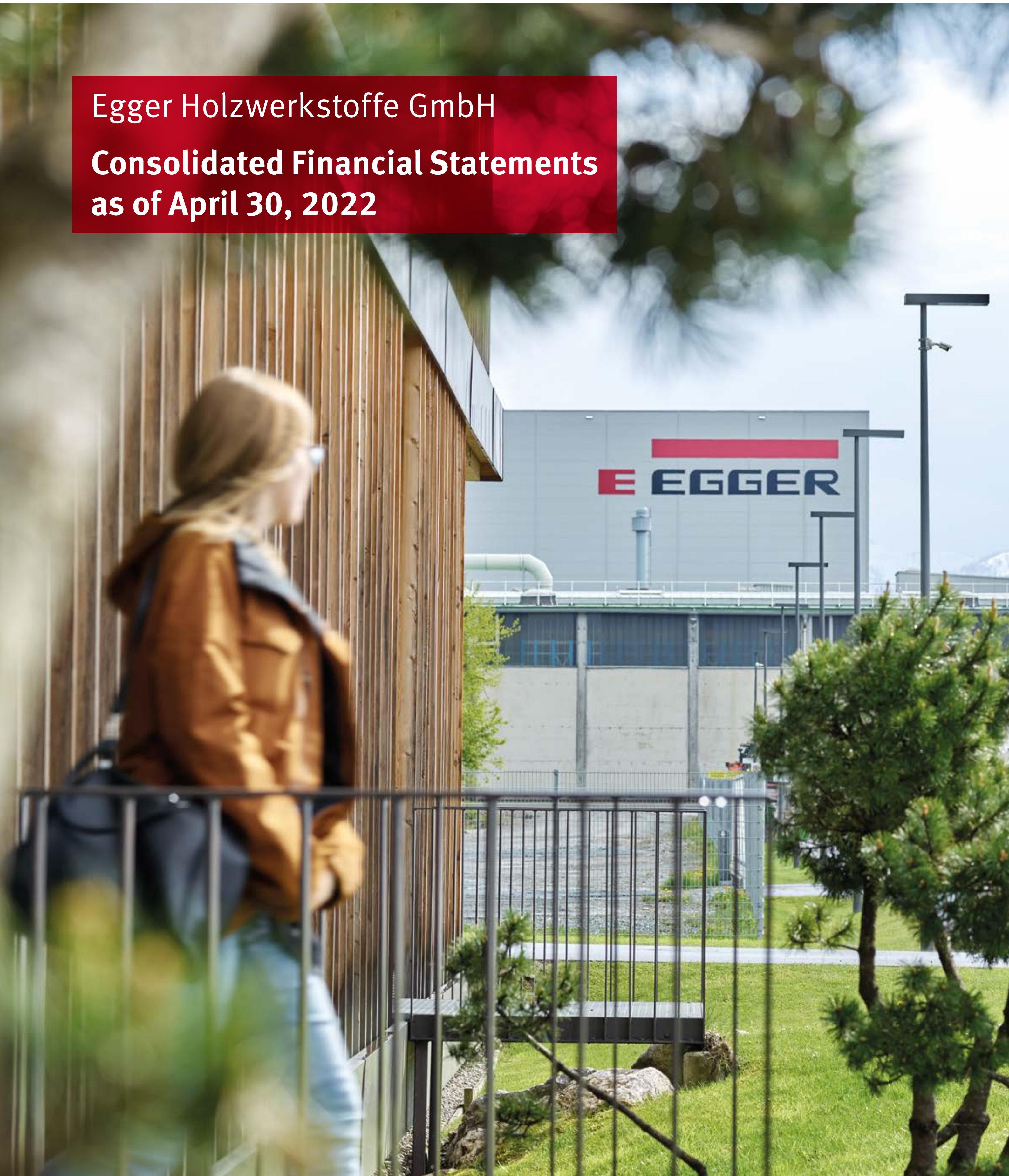
MORE FROM WOOD.

Egger Holzwerkstoffe GmbH

Consolidated Financial Statements as of April 30, 2022



MORE FROM WOOD.

EGGER

Egger Holzwerkstoffe GmbH
St. Johann in Tirol

Consolidated Financial Statements
as of April 30, 2022
(Translation)

We draw attention to the fact that the English translation of these consolidated financial statements, this management report for the Group and this auditor's report is presented for the convenience of the reader only and that the German wording is the only legally binding version.


EGGER

Contents

Egger Holzwerkstoffe GmbH (Consolidated Financial Statements)

The consolidated financial statements are prepared in TEUR / EUR million (rounded). The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts and percentage rates.

Our Vision

We produce in Europe and America and market our products worldwide.
We have always built long-term and cooperative relationships with our customers and suppliers. Together we optimise the use of the valuable resource wood and create added value for all parties involved. To achieve this, we use the latest technology, continuously optimise our processes and automate and digitalise the workflows in our production and supply chain.

"We are the leading brand for wood-based solutions."

Our Mission

For us, the needs of our customers are the focus. Through constant customer proximity and open communication, we ensure a holistic view of the customer. In doing so, we rely on networked processes and digital channels.
Together with our customers we are constantly developing and offering them innovative and complete product and service solutions around the natural material wood.
Our quality standard includes the entire value chain from order creation to delivery to the customer. This promise is the basis of all our customer relationships.

"We make more out of wood."

Our Drive

St. Johann in Tirol, Austria, in 1961:
Fritz Egger Sr. is successfully running the Egger family's St. Johann operations, consisting of the Brunnhof farm and a sawmill.
He decides to recycle the wood scraps that accumulate in the sawmill instead of simply throwing them away. He turns the seemingly worthless by-product into something new – in the first chipboard plant under the name EGGER.

"Passion for a unique resource."

Our Values

Our values stand for our actions. Progress, respect and quality are our constant companions. They shape everything we do along the entire value chain. Our customers, suppliers and employees know what they can expect from us.
Continuous further development to ensure progress is a matter of course for us. We set ourselves new goals and create perspectives for ourselves and our partners. We treat each other with respect and show each other trust, personal appreciation and openness.
We are committed to each other and to great results, and we go to work with enthusiasm. Our claim is to offer consistently high quality in all areas.

"Quality, respect and progress guide our actions."

Our Team

More than 10,000 colleagues worldwide have a lot in common. We create more from wood and drive innovation. Together we motivate, encourage and strengthen each other. We contribute our talents and experience and treat each other with respect.
Together we have grown steadily, but we have not forgotten our roots – nor our core values as a family company. It is this strong foundation that allows us to be so successful.

"We are open, inquisitive and tackle things instead of just talking about them."

Our Responsibility

As one of the leading wood-based material manufacturers, we are aware of our responsibility towards the environment and society: Foresighted action geared to future generations has always been our practice.
We meet this challenge and transparently disclose who we are, what we do and how we act.

"We act with future generations in mind and assume ecological, economic and social responsibility."

Introduction by Group Management

Dear Ladies and Gentlemen,

The end of our 2021/22 financial year falls in extremely challenging times. On the one hand, we are still confronted with the **corona pandemic** and its severe influence on global **energy and raw material markets**. The **conflict in Ukraine** is a further issue of great concern for all of us at EGGER. We are deeply saddened over the dramatic developments, and our thoughts are with all those who are suffering and with the people who are worried about their families, friends and associates. We hope there will soon be peace.

As regards our business activities, we can report that the positive effects which have accompanied the corona protective measures are continuing. They are related, above all, to the **cocooning effect** and the resulting increase in consumers' investments in their own homes. The negative economic effects of the pandemic on the construction and interior furnishings sector were much lower than in other branches. The **demand** for our products remained high throughout the past financial year.

The global **raw materials markets**, in contrast, are still challenging, and we have been confronted with a generally tense supply situation since the beginning of 2021. The events in Ukraine and their impact on global trade flows are currently responsible for a further massive intensification of supply disruptions and price instability on the raw material market. The results include, among others, an enormous surge in energy costs and significantly higher prices for chemical raw materials. In addition, the growing demand for wood, our most important raw material, has led to increasing pressure on our costs.

An easing of the highly volatile situation on the energy and raw material markets is currently not in sight. Targeted measures made it possible to safeguard our own supplies – and **supplies** for our customers – during the past financial year. Price increases for our products, among others, were unavoidable to offset part of the cost increases.

Against this backdrop, we can report to you on the positive development of business in this 2021/22 annual financial report:
The Egger Group generated **revenues of EUR 4,234.3 million** (+37.4% versus 2020/21) and **EBITDA of EUR 877.5 million in 2021/22** (+41.0% versus 2020/21). The EBITDA margin was stable at 20.7%. Our equity ratio rose from 42.0% in the previous year to 50.9%. This sound improvement in earnings shows that EGGER is continuing to master the challenges of the ongoing pandemic and successfully utilized the opportunities arising in our branch. In particular, we were able to significantly optimize the distribution of revenues with regard to product and customer mix.

We operated at **full capacity** during the past months, produced record volumes in nearly all plants, and successfully met the strong demand. Our production locations reported very good capacity utilization in 2021/22. With 10.5 million m^3 of wood materials and sawn timber, we set **new production records.**

> "This sound development in a particularly challenging environment was made possible by our workforce, which has now grown to roughly **10,800 employees.**"

All divisions recorded very positive development during the past financial year with an increase in revenues and earnings:
The **Decorative Products** Segment for furniture and interior design with its four regional divisions (West, Central, East and Americas) recorded unconsolidated revenues of EUR 3,473.4 million in 2021/22 (+36.6% versus 2020/21). This growth was based primarily on price increases made necessary by the rising pressure on costs, but was also supported by higher volumes, above all from our newest plants in Biskupiec (PL) and Lexington, NC (US).

The **Flooring Products Division** reported a year-on-year increase of 13.4% in unconsolidated revenues to EUR 506.9 million in 2021/22. This growth was also based primarily on price increases implemented to offset higher costs.
Revenues in the **Building Products Division** rose by 62.7% to EUR 534.7 million in 2021/22, , whereby a large part of this increase was attributable to our sawmill in Brilon (DE). The market environment for sawn timber was unusually strong, especially in the USA.

The **development of earnings** differed by division in 2021/22:
EBITDA in the **Decorative Products Division** totaled EUR 657.4 million. The 29.3% increase over the previous year reflects the positive development of the market for our main product, laminated chipboard. All four regional divisions reported higher earnings.
The **Flooring Products Division** recorded EBITDA of EUR 49.3 million in 2021/22, for a year-on-year decline of 3.8%. Price adjustments to offset higher raw material costs were more difficult in this product area, above all in the DIY business.
The **Building Products Division** reported a strong improvement in EBITDA to EUR 170.8 million (2020/21: EUR 62.7 million). This increase was based on two factors: The negative effect of the corona pandemic on the OSB plants in the previous year, and the positive market environment, above all in North America, for sawn timber from our sawmill in Brilon (DE).
We **invested** a total of EUR 293.6 million in our production locations during 2021/22. Maintenance projects were postponed at the beginning of the corona pandemic but returned to a normal level during the past financial year. Growth investments were again successfully realized throughout the Group.

The status of activities to meet our goals for economic, ecological and social sustainability are published parallel to this annual financial report in our **Sustainability Report** (non-financial statement) which is available on our website under **www.egger.com/nachhaltigkeit**.

The **macroeconomic outlook** is highly uncertain due to the crisis in Ukraine, the volatility on raw materials markets, unreliable energy supplies, the ongoing corona pandemic and rising inflation. In view of the upsurge in inflation and the extreme raw material costs, we expect a continuation of the very high price levels and, consequently, **stable revenues**. The effects of the higher energy costs and living expenses on overall demand and, in turn, on volume sales in the wood materials industry is impossible to estimate at the present time. The resulting volatile and unpredictable environment is reflected in our subdued expectations for earnings growth.

St. Johann in Tirol, July 14 2022

Thomas Leissing	Frank Bölling	Ulrich Bühler	Hannes Mitterweissacher
(Speaker of Group Management, CFO, Chief Financial Officer)	(CSCO, Chief Supply Chain Officer)	(CSO, Chief Sales Officer)	(CTO, Chief Technology Officer)

The Managing Board

Brief portrait of Group Management

In 1961 Fritz Egger sen. founded a chipboard plant in St. Johann in Tirol that formed the basis for the family-owned EGGER Group. Today the Group is owned by private foundations established by the Egger family, whereby our Group management holds smaller investments. Fritz and Michael Egger are involved in the definition of strategic guidelines as members of the Supervisory Board. The business operations of our family company are directed by the EGGER Group Management. Thomas Leissing, Walter Schiegl and Ulrich Bühler formed the Managing Board up to the end of the 2021/22 financial year, and new appointments were made at the beginning of the new financial year on May 1, 2022.

EGGER Group Management in FY 2021/22

Thomas Leissing

Chief Financial Officer and Speaker of Group Management
Thomas Leissing has been a member of our Group Management since 2005. He is responsible for finance, logistics, human resources and IT and, since 2009, has also served as the speaker for Group Management. Prior to joining EGGER, he worked in corporate finance for a publicly traded international industrial corporation.

Ulrich Bühler

Chief Sales Officer
Ulrich Bühler joined the EGGER Group Management in 2006, where he is responsible for sales, marketing, product management and communications. Before joining EGGER in 2000, he worked for a major German wood retailer. He headed sales and marketing for EGGER's German organization prior to his appointment to Group Management.

Walter Schiegl

Chief Technical Officer (up to April 30, 2022)
Walter Schiegl has been with the EGGER Group since 1980. After several years in production, he served as the plant manager for production and engineering in Wörgl (AT) and Brilon (DE). He served as a member of Group Management from 2000 to 2022 where he was responsible for production, engineering and procurement. In September 2022, Walter Schiegel will transfer to the Supervisory Board.

New appointments to EGGER Group Management starting with FY 2022/23

The composition of EGGER's top management body changed as of May 1, 2022: Walter Schiegl resigned from Group Management after 20 years and will be succeeded in his previous function by Hannes Mitterweissacher. Group Management was also expanded to include a fourth person: Frank Bölling will be responsible for logistics in the future. With this appointment, EGGER is reacting to the opportunities and developments in internal and external logistics. Thomas Leissing was previously responsible for this area of the business and will now focus on finance and administration and continue as the speaker for Group Management. Together with Thomas Leissing and Ulrich Bühler, Frank Bölling and Hannes Mitterweissacher will form the new management team of the EGGER Group beginning with the 2022/23 financial year.

Frank Bölling

Chief Supply Chain Officer
Frank Bölling has been a member of Group Management since May 2022 and is responsible for logistics. He joined the EGGER Group in 2019 and last served as the head of logistics for the EGGER Decorative Products East Division. His previous career includes leading positions in logistics and supply chain management with various industrial companies.

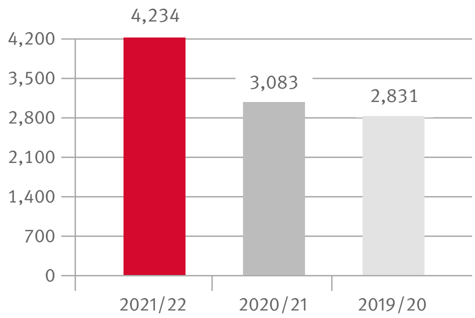
Hannes Mitterweissacher

Chief Technology Officer
Hannes Mitterweissacher has been responsible for technology and production as a member of Group Management since May 2022. He has been with EGGER since 1992 and held various positions in engineering and production during that time, last as the head of technology / production for the EGGER Decorative Products Central Division.

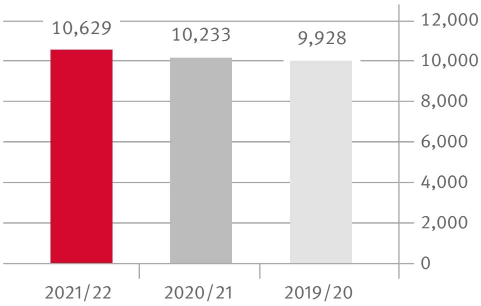
Overview of Key Data

Key data on the EGGER Group at a glance.

Revenues (in EUR million)



Number of employees (annual average) rolling for 12 months



Earnings Indicators		2021/22	2020/21	2019/20
Revenues	EUR mill.	4,234.3	3,082.8	2,831.5
EBITDA	EUR mill.	877.5	622.3	424.4
EBITDA margin	in %	20.7%	20.2%	15.0%
EBIT	EUR mill.	613.3	381.7	212.4
Profit before tax (PBT)	EUR mill.	584.7	370.3	193.1
Profit after tax (PAT)	EUR mill.	436.4	254.9	156.7

Consolidated Balance Sheet		30.04.2022	30.04.2021	30.04.2020
Balance sheet total	EUR mill.	3,740.2	3,246.6	3,239.8
thereof non-current assets	EUR mill.	2,368.6	2,266.6	2,376.1
Equity (including subsidies)	EUR mill.	1,902.0	1,362.3	1,227.4

Treasury Key Figures		30.04.2022	30.04.2021	30.04.2020
Equity ratio	in %	50.9%	42.0%	37.9%
Net debt	EUR mill.	563.4	831.5	1,197.8
Net debt / adjusted EBITDA	years	0.64	1.34	2.82

Value Management		30.04.2022	30.04.2021	30.04.2020
EBITDA	EUR mill.	877.5	622.3	424.4
Historical capital employed	EUR mill.	5,525.1	4,997.9	5,105.6
CFROI	in %	15.9%	12.5%	8.3%


EGGER
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Management Report on the Consolidated Financial Statements

of Egger Holzwerkstoffe GmbH, St. Johann i.T., for the 2021/22 Financial Year

1 Business and Operating Environment

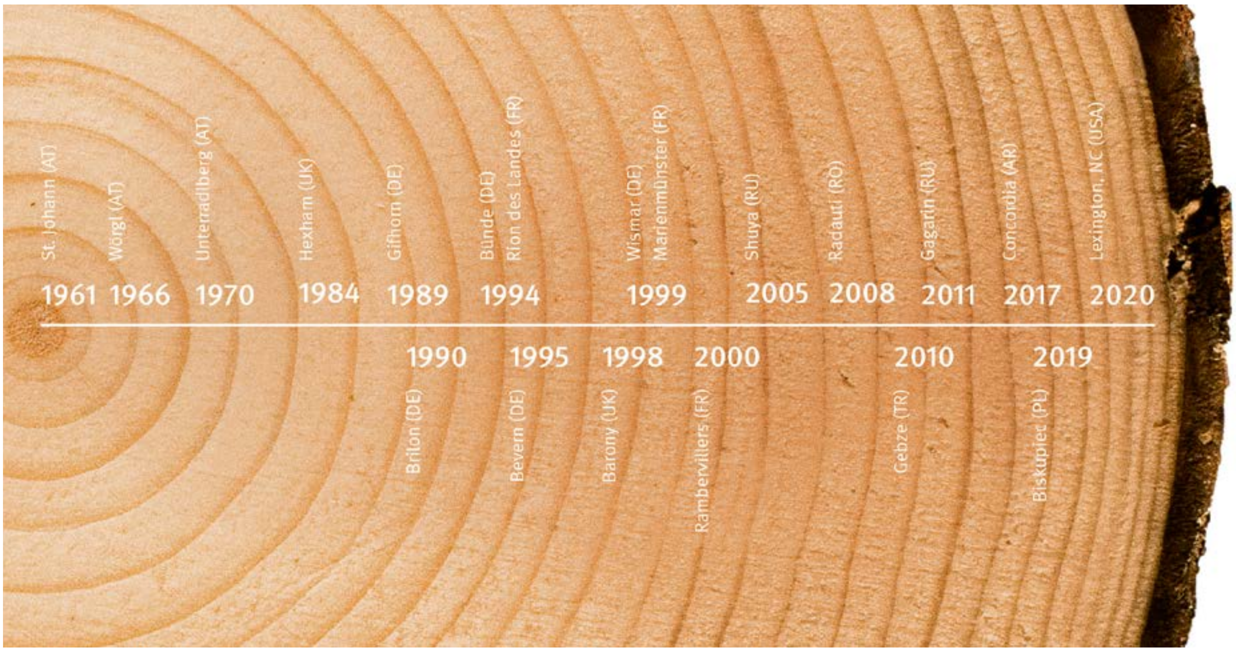
“We make more out of wood.“ This strong claim led Fritz Egger sen. to open the first chipboard plant in St. Johann in Tirol during 1961, which created the foundation for EGGER’s success story. What more is there to add today? To be exact: 20 plants in ten countries with nearly 10,800 employees who produce roughly 10.5 million m^3 of wood products each year.

Over the past 60 years, EGGER has grown from a small Tyrolean chipboard plant to become one of the world’s leading wood materials producers. We are proud of this vision from Austria, which drives all of us at EGGER every day and commits us to further developing the Group and creating new perspectives for our customers, partners and employees.

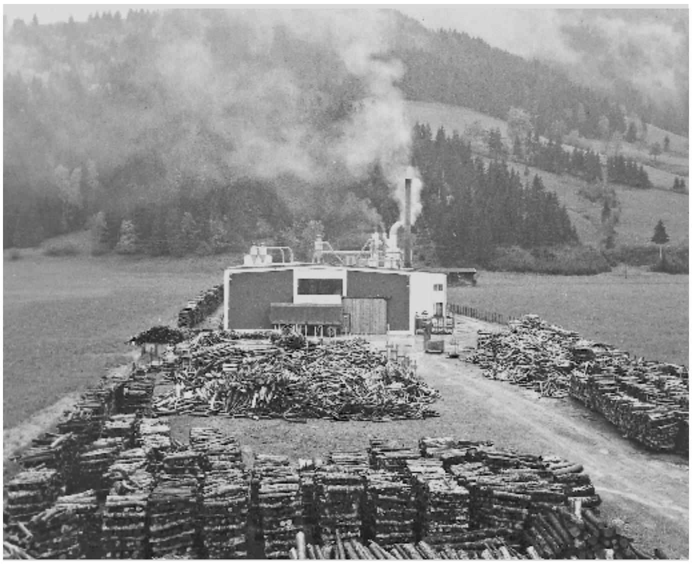
We opened our 20th production facility in 2021/22. It is located in Lexington, North Carolina (US) and will strengthen our successful positioning as a local producer on the North American market.

The EGGER Group celebrated its **60th anniversary** during the past financial year and, on this occasion, presented a new corporate film. It tells the company’s colorful history with a look at the past, present and future. The focus is on the perspectives of the many employees who appear in the film, which can be viewed under www.egger.com/film.

Today we are a **complete supplier** for furniture and interior design, wood construction and flooring – with no limits on variety. The continuous development of our product portfolio is an important focal point of our activities. In addition to the regular introduction of new, trendy decors and surfaces, we also concentrate on technological innovation as a means of continuously improving our products, streamlining work processes and driving sustainable growth.



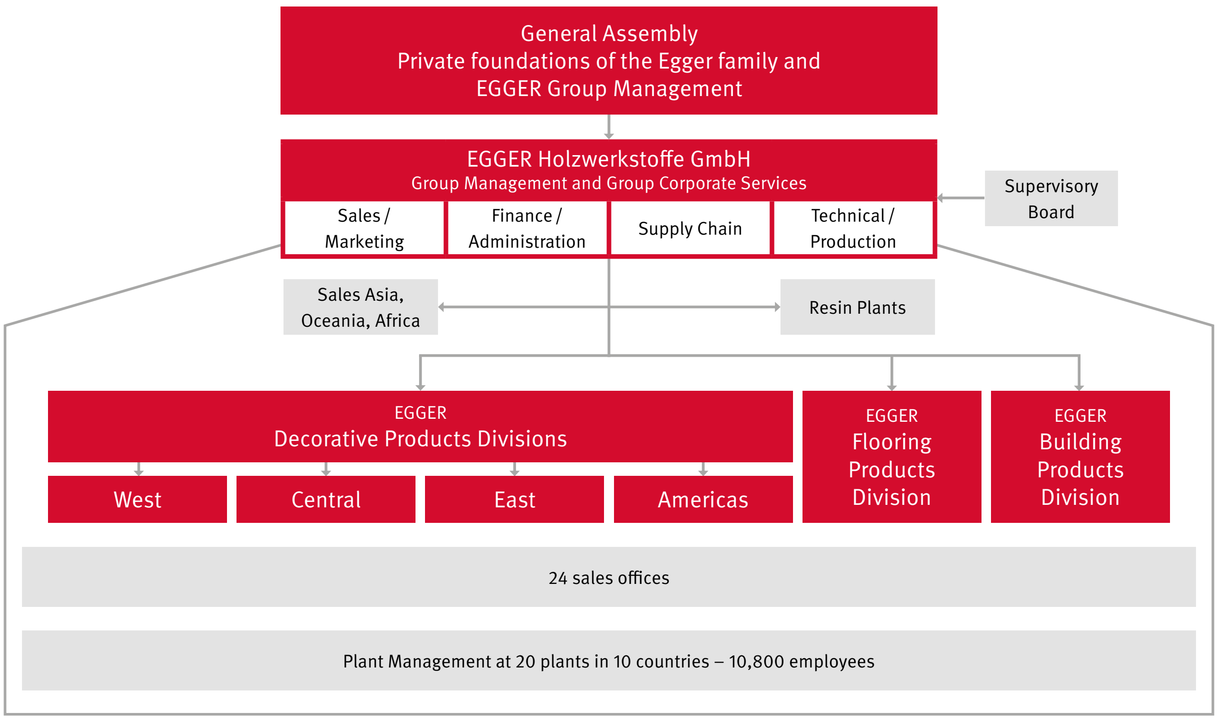
Fritz Egger sen.,
Founder of the EGGER company



1.1 Group structure and business activities

1.1.1 Organizational and management structure

Egger Holzwerkstoffe GmbH is the parent company of our Group, which includes companies in Austria, Germany, France, Great Britain, Russia, Romania, Poland, Turkey, Argentina, and the USA as well as sales subsidiaries in Eastern Europe, Benelux, Scandinavia, Switzerland, South America and Overseas (Asia and Australia) that report directly to the respective country organizations.



Simplified organizational chart of the EGGER Group as of May 1, 2022

INTRODUCTION BY GROUP MANAGEMENT
MANAGEMENT REPORT
CONSOLIDATED FINANCIAL STATEMENTS

The Managing Board (**Group Management**) of the parent company, Egger Holzwerkstoffe GmbH, in 2021/22 included Thomas Leissing (Speaker of Group Management and CFO), Walter Schiegl (Chief Technology Officer) and Ulrich Bühler (Chief Sales Officer). The beginning of the new financial year on May 1, 2022 brought several changes in Group Management: Walter Schiegl resigned from Group Management and will join the Supervisory Board as of September 2022. He will be succeeded in his previous function by Hannes Mitterweissacher. Group Management was also expanded to include a fourth member, Frank Bölling, who will be responsible for logistics in the future.

The **Supervisory Board** supports the Managing Board on strategic issues. In addition to the owners' representatives Fritz Egger (Chairman) and Michael Egger, the Supervisory Board includes Robert Briem, Ewald Aschauer (Chairman of the Audit Committee; independent), Michael Stiehl (independent) and Alfred Wurmbrand (independent). The full Supervisory Board is responsible for issues involving the remuneration and appointment of members to the Managing Board.

Cooperation between the Managing Board and Supervisory Board takes place in the form of quarterly Supervisory Board meetings that include cover the budget and investments as well as monthly reporting.

We rely on **management teams** for the direction of our organizational units, whereby the individual responsibilities cover production and engineering, sales and marketing, logistics as well as finance and administration. This structure applies to Group Management, divisional management and the regional plant organizations. In addition, **staff managers** are responsible for the following areas: engineering, production, procurement, marketing, communications, sales controlling, IT, logistics, human resources, accounting, treasury, legal and tax.

INTRODUCTION BY GROUP MANAGEMENT

MANAGEMENT REPORT

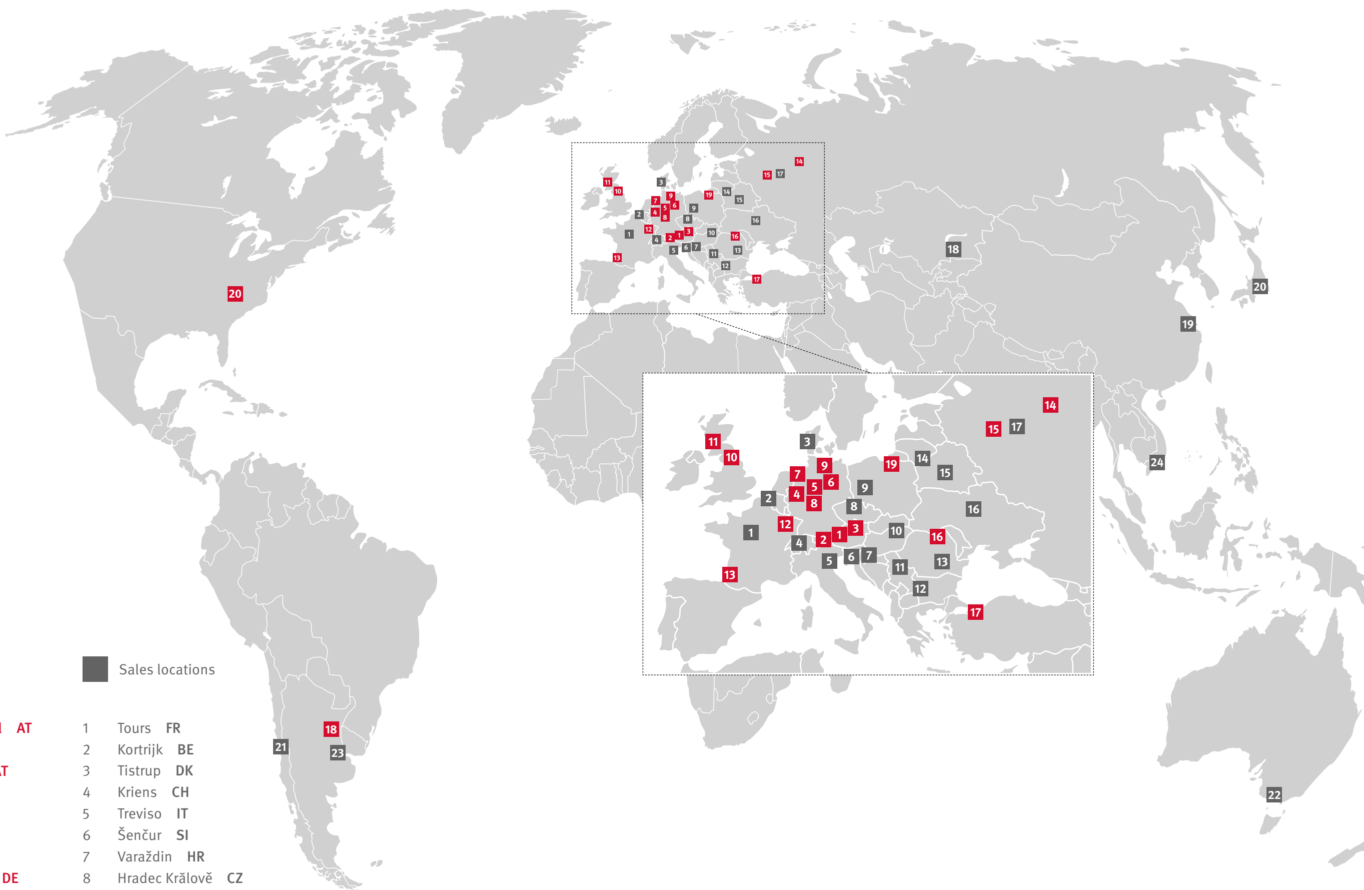
CONSOLIDATED FINANCIAL STATEMENTS

1.1.2 Operating segments and market structure

Living and working with wood is our passion. Under the EGGER umbrella brand, we unite an extensive variety of products that are used in numerous private and public sector applications – for example: kitchens, bathrooms, offices, living rooms and bedrooms as well as in retail and gastronomy facilities, trade fairs and the commercial sector. Our direct and indirect customers include the furniture and wood industry, wood and building material retailers, home improvement markets, architects and fabricators.

Markets and production facilities

EGGER thinks global and acts local – with production facilities at **20 locations in ten countries** and products that are sold throughout the world. We see ourselves as an international company with Tyrolean roots. The European and American markets are our primary focus, but we also sell in strategic export markets outside Europe. A global sales organization, efficient logistics, **24 company-operated sales offices** and an international network of **retail partners in over 90 countries** ensure the systematic development of markets.



Production sites

1 St. Johann in Tirol AT
2 Wörgl AT
3 Unterradlberg AT
4 Brilon DE
5 Bevern DE
6 Gifhorn DE
7 Bünde DE
8 Marienmünster DE
9 Wismar DE
10 Hexham UK
11 Barony UK
12 Rambervillers FR
13 Rion des Landes FR
14 Shuya RU
15 Gagarin RU
16 Rădăuţi RO
17 Gebze TR
18 Concordia AR
19 Biskupiec PL
20 Lexington, NC US

Sales locations

1 Tours FR
2 Kortrijk BE
3 Tistrup DK
4 Kriens CH
5 Treviso IT
6 Šenčur SI
7 Varaždin HR
8 Hradec Králové CZ
9 Poznań PL
10 Budapest HU
11 Belgrade RS
12 Sofia BG
13 Bucharest RO
14 Vilnius LT
15 Minsk BY
16 Kyiv UA
17 Moscow RU
18 Almaty KZ
19 Shanghai CN
20 Tokyo JP
21 Santiago de Chile CL
22 Melbourne AU
23 Buenos Aires AR
24 Ho Chi Minh City VN

Our organizational structure is based on divisions and markets to support optimal market development and close proximity to our customers. **Furniture and interior design** (wood materials and accessories for decorative furniture and interior construction) is the largest product area. These products are produced and sold by the EGGER Decorative Products Divisions.

The EGGER **Flooring** Products Division produces and markets laminate flooring, comfort flooring and design flooring.

The third product area covers **building products** like OSB boards and sawn timber products, which are produced and marketed by the EGGER Building Products Division. This division was reorganized as of May 1, 2021 to be optimally positioned for further growth through building with wood.

Furniture and interior design

Flooring

Building products

We also classify our customer groups by market into the following sales channels/branches:

- **Industry**
  This sales channel services large customers from the furniture industry and industrial customers involved in wood construction.

- **Retail**
  This sales channel supplies specialized retailers that sell to fabricators, planners and architects as well as smaller to medium-sized industrial companies.

- **DIY**
  This sales channel concentrates on building material retailers and DIY stores that sell directly to consumers.

Products and services

Our product portfolio includes a broad range of materials for furniture and interior design, building products and flooring. Many of our carrier materials undergo additional processing with modern decors and surfaces. Planed timber and sawn timber round out the offering.

Products for furniture and interior design

The decorative products made by EGGER include trendy materials and unique decor worlds for interior design that meet the needs of consumers as well as professional fabricators.

- Eurodecor melamine resin-laminated boards
- PerfectSense lacquered boards
- Laminates
- Edgings
- Worktops
- Compact boards
- Laminated bonded boards
- Worktop accessories
- Eurodecor melamine resin-laminated MDF boards
- Thin chipboard
- Eurolight decor
- Eurolight lightweight boards
- Backpanels
- Pre-fabricated furniture components
- Eurospan raw boards
- MDF medium-density fiberboards
- Thin MDF lacquered boards
- Thin MDF boards

Building products

We offer ecologically oriented builders a broad range of wood products. With our environmentally friendly materials for wood construction, we also support outstanding, high-quality individualized solutions that ensure clean and fast installing.

- Sawn timber: fresh, dried, planed
- OSB straight edging boards
- OSB tongue and groove boards
- DHF underlay boards
- Ergo expansion boards
- EGGER Protect
- Peel Clean Xtra
- Eurospan flooring boards

Flooring

Whether in traditional hallways or with innovative decors and structures – EGGER's high-quality flooring always creates a comfortable indoor climate. Our flooring offers a wide variety of benefits and supports many different applications, but all with the same characteristics: fast installation, robust, resilient, easy care and environmentally friendly.

- Laminate flooring
- Comfort flooring
- GreenTec design flooring

You can find detailed information on our product portfolio under **www.egger.com/products.**

The following major products were produced at the locations listed below as of April 30, 2022:

▪ Austria	St. Johann in Tirol:	Chipboard (raw and laminated), furniture components, worktops, light-weight boards, compact boards, laminates
	Unterradlberg:	Chipboard (raw and laminated)
	Wörgl:	Thin chipboard (raw and laminated)
▪ Germany	Brilon:	Chipboard (raw and laminated), MDF (raw and laminated), edgings, sawn timber, planed timber
	Wismar:	MDF (raw and laminated), OSB, DHF, flooring, resins
	Gifhorn:	Laminates, edgings
	Bevern:	Thin MDF
	Marienmünster:	Lacquering
	Bünde:	Furniture components
▪ France	Rion des Landes:	Chipboard (raw and laminated)
	Rambervillers:	Chipboard (raw and laminated), furniture components
▪ Great Britain	Hexham:	Chipboard (raw and laminated), resins
	Barony:	Chipboard (raw)
▪ Russia	Shuya:	Chipboard and thin chipboard (raw and laminated)
	Gagarin:	Chipboard (raw and laminated), MDF (raw and laminated), flooring
▪ Poland	Biskupiec:	Chipboard (raw and laminated), worktops
▪ Romania	Radauti:	Chipboard (raw and laminated), OSB, resins
▪ Turkeyv	Gebze:	Thermoplastic edgings
▪ Argentina	Concordia:	Chipboard (raw and laminated), MDF (raw and laminated), molding
▪ USA	Lexington, NC:	Chipboard (raw and laminated)

We also offer our customers a wide **range of services** that simplify their work and create added value. In addition to routine personal advising, numerous innovative solutions are available to assist with processes that range from planning to product delivery.
Our successful international **EGGER Decorative Collection** supports the direct expansion of partnerships with the retail trade, architects, planners and fabricators. Similar benefits are available in the flooring area with our **EGGER PRO Collection**.
Customers are connected electronically with EGGER via EDI (Electronic Data Interchange) and online portals, and product samples can be ordered directly from an **online sample shop**.

Various digital **planning and visualization tools** provide our customers with easy orientation and creative inspiration as well as 3D digital images of the surface structures.
The **EGGER Decorative Collection App** is a fast and effortless way to find the right decor for any project. Product information is also available in real time and samples are easy to order.
For wood construction, a **catalogue** with products for walls, ceilings and roof extensions is available as both a manual and app.
Our service offering also includes e-learning options and video tutorials. You can find detailed information on our customer services under **www.egger.com/support**.


Rail Cargo Austria
VOLVO

1.2 Corporate management, goals and strategy

1.2.1 Strategic focus

The family-owned EGGER company has grown from its founding as a Tyrolean chipboard manufacturer in 1961 to become one of the leading wood materials producers in Europe and has continued this strong growth in recent years with its entry into overseas markets. Our corporate vision reflects the claim:

"We are the leading brand for living and working with wood."

Our Group follows a long-term, profitable international growth strategy. Only a leading market position and solid profitability can create the foundation for investments and further growth. Short- and medium-term objectives in all areas are always focused on overriding strategic goals and adapted to reflect the company's changing environment. To safeguard the realization of our strategic goals, we have defined clear financial targets that form the framework for the financial viability and profitability of investments and management decisions.

Strategic medium-term forecasts are prepared annually and include the definition and planning of specific goals and measures for the Group as well as investment focal points for the next five financial years.

Our strategic focus is derived from the mission statement, which serves as an orientation and a guideline for everyday work. The five central principles of our mission statement contain both strategic and financial goals:

Our business model

We offer our customers innovative **wood material products** and top services. Our focus is on the following **product areas**: decorative products for furniture and interior design, flooring products together with accessories, and building products for wood construction.

We produce and sell in **Europe** and **America** and market **worldwide**. In key strategic markets, primarily in Asia, we are strengthening our **sales offices** and cooperation with **strategic partners**. The expansion of existing locations and the construction or acquisition of new locations are always dependent on the **availability of wood supplies, technology, market characteristics, and logistics**. **Investments** in our existing locations are linked to the following goals: maintenance, automation, digitalization, material flows and warehouse optimization as well as capacity optimization and an increase in the processing component.

Our customers

We have developed differentiated concepts for our **strategic sales channels**: industry, retail and DIY. We hold a strong position in the furniture industry and are expanding our market position in the retail sector. To ensure maximum **proximity to our customers**, we are developing innovative digital service and business models to strengthen our added value partners. Our products and services as well as our new developments and product improvements are concentrated on the current and future **needs of customers**. In addition to our products, consistent **service quality** is an important factor for customer satisfaction. All our activities are focused on the EGGER umbrella brand.

Our processes

We integrate **process-related partners** in our value chain – from consumers to suppliers. Our objective is to establish **integrated locations** for raw materials, energy and our strategic product groups and, by doing so, optimize investments and realize synergies in raw material use, logistics and organization. Long-term, partnership-oriented **procurement strategies** and **selective backward integration** safeguard our supplies of raw materials, energy and operating supplies. The standardization and digitalization of our **logistics processes** and business models form the basis for further growth. **Innovations** protect our market position as a leading brand for living and working with wood. We invest continuously in our plants to make sure they remain on the **cutting edge of technology**. **Protection for the environment, conservation of natural resources** and **the use of efficient energy generation** are particularly important. We continuously strive to reduce our environmental impact and use resources as efficiently as possible. We view the **digital transformation** as an indispensable factor for future success in all areas of the company and across the entire value chain.

Our employees

We have set a goal to be the **best employer** in each of our relevant labor markets. We are a transparent and modern family-owned company. Our efforts include the international expansion of our **corporate culture.**

> “Humanity, trust, mutual respect and loyalty influence our daily actions.“

Moreover, we rely on the continuous improvement of our **leadership methods**, the creation of strong ties with valuable employees through a good working and operating environment, **sustainable human resources development** and proactive personnel management to create and maintain the best possible balance between employee and employer interests. These objectives are underscored by contemporary working time and remuneration models as well as a health management system and the promotion of internal careers. **Job security** is given high priority. We believe in an active feedback culture and record data on and support the satisfaction of our employees.

Financial goals

Our goal is to generate **profitable growth**, while protecting our **financial strength** (credit standing). The financial goals defined by our corporate strategy form the basis for evaluating the financial feasibility and profitability of investments and management decisions. Key goals for our financing activities include the **protection of liquidity** as well as the **diversification of capital sources** and **financing instruments**. The following **indicators** are used to evaluate the implementation and measurement of goal attainment over the medium-term:

- Net debt/EBITDA < 3 years (at the Group level)
- Equity ratio > 30% (at the Group level)

1.2.2 Value management

Our goal is to create **profitable growth**. Only a leading market position makes it possible to generate sufficient profitability which, in turn, forms the basis for investments and further development. This belief is supported by **EGGER value management** with its central focus on a sustainable increase in the company's value. The principles of value management are derived from our strategy and the related corporate goals.

Within the framework of value management, we are committed to realizing a **systematic and sustainable increase in the value of the company over the medium- to long-term**. This goal is linked to reconciling the interests of owners, customers, suppliers and employees. Increasing the value of the company requires consequent actions that are based on our value management. Specific drivers are identified to create and maintain value through optimization and growth at all levels in daily business operations. **Training courses and workshops** are held for the managers and employees in relevant areas at regular intervals to provide coaching in value-oriented thinking, calculations, actions, and management and to help these men and women focus their decisions accordingly.

Our most important indicator for value-oriented management is **CFROI** (cash flow return on investment). As a sustainable, medium-term target, we have defined a minimum return of 10% (target rate) for all areas of the company.

Our **external financing** is based on three elements: bank financing, capital market financing and a factoring program. The key indicators for external financing contracts are net debt < 3.75 years and an equity ratio > 25%. We communicate with lenders through regular bilateral discussions, information events and our credit relations website under **www.egger.com/credit-relations**.

1.3 The development of business

1.3.1 The economic environment and influencing factors

The development of our business is influenced, above all, by the following key factors:

- Our business activities are closely linked to the **development of the economy** and the gross domestic product (GDP) in the countries where we are present. GDP growth influences the purchasing power and investment behavior of private households and business customers and, in this way, has an impact on our customers and their business with EGGER.

- The **development of the construction industry** and the resulting renovation activity (renovation cycles based on past construction) have a significant influence on the demand for wood materials. The development of new construction, in particular, has a direct impact on the demand for building products (OSB and sawn timber). Sales of our flooring products are influenced not only by new construction, but also by renovation. Important customer groups for our decorative wood products are the kitchen and office furniture industries, whose business is heavily influenced by renovation and by residential and commercial construction. Important drivers for new residential construction include demographic developments, bank lending policies, interest rate trends and consumer confidence.

- Business in the EGGER Decorative Products Divisions is heavily influenced, above all, by **developments in the furniture industry**, which is the most important customer for laminated wood materials.

- The **development of competition** in the wood materials industry also has a significant impact on our business. New capacity or the shutdown of production facilities or equipment can lead to major shifts in market shares and/or to a surplus or shortfall of market capacity and thereby have a substantial influence on market prices.

- As an industrial company that uses substantial quantities of raw materials, we are also heavily dependent on the availability and price levels of key **raw materials**.

1.3.2 Global economic trends

The economic consequences of the conflict in Ukraine will contribute to a significant **slowdown in global growth** during 2022. A strong double-digit GDP decline in Ukraine and a sharp drop in Russia are more than likely. This situation will be intensified by the worldwide effects on raw material markets, trade, and financial channels. The conflict is impeding growth but, at the same time, driving **inflation**. Fuel and food prices are increasing rapidly, whereby the population in low-income countries has been hit the hardest.

Interest rates are expected to rise when the central banks tighten their monetary policies, and this trend will increase the pressure on the emerging and developing countries. Moreover, many countries have limited fiscal flexibility to cushion the effects of the conflict on their economies. Many countries have broken off trade relations with Russia, which presents a danger for the upturn that has followed the pandemic.

Although the acute phase of the corona pandemic appears to be over in many parts of the world, mortality rates remain high. This situation is likely to be intensified by the latest lockdowns in major production and trading centers in China.

(Source: WEO 2022 04)

Growth rates for real GDP (gross domestic product) in %	2019	2020	2021	2022	2023	2024
World	2.9	−3.1	6.1	3.6	3.6	3.4
Advanced economies	1.7	−4.5	5.2	3.3	2.4	1.7
Emerging market and developing economies	3.7	−2.0	6.8	3.8	4.4	4.6
European Union	2.0	−5.9	5.4	2.9	2.5	2.1
Eurozone	**1.6**	**−6.4**	**5.3**	**2.8**	**2.3**	**1.8**
Latin America and the Caribbean	0.1	−7.0	6.8	2.5	2.5	2.5
Argentina	−2.0	−9.9	10.2	4.0	3.0	2.8
Brazil	1.2	−3.9	4.6	0.8	1.4	2.2
Austria	1.5	−6.7	4.5	2.6	3.0	2.3
Belgium	2.1	−5.7	6.3	2.1	1.4	1.4
China	6.0	2.2	8.1	4.4	5.1	5.1
Czech Republic	3.0	−5.8	3.3	2.3	4.2	3.6
France	1.8	−8.0	7.0	2.9	1.4	1.5
Germany	1.1	−4.6	2.8	2.1	2.7	1.5
Greece	1.8	−9.0	8.3	3.5	2.6	2.0
Italy	0.5	−9.0	6.6	2.3	1.7	1.3
Japan	−0.2	−4.5	1.6	2.4	2.3	0.8
Netherlands	2.0	−3.8	5.0	3.0	2.0	1.8
Poland	4.7	−2.5	5.7	3.7	2.9	3.2
Romania	4.2	−3.7	5.9	2.2	3.4	3.8
Russia	2.2	−2.7	4.7	−8.5	−2.3	1.5
Spain	2.1	−10.8	5.1	4.8	3.3	3.1
Turkey	0.9	1.8	11.0	2.7	3.0	3.7
United Kingdom	1.7	−9.3	7.4	3.7	1.2	1.5
United States	2.3	−3.4	5.7	3.7	2.3	1.4

Source: International Monetary Fund, World Economic Outlook Database, April 2022

1.3.3 The construction industry in Europe

The volume of construction in Europe fell by 4.7% in 2020 according to calculations by the EUROCONSTRUCT network. This decline was followed by an increase of 5.6% in 2021 which more than offset the corona-related decline. The main driver for this **growth** was renovation in the residential sector, which was EUR 19.3 billion higher in 2021 than in 2019.

However, customers in many locations were also confronted with high **price increases**. A comparison of 2021 and 2019 shows a positive balance for10 countries: Scandinavia, Italy, Belgium, Portugal, Austria, Switzerland and Poland. A comparison of 2022 and 2019 also presents a positive outlook for Great Britain, the Netherlands, Spain and Hungary. The construction volume in Germany should roughly reflect the 2019 level, while substantial declines were recorded in France and Slovakia.

(Source: EUROCONSTRUCT Winterkonferenz – Ifo Schnelldienst 2/2022)

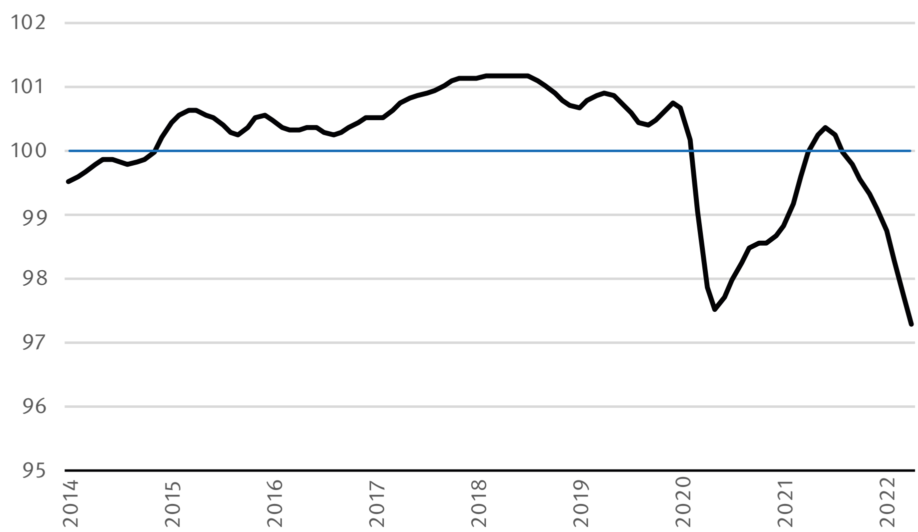
Consumer confidence

The OECD's consumer confidence index provides an indication of future developments in household consumption based on answers to the expected financial situation and estimates for the general state of the economy. An indicator over 100 signalizes an increase in consumer confidence and a tendency to make larger purchases over the next 12 months. Values below 100 represent a pessimistic outlook.

The index fell to one of the lowest values ever at the beginning of the corona pandemic (with a low of 97.5 in May 2020), but quickly recovered to over 100 in July 2021. Inflation and, above all, the conflict in Ukraine were subsequently responsible for a drop to 97.3.The **decline in Europe** was particularly visible with the index falling to a historical low of 96.4 in April 2022, a level lower than after the financial crisis in 2008.

(Source: OECD)

OECD Consumer Confidence Index



1.3.4 The furniture market

The furniture market registered strong growth in 2021, largely due to the corona restrictions which were reflected in numerous projects to make living and working areas more comfortable. However, the **growth** of the furniture market will be **slowed** by rising inflation and increasing energy prices in 2022: Projections point to a year-on-year increase of 4.4% in Europe and the USA during 2022 and a decline to 2.1% in the USA and to 1.5% in Europe in 2023. Growth is expected to stagnate, especially in Germany and France, while Poland should see an increase of 6.1%. The growth rate in China will remain in the double-digit range.

Impulses for the furniture industry can be found, above all, in the rising standard of living and steady increase in disposable income that also leads to the more frequent replacement of furniture. Esthetic reasons combined with consumers' desire to feel well in their own homes are further important factors for the constant growth of the furniture market.

(Source: statista)

1.3.5 Competitive position

We are one of the leading companies in the European wood materials industry. Our objective is to develop and maintain a strong position on all relevant markets with our core products. A wide-ranging product portfolio makes us a complete supplier for decorative wood materials, wood construction and flooring.

The competitive situation for decorative wood materials

The effects of the corona pandemic also had a significant influence on the development of the wood materials and surfaces branch in 2021. The second half of 2020 brought an unexpectedly strong upsurge in demand which continued into 2021. In connection with shifts in global supply flows, this led to a structural undersupply on the markets. Supplies of intermediate products were also a greater issue and included substantial problems with adhesives and impregnating resins, PMDI resins and melamine films as well as decor papers and printed decors during the second half-year. The resulting escalation in production costs was offset, at least in part, by the margin improvements that followed price increases.

The producers of wood materials and surface materials benefited to a different extent from the steady high demand in many sectors of the European markets and, in part, recorded higher revenues and earnings which could be used for larger investments in the coming years. There are signs that individual wood material producers will use a substantial part of these earnings for major investments. This different expansion tempo will increase the differences between individual companies, at least over the medium-term. It is conceivable that the Kronospan Group will distance itself even stronger from the rest of the branch with the construction of new locations in Eastern and Southern Europe, expansion projects at several Central European locations and further acquisitions. In contrast, Sonae Arauco S.A., Madrid, has remained reserved in Europe. The sale of Pfleiderer in Poland to Kronospan is under antitrust review, and the sale of the German plants will be an issue for evaluation over the medium-term. These changes in the European wood materials industry will lead to an increase in capacity. The focus is on new and expansion investments in the chipboard and OSB area. In contrast, there are more MDF/HDF projects in other regions, e.g. Turkey, Central and South America, India and China. The use of recycling wood in chipboard production is steadily growing in an increasing number of regions, and first projects have started in the MDF/HDF industry.

Further processing has become a focal point of investments for numerous wood materials producers. In addition to the expansion of coating capacity, several laminating projects have also started. Both EGGER and the Kronospan Group are expanding their existing HPL/CPL plants, and Unilin bvba in Belgium, another wood materials producer, is planning to start laminate production.
(Source: EUWID 51/52 2021)

The competitive situation for flooring

The flooring market in Europe was characterized by slight growth, but with regional differences. In the laminate flooring segment, business has slowed since last autumn due to generally slower demand in the major core markets. Negative effects resulted from advance purchases in the previous period and the sharp rise in production and energy costs which drove construction costs and, in turn, the costs for flooring. The laminate flooring market in Western Europe has recently weakened. The development of laminate flooring sales in Eastern Europe differs by region and has been influenced by Turkish suppliers in the Southeast European markets and in Western Europe. The overseas business has also been influenced by a significant increase in freight costs.

The sanctions against Russia will lead to a shift in the flow of goods, which will generally affect wood and wood products but not flooring. Laminate flooring producers without full integration are confronted with supply shortages in the HDF segment that will lead to changes in the competitive environment.

The steadily rising costs for chemical precursors and wood are forcing the branch to implement massive price increases, reduce their product ranges or, in part, shutdown equipment. These substantial price increases will lead to a further reduction in demand because the costs for construction projects are increasing so dramatically that projects are being postponed and, in the DIY business, consumers' price thresholds have been passed.

New competing materials like SPC flooring (rigid flooring) and ceramic flooring are becoming more important. LVT flooring is coming under increasing pressure due to the conflict over plastic as well as ecological aspects and current supply chain disruptions. The growing success of alternative flooring materials is taking place, among others, at the expense of laminate flooring. However, we continue to rely on laminate flooring as a regionally produced, wood-based, ecologically sustainable, strong cost-effective performer.

The competitive situation for construction products

The worldwide demand for OSB and sawn timber remained sound through Easter 2022, but mid-April brought an unexpectedly strong decline in orders in all areas. The substantial uncertainty over the Ukraine conflict has become visible. Major supply shortages, above all for steel and other construction products, have also caused delays for upstream suppliers. Construction has become too expensive for many and has led, in turn, to the postponement of projects.

Our two OSB plants and the sawmill still report acceptable capacity utilization, but the general mood on worldwide selling markets has become clouded. Medium-term forecasts are difficult to prepare in the current environment. Raw material prices, e.g. for wood and chemicals, have increased considerably and we do not see any signs of an end to this upward trend. The current lack of demand is making it increasingly difficult to pass on price increases.

1.3.6 Raw material supplies and prices

Expenditures for raw materials and energy represent a major component of our total costs. Accordingly, our **top priorities** include the monitoring of price trends for key raw materials on procurement markets and the protection and continuous improvement of supply availability. The most important raw materials, e.g. wood, chemicals and paper, are managed by a **central procurement department**, which supports the local plants in their purchasing activities and also identifies and optimizes synergies for the Group. Raw materials supplies are generally purchased from long-term partners.

We have been confronted with an increasingly tense supply situation since the beginning of 2021 which has been intensified by the current situation in Ukraine and the related effects on prices on raw material markets. Prices on the raw materials markets **rose sharply** during the 2021/22 financial year.

Securing adequate supplies of **timber** represents the most important aspect of our raw materials procurement. The average price of timber increased significantly over 2020/21, with different fluctuations in individual regions and plants. The growing use of timber for thermal energy generation (biomass power plants, pellets, biofuels) has a long-term influence on prices. To safeguard and improve timber supplies, we rely primarily on long-term partnerships and contracts with our suppliers and are also developing a **backward integration** strategy. This includes investments in a company-owned sawmill and forestry management and wood recycling companies as well as harvesting and logistics systems and short rotation plantations.

In the **chemicals** area, a large part of our adhesive and impregnating resin requirements is covered by our **own resin plants** in Wismar (DE), Radauti (RO) and Hexham (UK). A massive increase throughout the entire chemicals sector was registered in 2021/22. The purchase prices for urea, melamine and methanol were highly volatile, and there is no easing of the situation on the raw materials market in sight.

Raw and decor papers for the production of laminating materials represent the third major component of our raw material supplies. We rely on a central procurement structure for our paper supplies and the conclusion of medium-term contracts with leading suppliers. Similar to developments on the timber and chemicals markets, paper prices also increased in 2021/22.

Energy procurement prices for electricity and natural gas increased substantially in 2021/22. Natural gas consumption is held at a low level through the use of modern **biomass power plants** at all major locations. Our objective is to discontinue the use of fossil fuels as far as possible, while avoiding the thermal utilization of raw materials that can be used in production as part of the wood lifecycle. We are opposed to the one-sided subsidy of wood burning for thermal energy generation and support the **cascading use of wood**. Under this approach, wood is used as an input material as long as possible before final thermal utilization. Our plants in Unterradlberg (AT), Wismar (DE), Brilon (DE), Radauti (RO) and Rambervillers (FR) produce electricity with their own combined power and heat generation equipment and thereby maximize energy generation efficiency.

1.3.7 Business development in 2021/22

The EGGER Group generated **consolidated revenues** of EUR 4,234.3 million in 2021/22. That represents an increase of 37.4% over the previous year and was based on growth in all divisions.

Business development in 2021/22 by division

Decorative Products for furniture and interior design represented the largest product area in 2021/22 with a 76.9% share of Group revenues (before consolidation). In this business area, revenues rose by 36.6% year-on-year to EUR 3,473.4 million (2020/21: EUR 2,542.4 million).

All regions reported an increase in sales volumes with decorative products. Revenue growth in this division was supported, in particular, by our two newest plants in Biskupiec (PL) and Lexington, NC (US), where the start-up phases are well-advanced. Laminated chipboard is the main product at both locations.

The **Flooring Products Division** was responsible for 11.2% of Group revenues (before consolidation) and an increase of 13.4% over the previous year to EUR 506.9 million (2020/21: EUR 447.0 million). In addition to higher volumes at our plant in Wismar (DE), positive development was also recorded by the flooring plant in Gagarin (RU). This revenue growth is, however, also attributable to the higher average Rubel exchange rate in 2021/22.

The **Building Products Division** recorded 11.8% of Group revenues (before consolidation) and a year-on-year increase of 62.7% to EUR 534.7 million in 2021/22. Our sawmill in Brilon (DE) generated the largest share of this growth due to a substantial increase in sawn timber prices, especially on the American market.

The retail trade and industry remained the most important **sales channels** in 2021/22 with a share of 54.7% and 38.2%, respectively, of consolidated revenues (2020/21: 52.5% and 38.7%). The shift in favor of the retail trade reflects our strategy. The share of revenues recorded in the DIY sales channel remained in the single-digit range at 7.1% (2020/21: 8.7%).

Revenues by Segment / Division		**2021/22**	**2020/21**	**2019/20**	**Dev. in % 2022 to 2021**
Decorative Products	EUR mill.	3,473.4	2,542.4	2,272.2	36.6%
Flooring Products	EUR mill.	506.9	447.0	344.0	13.4%
Building Products	EUR mill.	534.7	328.7	323.8	62.7%
Total (unconsolidated)	**EUR mill.**	**4,515.0**	**3,318.1**	**2,940.0**	**36.1%**
Consolidation [1]	EUR mill.	−280.7	−235.3	−108.6	−19.3%
Total	**EUR mill.**	**4,234.3**	**3,082.8**	**2,831.5**	**37.4%**

(1) Represents intersegmental revenues; revenues within the individual segments are already consolidated.

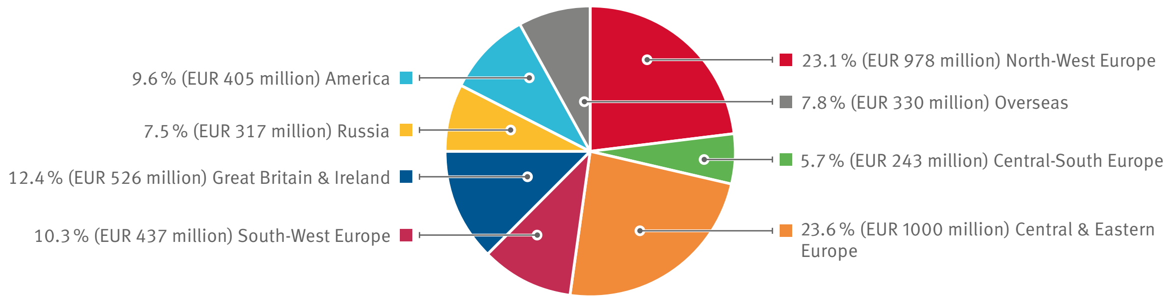
Share of unconsolidated Revenues		**2021/22**	**2020/21**	**2019/20**
Decorative Products	in %	76.9%	76.6%	77.3%
Flooring Products	in %	11.2%	13.5%	11.7%
Building Products	in %	11.8%	9.9%	11.0%
Total	**in %**	**100.0%**	**100.0%**	**100.0%**

Despite our progressive internationalization, we are still active primarily on the wood materials market in Europe. Our revenues are classified as follows by **region**, based on the location of the customers:

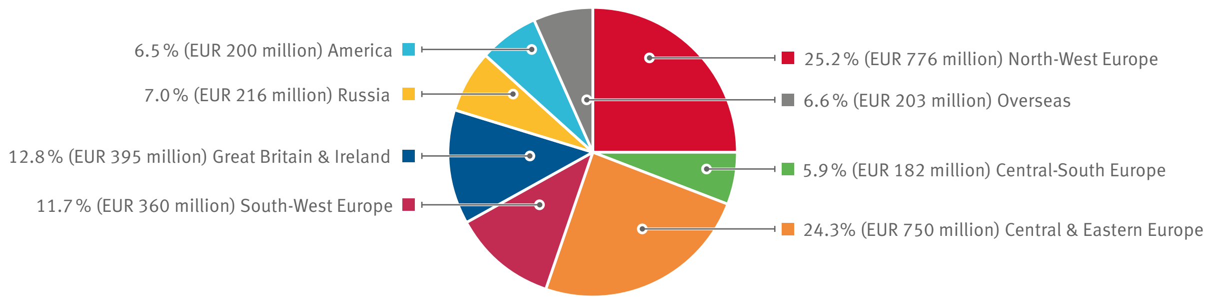
Our most important geographic market is **Western Europe**, which covers the following sales regions: North-West Europe, Great Britain and Ireland, South-West Europe, and Central-South Europe. The West European market was again responsible for the largest share of Group revenues in 2021/22 with 51.6% (2020/21: 55.6%). The significance of Germany for the wood materials market is based on the size of the population and, above all, on the furniture industry, which is heavily represented in this country. The increasing internationalization of the EGGER Group has been reflected in a shift in the distribution of revenues. The markets in **Central & Eastern Europe and Russia** recorded a stable 31.1% share of revenues in 2021/22 (2020/21: 31.1%).

The countries outside Europe (the Americas and Overseas regions) are taking on an increasingly important role for EGGER, and we are continuing to expand business in the Americas region, which is part of our Decorative Products Division. **North and South America** recorded 9.6% of Group revenues in 2021/22 (2020/21: 6.5%). All other countries outside Europe and the Americas are aggregated under the **Overseas** region, which was responsible for 7.8% of Group revenues in 2021/22 (2020/21: 6.6%).

Revenues by region (FY 2021/22)



Revenues by region (FY 2020/21)

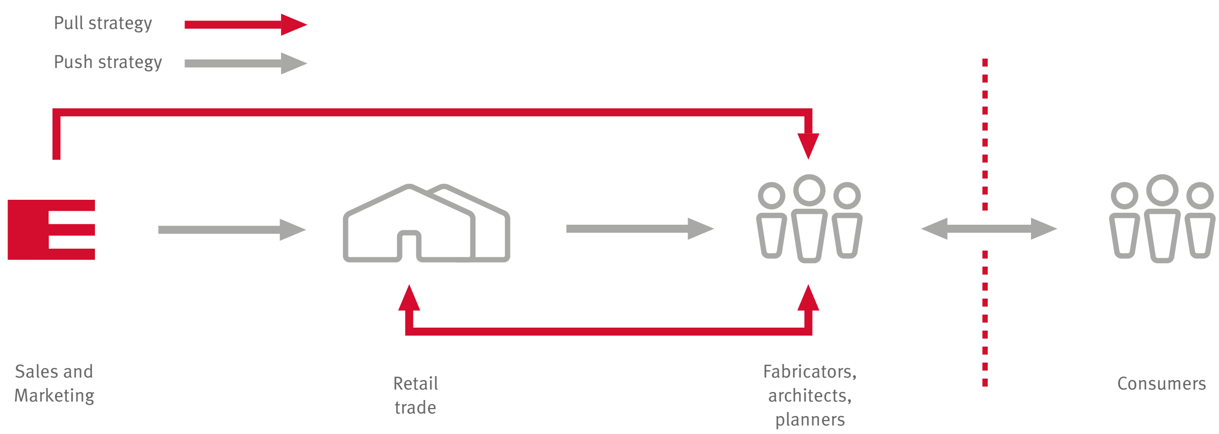


- North-West Europe comprises Germany, Belgium, the Netherlands, Luxembourg and Scandinavia.
- Central-South Europe comprises Austria, Switzerland and Italy.
- Central & Eastern Europe includes, above all, Czech Republic, Slovakia, Poland, Hungary, Romania, Bulgaria, Serbia, Croatia, Slovenia, Ukraine, Belarus, Latvia, Estonia, Lithuania, Turkey, Greece and the Near East.
- South-West Europe covers France, Spain and Portugal.
- The Overseas region covers all countries outside Europe and the Americas.

1.3.8 Marketing and sales

Our marketing activities are focused primarily on a professional, multi-stage sales channel, i.e. the distributor, fabricator (carpenters, floor layers, wood constructors) and architect target groups.

This “pull” marketing approach is very important for the Group as a whole, whereby we integrate our retailers‘ customers (architects, craftsmen, etc.) as decision-makers in our marketing activities.



The corona pandemic continued to influence our marketing efforts in 2021/22. Numerous activities took place on a “virtual stage”, but we were also able to offer on-site events based on strict safety precautions. The highlights in 2021/22 included the following subjects and projects:

“Collection Days” 2021 and the extension of the EGGER Decorative Collection

The **Collection Days** events were held on an international stage from September to the beginning of December 2021. This concept was developed to permit personal contacts and direct interaction with our retail partners despite the challenges created by the corona pandemic. Personal appointments were organized at the EGGER facilities or at our retail partners’ locations. Online get-togethers were scheduled in countries where on-site events were not possible. The success of this new event format speaks for itself: Partners as well as our colleagues welcomed the atmosphere made possible by this personal exchange. Key topics included our newest innovation, PerfectSense Feelwood lacquered boards, and new decors for compact worktops as well as the Flammex product family, our new fire-retardant concept. Events also focused on the extension of the **EGGER Decorative Collection** by one-year up to the end of 2023, which will give our customers additional planning security.

Sicam 2021

After a pandemic-related break, we packed our bags with exciting topics and welcomed visitors from across the world to our **trade fair stand** at the Sicam in Pordenone (IT). From October 12 to 15, 2021, we presented product and decor innovations from our PerfectSense lacquered board portfolio, the full edging line with ABS and accent edgings from our plant in Gebze (TR), digitally printed PP edgings from Brilon (DE), and our newly designed fire-retardant Flammex products.

EGGERZUM 2022

Social bridges formed the focal point of the **EGGERZUM 2022**, our in-house trade fair for the furniture industry which was held from the end of January to the beginning of March in Brilon (DE). With extensive hygiene measures, we were able to hold **50 customer appointments on location in the forum**. Our decor and design management presented the new products for the furniture industry under the **motto “create transitions“** and impressively showed that the “world has a different taste“: In search of a balance between digital and social, global and local, quality and complexity, the goal after the pandemic is to find a "new normal". The decor and structural innovations under "create transitions" stand for a long-term perspective that unites optics and function.

Awards and new additions to the PerfectSense Family

Our **PerfectSense Feelwood lacquered boards** raise haptics to a completely new level that was recognized with **three awards** in 2021/22: We received the Red Dot Award 2021 and were also named the "Winner" at the German Innovation Awards 2021 and the German Design Awards 2022.

We plan to continue this success with new matt-lacquered surface variants and an expanded range of decors. Customers interested in **PerfectSense Texture lacquered boards** can now also choose from the TM9 Smoothtouch matt, TM12 Omnipore matt and TM22 Deepskin linear matt. For **PerfectSense Feelwood**, our matt-lacquered boards with synchronous pore surfaces, we also presented **new decors**.

The Trend Selection campaign marked the start of flooring promotion activities in 2021/22

The communications launch for the **flooring** product line in 2021/22 was formed by the **Trend Selection campaign**. The "Trend Selection Package" is part of the **EGGER PRO flooring collection** and includes three exclusive decor and product packages. The concept is firmly anchored in the PRO flooring collection and contains various communication tools as well as POS solutions for EGGER retailers.

Comfort flooring sales drive focuses on end users in a large-scale media campaign

The **Comfort flooring** campaign moved onto entirely new ground during the past financial year with a first-time strong focus on end customers. This approach also required support from a wide range of communication channels. The first part of the pioneering project started in **autumn 2021**. In addition to conventional advertising measures like videos, print ads and press releases, a paid media campaign was launched and various activities were carried out in social media.

The end customer campaign for our Comfort flooring entered the second round in **spring 2022**. In addition to attractive POS solutions for our EGGER contract retailers, it also included prominent out-of-home advertising on public areas in the retailers' home markets, Facebook and Instagram advertising, and TV commercials.

Since the end consumer plays an important role in the flooring segment, we expect these measures will lead to a significant increase in **customer awareness**.

Collection support in many different ways

The flooring portfolio covers **three product categories** for different demands. Customers can find the right flooring for every application from Comfort flooring with its pleasant haptics and acoustics, to the popular allrounder laminate flooring which is also available as the water-resistant Aqua+, and the particularly durable and resilient GreenTec design flooring.

Our **DIY customers** can rely on a **multi-level communication package** for the HOME collection. The mailings on the various product types, product and training videos as well as social media content were very well received by our customers.

The "**myEGGER Range**" **digital service** for our PRO customers was further developed and frequently used as a theme in various communication measures. It facilitates the individual planning and adaptation of a customized product line for our customers and sales colleagues.

The new EGGER planning tool for our building products

Digitalization remains a focal point for our building products. We want to offer our customers the best digital solutions and, in this way, make their work easier. Our **digital planning tool** was therefore improved to provide even better support for architects, planners and students in their work. **Two new search functions** pinpoint the right construction for every building project, faster and easier. The so-called expert search via a filter finds the right construction quickly and flexibly, while the search with a question catalogue leads the user step by step through the search process. The constructions can be downloaded without limitation following registration on myEGGER and integrated in the BIM system (Building Information Modeling) or CAD system (Computer-Aided Design). Theis new planning tool also provides information on **general issues related to wood construction**, e.g. fire and acoustic protection, and explanations of important technical terms.

New resin aggregate for our plant in Rădăuți (RO)

Until recently, our OSB boards in Rădăuți (RO) were produced with MUF resin. The installation of a new gluing system now makes it possible to produce these boards **without formaldehyde**. The advantage of the PMDI resin is that is does not emit any volatile substances after drying and is therefore emission-free. This purchase represents the further **harmonization of our locations**. The same formulas for OSB production are now used in both plants, and our markets can be supplied with formaldehyde-free glued boards from Wismar (DE) and Rădăuți (RO).

1.3.9 Production

Steady high demand in 2021/22 contributed to full capacity utilization in our production facilities. Consequently, the production volumes in our primary plants again increased year-on-year.

The production of raw chipboard, including sawn timber, rose from 9.6 million m^3 to 10.5 million m^3. The increase over 2020/21 resulted primarily from our plant in Lexington, NC (US), which started operations in September 2020 and has steadily expanded production since that time. Efficiency improvements also allowed us to achieve higher production volumes in all plants versus 2020/21.

The production of impregnates rose by 6.9% year-on-year to 1,153.5 million m^2. All impregnate locations reported an increase in volumes over 2020/21. Laminate production in Gifhorn (DE) totaled 45.3 million m^2 in 2021/22 (2020/21: 41.6 million m^2).

The raw chipboard produced during the reporting year was processed as follows:

- 372.5 million m^2 were converted into laminated boards (2020/21: 343.7 million m^2)
- 71.3 million m^2 were converted into flooring (2020/21: 70.4 million m^2)
- 39.4 million m^2 were processed into furniture components and worktops (2020/21: 38.5 million m^2)

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Production Development		**2021/22**	**2020/21**	**2019/20**	**Dev. in % 2022 to 2021**
Rawboard incl. timber	m^3 mill.	10.5	9.6	8.9	9.8%
Impregnated paper	m^2 mill.	1,153.5	1,079.2	981.4	6.9%
Laminates	m^2 mill.	45.3	41.6	39.6	9.1%
Glue	TO thsd.	561.6	571.5	528.1	–1.7%

2 Earnings, Financial and Asset Position

2.1 Earnings

2.1.1 Revenues

Consolidated revenues recorded by the EGGER Group rose by 37.4% to EUR 4,234.3 million in 2021/22 (2020/21: EUR 3,082.8 million).

All divisions reported an increase in revenues, primarily as a result of three factors: price adjustments which were required to offset cost pressure, higher volumes, especially from our newest plants in Biskupiec (PL) and Lexington, NC (US), and the positive market environment for sawn products, above all on the North American market.

A detailed description of the development of business in the individual divisions during the reporting year is provided under point 1.3.7.

2.1.2 Earnings

Earnings Indicators		2021/22	2020/21	2019/20	Dev. in % 2022 to 2021
Revenues	EUR mill.	4,234.3	3,082.8	2,831.5	37.4%
EBITDA	EUR mill.	877.5	622.3	424.4	41.0%
EBITDA margin	in %	20.7%	20.2%	15.0%	0.0%
EBIT	EUR mill.	613.3	381.7	212.4	60.7%
Financial results (1)	EUR mill.	–28.6	–11.4	–19.3	–151.9%
Profit before tax (PBT)	EUR mill.	584.7	370.3	193.1	57.9%
Profit after tax (PAT)	EUR mill.	436.4	254.9	156.7	71.2%

(1) Includes income from financial investments and associates

Operating earnings (EBITDA: earnings before interest, taxes, depreciation and amortization) totaled EUR 877.5 million in 2021/22 and were 41.0% higher than the previous year (2020/21: EUR 622.3 million).

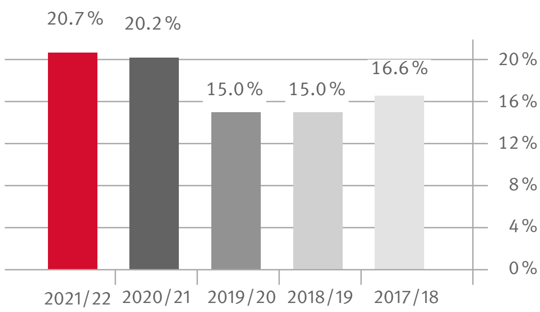
The in part sound growth in the Decorative Products and Building Products Divisions was contrasted by a slight decline in EBITDA in the Flooring Products Division. Our branch continues to benefit from the cocooning trend – many consumers are currently investing in their homes, purchasing new furniture and flooring, or starting renovation projects.

The **operating EBITDA margin** equaled 20.7% in 2021/22 and reflected the previous year.

Operating profit before interest and taxes (EBIT) amounted to EUR 613.3 million (2020/21: EUR 381.7 million). Profit before tax equaled EUR 584.7 million (2020/21: EUR 370.3 million). After the deduction of income taxes, net profit amounted to EUR 436.4 million (2020/21: EUR 254.9 million).

Development of earnings in the segments / divisions

EBITDA margin



EBITDA by Segment / Division		2021/22	2020/21	2019/20	Dev. in % 2022 to 2021
Decorative Products	EUR mill.	657.4	508.4	375.8	29.3%
Flooring Products	EUR mill.	49.3	51.2	18.8	–3.8%
Building Products	EUR mill.	170.8	62.7	29.7	172.4%
Total	**EUR mill.**	**877.5**	**622.3**	**424.4**	**41.0%**

Development of earnings in the EGGER Decorative Products

EBITDA in our Decorative Products Division with its four regions – West, Central, East and Americas – rose by 29.3% year-on-year to EUR 657.4 million in 2021/22. This growth was based, on the one hand, on a weaker previous year that was influenced by the corona pandemic, and, on the other hand, on raw material-based price increases in all plants and an improvement in the product mix. The positive development was also supported by higher volumes, above all at our new plants in Biskupiec (PL) and Lexington, NC (US).

Development of earnings in the EGGER Flooring Products Division

The development of earnings in the EGGER Flooring Products Division is still influenced by excess production capacity and pressure on prices as well as aggressive competition from SPC and LVT flooring. The market environment was characterized by two contrasting scenarios in 2021/22: The Overseas and Latin American sales regions as well as Russia recorded higher volumes and, consequently, an improvement in earnings, but we were unable to pass on the full amount of the raw material and energy cost increases to customers in the second half-year. EBITDA in the EGGER Flooring Products Division totaled EUR 49.3 million in 2021/22, which represents a slight decline of 3.8% compared with the previous year (2020/21: EUR 51.2 million).

Development of earnings in the EGGER Building Products Division

EBITDA in our Building Products Division totaled EUR 170.8 million and represents a substantial improvement over the previous year (2020/21: EUR 62.7 million). This sound development was supported primarily by an increase in earnings at the sawmill in Brilon (DE), whereby the positive market environment for sawmill products, especially on the North American market, played an important role. Our two OSB plants in Wismar (DE) and Radauti (RO) also reported an increase in earnings.

2.1.3 Financial results

Financial results (incl. income from financial investments and associates) totaled EUR –28.6 million in 2021/22 (2020/21: EUR –11.4 million). Financial results (excl. income from financial investments and associates) improved to EUR –33.4 million (2020/21: EUR–15.7 million). Liquidity requirements increased towards the end of the financial year due to raw material and energy price developments and higher market interest rates. However, interest expense and other financial expenses (before special effects) remained low owing to variable interest rate trends and active interest rate management as well as a year-on-year improvement in the credit standing and a decline in financial liabilities. Negative special effects resulted from the revaluation of the RUB versus the EUR. The income from financial investments and associates increased slightly to EUR 4.8 million in 2021/22 (2020/21: EUR 4.3 million).

2.1.4 Taxes

Income tax expense amounted to EUR 148.3 million in 2021/22 (2020/21: EUR 115.5 million), and the effective tax rate equaled 25.4% (2020/21: 31.2%). The increase in the tax burden resulted from the sound earnings generated by the entire EGGER Group. Detailed information on the calculation of income taxes is provided in the consolidated financial statements under note (15) Income taxes.

2.2 Financial position

2.2.1 Financing and treasury

The primary goals of financial management/treasury in the EGGER Group are to **limit the financial risks** that may impair the company's continued existence (liquidity and default risks) and earning power (foreign exchange, interest rate, market and price risks), while protecting the ability to meet payment obligations at all times and minimizing financing costs.

The limitation of risk does not mean complete exclusion, but rather the **economically reasonable management** of financial risks within a framework that is defined by the Group's comprehensive financial management guideline and supplementary operating rules.

In addition to the management of financial risks, another important goal is to protect and expand the circle of external financing sources and thereby safeguard the further development of the EGGER Group through organic growth and/or acquisitions.

The most important **treasury indicators** for the EGGER Group are the debt repayment period (net debt / EBITDA) and the equity ratio (equity/ balance sheet total), which are monitored on a regular basis. EGGER has set the following targets for its **internal** strategic goals, which are also used to measure results at the Group level: an equity ratio of at least 30% and net debt / EBITDA of less than three years over the long-term.

The treasury indicators / financial covenants defined by **external** agreements are higher (net debt/EBITDA), respectively lower (equity ratio) than the internally defined ratios. These agreements call for a net debt / EBITDA ratio of less than 3.75 years and an equity ratio of at least 25%.

Key Treasury Indicators		30.04.2022	30.04.2021	30.04.2020
Equity ratio	in %	50.9%	42.0%	37.9%
Net debt / adjusted EBITDA	years	0.64	1.34	2.82

The reduction in the debt repayment period from 1.34 to 0.64 years as of April 30, 2022 was based on the significant improvement of 41.0% in EBITDA and on a 32.2% reduction in net debt. The decline in net debt is attributable to strong positive free cash flow combined with a scheduled moderate level of investment activity. The equity ratio improved from 42.0% to 50.9% due to the positive results recorded for the financial year (after distributions) and was also supported by currency translation gains.

2.2.2 Financing analysis

The primary strategic goals of our corporate financing are the protection of liquidity and the diversification of capital sources and financing instruments.

A key element of the financing strategy is the use of free cash flow for investments, which safeguards internally generated growth.

External financing in the EGGER Group follows a three-component model:

The **first component** is formed by **bank financing**. The main building blocks of this financing are syndicated bank loans and committed credit lines (for strategic liquidity protection), which are concluded with a selected circle of core banks.

In October 2021, a committed syndicated credit line with a circle of core banks was increased from EUR 200 million to the current level of EUR 400 million and extended for at least five years. According to the agreement, part of the interest margin is linked to the development of the EGGER Group's sustainability rating (ESG Corporate Rating) from ISS ESG.

As of April 30, 2022, EUR 400 million of committed credit lines with a remaining term of 4.5 years were available for discretionary use.

The **second component** of external financing is based on the **capital market**. Our Group has successfully used the bond market as a financing source for many years. In March 2018, we placed a EUR 150 million hybrid bond on the market, whereby a nominal amount of EUR 0.5 million was repurchased during 2021/22. Together with the previous year's repurchases (nominal amount: EUR 2.8 million), EUR 3.3 million were withdrawn in 2021/22. The amount outstanding as of April 30, 2022 totaled EUR 146.7 million. Additional details are provided in the consolidated financial statements under note (27).

We have also used promissory note loans as a financing source on a regular basis since 2014. The positive development of liquidity led to the premature repurchase of selected variable tranches of the promissory note loan 2019 (in total: EUR 70.5 million) in September 2021. After scheduled repayments, promissory note loans with various fixed and variable EUR-tranches and different remaining terms (total nominal value: EUR 424.5 million) were outstanding as of April 30, 2022.

The **third component** of external financing consists of two **factoring programs**, under which receivables are sold according to actual sales.

Derivative financial instruments are used only to hedge risk positions in underlying transactions. Detailed information on derivatives is provided in the notes to the consolidated financial statements.

Maturity Profile Financial Liabilities and Bonds		**30.04.2022**	**30.04.2021**	**30.04.2020**
Remaining term over 5 years	EUR mill.	126.0	250.6	528.2
Remaining term 1 - 5 years	EUR mill.	721.2	812.3	744.0
Remaining term under 1 year	EUR mill.	134.4	131.0	205.3
Total	**EUR mill.**	**981.6**	**1,193.9**	**1,477.5**

2.2.3 Cash flow

Cash Flow Statement		2021/22	2020/21	2019/20	Dev. in % 2022 to 2021
Gross Cash Flow	EUR mill.	746.1	584.9	370.0	27.6%
Cash Flow from changes in net current asset	EUR mill.	−170.4	62.5	−40.6	−372.6%
Cash Flow from operating activities	EUR mill.	575.8	647.4	329.5	−11.1%
Cash Flow from investing activities	EUR mill.	−270.5	−233.0	−505.0	−16.1%
Cash Flow from financing activities	EUR mill.	−248.8	−324.4	14.9	23.3%
Net change in cash and cash equivalents	**EUR mill.**	**56.5**	**89.9**	**−160.6**	**−37.2%**

Based on gross cash flow and after the inclusion of changes in net working capital, cash flow from operating activities totaled EUR 575.8 million (2020/21: EUR 647.4 million).

Cash flow from investing activities (incl. acquisitions) amounted to EUR 270.5 million and exceeded the prior year level of EUR 233.0 million.

Investments were made in nearly all plants and consisted chiefly of recycling equipment, warehouse space and processing capacity.

Cash flow from financing activities equaled EUR −248.8 million and underscores our ability to reduce debt based on good earnings.

Free Cash Flow Statement		2021/22	2020/21	2019/20	Dev. in % 2022 to 2021
Cash Flow from operating activities	EUR mill.	575.8	647.4	329.5	−11.1%
Cash Flow from investing activities	EUR mill.	−270.5	−233.0	−505.0	−16.1%
+ Growth Investments	EUR mill.	194.5	127.0	415.7	53.2%
Free Cash Flow	**EUR mill.**	**499.8**	**541.4**	**240.1**	**−7.7%**

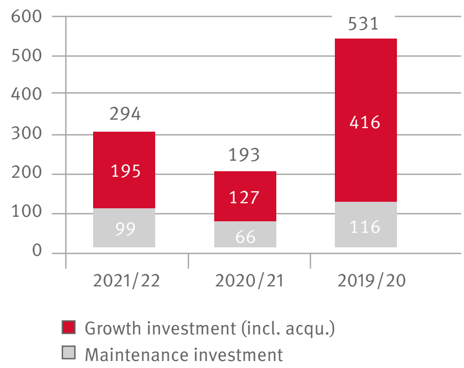
Free cash flow (cash flow from operating activities less cash flow from investing activities plus growth investments) amounted to EUR 499.8 million in 2021/22 and was 7.7% lower than the previous record level of EUR 541.4 million from 2020/21.

2.2.4 Investments

Investments in intangible assets, property, plant and equipment and acquisitions amounted to EUR 293.6 million in 2021/22 (2020/21: EUR 193.0 million). Of this total, EUR 99.1 million (2020/21: EUR 66.0 million) represented replacement investments.

The difference between cash flow from investing activities and the additions to non-current investments resulted from non-current asset additions which will become cash-effective at a later date, from the capitalization of rights of use under IFRS 16, and from differences between various exchange rates on the balance sheet date and the average exchange rate.

Investment (EUR mill.)



Investment (incl. acquisitions)		2021/22	2020/21	2019/20
Maintenance investment	EUR mill.	99.1	66.0	115.7
Growth investment (incl. acqu.)	EUR mill.	194.5	127.0	415.7
Total Investments	**EUR mill.**	**293.6**	**193.0**	**531.4**

A total of EUR 194.5 million was spent on growth investments in 2021/22 (2020/21: EUR 127.0 million). A substantial component was attributable to the expansion of the headquarters in St. Johann i. Tirol (AT), but investments were also made at other locations. A substantial component of these investments was directed to Brilon, Wismar and Gifhorn (DE) and Rambervillers (FR) and involved processing and infrastructure projects. Recycling capacity was expanded in Hexham (UK), while a smaller part of the investments were directed to our newest location in Lexington, NC (US).

Investment (incl. acquisitions)		2021/22	2020/21	2019/20
Decorative Products	EUR mill.	248.4	169.9	500.2
Flooring Products	EUR mill.	31.2	16.6	24.6
Building Products	EUR mill.	14.0	6.5	6.5
Total Investments	**EUR mill.**	**293.6**	**193.0**	**531.4**

2.2.5 Cost of capital

The cost of capital (WACC = weighted average cost of capital) used in Egger value management represents the return expected on equity and debt financing. It is calculated as a weighted average of the cost of equity and debt for the Group. The after-tax WACC equaled 8.71% in 2021/22 (2020/21: 9.05%). Local WACC rates are calculated for individual countries in local currency and adjusted by the difference in inflation and country risk.

2.2.6 EGGER value management

The financial aspect of EGGER value management is based on a simple and transparent, but strong analytical method that is focused on the sustainable increase in cash flow (EBITDA) in relation to historical capital employed, i.e. CFROI (cash flow return on investment; the return on capital employed in relation to acquisition costs).

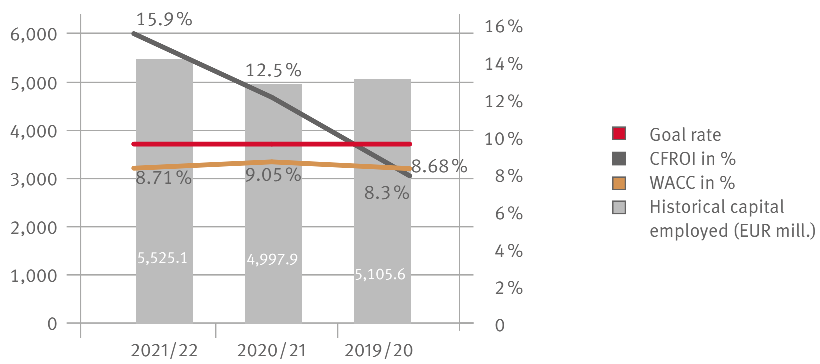
CFROI, which is one of the most important performance indicators for capital-intensive companies, measures the profitability of capital employed. As a sustainable strategic target, EGGER has defined a minimum return of 10.0% (hurdle rate) for all areas of the company.

Value Management		**2021/22**	**2020/21**	**2019/20**	**Dev. in % 2022 to 2021**
EBITDA	EUR mill.	877.5	622.3	424.4	41.0%
Historical capital employed	EUR mill.	5,525.1	4,997.9	5,105.6	10.5%
CFROI	**in %**	**15.9%**	**12.5%**	**8.3%**	

$$\text{CFROI} = \frac{\text{EBITDA}}{\text{Historical capital employed}}$$

Goal: CFROI ≥ 10.0 %

Value Management:



Our Group CFROI increased from 12.5% in 2020/21 to 15.9% in 2021/22 and exceeded our long-term target rate of 10.0%. In comparison with the previous year, EBITDA improved by a strong 41.0%. However, historical capital employed rose by only 10.5% during the same period. Over the medium-term, we expect a CFROI rate which reflects our target of 10.0%.

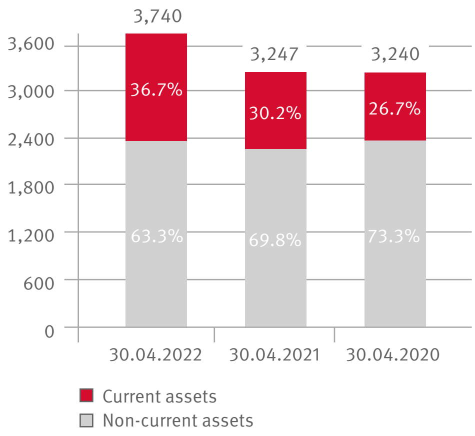
2.3 Asset position

2.3.1 Balance sheet structure

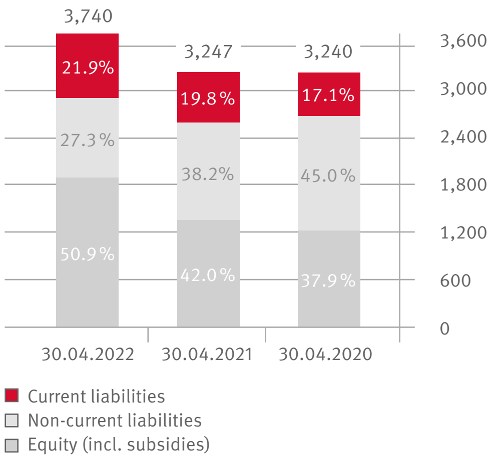
The balance sheet total rose by 15.2% from EUR 3,246.6 million in 2020/21 to EUR 3,740.2 million 2021/22. This growth was based primarily on an increase in property, plant and equipment, inventories, receivables and cash and cash equivalents.

Balance Sheet Development		30.04.2022	30.04.2021	30.04.2020	Dev. in % 2022 to 2021
Non-current assets	EUR mill.	2,368.6	2,266.6	2,376.1	4.5%
Inventories	EUR mill.	647.0	429.8	427.5	50.5%
Receivables	EUR mill.	192.6	126.3	83.1	52.4%
Cash and cash equivalents	EUR mill.	418.1	362.4	279.7	15.4%
Other current assets	EUR mill.	113.9	61.4	73.5	85.7%
Balance sheet total	**EUR mill.**	**3,740.2**	**3,246.6**	**3,239.8**	**15.2%**
Equity (including subsidies)	EUR mill.	1,902.0	1,362.3	1,227.4	39.6%
Provisions	EUR mill.	159.2	175.7	181.4	–9.4%
Non-current financial liabilities / bonds	EUR mill.	847.1	1,062.9	1,272.2	–20.3%
Current financial liabilities / bonds	EUR mill.	134.4	131.0	205.3	2.6%
Other liabilities	EUR mill.	697.5	514.7	353.5	35.5%

Asset Development (EUR mill.)



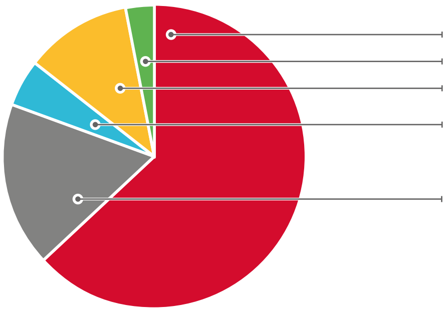
Equity / Liabilities (EUR mill.)



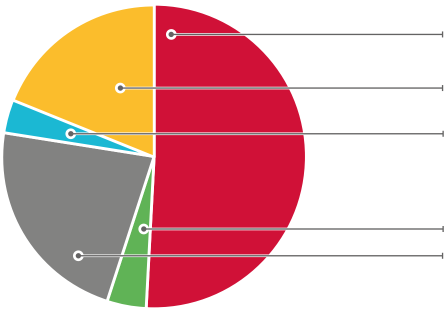
Non-current assts rose by 4.5% based on additions to non-current assets and currency-related adjustments as of the balance sheet date which were related to the Russian Ruble and US Dollar. Non-current assets represent 63.3% of the balance sheet total (2020/21: 69.8%) and reflect the very high capital intensity of the Group's production processes. Earnings expectations for our Russian locations were reduced due to the Ukraine conflict but continue to reflect a level that does not require write-downs.

The following diagrams show the balance sheet structure as of April 30, 2022:

Balance sheet structure: assets



Balance sheet structure: equity and liabilities



2.3.2 Working capital

Working capital (inventories plus trade receivables less trade payables) increased from EUR 270.3 million as of April 30, 2021 to EUR 441.8 million as of April 30, 2022.

Working Capital		2021/22	2020/21	2019/20	Dev. in % 2022 to 2021
Inventories	EUR mill.	647.0	429.8	427.5	50.5%
+ Receivables	EUR mill.	192.6	126.3	83.1	52.4%
– Trade payables	EUR mill.	397.8	285.9	215.1	39.1%
Working Capital	**EUR mill.**	**441.8**	**270.3**	**295.5**	**63.4%**
Revenues	EUR mill.	4,234.3	3,082.8	2,831.5	37.4%
Working Capital in % of revenues	in %	10.4%	8.8%	10.4%	

Inventories rose by 50.5% over the prior year level of EUR 429.8 million to EUR 647.0 million as of April 30, 2022.

In addition, trade receivables increased from EUR 126.3 million as of April 30, 2021 to EUR 192.6 million as of April 30, 2022. The average receivables turnover equaled roughly 36 days (2020/21: roughly 34 days).

An increase was also recorded in trade payables, which rose to EUR 397.8 million due to outstanding amounts for investments and the higher volume of business (2020/21: EUR 285.9 million).

2.3.3 Liquidity/net debt

Interest-bearing liabilities (financial liabilities and bonds) declined to EUR 981.6 million as of April 30, 2022 (2020/21: EUR 1,193.9 million) and include a long-term financing component of 86.3% (2020/21: 89.0%). All financing was concluded in Euros. Net debt totaled EUR 563.4 million as of April 30, 2022 (2020/21: EUR 831.5 million) and declined by EUR 268.1 million (–32.2%) due to the strong free cash flow.

Net Debt		30.04.2022	30.04.2021	30.04.2020	Dev. in % 2022 to 2021
Financial liabilities and bonds	EUR mill.	981.6	1,193.9	1,477.5	–17.8%
Less liquid funds	EUR mill.	418.1	362.4	279.7	15.4%
Net Debt	**EUR mill.**	**563.4**	**831.5**	**1,197.8**	**–32.2%**

2.3.4 Equity (incl. government grants)

Equity rose from EUR 1,362.3 million in the previous year to EUR 1,902.6 million as of April 30, 2022. This increase was based on profit of EUR 436.4 million for the period plus positive currency translation effects (RUB and USD), after deductions for the repurchase of hybrid bond components, related interest payments and distributions. The equity ratio, including government grants, equaled 50.9% (2020/21: 42.0%).

2.3.5 Provisions and other liabilities

Provisions declined from EUR 175.7 million as of April 30, 2021 to EUR 159.2 million as of April 30, 2022. As a percentage of the balance sheet total, provisions equaled 4.3% (2020/21: 5.4%).

Other liabilities rose by 35.5% from EUR 514.7 million as of April 30, 2021 to EUR 697.5 million as of April 30, 2022. This increase reflected the improvement in business activity over the previous year, which was still influenced in part by the pandemic, as well as higher tax liabilities.

3 Corporate Responsibility (CR)

Sustainability, fairness and transparency are key factors for our success. As one of the leading wood processing companies, we strive to act responsibly and, in this way, document our position as an employer, market participant, member of society and supporter of the environment.

"Our values determine our daily actions."

This year we are publishing our fifth corporate sustainability report together with our 2021/22 annual financial report. It provides detailed information on the major sustainability issues and related goals as well as the measures we have implemented in these areas and underscores our special commitment to transparency. Convince yourself. You can find the **EGGER Sustainability Report 2021/22** under www.egger.com/nachhaltigkeit.

Sustainable development and sustainable growth are important elements of our mission and our corporate strategy. Compliance – meaning conformity with legal requirements and internal guidelines – represents an integral part of our business activities and our relations with all our partners. We also take our **entrepreneurial responsibility** seriously and make a voluntary contribution to sustainable development.

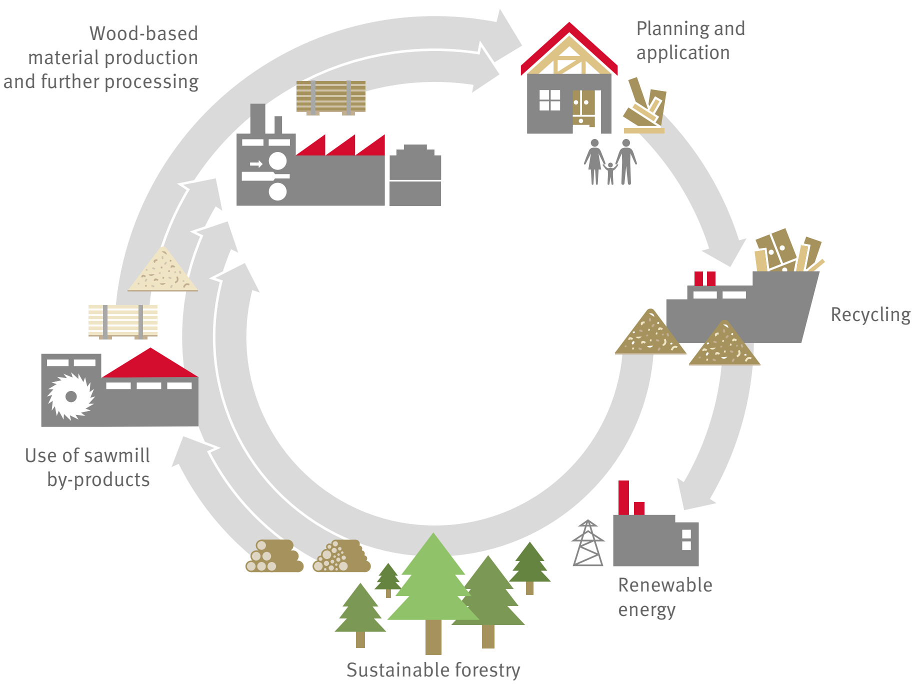
3.1 Marketplace

At EGGER, we realize that today's entrepreneurial actions will influence the **quality of our environment** in the future. We therefore accept responsibility for the impact of our products, our production and our relations with suppliers and customers. We operate with modern equipment based on state-of-the-art technology. From the living tree to the finished product, we rely on **integrated locations** that fully utilize the key raw material wood in a closed cycle. Sustainability represents an important aspect in the development and improvement of products, services and production equipment and plays a major role in our company's success.

3.1.1 Our environmental cycle

Our integrated locations initially use wood as a raw material. The various uses range from the production of sawn wood in the sawmill to the manufacture of wood products. Residual wood and recycling wood that cannot be used in production are utilized thermally in the company's own biomass power plants and converted into energy for the production process. Our fresh wood supplies come from sustainable forestry operations, all of which represent legally certified and controlled sources under ISO 38200. We prefer to purchase round wood from certified forests in the region. The CO_2 resulting from our production processes is reabsorbed by the forest and converted into oxygen – and in this way, closes the cycle.

A detailed description of our value chain is provided in the Sustainability Report on page 26.



3.1.2 Product responsibility

Wood materials make an important contribution to reducing greenhouse gas emissions in the earth‘s atmosphere. The natural CO_2 storage medium wood plays a particularly important role in EGGER’s products and helps to achieve a positive **eco-balance**.

Information on the eco-balance and environmental compatibility is provided in our **environmental product declarations (EPDs)**, which are prepared in accordance with the international ISO Standard 14025 and EN 15804. These EPDs are verified independently by IBU (“Institut für Bauen und Umwelt”) and used to certify the sustainability of buildings. EPDs are available for all major EGGER product groups. An overview of our products with environmental seals can be found in the Sustainability Report on page 43.

Ensuring the **quality of our products and processes** is one of our most important objectives. Our Group-wide quality management is certified under ISO 9001, a standing that guarantees customer satisfaction and a long service life for our products. Quality management, as an integral part of the EGGER Group’s management, is monitored with internal and external audits based on an audit matrix.

3.1.3 Relations with customers and suppliers

We want to develop and maintain **long-term, dependable and honest** working relationships with our customers and suppliers. The establishment and further development of these long-term relationships are the basis for success.

We define **standards for suppliers** so they can meet our demands for sustainable operations.

We comply with all applicable legal regulations and have issued a code of conduct for our employees as well as a **code of conduct** for our suppliers, an anti-trust guideline and an anti-corruption guideline.

Our products and services are based on the current and future **needs of our customers**. To create and maintain close relationships with our customers, we also develop new business models to strengthen added value for our partners.

3.2 Environment

We take our responsibility for society and the environment seriously. Environmental protection has a high standing in the EGGER Group and is firmly anchored in our corporate philosophy. We have defined uniform Group standards for the **reduction of emissions** in the air, water and soil which are based on local regulations and technical benchmarks.

"The sustainable use of raw materials has top priority."

We meet this goal with processing technologies that conserve resources, with the generation of energy in company-owned biomass power plants and with eco-friendly logistics systems which, for example, use rail traffic for transport. All EGGER plants meet legal requirements and are equipped with state-of-the-art wastewater, noise protection and air purification systems.

The goals of **environmental management at EGGER** are to ensure compliance with legal regulations, to prevent or minimize the negative effects of business operations on the environment, and to continuously improve our efforts in support of the environment. Accordingly, environmental management systems form the basis for the methodical and steady pursuit of environmental goals to ensure the responsible use of resources and energy. Current progress on the certification of our plants under **ISO 14001, ISO 50001** and **EMAS** is explained in the Sustainability Report on page 23. Our management systems are audited regularly based on a certification matrix.

One of our major strategic challenges is to safeguard wood supplies for our plants. This goal must be met against the backdrop of intense competition for wood that not only drives the price, but also affects the availability. We therefore rely increasingly on the use of **recycling wood**.

All larger locations in the Group operate with **biomass power plants** or **biomass heating plants** to meet their thermal energy requirements. Biomass power plants generate electrical energy and heat through the firing of biomass. In contrast, biomass heating plants and hot gas generators produce heat that is used to warm the oil for our presses and hot gas that is used to dry our wood chips. Residual wood and dust from pre-processing steps that cannot be used in production are utilized thermally in our own biomass power plants. This helps to save natural gas as a fossil energy carrier. Details on our energy infrastructure and many other aspects of responsible production can be found in our Sustainability Report beginning on page 79.

All documents relating to the environment and sustainability at EGGER are available for review on the Internet under **www.egger.com/umwelt**.


EGGER

3.3 Employees

Our goal is to be the **best employer** in each of our relevant labor markets. We therefore place high value on modern human resources management that supports our corporate culture.

3.3.1 Employees

The Egger Group employed an average workforce of 10,629 in 2021/22 (2020/21: 10,233), which is classified by country as follows:

Number of own personnel	Status 30.04.2022	yearly average 2021/22	yearly average 2020/21	yearly average 2019/20	yearly average 2018/19
Austria	1,674	1,640	1,610	1,610	1,585
Germany	2,940	2,908	2,838	2,764	2,625
France	922	921	908	892	875
Great Britain	818	806	778	800	779
Russia	1,221	1,173	1,148	1,155	1,140
Romania	894	879	861	866	876
Turkey	857	847	795	764	760
Argentina	500	500	492	489	493
Poland	541	531	502	421	311
USA	423	424	301	168	38
EGGER Total	**10,789**	**10,629**	**10,233**	**9,928**	**9,481**

3.3.2 Employer branding and recruiting

Our employer branding and recruiting initiatives were modified in 2021/22 due to the pandemic. Numerous human resources marketing measures – like visits to various trade fairs, open house days, school visits and parents' evenings – were converted to digital alternatives during the year, and interviews for many positions were held online wherever possible.

The pandemic and related hygiene measures and distancing rules limited our ability to offer summer jobs, internships and thesis work during the past financial year. However, we met our previous internship commitments as far as possible.

In April 2020, were again recognized by "Great place to work" and ranked fourth among firms with more than 1,000 employees in Austria. We have also received numerous positive responses from applicants and employees on employer rating platforms like Glassdoor, Indeed and Kununu.

Our **employee survey** was held again in autumn 2021 and carried out by the independent geva-institut. Employees were asked about their own work, management, and EGGER as a company. The findings were communicated internally, and related measures were then developed and implemented. Topics ranged from conflict management, respect and open communications to the work-life balance. The results from this latest survey in autumn 2021 showed that the vast majority of employees identify very strongly with the company and its values.

Our internal employer branding activities included the relaunch of EGGERnet, our Intranet, to create a modern, central information platform which also serves as the step-off platform for all our systems, applications and information. A mobile app version is currently under development, and several applications are already available for use on company devices.

3.3.3 Training

Our goal is to develop specialists and managers from our own ranks, and we therefore train **apprentices** at 16 of our 20 locations. The recruiting of trainees as a means to meet our requirements for specialists was, and will remain, one of our focus issues.

We successfully established a training program in the USA during 2018 and recruited young talents for the start of the fourth course in spring 2021. A training program also started at the plant in Concordia (AR) during autumn 2020. A similar program is under development in Poland and Russia, and the first trainees will start in the coming months.

The number of trainees was increased significantly during the past year. This reflects our goal to reach a training quota of 3% for the Group as a whole.

The EGGER Group had an average of 360 trainees/apprentices in 2021/22 (2020/21: 328).

3.3.4 Personnel development

The **EGGER Campus** offers targeted training opportunities for all employees. Training needs are identified in annual employee reviews and recorded in a development plan for subsequent implementation. **E-learning** programs cover 50% of training. Our **EGGER Compact** internal training offensive safeguards the exchange of know-how between specialist departments and strengthens employees' understanding of the value creation process.

Numerous training measures were converted to digital formats and on-site courses were limited in 2021/22 in reaction to the pandemic.

Our management training program "HR at EGGER – my role as a manager" was introduced in 2019 and is now held in seven countries. Its goal is to create a better understanding for the various processes in the human resources cycle: from selection to integration and exit. Through the direct exchange of information and ideas, participants are given an overview of EGGER's expectations on managers and their roles as well as their interaction with the human resources department.

We place great value on filling many positions internally and inform employees of available positions via the Internet and on notice boards. The "**Startklar**" strategic development program, which is directed to internal talents, completed its eighth cycle in April 2022 with 18 international high-potential men and women. The next round of this established program is scheduled to start in summer 2022.

3.3.5 Occupational safety and health protection

EGGER is well aware of its responsibility as a family-owned employer: The company's employees are its most valuable component and, accordingly, we place high priority on their well-being and health. Our **accident rate** was successfully reduced by 24% in 2021/22 (internal accident rate), which means we met our goal to limit accidents to a maximum of 10 per one million hours worked (accident rate: LTIR internal).

This development confirms the success of our increased focus on occupational safety and health protection in recent years. Our **"Vision Zero"**, to prevent fatal and severe work accidents is an incentive for further improvement.

We held numerous awareness training courses during the past financial year but still believe that cultural change needs time. The intensive training for managers and supervisors (Safety Leadership Induction Workshops) was, for the most part, completed and the program will be continued. Nearly 4,595 employees have already completed online training in occupational safety. A central system has been implemented to report unsafe conditions, near-accidents and work accidents, and a management system is used to monitor occupational safety. To prevent accidents, we continuously optimize occupational safety in all physical processes (equipment, traffic involving trucks, forklifts, wheel loaders and personnel, access restrictions, technical aids etc.).

Another activity in support of occupational safety is the return of the **EGGER Safety Week** in connection with the World Day for Safety and Health at Work on April 28. For an entire week, colleagues from all 20 plants took part in a broad range of training and information events on various safety issues. The offering covered a mix of theoretical and practical units, depending on the applicable corona protective measures in the individual EGGER locations. Numerous employees took advantage of the offering during this second EGGER Safety Week.

The measures taken to protect the health of our employees during the corona pandemic continued during the past financial year. The crisis teams installed at the group, division and plant levels are responsible for implementing government-ordered and internally developed measures in the plants and for reacting quickly to changing conditions. Employees received continuous and transparent information on current developments. Working conditions were adjusted to ensure the greatest possible protection for employees. Distancing rules, hygiene measures and the creation of standing teams to minimize contacts represented the core elements, and work was converted to home office wherever possible.

Our commitment to the health of our employees was recognized in Austria with the Quality Seal for Corporate Health Programs. In Hexham (UK) we again received the Better Health at Work Award – Ambassador Status, and the Scottish location in Barony (UK) successfully retained its Gold Award – Health Working Lives for the past two years.

3.4 Society

In agreement with our **fundamental values**, we respect the customs and traditions of the countries in which we operate. EGGER works to establish a position **as an integral part of the local environment** and supports the use of qualified employees and managers from the regions near the Group's plants.

Our plants also have a positive long-term influence on economic development at their locations through the use of local suppliers and local infrastructure like hotels and restaurants.

"We are committed to social responsibility at the local level."

We want to be active members of our respective communities and are therefore committed to social responsibility at the local level. In this connection, we concentrate on activities related to healthcare, society, education and environmental protection. We support a variety of measures to improvement the quality of life in the regions surrounding the EGGER locations in line with local circumstances.

The **"Run with EGGER"** program has created a bridge between health management for our employees and social commitment in the regions surrounding our plants since 2010. For each kilometer completed, we donate five Euros to a non-profit organization. The main objectives of this project are to enjoy sports with the awareness of helping others.

The pandemic changed our plans for 2021 and led to the organization of **two digital "Run with EGGER" events**. Participants were linked via Laufapp and, in this way, could follow their colleagues' performance even though the runners were positioned at different locations across the world. The result was team sprit despite the distance. The participants in these two virtual "Run with EGGER" programs covered more than 39,505 km and "ran up" TEUR 197.5 for social programs. The donations were transferred to local organizations or needy persons.

We also carried out extensive fundraising activities involving healthcare, social issues, education and environmental protection with a focus on local needs in 2021/22. Examples included support for hospitals (Biskupiec, PL), support for cancer research organizations (Rion des Landes, FR), playground construction (Radauti, RO), equipment and furnishings for schools (Radauti, RO), and support for environmental protection organizations (Hexham, UK).

We also make cash and/or non-cash donations to selected projects which, however, must meet sustainability criteria as well as one of the purposes listed in our compliance guideline for donations and sponsoring. Our **donations and sponsoring activities** totaled TEUR 2,141.6 in 2021/22 (2020/21: TEUR 1,526.8). Details on our contribution to local communities and to regional added value are provided in our Sustainability Report beginning on page 146.

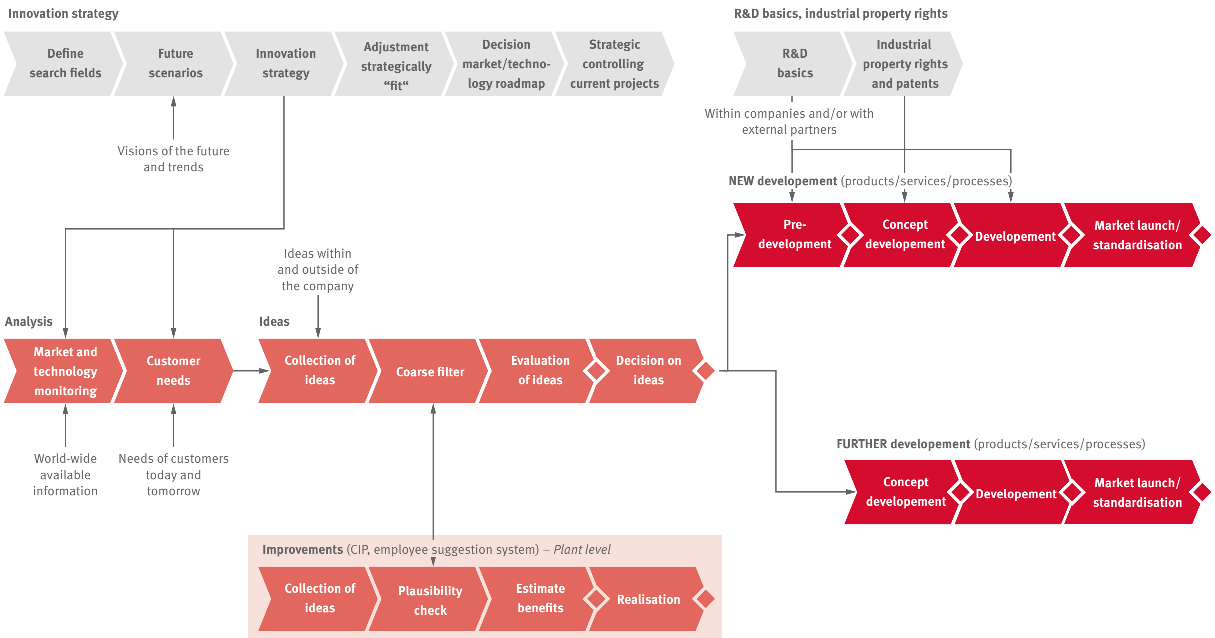
Open house events as well as family and health days are, as a rule, also part of the activities at our locations. These dates give our employees' families and the general public an opportunity to look behind the scenes and become more familiar with EGGER and, in this way, develop a personal relationship with the company and colleagues. Unfortunately, we had to cancel these programs during the past year due to the pandemic – but hope they can be resumed in the near future.

4 Innovation, Research and Development

4.1 Innovation management as a key element of the corporate strategy

"The development and, above all, continuous improvement of our products, processes and services are based primarily on the creation of added value for customers and represent the foundation for our long-term earning power." This element of the EGGER mission statement underscores the importance of innovation for the realization of the corporate vision and emphasizes the significance of the innovation process for the EGGER strategy.

The development of ideas and the documentation and organization of **innovation projects** up to market introduction follow a clearly defined, structured innovation process which is firmly anchored throughout the Egger Group. The actual implementation involves close cooperation between the various product management units and the competence center. The central **competence center** focuses on product and process development, productivity improvement and the optimization of production equipment with respect to costs, energy and raw material consumption. **Product management** defines the most important product requirements during the innovation process and assists the sales force in market introduction. This department accompanies products during the development stage and up to the determination of a recommended selling price, training for the sales force and the design of the marketing package together with local teams and is also responsible for discontinuing the item at the end of the product life cycle.



IMS EGGER Innovation Management System

We use an **innovation management system** that integrates all units involved in the innovation process, i.e. the product management departments responsible for furniture and interior design, building products and flooring and the competence center organization. The EGGER InnoCockpit was created to further improve the efficiency of our innovation management. It is a SharePoint platform which allows us to provide everyone involved in innovation management with transparent and timely information, supports project planning and documentation and, where reasonable, replaces manual administrative activities with automatic workflows. The Inno Cockpit represents a key management tool for EGGER IMS.

A total of 48 R&D and innovation projects were in progress during the 2021/22 financial year, whereby nine were completed and 13 were started.

The Competence Center (CC) organization was restructured during the past financial year and now includes the following specialized areas:

- CC-Line Core Products
- CC-Line Surfaces Melamine
- CC-Line Lacquering/Thermoplastics
- CC-Line Process Automation
- CC-Line Maintenance
- CC-Line Technical Standards
- CC-Line Chemistry
- CC-Line Research & Innovation

The CC organization focuses on the implementation of technical standards throughout the entire EGGER Group. It is also responsible for measures required by legal regulations and the strategic development of the EGGER Group.

4.2 Product, process and service innovation

The innovation process at EGGER is concentrated, above all, on defined **innovation fields** for products, processes and services.

Products:
- Decors and structures – optics and haptics
- Technical properties and processing (weight reduction, installation and assemble, downtime, ...)
- Functional materials and surfaces (reaction to fire, anti-fingerprint, insect and mold protection)

Processes:
- Environment and emissions
- Raw materials and resource efficiency
- Technology and products
- Smart factory

Services:
- Digitalization (data management, simulation, visualization)
- Planning tools, interactive offering

Defined hierarchies are responsible for all steps from the generation of ideas to evaluation, decision and final release. Group Management receives regular information on the status of R&D and innovation projects, whereby the necessary approval process takes place three times each year.

A total of EUR 8.6 million was spent on R&D and innovation in 2021/22 (2020/21: EUR 7.4 million). Our employees worked roughly 29,000 hours (2020/21: approx. 22,000 hours) on research and development activities.

Four priority **patent registrations** were filed in 2021/22. The EGGER Group currently holds approximately 2,350 patents (granted and registered) and roughly 1,260 trademarks worldwide. The administration and management of the various industrial property rights are handled centrally by the patent and brand department.

Cooperation with external research partners represents an important part of R&D efforts. These activities are focused on raw materials processing, the optimization of laminating systems, new bonding agent technologies and improved production processes. Some of these development projects are co-financed with public funds. Regular workshops promote the exchange of information with selected suppliers and customers. These meetings are used to present and evaluate product and technology trends for their possible influence on EGGER's products, production processes and services.

4.3 Focal points of research and development

R&D concentrated primarily on the following areas in 2021/22.

Research focal point: "Environment and Emissions"

Research on the environment and emissions examines opportunities to improve the environmental compatibility of products and production processes, above all with regard to emission behavior and emission loads. Product research covers the finished product as well as the entire lifecycle, including recycling. Projects involving production processes cover all environmental and emission-relevant process steps, e.g. drying, presses, power plants, impregnating and laminating.

Research focal point: "Raw Materials and Resource Efficiency"

The research projects on raw materials and resource efficiency concentrate on the optimal selection and utilization of input materials and operating supplies. In addition to the raw material wood and other renewable raw materials that can be used in the production of wood products, this area also investigates new types of adhesives and laminating materials. The focal points for the optimization of operating supplies include developing the best resource-conserving options for the operation of production equipment and maximizing the efficiency of energy generation equipment.

Research focal point "Technology and Products"

Technology and product research concentrates on the development of new types of wood material products and related processing alternatives as well as new types of production processes which lead to more economical production or products with new properties. Examples include special hybrid boards and low-weight wood material boards as well as production technologies that use new methods like digital printing, laser welding, electronic image processing or plasma treatment.

Research focal point "Smart Factory"

This research focal point covers all projects that use digital systems to improve planning, management and the presentation of internal processes or increase or improve the digital exchange of data with suppliers and customers.

5 Risk management

5.1 EGGER Risk management system

Entrepreneurial activities are always connected with opportunities and risks. The major objectives of the risk management system are to protect the company's continued existence and the attainment of our defined goals. Our risk management system therefore represents an integral part of our corporate strategy and value management.

The central elements of the risk management system are systematic risk controlling and the internal control system (ICS) with Group-wide guidelines and standards, external auditing by certified public accountants, our regular internal audits and standardized reporting, planning and controlling processes as the main components.

5.2 Financial risks and general operating risks

The risk report in the notes provides information on the corporate risk policy and a detailed description of the specific risks – e.g. financial, market, procurement, production and investment risks – that are monitored within the context of risk controlling at EGGER.

5.3 Internal control system (ICS)

EGGER views the internal control system as an integral part of the risk management system. It supports the profitability of business processes, ensures the reliability of financial reporting, and guarantees compliance with applicable legal regulations in order to prevent or reduce damage to the Group.

Key features of the internal control system with respect to the accounting process:

5.3.1 Group-wide uniform and mandatory guidelines

The internal control system (ICS) is based on Group guidelines and process standards. In accordance with the decentralized structure of the EGGER Group, local management is responsible for the implementation of and compliance with these guidelines and standards. The Group guidelines are reviewed regularly by a process manager and updated where necessary, while compliance is verified through internal audits by the process managers. The Ukraine conflict led to the adaptation of Group processes and guidelines for our Russian locations and intercompany work with these locations to avoid any violation of sanctions. These processes and guidelines are evaluated regularly and adapted where necessary.
Relations and dealings between the EGGER procurement organizations and their suppliers and service providers are based on the Group‘s code of conduct, which is applicable to all employees. The code of conduct is available for review on our website under **www.egger.com/compliance**.

5.3.2 External examination by the auditor

Independent accounting firms are responsible for auditing the consolidated financial statements as well as the annual financial statements of all Group companies that are subject to a mandatory audit. These firms guarantee the application of uniform auditing standards through their international network and ensure the complete and efficient examination of the annual financial statements.

5.3.3 ICS focal point audits

In connection with the audit of the Group's financial statements, a different corporate function is evaluated each year by the auditor for compliance with the ICS. Internal sales services formed the focal point for the audit in 2021/22. The following internal control areas were analyzed in recent years:

- Taxes
- Fixed asset management and the investment process
- Inventory and warehouse management / physical inventory count
- Accounts receivable management, customer credit management
- Procurement, IT general controls
- Treasury, selected IT processes
- Human resources / payroll accounting
- Sales organization
- Transfer pricing and the related documentation
- Controlling
- Procurement
- Human resources
- O2C (Order to Cash)
- Logistics
- Asset and investment
- Internal sales services

5.3.4 EGGER internal audit

Another element of the internal control system is formed by regular internal audits, where Group experts from the staff departments analyze and examine processes along the value chain together with the local specialist departments. This procedure supports process optimization and ensures compliance with Group standards and guidelines as well as the correct performance of duties and the economic feasibility of processes.

5.3.5 Monitoring, reporting, planning and controlling processes

EGGER uses a standardized Enterprise Resource Planning (ERP) system (SAP) throughout the Group, which facilitates the application of uniform standards and processes for accounting. This system also permits efficient reviews by the corporate IT department as well as external process reviews, for example by the auditor.

A standardized closing cockpit was implemented throughout the Group to support the monthly and annual closing processes and automatically document all process steps. This also facilitates the central monitoring of progress on the closing.

Further monitoring activities include automated IT process controls, authorization and role concepts as well as organizational procedures such as dual controls and the separation of administrative, execution, settlement and approval functions. These systems and processes were also adapted to accommodate the sanctions imposed in connection with the Ukraine conflict.

The central elements of the internal control system include Group-wide standardized monthly reporting and integrated planning and controlling processes. The development of the company and the risk environment are documented and analyzed at the plant, division and Group levels at regular intervals. Variances between actual and expected situations are examined, and the results are integrated in operational and strategic decision-making processes. The full harmonization of internal and external accounting allows for the monthly reconciliation of reporting and creates a common database for a wide range of internal decisions at all levels.

The preparation of the consolidated financial statements is based on a corporate accounting guideline that is updated regularly and requires mandatory application by all companies included in the consolidation. This guideline defines the most important accounting and valuation methods based on IFRS.

In addition to ongoing monitoring by independent auditors, the consolidated financial statements as of April 30, 2018 and April 30, 2021 were reviewed by the Austrian Auditing Agency for Accounting ("Österreichische Prüfstelle für Rechnungslegung"). This procedure was concluded without the identification of any errors.

Operational planning is based on quarterly rolling forecasts, which allow for the active and timely implementation of measures to counter the increasing volatility on sales and procurement markets. This rolling planning process is based on sales volumes that are continually updated and adjusted to reflect available capacity and includes the latest developments in selling and procurement prices. It allows us to forecast earnings for five quarters in advance and thereby react quickly to changes in the market environment.

The results of operational planning flow into monthly cash flow forecasts which are differentiated by currency and integrated and automated in the planning system. The data is also transferred to the five-year, medium-term forecast generated by this system.

6 Subsequent Events, Opportunities and Outlook

6.1 Major risks, opportunities and uncertainties

No risks have been identified at the present time that could endanger the continued existence of the EGGER Group. EGGER identifies, assesses and manages risks continuously within the context of its risk management system in accordance with predefined principles.

6.2 Significant events after the balance sheet date

No significant events occurred after the balance sheet date on April 30, 2022 which would have led to a different presentation of the asset, financial or earnings position.

6.3 Expected development / outlook

Global growth is expected to weaken from the estimated 6.1% in 2021 to 3.6% in 2022 and 2023. That represents a reduction of 0.8, respectively 0.2 percentage points compared with the January forecasts for these two years. After 2023, global growth is projected to slow to roughly 3.3% over the medium-term. The crisis-related increase in raw material costs and the rising pressure on prices have led to an upward revision of the inflation forecasts for 2022, which now point to 5.7% in the advanced economies and 8.7% in the emerging and developing countries, or 1.8, respectively 2.8 percentage points higher than predicted in January.

(Source: WEO 2022 04)

Based on our products, we are currently witnessing a decline in the peak demand as a result of rising inflation, high customer stocks, and the uncertain economic outlook – also due to the conflict in Ukraine.

Development of the construction industry

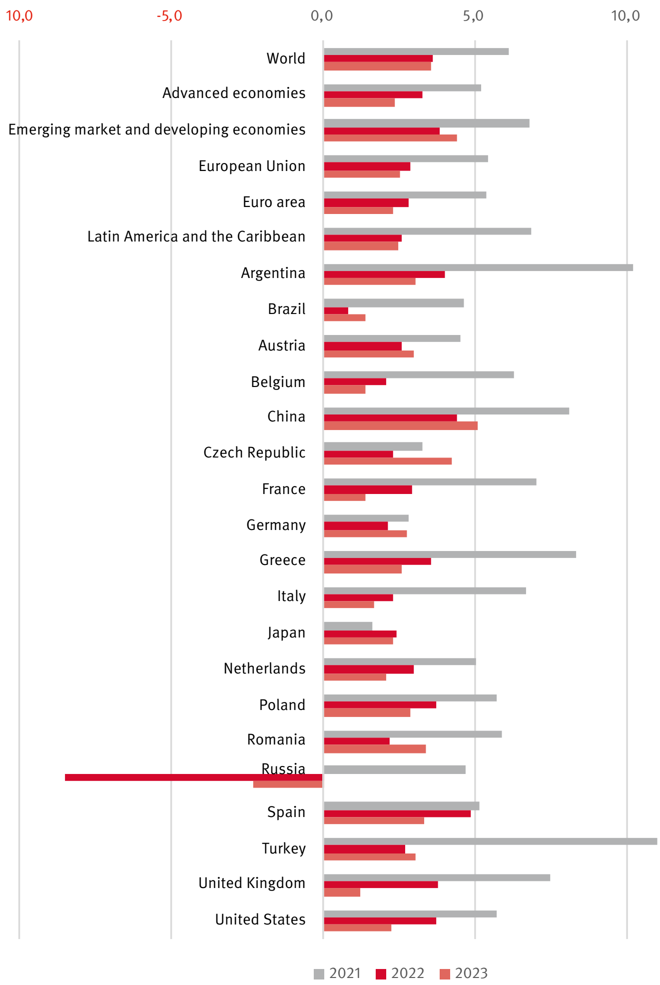
Construction output in Western Europe will apparently exceed the 2019 level (i.e. before the corona pandemic) with an increase of 3.3% in 2022. The residential sector has served as the main driver for this growth, and here especially renovation which was hardly influenced by events in 2020.

New residential construction is projected to lose substantial momentum, especially in Germany, France, the Netherlands and Scandinavia, while positive trends are expected in Great Britain, the Iberian Peninsula, Belgium and Italy. Non-residential construction in Western Europe, in contrast, should remain clearly below the 2019 level (–6.7%) in 2022. This applies particularly to new construction, above all to hotels as well as office and commercial space.

Construction output in Eastern Europe will be slowed by the situation in Russia and Ukraine. Other countries should see a substantial improvement over the 2019 level in 2022. This development will be supported by residential construction, and here chiefly by new projects, while non-residential construction will only be slightly higher than the pre-crisis level. However, forecasts for 2023 also indicate a weakening of this positive dynamic.

(Source: B+L Marktdaten)

GDP in %



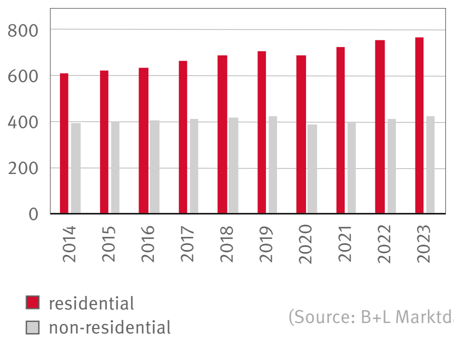
INTRODUCTION BY GROUP MANAGEMENT

MANAGEMENT REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Development of the construction industry (in bill. EUR)

West Europe



(Source: B+L Marktdaten)

East Europe

(Source: B+L Marktdaten)

6.4 Expected earnings, financial and asset situation

The uncertain macroeconomic outlook is influenced by the unfortunately ongoing tragic situation in Ukraine, volatile energy and raw materials markets, rising inflation, and the continuation of the corona pandemic with concerns over further employee absences. For EGGER, foreign exchange developments in Argentina and Turkey are a source of added uncertainty. These elements make a forecast for the coming months very difficult.

Business operations at our two Russian locations, Shuya und Gagarin, have been influenced, above all, by the Ukraine crisis and the related sanctions. We, at EGGER, see the many men and women who work for us not only as employees but as part of a large family. The resulting responsibility applies to the more than 1,000 employees in these two Russian plants and to their families. Both plants are therefore producing in compliance with all EU sanctions for economic relations between the EU countries relevant for EGGER and Russia. A strict compliance structure and program were established to ensure the observance of EU sanctions and cover procurement, logistics flows and intercompany services. The modernization project for the Shuya plant, which was announced in November 2021, cannot be pursued at the present time for the above reasons.

The wood materials we produce in Russia are sold, above all, on location and in the neighboring so-called “STAN” countries. In contrast, no EGGER wood materials from current Russian production are sold in the European Union, Great Britain or other western countries. Operating cash flows are used for plant operations (wages and salaries, materials, etc.). Any surplus cash flow is invested locally and, to a limited extent, used for maintenance investments. Despite all these measures, it is currently extremely difficult to make concrete statements on developments in the coming weeks or months. EGGER is continuing to monitor and analyze the entire situation extensively.

The outlook for the EGGER Group, notwithstanding the existing uncertainties, indicates **stable revenue development**. The constant high prices for raw materials and energy will hold the prices for our products at a high level. We intend to continue the optimal use of our state-of-the-art industrial base and the productivity advantages we have developed over years.

Our revenue forecasts for the **Decorative Products Division** call for generally stable development in our core markets. The uncertainties in Russia will be offset by expectations of higher volumes on the North American market.

The market environment for the **Flooring Products Division**, which was positively influenced by the corona pandemic over the short-term, will lose momentum due to the sharp rise in raw material costs. Price increases are difficult to implement in the flooring business, above all in the DIY customer segment. Price increases also have a potential negative effect on laminate flooring volumes, and this business is therefore expected to see a decline in revenues.

For the **Building Products Division**, we anticipate a generally downward trend. The further course of the currently high demand for sawn timber, especially from the North American market, is connected with substantial uncertainty.

Earnings expectations for all our divisions will be heavily influenced by the further development of overall economic demand. The impact of rising inflation and the related higher energy and living costs on consumers’ readiness to spend and, in turn, on the demand for wood material products cannot be reliably estimated at the present time. Our **earnings expectations** for the EGGER Group are therefore subdued.

Especially in these uncertain, volatile times, our quarterly **rolling forecasts** optimally position us to deal with the market dynamics and master future challenges. We are managing the expected economic distortions by expanding our processing capacity, investing to improve the raw material and energy situation, and continuously optimizing the use of materials and cost structures.

The progressive **internationalization** of our Group, with plants in North and South America, supports regional diversification and reduces the dependence on individual regions.

With regard to **cybersecurity**, we have expanded our high risk management standards to counter current threats with including additional precautionary measures, analyses and control systems. Cybersecurity at our Russian locations has been improved with sanction-compliant measures, and further possible protective measures are in preparation.

We are addressing the ongoing **lack of specialists** in many parts of the western world with extensive employee training, retention and development programs. We are well aware that we owe the previous and future success of our company to the qualifications and commitment of our more than 10,000 employees across the world.

To further strengthen our **market position**, we are continuing to concentrate on product diversity, market diversification and the constant innovation of our products, processes and services. Our solid financial base forms the foundation for long-term relations with customers and suppliers and sustainable, internally generated stable growth. We expect full capacity utilization in our plants.

This outlook includes **forecasts** that are based on current estimates for future developments in the EGGER Group. Uncertainty or risks in the market environment could influence these future developments and lead to variances from the current estimates.

St. Johann in Tirol, July 14, 2022

Thomas Leissing	Frank Bölling	Ulrich Bühler	Hannes Mitterweissacher
(Speaker of Group Management, CFO, Chief Financial Officer)	(CSCO, Chief Supply Chain Officer)	(CSO, Chief Sales Officer)	(CTO, Chief Technology Officer)

The Managing Board

Consolidated Financial Statements as of April 30, 2022

of Egger Holzwerkstoffe GmbH, St. Johann in Tirol

Consolidated Income Statement for the 2021/22 Financial Year

	Notes	2021/22 TEUR	2020/21 TEUR
Revenues	**(7)**	**4,234,323**	**3,082,837**
Other operating income	(8)	34,756	45,398
Increase/decrease in inventories		104,464	−695
Own work capitalized		8,295	10,836
Cost of materials	(9)	−2,288,521	−1,487,188
Personnel expenses	(10)	−558,224	−516,591
Depreciation and amortization	(17)	−264,238	−240,622
Other operating expenses	(11)	−657,546	−512,265
Operating profit		**613,311**	**381,711**
Financing costs	(12)	−13,916	−20,232
Other financial results	(12)	−19,467	4,521
Result from financial investments	(13)	1,513	3,407
Result from associates	(14)	3,239	940
Profit before tax		**584,680**	**370,346**
Income taxes	(15)	−148,315	−115,491
Profit after tax		**436,365**	**254,855**
Thereof attributable to non-controlling interests		14,892	9,252
Thereof attributable to holders of the hybrid bond		7,169	7,299
Thereof attributable to equity holders of the parent company		414,305	238,304

Consolidated Statement of Comprehensive Income for the 2021/22 Financial Year

	Notes	2021/22 TEUR	2020/21 TEUR
Revaluation of obligations arising from post-employment benefits for employees	(34)	9,167	7,388
Items that will not be reclassified to profit or loss		**9,167**	**7,388**
Currency translation adjustments	(28)	131,893	−99,871
Items that could possibly be reclassified to profit or loss		**131,893**	**−99,871**
Profit after tax recognized in other comprehensive income	**(16)**	**141,060**	**−92,482**
Profit after tax		436,365	254,855
Total comprehensive income for the period		**577,425**	**162,372**
Thereof attributable to non-controlling interests		15,219	9,267
Thereof attributable to holders of the hybrid bond		7,169	7,299
Thereof attributable to equity holders of the parent company		555,037	145,806

Consolidated Balance Sheet as of April 30, 2022

Assets	Notes	30.04.2022 TEUR	30.04.2021 TEUR
Property, plant and equipment	(17)	2,147,410	2,032,790
Intangible assets	(17)	65,784	65,341
Investment property	(18)	447	459
Biological assets	(19)	3,916	2,053
Financial assets	(20)	19,643	19,718
Investments in associates	(21)	37,346	37,570
Other assets	(24)	5,853	14,331
Deferred tax assets	(26)	88,165	94,367
Non-current assets		**2,368,565**	**2,266,630**
Inventories	(22)	647,021	429,838
Trade receivables	(23)	192,556	126,346
Other assets	(24)	104,768	55,737
Current tax assets		5,235	1,246
Financial assets	(20)	3,932	4,385
Cash and cash equivalents	(25)	418,148	362,417
Current assets		**1,371,661**	**979,969**
Total Assets		**3,740,226**	**3,246,598**

Equity and Liabilities	Notes	30.04.2022 TEUR	30.04.2021 TEUR
Share capital and reserves	(27, 28)	1,709,478	1,154,449
Hybrid bond	(27)	145,060	145,557
Non-controlling interests	(29)	37,813	54,581
Equity		**1,892,351**	**1,354,587**
Financial liabilities	(30)	847,148	1,062,900
Other liabilities	(32)	9,255	247
Government grants	(33)	8,332	6,279
Provisions	(34)	156,653	173,758
Deferred tax liabilities	(26)	6,833	3,742
Non-current liabilities		**1,028,221**	**1,246,926**
Financial liabilities	(30)	134,417	131,002
Trade payables	(31)	397,818	285,910
Other liabilities	(32)	175,048	159,523
Government grants	(33)	1,280	1,478
Liabilities from income taxes		108,571	65,237
Provisions	(35)	2,519	1,936
Current liabilities		**819,654**	**645,086**
Total Equity and Liabilities		**3,740,226**	**3,246,598**

Consolidated Cash Flow Statement for the 2021/22 Financial Year

	Notes	2021/22 TEUR	2020/21 TEUR
Profit before tax		584,680	370,346
Depreciation and amortization and impairment of property, plant, equipment and intangible assets	(17)	264,238	240,622
Impairment charges to and valuation of financial assets		146	–3,696
Net interest income / expense	(12)	14,079	17,978
Use of government grants	(8)	–1,588	–1,944
Income/loss from the disposal of fixed assets		1,882	494
Income from associates	(21)	–3,239	–940
Increase/decrease in long-term provisions		–9,648	571
Income taxes paid (net)		–104,406	–38,523
Gross cash flow		**746,144**	**584,908**
Increase/decrease in inventories		–166,859	–19,668
Increase/decrease in trade receivables		–48,200	–51,558
Increase/decrease in other assets		–53,220	6,936
Increase/decrease in trade payables		79,642	99,097
Increase/decrease in other liabilities		17,761	27,178
Increase/decrease in current provisions		520	505
Cash flow from changes in net current assets		**–170,356**	**62,490**
Cash flow from operating activities		**575,788**	**647,398**
Purchase of property, plant and equipment	(17)	–271,536	–208,005
Purchase of non-current intangible assets	(17)	–2,144	–1,335
Purchase of associates		–3,448	–40,441
Distribution from associates	(21)	3,463	7,888
Purchase of financial assets		–2,129	–3,433
Proceeds from the disposal of financial assets		2,556	9,007
Proceeds from the disposal of non-current assets		2,699	3,287
Cash flow from investing activities		**–270,539**	**–233,032**
Repurchase of hybrid bond	(27)	–520	–2,924
Increase in financial liabilities	(30)	5,000	50,002
Repayment of financial liabilities / lease liabilities	(30)	–205,431	–333,520
Interest paid		–10,740	–15,328
Interest received		2,065	732
Distribution	(42)	–31,986	–16,081
Interest paid on hybrid bond	(27)	–7,155	–7,299
Cash flow from financing activities		**–248,767**	**–324,418**
Net change in cash and cash equivalents		**56,482**	**89,948**
Effects of consolidation scope changes on cash and cash equivalents		0	–249
Effects of exchange rate fluctuations on cash held		–751	–6,942
Cash and cash equivalents at the beginning of the financial year	(25)	362,417	279,660
Cash and cash equivalents at the end of the financial year	**(25)**	**418,148**	**362,417**

Statement of Changes in Equity as of April 30, 2022

	Share capital TEUR	Hybrid bond TEUR	Reserves TEUR	Translation Reserve TEUR	Controlling interests TEUR	Non-con-trolling interests TEUR	Total TEUR
Balance on 30.04.2020	**11,509**	**148,365**	**1,375,387**	**−363,638**	**1,171,623**	**46,808**	**1,218,431**
Profit for the year	0	0	245,603	0	245,603	9,252	254,855
Other comprehensive income	0	0	7,374	−99,871	−92,497	15	−92,482
Total comprehensive income for the period	**0**	**0**	**252,977**	**−99,871**	**153,106**	**9,267**	**162,372**
Repurchase Hybrid bond	0	−2,808	−116	0	−2,924	0	−2,924
Addition / Disposal of non-controlling interests	0	0	0	0	0	87	87
Distribution	0	0	−14,500	0	−14,500	−1,581	−16,081
Interest paid on hybrid bond	0	0	−7,299	0	−7,299	0	−7,299
Balance on 30.04.2021	**11,509**	**145,557**	**1,606,449**	**−463,509**	**1,300,006**	**54,581**	**1,354,587**
Profit for the year	0	0	421,473	0	421,473	14,892	436,365
Other comprehensive income	0	0	8,839	131,893	140,732	328	141,060
Total comprehensive income for the period	**0**	**0**	**430,312**	**131,893**	**562,205**	**15,219**	**577,425**
Repurchase Hybrid bond	0	−497	−23	0	−520	0	−520
Distribution	0	0	0	0	0	−31,986	−31,986
Interest paid on hybrid bond	0	0	−7,155	0	−7,155	0	−7,155
Balance on 30.04.2022	**11,509**	**145,060**	**2,029,584**	**−331,616**	**1,854,538**	**37,813**	**1,892,351**

Notes to the Consolidated Financial Statements as of April 30, 2022

General Information

(1) The company

Egger Holzwerkstoffe GmbH, together with its subsidiaries, is a leading producer and supplier of wood materials. Business activities at the 20 production facilities are concentrated primarily on the following areas:

- Production and sale of carrier materials made of wood (chipboard, MDF, HDF, compact and lightweight boards) as well as edgings and laminates.
- Production and sale of laminate, comfort and design flooring.
- Production and sale of OSB and DHF boards as well as sawn timber.

The headquarters of the company are located at Weiberndorf 20, 6380 St. Johann in Tirol, Austria.

The consolidated financial statements include the parent company, Egger Holzwerkstoffe GmbH, St. Johann i.T., as well as the subsidiaries under its control.

(2) Basis of preparation

These consolidated financial statements as of April 30, 2022 were prepared pursuant to the provisions of § 245a of the Austrian Commercial Code and in agreement with the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC and SIC) that were formulated by the International Accounting Standards Board (IASB), adopted by the European Union and called for mandatory application as of the balance sheet date.

The consolidated financial statements were prepared on the basis of historical acquisition and production cost, with the exception of the following: derivative financial instruments, financial instruments carried at fair value through profit or loss, biological assets, provisions for pensions and similar obligations, and the residual liability from factoring. These latter items are carried at fair value.

The consolidated financial statements are prepared in thousand Euros (rounded). The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts and percentage rates.

Effects of COVID-19

COVID-19 did not lead to any changes in accounting policies for EGGER.

Initial application of standards and interpretations

Phase II of the interest rate benchmark reform is now effective (changes to IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 16) but had no material effect on the consolidated financial statements. The reference interest rate for the financing agreements, hedges and leasing contracts concluded by EGGER is generally the EURIBOR, which was adjusted to reflect the EU Benchmark Regulation. The EURIBOR is still used as the reference interest rate and did not lead to any changes in existing contracts. As of the balance sheet date on April 30, 2022, no material financing agreements or hedges used the LIBOR or another international reference interest rate which would have required an adjustment.

The other standards, changes to standards (IFRS 4, IFRS 16), and interpretations which required initial application in 2021/22 had no material effect on the consolidated financial statements.

Standards and interpretations to be applied in the future

The following standards and interpretations were announced by the IASB but did not require application in the 2021/22 financial year. Egger Holzwerkstoffe GmbH did not elect to utilize the option that permits earlier application. These new or amended standards and interpretations are not expected to have any material effect on the consolidated financial statements.

Standards/Interpretations		Adopted by the EU	Mandatory application as of
IAS 16	Change: Proceeds before intended use	28.06.2021	01.01.2022
IAS 37	Change: Onerous contracts - cost of fulfilling a contract	28.06.2021	01.01.2022
IFRS 3	Change: Reference to the conceptual framework	28.06.2021	01.01.2022
Various	Annual improvements 2018-2020	28.06.2021	01.01.2022
IFRS 17	Insurance Contracts	19.11.2021	01.01.2023
IAS 8	Change: Definition of accounting estimations	02.03.2022	01.01.2023
IAS 1	Change: Disclosure of accounting methods	02.03.2022	01.01.2023
IAS 1	Change: Presentation of financial statements	open	01.01.2023
IAS 1	Change: Classification of liabilities as current or non-current	open	01.01.2023
IAS 12	Change: Deferred tax related to assets and liabilities arising from a single transaction	open	01.01.2023
IFRS 17	Change: Initial application of IFRS 17 and IFRS 9 - comparative information	open	01.01.2023

(3) Scope of consolidation

The consolidated financial statements include the parent company, Egger Holzwerkstoffe GmbH, as well as 16 fully consolidated domestic subsidiaries (April 30, 2021: 17) and 35 foreign subsidiaries (April 30, 2021: 41) which are controlled by Egger Holzwerkstoffe GmbH. Egger Holzwerkstoffe GmbH is considered to exercise control over a company when it is exposed to the risk of, or has rights to, variable returns from its involvement in the company and can affect the amount of these returns through its power over the company. Two foreign companies are included in the consolidated financial statements at equity.

A list of the companies included in the consolidated financial statements of Egger Holzwerkstoffe GmbH is provided under note (44).

The scope of consolidation changed as follows in 2021/22:

Egger (Ayrshire) Limited, Glasgow (UK), and Egger Investment SA, Buenos Aires (AR), were liquidated and deconsolidated.

The following changes had no effect on the scope of consolidation:

The sales company EGGER Drvni Proizvodi d.o.o. Beograd, Belgrade (RS), and the trust company Fundacja Egger, Biskupiec (PL), were founded. EGGER holds 100% of the shares in each of these companies, which were not included in the scope of consolidation because the related amounts are immaterial.

A 74.9% interest was acquired in Meobelio GmbH, Bad Wünnenberg (DE), for TEUR 749. This company was not included in the scope of consolidation because the related amount is immaterial.

The investment "FM International" GmbH, St. Johann i.T. (AT), was merged into HP Verwaltungs GmbH, St. Johann i.T. (AT).

Egger France SAS, Rion des Landes (FR), was merged into Egger Panneaux & Décors SAS, Rion des Landes (FR).

Northumbria Finance Designated Activity Company, Dublin (IE), was merged into Egger Holzwerkstoffe GmbH, St. Johann i.T. (AT).

Egger Kunststoffe Brilon GmbH & Co. KG, Brilon (DE), was merged into Egger Holzwerkstoffe Brilon GmbH & Co. KG, Brilon (DE), and Egger Kunststoffe Brilon Beteiligungs-GmbH, Brilon (DE), was merged into Egger Holzwerkstoffe Brilon Beteiligungs-GmbH, Brilon (DE).

(4) Basis of consolidation

In accordance with IFRS 3, a **subsidiary** is initially consolidated as of the acquisition date by allocating the acquisition cost to the revalued assets acquired and the revalued liabilities and contingent liabilities assumed (purchase method). Acquisition-related costs are expensed as incurred.

EGGER decides on an individual basis for each business combination whether the non-controlling interests in the acquired company will be accounted for at fair value or based on the proportional share of net assets in the acquired company.

Non-controlling interests in the equity of consolidated companies are reported as a separate position under equity. The share of annual profit after tax attributable to non-controlling interests is shown separately on the income statement.

Any agreement for contingent consideration in connection with the acquisition of a company (put option) whose exercise will lead to the transfer of the remaining non-controlling interests is recognized as a liability at the applicable fair value.

Subsequent changes in the fair value of contingent consideration are recognized to profit or loss and recorded on the income statement.

A change in the amount of an investment in a subsidiary without the loss of control is accounted for as a transaction within equity. Accordingly, the difference between the cost of the additional shares and the proportional carrying amount of the non-controlling interests is offset against reserves.

All receivables, liabilities, revenues and expenses arising from transactions between consolidated companies are eliminated. The consolidation process also includes the elimination of interim results from the provision of goods and services between Group companies, unless these items are immaterial.

Shares in **associates** are initially recognized at acquisition cost as of the purchase date in accordance with the equity method. In subsequent periods, the carrying amount is adjusted to reflect the proportional share of profit or loss generated by the associate. Distributions received reduce the carrying amount of the investment. For companies consolidated at equity, goodwill from the initial consolidation is included in the amortized carrying amount of the investment.

(5) Foreign exchange translation and financial reporting in hyperinflationary economies

Transactions in a foreign currency

The individual Group companies record foreign currency transactions at the average exchange rate in effect on the transaction date. Monetary assets and liabilities are translated into Euros at the average rate in effect on the balance sheet date. Any resulting translation gains and losses are recognized to profit or loss in the respective financial year.

Translation of foreign currency financial statements

The annual financial statements of Egger Holzwerkstoffe GmbH are prepared in Euros. The respective local currency represents the functional currency for subsidiaries located outside the Eurozone, with the exception of Egger Dekor A.S., Turkey, whose functional currency is the Euro. The assets and liabilities (including goodwill and valuation adjustments resulting from initial consolidations) in the financial statements of companies that do not report in the Euro are translated at the average rate in effect on the balance sheet date. Any resulting translation gains or losses are recorded to a separate item under equity without recognition through profit or loss and recognized to the income statement when the company is deconsolidated. Income statement items are translated at the weighted average exchange rate for the financial year.

Unrealized foreign exchange translation differences arising from long-term shareholder loans (net investments) are recorded under the translation reserve without recognition through profit or loss. These differences are transferred to the income statement when the foreign company is sold in full or in part.

The exchange rates used for foreign currency translation developed as follows during the reporting year:

Exchange rates		Closing rate on 30.04.2022	Closing rate on 30.04.2021	Average rate for the year 2021/22	Average rate for the year 2020/21
1 British Pound	EUR	1.19178	1.15124	1.17930	1.12244
100 Russian Rubles	EUR	1.34100	1.10900	1.16442	1.13642
1 New Romanian Leu	EUR	0.20210	0.20306	0.20242	0.20535
1 Polish Zloty	EUR	0.21468	0.21904	0.21728	0.22139
1 Argentinian Peso	EUR	0.00821	0.00890	0.00857	0.01066
1 US Dollar	EUR	0.94877	0.82768	0.87261	0.84682
1 Turkish Lira	EUR	0.06405	0.10092	0.08125	0.11328

Financial Reporting in Hyperinflationary Economies (IAS 29)

The provisions of IAS 29 “Financial Reporting in Hyperinflationary Economies” were relevant for the subsidiary Egger Argentina SAU, Buenos Aires, for the first time in the 2018/19 financial year because of changes in the general purchasing power of the functional currency. The gains and losses resulting from inflationary adjustments to the carrying amounts of non-monetary assets (machinery, goodwill and customer benefits) and liabilities and to material income statement positions are recorded under other operating income or other operating expenses. The calculation of the inflationary adjustments to non-monetary assets is based on the “Argentina National CPI Index D“ issued by Bloomberg. This index rose by 58.04% from May 1, 2021 to April 30, 2022 (May 1, 2020 to April 30, 2021: 46.28%). Due to the full write-off recognized as of April 30, 2019, no further revaluations were recognized to profit or loss.

Turkey was initially classified as a hyperinflationary country under IAS 29 as of April 30, 2022. However, this has no impact on the Turkish company, Egger Dekor A.S., Gebze, because the Euro is defined as its functional currency. The Turkish sales company, Egger Orman Ürünleri, Gebze, normally only consolidates supply and service relationships. An IAS 29 adjustment was therefore waived for this company because the related amounts are immaterial.

(6) Significant accounting policies

The applied **accounting and valuation methods** are described under the respective positions in the notes.

The preparation of the consolidated financial statements requires **discretionary assessments** as well as the use of assumptions that influence the recognition of assets and liabilities, the disclosure of other obligations as of the balance sheet date, and the recording of revenues and expenses during the reporting period. The actual amounts that become known at a later date may differ from these estimates. Climate risks are not expected to have any material effects on the discretionary assessments at the present time.

Assumptions that carry a significant risk of material adjustment to the carrying amounts of assets and liabilities during the coming financial years are explained under the respective notes.

Notes to the Income Statement and Statement of Comprehensive Income

(7) Revenues and segment reporting

§ Accounting and valuation methods

Egger’s business model covers the production and sale of wood materials. **Revenues** from the sale of products are recognized when the customer receives the goods and assumes the control connected with the transfer of ownership. Recognition takes place at the point in time when the revenues and related costs can be reliably determined, when the receipt of payment is probable, and when there is no further right of disposal over the goods. For EGGER, this generally represents the delivery date as specified in the agreed delivery terms.

Chipboard with special or individually designed decors and private label flooring are produced in smaller volumes for individual customers. In accordance with IFRS 15, revenues from the production of these customer-specific wood materials are recognized when control is transferred to the customer in accordance with the delivery terms. Revenue cannot be recognized over time in these cases because an alternative use can be found for each of these products.

Significant costs for obtaining a contract are only recognized when the contract term exceeds one year. The EGGER Group has no such costs at the present time.

Certain flooring contracts give customers the right to return the products at a later date. Past records show that the related returns are immaterial, and revenues were therefore not reduced to reflect subsequent returns.

Revenues are presented after the deduction of price reductions, discounts and turnover bonuses. Commissions for independent sales representatives are recorded under operating expenses.

The period between the transfer of the goods to customers and payment by the customers is generally less than one year. Consequently, revenues are not adjusted to include a financing component. The timing of receivables payments is based on the agreed payment terms.

Segment reporting is based on the management reports which are regularly used by key decision-makers to evaluate the earning power of the individual segments and to allocate resources. In the EGGER Group, Group Management serves as the key decision-maker.

The Building Products Division was established as of May 1, 2021 based on its strong growth potential. It bundles the production and sale of building products, which covers the worldwide marketing of the sawn timber, OSB and DHF product groups. Segment reporting was adjusted to reflect this change, i.e. the activities of this division are reported under the separate segment "Building Products" beginning with the 2021/22 financial year.

The regional divisions of Decorative Products (Central, West, East, Americas) are reported together because they have comparable economic characteristics and risks as well as similar products, production processes, customer groups and sales channels.

The prior year data for segment reporting were adjusted to reflect the new structure for comparative purposes.

The individual segments manufacture and sell the following products:

Segments	
Decorative Products	Production and sale of carrier materials made of wood (chipboard, MDF, HDF, compact and lightweight boards) as well as edgings and laminates.
Flooring Products	Production and sale of laminates, comfort and design flooring.
Building Products	Production and sale of OSB and DHF boards as well as sawn timber.

The accounting principles applied to the above segments are the same as the accounting principles applied by the Group, which are described under the section "Accounting and valuation methods". Assets and liabilities as well as income and expenses were allocated to the individual segments. The provision of goods and services between the individual segments generally reflects third party conditions and is regulated by a Group-wide transfer pricing guideline.

Explanations

Segment information 2021/22 Financial Year	Decorative Products TEUR	Flooring Products TEUR	Building Products TEUR	Consolidation TEUR	Total TEUR
Third party revenues	3,343,555	396,298	494,470	0	4,234,323
Inter-company revenues	129,829	110,633	40,261	−280,723	0
Total Revenues	**3,473,383**	**506,931**	**534,732**	**−280,723**	**4,234,323**
Segment results (operating EBITDA)	657,446	49,285	170,818	0	877,549
Scheduled depr./amort.	224,633	17,103	13,853	0	255,588
Impairment	8,650	0	0	0	8,650
Operating profit					**613,311**
Investments	248,434	31,163	14,027	0	293,625

Segment information 2020/21 Financial Year	Decorative Products TEUR	Flooring Products TEUR	Building Products TEUR	Consolidation TEUR	Total TEUR
Third party revenues	2,445,481	335,214	302,142	0	3,082,837
Inter-company revenues	96,895	111,775	26,592	−235,262	0
Total Revenues	**2,542,376**	**446,989**	**328,734**	**−235,262**	**3,082,837**
Segment results (operating EBITDA)	508,385	51,229	62,719	0	622,333
Scheduled depr./amort.	209,168	16,722	12,841	0	238,732
Impairment	1,890	0	0	0	1,890
Operating profit					**381,711**
Investments	169,888	16,561	6,522	0	192,971

Information by geographical region

Revenues by regions (1)	2021/22 TEUR	2020/21 TEUR
Austria	98,919	78,356
Western Europe	2,084,682	1,634,904
Central and Eastern Europe plus Russia	1,316,499	965,806
America	404,635	200,383
Other countries	329,588	203,388
Total (2)	**4,234,323**	**3,082,837**

(1) Regional assignment based on the location of the customer
(2) thereof Russia 7.5 % (2020/21: 7.0 %)

There are no relationships with individual customers that can be classified as material based on the respective share of Group revenues.

Non-current assets (1) by regions (2)	2021/22 TEUR	2020/21 TEUR
Austria	256,978	225,906
Western Europe	733,986	673,214
Central and Eastern Europe plus Russia	751,644	773,770
America	474,818	427,754
Total (3)	**2,217,426**	**2,100,644**

(1) Property, plant and equipment, Intangible assets, Investment property, Biological assets
(2) Region assignment by the location of the assets
(3) thereof Russia 8.8 % (2020/21: 8.4 %)

(8) Other operating income

Explanations

	2021/22 TEUR	2020/21 TEUR
Income from investment property	42	24
Change in the fair value of biological assets	1,647	0
Gains on the sale of property, plant and equipment	1,185	945
Income from subsidies, allowances and emission certificates	6,085	21,944
Use of government grants	1,588	1,944
Miscellaneous operating income	24,210	20,540
	34,756	**45,398**

Miscellaneous operating income consists primarily of income from recycling, expenses charged out and compensation for damages.

(9) Cost of materials

Explanations

	2021/22 TEUR	2020/21 TEUR
Cost of materials	2,268,789	1,471,116
Cost of services	19,732	16,072
	2,288,521	**1,487,188**

(10) Personnel expenses

Explanations

	2021/22 TEUR	2020/21 TEUR
Wages	235,394	222,944
Salaries	203,073	186,611
Expenses for pensions	5,506	3,680
Expenses for termination payments and contributions to external employee pension funds	2,105	2,480
Payroll-related taxes and duties	94,658	87,049
Other employee benefits	17,488	13,826
	558,224	**516,591**

A total of TEUR 585 was recognized in 2021/22 as a reduction of expenses (2020/21: TEUR 5,026) for COVID-19-related reimbursements from the public sector for personnel costs.

Average number of employees	2021/22	2020/21
Production and logistics	8,955	8,599
Sales and administration	1,674	1,634
	10,629	**10,233**

Part-time employees are included in the above statistics based on the time worked.

(11) Other operating expenses

Explanations

	2021/22 TEUR	2020/21 TEUR
Freight and logistics	350,497	249,656
Maintenance and repairs	80,068	64,787
Temporary personnel	46,658	37,495
Legal and consulting fees	24,616	21,269
Miscellaneous taxes	23,006	18,862
Advertising	14,048	9,302
Insurance	12,115	9,124
Expenses for low-value and short-term leases and variable lease payments	4,808	3,706
Losses on the disposal of non-current assets	3,067	1,439
Change in the fair value of biological assets	0	1,365
Expenses arising from investment property	23	15
Miscellaneous operating expenses	98,638	95,244
	657,546	**512,265**

Miscellaneous operating expenses consist primarily of waste disposal costs, travel expenses, operating costs for the motor vehicle pool, telephone and license fees, selling expenses and impairment losses to trade receivables and other assets.

(12) Financing costs and other financial results

§ Accounting and valuation methods

Financing costs include the interest on borrowings, lease liabilities and long-term employee benefits as well as similar expenses and fees.

Other financial results include interest income, exchange rate gains/losses and the profit or loss on derivative financial instruments.

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	2021/22 TEUR	2020/21 TEUR
Interest expense from financing	4,870	11,879
Interest expense from provisions for employee benefits	3,704	3,504
Interest expense from lease liabilities	579	492
Interest expense/income (netted) from the discounting/compounding of receivables, liabilities and provisions	62	–3
Total interest expense	**9,215**	**15,872**
Other financing costs	4,701	4,359
Financing costs	**13,916**	**20,232**
Interest income	–1,901	–853
Currency translation gains/losses from financing	19,304	–2,267
Result from derivative financial assets	2,064	–1,401
Other financial results	**19,467**	**–4,521**
	33,383	**15,711**

Other financing costs consist primarily of commitment fees, fees for bills of exchange, interest expense on subsequent tax payments, discounts, and guarantee and liability fees.

The result from derivative financial instruments is primarily attributable to the fair value measurement of an other option (see note (39)).

The above income and expenses are attributable solely to the category "at amortized cost", with the exception of financial derivatives.

A fixed-interest bank loan (carrying amount of the underlying transaction: TEUR 75,133 (April 30, 2021: TEUR 75,655)) and all fixed-interest promissory note loans (carrying amount of the underlying transaction: TEUR 333,935 (April 30, 2021: TEUR 398,957)) were converted to variable interest through interest rate swaps. The following table shows the changes in the underlying transactions and hedging instruments that were recognized to profit or loss for fair value hedges.

	2021/22 TEUR	2020/21 TEUR
From hedged items (underlying transactions)	–538	–320
From hedging instruments	536	322
Ineffectiveness (bank loans)	**–2**	**2**
From hedged items (underlying transactions)	–19,171	–2,727
From hedging instruments	18,622	2,818
Ineffectiveness (promissory note loans)	**–549**	**91**

(13) Result from financial investments

§ Accounting and valuation methods

The result from financial investments includes interest, dividends and similar income received from the investment of cash and cash equivalents and investments in financial assets as well as gains and losses on the sale or impairment of financial assets. Interest is accrued according to the effective interest method. Dividends are recognized when a legal entitlement to the distribution arises.

Explanations

	2021/22 TEUR	2020/21 TEUR
Realized results from securities (net income)	4	7
Unrealized income/loss on securities (net income/loss)	751	754
Expenses for other financial assets	−1,454	0
Income from other financial assets	2,212	2,647
	1,513	**3,407**

The expenses for other financial assets primarily represent valuation adjustments to the following non-consolidated Ukrainian investments: TOV Egger Holzwerkstoffe, Chernivtsi, and TOV "Egger Wood Trading", Chernivtsi. The income from other financial assets resulted chiefly from distributions from unconsolidated investments and from a debtor warrant.

The entire securities portfolio is carried at fair value through profit or loss, and the results are therefore attributable in full to this category. The income and expenses from other financial assets are also related to the category ”at fair value through profit or loss”. The income and expenses from valuation adjustments to loans are allocated to the category ”at amortized cost”.

(14) Result from associates

Explanations

The result from associates includes the proportional share of annual profit from Horatec GmbH (TEUR 463; 2020/21: TEUR 241) and CLEAF S.p.A. (TEUR 2,776; 2020/21: TEUR 698 for the proportional share as of the consolidation date on November 1, 2020).

(15) Income taxes

Accounting and valuation methods

The income taxes shown for the reporting year include the income tax calculated on profit before tax for the individual companies based on the applicable national tax rate (actual income taxes) as well as the change in deferred taxes. Actual and deferred taxes are principally recorded on the income statement unless they involve items which are recognized directly in other comprehensive income.

Information on deferred taxes is provided in note (26).

Explanations

Income taxes comprise the following:

	2021/22 TEUR	2020/21 TEUR
Income taxes paid	142,368	102,474
Deferred taxes	5,947	13,017
	148,315	**115,491**

The difference between the expected tax liability and the reported income tax expense is attributable to the following factors:

	2021/22		2020/21	
	TEUR	%	TEUR	%
Profit before tax	584,680	–	370,346	–
Thereof income tax at a rate of 25%	146,171	25.0%	92,587	25.0%
Decrease / increase in taxes due to:				
Other tax rates	2,835	0.5%	1,266	0.3%
Tax expense and income from prior periods	3,913	0.7%	3,486	0.9%
Changes in tax rates	4,015	0.7%	–112	0.0%
Tax effect from non-deductible withholding taxes	8	0.0%	793	0.2%
Non-deductible expenses	4,063	0.7%	5,088	1.4%
Tax holiday	–6,067	–1.0%	–5,886	–1.6%
Change in valuation allowances of deferred tax assets	610	0.1%	10,807	2.9%
Amortization of goodwill for tax purposes	0	0.0%	–3,183	–0.9%
Partial depreciation and write up for tax purposes	0	0.0%	10,616	2.9%
Interest on hybrid bond	–1,792	–0.3%	–1,841	–0.5%
Tax-free income	–3,243	–0.6%	–1,724	–0.5%
Other	–2,198	–0.4%	3,594	1.0%
Effective tax expense	**148,315**	**25.4%**	**115,491**	**31.2%**

The increase in the tax burden during the reporting year was based, above all, on the Eco-Social Tax Reform which was passed by the Austrian Parliament and provides for a gradual reduction in the corporate tax rate from 25% to 24% in 2023 and to 23% in 2024. The higher tax burden reflects the application of these future tax rates to deferred tax assets recognized for the Austrian companies and the related decline in value.

Profits generated by Egger Biskupiec Sp. z o.o. (PL) on products produced at the Biskupiec plant are tax-free up to a defined cumulative amount and up to 2026 (tax holiday based on business establishment in a special economic zone), but potential losses cannot be carried forward. In addition, the depreciation of property, plant and equipment and the amortization of intangible assets for tax purposes will only start when the tax holiday ends – which leads to deferred taxes on temporary differences. The related effects are reported on the tax reconciliation under “tax holiday”. The tax exemption is linked to requirements that include jobs and investment costs, all of which will be met from the current point of view.

(16) Additional information on the statement of comprehensive income

Explanations

There were no reclassifications of the currency translation differences recorded under other comprehensive income to the income statement in 2021/22 or 2020/21.

The income tax effects of the earnings recorded under other comprehensive income are shown below:

Income and expenses recognized in other comprehensive income – income tax effects:	2021/22 TEUR			2020/21 TEUR		
	Before tax	Taxes	After tax	Before tax	Taxes	After tax
Revaluation of obligations arising from post-employment benefits for employees	12,015	−2,848	9,167	9,168	−1,781	7,388
Currency translation differences	132,072	−179	131,893	−99,742	−129	−99,871
Total income and expenses recognized in other comprehensive income	**144,087**	**−3,027**	**141,060**	**−90,574**	**−1,910**	**−92,482**

Notes to the Balance Sheet, Cash Flow Statement and Statement of Changes in Equity

(17) Property, plant and equipment and intangible assets

§ Accounting and valuation methods

Property, plant and equipment are recorded at acquisition or production cost, less accumulated depreciation and any necessary impairment losses. The production cost of self-constructed property, plant and equipment comprises direct costs and an appropriate component of overheads. Costs incurred for an asset in subsequent periods are only capitalized if they lead to a significant increase in the future opportunities for use, e.g. through expanded service potential or a significant extension of the asset's useful life.

Major components of property, plant or equipment with significantly different patterns of use are recognized separately in accordance with the component approach and depreciated based on their respective useful life.

Borrowing costs, including related transaction costs, are capitalized for qualifying assets.

Purchased intangible assets are recorded on the balance sheet at acquisition cost, less accumulated straight-line amortization and any necessary impairment losses.

In accordance with IAS 38, the greenhouse gas emission certificates (CO_2 certificates) which are allocated free of charge in Austria, Germany, France, Romania, Poland and Great Britain are recorded under intangible assets at their acquisition cost – which in this case equals zero because of the free allocation. The use of the certificates is also recorded at this same value. Any additional certificates required to cover excess emissions are recorded as a provision at the market value of the certificates purchased. Sales of these certificates are reported under other operating income.

Customer relations obtained through a business combination are stated at their fair value as of the acquisition date and amortized over the expected length of the customer relationship.

For **internally generated intangible assets**, the production period is divided into a research phase and a development phase. Costs incurred during the research phase are expensed immediately, while costs incurred during the development phase are capitalized if the recognition criteria are met.

Intangible assets have a finite or an indefinite useful life. All intangible assets recorded on the balance sheet, with the exception of goodwill, have a finite useful life.

The **systematic depreciation** of depreciable property, plant and equipment and amortization of intangible assets with finite useful lives begins when the asset is located at the intended site and in the operating condition intended by management. Output-based criteria are applied to the equipment in greenfield projects. Depreciation and amortization are calculated by applying the straight-line method over the expected useful life of the asset. The depreciation and amortization rates used by Group companies are based on the following standard useful lives.

		Useful life
Property, plant and equipment		
Factory buildings	years	25
Residential and commercial buildings	years	50
Facilities installed on property	years	10
Machinery	years	10
Tools	years	4
Other equipment	years	5–10
Furniture, fixtures and office equipment	years	3–5
Motor vehicles and other means of transportation	years	4–10
Intangible assets		
Patents, licenses and software	years	3–5
Lease and rental rights	years	10
Customer relationships	years	4–7

Government grants are recorded to a separate position under liabilities and released to the income statement as other income over the useful life of the relevant asset.

Rights of use from leases and the related lease liabilities are recognized on the balance sheet in accordance with IFRS 16. The definition provided by IFRS 16 is used to determine whether a contract represents a lease. If a contract includes both lease and non-lease components, EGGER separates the components and recognizes them based on the relative individual selling prices. Low-value leases (< EUR 5,000.00) and leases with a term of less than 12 months are not capitalized but recognized directly as expenses in accordance with the practical expedient provided by IFRS 16.

Lease liabilities are initially recognized at the present value of the outstanding lease payments. The rights of use are recorded at an amount equal to the recognized lease liability, with an adjustment for any advance payments.

Subsequent measurement involves reducing the carrying amount of the right of use on a straight-line basis up to the end of the contract term. The contract term equals the non-cancellable period during which the lessee has the right to utilize the underlying asset. This period is increased by any available extension or cancellation options if the extension is sufficiently certain or the exercise of the cancellation right is unlikely. Lease liabilities are measured by applying the effective interest method. The lease is discounted at the underlying interest rate if this rate can be reasonably determined; in other cases, EGGER uses the incremental borrowing rate. This rate is derived from a risk-free interest rate with a similar term and adjusted for applicable country, foreign exchange and company risks.

The **goodwill** reported on the balance sheet results from the use of the purchase method to account for business combinations. Goodwill is recognized at acquisition cost.

In accordance with IFRS 3, goodwill is no longer amortized on a systematic basis. It is tested each year for impairment by comparing the carrying amount with the recoverable amount as of the balance sheet date.

In addition to subsequent measurement, assets are tested for signs of **impairment** as of each balance sheet date. The higher of the value in use and the net selling price of an asset is determined at least once each year for intangible assets with an indefinite life and for goodwill, and also on an interim basis if signs of impairment are identified (impairment test in accordance with IAS 36). If this value is less than the carrying amount, an impairment loss is recorded to reduce the carrying amount of the asset to the lower value.

The value in use corresponds to the present value of the estimated future cash inflows and outflows expected to be derived from the use of the asset, whereby the calculation is based on a risk-adjusted interest rate. The net realizable value represents the amount obtainable from the sale of an asset in a transaction between independent parties, less any costs necessary to make the sale. If independent cash surpluses cannot be identified for a particular asset, the asset is included in the next larger unit (cash-generating unit) for which independent cash surpluses can be determined. EGGER defines plants as cash-generating units and aggregates these production facilities according to regional criteria.

Impairment is recognized to profit or loss. If the circumstances responsible for impairment cease to exist at a later date, the impairment loss is reversed and the carrying amount of the asset is increased up to the applicable amortized or depreciated cost. This procedure does not apply to impairment losses recognized to goodwill.

Explanations

Property, Plant and Equipment	Land and buildings TEUR	Machinery and equipment TEUR	Other equipment, furniture, fixtures and office equipment TEUR	Prepayments and assets under construction TEUR	Total TEUR
Acquisition or production cost as of 30.04.2020	**1,254,192**	**2,756,784**	**247,421**	**503,673**	**4,762,070**
Foreign exchange increase/decrease	−25,938	−33,543	−3,465	−38,866	−101,811
Additions	35,344	53,558	24,764	77,969	191,636
Disposals	−1,159	−23,744	−12,605	−108	−37,616
Transfers	169,881	192,940	14,485	−378,735	−1,429
Acquisition or production cost as of 30.04.2021	**1,432,319**	**2,945,995**	**270,601**	**163,934**	**4,812,849**
Foreign exchange increase/decrease	59,862	61,629	5,510	14,473	141,474
Additions	19,085	44,209	33,077	195,110	291,481
Disposals	−1,485	−37,595	−26,957	−22	−66,059
Transfers	44,045	78,760	15,672	−139,324	−847
Acquisition or production cost as of 30.04.2022	**1,553,826**	**3,092,998**	**297,902**	**234,170**	**5,178,898**
Accumulated depreciation as of 30.04.2020	**−499,414**	**−1,947,423**	**−160,961**	**−623**	**−2,608,421**
Foreign exchange increase/decrease	7,269	22,879	2,291	365	32,804
Scheduled depreciation	−52,684	−150,664	−33,042	0	−236,391
Impairment	−366	−185	−450	−889	−1,890
Disposals	539	22,721	10,579	0	33,839
Reclassifications	−7	−368	−24	399	0
Accumulated depreciation as of 30.04.2021	**−544,663**	**−2,053,041**	**−181,607**	**−748**	**−2,780,059**
Foreign exchange increase/decrease	−15,246	−32,648	−3,650	259	−51,285
Scheduled depreciation	−57,512	−159,188	−36,288	0	−252,987
Impairment	−359	−1,058	−2,433	−4,775	−8,625
Disposals	1,023	34,815	25,640	0	61,478
Reclassifications	461	−764	−82	376	−10
Accumulated depreciation as of 30.04.2022	**−616,297**	**−2,211,883**	**−198,420**	**−4,889**	**−3,031,488**
Carrying amount as of 30.04.2021	887,656	892,955	88,994	163,185	2,032,790
Carrying amount as of 30.04.2022	**937,530**	**881,115**	**99,483**	**229,282**	**2,147,410**

The **rights of use from leases** recognized in accordance with IFRS 16 are reported as part of property, plant and equipment. Lease liabilities are included under non-current and current financial liabilities. These rights of use are related primarily to warehouse space, office buildings, apartments, motor vehicles and technical equipment.

The following table shows the amounts included under property, plant and equipment for rights of use:

	Land and buildings TEUR	Machinery and equipment TEUR	Other equipment, furniture, fixtures and office equipment TEUR	Total TEUR
Right-of-use assets 2020/21				
Additions	536	153	3,857	4,546
Depreciation	1,310	585	3,846	5,741
Carrying amount 30.04.2021	9,680	1,652	5,902	17,234
Right-of-use assets 2021/22				
Additions	1,722	127	5,951	7,800
Depreciation	1,540	567	3,965	6,072
Carrying amount 30.04.2022	9,645	1,211	5,652	16,508

The consolidated income statement includes the following amounts from leases:

	2021/22 TEUR	2020/21 TEUR
Depreciation of right-of-use assets	6,072	5,741
Impairment losses of right-of-use assets	2,287	371
Interest expense from lease liabilities	579	492
Expenses for low-value leases	554	393
Expenses for short-term leases	3,016	2,044
Expenses for variable lease payments	1,238	1,269

Cash outflows for recognized leases totaled TEUR 7,001 in 2021/22 (2020/21: TEUR 6,532).

There were no material residual value guarantees or limitations on the rights of use from leases as of April 30, 2022. Moreover, there were no extension options which were not included in the valuation of the lease liability because the probability of exercise was not sufficiently certain. The potential future cash outflows from variable lease payments in the coming years total TEUR 1,307 (2020/21: TEUR 2,175).

The remaining terms of lease liabilities totaling TEUR 18,560 are shown under note (30) Financial liabilities. Information on the contractually agreed payment obligations (interest and principal payments) arising from lease liabilities is provided in the risk report under note (37).

The position “property, plant and equipment“ includes TEUR 597 of **capitalized interest** (April 30, 2021: TEUR 2,013). The average borrowing costs for the reporting year equaled 0.87% (April 30, 2021: 0.95%).

The position “land and buildings“ includes **land** with a carrying amount of TEUR 138,142 (April 30, 2021: TEUR 124,512).

Land and buildings held by Egger (UK) Limited serve as a **collateral** for pension liabilities in the UK at a maximum amount of TEUR 20,829 (April 30, 2021: TEUR 20,120).

The property, plant and equipment and intangible assets (including goodwill) held by Egger Argentina SAU (Concordia plant, Decorative Products Segment) were written off in full during previous financial years. Further **impairment losses** of TEUR 8,650 were recognized to additions to property, plant and equipment and intangible assets in 2021/22 and recorded on the income statement under depreciation and amortization.

Intangible Assets	Software and other rights TEUR	Goodwill TEUR	Customer relation-ships TEUR	Other intangible assets TEUR	Internally generated Software TEUR	Total TEUR
Acquisition or production cost as of 30.04.2020	**27,041**	**100,083**	**34,712**	**3,457**	**538**	**165,832**
Foreign exchange increase/decrease	–57	–10,828	–4,763	–388	0	–16,035
Additions	1,335	0	0	0	0	1,335
Disposals	–499	0	0	0	–538	–1,037
Transfers	1,429	0	0	0	0	1,429
Acquisition or production cost as of 30.04.2021	**29,250**	**89,255**	**29,950**	**3,070**	**0**	**151,524**
Foreign exchange increase/decrease	–24	1,134	–686	642	0	1,066
Additions	2,144	0	0	0	0	2,144
Disposals	–196	0	0	0	0	–196
Transfers	847	0	0	0	0	847
Acquisition or production cost as of 30.04.2022	**32,021**	**90,389**	**29,263**	**3,712**	**0**	**155,386**
Accumulated amortization as of 30.04.2020	**–21,120**	**–41,538**	**–34,712**	**–2,934**	**–538**	**–100,843**
Foreign exchange increase/decrease	48	10,828	4,763	330	0	15,968
Scheduled amortization	–2,302	0	0	–40	0	–2,341
Disposals	494	0	0	0	538	1,032
Accumulated amortization as of 30.04.2021	**–22,880**	**–30,710**	**–29,950**	**–2,644**	**0**	**–86,184**
Foreign exchange increase/decrease	9	–1,134	686	–559	0	–998
Scheduled amortization	–2,560	0	0	–41	0	–2,601
Impairment losses	–25	0	0	0	0	–25
Disposals	196	0	0	0	0	196
Transfers	10	0	0	0	0	10
Accumulated amortization as of 30.04.2022	**–25,250**	**–31,844**	**–29,263**	**–3,244**	**0**	**–89,602**
Carrying amount as of 30.04.2021	6,370	58,545	0	426	0	65,341
Carrying amount as of 30.04.2022	**6,771**	**58,545**	**0**	**468**	**0**	**65,784**

Expenses of TEUR 8,634 were recognized in 2021/22 (2020/21: TEUR 7,410) for **research and non-capitalized development costs**.

The carrying amount of **goodwill** totals TEUR 58,545 (April 30, 2021: TEUR 58,545) and is attributable entirely to Egger Dekor A.S., Gebze (Decorative Products Segment).

The goodwill in Egger Dekor A.S. was tested for impairment in accordance with the discounted cash flow method, based on the expected cash flows and current medium-term forecasts for the next five years.

Results and assumptions for the calculation of the value in use		Egger Dekor A.S. (TR) 30.04.2022	Egger Dekor A.S. (TR) 30.04.2021
Normalized growth rate	in %	6% - 12%	1% – 7%
Growth rate perpetual annuity	in %	2.01%	2.06%
Pre-tax discount rate	in %	17.05%	17.30%
Value in use	MEUR	131	180
Carrying amount	MEUR	116	108
Difference value in use / carrying amount	MEUR	15	72

Discretionary judgments

The **classification and measurement of leases** require discretionary decisions by management. The contract term represents a material criterion for the application of IFRS 16. The useful lives of rights of use are generally defined by the respective contract; in other cases, the estimates are based on the expected term and reviewed as of every balance sheet date. In addition to the customary useful lives of the individual leased assets, other factors are involved in these discretionary decisions. These factors include extension options, premature cancellation options, installations or extensions to the leased asset, and the economic effects of contract amendments. An appropriate adjustment is made if there is a significant difference between the latest and previous estimates of the useful life. Discretionary decisions are also made in selecting among optional approaches and the determination of value limits for low-value leases.

The evaluation of the **recoverable amount of intangible assets, goodwill and property, plant and equipment** is based on forward-looking assumptions by management. These assumptions require, in particular, estimates for future cash surpluses based on the latest forecasts and discount rate.

In addition to testing the goodwill in Egger Dekor A.S. for impairment, three sensitivity analyses were also carried out. An increase of 0.5% in the discount rate, a reduction of 0.5% in the growth rate for the perpetual annuity, and a decrease of 5.0% in the EBIT of the perpetual annuity would not have led to the recognition of an impairment loss to the goodwill in Egger Dekor A.S.

The following table shows the results of the sensitivity analysis with the effects on the value in use. The simulation involved the change of one assumption at a time, while the other parameters remained constant:

Sensitivity analysis	Change in assumption	Egger Dekor A.S. (TR) 30.04.2022 MEUR	Egger Dekor A.S. (TR) 30.04.2021 MEUR
Discount rate	+/– 0.5%	-5.6	-7.5
		+6.1	+8.2
Growth rate perpetual annuity	+/– 0.5%	+3.5	+4.9
		-3.1	-4.5
EBIT perpetual annuity	+/– 5.0%	+4.4	+5.7
		-4.4	-5.7

The impairment tests for the three Russian cash-generating units included the prevailing uncertainties as a factor for cash flow planning. Despite reduced earnings expectations and an increase in the discount rate, there was no need for the recognition of an impairment loss as of April 30, 2022. A sensitivity analysis based on a further reduction of 30% of EBIT in the perpetual annuity would have resulted in an impairment loss of EUR 47.0 million.

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(18) Investment property

§ Accounting and valuation methods

Investment property is carried at acquisition or purchase cost less scheduled depreciation based on the useful life and any necessary impairment losses.

Explanations

Investment property	Land and buildings TEUR
Acquisition or production cost as of 30.04.2020	**749**
Additions	0
Disposals	0
Acquisition or production cost as of 30.04.2021	**749**
Additions	0
Disposals	0
Acquisition or production cost as of 30.04.2022	**749**
Accumulated depreciation as of 30.04.2020	**–278**
Scheduled depreciation	–12
Disposals	0
Accumulated depreciation as of 30.04.2021	**–290**
Scheduled depreciation	–12
Disposals	0
Accumulated depreciation as of 30.04.2022	**–303**
Carrying amount as of 30.04.2021	**459**
Carrying amount as of 30.04.2022	**447**

The fair value of TEUR 1,380 as of April 30, 2022 (April 30, 2021: TEUR 1,272) was determined by an income capitalization method (Level 3).

The expenses arising from investment property totaled TEUR 23 in 2021/22 (2020/21: TEUR 15), and income equaled TEUR 42 (2020/21: TEUR 24).

(19) Biological assets

§ Accounting and valuation methods

In accordance with IAS 41, biological assets are recognized and measured at their fair value less estimated selling costs based on a discounted cash flow method. The present value of the expected cash flows is calculated by applying estimated variables for the timber price, development costs for the plantations, harvesting costs, planting density, biological risks and climate factors. Any changes in fair value, after the deduction of development costs, are recognized to profit or loss. The fair value measurement of the poplar plantations, based on the input factors for the applied valuation methods, is classified as a Level 3 fair value.

Explanations

EGGER holds biological assets in the form of poplar plantations on 813 hectares (April 30, 2021: 805 hectares) near the Radauti plant to support timber supplies for production.

	2021/22 TEUR	2020/21 TEUR
Biological assets as of May 1	2,053	3,427
Harvested timber	–210	–536
Change in fair value due to price changes	2,818	–515
Change in fair value due to biological transformation and adjusted valuation parameters	–732	–279
Foreign exchange increase/decrease	–13	–43
Biological assets as of April 30	**3,916**	**2,053**

! Discretionary judgments

The valuation of biological assets requires numerous assumptions and estimates, whose change and adjustment can influence the presentation in the consolidated financial statements. These assumptions are based on the company’s experience and/or data supplied by the market and branch.

A change in the estimation parameters during the coming years can lead to fluctuations in the value of the biological assets. The forest management strategy and applied parameters are tested annually and compared with theoretical forestry benchmarks. The timber supply in the plantations is monitored continuously and compared with the supplies recorded in the forestry management program and the accounting system. Any variances are reflected in the adjustment of the valuation parameters.

(20) Financial assets

§ Accounting and valuation methods

All **securities** held by the Group are classified at fair value through profit or loss because measurement at fair value is possible. These items are recognized at their acquisition cost as of the purchase date and measured at fair value in subsequent periods. Any changes in this value are recognized to the income statement. The fair value of the securities reflects the market value as of the balance sheet date.

Securities held for the short-term investment of funds are reported under current assets on the balance sheet and initially recognized as of the purchase date.

The **certified emission reduction certificates** issued in Romania (Öko-CER, Certified Emission Reduction certificates) are recorded at their fair value, whereby any changes in fair value are recognized to profit or loss and reported on the income statement. The fair value of the Öko-CER certificates is based on the market price as of the balance sheet date. The sale of these certificates is reported under other operating income.

Loans are carried at amortized cost. The estimated expected credit losses for loans granted to third parties are based on factors which include external ratings. Collateral is also included in the calculation.

Other financial assets are carried at fair value through profit or loss.

Explanations

Non-current financial assets	Acquisition cost 30.04.2022 TEUR	Accumulated incr./decr. In value 30.04.2022 TEUR	Carrying amount 30.04.2022 TEUR	Carrying amount 30.04.2021 TEUR
Securities carried at fair value through profit or loss	755	−75	681	695
Other financial assets	15,106	−1,470	13,635	14,133
Loans due from				
Third parties	5,467	−502	4,965	4,753
Subsidiaries	153	0	153	137
Associates	209	0	209	0
	21,690	**−2,047**	**19,643**	**19,718**

Securities consist primarily of shares in funds. The carrying amount of these items reflects fair value. Net unrealized losses of TEUR 14 were included under result from financial investments in 2021/22 (2020/21: gains of TEUR 39).

The **loans due from third parties** include loans that are granted to support long-term supply relationships.

Current financial assets

Current financial assets include TEUR 154 (April 30, 2021: TEUR 109) of loans and TEUR 3,778 (April 30, 2021: TEUR 4,276) of allocated Öko-CER certificates from the Romanian eco-subsidy program with a remaining term of up to one year.

Development of the impairment allowance for loans carried at amortized cost:

	2021/22 TEUR	2020/21 TEUR
Impairment allowance as of May 1	2	252
Addition	0	0
Write-off	0	–250
Impairment allowance as of April 30	**2**	**2**

The impairment allowances for loans granted to third parties (Level 1) were based on the expected 12-month credit loss.

There were no reclassifications between the individual levels on the impairment hierarchy during 2021/22.

! Discretionary judgments

The calculation of the expected credit losses on financial instruments involves estimates and assumptions for future default incidents. These assumptions are based on the company’s experience and/or on market information.

(21) Investments in associates

§ Accounting and valuation methods

Shares in associates are accounted for in accordance with the equity method (see note (4)).

Explanations

	Carrying amount 30.04.2021 TEUR	Additions TEUR	Results of the year TEUR	Distributions TEUR	Carrying amount 30.04.2022 TEUR
Investments in associates	37,570	0	3,239	–3,463	37,346

The business activities of **Horatec GmbH**, Hövelhof (DE), involve the production and sale of furniture components (Decorative Products Segment). As of April 30, 2022, the non-current assets held by Horatec GmbH (data based on 100% and not on the proportional share of EGGER’s investment) totaled TEUR 6,521 (April 30, 2021: TEUR 7,242), current assets TEUR 6,521 (April 30, 2021: TEUR 4,961), non-current liabilities TEUR 1,902 (April 30, 2021: TEUR 2,479) and current liabilities TEUR 3,023 (April 30, 2021: TEUR 2,865). Revenues for 2021/22 amounted to TEUR 23,026 (2020/21: TEUR 20,979) and annual profit equaled TEUR 2,008 (2020/21: TEUR 1,081).

Horatec GmbH		30.04.2022	30.04.2021
Net assets	TEUR	8,117	6,859
Stake owned	in %	25.55%	25.55%
Goodwill	TEUR	1,047	1,047
Elimination of interim profits	TEUR	–139	–89
Carrying amount	**TEUR**	**2,982**	**2,711**

CLEAF S.p.A., Macherio (IT), is a producer of laminated boards, laminates and edgings (Decorative Products Segment). The investment was included on the basis of quarterly financial statements as of March 31 due to the different financial year and adjusted where necessary to include material transactions up to the Group's closing date on April 30. The following information is based on 100% and not on the proportional share of EGGER's investment; it includes undisclosed reserves from the purchase price allocation as well as IFRS adjustments. As of the balance sheet date, non-current assets totaled TEUR 118,080 (April 30, 2021: TEUR 130,468), current assets TEUR 84,657 (April 30, 2021: TEUR 71,452), non-current liabilities TEUR 76,708 (April 30, 2021: TEUR 84,840) and current liabilities TEUR 46,894 (April 30, 2021: TEUR 36,145). Revenues amounted to TEUR 183,010 (2020/21: TEUR 60,526) and net profit equaled TEUR 10,094 (2020/21: TEUR 2,539), whereby the comparative amounts from 2020/21 only cover the period following the initial consolidation date on November 1, 2020.

CLEAF S.p.A.		30.04.2022	30.04.2021
Net assets (including previously undisclosed reserves from purchase price allocation and IFRS adjustments)	TEUR	79,134	80,935
Stake owned	in %	27.50%	27.50%
Goodwill	TEUR	12,602	12,602
Carrying amount	**TEUR**	**34,364**	**34,859**

(22) Inventories

§ Accounting and valuation methods

Inventories are measured at the lower of cost or net realizable value as of the balance sheet date.

Acquisition cost includes all costs incurred to place the asset in the desired condition at the desired location. Production cost includes direct expenses as well as an appropriate share of production overheads based on average capacity usage. Borrowing costs as well as selling and administrative overheads are not included in production cost. The moving average method is used to determine the cost per unit. Risks related to the length of storage and reduced possibilities for use are reflected in appropriate write-downs.

Explanations

	30.04.2022 TEUR	30.04.2021 TEUR
Raw materials and supplies	331,122	230,321
Semi-finished goods	34,968	25,490
Finished goods and merchandise	280,931	174,027
	647,021	**429,838**

Write-downs of TEUR 14,615 were recorded to inventories in 2020/21 (April 30, 2021: TEUR 15,026). The impairment losses recognized to inventories consist primarily of reductions based on age and quality as well as write-downs to the net realizable value.

Of the total inventories, TEUR 8,605 (April 30, 2021: TEUR 15,442) are carried at the net realizable value (proceeds on sale less sales deductions and any future production or selling costs).

(23) Trade receivables

§ Accounting and valuation methods

Trade receivables are initially recognized at the applicable transaction price. Subsequent measurement is based on amortized cost, which is reduced to reflect any impairment losses.

The determination of impairment losses for expected future default on trade receivables (portfolio valuation allowances) includes customer credit management records that document actual default cases. This information is used to develop an average percentage rate for default cases over the last three years, which is then compared with total revenues (based on a country risk premium for each sales region). This procedure was selected because the estimation of a range for the individual sales regions did not produce any material differences. There has been no significant increase in overdue receivables to date, also not in Russia. The applied model includes existing credit insurance and future expectations, to the extent a forecast is possible.

The measurement of individually impaired receivables includes the probability of incoming payments. Uncollectible receivables are derecognized.

Explanations

Trade receivables	30.04.2022 TEUR	30.04.2021 TEUR
Due from third parties	182,989	123,360
Due from subsidiaries	33	0
Due from associates and joint ventures	9,534	2,987
	192,556	**126,346**

Development of the impairment allowance for trade receivables carried at amortized cost:

	2021/22 TEUR	2020/21 TEUR
Impairment allowance as of May 1	2,141	3,087
Addition	298	59
Write-off	–534	–945
Foreign exchange increase/decrease	59	–60
Impairment allowance as of April 30	**1,964**	**2,141**

The impairment allowances for trade receivables were based on the expected lifetime credit losses. Of this total, TEUR 9 (April 30, 2021: TEUR 14) are classified under “expected lifetime credit loss, credit standing not impaired“. Individual impairment allowances of TEUR 1,955 (April 30, 2021: TEUR 2,127) were recognized for receivables with an impaired credit standing.

EGGER has long-term, binding factoring agreements with two credit institutions. The remaining terms of these agreements equaled 1.6, respectively 2.2 years as of April 30, 2022. The EGGER Group is entitled to sell receivables denominated in its key currencies from selected Austrian, German, English, French, Polish, Romanian and US subsidiaries with a total value of up to EUR 325 million during the terms of these agreements. The trade receivables from the factoring portfolio which were not sold amounted to TEUR 40,199 as of April 30, 2022 (April

30, 2021: TEUR 29,083) and are carried at fair value in other comprehensive income (FVOCI) in accordance with IFRS 9.

Trade receivables totaling TEUR 286,427 were sold as of April 30, 2022 (April 30, 2021: TEUR 215,765). In this connection, TEUR 8,161 (April 30, 2021: TEUR 6,344) are reported under other assets and exclude any advance payments from the factoring partners. The volume of receivables sold during the year can differ from the amount reported as of the balance sheet date. The balance of financial liabilities changes based on the amount of trade receivables sold.

In accordance with IFRS 9, trade receivables are no longer recognized when the right to receive cash flows and, in principle, all risks and rewards are transferred to the buyer or no longer retained by EGGER.

The maximum risk of loss for the EGGER Group from the receivables sold and derecognized as of April 30, 2022 equals TEUR 18,750 (April 30, 2021: TEUR 16,175). This amount is based on the deductible for the insured receivables and all uninsured transferred receivables.

An amount of TEUR 58 was recognized under other liabilities as of April 30, 2022 (April 30, 2021: TEUR 87) to reflect the actual risk arising from receivables default (fair value, Level 3). This residual liability is based on the maximum risk of loss and the probability of default as indicated by experience.

The EGGER Group recognized interest expense and fees of TEUR 1,680 from its factoring activities in 2021/22 (2020/21: TEUR 1,595).

In addition, checks totaling TEUR 3,374 from Egger Dekor A.S. were sold as of April 30, 2022 (April 30, 2021: TEUR 4,773). These checks were derecognized as of the sale date because the transaction transferred all major risks and rewards to the buyer.

! Discretionary judgments

The calculation of the expected credit losses on financial instruments involves estimates and assumptions for future default incidents. These assumptions are based on the company’s experience and/or on market information.

(24) Other assets

§ Accounting and valuation methods

Other assets are initially recognized at fair value and subsequently measured at amortized cost less any necessary impairment losses.

Non-interest-bearing receivables with a term of more than one year are carried at their present value. For information on derivative financial instruments, see note (39).

Explanations

	Total 30.04.2022 TEUR	Thereof remaining term over 1 year TEUR	Thereof remaining term under 1 year TEUR	Total 30.04.2021 TEUR	Thereof remaining term over 1 year TEUR	Thereof remaining term under 1 year TEUR
Other assets						
Due from third parties	21,432	3,769	17,663	9,480	634	8,846
Due from factoring partners	8,161	0	8,161	6,344	0	6,344
Tax credits (non-income based taxes)	37,053	0	37,053	24,691	0	24,691
Suppliers with debit balances and prepayments for inventories and expenses	34,727	0	34,727	10,454	0	10,454
Accrued emission certificates from the Romanian eco-subsidy	279	0	279	267	0	267
Due from subsidiaries	474	15	459	295	0	295
Due from associates	0	0	0	1	0	1
Derivative financial assets	1,059	920	139	13,453	13,331	122
Prepaid expenses	7,437	1,149	6,288	5,083	366	4,717
	110,622	**5,853**	**104,768**	**70,068**	**14,331**	**55,737**

Other assets due from third parties consist chiefly of insurance claims, government grants that have been approved but not yet received, and compensation for damages. The legal proceedings over the disputed receivables written off in full during the previous year (TEUR 5,604) ended with a settlement in 2021/22. The nearly EUR 2.5 million in claims awarded to EGGER from these proceedings, together with interest, have since been paid by the contract partners.

For information on derivative financial instruments, see note (39).

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(25) Cash and cash equivalents

§ Accounting and valuation methods

Cash and cash equivalents comprise cash on hand, checks, time deposits with a term of less than three months from the date of acquisition and available-on-demand deposits with credit institutions.

Explanations

	30.04.2022 TEUR	30.04.2021 TEUR
Cash on hand	69	59
Short-term investments (fixed term)	2,370	6,046
Deposits with credit institutions, checks	415,710	356,312
	418,148	**362,417**

Cash and cash equivalents include balances from the Argentinian company, Egger Argentina SAU, and the Russian companies, OOO "Egger Drevprodukt Shuya" and OOO Egger Drevprodukt Gagarin, which are subject to foreign exchange controls under Argentine and Russian law. The parent company and other member companies of the EGGER Group have limited access to these funds but the amounts, in total, are immaterial for the Group.

(26) Deferred taxes

§ Accounting and valuation methods

Deferred taxes are calculated in accordance with the balance sheet liability method defined by IAS 12 for all temporary differences arising between the carrying amounts of balance sheet items in the consolidated IFRS financial statements and the corresponding tax bases in the individual company financial statements. Tax benefits that are expected to be realized on loss carryforwards in the future are also included in the calculation. Exceptions to the general rule for the creation of deferred taxes are differences arising from goodwill that is not deductible for tax purposes and temporary differences related to investments in subsidiaries and associates. Deferred tax assets are only recognized if it is probable that the inherent tax benefit will be realized. The calculation of deferred taxes is based on the relevant tax rate defined by tax regulations in the reporting company's home country. A change in the tax rate is reflected in the calculation when this change has been substantively enacted.

Deferred taxes are capitalized on loss carryforwards when it is probable that sufficient taxable profit will be available to utilize the loss carryforwards. If sufficient deferred tax liabilities are not available, deferred taxes are only capitalized for loss carryforwards that can be offset against taxable income within the next five years. The underlying tax planning includes any limitations on the offset of losses under minimum tax requirements in the individual countries as well as the time limits on the use of loss carryforwards in Romania (seven years) and Poland (five years). Tax regulations in other countries do not place time limits on the use of loss carryforwards by the remaining Group companies.

Explanations

Temporary differences between the carrying amounts in the IFRS financial statements and the respective tax bases have the following effect on deferred taxes as shown on the balance sheet:

	Deferred tax assets 30.04.2022 TEUR	Deferred tax liabilities 30.04.2022 TEUR	Deferred tax assets 30.04.2021 TEUR	Deferred tax liabilities 30.04.2021 TEUR
Property, plant and equipment	38,401	45,869	28,304	34,734
Intangible assets	1,123	375	1,276	682
Financial assets	41,650	83	60,061	83
Other assets	129	0	113	2,903
Financial liabilities	3,658	2,409	5,672	0
Provisions	21,709	128	26,676	114
Other liabilities	897	118	1,062	60
Equity (hybrid bond, net investments)	0	341	204	129
Special depreciation for tax purposes	0	1,746	0	1,514
Tax loss carryforwards	62,211	0	41,269	0
Non-current deferred taxes (subtotal)	**169,778**	**51,069**	**164,637**	**40,219**
Inventories	4,956	2,727	4,493	1,709
Trade receivables	1,572	434	1,039	301
Other assets	1	295	158	265
Securities and financial assets	98	604	17	863
Financial liabilities	1,396	2	1,463	0
Trade payables	460	44	986	17
Other liabilities	2,631	0	2,149	0
Provisions	548	0	407	0
Current deferred taxes (subtotal)	**11,662**	**4,106**	**10,712**	**3,155**
Deferred tax assets/liabilities (gross)	**181,440**	**55,175**	**175,349**	**43,374**
Impairment charges	–44,933	0	–41,350	0
Offset within legal tax units and jurisdictions	–48,342	–48,342	–39,632	–39,632
Deferred taxes (net)	**88,165**	**6,833**	**94,367**	**3,742**

Transition to deferred income tax expense	TEUR	TEUR	TEUR
Deferred tax assets as of 30.04.2021	94,367		
Deferred tax liabilities as 30.04.2021	–3,742	90,625	
Deferred tax assets as of 30.04.2022	88,165		
Deferred tax liabilities as 30.04.2022	–6,833	81,332	
Change in deferred taxes during 2021/22			**9,293**
Currency translation difference			–209
Changes recognized directly in equity and in other comprehensive income			–3,136
Deferred income tax expense 2021/22			**5,947**

Deferred tax liabilities were not recognized on taxable temporary differences of TEUR 463,733 (April 30, 2021: TEUR 516,463) arising from shares in subsidiaries because Egger Holzwerkstoffe GmbH, as the parent company, is able to influence the timing for the reversal of these temporary differences. The carrying amount of the investment for tax purposes was compared with the net assets from the IFRS separate financial statements for this calculation.

Deferred tax assets of TEUR 44,933 (April 30, 2021: TEUR 41,350) were written off due to impairment.

Net deferred tax assets of TEUR 18,012 (April 30, 2021: TEUR 8,858) were capitalized by Egger Corporate Services GmbH (AT) for companies which reported a pre-tax loss in the reporting year or previous year. These tax losses are based on non-recurring effects which resulted from the partial write-down of a foreign company in previous years. The absence of these non-recurring effects should permit the generation of positive taxable income in the coming years.

! Discretionary judgments

The recognition of deferred tax assets is based on the assumption that sufficient taxable income will be generated in the future to utilize existing loss carryforwards. Tax regulations and their interpretation by the taxation authorities can change over time. The risk that any such changes could affect the deferred tax assets recognized for loss carryforwards and recorded in these consolidated financial statements is appropriately estimated and continuously monitored by Group management.

The tax planning required to estimate the recoverability of deferred tax assets is based on medium-term forecasts for the individual subsidiaries. An increase or decrease of 10% in earnings for the current period would lead to an adjustment of TEUR +1,832, respectively TEUR –1,832 in the deferred tax assets recognized for loss carryforwards by Egger Corporate Services GmbH (AT) (April 30, 2021: TEUR +886, respectively TEUR –886).

(27) Share capital, reserves and hybrid bond

Explanations

The primary objectives of **capital management** are to safeguard the continued existence of the company, to finance growth, and to ensure an appropriate return on equity. The most important indicators in this connection are the debt repayment period (net debt / EBITDA) and the equity ratio (equity / balance sheet total). Net debt comprises the total of financial liabilities less cash and cash equivalents. EGGER defines equity as equity recorded on the balance sheet, including government grants. Internal benchmarks for the above indicators require a net debt / EBITDA ratio of less than 3.0 (medium- and long-term) and an equity ratio of at least 30% (each at the Group level). The minimum financing indicators defined by selected credit agreements were met during the entire reporting year.

The **share capital** of Egger Holzwerkstoffe GmbH totals TEUR 11,509 and remains unchanged in comparison with the previous year.

Egger Holzwerkstoffe GmbH issued a **hybrid bond** (perpetual bond) in March 2019 which has a total nominal volume of EUR 150 million (transaction costs: TEUR 2,180). This bond is reported as equity in accordance with IFRS; it has an unlimited term and a fixed coupon of 4.875% for the first five years. If the bond is not called after the first five years, a new interest rate will be set at five-year intervals (five-year swap plus 500 bps step-up). The put rights of bondholders were excluded. A nominal amount of EUR 0.5 million was repurchased during the 2021/22 financial year. Together with the repurchases made in 2020/21 (nominal amount: EUR 2.8 million), EUR 3.3 million were withdrawn. The remaining outstanding amount totals EUR 146.7 million.

The deductible interest payments are due on March 12 of each year. The issuer is entitled to postpone the interest payments under certain circumstances which are defined in the bond terms. Interest is not payable on postponed interest payments, but the issuer is required to make these interest payments (plus any interest arrears) when:

- interest, other distributions or payments (including a repayment or repurchase) on subordinated securities, equally ranked securities or loans granted by shareholders of the issuer (regardless of the rank) were approved or paid within 12 months prior to the interest payment date, or loans were granted to shareholders, or the interest payable on such loans was deferred or waived during this same time; or
- the hybrid bond (perpetual bond) is redeemed; or
- the issuer enters liquidation proceedings and is terminated or dissolved.

(28) Currency translation differences

Explanations

The position “Translation Reserve” covers all exchange rate differences resulting from the translation of subsidiaries’ annual financial statements prepared in a foreign currency. It also includes unrealized foreign exchange differences of TEUR –92,210 (April 30, 2021: TEUR –92,747) from outstanding and repaid long-term shareholder loans (net investments) which were recorded to the translation reserve under equity without recognition through profit or loss.

(29) Non-controlling interests

Explanations

The non-controlling interests of TEUR 37,813 (April 30, 2021: TEUR 54,581) are attributable entirely to EGGER private foundations.

(30) Financial liabilities

Accounting and valuation methods

Financial liabilities are carried at amortized cost. Initial recognition reflects the proceeds (less transaction costs) received from the issue. Any difference between the amount received and the repayment amount is recognized to profit or loss over the term of the financing based on the effective interest method.

Information on the liabilities arising from leases is provided in note (17).

Explanations

Financial liabilities 2022	Total 30.04.2022 TEUR	Thereof remaining term over 5 years TEUR	Thereof remaining term 1 to 5 years TEUR	Thereof remaining term under 1 year TEUR
Financial liabilities owed to credit institutions				
Bank loans	547,113	82,357	337,119	127,637
Accrued interest	335	0	0	335
	547,448	**82,357**	**337,119**	**127,972**
Promissory note loans				
Promissory note loans	414,330	38,504	375,827	0
Accrued interest	1,227	0	0	1,227
	415,557	**38,504**	**375,827**	**1,227**
Other financial liabilities				
Lease liabilities	18,560	5,112	8,230	5,218
	18,560	**5,112**	**8,230**	**5,218**
Total	**981,565**	**125,973**	**721,176**	**134,417**

Financial liabilities 2021	Total 30.04.2021 TEUR	Thereof remaining term over 5 years TEUR	Thereof remaining term 1 to 5 years TEUR	Thereof remaining term under 1 year TEUR
Financial liabilities owed to credit institutions				
Bank loans	624,924	142,218	405,196	77,510
Accrued interest	303	0	0	303
	625,227	**142,218**	**405,196**	**77,813**
Promissory note loans				
Promissory note loans	549,750	103,336	400,308	46,106
Accrued interest	1,557	0	0	1,557
	551,308	**103,336**	**400,308**	**47,663**
Other financial liabilities				
Lease liabilities	17,366	5,043	6,799	5,525
	17,366	**5,043**	**6,799**	**5,525**
Total	**1,193,902**	**250,597**	**812,303**	**131,002**

Due to the positive development of liquidity, selected tranches of the promissory note loan 2019 were repaid prematurely in September 2021 (in total: EUR 70.5 million).

The committed syndicated credit line with a circle of core banks was increased from the previous volume of EUR 200 million to EUR 400 million in October 2021. As of April 30, 2022, EUR 400 million were available for discretionary use; the remaining term equaled 4.5 years.

All bank loans and promissory note loans were concluded in Euros.

No collateral was provided for financial liabilities during the reporting year or previous year.

The changes in financial liabilities are reconciled to cash flows from financing activities as follows:

	Bank loans TEUR	Promissory note loans TEUR	Lease liabilities TEUR	Pool, settlement funds TEUR	Total TEUR
Balance as of 30.04.2020	**823,224**	**633,872**	**20,286**	**95**	**1,477,478**
Cash inflows (increase)	50,002	0	0	0	50,002
Repayments	−247,384	−80,000	−6,040	−95	−333,520
Other non-cash changes	−597	−2,564	3,489	0	327
Foreign exchange increase/decrease	−17	0	−368	0	−386
Balance as of 30.04.2021	**625,227**	**551,308**	**17,366**	**0**	**1,193,902**
Cash inflows (increase)	5,000	0	0	0	5,000
Repayments	−82,508	−116,500	−6,422	0	−205,431
Other non-cash changes	−272	−19,251	7,194	0	−12,328
Foreign exchange increase/decrease	0	0	421	0	421
Balance as of 30.04.2022	**547,448**	**415,557**	**18,560**	**0**	**981,565**

(31) Trade payables

Accounting and valuation methods

Trade payables are initially recognized at the fair value of the goods or services received when the relevant liability is incurred. In subsequent periods, these liabilities are measured at amortized cost.

Explanations

Trade payables	30.04.2022 TEUR	30.04.2021 TEUR
due to third parties	396,907	285,279
due to subsidiaries	721	453
due to associates and joint ventures	190	177
	397,818	**285,910**

(32) Other liabilities

Accounting and valuation methods

Contract liabilities are initially recognized at the fair value of the goods or services received when the relevant liability is incurred and subsequently measured at amortized cost. Other liabilities that do not result from the provision of goods or services are carried at their repayment amount.

Explanations

Other liabilities 2022	Total 30.04.2022 TEUR	Thereof remaining term over 5 years TEUR	Thereof remaining term 1 to 5 years TEUR	Thereof remaining term under 1 year TEUR
Other liabilities				
Due to third parties	7,857	0	76	7,781
Due to employees	71,804	0	0	71,804
Commissions to sales representatives	950	0	0	950
Outstanding customer bonuses (contract liabilities)	40,235	0	0	40,235
Advance payments from customers (contract liabilities)	10,503	0	0	10,503
Due from subsidiaries	298	0	0	298
Taxes (non-income based taxes)	29,935	0	0	29,935
Social security	13,206	0	0	13,206
Derivative financial liabilities	9,179	2,217	6,962	0
Deferred income	336	0	0	336
Total	**184,303**	**2,217**	**7,038**	**175,048**

Other liabilities 2021	Total 30.04.2021 TEUR	Thereof remaining term over 5 years TEUR	Thereof remaining term 1 to 5 years TEUR	Thereof remaining term under 1 year TEUR
Other liabilities				
Due to third parties	8,936	0	1	8,935
Due to employees	66,390	0	0	66,390
Commissions to sales representatives	866	0	0	866
Outstanding customer bonuses (contract liabilities)	31,540	0	0	31,540
Advance payments from customers (contract liabilities)	10,077	0	0	10,077
Due from subsidiaries	995	0	0	995
Taxes (non-income based taxes)	29,611	0	246	29,365
Social security	11,267	0	0	11,267
Deferred income	88	0	0	88
Total	**159,770**	**0**	**247**	**159,523**

The following table shows the development of contract liabilities from outstanding customer bonuses and prepayments received from customers:

	2021/22 TEUR	2020/21 TEUR
Contractual liabilities as of May 1	41,617	29,779
Recognized as revenue in the income statement	–10,756	–3,698
Use for outstanding customer bonuses	–32,012	–25,588
Addition	50,738	41,617
Foreign exchange increase/decrease	1,152	–494
Contractual liabilities as of April 30	**50,738**	**41,617**

Information on the remaining performance obligations is not provided since EGGER's performance obligations have a maximum term of one year.

(33) Government grants

§ Accounting and valuation methods

Government grants are recorded to a separate position under liabilities and released to the income statement as other income over the useful life of the relevant asset.

Explanations

Member companies of the EGGER Group received government grants totaling TEUR 3,426 in 2021/22 (2020/21: TEUR 731). Of this total, TEUR 2,401 (2020/21: TEUR 331) represent COVID-19-related government grants.

(34) Non-current provisions

§ Accounting and valuation methods

Termination benefits

Legal regulations require companies in Austria to make one-time severance payments on termination or retirement to employees whose employment relationship started before January 1, 2003. The amount of the severance payment is dependent on the length of service and the salary/wage at the end of employment and equals up to 12 monthly salary or wage installments. A provision is created for this obligation based on calculations by an independent actuary. The provision is calculated according to the projected unit credit method, which uses actuarial procedures to determine the present value of future payments for the periods in which the maximum claims are earned (25 years).

Current service cost and interest expense are included in the annual financial statements. Actuarial gains and losses are recorded under other comprehensive income without recognition through profit or loss in accordance with IAS 19.

For employees in the Austrian subsidiaries whose employment relationship started after January 1, 2003, a monthly contribution (1.53% of the gross wage or salary) is made to an employee severance compensation fund. The employees earn claims to severance compensation from the fund, and the company has no further obligations.

Pension obligations

Certain companies in the EGGER Group are required by individual commitments to make pension payments to employees after their retirement. Both defined contribution and defined benefit pension plans are in effect.

A provision was created for **defined benefit obligations** that are not covered by sufficient pension plan assets. This provision is determined in accordance with IAS 19, whereby calculations are based on the projected unit credit method. An actuarial procedure is used to determine the present value of future payments based on realistic assumptions for the periods in which benefit entitlements are earned. The provision reported on the balance sheet represents the present value of the defined benefit obligation after the deduction of the fair value of plan assets. The required amount of the provision is calculated by independent actuaries as of each balance sheet date.

The actuarial gains and losses on pension obligations are recorded under other comprehensive income in accordance with IAS 19. The current service cost is included in personnel expenses, while the net interest expense is part of financial results.

All employees in the **Austrian** subsidiaries are entitled to a company pension. The monthly payments for these **defined contribution obligations** are reported under personnel expenses. The company has no further obligations above and beyond the employer contributions. The employees of the subsidiaries in **Great Britain** are entitled to a company pension (defined contribution) if they also make a contribution. The company has no other obligations apart from the employer’s contributions of 4.5% (based on an employee contribution of at least 2.5%), respectively 8% (based on an employee contribution of at least 6.0%) of the monthly gross salary or wage to the pension fund. In the **USA**, employees are entitled to invest in a pension plan (401(k)) which includes a supplemental contribution by the company. These payments are reported under personnel expenses, and there are no further obligations for EGGER beyond the employer contributions.

Provisions for long-service bonuses and semi-retirement programs for older employees

Contractual agreements require the company to pay special bonuses to employees who have reached a specific number of years of service with the company (beginning at 10 years of service). A provision was created for this obligation.

The valuation of this provision is based on the same methods and assumptions used to calculate the provision for termination benefits. However, the current service cost, actuarial gains and losses and interest expense are recorded to the income statement.

The accounting treatment of agreements covering semi-retirement programs for older employees involve the pro rata accumulation of payments required during the non-performance period.

Other provisions are recognized when the company has incurred a legal or constructive obligation to a third party based on a past event, and it is probable that the obligation will lead to an outflow of resources. Provisions are based on the best possible estimate – at the time the financial statements are prepared – of the amount that will be required to meet the obligation. If a reliable estimate is not possible, a provision is not recognized.

If the nominal value of a non-current provision differs materially from its present value based on an ordinary market interest rate which reflects the risks and term of the obligation, the present value is used.

Explanations

Non-current provisions	Balance on 30.04.2021 TEUR	Foreign exchange incr./decr. TEUR	Additions TEUR	Use TEUR	Reversal TEUR	Balance on 30.04.2022 TEUR
Provisions for termination benefits	41,114	0	0	–1,892	–4,508	34,714
Provisions for pensions	28,376	654	0	–191	–7,891	20,948
Provisions for long-service bonuses	99,007	119	2,738	–4,578	–4,370	92,914
Provisions for semi-retirement programs for older employees	1,758	0	6,041	–1,955	0	5,844
Other non-current provisions	3,503	81	1,193	–1,234	–1,310	2,233
	173,758	**854**	**9,971**	**–9,850**	**–18,080**	**156,653**

The calculation of the termination benefit and pension obligations is based on the following **actuarial assumptions**:

	30.04.2022	30.04.2021
Discount rate	2.60 - 3.20%	1.30-2.05%
Increase in wages/salaries	2.80%	2.54%
Increase in pensions	2.60%	2.20%
Retirement age	Based on legal regulations	Based on legal regulations
Biometric calculation base:		
Austria	AVÖ 2018-P	AVÖ 2018-P
Great Britain	115% SAPS tables CMI_2020 1.25%	115% SAPS tables CMI_2019 1.25%

Provisions for termination benefits	2021/22 TEUR	2020/21 TEUR
Present value (DBO) of obligation = provision recognized as of May 1	41,114	40,312
Service cost	1,041	1,114
Interest expense	534	589
Recognized to profit or loss (income statement)	**1,575**	**1,703**
Revaluation based on change in financial assumptions	–6,468	744
Revaluation based on change demographic assumptions	–2	12
Revaluation based on change in experience-based assumptions	387	–550
Recognized to other comprehensive income	**–6,083**	**206**
Termination payments	–1,892	–1,107
Present value (DBO) of obligation = provision recognized as of April 30	**34,714**	**41,114**

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The obligation to pay termination benefits exposes EGGER to actuarial risks, e.g. interest rate and salary/wage risks. The estimated payments for these benefits on termination by the company or retirement at the standard age total TEUR 298 for 2022/23 . The termination benefit obligations have a weighted average term of 13 years (April 30, 2021: 14 years).

Provisions for pensions

One Austrian subsidiary has a defined benefit pension that guarantees eligible employees retirement benefits for life. The circle of beneficiaries, which is now closed, earns 1.5% of the last salary as a pension claim for each year of service with the company, up to a maximum of 40% of the last salary or a maximum of 80% of the last salary plus legal retirement benefits. VBV-Pensionskasse Aktiengesellschaft, Vienna, manages the contributed assets and secures the future pension payments. The employer's monthly contributions are based on the amount that would allow payment of the promised benefits. This calculation includes an annual increase of 3% in wages/salaries, but not an inflation-related increase in pensions. Insufficient coverage for the plan can lead to subsequent contributions by the company. When the employees retire, the capital accumulated in the pension fund is converted to a lifelong pension and the employer's obligations end.

VBV-Pensionskasse Aktiengesellschaft is a legally independent pension fund which is covered by the provisions of the Austrian Pension Fund Act. Decisions on the investment strategy are made by an investment committee in which EGGER is represented. This pension plan exposes EGGER to actuarial risks, e.g. interest rate, investment, salary and longevity risk.

English subsidiaries have a defined benefit pension plan that guarantees retirement benefits to the eligible employees for life. The circle of beneficiaries, which was closed in 2002, earned 1/80, respectively 1/60 of the last salary as a pension claim for each year of service with the company. The employer's monthly contributions to the EGGER (UK) Pension Scheme are based on the amount that would allow payment of the promised benefits. This calculation includes an indexed increase in pension payments. Insufficient coverage for the plan leads to subsequent contributions by the company.

The EGGER (UK) Pension Scheme is managed by the pension plan's trustees. The investment strategy is defined by a committee which includes representatives of the employer and pension plan beneficiaries. This pension plan exposes EGGER to actuarial risks, e.g. interest rate, investment, longevity and inflation risk.

Reconciliation with the provisions recorded on the balance sheet	30.04.2022 TEUR	30.04.2021 TEUR
Present value (DBO) of the fund-financed obligation	64,497	73,397
Fair value of plan assets	–48,726	–51,683
Net liability of the fund-financed obligations	15,771	21,714
Present value (DBO) of the obligation not covered by fund assets	5,177	6,662
Provisions recognized as of April 30	**20,948**	**28,376**

Of the fund-financed obligations, TEUR 2,071 (April 30, 2021: TEUR 3,139) are attributable to the pension plan managed by VBV-Pensionskasse Aktiengesellschaft and TEUR 13,701 (April 30, 2021: TEUR 18,575) to the EGGER (UK) Pension Scheme.

Development of the present value (DBO) of the obligation	2021/22 TEUR	2020/21 TEUR
Present value (DBO) of the obligation as of May 1	80,059	94,676
Service cost	469	640
Interest expense	1,501	1,467
Recognized to profit or loss (income statement)	**1,970**	**2,107**
Revaluation based on change in financial assumptions	–9,943	–1,875
Revaluation based on change demographic assumptions	997	–167
Revaluation based on change in experience-based assumptions	–1,015	–9,939
Recognized to other comprehensive income	**–9,961**	**–11,981**
Pension payments	–4,489	–4,428
Currency translation differences	2,095	–315
Present value (DBO) of the obligation as of April 30	**69,674**	**80,059**

Development of the fair value of plan assets	2021/22 TEUR	2020/21 TEUR
Fair value of plan assets as of May 1	51,683	54,585
Theoretical interest income	1,010	780
Difference between the actual income on plan assets and the theoretical interest income recognized in other comprehensive income	–4,028	–2,607
Fund contributions	2,886	2,691
Pension payments by the fund	–4,324	–3,706
Currency translation differences	1,498	–60
Fair value of plan assets as of April 30	**48,726**	**51,683**

Composition of plan assets	Listed 30.04.2022 TEUR	Not listed 30.04.2022 TEUR	Listed 30.04.2021 TEUR	Not listed 30.04.2021 TEUR
Equity instruments				
Europe	3,015	0	4,426	0
North America	9,050	0	9,911	0
Asia and Pacific	1,868	0	3,024	0
Other	1,843	0	4,516	0
Fixed-interest securities				
Government bonds	9,393	0	3,968	0
Corporate bonds	777	0	994	0
Cash and cash equivalents	10,715	0	12,078	0
Other	10,254	1,811	11,253	1,513
Total	**48,726**		**51,683**	

The estimated fund contributions for the fund-financed pension obligations in 2022/23 total TEUR 2,937.

The pension obligations have a weighted average term of five years (VBV-Pensionskasse Aktiengesellschaft, April 30, 2021: six years) respectively 14 years (EGGER (UK) Pension Scheme, April 30, 2021: 16 years).

Provisions for long-service bonuses	2021/22 TEUR	2020/21 TEUR
Present value (DBO) of the obligation – provisions recognized as of May 1	99,007	95,802
Service cost	7,762	7,417
Interest expense	2,679	2,228
Revaluation based on change in financial assumptions	−13,319	1,989
Revaluation based on change demographic assumptions	166	−2,419
Revaluation based on change in experience-based assumptions	1,017	1,101
Recognized to profit or loss (income statement)	**−1,695**	**10,316**
Long-service bonuses or payments for semi-retirement programs	−4,578	−5,831
Change in scope of consolidation	0	−242
Currency translation differences	180	−1,038
Present value (DBO) of the obligation – provisions recognized as of April 30	**92,914**	**99,007**

The calculation of the provision for service anniversary bonuses includes country- and company-specific turnover rates. These rates are based on experience and are dependent, among others, on the employees' length of service.

Provisions for semi-retirement programs

A provision was created for agreements covering semi-retirement programs for older employees. In previous years, time deposits (April 30, 2021: TEUR 2,920) were transferred to CommerzTrust GmbH as security and netted with the obligation. The insolvency hedging was converted to a bank guarantee in 2021/22, and the related netting with the coverage assets led to an increase in the provision.

Other non-current provisions

The German Federal Cartel Office carried out searches in the plants of all major chipboard producers headquartered in Germany during March 2009. These investigations were based on the suspicion of anti-competitive agreements and also covered EGGER's activities in that country. In 2010, penalty notices were issued to various major chipboard producers headquartered in Germany. The process steps in these proceedings resulted in a penalty exemption for EGGER and, consequently, EGGER did not receive a penalty notice. The anti-trust administrative proceedings by the Federal Cartel Office led to private anti-trust actions against chipboard producers, in part also against EGGER, which have since been amicably settled. In connection with lawsuits against other cartel participants and related claims for compensation, recourse claims against EGGER within the framework of joint and several compensation are conceivable. The outcome of these proceedings and the possible effects cannot be conclusively estimated at the present time. Provisions of TEUR 2,000 were recognized for these private anti-trust actions, incl. interest claims and procedural costs, as of April 30, 2022 (April 30, 2021: TEUR 1,000). It is expressly noted that anti-trust agreements are not part of EGGER's business policies and are expressly prohibited by internal guidelines.

! Discretionary judgments

The valuation of the existing obligations for pensions, termination benefits and long-service bonuses requires the use of assumptions for interest rates, retirement ages, life expectancy, employee turnover and the future development of salaries and wages.

Sensitivity analyses on termination benefits and pension obligations

The most important actuarial assumptions involve the discount rate and the future increase in wages/salaries and pensions. The following sensitivity analyses show the effects of changes in the actuarial assumptions. The simulation procedure involves changing one assumption at a time while holding the other variables constant.

Sensitivity analysis	Change in assumption 30.04.2022 in %	Change in present value 30.04.2022 TEUR	Change in assumption 30.04.2021 in %	Change in present value 30.04.2021 TEUR
Termination benefits				
Discount rate	+0.25%	-1,052	+0.25%	-1,195
	-0.25%	+1,100	-0.25%	+1,587
Increase in wages/salaries	+1.00%	+4,634	+1.00%	+6,120
	-1.00%	-3,975	-1.00%	-4,892
Pension benefits (fund-financed)				
Discount rate	+0.25%	-1,961	+0.25%	-2,460
	-0.25%	+2,069	-0.25%	+2,608
Increase in wages/salaries	+1.00%	+2,299	+1.00%	+2,665
	-1.00%	-1,990	-1.00%	-2,512
Increase in pensions	+1.00%	+662	+1.00%	+768
	-1.00%	–662	-1.00%	–759

The assessment of the **risks arising from pending legal proceedings** also includes a best possible estimate of the potential future payment outflows, which is based on the opinions of the involved experts.

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(35) Current provisions

Accounting and valuation methods

See note (34) non-current provisions.

Explanations

Current provisions	Balance on 30.04.2021 TEUR	Foreign exchange incr./decr. TEUR	Additions TEUR	Reclassification TEUR	Use TEUR	Reversal TEUR	Balance on 30.04.2022 TEUR
Provisions for legal proceedings and legal costs	1,507	77	495	0	−489	−168	1,421
Other current provisions	429	−14	830	0	−147	0	1,099
	1,936	**63**	**1,325**	**0**	**−636**	**−168**	**2,519**

The provisions for legal proceedings and legal costs result primarily from a legal dispute with a supplier in the USA.

Discretionary judgments

See note (34) non-current provisions.

Risk Report

(36) Principles of risk management

EGGER produces in Europe (incl. Russia), Argentina and the USA and markets its products worldwide. These business activities result in a wide variety of risks which are analyzed within the framework of a comprehensive risk management system. EGGER defines risk as the possibility of a variance from corporate goals, which covers the possibility of a loss as well as the failure to utilize an opportunity. The goals of risk management are to protect the asset, financial and earnings positions of the EGGER Group and to identify future opportunities to generate earnings and realize growth. A decentralized management structure in connection with increasing geographical diversification allows EGGER to minimize business risks and reduce the potential negative consequences. This process is supported by an integrated risk profile which covers all locations and, consequently, standardizes risk management throughout the Group. The risk management system is coordinated centrally at the Group level and continuously expanded and improved. In addition to geographical diversification, concentration on the core business supports the optimization of procedures and strengthens the focus of the risk management system. High market shares in EGGER's key business regions, long-standing cooperation with customers, suppliers and consultants as well as particularly low employee turnover are the guarantee for wide-ranging knowledge of the Group's markets and the early identification of risks.

As part of its risk management strategy, EGGER identifies the operating and strategic risks to which the Group is exposed along the value chain. The quantitative and qualitative effects of the major risks for EGGER are identified, assessed and documented as part of an annual review. This process supports well-timed reaction to strategic risks, changes and opportunities in a dynamic market environment.

Risk management activities concentrate on the major risks, which are analyzed and monitored together with designated "risk owners". Financial risks, e.g. interest rate and foreign exchange risks, are evaluated and appraised by the corporate treasury department each quarter based on revised forecast data.

A Monte Carlo simulation is used to aggregate the overall extent of risk at the Group level. The system simulates and evaluates various scenarios based on quarterly forecast updates. Rolling forecasts are prepared each quarter for the next five financial quarters, while medium-term forecasts are prepared annually for the next five years. This procedure incorporates the uncertainties associated with forecast assumptions and thereby ensures a high degree of planning certainty. The simulation of various scenarios shows the expected values for performance indicators (e.g. EBITDA) and identifies the risk-related ranges. The system also supports the transparent assessment and documentation of individual risks. Risk management in the EGGER Group includes a focus on treasury indicators and financial covenants as well as internal value management indicators that appear to provide reasonable security for operations and long-term growth. No risks can be identified at the present time that would endanger the continued existence of the EGGER Group. The individual companies in the EGGER Group consciously take on risk only in connection with their operating activities. Controlling and planning instruments, Group-wide guidelines and regular reporting are used to monitor and manage risks.

The EGGER risk management system represents a framework for the early identification, communication, management and handling of risks. Its goal is to identify potential risks at an early point in time and to assess these risks, estimate their consequences and, if necessary, initiate suitable preventive or hedging measures. Risk management at EGGER represents an integral part of all decisions and business processes.

(37) Financial risks

The interest rate and foreign exchange risks arising from EGGER's operating activities are determined on a quarterly basis for a 12-month planning horizon. This analysis forms the starting point for the control and management of interest rate and foreign exchange risks based on the risk management strategy approved by Group Management and the risk capacity defined for interest rate and foreign exchange risks. The hedging requirements determined by this analysis are designed to limit interest rate and foreign exchange risks through the directed use of financial instruments and ensure that the Group's risk position after the conclusion of these hedges does not exceed the specified risk capacity. This risk capacity is determined each year as a percentage of the Group's overall risk capacity, which represents a percentage of budgeted EBITDA for the next 12 months.

Interest rate and foreign exchange risk

The risks arising from changes in interest rates are generally related to debt instruments. As part of the general risk analysis, the expected interest rate risk arising from borrowings is estimated for each risk position under the assumption that the financing structure consists entirely of variable interest instruments. The parameters for the simulation include interest rates that reflect the terms of the various instruments as well as daily fluctuations and a 95% probability of occurrence.

A list of all major interest-bearing liabilities together with the remaining terms as well as information on existing hedges is provided in the notes under financial liabilities.

Regular business operations expose the Group to foreign exchange risk on cash transactions, above all in ARS, AUD, GBP, PLN, RON, RUB, TRY and USD. The free cash flows in ARS, GBP, PLN, RON, RUB, TRY and USD which are generated by non-EUR companies and cash balances in foreign currencies (up to their conversion into EUR) are also exposed to a direct foreign exchange risk. EUR-revenues recorded in non-EUR countries can be subject to indirect foreign exchange risk since an increase in the value of the Euro can lead to rising pressure on prices in individual markets.

Planned revenues, planned free cash flows and foreign currency cash balances form the starting point for the risk analysis. Foreign exchange risks are simulated individually based on the volatility of diversification effects (correlations) and a defined probability of occurrence, and then aggregated to determine the overall foreign exchange risk.

The final step in the risk analysis involves the addition of the individual interest rate and foreign currency risk positions and the calculation of the overall financial risk position.

Forward exchange contracts (for foreign exchange risks) as well as interest rate swaps, forward rate agreements and fixed-interest borrowings (for interest rate risk) are used to reduce the foreign exchange and interest rate risks in cases where the Group's risk capacity is exceeded.

The derivative financial instruments used to hedge interest rate and foreign exchange risk are included in the list of financial instruments. The EGGER Group is also exposed to risks resulting from the translation of the individual financial statements of non-EUR companies into the Euro as the Group's reporting currency (translation risk). This risk is monitored through a monthly analysis. Translation risk is only hedged when the potential risk, based on a specific probability of occurrence, would result in a consolidated equity ratio of less than 25%.

Sensitivity of foreign exchange and interest rate positions

If EUR-interest rates had been 100 basis points higher or lower on April 30, 2022, and assuming all other variables remained constant, profit after tax would have been TEUR 6,233 (2019/20: TEUR 7,605) lower or higher for the full year. This change would have resulted primarily from the increase or decrease in the interest expense on variable interest financial liabilities. A fluctuation of 100 basis points in EUR-interest rates would have the same effect on equity.

If the exchange rates between the EUR and the currencies which represent a material risk for EGGER had been 10% higher or lower on April 30, 2022, and assuming all other variables remained constant, after-tax profit and equity, excluding translation differences, for the full financial year would have changed as follows:

Effect in TEUR	30.04.2022		30.04.2021	
	Increase	Decrease	Increase	Decrease
GBP	−5,135	5,904	−2,159	2,446
RON	7,333	−7,210	5,601	−5,646
RUB	10,659	−12,357	5,669	−6,526
PLN	1,109	−1,603	547	−573
ARS	−238	238	−242	242
USD	−993	1,123	−4,431	5,351
TRY	−661	808	−648	792
Other currencies	−585	715	−239	292
	11,488	**−12,382**	**4,098**	**−3,622**

The changes would have resulted primarily from the following factors: currency translation gains/losses on foreign currency-denominated trade receivables, cash and cash equivalents, financial liabilities, trade payables and derivative financial instruments.

Liquidity risk

Liquidity risk represents a threat to the continuing existence of the Group companies as well as the entire Group. Therefore, sufficient funds must be available to ensure that payment obligations can be met at all times. The liquidity position is evaluated regularly based on daily cash dispositions and the Group's financial standing (short-term availability of liquid funds) as well as weekly forecasts, liquidity planning based on various currencies for a 15-month period and medium-term planning for five years. Budgeted short-term liquidity requirements are covered by cash balances, which include a pre-determined minimum liquidity reserve.

Medium-term requirements are covered by freely available, committed credit lines (as of April 30, 2022: TEUR 400,000 available, TEUR 0 drawn) as well as individual financing. This strategic reserve must always contain sufficient liquidity, among others to refinance the Group's next maturing financing.

Liabilities result in the following contractually agreed payment obligations (interest expense and principal payments):

As of 30.04.2022	Cash flows in TEUR					
	Total	Under 6 months	6 – 12 months	1 – 2 years	2 – 5 years	over 5 years
Financial liabilities owed to credit institutions	570,929	128,702	1,066	74,147	282,982	84,032
Promissory note loans	456,295	1,823	4,545	158,712	248,426	42,788
Lease liabilities	23,197	3,155	2,577	3,954	5,358	8,153
Trade payables	397,818	397,480	299	39	0	0
Derivative financial instruments	9,588	–733	–43	3,717	5,655	992
Contractual cash flows as of 30.04.2022	**1,457,826**	**530,428**	**8,444**	**240,570**	**542,422**	**135,964**

As of 30.04.2021	Cash flows in TEUR					
	Total	Under 6 months	6 – 12 months	1 – 2 years	2 – 5 years	over 5 years
Financial liabilities owed to credit institutions	634,498	78,674	1,750	128,684	281,644	143,746
Promissory note loans	575,920	38,152	15,735	7,240	411,182	103,611
Lease liabilities	21,361	2,927	2,359	3,551	4,741	7,783
Trade payables	285,910	284,489	1,421	0	0	0
Contractual cash flows as of 30.04.2021	**1,517,690**	**404,241**	**21,265**	**139,475**	**697,568**	**255,141**

Credit risk
The amounts reported under assets represent the maximum credit and default risk because there are no general settlement agreements. The risk associated with trade receivables is considered low because the credit standing of new and existing customers is routinely monitored. In addition, most of the trade receivables are insured against default. The risk of default on receivables from the operating business (including deductibles and unsured trade receivables) totals TEUR 52,233 (April 30, 2021: TEUR 45,703).

The risk of default on other primary financial assets and on derivative financial instruments is considered low.

(38) Operating risks

Market risks
The core business of the EGGER Group – the development and production of high-quality wood materials – is exposed to economic and seasonal fluctuations. In order to eliminate major fluctuations in earnings to the greatest extent possible, the Group pursues a strategy of geographic, product and branch diversification and works to develop long-term relationships with customers.

Procurement, production and investment risks
EGGER uses large quantities of raw materials and energy in the production of wood materials, and the relevant purchase prices can fluctuate depending on the market situation. As protection against price risks, the Group monitors procurement markets continuously, minimizes fluctuations with appropriate stock levels and, in part, concludes long-term contracts with its suppliers. Supply independence is further improved by the in-house production of adhesives and resins. Moreover, the in-

creasing use of environmentally friendly bio-mass power plants minimizes the dependency on fossil fuels.

The EGGER Group, together with the entire wood materials industry, was confronted with unexpected developments on the raw material and energy markets in 2021/22 which had a significant negative influence on the production costs for various product groups. To minimize the related risks, the development of raw material and energy prices were largely passed on to customers through price increases. The ability to transfer these costs to the market reduced greater negative effects on EGGER's earnings, and further risk-specific measures were not required. Future developments on the raw materials markets cannot be predicted in detail at the present time and are monitored daily to allow for the timely implementation of countermeasures.

Production capacity can be impaired by unplanned malfunctions, natural disasters or problems in obtaining sufficient supplies of strategic raw materials. To counter the potential effects on earnings, the Group prepares emergency plans, organizes support from other EGGER production facilities as needed and safeguards supplies of key raw materials through long-term delivery contracts wherever possible.

Production and warehouse capacity is routinely monitored on the basis of rolling quarterly forecasts. Any necessary adjustments to reflect the market situation are made over the medium-term through appropriate measures in the sales area and the adjustment of production volumes.

All investments and growth projects must meet pre-defined return and profitability targets and are monitored regularly to ensure these targets are met. Efficient and effective monitoring is guaranteed by clearly defined value management principles, indicators, detailed investment calculation models, and an integrated investment management process.

Russia-Ukraine conflict

The beginning of the Russia-Ukraine conflict in the fourth quarter of the 2021/22 financial year radically changed the operating environment for EGGER and its market partners in related industries and slowed the generally expected global economic recovery. However, we cannot report any material negative effects on the financial, asset or earnings position of the EGGER Group in the 2021/22 financial year. The developments triggered by this geopolitical conflict – which include rising energy prices, disrupted supply chains and EU sanctions – have further weakened worldwide growth and led to downward adjustments to forecasts for the coming months in the leading industrial nations and in EGGER's core markets. Combined with the rising inflation caused by these same factors, a reduction in the purchasing power of the entire population and, in turn, a potential decline in demand is probable.

We collected all available information on the direct and indirect effects during the preparation of this annual financial report, but are unable to reliably estimate the further effects because of the highly volatile macroeconomic and geopolitical developments. Our business activities in Russia are currently responsible for approximately 7.5% of Group revenues and an immaterial share of revenues in Ukraine. The absence of these markets would not create any substantial damage for EGGER. The carrying amount of the non-current assets in the two plants in Russia (Shuya, Gagarin) equaled 8.8% of the Group's total non-current assets (property, plant and equipment, intangible assets, investment property, biological assets) as of April 30, 2022. There are no material Ukrainian assets on our consolidated balance sheet.

A process was established before the Ukraine crisis to ensure compliance with worldwide sanctions. This process was reviewed along the lines of the EU sanctions imposed against Russia, and a strict compliance structure and program to ensure compliance with all EU sanctions were established.

Environmental and climate-related risks

EGGER's strategic risk management addresses environmental and climate-related risks in various forms. Examples are natural disasters that can lead to material damages and business interruption as well as the risks which are increasingly caused by the effects of climate change. These risks are transferred and insured to make certain the effects on EGGER reflect the targeted risk profile. Further risks with climate-related relevance for EGGER include the long-term protection of wood supplies in view of the changing climatic conditions at the respective locations, the interruption of supply chains with a subsequent impact on supplies of adhesives and impregnating resins and, among others, energy supplies for the individual plants. The information on strategic risks, their assessment and related measures flows into EGGER's guiding strategy together with other analyses.

The conscious handling and assessment of risks is crucial for the continued existence of the EGGER Group. The identified risks had no negative influence on the financial, asset or earnings position of the EGGER Group in the 2021/22 financial year.

Operational and strategic corporate planning includes the influence of climate change on the planning assumptions (e.g. in particular, climate-related cost increases).

Additional Disclosures

(39) Financial instruments

§ Accounting and valuation methods

Recognition and derecognition of financial instruments
All financial instruments are recognized at the applicable value as of the settlement date.

Financial instruments are derecognized when the right to receive cash flows and, in principal, all risks and rewards are transferred to the buyer or no longer remain with EGGER. Additional information on the sale of financial instruments is provided under note (23) Trade receivables.

Fair value hierarchy and valuation of financial instruments
The following table under "Explanations" shows the allocation of financial assets and liabilities at fair value to the three-level fair value hierarchy. The levels of the fair value hierarchy and their application to assets and liabilities are described in the following:

- **Level 1:** Listed market prices for identical assets or liabilities in active markets.
- **Level 2:** Information directly or indirectly derived from market prices for the relevant asset or liability that can be monitored on the market.
- **Level 3:** Data that is not based on observable market information.

The other financial assets are carried at fair value, which is determined on the basis of the underlying earnings forecasts. Measurement therefore represents Level 3 on the valuation hierarchy.

The other option (Level 3) was valued with a multiple procedure, whereby the multiple was derived from transactions observable on the market. This valuation is compared with the multiple purchase price specified in the option and generally indicates the market values of the option.

Derivative financial instruments
Hedges are concluded to reduce the risks arising from changes in foreign exchange rates and interest rates. The financial instruments used by the EGGER Group consist primarily of forward exchange contracts, interest rate swaps and interest rate options.

Derivative financial instruments are recognized at cost on the date the contract is concluded and measured at fair value in subsequent periods. The valuation models applied to derivatives reflect both the company's own credit risk and external credit risk. Changes in the value of these financial instruments are recognized to profit or loss.

A cash flow hedge as defined in IFRS 9 is an instrument designed to hedge future payment flows. The gains and losses resulting from changes in the value of a derivative financial instrument are recognized to other comprehensive income at an amount equal to the effective portion of the hedge and transferred to profit or loss when the underlying transaction is realized. The ineffective portion of an effective hedge is recognized immediately to profit or loss.

The accounting treatment of a fair value hedge includes the measurement at fair value through profit or loss of the derivative hedging instrument as well as the underlying transaction based on the hedged risk. Therefore, only the ineffective portion of the hedge is included in results for the period.

The fair value of forward exchange contracts is based on the foreign exchange rates and interest rates in effect on the balance sheet date. Interest rate swaps are measured at their present value using current interest rates. The value of interest rate options is determined by applying standard calculation models and also incorporates current interest rates and related fluctuations.

Explanations

The Group holds both primary and derivative financial instruments. **Primary financial instruments** consist chiefly of financial assets, trade receivables, securities, deposits with financial institutions, bonds, financial liabilities and trade payables.

Derivative financial instruments comprise the following:

	30.04.2022			30.04.2021		
	Currency	Nominal value in thous.	Fair value TEUR	Currency	Nominal value in thous.	Fair value TEUR
Interest rate swaps with positive fair value – fair value hedges	EUR	75,000	139	EUR	465,000	10,118
Interest rate swaps with negative fair value – fair value hedges	EUR	344,000	–9,179	EUR	0	0
Other option	EUR	–	920	EUR	–	3,335
			–8,120			**13,453**

The nominal value of the **interest rate swaps** represents the contract volumes of the derivative financial instruments. Fair value represents the amount at which the transactions could be settled. The interest rate swaps are used to hedge interest rate risk, whereby EGGER uses a hedging ratio of 1:1.

The **other option** entitles EGGER to purchase additional shares of a company in which an investment is currently held. The fair value declined by TEUR 2,415 to TEUR 920 in 2021/22; this change was recognized to profit or loss and is recorded under other financial results.

The **fair values of the derivative financial instruments** are shown in the above table.

The following table shows the carrying amounts and fair values of the individual **financial assets and liabilities** as well as the corresponding valuation categories:

Balance sheet position	Valuation category	Level	Carrying amount 30.04.2022 TEUR	Fair value 30.04.2022 TEUR	Carrying amount 30.04.2021 TEUR	Fair value 30.04.2021 TEUR
Financial assets carried at fair value						
Securities	FVTPL	1	681	681	695	695
Other financial assets	FVTPL	3	13,635	13,635	14,133	14,133
Unsold receivables from the factoring portfolio	FVOCI	3	40,199	40,199	29,083	29,083
Interest rate swaps	FVTPL	2	139	139	10,118	10,118
Other option	FVTPL	3	920	920	3,335	3,335
Green certificates	FVTPL	1	4,057	4,057	4,543	4,543
			59,631	**59,631**	**61,907**	**61,907**
Financial assets not carried at fair value						
Loans	AC		5,481	–	4,999	–
Trade receivables	AC		152,357	–	97,263	–
Other financial assets	AC		30,067	–	16,121	–
Cash and cash equivalents	AC		418,148	–	362,417	–
			606,053		**480,800**	
Financial liabilities carried at fair value						
Residual risk from factoring	FVTPL	3	58	58	87	87
Interest rate swaps	FVTPL	2	9,179	9,179	0	0
			9,237	**9,237**	**87**	**87**
Financial liabilities not carried at fair value						
Amounts owed to credit institutions	AC	2	547,448	547,225	625,227	625,070
Promissory note loans	AC	2	415,557	425,829	551,308	561,563
Lease liabilities	AC	2	18,560	18,560	17,367	17,367
Other financial liabilities	AC		55,323	–	52,140	–
Trade payables	AC		397,818	–	285,910	–
			1,434,706		**1,531,952**	

FVTPL, Fair value through profit or loss
FVOCI, Fair value through other comprehensive income
AC, Amortised cost

"-": The table contains no information, if the carrying amount approximates fair value.

Since the fair value of the **other financial assets** generally reflects the carrying amount, no adjustments were made.

Additional information on the **residual risk from factoring** (Level 3) is not provided because the related amounts are immaterial.

There were no reclassifications between hierarchy levels during the reporting year.

! Discretionary judgments

The calculation of the **expected credit losses** on financial instruments involves estimates and assumptions for future default incidents. These assumptions are based on the company's experience and/or on market information.

For the valuation of the **other option**, the material, non-observable input factors include the estimated EBITDA development in the involved company and the derivation of the observable multiple. An increase (decrease) of 10% in the multiple observable on the market would lead to an increase of EUR 0.7 million / decrease of EUR 0.7 million in fair value.

(40) Contingent receivables and liabilities

Contingent receivables

EGGER purchased land in the Haffeld commercial and industrial zone from the Hanseatic City of Wismar in 1998. The Hanseatic City of Wismar committed to preparing the site for development as part of the purchase agreement and, for this purpose, concluded an engineering contract with a planning company, Inros Lackner AG. This contract committed Inros Lackner AG to readying the site for construction and, in particular, to ground preparation. After EGGER erected an MDF and OSB plant at this site, substantial ground settling was noticed on the traffic areas. The subsiding areas damaged and, in part, destroyed installations built by EGGER, in particular roads and pipelines. EGGER subsequently filed claims for compensation against Inros Lackner AG. The Higher Regional Court in Rostock has since issued a legally valid basic judgment and partial verdict which requires Inros Lackner AG to pay 50% of the damages resulting from the ground settling. The related legal proceedings are currently continuing through compensation proceedings at the Provincial Court in Schwerin. The expected compensation for these damages ranges from EUR 0 to 12 million.

Contingent liabilities

Innovation implies that intangible property rights, above all technical property rights, can be relevant for business activities. Patent discussions occur frequently in product areas with comparatively short development intervals, such as laminate flooring. The member companies of the EGGER Group are actively and passively involved in such disagreements. The Group works to limit the related legal risks through a specialist department and close cooperation with external consultants as well as the conclusion of licensing agreements where appropriate.

The insolvency administrator for several companies belonging to a German corporate group had contested payments for products delivered by member companies of the EGGER Group between 2015 and 2017. The related proceedings were amicably settled in March 2022. The previously recognized provision for procedural costs (April 30, 2021: TEUR 500) was utilized or released.

In connection with the plant construction in Lexington, NC (US), suppliers and construction firms as well as their subcontractors have claimed security rights (so-called "lien waivers") for the delivery of goods and the provision of services. These liens will be terminated when the liabilities are paid A provision of TEUR 1,041 (April 30, 2021: TEUR 524) was recognized to cover the attorney's costs arising from a legal dispute with a supplier in the USA.

Certain member companies of the EGGER Group are parties to various legal proceedings arising from ordinary business activities. Provisions were created where it is probable that these proceedings will lead to a future payment or other form of performance whose amount can be estimated. Management assumes these proceedings will not have a material effect on the asset, financial or earnings position of Egger Holzwerkstoffe GmbH.

(41) Auditor's fees

The fees charged by the auditor comprise TEUR 189 (2020/21: TEUR 184) for the audit of the annual financial statements and other assurance services for the Austrian companies included in the consolidated financial statements of Egger Holzwerkstoffe GmbH as well as TEUR 48 (2020/21: TEUR 55) for other services. The other services consist chiefly of miscellaneous assurance services (review of the half-year financial statements and sustainability report).

(42) Transactions with related parties and persons

The management structure of the EGGER Group ensures that the commercial director, Thomas Leissing (CFO and Speaker of Group Management), is notified of all transactions with related parties and companies. Information on planned transactions is routinely forwarded to the Accounting Department. The Head of Legal/Tax/Compliance in the EGGER Group also provides the Accounting Department with information on related persons and companies as well as their transactions. In connection with the preparation of the annual financial statements, all persons responsible for accounting procedures in the individual EGGER companies are questioned on possible transactions in a structured process. Key managers, shareholders and the members of the Supervisory Board as well as the members of the foundation management boards and advisory boards are also questioned each year in writing on their transactions with the EGGER Group. The Group-wide, standardized IT/ERP system (SAP) allows for the central analysis of all incoming invoices in accordance with defined criteria (e.g. invoice issuer) at any time.

Related parties include all subsidiaries, joint ventures and associates of Egger Holzwerkstoffe GmbH. A list of the subsidiaries, joint ventures and associates of Egger Holzwerkstoffe GmbH is provided under note (44).
All transactions between the consolidated subsidiaries of Egger Holzwerkstoffe GmbH are eliminated during the consolidation.

Transactions with the associate Horatec GmbH (equity consolidation) included the following in 2021/22: revenues and other income of TEUR 4,172 (2020/21: TEUR 3,558) as well as the purchase of goods and services totaling TEUR 162 (2020/21: TEUR 235). As of April 30, 2022, receivables of TEUR 184 (April 30, 2021: TEUR 144) and liabilities of TEUR 12 (April 30, 2021: TEUR 33) were due from/to Horatec GmbH.

Transactions with CLEAF S.p.A. (equity consolidation) included the following in 2021/22: revenues and other income of TEUR 20,638 (2020/21, proportional amount of TEUR 4,629 since the initial consolidation on November 1, 2021) as well as the purchase of goods and services totaling TEUR 611 (2020/21: TEUR 0). Receivables amounted to TEUR 9,303 as of April 30, 2022 (April 30, 2021: TEUR 2,823), and liabilities to CLEAF S.p.A. equaled TEUR 48 (April 30, 2021: TEUR 0).

Transactions with unconsolidated subsidiaries, joint ventures and associates are generally not disclosed because they are immaterial.

Related persons are defined as the members of EGGER's 0 and 1 management levels (key managers), the shareholders of Egger Holzwerkstoffe GmbH and its managing directors, the members of the Supervisory Board, the foundation management boards and the advisory boards of MFE Vermögensverwaltung Privatstiftung, the investment “FM Deutschland” – Privatstiftung and the investment “FM England” – Privatstiftung as shareholders of Egger Holzwerkstoffe GmbH together with their close family members and the companies controlled by these persons, or their close family members, or jointly controlled companies.

The circle of EGGER key managers comprised 30 persons (April 30, 2021: 35) who received salaries totaling TEUR 10,401 in 2021/22 (2020/21: TEUR 10,091). Of this total, TEUR 7,424 (2020/21: TEUR 7,535) represent fixed and TEUR 2,977 (2020/21: TEUR 2,556) variable remuneration.

The shareholders of Egger Holzwerkstoffe GmbH are MFE Vermögensverwaltung Privatstiftung, the investment “FM Deutschland“ – Privatstiftung, the investment “FM England“ – Privatstiftung, Fritz Egger, Michael Egger, Thomas Leissing (through TAL Verwaltungs GmbH), Walter Schiegl and Ulrich Bühler.

A distribution of TEUR 24,246 was transferred to MFE Vermögensverwaltung Privatstiftung during August 2021 in its capacity as a minority shareholder of Fritz Egger Gesellschaft m.b.H. The investment „FM England“ – Privatstiftung, in its capacity as a minority shareholder of Egger Deutschland Beteiligungsverwaltung GmbH, received a distribution of TEUR 7,740.

The members of Group Management in 2021/22 were Thomas Leissing, Walter Schiegl and Ulrich Bühler. Walter Schiegl resigned from Group Management with the beginning of the new financial year on May 1, 2022. He is succeeded by Hannes Mitterweissacher as Chief Technology Officer. Group Management was also expanded to include a fourth person: Frank Bölling who will be responsible for logistics. Together with Thomas Leissing and Ulrich Bühler, Hannes Mitterweissacher and Frank Bölling form the new management team of the EGGER Group beginning in May 2022.

The members of the Supervisory Board as of April 30, 2022 were Fritz Egger (Chairman), Michael Egger, Robert Briem, Ewald Aschauer (Chairman of the Audit Committee), Michael Stiehl and Alfred Wurmbrand. The members of the Supervisory Board received remuneration (including the reimbursement of expenses) totaling TEUR 164 in 2021/22 (2020/21: TEUR 125).

As of April 30, 2022, the management board of MFE Vermögensverwaltung Privatstiftung consisted of Robert Briem (Chairman), Andreas Urban (Vice-Chairman), Ernst Gruber and Katharina Müller. The management board of the investment "FM Deutschland" – Privatstiftung and the investment "FM England" – Privatstiftung consisted of Robert Briem (Chairman), Ernst Gruber (Vice-Chairman) and Katharina Müller. Fritz Egger and Michael Egger formed the advisory board for all three foundations.

All **transactions** with related persons and companies are conducted at arm’s length and, unless indicated above, immaterial in scope. The following transactions took place in 2021/22:

- The EGGER Group provides bookkeeping services, rents office space and apartments or residential buildings for private use to related persons and companies on a third-party basis (in total for 2021/22 and for the previous financial year less than TEUR 50).

- Certain members of EGGER‘s Supervisory Board / foundation management boards provide consulting services for the EGGER Group through separate attorneys’ societies. These services are invoiced at standard market rates based on hourly records (in total for 2021/22 and for the previous financial year less than TEUR 200).

- All EGGER Group employees are entitled to purchase services, EGGER materials or merchandise from the EGGER companies. Related parties also make these types of purchases (in total for 2021/22 and for the previous financial year less than TEUR 300).

- Real estate owned by related parties is rented to the EGGER Group at standard market conditions for business purposes (in total for 2021/22 and for the previous financial year less than TEUR 250).

- A property in Austria was purchased from a related party in 2021/22. The purchase price of TEUR 1,254 reflected market requirements and was determined on the basis of the comparable value method.

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(43) Significant events after the balance sheet date

No significant events occurred after the balance sheet date on April 30, 2022 which would have led to a different presentation of the asset, financial or earnings position.

(44) Scope of consolidation

Company	Headquarters	Currency	Nominal capital in thous.	Stake in % (1)	Type of consolidation	Segment
Companies included in the consolidated financial statements:						
Egger Holzwerkstoffe GmbH	St. Johann i.T.	EUR	11,509	100.00	Full consolidation	Decorative
Fritz Egger Gesellschaft m.b.H.	St. Johann i.T.	EUR	30,000	94.90	Full consolidation	Decorative
Fritz Egger GmbH & Co. OG	St. Johann i.T.	EUR	4,563	94.90	Full consolidation	Decorative
Fritz Egger Vermögensverwaltung GmbH	St. Johann i.T.	EUR	37	94.90	Full consolidation	Decorative
Fritz Egger Vertriebs GmbH	St. Johann i.T.	EUR	35	94.90	Full consolidation	Decorative
HP Verwaltungs GmbH	St. Johann i.T.	EUR	35	94.90	Full consolidation	Decorative
Egger Investment Holding GmbH	St. Johann i.T.	EUR	37	100.00	Full consolidation	Decorative
Egger Deutschland Beteiligungsverwaltung GmbH	St. Johann i.T.	EUR	2,253	94.84	Full consolidation	Decorative
Egger Osteuropa Beteiligungsverwaltung GmbH	St. Johann i.T.	EUR	35	100.00	Full consolidation	Decorative
Egger Nordamerika Beteiligungs GmbH	St. Johann i.T.	EUR	35	100.00	Full consolidation	Decorative
Egger Business Services GmbH	St. Johann i.T.	EUR	35	100.00	Full consolidation	Decorative
EHWS Beteiligungs GmbH	St. Johann i.T.	EUR	35	100.00	Full consolidation	Decorative
Egger East Investment GmbH	St. Johann i.T.	EUR	35	100.00	Full consolidation	Decorative
Egger Corporate Services GmbH	St. Johann i.T.	EUR	35	100.00	Full consolidation	Decorative
Egger Südamerika Holding GmbH	St. Johann i.T.	EUR	35	100.00	Full consolidation	Decorative
Egger Holzverarbeitung GmbH	St. Johann i.T.	EUR	35	94.90	Full consolidation	Decorative
Egger Forst Österreich GmbH	St. Pölten	EUR	100	94.90	Full consolidation	Decorative
EGGER Panneaux & Décors SAS	Rion des Landes	EUR	30,000	94.90	Full consolidation	Decorative Flooring
Egger (UK) Limited	Woking	GBP	13,500	100.00	Full consolidation	Decorative
Campact Limited	Woking	GBP	1,000	100.00	Full consolidation	Decorative
Egger Forestry Limited	Woking	GBP	252	100.00	Full consolidation	Decorative
Timberpak Limited	Woking	GBP	8	100.00	Full consolidation	Decorative
Egger Argentina Investment Limited	Woking	GBP	7	100.00	Full consolidation	Decorative
Egger Argentina Holding Limited	Woking	GBP	3	100.00	Full consolidation	Decorative
Egger USA Investment Limited	Woking	GBP	12	100.00	Full consolidation	Decorative
Egger Dekor A.S.	Gebze	EUR	27,347	100.00	Full consolidation	Decorative
Egger Orman Ürünleri A.S.	Gebze	TRY	4,653	100.00	Full consolidation	Decorative
Fritz Egger Beteiligungs GmbH & Co.KG (2/3)	Brilon	EUR	90,641	94.86	Full consolidation	Decorative
Egger Holzwerkstoffe Brilon GmbH & Co. KG (2/3)	Brilon	EUR	1,064	94.86	Full consolidation	Decorative
Egger Holzwerkstoffe Brilon Beteiligungs-GmbH	Brilon	EUR	25	94.86	Full consolidation	Decorative
LTPRO GmbH	Brilon	EUR	25	94.86	Full consolidation	Decorative
Egger Brilon Service GmbH	Brilon	EUR	500	94.86	Full consolidation	Decorative
Egger Kunststoffe Beteiligungs-GmbH	Brilon	EUR	25	94.86	Full consolidation	Decorative

Company	Headquarters	Curren-cy	Nominal capital in thous.	Stake in % (1)	Type of consolidation	Segment
Egger Sägewerk Brilon GmbH	Brilon	EUR	25	94.86	Full consolidation	Building
Egger Forst GmbH	Brilon	EUR	25	94.86	Full consolidation	Building
Horatec GmbH	Hövelhof	EUR	69	24.24	Equity-method	Decorative
Egger Holzwerkstoffe Wismar GmbH & Co. KG (2)	Wismar	EUR	1,025	94.86	Full consolidation	Flooring Building
Egger Holzwerkstoffe Wismar Beteiligungs GmbH	Wismar	EUR	26	94.86	Full consolidation	Flooring
EGGER Flooring International Beteiligungs GmbH	Wismar	EUR	25	94.86	Full consolidation	Flooring
EGGER Flooring International GmbH & Co. KG (2)	Wismar	EUR	25	94.86	Full consolidation	Flooring
Egger Kunststoffe GmbH & Co. KG (2)	Gifhorn	EUR	282	94.86	Full consolidation	Decorative
Egger Beschichtungswerk Marienmünster Beteiligungs GmbH	Marienmünster	EUR	26	94.86	Full consolidation	Decorative
Egger Beschichtungswerk Marienmünster GmbH & Co.KG (2)	Marienmünster	EUR	513	94.86	Full consolidation	Decorative
Timberpak GmbH	Lehrte	EUR	25	94.86	Full consolidation	Decorative
CLEAF S.p.A.	Macherio	EUR	1,830	27.50	Equity-method	Decorative
Egger Biskupiec sp. z o.o.	Biskupiec	PLN	20,088	100.00	Full consolidation	Decorative Flooring
EGGER Romania S.R.L.	Radauti	RON	960,201	100.00	Full consolidation	Decorative Flooring Building
Egger Technologia S.R.L.	Radauti	RON	90,871	100.00	Full consolidation	Decorative
Energy Trust S.R.L.	Radauti	RON	50,959	100.00	Full consolidation	Decorative
F.E. Agrar S.R.L.	Radauti	RON	52,911	100.00	Full consolidation	Building
OOO „Egger Drevprodukt Shuya“	Shuya	RUB	1,841,390	100.00	Full consolidation	Decorative
OOO Egger Drevprodukt Gagarin	Gagarin	RUB	6,341,055	100.00	Full consolidation	Decorative Flooring
Egger Wood Products LLC	Linwood	USD	659,000	100.00	Full consolidation	Decorative
Egger Argentina SAU	Buenos Aires	ARS	22,452	100.00	Full consolidation	Decorative
Companies not included in the consolidated financial statements:						
Ortswärme St. Johann in Tirol GmbH	St. Johann i.T.	EUR	500	24.67	–	–
Eco 3 Bois SAS	Venissieux	EUR	100	47.45	–	–
Timberpak 31 SAS	Belesta	EUR	50	47.45	–	–
Timberpak Pearce Limited	Woking	GBP	0	50.00	–	–
Krause Maschinenbau GmbH	Tuntenhausen	EUR	26	22.78	–	–
Meobelio GmbH	Bad Wünnenberg	EUR	25	71.05	–	–
Egger Benelux BV	Kortrijk	EUR	0	100.00	–	–
Fundatia “EGGER”	Radauti	RON	105	100.00	–	–
Fundacja Egger	Biskupiec	PLN	400	100.00	–	–
Egger Productos de Madera Limitada	Santiago	CLP	16,600	94.86	–	–
Egger Scandinavia APS	Tistrup	DKK	200	100.00	–	–
COC Asset Management S.A.U.	Buenos Aires	ARS	300	94.90	–	–

Company	Headquarters	Curren-cy	Nominal capital in thous.	Stake in % (1)	Type of consolidation	Segment
Egger Baltic UAB	Vilnius	EUR	3	100.00	–	–
Egger CZ s.r.o.	Hradec Kralove	CZK	100	100.00	–	–
TOV Egger Holzwerkstoffe	Chernivtsi	UAH	50,119	100.00	–	–
TOV "Egger Wood Trading"	Chernivtsi	UAH	3,145	100.00	–	–
IOOO Egger Drevplit	Minsk	BYN	4,000	100.00	–	–
Egger Drevplit Kazakhstan LLP	Almaty	KZT	2,100	100.00	–	–
Egger Zarzadzanie aktywami Sp. z o.o.	Warsaw	PLN	400	100.00	–	–
Egger Holzwerkstoffe Schweiz GmbH	Kriens	CHF	100	100.00	–	–
Egger Italia S.r.l.	Oderzo	EUR	10	100.00	–	–
EGGER Drvni Proizvodi d.o.o. Beograd	Belgrade	RSD	3,174	100.00	–	–
Fritz Egger Kabushiki Kaisha	Tokyo	JPY	5,000	100.00	–	–
Egger Australasia Pty Ltd	Sydney	AUD	45	100.00	–	–
Fritz Egger Business Consulting (Shanghai) Co Ltd.	Shanghai	CNY	1,000	100.00	–	–
Egger Southeast Asia Company Limited	Ho Chi Minh City	VND	1,133,000	100.00	–	–

(1) Share of capital based on %.
(2) These subsidiaries elected to use the exemptions provided by § 264 b of the German Commercial Code.
(3) The subsidiaries included in the consolidated financial statements elected to use the exemption provided by § 291 of the German Commercial Code, and therefore did not prepare consolidated financial statements or a group management report.

St. Johann in Tirol, July 14, 2022

Thomas Leissing	Frank Bölling	Ulrich Bühler	Hannes Mitterweissacher
(Speaker of Group Management, CFO, Chief Financial Officer)	(CSCO, Chief Supply Chain Officer)	(CSO, Chief Sales Officer)	(CTO, Chief Technology Officer)

The Managing Board

Egger Holzwerkstoffe GmbH, St. Johann in Tirol

Statement by the Company's Legal Representatives

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

St. Johann in Tirol, July 14, 2022

Thomas Leissing
(Speaker of Group Management, CFO, Chief Financial Officer)

Frank Bölling
(CSCO, Chief Supply Chain Officer)

Ulrich Bühler
(CSO, Chief Sales Officer)

Hannes Mitterweissacher
(CTO, Chief Technology Officer)

The Managing Board

Auditor's Report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of

Egger Holzwerkstoffe GmbH,
St. Johann in Tirol, Austria,

and its subsidiaries ("the Group"), which comprise the consolidated Balance as at 30 April 2022, and the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at 30 April 2022, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

Basis for our Opinion

We conducted our audit in accordance with the EU Regulation 537/2014 ("AP Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

Impairment of property, plant and equipment

Refer to chapter 17

Risk for the Consolidated Financial Statements

Property, plant and equipment amount to kEUR 2,147,410 (previous year: kEUR 2,032,790) and thus 57.41% (previous year: 62.61%) of the consolidated balance sheet total. Investments in property, plant and equipment in the financial year amounted to kEUR 291,481.

In addition to the ongoing valuation, Egger examines annually whether there are indications of impairment on property, plant and equipment. If there are any such indications, management conducts impairment testing. The carrying amount of the concerned property, plant and equipment is compared with the recoverable amount, which is the higher of value in use and fair value less costs to sell. If this value is lower than the carrying amount, unscheduled depreciation is made to the lower value.

The value in use is calculated as the present value of estimated future cash flows from the use of the assets, based on a risk-adjusted interest rate. The fair value less costs to sell corresponds to the selling price obtained for the item in question in an arm`s length transaction between independent third parties less the costs of disposal. If no independent cash surplus can be determined for the asset concerned, it is included in the next largest unit for which an independent surplus can be determined (cash generating unit).

Due to the significant investments in two new plants in previous fiscal years in combination with the macroeconomic impact from the Ukraine crisis, this matter was of particular importance during our audit.

Our Response

We have assessed the impairment of property, plant and equipment as folows:

- We have assessed the process including relevant controls and evaluated the design and implementation of identified key controls for assessing the recoverability of goodwill.

- We have compared the parameters and input factors used for the impairment tests with company-specific information and industry-specific market data or expectations from external and internal data sources and assessed the appropriateness of the valuation models used. We also gained an overview of the planning process and critically examined the back-testing of the budget and the business plan carried out by management.

- We have compared the planning data used to determine future cash flows with the budget approved by the Supervisory Board.

- We used internal valuation specialists to check the plausibility of the cost of capital by means of comparative analysis, to check the calculaton methodology for compliance with the requirements of IAS 36 and to verify the plausibility of the applied parameters.

- In addition, we examined whether the required disclosures in the notes contain all necessary explanations in connection with impairement testing and whether significant estimation uncertainties are adequately described.

- In addition, we have conducted discussions with management and analytical procedures to assess whether there are indications of impairment in other CGUs.

Impairment of deferred tax assets

Refer to chapter 26

Risk for the Consolidated Financial Statements

The deferred tax assets in the consolidated financial statements amount to kEUR 88,165 (previous year: kEUR 94,367). No deferred tax assets were recognized for tax losses from the valuation of investments amounting to kEUR 44,933 (previous year: kEUR 41,350).

Deferred tax assets are calculated for all deductible temporary differences between the carrying amount of balance sheet items of the consolidated IFRS financial statements and the tax base of the individual components, as well as for existing losses carried-forward. Deferred tax assets are only recognized if it is probable that the tax benefit contained therein will be realizable. Deferred tax assets are measured at the tax rate applicable for the respective country.

The assessment of whether the tax benefit is realizable is based on the assumption that sufficient taxable income will be generated in the future to utilize existing deductible temporary differences and losses carried-forward. These depend primarily on the future results of the respective taxable entities (individual companies and tax groups), tax planning options and the future development of tax regulations and their interpretation by tax authorities. This gives rise to the risk that the recognized deferred tax assets may be overstated or understated.

Due to the fact that the assessment of the recoverability of deferred tax assets is highly discretionary, this issue was of particular importance for our audit.

Our Response

We have assessed the impairment of deferred tax assets as follows:

- Our audit procedures included the assessment of internal controls in the financial reporting process relating to deferred tax assets, including the derivation of management's assumptions and those of the operating divisions'representatives relating to future taxable results and the group's tax planning options.

- We have reconciled the forecast results on which the deferred tax assets are based with the group's current planning, approved by the Supervisory Board.

- Furthermore we checked the assumed earning developments of the group in comparison with the group's historical data. We have critically evaluated the tax structuring possibilities, particulary with regard to their practicability.

- In addition, we examined whether the required disclosures in the notes contain all necessary explanations in connection with deferred tax assets and whether significant estimation uncertainities are adequately described.

Conflict Russia – Ukraine – Impairment of non-current assets

Refer to chapter 17 and 38

Risk for the Consolidated Financial Statements

Non-current assets in Russia amount to 8.8 % of the Group's non-current assets.

Due to the escalated conflict in Ukraine, management is performing an impairment test for non-current assets attributable to a Russian company.

With regard to the impairment test procedure and the derivation of the value in use, please refer to the disclosures on impairment of property, plant and equipment.

Due to the escalation of the Russia-Ukraine conflict in the 4th quarter of the fiscal year, this matter was of particular importance during our audit as the estimation uncertainty increased in the valuation of the balance sheet items listed above.

Our Response

We have assessed the impairment of non-current assets as follows:

- Our approach to the impairment testing of the non-current Russian assets is identical to our approach to the impairment testing of the property, plant and equipment. In addition, the foreign currency translation approach was critically assessed in this context. In this regard, we refer to the presentations in this section

Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact. If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intents to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the AP Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the AP Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.

- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.

- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Report on Other Legal Requirements

Group Management Report

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the group management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports.

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Additional Information in accordance with Article 10 AP Regulation

We were elected as auditors at the Annual General Meeting on 30 July 2021 and were appointed by the supervisory board to audit the financial statements of Company for the financial year ending on 30 April 2022.

We have been auditors of the Company, without interruption, since the consolidated financial statements at 30 April 2020.

We declare that our opinion expressed in the "Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the Audit Committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Group.

Engagement Partner

The engagement partner is Mr Mag. Ulrich Pawlowski.

Innsbruck, 15 July 2022

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Mag. Ulrich Pawlowski
Wirtschaftsprüfer
(Austrian Chartered Accountant)

The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

This report is a translation of the original report in German, which is solely valid.

Bestätigungsvermerk

Bericht zum Konzernabschluss

Prüfungsurteil

Wir haben den Konzernabschluss der

Egger Holzwerkstoffe GmbH,
St. Johann in Tirol,

und ihrer Tochtergesellschaften ("der Konzern"), bestehend aus der Konzernbilanz zum 30. April 2022, der Konzern-Gewinn- und Verlustrechnung, der Konzern-Gesamtergebnisrechnung, der Cashflow-Rechnung und der Konzern-Eigenkapitalentwicklung für das an diesem Stichtag endende Geschäftsjahr und dem Konzernanhang, geprüft.

Nach unserer Beurteilung entspricht der Konzernabschluss den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage des Konzerns zum 30. April 2022 sowie der Ertragslage und der Zahlungsströme des Konzerns für das an diesem Stichtag endende Geschäftsjahr in Übereinstimmung mit den International Financial Reporting Standards (IFRS), wie sie in der EU anzuwenden sind und den zusätzlichen Anforderungen des § 245a UGB.

Grundlage für das Prüfungsurteil

Wir haben unsere Abschlussprüfung in Übereinstimmung mit der EU-Verordnung Nr 537/2014 (im Folgenden AP-VO) und mit den österreichischen Grundsätzen ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern die Anwendung der International Standards on Auditing (ISA). Unsere Verantwortlichkeiten nach diesen Vorschriften und Standards sind im Abschnitt "Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Konzernabschlusses" unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind vom Konzern unabhängig in Übereinstimmung mit den österreichischen unternehmens- und berufsrechtlichen Vorschriften und wir haben unsere sonstigen beruflichen Pflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise bis zum Datum dieses Bestätigungsvermerkes ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu diesem Datum zu dienen.

Besonders wichtige Prüfungssachverhalte

Besonders wichtige Prüfungssachverhalte sind solche Sachverhalte, die nach unserem pflichtgemäßen Ermessen am bedeutsamsten für unsere Prüfung des Konzernabschlusses des Geschäftsjahres waren. Diese Sachverhalte wurden im Zusammenhang mit unserer Prüfung des Konzernabschlusses als Ganzes und bei der Bildung unseres Prüfungsurteils hierzu berücksichtigt und wir geben kein gesondertes Prüfungsurteil zu diesen Sachverhalten ab.

Werthaltigkeit des Sachanlagevermögens

siehe Anhang Kapitel 17

Das Risiko für den Abschluss

Das Sachanlagevermögen beträgt mit TEUR 2.147.410 (Vorjahr: TEUR 2.032.790) 57,41% (Vorjahr: 62,61%) der Konzernbilanzsumme. Die Investitionen in das Sachanlagevermögen im Geschäftsjahr betrugen TEUR 291.481.

Egger untersucht bei Sachanlagevermögen neben der fortlaufenden Bewertung jeweils zum Bilanzstichtag, ob Anzeichen einer Wertminderung vorliegen. Bei Vorliegen solcher Anzeichen führt die Geschäftsleitung einen Wertminderungstest durch. Dabei wird der jeweilige Buchwert des betroffenen Sachanlagevermögens dem erzielbaren Betrag, das ist der höhere Wert aus Nutzungswert und beizulegenden Zeitwert abzüglich Veräußerungskosten, gegenübergestellt. Liegt dieser Wert unter dem Buchwert, erfolgt eine außerplanmäßige Abschreibung auf diesen niedrigeren Wert.

Der Nutzungswert wird als Barwert der geschätzten künftigen Ein- und Auszahlungen aus der Verwendung des Gegenstandes unter Zugrundelegung eines risikoadjustierten Zinssatzes ermittelt. Der beizulegende Zeitwert abzüglich Veräußerungskosten entspricht dem für den betroffenen Gegenstand am Markt unter unabhängigen Dritten erzielbaren Verkaufserlös abzüglich anfallender Veräußerungskosten. Kann für den betroffenen Gegenstand kein eigenständiger Mittelüberschuss festgestellt werden, wird er in die nächstgrößere Einheit, für die ein eigenständiger Überschuss ermittelt werden kann (zahlungsmittelgenerierende Einheit), einbezogen.

Auf Grund der wesentlichen Investitionen in zwei neue Werke in den vorangegangen Geschäftsjahren in Verbindung mit den gesamtwirtschaftlichen Auswirkungen aus der Ukraine Krise war dieser Sachverhalt während unserer Prüfung von besonderer Bedeutung.

Unsere Vorgehensweise in der Prüfung

Wir haben die Werthaltigkeit der Sachanlagen wie folgt beurteilt:

- Im ersten Schritt haben wir die Prozessabläufe sowie relevante interne Kontrollen erhoben und die Schlüsselkontrollen zur Beurteilung der Werthaltigkeit des Sachanlagevermögens auf deren Ausgestaltung und Implementierung evaluiert.

- Wir haben die im Rahmen der Werthaltigkeitsprüfungen angesetzten Parameter und Inputfaktoren mit unternehmensspezifischen Informationen sowie branchenspezifischen Marktdaten bzw -erwartungen aus externen und internen Datenquellen verglichen und die angewendeten Bewertungsmodelle hinsichtlich ihrer Angemessenheit beurteilt. Außerdem haben wir uns einen Überblick über den Planungsprozess verschafft und den vom Management durchgeführten Rückvergleich des Budgets und des Business Plans kritisch untersucht.

- Die zur Ermittlung der zukünftigen Zahlungsmittelflüsse herangezogenen Plandaten haben wir mit den vom Aufsichtsrat genehmigten Budget abgeglichen.

- Zur Plausibilisierung der Kapitalkosten mittels Vergleichsanalyse, zur Überprüfung der Berechnungsmethodik auf Übereinstimmung mit den Vorgaben des IAS 36 sowie zur Plausibilisierung der angesetzten Parameter haben wir interne Bewertungsspezialisten hinzugezogen.

- Darüber hinaus untersuchten wir, ob die erforderlichen Angaben im Anhang alle notwendigen Erläuterungen im Zusammenhang mit den Wertminderungstests enthalten sowie die wesentlichen Schätzunsicherheiten angemessen beschrieben sind.
- Darüber hinaus haben wir zur Beurteilung, ob in weiteren CGUs Anhaltspunkte für Wertminderungen bestehen, Gespräche mit dem Management und analytische Prüfungshandlungen durchgeführt.

Werthaltigkeit der aktiven latenten Steuern

siehe Anhang Kapitel 26

Das Risiko für den Abschluss

Die aktiven latenten Steuern betragen im Konzernabschluss TEUR 88.165 (Vorjahr: TEUR 94.367). Aktive latente Steuern in Höhe von TEUR 44.933 (Vorjahr: TEUR 41.350) wurden nicht angesetzt.

Die Ermittlung der aktiven latenten Steuern erfolgt für alle abzugsfähigen temporären Differenzen zwischen den Wertansätzen der Bilanzposten im konsolidierten IFRS-Abschluss und den bei den einzelnen Gesellschaften bestehenden Steuerwerten sowie für bestehende Verlustvorträge. Aktive latente Steuern werden nur angesetzt, wenn es wahrscheinlich ist, dass der enthaltene Steuervorteil realisierbar sein wird. Die Bewertung der aktiven latenten Steuern erfolgt für das jeweilige Land anwendbaren Steuersatz.

Der Einschätzung, ob der Steuervorteil realisierbar ist, liegt die Annahme zu Grunde, dass in Zukunft ausreichende steuerpflichtige Einkünfte erwirtschaftet werden, um bestehende abzugsfähige temporäre Unterschiede zu nutzen und Verlustvorträge zu verwerten. Diese hängen vor allem von den künftigen Ergebnissen der jeweiligen Steuersubjekte (einzelne Unternehmen und Steuergruppen), von Steuergestaltungsmöglichkeiten und der künftigen Entwicklung von Steuervorschriften sowie deren Interpretationen seitens der Finanzverwaltungen ab. Daraus ergibt sich das Risiko, dass die angesetzten aktiven latenten Steuern zu hoch oder zu gering eingeschätzt sind.

Auf Grund der Tatsache, dass die Beurteilung der Werthaltigkeit der aktivierten latenten Steuern stark ermessensbehaftet ist, war dieser Sachverhalt für uns in der Prüfung von besonderer Bedeutung.

Unsere Vorgehensweise in der Prüfung

Wir haben die Werthaltigkeit der aktiven latenten Steuern wie folgt beurteilt:

- Unsere Prüfungshandlungen umfassten die Beurteilung der internen Kontrollen im Rechnungslegungsprozess zu den aktiven latenten Steuern einschließlich der Herleitung der Annahmen der Unternehmensleitung sowie der Vertreter der operativen Unternehmensbereiche zu den künftigen steuerlichen Ergebnissen sowie den Steuergestaltungsmöglichkeiten in der Gruppe.

- Wir haben die den aktiven latenten Steuern zu Grunde gelegten prognostizierten Ergebnisse mit der aktuellen und vom Aufsichtsrat genehmigten Planung des Konzerns abgeglichen.

- Weiters würdigten wir die angenommene Ergebnisentwicklung der Gruppe im Vergleich mit den historischen Daten des Konzerns. Die Steuergestaltungsmöglichkeiten haben wir insbesondere hinsichtlich ihrer Umsetzbarkeit kritisch gewürdigt.

- Darüber hinaus untersuchten wir, ob die erforderlichen Angaben im Anhang alle notwendigen Erläuterungen im Zusammenhang mit aktiven latenten Steuern enthalten sowie die wesentlichen Schätzunsicherheiten angemessen beschrieben sind.

Konflikt Russland – Ukraine – Werthaltigkeit langfristige Vermögenswerte

siehe Anhang Kapitel 17 und 38

Das Risiko für den Abschluss

Die langfristigen Vermögenswerte in Russland betragen 8,8 % der langfristigen Konzernvermögenswerte.

Auf Grund des eskalierten Konflikts in der Ukraine führt die Geschäftsleitung für die langfristigen Vermögenswerte, die einer russischen Gesellschaft zuzuordnen sind, einen Wertminderungstest durch.

Hinsichtlich der Vorgehensweise des Wertminderungstests sowie der Herleitung des Nutzungswertes verweisen wir auf die Angaben zur Werthaltigkeit des Sachanlagevermögens.

Auf Grund des im 4. Quartal des Geschäftsjahres eskalierten Russland-Ukraine Konflikts war dieser Sachverhalt während unserer Prüfung von besonderer Bedeutung, da die Schätzunsicherheit bei der Bewertung der oben angeführten Bilanzposten zugenommen hat.

Unsere Vorgehensweise in der Prüfung

Wir haben die Werthaltigkeit der langfristigen Vermögenswerte wie folgt beurteilt:

- Unsere Vorgehensweise bei der Prüfung der Werthaltigkeitstests der langfristigen russischen Vermögenswerte ist ident mit unserer Vorgehensweise in der Prüfung der Werthaltigkeit des Sachanlagevermögens. Zusätzlich wurde die Vorgehensweise der Fremdwährungsumrechnung in diesem Zusammenhang kritisch gewürdigt. Wir verweisen dazu auf die Darstellungen in diesem Abschnitt.

Sonstige Informationen

Die gesetzlichen Vertreter sind für die sonstigen Informationen verantwortlich. Die sonstigen Informationen umfassen alle Informationen im Geschäftsbericht, ausgenommen den Konzernabschluss, den Konzernlagebericht und den Bestätigungsvermerk.

Unser Prüfungsurteil zum Konzernabschluss erstreckt sich nicht auf diese sonstigen Informationen, und wir geben keine Art der Zusicherung darauf.

Im Zusammenhang mit unserer Prüfung des Konzernabschlusses haben wir die Verantwortlichkeit, diese sonstigen Informationen zu lesen und dabei zu würdigen, ob die sonstigen Informationen wesentliche Unstimmigkeiten zum

Konzernabschluss oder unseren bei der Abschlussprüfung erlangten Kenntnissen aufweisen oder anderweitig falsch dargestellt erscheinen.

Falls wir auf der Grundlage der von uns zu den vor dem Datum des Bestätigungsvermerks des Abschlussprüfers erlangten sonstigen Informationen durchgeführten Arbeiten den Schluss ziehen, dass eine wesentliche falsche Darstellung dieser sonstigen Informationen vorliegt, sind wir verpflichtet, über diese Tatsache zu berichten. Wir haben in diesem Zusammenhang nichts zu berichten.

Verantwortlichkeiten der gesetzlichen Vertreter und des Prüfungsausschusses für den Konzernabschluss

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Konzernabschlusses und dafür, dass dieser in Übereinstimmung mit den IFRS, wie sie in der EU anzuwenden sind, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie als notwendig erachten, um die Aufstellung eines Konzernabschlusses zu ermöglichen, der frei von wesentlichen falschen Darstellungen auf Grund von dolosen Handlungen oder Irrtümern ist.

Bei der Aufstellung des Konzernabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit des Konzerns zur Fortführung der Unternehmenstätigkeit zu beurteilen, Sachverhalte im Zusammenhang mit der Fortführung der Unternehmenstätigkeit – sofern einschlägig – anzugeben, sowie dafür, den Rechnungslegungsgrundsatz der Fortführung der Unternehmenstätigkeit anzuwenden, es sei denn, die gesetzlichen Vertreter beabsichtigen, entweder den Konzern zu liquidieren oder die Unternehmenstätigkeit einzustellen oder haben keine realistische Alternative dazu.

Der Prüfungsausschuss ist verantwortlich für die Überwachung des Rechnungslegungsprozesses des Konzerns.

Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Konzernabschlusses

Unsere Ziele sind hinreichende Sicherheit darüber zu erlangen, ob der Konzernabschluss als Ganzes frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist und einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil beinhaltet. Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit der AP-VO und mit den österreichischen Grundsätzen ordnungsgemäßer Abschlussprüfung, die die Anwendung der ISA erfordern, durchgeführte Abschlussprüfung eine wesentliche falsche Darstellung, falls eine solche vorliegt, stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn von ihnen einzeln oder insgesamt vernünftigerweise erwartet werden könnte, dass sie die auf der Grundlage dieses Konzernabschlusses getroffenen wirtschaftlichen Entscheidungen von Nutzern beeinflussen.

Als Teil einer Abschlussprüfung in Übereinstimmung mit der AP-VO und mit den österreichischen Grundsätzen ordnungsgemäßer Abschlussprüfung, die die Anwendung der ISA erfordern, üben wir während der gesamten Abschlussprüfung pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung.

Darüber hinaus gilt:

- Wir identifizieren und beurteilen die Risiken wesentlicher falscher Darstellungen aufgrund von dolosen Handlungen oder Irrtümern im Abschluss, planen Prüfungshandlungen als Reaktion auf diese Risiken, führen sie durch und erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass aus dolosen Handlungen resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, ist höher als ein aus Irrtümern resultierendes, da dolose Handlungen kollusives Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen oder das Außerkraftsetzen interner Kontrollen beinhalten können.

- Wir gewinnen ein Verständnis von dem für die Abschlussprüfung relevanten internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit des internen Kontrollsystems der Gesellschaft abzugeben.

- Wir beurteilen die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte in der Rechnungslegung und damit zusammenhängende Angaben.

- Wir ziehen Schlussfolgerungen über die Angemessenheit der Anwendung des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit durch die gesetzlichen Vertreter sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die erhebliche Zweifel an der Fähigkeit des Konzerns zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir die Schlussfolgerung ziehen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, in unserem Bestätigungsvermerk auf die dazugehörigen Angaben im Konzernabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch die Abkehr des Konzerns von der Fortführung der Unternehmenstätigkeit zur Folge haben.

- Wir beurteilen die Gesamtdarstellung, den Aufbau und den Inhalt des Konzernabschlusses einschließlich der Angaben sowie ob der Konzernabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse in einer Weise wiedergibt, dass ein möglichst getreues Bild erreicht wird.

- Wir erlangen ausreichende geeignete Prüfungsnachweise zu den Finanzinformationen der Einheiten oder Geschäftstätigkeiten innerhalb des Konzerns, um ein Prüfungsurteil zum Konzernabschluss abzugeben. Wir sind verantwortlich für die Anleitung, Überwachung und Durchführung der Konzernabschlussprüfung. Wir tragen die Alleinverantwortung für unser Prüfungsurteil.

- Wir tauschen uns mit dem Prüfungsausschuss unter anderem über den geplanten Umfang und die geplante zeitliche Einteilung der Abschlussprüfung sowie über bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel im internen Kontrollsystem, die wir während unserer Abschlussprüfung erkennen, aus.

- Wir geben dem Prüfungsausschuss auch eine Erklärung ab, dass wir die relevanten beruflichen Verhaltensanforderungen zur Unabhängigkeit eingehalten haben und uns mit ihm über alle Beziehungen und sonstigen Sachverhalte austauschen, von denen vernünftigerweise angenommen werden kann, dass sie sich auf unsere Unabhängigkeit und – sofern einschlägig – damit zusammenhängende Schutzmaßnahmen auswirken.

- Wir bestimmen von den Sachverhalten, über die wir uns mit dem Prüfungsausschuss ausgetauscht haben, diejenigen Sachverhalte, die am bedeutsamsten für die Prüfung des Konzernabschlusses des Geschäftsjahres waren und daher die besonders wichtigen Prüfungssachverhalte sind. Wir beschreiben diese Sachverhalte in unserem Bestätigungsvermerk, es sei denn, Gesetze oder andere Rechtsvorschriften schließen die öffentliche Angabe des Sachverhalts aus oder wir bestimmen in äußerst seltenen Fällen, dass ein Sachverhalt nicht in unserem Bestätigungsvermerk mitgeteilt werden sollte, weil vernünftigerweise erwartet wird, dass die negativen Folgen einer solchen Mitteilung deren Vorteile für das öffentliche Interesse übersteigen würden.

Sonstige gesetzliche und andere rechtliche Anforderungen

Bericht zum Konzernlagebericht

Der Konzernlagebericht ist aufgrund der österreichischen unternehmensrechtlichen Vorschriften darauf zu prüfen, ob er mit dem Konzernabschluss in Einklang steht und ob er nach den geltenden rechtlichen Anforderungen aufgestellt wurde.

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Konzernlageberichts in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Wir haben unsere Prüfung in Übereinstimmung mit den Berufsgrundsätzen zur Prüfung des Konzernlageberichts durchgeführt.

Urteil

Nach unserer Beurteilung ist der Konzernlagebericht nach den geltenden rechtlichen Anforderungen aufgestellt worden, enthält die nach § 243a UGB zutreffenden Angaben, und steht in Einklang mit dem Konzernabschluss.

Erklärung

Angesichts der bei der Prüfung des Konzernabschlusses gewonnenen Erkenntnisse und des gewonnenen Verständnisses über den Konzern und sein Umfeld haben wir keine wesentlichen fehlerhaften Angaben im Konzernlagebericht festgestellt.

Zusätzliche Angaben nach Artikel 10 AP-VO

Wir wurden von der Generalversammlung am 30. Juli 2021 als Abschlussprüfer gewählt und vom Aufsichtsrat mit der Abschlussprüfung der Gesellschaft für das am 30. April 2022 endende Geschäftsjahr beauftragt.

Wir sind ohne Unterbrechung seit dem Konzernabschluss zum 30. April 2020 Abschlussprüfer der Gesellschaft.

Wir erklären, dass das Prüfungsurteil im Abschnitt "Bericht zum Konzernabschluss" mit dem zusätzlichen Bericht an den Prüfungsausschuss nach Artikel 11 der AP-VO in Einklang steht.

Wir erklären, dass wir keine verbotenen Nichtprüfungsleistungen (Artikel 5 Abs 1 der AP-VO) erbracht haben und dass wir bei der Durchführung der Abschlussprüfung unsere Unabhängigkeit von der geprüften Gesellschaft gewahrt haben.

Auftragsverantwortlicher Wirtschaftsprüfer

Der für die Abschlussprüfung auftragsverantwortliche Wirtschaftsprüfer ist Herr Mag. Ulrich Pawlowski.

Innsbruck, 15. Juli 2022

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Ulrich Pawlowski
Wirtschaftsprüfer

Die Veröffentlichung oder Weitergabe des Konzernabschlusses mit unserem Bestätigungsvermerk darf nur in der von uns bestätigten Fassung erfolgen. Dieser Bestätigungsvermerk bezieht sich ausschließlich auf den deutschsprachigen und vollständigen Konzernabschluss samt Konzernlagebericht. Für abweichende Fassungen sind die Vorschriften des § 281 Abs 2 UGB zu beachten.


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