

ANNUAL REPORT 2022



*Solid balance -
sheet structure*

61.5% equity ratio

EUR **1,058.2**
million revenue

EUR **90.5**
million operating EBITDA

Leading market position with
strong brands for more than

195 years

SEMPERIT

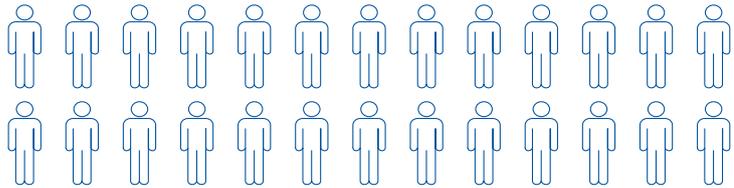
International group, which develops, produces and sells
highly specialised products made of rubber in the Industrial
and Medical Sectors

Worldwide presence

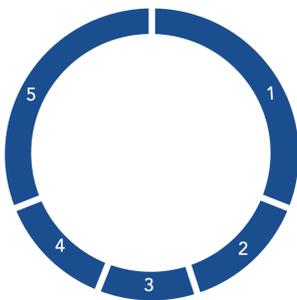
Distribution in more
than 100 countries



6,528 employees



Revenue split by segment 2022 (2021)

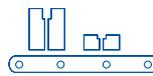


1. Semperflex
31% (20%)
2. Sempertrans
14% (9%)
3. Semperform
11% (8%)
4. Semperseal
13% (10%)
5. Sempermed
31% (53%)

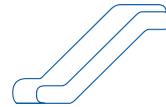
Balanced portfolio



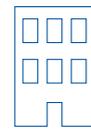
Semperflex



Sempertrans



Semperform

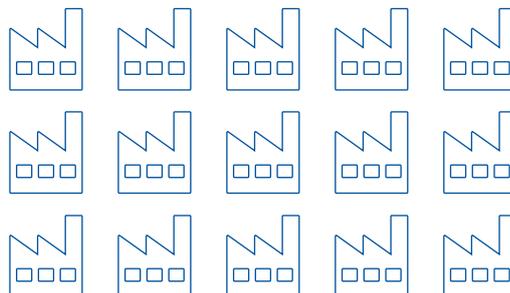


Semperseal



Sempermed

16 Production sites worldwide



The figures shown for revenue, EBITDA and employees are based on segment reporting. These key figures are an "as-if" representation, as if the separation into continued and discontinued operations had not (yet) taken place.

ANNUAL REPORT 2022

SEMPERIT

Key performance figures

in Mio. EUR	2022 ¹	Change	2021	2020 ²	2019 ²	2018	2017 ³
Revenue	1,058.2	-10.5%	1,182.2	927.6	840.6	878.5	874.2
EBITDA	90.5	-75.0%	361.8	208.6	67.8	46.4	100.2
EBITDA margin	8.6%	-22.1 PP	30.6%	22.5%	8.1%	5.3%	11.5%
EBIT	25.8	-91.8%	315.0	237.8	-16.5	-47.7	37.6
EBIT margin	2.4%	-24.2 PP	26.6%	25.6%	-2.0%	-5.4%	4.3%
Earnings after taxes	-5.6	n/a	247.5	194.6	-44.9	-80.4	-26.3
Earnings per share (EPS) ⁴ , in EUR	-0.27	>100%	11.99	9.06	-2.50	-4.13	-1.25
Gross cash flow	30.5	-90.6%	323.4	193.7	46.7	37.4	39.5
Return on equity ⁵	-1.1%	-46.8 PP	45.7%	58.0%	-16.3%	-24.2%	-9.2%

Balance sheet key figures

in Mio. EUR	2022	Veränderung	2021	2020	2019	2018	2017
Total assets	842.9	-12.1%	958.6	764.4	701.8	768.8	853.2
Equity	518.2	-4.1%	540.1	332.3	273.4	329.5	278.5
Equity ratio	61.5%	+5.1 PP	56.3%	43.5%	39.0%	42.9%	32.6%
Additions to intangible assets and property, plant and equipment	50.1	-11.2%	56.4	28.5	31.4	81.1	74.3
Employees (at reporting date)	6,528	-6.1%	6,948	6,943	6,902	6,773	6,838

Sector and segment key figures

in Mio. EUR	2022	Change	2021	2020	2019	2018	2017
Industrial Sector = Semperflex + Sempertrans + Semperform + Semperseal							
Revenue	734.0	+32.0%	556.1	478.4	547.2	567.0	537.0
EBITDA	125.2	+52.5%	82.1	76.6	87.5	71.3	42.9
EBIT	95.9	+68.9%	56.8	32.4	60.9	44.6	22.4
Semperflex							
Revenue	328.8	+36.7%	240.5	189.9	222.7	230.0	206.1
EBITDA	82.2	+60.1%	51.3	41.9	47.9	48.9	40.4
EBIT	70.2	+75.6%	40.0	30.9	36.0	38.4	31.8
Sempertrans							
Revenue	151.9	45.5%	104.5	113.1	134.0	144.8	146.0
EBITDA	19.7	n/a	6.8	8.7	13.5	0.5	-16.7
EBIT	15.5	n/a	3.2	-14.9	8.9	-7.1	-20.3
Semperform⁶							
Revenue	111.1	+22.7%	90.6	81.8	91.1	192.2	185.0
EBITDA	15.1	22.2%	12.4	15.0	15.6	21.9	19.2
EBIT	10.8	26.6%	8.5	11.3	12.0	13.2	11.0
Semperseal⁶							
Revenue	142.1	+17.9%	120.5	93.6	99.5	-	-
EBITDA	8.3	-28.5%	11.6	11.0	10.4	-	-
EBIT	-0.6	n/a	5.1	5.1	4.0	-	-
Medical Sector = Sempermed							
Revenue	324.2	-48.2%	626.1	449.2	293.3	311.5	337.1
EBITDA	-15.4	n/a	301.1	150.4	5.5	-3.9	77.9
EBIT	-49.5	n/a	280.9	224.9	-50.2	-69.6	38.0

Note: Rounding differences in the totalling of rounded amounts and percentages may arise from the use of automatic data processing.

¹ For better comparability, the values for revenue, EBITDA, EBITDA margin, EBIT, EBIT margin and employees were shown based on the segment reporting. These key figures are an "as-if" representation, as if the separation into continued and discontinued operations had not (yet) taken place.

² For the values adjusted for one-off effects in 2020 and 2019, see the management report of the 2020 annual.

³ The comparative figure for the 2017 financial year has been adjusted (see section 1.6 in the 2018 report).

⁴ The earnings per share only refer to the ordinary shareholders of Semperit AG Holding (excluding remuneration from hybrid capital).

⁵ Calculated from earnings after taxes (excluding non-controlling interests) in relation to the shareholders' equity (excluding non-controlling interests).

⁶ The business units Profiles and Rubber Sheeting were separated from the Semperform segment and are operated as a segment of their own under the name Semperseal as of 1 January 2020. Comparative values for 2019 were adjusted accordingly.

Foreword of the Executive Board

Dear Shareholders, dear Sir or Madam,

The Semperit Group accomplished a great deal in the past financial year: while the environment remained challenging, we succeeded in achieving extraordinarily good results. The most important event for our Group was undoubtedly the sale of our medical business, which is still subject to various foreign direct investment control and competition law approvals of authorities. We have thus reached a milestone in the implementation of our fundamental strategic decision to transform the Semperit Group into an industrial rubber specialist and can now continue on our chosen path with determination.

First, however, we would like to give you a brief overview of the course of business in the past financial year: The Industrial Sector developed very well in 2022 and achieved record results. On the one hand, this was attributable to a market recovery after the corona pandemic; on the other hand, we succeeded in passing on increased input factor costs (materials, energy, labour costs) to the customers in a timely manner. Although we have to expect an economic slowdown in the coming business year, we see our strategic focus on the Industrial Sector confirmed. In the Medical Sector, the end of the positive special cycle became increasingly noticeable. Here we were confronted with a sharp drop in prices, unusual ordering behaviour by customers, under-utilisation of production capacities and generally declining profitability of the industry. Despite these challenging conditions, we were able to agree on the sale to the Asian HARPS GLOBAL PTE. LTD., for which our surgical glove production is an ideal complement, in December of the financial year. Our traditional glove business will thus find a good new home. The closing of the sale of the examination glove production and the worldwide sales and distribution units is expected to take place around mid-2023. The production and packaging of surgical gloves will remain with us as contract manufacturing for the new owner for up to five years.

In line with the accounting standards, the parts of the Medical Sector related to the production of examination gloves as well as the sales and distribution of the medical business will no longer be shown in the operating earnings figures of the Semperit Group for 2022; rather, they will be presented separately as earnings after tax from discontinued operations. In continuing operations, which basically correspond to the Industrial Sector, also being our strategic focus, we recorded revenue growth of 29.6% from EUR 601.8 million to EUR 779.8 million. EBITDA rose by a remarkable 86.2% to EUR 100.5 million and EBIT more than doubled to EUR 62.1 million. Our margins thus developed strongly. If the discontinued Sempermed division were still included in the operating result, the decline in business in the Medical Sector would be clearly evident. For better comparability, we have included this pro forma presentation for you in the management report.

The 2022 financial year continued to be characterised by numerous challenges along the supply chains. Especially against the backdrop of the ongoing Russia-Ukraine conflict, availability and prices were an issue in almost all areas. This war is thus causing not only enormous human suffering and losses in Europe, but also burdens for companies.

For the 2023 financial year, we expect an economic slowdown, especially in the first half of the year, which will also be associated with lower revenue and earnings levels. We will be even more cost-conscious and continue to place a strong focus on working capital management. The inventory build-up in the aftermath of the corona pandemic and the Russia-Ukraine conflict, which secured our ongoing production and ensured on-time delivery for our customers, led to a significant increase in current assets and thus to an increased capital commitment, which now needs to be reduced again.

With the sale of the medical business, we are now fully focusing on our strategic transformation into an industrial rubber specialist and are devoting all our attention to growth in this sector. On the one hand, we will achieve this through organic growth, above all through the investment of a three-digit million amount in the world's first CO₂-neutral hose production in our plant in Odry. On the other hand, we will take advantage of opportunities for inorganic growth if a company is a strategic fit for us.

Against the background of the business development, but also in view of the upcoming transformation steps of the company, the Executive Board will deviate from the dividend policy for one time and propose

to the Annual General Meeting a basic dividend of EUR 1.50 per share and a conditional additional dividend of EUR 2.00 to EUR 3.50 per share for the 2022 financial year. The entitlement to the additional dividend depends on the sale of the medical business (Sempermed; initially production of examination gloves including sales and distribution) by 30 September 2023, as this is still subject to foreign direct investment control and competition law approvals of authorities. The exact amount of the additional dividend proposal still depends on the economic outlook as well as the further concretisation of organic and inorganic growth projects.

The transformation process will also take place with a view to sustainability. As a rubber-processing company in the chemical industry, we are particularly pleased to have received the "Austria's Leading Companies Award" in the "Sustainability" category for 2022, and this encourages us to further pursue our sustainability strategy.

Our almost 200-year history has always been shaped by two essential factors: continuous transformation and our employees. They contribute to improvements in all areas of the company, they make our outstanding successes possible, and they stand by their Semperit even in difficult times. We would like to thank them for their commitment and loyalty.

Special thanks also go to our institutional and private investors for their long-term focus and support. We hope that they will continue to accompany us on our way to becoming an industrial rubber specialist and on our growth path.

The Executive Board



A handwritten signature in black ink, appearing to read 'Karl Haider'.

Karl Haider
CEO



A handwritten signature in black ink, appearing to read 'Helmut Sorger'.

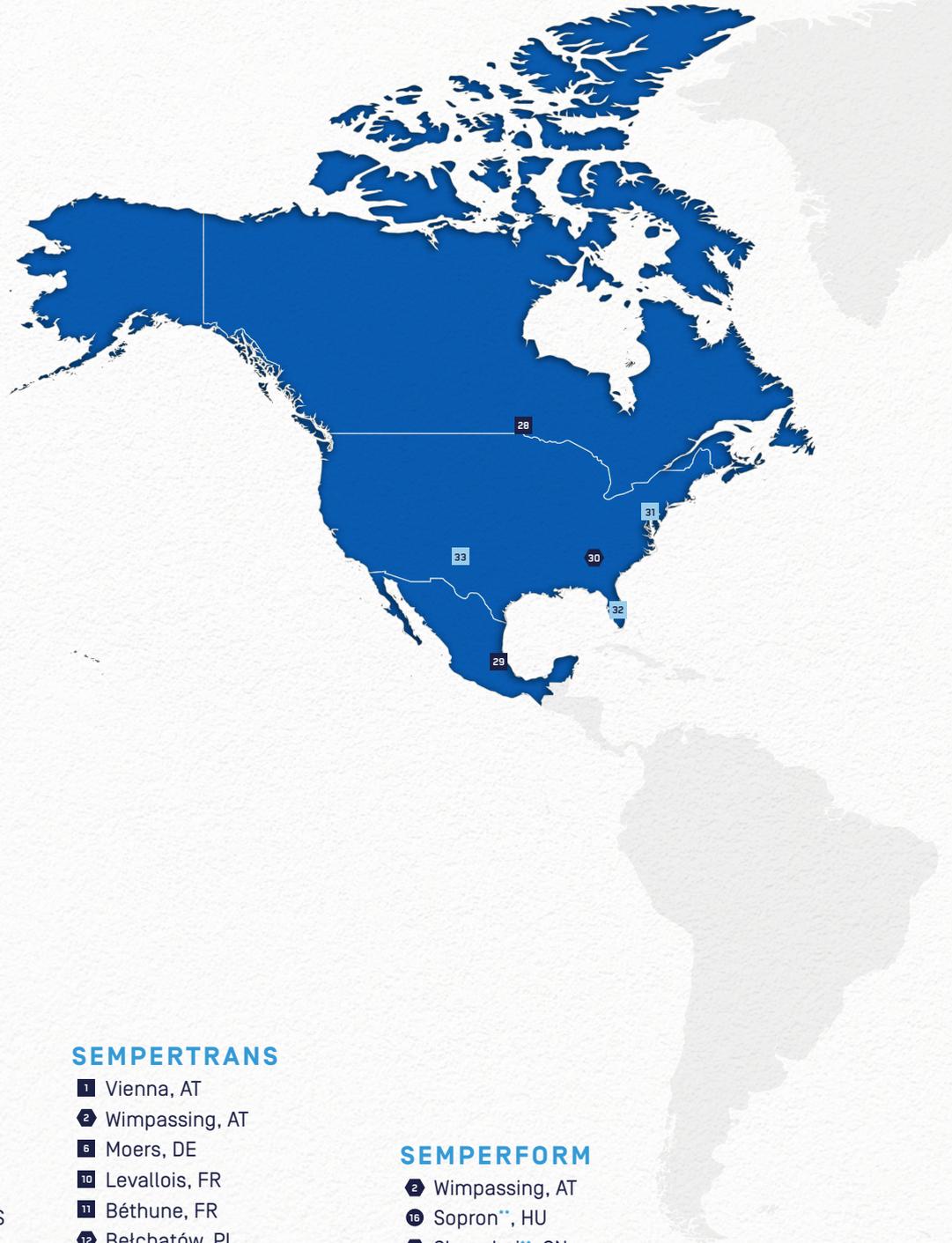
Helmut Sorger
CFO



A handwritten signature in black ink, appearing to read 'Kristian Brok'.

Kristian Brok
COO

GLOBAL PRESENCE OF THE SEMPERIT GROUP



SEMPERMED

- 1 Vienna, AT
- 2 Wimpassing, AT
- 7 Waldböckelheim, DE
- 8 Neutraubling, DE
- 10 Levallois, FR
- 15 Budapest, HU
- 16 Sopron**, HU
- 17 Shanghai**, CN
- 24 Kamunting, MY
- 25 Nilai, MY
- 26 Singapore, SG
- 31 Brighton, New Jersey, US
- 32 Clearwater, Florida, US
- 33 Coppel, Texas, US

SEMPERFLEX

- 2 Wimpassing, AT
- 7 Waldböckelheim, DE
- 14 Odry, CZ
- 17 Shanghai**, CN
- 21 New Delhi, IN
- 26 Singapore, SG
- 27 Hat Yai, TH
- 30 Newnan, Georgia, US

SEMPERTRANS

- 1 Vienna, AT
- 2 Wimpassing, AT
- 6 Moers, DE
- 10 Levallois, FR
- 11 Béthune, FR
- 12 Bełchatów, PL
- 13 Warschau, PL
- 18 Chennai, IN
- 19 Delhi, IN
- 20 Kolkata, IN
- 21 New Delhi, IN
- 22 Roha, IN
- 23 Jakarta, ID
- 28 Winnipeg, CA
- 29 Querétaro, MX
- 30 Newnan, Georgia, US
- 34 Thornton, AU

SEMPERFORM

- 2 Wimpassing, AT
- 16 Sopron**, HU
- 17 Shanghai**, CN
- 30 Newnan, Georgia, US

SEMPERSEAL

- 2 Wimpassing, AT
- 3 Dalheim*, DE
- 4 Deggendorf, DE
- 5 Hückelhoven*, DE
- 9 Seligenstadt, DE
- 17 Shanghai**, CN
- 30 Newnan, Georgia, US
- 35 Dubai, AE



★ Headquarters
Semperit AG Holding

● Medical
production site

● Industrial
production

■ Medical
sales office

■ Industrial
sales office

● Medical production
and sales office

● Industrial production
and sales office

* Merger of the Dalheim and Hückelhoven sites

** Two separate production sites

Semperit at a glance

The publicly listed Semperit AG Holding is a global provider of quality products made of natural and synthetic rubber or polymer materials. The international Group produces and sells products in more than 100 countries.

The Semperit Group story began all the way back in 1824. In 2022, 6,528 people were employed worldwide throughout the Group¹. Semperit operated 16 production sites¹ in the past financial year. The products were sold in the business-to-business field using its own distribution network in Europe, Asia, North and South America, and Australia.

The main product groups in the Industrial Sector are hydraulic and industrial hoses, conveyor belts, escalator handrails, window and door profiles, cable car rings, ski foils, and products for railway superstructures. The Medical Sector sells examination and protective gloves as well as surgical gloves. On 16 December 2022, the contract for the sale of the medical business to HARPS GLOBAL PTE. LTD. was signed.¹

Company strategy

At the beginning of 2020 – as part of its strategic realignment – Semperit decided to focus on the identifiable potential in the Industrial Sector in the future and to complete its transformation to become an industrial rubber specialist.

The restructuring steps already taken in previous years have significantly strengthened resilience within the Industrial Sector and laid solid foundations for future growth. As far as the existing industrial segments are concerned, the priorities are a significant increase in customer proximity, a more market-oriented alignment of the entire organisation and a stronger focus on customer-oriented solutions. The goal is to serve existing and future markets faster, more effectively, and more efficiently. In addition, the systematic continuous improvement across all areas of the company is intended to further improve the Semperit Group's competitive position and sustainability. In order to achieve the defined targets, the organic growth potential within the Industrial Sector will be combined with a clear M&A strategy. The focus of the strategic M&A activities will be on profiting from key trends, improving the geographical footprint, broadening the range of business activities within the Industrial Sector, and driving automatization, digitalisation and circular economy.

In terms of markets and cyclicity, the aim is a balanced and sustainable industrial portfolio with target revenue of more than EUR 1 billion and an EBITDA margin of more than 13%.

After achieving the temporary goal of benefiting as long and as comprehensively as possible from the high earnings contributions generated by the boom in medical protective gloves, the divestment process was resumed in 2022 in accordance with the fundamental strategic decision. In December, the sale to the Southeast Asian glove producer HARPS GLOBAL PTE. LTD. was agreed. The transaction – subject to the approval of the competent authorities – will take place in two stages: the first step is expected in the second quarter of 2023 (sale of the examination gloves production including distribution), the second in five years at the latest (sale of the surgical gloves production).

For the 2023 financial year, the management's agenda now includes further refining the strategy, pursuing the growth targets and the next steps towards the transformation into an industrial rubber specialist.

¹ On 16 December 2022, the contract for the sale of the medical business with HARPS GLOBAL PTE. LTD was signed. Therefore, continuing and discontinued operations are reported as of 31 December 2022. The number of employees and the production site refers to the entire Semperit Group, i.e. in total the continuing and discontinued operations.

Sustainability

The Semperit Group published its sixth separate sustainability report for the 2022 financial year. The report provides an overview of the various activities, developments, and key figures in the context of the main topics and is divided into the following sections: Environment, Social, and Governance (ESG). In addition to topics such as energy, greenhouse gas emissions, material use, health and safety, as well as compliance and anti-corruption, the report contains general information on the integration of sustainability in the Group, more detailed information on further climate-relevant information according to the TCFD – Task Force on Climate-Related Financial Disclosures. Starting with the 2022 financial year, the sustainability report includes the information of the EU Taxonomy Regulation and publishes the corresponding qualitative and quantitative information. The sustainability strategy was also drafted and approved in 2021. The strategy focuses on the coming years until 2030. During this period, it is important to create a high level of participation and successfully drive sustainable change within the company. All sustainability reports published by the Semperit Group can be accessed online on the Semperit website. It was particularly positive to receive the “Austria's Leading Companies Award” in the sustainability category for the sustainability report published in 2022.

Sustainability report:
www.semperitgroup.com/en/sustainability/

Structure of the Semperit Group

In 2022, the Semperit Group's operating business comprised the Industrial Sector, with the Semperflex, Sempertrans, Semperform and Semperseal segments, and the Medical Sector, with the Sempermed segment.

Industrial Sector

In the Industrial Sector, Semperit makes valuable contributions to the technical infrastructure and has a leading position in international markets. The Semperflex, Sempertrans, Semperform, and Semperseal segments benefit from global trends and the development of industry, the associated need for energy and raw materials, as well as the necessary investments in the infrastructure.

Semperflex

With its hose-only strategy, the Semperflex segment is one of the largest and most successful producers of hydraulic and industrial hoses in the world. The application-oriented and high-quality hydraulic hoses are used for energy transmission in hydraulic systems, mainly in the construction and agricultural industries as well as in mining, and for high-pressure cleaning. Industrial hoses enable safe transportation of a wide variety of media. These are mainly used in the construction and transport industries as well as in industrial and agricultural mechanical engineering. Manufacturing at the production sites in Austria, the Czech Republic, China, and Thailand is based on the highest quality standards.

Production sites	Country	Activity
Wimpassing	AT	Production of steel wire reinforced spiral hydraulic hoses and steel studded industrial hoses, technology centre, competence centre for physical and chemical testing
Odry	CZ	Production of long-length industrial hoses, steel studded industrial hoses, steel reinforced braided hydraulic, spiral-hydraulic, and washing machine hoses, hydraulic hose testing centre (largest manufacturer of hydraulic and industrial hoses in Europe)
Shanghai	CN	Production of steel wire reinforced braided hydraulic and washing machine hoses for the Chinese market, hydraulic hose testing centre
Hat Yai	TH	Production of steel wire reinforced braided hydraulic, spiral-hydraulic, and washing machine hoses (one of the largest hose factories in Asia), hydraulic hose testing centre

Sales locations	Country	Activity
Waldböckelheim	DE	Sales for hydraulic hoses in Germany, expert centre for complete high-pressure hose line systems
Newnan, Georgia	US	Sales
Mumbai, New Delhi	IN	Sales, warehouse
Singapore	SG	Sales

Sempertrans

Innovation, experience and know-how have made Sempertrans one of the world's leading suppliers in the conveyor belt industry. Production takes place at two locations: in Poland and India. With standard products ranging from textile belts to steel cord belts with maximum break strength, the Sempertrans segment guarantees safe and highly efficient transportation in line with high quality standards – even in extreme conditions. Conveyor belts are used in mining, the steel industry, the cement industry, in power stations as well as in bulk handling terminals and many other areas. Customised solutions are created to guarantee high levels of versatility, with customer needs being met at every stage, from design and production all the way through to installation and maintenance.

Production sites	Country	Activity
Bełchatów	PL	Production of high-performance steel cord and textile belts as well as conveyor belt cords, development centre
Roha	IN	Production of textile belts

Sales locations	Country	Activity
Vienna	AT	Headquarters, segment management, and sales
Wimpassing	AT	Technology and Innovation Centre
Moers	DE	Sales, Application Engineering Center
Béthune	FR	Sales, installation, and maintenance of conveyor belts, warehouse and distribution
Levallois	FR	Sales
Bełchatów	PL	Sales
Warsaw	PL	Sales
Winnipeg	CA	Sales
Newnan, Georgia	US	Sales, customer service, distribution centre
Querétaro	MX	Sales
Jakarta	ID	Sales
Mumbai, Kolkata, Delhi, Chennai	IN	Sales
Thornton (NSW)	AU	Sales

Semperform

Semperform is one of the leading European manufacturers of moulded and extrusion products made of polymers and plastic. When it comes to smart polymer solutions, the company works closely with its customers to develop tailored solutions. The comprehensive product range focuses on handrails, cable car rings, ski foils, and engineered solutions (SES). As a professional partner to large OEMs, Semperit offers the development and production of specially designed custom solutions that often play a key role in specific applications. Tried-and-tested products and special solutions are all the result of years of experience and deep expertise. Tailored products are manufactured at production sites in Austria, Hungary, and China. The Semperform segment operates mainly in Europe and is successfully positioned in market niches.

Customer-specific injection moulding items for sealing and absorbing purposes are included in the Semperit Engineered Solutions business unit. Demand for these products depends on the development of the construction and industrial sectors as well as railway superstructures.

The Handrail business unit manufactures escalator handrails. The course of business is particularly influenced by investments in infrastructure and urbanisation.

Cable car rings as well as ski and snowboard foils are produced in the Special Applications business unit.

Production sites	Country	Activity
Wimpassing	AT	Production of handrails, moulded plastic and rubber parts, rubber foils, R&D, technology centre for compound and process technologies
Sopron	HU	Production of moulded rubber goods
Newnan, Georgia	US	Splicing of handrails
Shanghai	CN	Production of handrails

Sales locations	Country	Activity
Wimpassing	AT	Sales, product management
Newnan, Georgia	US	Sales
Shanghai	CN	Sales

Semperseal

Semperseal is a leading European manufacturer of sealing profiles and elastomer sheeting. The comprehensive product range includes elastomer and sealing profiles for windows, doors, and façades, as well as elastomer and wear-resistant protective sheeting. The customised products are manufactured at production sites in Germany, Austria, and the USA, while distribution is global. In recent years, Semperseal has successfully developed into an R&D partner for industry.

Semperseal's largest business field, the Profiles business unit, is the market leader in Europe for EPDM gaskets for window and façade construction as well as industry.

Elastomer and wear-resistant protective sheeting is manufactured in the Sheeting business unit. Elastomer sheeting is primarily sold to punching companies and technical traders for producing all kinds of seals. Wear-resistant protective sheeting is used for lining, among other things.

Production sites	Country	Activity
Wimpassing	AT	Production of moulded plastic and rubber parts, profiles, elastomer, and wear-resistant sheeting, technology centre
Deggendorf	DE	Production of gaskets for windows, doors, and façade systems
Hückelhoven	DE	Production of profiles for façade systems and the packaging industry
Seligenstadt	DE	Production of profiles for individual façades and industry
Newnan, Georgia	US	Production of profiles for facade systems and the packaging industry

Sales locations	Country	Activity
Wimpassing	AT	Sales
Deggendorf	DE	Sales
Hückelhoven	DE	Sales
Seligenstadt	DE	Sales
Newnan, Georgia	US	Sales
Shanghai	CN	Sales
Dubai	UAE	Sales

Medical Sector/Sempermed

Sempermed, with its two major production sites and worldwide distribution network, is one of the globally leading manufacturers of examination and surgical gloves in the medical area, and of protective gloves in the industrial, commercial, and private spheres. Sempermed's research centre constantly develops and tests new products in close cooperation with users and experts. Sempermed has produced premium gloves for over 100 years and has set standards in quality and innovation (for example "green gloves"). Gloves are produced in Malaysia (examination and protective gloves) and Austria (surgical gloves).

Demand for gloves follows global megatrends such as the increasing health and hygiene requirements. The forecast increase in the world population and the generally higher demand for medical products and services due to demographic change are significant.

Further increases in demand are the result of extraordinary events, such as pandemics. Most notably, the coronavirus pandemic in the 2020 and 2021 financial years caused a level shift in the quantities required.

As part of the new strategy of the Semperit Group, the fundamental decision was made in 2020 to separate from the Medical Sector. After achieving the temporary goal of benefiting as long and as comprehensively as possible from the high earnings contributions generated by the boom in medical protective gloves, the divestment process was resumed in 2022 in accordance with the fundamental strategic decision. In December, the sale to the Southeast Asian glove manufacturer HARPS GLOBAL PTE. LTD. was agreed. The transaction – subject to the approval of the competent authorities – will be carried out in two stages: the first step is expected in the second quarter of 2023 (sale of the examination gloves production including distribution), the second in five years at the latest (sale of the surgical gloves production).

Production sites	Country	Activity
Wimpassing	AT	Technology and innovation centre, production of surgical gloves
Sopron	HU	Packaging of surgical gloves, quality control
Kamunting	MY	Production of latex and nitrile examination gloves
Nilai	MY	Production of porcelain dip mouldings for glove production

Sales locations	Country	Activity
Vienna	AT	Marketing and sales
Neutraubling	DE	Distribution centre
Waldböckelheim	DE	Sales
Levallois	FR	Sales
Budapest	HU	Sales, distribution centre
Birmingham	UK	Sales
Bridgeton, New Jersey	US	Distribution centre
Clearwater, Florida	US	Sales, distribution centre
Reno, Nevada	US	Distribution centre
Kamunting	MY	Sales
Shanghai	CN	Quality management
Singapore	SG	Sales, finance and purchasing

Investor Relations

Performance of the Semperit share

Based on the closing price of EUR 29.30 per share in 2021, the Semperit share showed a downward development during the financial year, losing 32% despite brief phases of recovery. The share price at the end of 2022 was therefore EUR 19.82. This decline followed the general trend on the financial markets and reflected the uncertainties caused particularly by the Russia-Ukraine conflict. It also further enhanced the negative expectations regarding the economic development. Accordingly, the annual high of EUR 30.00 on 4 January could not be reached again in the further course of the year. The share price reached its lowest level on 12 October at EUR 16.16. However, the Semperit share recovered significantly from this low by the end of the year after the announcement regarding the sale of the medical business. After the generally weak performance in the 2022 stock market year, 2023 started generally positively, both for the Semperit share and for those of the benchmark companies. The Semperit share price even outperformed the benchmarks in some cases.

After the record high of the last years, market capitalisation totalled EUR 408 million at the end of 2022 (EUR 603 million at the end of 2021). The average daily trading volume of Semperit shares in euros decreased accordingly from 2021 to 2022, amounting to EUR 529,000 with around 24,000 shares (compared to EUR 947,000 with around 30,000 shares in 2021).

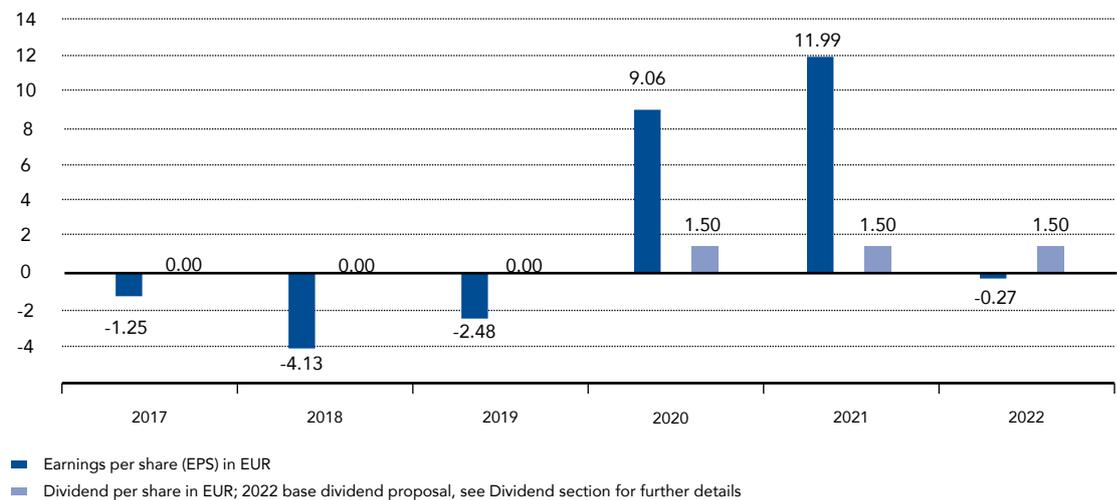
Dividend

The dividend policy of the Semperit Group basically aims at a distribution of around 50% of earnings after taxes – assuming continued successful performance with no unusual circumstances. However, the Group is currently undergoing a profound transformation to become an industrial rubber specialist, albeit somewhat delayed by the pandemic. For this purpose, organic growth projects and company acquisitions are being planned, for which the corresponding financial strength will be required. Deviations from a pay-out ratio of around 50% are therefore possible for the duration of this strategic transformation with the purpose of being financially robust for organic growth and potential company acquisitions. This strategic realignment is in the best interest of all shareholders.

The shareholders are entitled to a distribution of the net profit of Semperit AG Holding. For the past financial year, the Executive Board proposes a dividend of EUR 1.50 per share and a conditional additional dividend of EUR 2.00 to EUR 3.50 per share. This results in a total dividend proposal of a maximum of EUR 5.00 per share (previous year: EUR 1.50 per share) for the 2022 financial year. The dividend will amount to a minimum of EUR 30,860 thousand and a maximum of EUR 102,867 thousand. The entitlement to the additional dividend depends on the sale of the medical business (Sempermed; production of examination gloves including sales organisation first) by 30 September 2023. In particular, the closing of the sale of the medical business is still subject to the approval of the foreign direct investment control and competition authorities. The exact amount of the additional dividend proposal depends on the economic outlook and on organic and inorganic growth projects becoming more substantiated; it is subject to a further resolution by the Executive Board of Semperit AG Holding. In the previous year, a dividend of 1.50 per share was distributed, which corresponded to a dividend yield of 5.1% in relation to the closing price of EUR 29.30 in 2021.

Having been listed since 1890, the Semperit share is one of the oldest on the Vienna Stock Exchange.

EPS and DPS



Communication in the capital market

Investor Relations
Website:
www.semperitgroup.com/ir

The Semperit Group intends to provide current and potential shareholders with a complete picture of the company's business performance through a transparent and prompt communications policy. The company also relies on innovative ways of conveying information, such as short videos on the quarterly figures. This should enable an accurate valuation of Semperit shares on the markets and facilitate a long-term relationship of trust with both shareholders and the general public.

The Executive Board and Investor Relations actively seek dialogue with the financial markets. Despite slightly eased, the corona pandemic still continued in 2022, making it difficult to meet in person; nevertheless, there was a focus on participating in investor conferences. Due to the changed framework conditions, these were mostly held online. Traditional activities for institutional investors such as roadshows in European financial centres, site visits in Vienna and plant tours in Wimpassing had to be largely cancelled in 2022. Numerous conference calls and video calls were arranged instead to best cater to the requests of individual investors expressing an interest.

Equity research and the ongoing dialogue with analysts are also important elements of the company's communications with the financial market. Analysts from the following institutions reported on Semperit during the 2022 financial year: Baader Bank, Erste Bank, Kepler Cheuvreux, and Raiffeisen Bank International. Meetings with analysts took place regularly again in 2022.

In addition, the Investor Relations website also plays an important role in communication on the technical side. The good news here is that the Investor Relations website was overhauled as part of the main website relaunch in the first quarter of 2022, meaning it looks modern and has an even more user-friendly layout. In addition to financial reports and presentations, there is a share chart tool that allows for comparisons to be made with indexes and selected shares and provides detailed information on the share and other topics relating to the financial market.

Semperit share at a glance

		1.1. - 31.12.2022	Change	1.1. - 31.12.2021
Price at balance sheet date	in EUR	19.82	-32.4%	29.30
Lowest price	in EUR	16.16	-33.4%	24.25
Highest price	in EUR	30.00	-25.6%	40.30
Market capitalisation at balance sheet date	in EUR million	407.7	-32.4%	602.8
Number of shares issued	in unit	20,573,434	-	20,573,434
Earnings per share (EPS) ¹	in EUR	-0.27	n.a.	11.99
Dividend per share ²	in EUR	1.50	-	1.50
Average trading volume/day ³	in EUR thousand	528.6	-44.2%	947.4
Average traded shares/day ³	in unit	23.812	-21.7%	30.414

¹ Attributable to shareholders of Semperit AG Holding

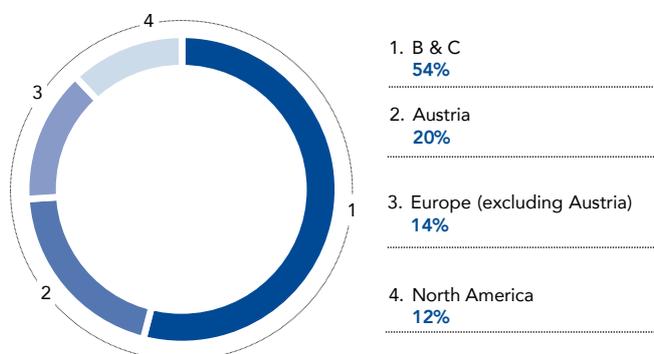
² 2022: Proposal to the AGM of a dividend of EUR 1.50 per share and a conditional additional dividend of EUR 2.00 to EUR 3.50 per share. The entitlement to the additional dividend depends on the sale of the medical business (Sempermed; production of examination gloves including sales organisation first) by 30 September 2023. In particular, the closing of the sale of the medical business is still subject to the approval of the foreign direct investment control and competition authorities. The exact amount of the additional dividend proposal depends on the economic outlook and on organic and inorganic growth projects becoming more substantiated; it is subject to a further resolution by the Executive Board of Semperit AG Holding.

³ Single counting

Shareholder structure

Semperit AG Holding is listed with 20,573,434 no-par value bearer shares in the Prime Market of the Vienna Stock Exchange. In total, B&C Privatstiftung holds 54.18% (11,145,917 shares) of Semperit AG Holding, the majority of which (50.00% or 10,286,718 shares) via B&C KB Holding GmbH. B&C Privatstiftung is a private foundation, which was established under Austrian law with the mission of fostering Austrian entrepreneurship. The remaining shares are free float. The following chart shows the shareholder structure by geographic region according to shareholder identification in 2022.

Shareholder structure



Corporate Governance Report

Austrian Corporate Governance Code

The Austrian Corporate Governance Code is a regulatory framework for the management and monitoring of Austrian joint-stock companies. This code contains common international standards and significant related regulations in this context, stipulated in the Austrian Stock Corporation, Stock Exchange and Capital Market Acts. The Austrian Corporate Governance Code is based on the EU recommendations on the tasks of supervisory board members and on the remuneration of directors as well as on the principles set out in the OECD Guidelines for Corporate Governance. The code is aimed at ensuring responsible management and supervision of individual companies and groups, with the goal of creating sustainable and long-lasting value. The code seeks to create a high level of transparency for all company stakeholders.

The code is applied through the voluntary commitment of companies to compliance with the guidelines set out in the current version of the Austrian Corporate Governance Code as amended. The version of the Corporate Governance Code that is applicable to the 2022 financial year was published in January 2021 and can be found online at www.corporate-governance.at.

Statement on corporate governance

The Semperit Group, as a publicly listed company that operates globally, hereby declares that it will voluntarily observe the Austrian Corporate Governance Code and that it also intends to observe the code in the future and justify any behaviour to the contrary. Semperit AG Holding complies with all legally binding L-Rules (legal requirements). Unless otherwise declared, the C-Rules (comply or explain) will be observed by the relevant bodies and the company.

Executive Board

Composition and function of the Executive Board

At the end of the 2022 financial year, the Executive Board consisted of three members – CEO Karl Haider, CFO Helmut Sorger and COO Kristian Brok. The Board has full responsibility for managing the company for the benefit of the business while considering the interests of shareholders and employees as well as the public interest.

The Executive Board's internal rules of procedure regulate the allocation of business responsibilities and the principles of cooperation between members of the Executive Board. Decisions of primary importance are taken by the Board as a whole. The Executive Board is solely responsible for all communications that have a significant impact on how the company is perceived by its stakeholders. Legally binding regulations, the Articles of Association, and the internal rules of procedure for the Executive Board and Supervisory Board laid down by the Supervisory Board form the basis for corporate management.

Cooperation between the Executive Board and Supervisory Board

The Executive Board and Supervisory Board are committed to managing the company in accordance with the principles of good corporate governance. This management takes place in an open dialogue between the Executive Board and the Supervisory Board as well as within these corporate bodies to ensure its continuous development. Among other things, the Executive Board's internal rules of procedure govern the Executive Board's ongoing reporting to the Supervisory Board. They also specify a catalogue of transactions and measures that, in addition to legal provisions, require the Supervisory Board's explicit authorisation. The Supervisory Board monitors the Executive Board and supports it in managing the company, particularly when decisions of fundamental importance are to be made.

The strategic direction of the company is determined in close cooperation between the Executive Board and the Supervisory Board and is discussed in Supervisory Board meetings held at regular intervals.

Organisational Structure Semperit Group 2022¹

Karl Haider Chief Executive Officer		Helmut Soger Chief Financial Officer		Kristian Brok Chief Operating Officer	
Business Sectors Industrial and Medical incl. US	Mergers & Acquisitions	Finance Sectors Industrial and Medical incl. US	Accounting & Tax	Production Operations Industrial and Medical incl. US	Manufacturing Engineering & Electronic Operational Maintenance
Group Brand Management, Communications	Corporate Development	Controlling	Information Technology	Mixing Operations	Health, Safety, Environment & Quality Management
Investor Relations	Customer Excellence	Internal Audit	Risk Management	Operational Excellence	ESG (Environment, Social, Governance)
		Treasury	CISO	Research & Development	Supply Chain Management & Procurement
		Legal	Compliance	Human Resources	

¹ As of 31 December 2022; Karl Haider was appointed CEO with effect from 11 January 2022, after Petra Preining and Kristian Brok had taken over the CEO responsibilities on an interim basis; after the early departure of Petra Preining, Helmut Soger was appointed CFO as of 1 October 2022.

Corporate bodies of Semperit AG Holding: Executive Board

Karl Haider

Chief Executive Officer (CEO) since 11 January 2022, term of office ends on 31 March 2025.

Karl Haider, born in 1965, started his career as a chemical lab technician. He went on to study Technical Chemistry and Economics, eventually completing his doctorate in Technical Chemistry at the Johannes Kepler University Linz in Austria. Following his studies, he worked in sales and project management at the voestalpine group before being promoted to Board Member within the Stainless Steel Division. Most recently, Karl Haider held the position of Chief Commercial Officer at Tata Steel Europe, one of the world's largest steelmaking companies. His achievements at Tata Steel, where he started off as Director Operations Downstream, included major mergers and acquisitions. A highly regarded industry expert and highly qualified manager, Karl Haider has gained extensive experience at major international industrial corporations throughout his career. In his previous functions, Karl Haider has also held a number of seats on Supervisory Boards at the respective group subsidiaries.

Currently, he does not hold Supervisory Board mandates in other companies that are not included in the consolidated financial statements pursuant to C-Rule 16 of the Austrian Corporate Governance Code.

Helmut Sorger

Member of the Executive Board since 1 October 2022, Chief Financial Officer (CFO), term of office ends on 31 December 2025.

Helmut Sorger was born in 1978 and holds a doctorate in social sciences and economics. He started his career as a research assistant and university lecturer at the Department for Quantitative Management at the Vienna University of Economics and Business. In 2007, he joined Wienerberger AG in the Corporate Controlling Department. In the same year, Helmut Sorger took over as Head of External Reporting. In summer 2010, he moved to the USA and served as Director Finance and IT of General Shale Brick Inc. In 2013, he returned to Vienna taking on responsibility as Head of Corporate Reporting of Wienerberger AG. At the beginning of 2015, Helmut Sorger assumed responsibility as CFO of the North America region for the American financial area of Wienerberger AG for the following seven years and supported the strategic realignment and the growth course of the division through acquisitions and their quick integration into the existing organisation.

He does not hold Supervisory Board mandates in other companies that are not included in the consolidated financial statements pursuant to C Rule 16 of the Austrian Corporate Governance Code.

Kristian Brok

Member of the Executive Board since 1 January 2020, Chief Operating Officer (COO), term of office ends on 31 December 2025.

Kristian Brok, born in 1965, studied Engineering at the Technical University of Denmark and pursued further education in innovation, product portfolio management and business insight at MIT in the USA and INSEAD in France. He has more than 20 years of managerial experience within the field of highly specialised manufacturing and engineering. Before joining Semperit, he spent ten years at Trelleborg Sealing Solutions (a division of Trelleborg AB) in several senior leadership positions, most recently spending nine years as a Member of the Divisional Board and President of the Global Operations Elastomers Business Unit. In parallel, he headed legal entities in the USA, Mexico, China and India, as well as several legal entities in Europe.

He does not hold Supervisory Board mandates in other companies that are not included in the consolidated financial statements pursuant to C Rule 16 of the Austrian Corporate Governance Code.

Petra Preining

Member of the Executive Board since 17 May 2021 (initially on a temporary basis before being officially appointed on 29 September 2021); Chief Financial Officer (CFO); term of office ends on 31 December 2022.

Petra Preining was born in 1973 and studied Business Administration at the Vienna University of Economics and Business. After graduating, she worked for Unilever (Austria Frost GmbH) and Kraft Jacobs Suchard in various finance positions before joining Wyeth in 2001. During her nine years at Wyeth, she held the positions of Finance Manager ECE/CIS/MEA and CFO Russia. From 2010 to 2013, she was Finance Director at TRC Ltd/Tiller JLT and served as CFO at Austrian Kurdish Oilfield Services LLC from 2013 to 2015. From 2016, Ms Preining was employed at B & C Industrieholding GmbH. From February 2017 she was Managing Director of B & C Innovation Investments GmbH and from September 2018 Senior Finance Expert at B & C Industrieholding GmbH. In parallel, she was a member of the Supervisory Board and the Audit Committee of Semperit AG Holding from May 2017. She has also been a member of the Supervisory Board of Frequentis AG since September 2019. Petra Preining's Supervisory Board duties at Semperit AG Holding were temporarily suspended on 17 May, before she finally left the Supervisory Board on 29 September 2021.

Petra Preining resigned from the Executive Board prematurely as of 30 September 2022, as she accepted a new professional challenge.

Remuneration of the Executive and Supervisory Boards

In accordance with Section 78c of the Stock Corporation Act and, as a result, in accordance with the amended reporting requirements in the Corporate Governance Code and AFRAC Statement 37 on the Compensation Report, Directive (EU) 2017/828 to promote long-term participation of shareholders was implemented in the 2019 Stock Corporation Law Amendment Act. Accordingly, the remuneration of the Executive Board and the Supervisory Board must be dealt with in a separate remuneration report and presented to the Annual General Meeting (please also refer to www.semperitgroup.com/investor-relations/reports-presentations/).

Directors and Officers (D&O) insurance

Directors and Officers (D&O) insurance has been taken out for the members of the Executive Board and senior executives within the Group. The company bears the related costs. In case of damage, deductibles were agreed for the event that Executive Board members are found to be in breach of duty.

Supervisory Board

At the end of 2022, the Supervisory Board consisted of six shareholder representatives and four employee representatives and has resolved to establish the following committees consisting of its own members to carry out specific functions: Audit Committee, Nominating and Remuneration Committee and Committee for Urgent Issues. The authority to make decisions and pass resolutions rests primarily in the hands of the entire Supervisory Board.

Meetings of the Supervisory Board and its committees in 2022

The Supervisory Board convened for nine meetings. In 2022, no member of the Supervisory Board attended less than 50% of the meetings. In 2022, Herbert Ortner was the Chairman of the Supervisory Board until 27 December. As in the previous year, Stefan Fida was the Deputy Chairman of the Supervisory Board. Following the premature resignation of Herbert Ortner, Stefan Fida has served as Chairman and Birgit Nogglner as Deputy Chairman of the Supervisory Board since 27 December 2022.

The **Audit Committee** led by finance expert Birgit Nogglner performs its duties in accordance with Article 92 Section 4a of the Austrian Stock Corporation Act and Rule 40 of the Austrian Corporate Governance Code. The Audit Committee held three meetings, focusing particularly on the preparation of the adoption of the annual and consolidated financial statements for 2021, on risk management, the internal control system, internal auditing, the compliance organisation, IT security (cybersecurity), and the preparation of the annual and consolidated financial statements for 2022.

In eight meetings, the **Nominating and Remuneration Committee**, chaired by Herbert Ortner until 27 December 2022 and then by Stefan Fida, focused on the performance assessment and agreement of targets for the members of the Executive Board as well as the remuneration policy for members of the Executive Board and the Supervisory Board, which was adjusted in 2022 and subsequently approved at the Annual General Meeting. In addition, the committee dealt with the termination agreement with Petra Preining. This committee most notably also dealt with the appointment of a new CFO and CEO and the nomination of Supervisory Board members. In addition, potential and succession issues on the second management level as well as in greater detail talent management in the company were discussed with the Executive Board, as well as the results of the employee survey.

The **Committee for Urgent Issues**, headed by Herbert Ortner until 27 December 2022 and then Stefan Fida, did not hold any meetings.

In 2022, the Supervisory Board started an extensive **self-evaluation** based on qualitative and quantitative assessment in accordance with C-Rule 36 of the Austrian Corporate Governance Code which was finalised in the 2023 financial year. Based on these discussions, measures to increase the efficiency of the activities of the Supervisory Board will be derived and defined, and then implemented.

Corporate bodies of Semperit AG Holding: Supervisory Board

Composition of the Supervisory Board¹

	Year of birth	First appointed to the Supervisory Board	Current term of office ²	Supervisory board positions in other listed companies
Shareholder representative				
Stefan Fida Deputy Chairman until 26.12.2022, Chairman since 27.12.2022	^{3,4} 1979	29.04.2014	Until the Annual General Meeting, resolving upon the 2024 financial year	Lenzing AG
Birgit Noggler Member since 26.12.2022, Deputy Chairwoman since 27.12.2022	³ 1974	08.05.2019	Until the Annual General Meeting, resolving upon the 2024 financial year	Raiffeisen Bank International AG
Stephan Büttner, Member	^{3,5,6} 1973		Until the Annual General Meeting, resolving upon the 2023 financial year	–
Klaus Friedrich Erkes Member	^{3,5} 1958	23.05.2017	Until the Annual General Meeting, resolving upon the 2022 financial year	Chairman of the Supervisory Board of Simona AG (based in Kirn, Germany); Member of the Supervisory Board of PRÄZI-Flachstahl AG (based in Everswinkel, Germany) since 1 January 2022
Claus Möhlenkamp Member	^{3,5} 1965	22.07.2020	Until the Annual General Meeting, resolving upon the 2022 financial year	–
Astrid Skala-Kuhmann Member	³ 1953	29.04.2014	Until the Annual General Meeting, resolving upon the 2023 financial year	Lenzing AG
Employee representatives				Works council function
Herbert Ofner	1966	27.04.2021	–	Deputy Chairman of the Works Council for white-collar workers, Wimpassing
Monika Müller	1964	27.04.2021	–	Chairwoman of the Works Council for white-collar workers, Vienna
Michael Schwiegelhofer	1975	08.03.2017	–	Deputy Chairman of the Central Works Council of Semperit AG Holding, Chairman of the Works Council for blue-collar workers, Wimpassing, Chairman of the European Works Council
Markus Stocker	1979	01.01.2017	–	Chairman of the Central Works Council of Semperit AG Holding, Deputy Chairman of the European Works Council, Chairman of the Works Council for white-collar workers, Wimpassing

¹ As of 31 December 2022.

² According to regulations, each year at least two members of the Supervisory Board resign from their positions at the end of the Annual General Meeting.

³ Have declared their independence to the Supervisory Board in accordance with C-Rule 53 of the Austrian Corporate Governance Code.

⁴ In 2022, the Chairman of the Supervisory Board was Herbert Ortner. On 27 December 2022, he resigned from his position as Chairman of the Supervisory Board and left the Supervisory Board. Stefan Fida, Deputy Chairman of the Supervisory Board, took over as Chairman of the Supervisory Board, Birgit Noggler as Deputy Chairman of the Supervisory Board from 27 December 2022.

⁵ No representation by a shareholder over 10% (C-Rule 54 of the Austrian Corporate Governance Code).

⁶ Since 27 April 2022, Stephan Büttner has been an Executive Board member at AGRANA Beteiligungs-AG.

Resigned members of the Supervisory Board

	Year of birth	First appointed to the Supervisory Board	Current term of office
Shareholder representative			
Herbert Ortner Chairman	1968	22.07.2020	Resigned from office as of 27.12.2022

Guidelines for the independence of Supervisory Board members

The Supervisory Board adopted the guidelines for independence as per Appendix 1 of the Austrian Corporate Governance Code. According to this, all members of the Supervisory Board declared their independence from the company and its Executive Board. In addition, pursuant to C-Rule 54 of the Austrian Corporate Governance Code, the members Stephan Büttner and Claus Möhlenkamp were not shareholders of the company with an investment of more than 10% each nor did they represent the interests of such shareholders in 2022. There is D&O insurance for the Supervisory Board, with the associated expenses being borne by the company.

Composition of the Committees of the Supervisory Board¹

Committee	Members
Committee for Urgent Issues	Stefan Fida (Chairman) ² Birgit Noggler ² Markus Stocker
Nominating and Remuneration Committee	Stefan Fida (Chairman) ² Birgit Noggler ² Markus Stocker
Audit Committee	Birgit Noggler (Chairwoman) Stephan Büttner ³ Markus Stocker

¹ As of 31 December 2022.

² On 27 December 2022, Herbert Ortner resigned from his position as Chairman of the Supervisory Board and all committee positions (Chairman of the Committee for Urgent Issues and the Nominating and Remuneration Committee, member of the Audit Committee) with immediate effect and left the Supervisory Board. Stefan Fida, Deputy Chairman of the Supervisory Board, took over as Chairman of the Supervisory Board and Birgit Noggler as Deputy Chairwoman of the Supervisory Board as of 27 December 2022. Stefan Fida was also appointed Chairman of the Nominating and Remuneration Committee and the Committee for Urgent Issues as of 27 December 2022 (previously a simple member). Birgit Noggler was also elected to the Nominating and Remuneration Committee and the Committee for Urgent Issues with effect from 27 December 2022.

³ Since 27 April 2022.

Managers' transactions

There were no managers' transactions in the financial year. As a general rule, transactions in shares or debt instruments of the company or related derivatives or financial instruments carried out by members of the Executive Board and the Supervisory Board are published online in accordance with Article 19 of the Market Abuse Regulation: <https://issuerinfo.oekb.at>.

Equal opportunities and diversity

Respect, diversity, and inclusion are integral and indispensable elements of the corporate culture of Semperit AG Holding and are always considered when filling vacancies. When proposals are made to the Annual General Meeting for filling Supervisory Board mandates and when nominating Executive Board members, special importance is attached to expertise and diversity because this contributes significantly to the level of professionalism and efficiency delivered through the work of the Supervisory and Executive Boards. In addition to professional and personal qualifications, aspects such as age, ethnic origin, gender, education, and experience are factored in. The written version of a diversity concept of the Supervisory Board was adopted on 1 February 2018 and updated in the 2021 financial year.

At the same time, the topic of diversity and inclusion (D&I) is not just for filling managerial positions, but relevant for the entire Semperit Group. This applies to the existing workforce as well as for recruiting and hiring new employees. Here flow – how for the Management Board and the Supervisory Board - in addition to professional and personal qualifications, also aspects such as age, origin, gender, education and background experience. In 2022, one Diversity and inclusion strategy developed. In the course of various workshops, four dimensions and defined goals that are crucial for Semperit in the area of D&I:

- **Age:** By the end of 2025, Semperit will ensure equal treatment of all age groups in policies and company practices in recruitment, promotion and development. This will be achieved through a change in corporate culture by implementing at least 5 defined initiatives with a focus on removing systematic barriers and prejudices against all age groups.
- **Gender:** In a step-by-step process, Semperit will take the following path towards gender balance at all hierarchical levels of the Group as of 2023. Starting in 2023, each Semperit location will implement a local action plan with at least 2 defined initiatives to eliminate relevant local gender barriers. In addition, Group HR will report on the current gender ratio in senior Semperit management on an ongoing basis starting in 2023. Subsequently, the Executive Board members commit to develop and track a progress plan for gender balance in senior management in the second half of 2023.
- **People with disabilities:** By the end of 2023, initiatives will be implemented at all Semperit locations based on the model of the pilot project carried out in Austria in 2022; these initiatives will more closely identify and analyse the needs of employees with disabilities and implement improvements. The approach is based on the identification of local system barriers at the site and their targeted elimination (examples from the pilot project: introduction of barrier-free parking spaces and toilets, awareness-raising measures).
- **Intercultural competence:** By the end of 2025, Semperit will have strengthened the intercultural competence of all employees with continuous awareness-raising communication measures and will ensure that all white- and blue-collar workers complete awareness training to eliminate prejudices in the areas of culture, origin and inclusion.

Building on this, so-called "D&I Councils" were set up for each dimension at the beginning of 2022 called, in which a number of colleagues from different areas of the company, different locations, age groups and hierarchical levels were appointed to act as ambassadors and to act as change agents for the respective dimension. The D&I Councils also work as Thinktank-platforms where members analyze collected data, share ideas and design initiatives to work with the board and HR to promote diversity and inclusion in the workforce to advance.

Advancement of women

Semperit is committed to equal opportunities for all employees – regardless of age, gender, nationality, religion, skin colour, or sexual orientation. A person's skills and potential are what counts. The successive increase in the proportion of women in the Semperit Group, which – typically of an industrial company – is lower than in other sectors, is a central goal with regard to human resources. Measures to promote women include flexible working models such as flexitime and part-time work, as well as special parental part-time arrangements, and aim to continuously increase the proportion of female employees. As a traditional industrial company with a technical focus, the share of women was 23% across the Group in 2022 (compared to 23% in 2021) and 27% throughout Europe (compared to 26% in 2021), while in Asia the female proportion was 18.1% (2021: 18.2%) and in the USA 38.1% (2021: 37.9%). Since May 2017, Semperit AG Holding has met the 30% quota for women on the Supervisory Board, which has been required by law since 2018. There was one woman on the Executive Board until Petra Preining resigned from office in autumn. Overall, the share of women in management (Executive Board, Management Forum, department heads) was around 13% (compared to 10% in 2021).

Issuer Compliance Policy

In order to implement and ensure compliance with all relevant stock exchange regulations, Semperit AG Holding has issued its own Issuer Compliance Policy designed to prevent the misuse or dissemination of insider information. Compliance is monitored and administered by a specially designated Issuer Compliance Officer, who reports directly to the Executive Board.

Code of Conduct

Beyond issuer compliance, the Semperit Group has a compliance organisation that covers all corporate units. A Group Compliance Officer receives support in fulfilling their responsibilities from the Senior Group Compliance Manager and compliance coordinators working in the subsidiaries of the Semperit Group. The Senior Group Compliance Manager reports any incidents to the Compliance Board. The Compliance Board consists of the Executive Board and the Group Compliance Officer. The main focus is on ensuring compliance with regulations in the areas of anti-corruption, antitrust law, export control and sanctions as well as data protection. The Group Compliance Officer is also the deputy of the Issuer Compliance Officer.

The Code of Conduct, which applies to all employees and managers and is available in several languages, was updated and published in 2022. Its most important objectives are to avoid corruption, money laundering, human rights violations, insider trading, and breaches of competition law. In addition, it deals with aspects of data protection and export restrictions. These conduct requirements are further specified in thematic compliance guidelines. Employees receive in-depth and practical training with a focus on the matters referred to in the Code of Conduct. In addition, there is regular internal communication from the Executive Board and the relevant managers providing support on compliance-related topics. The Code of Conduct can be viewed online here: <https://www.semperitgroup.com/en/about-us/compliance/>.

In order to support the above-mentioned targets of the Code of Conduct, the information hotline "SemperLine" was set up in January 2018. Employees as well as external people are welcome to report infringements of the Code of Conduct: <https://www.semperitgroup.com/en/about-us/compliance/semperline/>.

Risk Management & Assurance

The "Group Risk Management & Assurance" department is responsible for the central coordination, moderation and monitoring of the structured risk process for the entire Group. Relevant risks are prioritised from various perspectives and their effects and probability of occurrence are assessed. Responsibilities are identified, measures are defined and tracking is ensured. The bottom-up identification and prioritisation process is supported by workshops with the relevant employees. This element ensures that potential new risks are put up for discussion at management level and are included in reporting if they are relevant. These risks are then coordinated with the segment and competence centre managers. The workshops take place on site or remotely.

The process is completed by reporting to the relevant stakeholders. Top-down risks are recorded, e.g. from the perspective of the segment and competence centre managers and the Executive Board, and backed up with measures. The regular reporting process is complemented by an ad-hoc reporting process to draw attention to critical issues in good time. At least once a year, a comprehensive risk report on the biggest group individual risks, including aggregation, is submitted to the Audit Committee and the Supervisory Board. Regular updates on risks and trends are provided at the other meetings of the Audit Committee and the Supervisory Board.

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. audited and confirmed the functionality of the risk management system of the Semperit Group for the 2022 financial year in accordance with C-Rule 83 of the Austrian Code of Corporate Governance.

The purpose of the internal control system of the Semperit Group is to ensure the effectiveness and efficiency of business operations, the reliability of financial reporting, and adherence to applicable laws and regulations. It also supports the early recognition and monitoring of risks from inadequate monitoring systems and fraudulent actions and is revised and expanded on an ongoing basis by the Risk Management & Assurance department together with the relevant specialist departments. The management of the relevant subsidiary is responsible for the implementation and monitoring of the internal control system and the risk management system. The Executive Board of Semperit AG Holding stipulates cross-divisional framework conditions and regulations that are applicable throughout the Group. Follow-up audits are undertaken at the various locations on a regular basis to ensure sustainable implementation of these framework conditions and regulations.

External evaluation

In accordance with C-Rule 62 of the Austrian Corporate Governance Code, the Semperit Group commissioned an external organisation to evaluate its compliance with the stipulations contained in the code and the accuracy of the associated public reporting for 2022. This evaluation, which was performed by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., did not identify any facts inconsistent with the declaration of the Executive Board and Supervisory Board found in the 2022 Corporate Governance Report with respect to its compliance with the C Rules of the Austrian Corporate Governance Code. In accordance with C-Rule 62, a new evaluation is planned for the year 2025.

Vienna, 20 March 2023

The Executive Board



Karl Haider
CEO



Helmut Sorger
CFO



Kristian Brok
COO

Report of the Supervisory Board

Dear Sir or Madam,



Stefan Fida
Chairman of the
Supervisory Board

The past financial year was characterised by a difficult global market environment for the Semperit Group, particularly as a result of the Russia-Ukraine conflict, as well as by the final end of the pandemic-related boom in the Medical Sector. Nevertheless, the Executive Board was able to successfully manage the resulting challenges and to further increase the result in the Industrial Sector. At the same time, an important milestone in the implementation of the strategy was reached with the signing of the contract for the sale of the medical business at the end of the year. We look forward with confidence to the further strategic transformation of Semperit into an industrial rubber specialist, which aims to successfully develop the company and further increase its competitiveness.

The Supervisory Board has continuously supported the Executive Board in its strategic transformation into an industrial rubber specialist and has been available to the Executive Board for discussions on corporate issues. These included measures to mitigate the negative effects of the challenging market environment and the further improvement of the financial and non-financial key figures. A total of nine meetings were held in 2022, during which the Executive Board reported to the Supervisory Board on business development and the relevant focus topics.

Detailed written documentation was provided in advance of the Supervisory Board meetings. In addition, the Chairman of the Supervisory Board and his Deputy received regular reports on the course of business and the situation of the company outside the meetings.

The **Audit Committee**, chaired by financial expert Birgit Noggler, performs the duties pursuant to Section 92 para. 4a of the Austrian Stock Corporation Act and Rule 40 of the Austrian Code of Corporate Governance. The Audit Committee held three meetings in 2022. The main topics were the preparation of the resolution on the annual and consolidated financial statements for the 2021 financial year, risk management, the internal control system, internal auditing, the compliance organisation, IT security ("cybersecurity") and the preparation of the annual and consolidated financial statement audit for the 2022 financial year.

The **Nominating and Remuneration Committee** held eight meetings in 2022. At these meetings, the committee focused on the performance assessment and objectives of the Executive Board members. Another focal topic was the remuneration policy for Executive Board and Supervisory Board members, which was adjusted in 2022 and subsequently adopted at the Annual General Meeting. In addition, the committee dealt with the termination agreement of Petra Preining, the replacement of the CFO position with Helmut Sorger and the nomination of Supervisory Board members. Moreover, the potential and succession issues of the second management level and Semperit's talent management as well as the results of the employee survey were discussed with the Executive Board.

The **Committee for Urgent Issues** did not hold any meetings.

At the Annual General Meeting on 27 April 2022, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (EY) was appointed as the auditor of the annual and consolidated financial statements for the 2022 financial year. As a result of its audit, EY has issued an unqualified audit opinion on the annual financial statements and the consolidated financial statements of Semperit AG Holding as of 31 December 2022. The management report and the group management report are consistent with the annual and consolidated financial statements. The non-financial reporting (sustainability report) for the 2022 financial year was also subjected to an independent audit by EY.

In its meeting held on 14 March 2023, the Audit Committee of the Supervisory Board dealt in particular with the annual financial statements including the management report, the consolidated financial statements including the group management report, the corporate governance report, the sustainability report and the auditor's reports, with the results of the audit being discussed in detail with the

auditor. Based on the efficient audit process for the annual financial statements 2022, the Audit Committee recommended to the Supervisory Board to propose to the Annual General Meeting to reappoint Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. as auditors for the financial year 2023.

The Supervisory Board examined the annual financial statements and the consolidated financial statements as well as the management report and the group management report, the corporate governance report and the sustainability report and concurs with the conclusions of the audit. The Supervisory Board formally approves the annual financial statements for 2022, which are consequently adopted in accordance with Article 96 para. 4 of the Austrian Stock Corporation Act. The corporate governance report, the sustainability report, the consolidated financial statements and the group management report 2022 as well as the remuneration report have also been approved by the Supervisory Board. The Supervisory Board is following the recommendation of the Audit Committee and proposing Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. as auditors for the 2023 financial year to the Annual General Meeting.

The Supervisory Board declares its agreement with the Executive Board's profit distribution proposal, according to which a basic dividend of EUR 1.50 (distribution of EUR 30,860 thousand) and a conditional additional dividend of EUR 2.00 to EUR 3.50 (distribution of EUR 41,147 to EUR 72,007 thousand) per dividend-bearing share is to be distributed from the reported net profit of Semperit AG Holding in the amount of EUR 102,867 thousand, and any remaining profit is to be carried forward. The entitlement to the additional dividend depends on the sale of the medical business (Sempermed; production of examination gloves including sales organisation first) by 30 September 2023. In particular, the implementation of the sale of the medical business is still subject to the approval of the foreign direct investment control and competition authorities. The exact amount of the additional dividend proposal depends on the economic outlook and on organic and inorganic growth projects becoming more substantiated. It is subject to a further resolution by the Executive and Supervisory Boards of Semperit AG Holding.

The Supervisory Board members would like to thank the Executive Board, the Management Forum, and all employees of the Semperit Group for their extraordinary dedication and commitment. Special thanks also go to the shareholders, customers, and partners of Semperit for the trust they have placed in us.

Vienna, 20 March 2023



Stefan Fida

Chairman of the Supervisory Board

Group Management Report

On 16 December 2022, the Semperit Group reached an agreement with the Southeast Asian glove manufacturer HARPS GLOBAL PTE. LTD. on the sale of the medical business. As a result, assets held for sale and provisions and liabilities held for sale are now reported separately in the consolidated balance sheet. In the consolidated income statement, a distinction is made between continued operations and discontinued operations. The comparative values of the year 2021 were also adjusted in accordance with the regulations. The separation initially includes the sale of the 100% shareholdings in Singapore-based Semperit Investments Asia Pte Ltd ("SIA") and in Austrian-based Sempermed Europe GmbH ("SME") as well as specific intangible property rights by Semperit Technische Produkte Gesellschaft m.b.H. ("STP") and thus the production of examination gloves and the sales and distribution network. For better comprehensibility and comparability, the "as-if" results (i.e., as if the separation of the operations had not taken place) or the results from discontinued operations are also presented and explained for better understanding at selected points in the group management report.

In the 2022 financial year, the Semperit Group recorded a significant improvement in its continued operations despite the onset of an economic slowdown. The negative effects of the Russia-Ukraine conflict, for example the supply chain challenges or the enormous energy price increases, were alleviated on the one hand by the high flexibility of the operating units; on the other hand, price increases were implemented sensitively, which protected the margins. After the record year of 2021, the result of the discontinued operations declined significantly in line with expectations due to the noticeable end of the corona pandemic-related special economic situation.

Economic environment

In its growth forecast published in January 2023, the International Monetary Fund (IMF) expected global economic growth to fall from an estimated 3.4% in 2022 to 2.9% in 2023 and to rise again to 3.1% in 2024. The 2023 forecast is 0.2 percentage points above the October 2022 estimate, but below the historical average (2000–2019) of 3.8%.

For the USA, a growth rate of 2.0% was calculated for 2022, while 1.4% is currently expected for 2023 (thus 0.4 percentage points more than in October 2022). The forecast for the Eurozone in 2023 is 0.7% (previously 0.5%) after 3.5% for 2022. The growth expectations for 2023 are thus 0.2 percentage points better than the IMF's World Economic Outlook published in October 2022. The previously negative forecast for 2023 has also improved for the large economies of the Eurozone, Germany and Italy: by 0.4 percentage points to 0.1% for Germany and by 0.8 percentage points to 0.6% for Italy; for France, however, the expectation remains unchanged at 0.7%. The forecast for (mainly Asian) emerging and developing countries shows a similar trend: While a growth rate of 3.9% was predicted for 2022, the forecast for 2023 is 4.0%, which is 0.3 percentage points higher than in the forecast made in autumn 2022. The 2023 forecast for China has been revised upwards by 0.8 percentage points to 5.2%.

In its forecast published in December 2022, the Austrian Institute of Economic Research (WIFO) reported the absence of a previously partially anticipated international economic slump. Despite the global economic downturn in the second half of 2022 and the pessimistic assessment of the economic development by private households and companies, there has been no decline in GDP so far, but only a slowdown in growth. Due to the strong first half of 2022 – despite the downturn in the second half – economic output grew by 4.7% in the full year of 2022. For 2023, GDP is expected to stagnate overall (+0.3%), although a gradual recovery of the Austrian economy is expected from spring 2023 onwards.

The most significant factors influencing global economic development in the 2022 financial year were undoubtedly the aftermath of the corona pandemic and the effects of the Russia-Ukraine conflict. At present, there is hope for a recovery, as a gradual easing on the energy markets and a controllable corona situation can be observed.

The effects of the Russia-Ukraine conflict on the Semperit Group in 2022 are explained in more detail in the chapter "Russia-Ukraine conflict". In contrast to 2020 and 2021, the corona pandemic had predominantly indirect or only selective effects on business development in the past financial year. This is discussed in the relevant sections in the management report.

Development in the raw materials markets

On average, the prices for natural rubber, at -8% (relevant for Sempertrans), and natural latex, at +1% (relevant for Sempermed), were slightly below or at the previous year's level on the relevant Asian commodity exchanges in 2022.

The average prices for the essential basic raw material butadiene, which is relevant for all segments, reached a significantly higher level in the reporting year than in 2021: +8% in Asia and +26% in Europe. This, combined with a supply shortage in the face of strong demand, led to a significant increase in prices of butadiene derivatives, such as butadiene rubber, styrene butadiene rubber and nitrile butadiene rubber. Another significant factor driving up costs for synthetic rubber in Europe was the enormous increase in gas prices, which averaged EUR 123/MWh in 2022, up 164% on 2021.

Due to a decline in market demand, prices for nitrile latex, the most important raw material for Sempermed, were significantly lower last year than the overall relatively high prices of 2021 – despite higher average prices for butadiene and acryl nitrile.

The price trend of heavy fuel oil (HFO), like the general crude oil price development, is a relevant indicator for the filler carbon black, which is used in the entire Industrial Sector. In the 2022 financial year, the average HFO price was 28% higher than in 2021. Due to this development and a tight supply situation in the first half of 2022, which had gained additional momentum since the beginning of the Russia-Ukraine conflict, and due to significantly higher energy and logistics costs, carbon black prices in Europe increased by 30% compared to 2021.

After reaching record levels halfway through the year, prices for wire rod – a raw material relevant for the Semperflex, Sempertrans and Semperform segments – eventually eased slightly. This correction was triggered by a global economic slowdown and also by lower economic growth in China, which resulted from the real estate crisis and the Covid politics of the Chinese government, among other things. In Europe, the energy crisis has led to the production of wire becoming significantly more cost-intensive, which puts it at a huge competitive disadvantage over China.

Russia-Ukraine conflict

On 24 February 2022, the Russia-Ukraine conflict reached a new level of escalation, with Russia launching a war of aggression against Ukraine. Since the outbreak of this war, numerous international punitive sanctions have been imposed on Russia (and Belarus), including in particular an embargo on military equipment, sectoral and goods/services-related restrictions such as export-related bans (e.g., on technology goods, oil exploration and refining goods) and import-related bans (e.g., on oil, coal and other solid fossil fuels, iron and steel products), further sectoral business bans (e.g., the ban on maintaining any economic relations with certain persons) and restrictions on the capital and financial markets as well as on payment transactions. In addition to sanctions imposed against Russia's central bank, certain Russian financial institutions have also been excluded from the bank communication network SWIFT. The USA further responded to Russia's invasion of Ukraine by imposing a ban on imports of Russian oil and natural gas. The EU also approved a gradual ban on imports of coal, crude oil and refined petroleum products (oil embargo) as well as on fossil fuels from Russia. In addition, a price cap of USD 60 per barrel for crude oil and petroleum was adopted by the EU at the beginning of December 2022.

The Russian rouble (RUB) reacted with a massive decline in value and the Russian National Bank implemented comprehensive currency restrictions to stabilise the Russian currency market. In the meantime, the rating agencies downgraded Russia's credit rating to "junk bond" status for high-risk financial investments. The Russian state defaulted on foreign debt as a consequence of the sanctions at the end of June 2022.

Energy prices rose to record levels as a result: In March 2022, market prices for Brent and WTI crude oil initially reached their highest levels in global wholesale trading in over ten years. The prices for natural gas reached historic highs. Further oil price increases were seen later in the year before the situation eased again slightly. Following steady price increases and brief periods of recovery, average natural gas prices rose significantly, although a clear recovery began towards the end of the year.

During 2022, the direct and indirect consequences of these developments already observed included drastically increased and more volatile prices for energy, raw materials, input and intermediate products, transportation and supply chain problems, changing interest rates and interest rate expectations, further rising inflation as well as material shortages, particularly in the first half of 2022. Under these conditions, there are still significant effects on the overall competitiveness of Europe as an industrial location. In the 2022 financial year, the Semperit Group was able to largely pass on the increased input factor costs to customers (at least with a slight time lag). However, due to the high price increases and volatility on the European energy markets in 2022, this was not fully possible for the surgical glove production in Wimpassing, Austria, which will remain in the Semperit Group, and thus in continued operations for the time being, despite the sale of the medical business. Potentially passing on prices of further input factor cost increases will depend on the price sensitivity of the respective customers and the dynamics on the segment-specific product markets.

In the context of the EU sanctions, the Semperit Group stopped deliveries to customers in Russia and Belarus shortly after the war started. In the 2022 financial year, the Semperit Group's total revenue from customers in the countries affected by the Russia-Ukraine conflict amounted to 0.8% (previous year: 4.5%) of the revenue in continued operations.

A shift in global procurement flows and inventory management was noted for key raw materials and consumables used in the manufacture of the Semperit Group's products as a result of the Russia-Ukraine conflict. The Semperit Group has long since established international multiple sourcing activities. The materials are no longer procured from Russian companies included on the sanctions list or from companies owned by sanctioned individuals. This has led to further changes in sourcing by

the Semperit Group and in the procurement flows. Availability of relevant materials has been secured; with the exception of individual deliveries of industrial chemicals, no more materials have been purchased from Russian companies as of the beginning of the 2023 financial year.

In the light of the strained situation, reserves of production-critical materials, such as certain fillers and wire rod, have been increased. Storage capacities along the supply chain are used for this purpose. However, increasing reserves in relation to the rise in finished products increased the trade working capital to a level that was temporarily deliberately introduced in line with a proactive approach to securing production and delivery reliability on the understanding that it conflicts with the long-term objective of the Semperit Group. These reserves are now being successively reduced. With respect to securing supplies, road freight transport has also seen constraints and an increase in the cost of European freight capacities due to the lack of Russian, Ukrainian and Belarusian truck drivers.

Prices for synthetic rubber, paraffinic oils and fillers, such as carbon black and silicates, correlate strongly with the market price trend for crude oil and natural gas due to the energy intensity of their production. Further suppliers could drop out because of the sanctions, which could result in price-driving surplus demand. In the light of this development, the Semperit Group expects price levels for essential raw materials and consumables to remain above pre-crisis levels. Price pass-through opportunities will depend on the price sensitivity of the respective customers and the dynamics on the segment-specific product markets, with the possibility of passing on increases in input factor prices tending to decline.

The market price trend for oil and natural gas in the light of the Russia-Ukraine conflict led to an increase in expenses for energy. Although the natural gas market has calmed down, prices in March 2023 are three times higher than before. Therefore, the Semperit Group continues to expect additional costs due to higher energy prices. The production of examination gloves in Kamunting (Malaysia) consumes by far the most natural gas within the Semperit Group. The non-European production sites are not directly affected by the price increases and volatility on the European natural gas market; however, prices were also rising considerably on the international markets throughout the year: For the Semperit Group, this is particularly relevant in Malaysia, where natural gas prices are basically linked to Brent prices, which have risen significantly on average because of the crisis. The current price developments are even more noticeable because of the de-regulation of natural gas prices in Malaysia since the end of 2021. However, the examination glove production in Malaysia now counts as discontinued operations.

In this tense environment, a suspension of natural gas deliveries from Russia, whether as a Russian decision, or potentially brought about by further EU sanctions or the destruction of pipeline capacities, cannot be ruled out. To be prepared for a possible stoppage of Russian natural gas supplies, the management of the Semperit Group has decided to use energy sources and technologies in the future which, unlike the steam boiler burners currently used, do not have to be fired with natural gas. These alternatives are ready to use in Wimpassing, Austria, in Odry, Czech Republic, and in Seligenstadt, Germany.

The Semperit Group's management is closely monitoring the geopolitical and market-related developments in connection with the Russia-Ukraine conflict and is taking a very prudent approach to the situation.

Revenue and earnings performance

Key figures Semperit Group

in EUR million	2022 ¹	Change	2021
Revenue	779.8	+29.6%	601.8
EBITDA	100.5	+86.2%	54.0
EBITDA margin	12.9%	+3.9 PP	9.0%
EBITDA adjusted	95.8	+77.5%	54.0
EBITDA margin adjusted	12.3%	+3.3 PP	9.0%
EBIT	62.1	>100%	25.2
EBIT margin	8.0%	+3.8 PP	4.2%
EBIT adjusted	65.4	>100%	25.2
EBIT margin adjusted	8.4%	+4.2 PP	4.2%
Earnings after tax from continued operations	38.4	>100%	3.6
Earnings after tax from discontinued operations	-44.0	>100%	243.9
Earnings after tax	-5.6	>100%	247.5
Earnings after tax adjusted	10.9	-95.6%	247.5
Additions to intangible assets and property, plant and equipment	50.1	-11.2%	56.4
Employees (at reporting date) ²	6,528	-6.1%	6,948

¹ Adjusted for the positive one-off effect of the net proceeds from the sale of properties in France in the Sempertrans segment (2022: effect on EBITDA, EBIT: EUR 4.7 million; earnings after tax: EUR 4.0 million), for the negative effect of the net impairments in the Sempermed and Semperseal segments (2022: effect on EBIT from continued operations: EUR -7.9 million; earnings after tax in total from continued and discontinued operations: EUR -12.3 million) and for the negative effect of the transaction costs (2022: effect on earnings after tax: EUR -8.2 million)

² The definition of the allocation key for overhead functions was adapted in 2022, resulting in slight shifts between the segments; the prior-year figures were adjusted accordingly.

As part of its strategic realignment, the Semperit Group will focus on the Industrial Sector in the future. As a consequence, the Executive Board and Supervisory Board decided on 28 January 2020 to divest the Sempermed segment. On 16 December 2022, the management of the Semperit Group entered into an agreement on the sale of the Sempermed segment with the Southeast Asian glove producer HARPS GLOBAL PTE. LTD., based in Singapore and with production in Malaysia.

With this transaction, the Semperit Group will dispose of the production of examination gloves and the production of porcelain dipping moulds for manufacturing gloves in Malaysia as along with the worldwide sales and distribution units. The conditions for a presentation as discontinued operations were given as of 31 December 2022. The Semperit Group will continue the production of surgical gloves in Wimpassing, Austria, and their packaging in Sopron, Hungary, for up to five years as a contract manufacturer for HARPS GLOBAL PTE. LTD. until the final sale; it will thus remain a continued operation for the time being. The Industrial Sector is completely unaffected by the transaction and thus also remains continued operations.

As a consequence of the sale of the medical business and the resulting application of IFRS 5, primarily the continued operations are presented in the consolidated income statement; the result of the discontinued operations is now only shown in a separate line "Earnings after tax from discontinued operations" after the item "Earnings after tax from continued operations". The previous year's figures were adjusted accordingly.

In order to present the results of the continued operations realistically and in accordance with the economic circumstances, the following specifics must be taken into account: The revenues from

discontinued operations comprise all external revenues of the Sempermed segment – including those from the sale of surgical gloves. Pre-packaged surgical gloves are currently, and will continue to be, sold by Semperit Technische Produkte GmbH (“STP”) to Semperit Investments Asia Pte Ltd (“SIA”) which is still part of the group; SIA then resells the products of the Sempermed segment to internal and external customers. Since the revenue (from continued operations) and the cost of materials (of the discontinued operations) amounting to EUR 45.8 million each from this supply relationship will continue to exist as a result of the contract manufacturing agreement, the consolidation of expenses and income was not retained for this purpose. This adjustment extends the consolidated income statement to present the effects of the separation from the medical business as realistically as possible. In addition, intercompany charges between the continued and discontinued operations remain fully eliminated. The primary expenses, on which the intercompany charges are based, were allocated to the business units in accordance with the current contractual agreements with HARPS GLOBAL PTE. LTD. Previously allocated overhead costs remain in continued operations.

In 2022, the continued operations of the Semperit Group recorded an increase in revenue of +29.6% to EUR 779.8 million compared to the previous year. Revenue in the Industrial Sector increased by +32.0% to EUR 734.0 million, whereas revenue from continued operations in the Medical Sector (in Wimpassing and Sopron) remained largely unchanged at EUR 45.8 million (see above). The increase in revenue was mainly driven by the rise in selling prices in the Industrial Sector by an average of 32% (the individual segments were in a range of around 25% to 36%) compared with 2021, so that input factor price increases could be passed on in a timely manner. The positive volume deviations at Sempertrans and Semperflex de facto offset the negative ones at Semperseal and Semperform. The volume increase at Semperflex (+1.2%) is attributable to a positive market environment and global market share gains of hydraulic and industrial hoses, while the increase at Sempertrans (+14.0%) is mainly due to the recovery of the market following the corona-related difficult previous years. In 2022, Semperform’s sales volumes in the Handrail (owing to the corona-related temporary closure of the Chinese production sites in April/May 2022) and Engineered Solutions business units were below the previous year’s figures, while sales volumes in the Special Applications business unit (cable car rings and ski foils) continued to rise. Semperseal recorded a significant decline in sales volumes, mainly due to the weak development of the construction industry.

The change in inventories of own products of continued operations increased by EUR 11.8 million in 2022 (previous year: increase of EUR 9.8 million) due to higher input factor prices (primarily at Semperflex and Sempertrans).

Other operating income increased by EUR 1.0 million overall compared to the previous year. The 2022 result includes the proceeds from a property sale in France in the amount of EUR 4.8 million (excluding broker fees of EUR 0.1 million) – the building, including the land, belonged to the Sempertrans production site in Argenteuil, which was closed in 2018. The property held for sale belonging to the French Sempertrans France Belting Technology S.A.S. was sold in the fourth quarter of 2022. In the previous year, other operating income included the positive deconsolidation effect of EUR 3.7 million as a result of the reclassification of (historical) currency translation differences to the consolidated income statement following the liquidation of Sempertrans Best (ShanDong) Belting Co. Ltd (SBB).

Cost of materials (including energy and purchased services) in continued operations increased by EUR 110.3 million or +36.8% to EUR 410.2 million in 2022. The change was largely due to higher energy prices and increased prices for materials: market price developments for oil and natural gas in the light of the Russia-Ukraine conflict led to a significant increase in expenses for energy – especially electricity (+54%) and natural gas (+94%).

Personnel expenses rose to EUR 197.1 million (+7.9%). The main reason for this was higher staffing levels, mainly due to the expansion of the location in the USA, and legally required wage and salary increases.

At EUR 95.8 million, other operating expenses were up by around 11.1% compared to the previous year (previous year: EUR 86.2 million). The increase can be attributed in particular to higher outbound freight expenses of around EUR 5.9 million and, to a lesser extent, to price-related increases in non-production-related energy costs, maintenance costs and travel costs, which rose again after the corona pandemic. Lower consultancy fees for strategic business development projects in the Industrial Sector had an offsetting effect in 2022.

EBITDA in continued operations increased from EUR 54.0 million in 2021 to EUR 100.5 million, a plus of +86.2%. The EBITDA margin in continued operations was 12.9% (previous year: 9.0%). If the EBITDA is adjusted for the one-off effect of EUR 4.7 million, which is the net proceeds from the sale of property in France, the corresponding figure was EUR 95.8 million and the margin 12.3%. No one-off effects on EBITDA were adjusted in the 2021 financial year.

Depreciation and amortisation in continued operations increased to EUR 30.4 million (+5.8%) in 2022. In the Semperseal segment, specific machines and technical equipment were identified for which the Semperit Group has no further use. These assets were now recognised at scrap value. In total, this resulted in a need for impairment loss of EUR 2.1 million (previous year: EUR 0 million). Against the backdrop of the market dynamics for examination and protective gloves, the valuation-relevant estimates and assumptions relating to the Medical Sector were reviewed in the third quarter of 2022, where an impairment loss amounting to EUR 6.4 million was identified in continued operations. In the course of the sale of the medical division, however, impairments of EUR 0.6 million were reversed.

EBIT of continued operations more than doubled in 2022, rising to EUR 62.1 million after EUR 25.2 million in the previous year. The EBIT margin also increased significantly, from 4.2% in the previous year to currently 8.0%. If the result is adjusted for the net recognised impairments (in total EUR – 7.9 million), and for the positive result from the property sale, the adjusted EBIT for 2022 is EUR 65.4 million, and the adjusted EBIT margin is 8.4%. No one-off effects on EBIT were adjusted in the 2021 financial year.

The financial result of the continued operations fell slightly to EUR –10.4 million (previous year: EUR –9.9 million). The other financial result deteriorated due to impairment losses of securities amounting to EUR 0.7 million and the increased net foreign currency result of EUR 0.4 million. Both in 2022 and in the comparable period, the net foreign currency result was primarily influenced by the development of the US dollar exchange rate. In addition, the change compared to 2021 was also due, among other things, to the repayment of the tranches for the Schuldschein loans. This was counteracted mainly by a EUR 1.4 million decrease in interest expenses as a result of the repayment of the tranches for the Schuldschein loans.

The tax expense increased to EUR 13.4 million (previous year: EUR 11.7 million) due to the higher earnings from continued operations. In the 2022 financial year, the effective tax rate was 22.9% compared to 56.0% in the previous year. Here, the effective tax rate refers to income taxes in relation to earnings before tax less profit or loss attributable to redeemable non-controlling interests. The tax rate normalised during 2022.

Earnings after tax from continued operations were EUR 38.4 million and thus significantly above the previous year (previous year: EUR 3.6 million). If the value is adjusted for one-time effects after tax, the relevant value amounted to EUR –41.7 million.

Earnings after tax from discontinued operations amounted to EUR –44.0 million (previous year: EUR 243.9 million). Further details on discontinued operations will follow in the next chapter.

When continued and discontinued operations are added, earnings after tax amounted to EUR –5.6 million (previous year: EUR 247.5 million). Earnings per share attributable to the shareholders of

Semperit AG Holding for 2022 were therefore EUR –0.27 (previous year: EUR 11.99). Earnings after tax adjusted for the one-off effects amounted to EUR 10.9 million (previous year: EUR 247.5 million).

Discontinued operations

Earnings after taxes from discontinued operations developed as follows in 2022: Revenue from discontinued operations decreased to EUR 324.2 million in the 2022 financial year (previous year: EUR 626.1 million), particularly due to the end of the corona-related special cycle.

In the discontinued operations, inventories of own products declined significantly by EUR 38.3 million compared to the previous year (previous year: increase of EUR 22.7 million) as a result of the considerable reduction in volumes and the significantly lower valuations of average prices and net sales prices.

In the discontinued operations, the cost of materials was 23% lower than in the previous year, at EUR 213.2 million, due to lower production and traded good volumes despite higher gas prices at Sempermed (previous year: EUR 276.1 million).

As pre-packaged surgical gloves are currently, and will continue to be, sold by Semperit Technische Produkte GmbH to Semperit Investments Asia Pte Ltd (currently still part of the Group), which then sells the products of the Sempermed segment to internal and external customers, the cost of materials (of the discontinued operations) amounting to EUR 45.8 million from this supply relationship as a result of the contract manufacturing agreement is included in the cost of materials of the discontinued operations.

Personnel expenses of the discontinued operations increased slightly (+4%) to EUR 35.4 million (previous year: EUR 33.9 million). On the one hand, the increase is due to the higher wage and salary level and, on the other hand, to foreign currency effects. This was partially offset by a reduction due to lower production utilisation.

In the discontinued operations, other operating expenses increased by 17.1% to EUR 40.0 million (previous year: EUR 34.2 million), particularly due to higher freight expenses (by EUR 3.6 million).

Expenses for personnel and consulting activities in connection with the transaction are not included in these items and are reported separately after earnings after tax from discontinued operations in the item "Recognised transaction costs" in the amount of EUR 8.4 million.

As expected, EBITDA, which rose sharply due to the corona-induced special economic cycle in the Medical Sector during previous year, fell considerably from EUR 307.8 million in 2021 to EUR –1.6 million. The EBITDA margin in the discontinued operations was therefore –0.5% (previous year: 49.2%).

Depreciation and amortisation in the discontinued operations increased to EUR 21.4 million (19%) in 2022. This is mainly attributable to the commissioning of new production lines (P7+) in the glove production site in Kamunting. Six new production lines were commissioned here on 30 April 2022. In the fourth quarter of 2022, depreciation was reduced as a result of the impairment losses recognised as of 30 September 2022; as a result of accounting in accordance with IFRS 5, scheduled depreciation will no longer be incurred in 2023.

In the light of the dynamics in the market for examination and protective gloves, a review was carried out of the estimates and assumptions relevant to valuation in the Medical Sector, in the course of which the need for an impairment loss was identified; thereof EUR 45.2 million is accounted for by the discontinued operations. This was offset by the impairment reversal amounting to EUR 40.3 million recognised in the course of the sale of the medical division. In total, this resulted in an impairment loss of EUR 5.0 million (previous year: EUR 0 million) for the discontinued operations.

EBIT in the discontinued operations of the Medical Sector, which rose sharply in 2021 due to pandemic-driven effects, fell significantly from EUR 289.8 million to EUR –28.0 million, as expected. The

EBIT margin in the discontinued operations was –8.6% (previous year: 46.3%). If the EBIT of the discontinued operations is adjusted for the one-off effects (impairment loss of EUR 5.0 million), the corresponding value was EUR –23.0 million, or the margin –7.1%. No one-off effects on EBIT were recorded in the 2021 financial year.

The tax expense of the discontinued operations fell from EUR 39.7 million in the previous year, which was due to the special economic cycle and the resulting improvement in earnings in the Medical Sector, to EUR 8.1 million in the 2022 financial year.

Transaction costs at EUR 8.4 million were recognised, while income taxes on recognised transaction costs were EUR 0.1 million (previous year: EUR 0.0 million each). The result from discontinued operations totalled EUR –44.0 million (previous year: EUR 243.9 million). If the value is adjusted for the one-off effects of the impairment losses and the transaction costs after taxes, the adjusted result from discontinued operations is EUR –30.8 million.

Semperit Group “as-if”, no separation from the discontinued operation

The following table shows the results based on segment reporting. The segmentation by business areas is based on internal management and reporting and also includes the Sempermed segment as a whole.

These “as-if” figures are presented as if the separation into continued and discontinued operations had not (yet) taken place. The earnings figures take into account the continued and discontinued operations as well as all consolidation entries necessary at Group level.

“As-if” key figures of the Semperit Group – as if no separation from the discontinued operation

in EUR million	2022 ¹	Change	2021
Revenue	1,058.2	–10.5%	1,182.2
EBITDA	90.5	–75.0%	361.8
EBITDA margin	8.6%	–22.1 PP	30.6%
EBITDA adjusted	94.1	–74.0%	361.8
EBITDA margin adjusted	8.9%	–21.7 PP	30.6%
EBIT	25.8	–91.8%	315.0
EBIT margin	2.4%	–24.2 PP	26.6%
EBIT adjusted	42.3	–86.6%	315.0
EBIT margin adjusted	4.0%	–22.6 PP	26.6%

¹ Adjusted for the positive one-off effect of the net proceeds from the sale of property in France in the Sempertrans segment (2022: effect on EBITDA and EBIT: EUR 4.7 million) and for the negative one-off effect of the net impairments in the Sempermed and Semperseal segments (2022: effect on EBIT: EUR –12.9 million) and negative effect of the transaction costs (2022: effect on EBITDA: EUR –8.4 million).

Dividends and treasury shares

The dividend policy of the Semperit Group basically aims at a distribution of around 50% of earnings after taxes – assuming continued successful performance with no unusual circumstances. However, the Group is currently undergoing a profound transformation to become an industrial rubber specialist, albeit somewhat delayed by the pandemic. For this purpose, organic growth projects and company acquisitions are being planned, which will require sufficient financial strength. Deviations from a pay-out ratio of around 50% are therefore possible for the duration of this strategic transformation, with the aim of being financially robust for potential company acquisitions and organic growth. This strategic realignment is in the best interest of all shareholders in the long term.

The shareholders are entitled to a distribution of the net profit of Semperit AG Holding. For the past financial year, the Executive Board proposes a dividend of EUR 1.50 per share and a conditional additional dividend of EUR 2.00 to EUR 3.50 per share. This results in a total dividend proposal of a maximum of EUR 5.00 per share (previous year: EUR 1.50 per share) for the 2022 financial year. The dividend will amount to a minimum of EUR 30,860 thousand and a maximum of EUR 102,867 thousand. The entitlement to the additional dividend depends on the sale of the medical business (Sempermed; production of examination gloves including sales organisation first) by 30 September 2023. In particular, the closing of the sale of the medical business is still subject to the approval of the foreign direct investment control and competition authorities. The exact amount of the additional dividend proposal depends on the economic outlook and on organic and inorganic growth projects becoming more substantiated; it is subject to a further resolution by the Executive Board of Semperit AG Holding. In the previous year, a dividend of 1.50 per share was distributed, which corresponded to a dividend yield of 5.1% in relation to the closing price of EUR 29.30 in 2021.

Semperit AG Holding did not hold any treasury shares as at 31 December 2022 or 31 December 2021.

Assets and financial position

Balance sheet

The development of the balance sheet structure as at 31 December 2022 can be summarised as follows:

in EUR million	31.12.2022	Share	31.12.2021	Share	Change
Non-current assets	316.6	38%	407.4	43%	-22%
Current assets	338.4	40%	550.4	57%	-39%
Assets held for sale	187.9	22%	0.8	0%	>100%
ASSETS	842.9	100%	958.6	100%	-12%
Equity	519.1	62%	541.2	56%	-4%
Non-current provisions and liabilities	115.9	14%	140.1	15%	-17%
Current provisions and liabilities	161.0	19%	277.3	29%	-42%
Provisions and liabilities held for sale	46.9	6%	0	0%	n.a.
EQUITY AND LIABILITIES	842.9	100%	958.6	100%	-12%

¹ including non-controlling interests

In accordance with IFRS 5, all non-current assets and disposal groups that can be disposed of in their current condition and are highly probable to be disposed of within 12 months based on a properly documented intention to dispose of the management shall be classified as held for sale. The assets and liabilities associated with the production of examination gloves and the production of porcelain dipping moulds for the manufacturing of gloves in Malaysia as well as the worldwide sales and distribution units of the Sempermed segment form a disposal group in the consolidated balance sheet. The assets of the disposal group are reported under the item "Assets held for sale", the liabilities under the item "Provisions and liabilities held for sale". The previous year's balance sheet values are presented in the same way as before. The changes explained relate to the continued and discontinued operations together.

The increase in non-current assets is essentially attributable to additions to property, plant and equipment (excluding right-of-use assets) and intangible assets amounting to EUR 50.1 million. The larger additions to property, plant and equipment are investments in modernising the site in Wimpassing (EUR +11.7 million) and in the new production lines for examination gloves in Malaysia (EUR +11.5 million). Regular depreciation and amortisation of EUR 51.7 million as well as the net effect from impairment losses and impairment reversals of property, plant and equipment and intangible assets in the Sempermed segment amounting to EUR 10.8 million and impairment of individual machines and technical equipment in the Sempersal segment amounting to EUR 2.1 million had a reducing effect on non-current assets. The reclassification of the assets of the disposal group to the item "Assets held for sale" in the amount of EUR 75.5 million had a negative effect on the development of the items of non-current assets.

Current assets decreased since 31 December 2021, mainly due to a EUR 77.6 million decline in cash and cash equivalents, which was attributable in particular to dividend and tax payments and the repayment of Schuldschein loans. Furthermore, there was an overall decrease in inventories of EUR 20.0 million: While finished goods and traded goods declined by EUR 26.8 million, raw materials, consumables and supplies increased by EUR 6.8 million due to higher prices. Other assets also fell by EUR 9.9 million. This was counteracted, among other things, by a EUR 7.6 million increase in trade

receivables due to higher price levels. The reclassification of the assets of the disposal group to the item "Assets held for sale" amounting to EUR 112.3 million had a negative effect on the items of current assets.

Equity decreased due to the losses of the current period and the payment of the dividend amounting to EUR 30.9 million in the second quarter of 2022 (previous year: EUR 30.9 million). The change in the currency translation reserve had a counteracting effect, particularly due to the changes in the US dollar (USD) exchange rate, as well as the positive result from the remeasurements of defined benefit pension and severance plans due to the increased interest rate level. Return on equity was -1.1% (2021: 45.7%).

The reduction in liabilities and provisions mainly resulted from the decrease in liabilities from current income taxes by EUR 44.7 million due to the weaker result in 2022 compared to the record year 2021 (especially in the Sempermed segment), from the decrease in financial liabilities after the redemption of Schuldschein loans amounting to EUR 34 million in July 2022, the decrease in trade payables by EUR 11.5 million, and the decrease in provisions for pensions and severance payments by EUR 8.1 million as a result of increased interest rates. Furthermore, the reclassification to the item "Provisions and liabilities held for sale" also had a reducing effect of EUR 46.9 million on the items of liabilities and provisions.

As of 31 December 2022, the Semperit Group had a net cash surplus of EUR 54.2 million, as cash and cash equivalents exceeded financial liabilities (31 December 2021: EUR 144.2 million). The arithmetical ratio between net cash surplus (i.e., an arithmetically negative net debt value) and EBITDA was thus $-0.6x$ as of 31 December 2022 (31 December 2021: $-0.4x$).

The existing credit facilities with a bank consortium and Österreichische Kontrollbank AG (OeKB) amounting to EUR 75 million and EUR 15 million, respectively, have not been used to date.

Cash flow

The cash flow statement is prepared jointly for the continued and discontinued operations; no distinction is made between the cash flows of the individual business units. The cash flows from operating, investing and financing activities of the discontinued operation are disclosed in the notes (see section 2.9).

The development of the liquidity situation in the 2022 financial year can be summarised as follows:

in EUR million	2022	Change	2021
Cash flows from operating activities	46.2	-84.0%	289.2
Cash flows from investing activities	-46.2	-3.7%	-48.0
Free cash flow	0.0	-100.0%	241.2
Cash flows from financing activities	-82.1	-47.2%	-155.6
Net increase / decrease in cash and cash equivalents	-82.1	n/a	85.6
Cash and cash equivalents at the end of the period	153.4	-33.5%	230.6

In 2022, the lower cash flow from operating activities compared to the previous year was mainly due to lower earnings and was further reduced by EUR 62.1 million as a result of income taxes payable in the 2022 financial year due to high prior-year earnings, particularly in the Sempermed segment. The balance of changes in inventories, trade receivables and trade payables was positive and reached a level of EUR 5.2 million (previous year: funds tied-up at EUR 23.0 million).

At EUR 54.5 million, cash expenditures in intangible assets and property, plant and equipment in 2022 were above the prior-year level (previous year: EUR 47.9 million). The largest investments were made in Malaysia with EUR 17.3 million (previous year: EUR 17.0 million), Austria with EUR 15.8 million (previous year: EUR 11.8 million), the Czech Republic with EUR 6.2 million (previous year: EUR 4.2 million), Germany with EUR 3.8 million (previous year: EUR 3.7 million) and Poland with EUR 3.5 million (previous year: EUR 6.2 million).

Free cash flow (the balance of cash flow from operating activities and cash flow from investing activities) was EUR 0.0; in the 2021 financial year it was EUR 241.2 million.

Cash flow from financing activities included in particular the dividends paid to the shareholders of Semperit AG Holding amounting to EUR 30.9 million (previous year: EUR 30.9 million) as well as the repayment of Schuldschein loans amounting to EUR 34.0 million. In the 2021 financial year, cash flow from financing activities comprised the repayment of the Schuldschein loan including the settlement of a cross-currency swap (EUR 86.4 million), the dividend distribution (EUR 30.9 million), the repayment of hybrid capital (EUR 30.0 million) and the payment of hybrid coupons (EUR 0.8 million) and of further interest payments (EUR 3.9 million).

Performance of sectors and segments

Industrial Sector

Key figures Industrial Sector

in EUR million	2022 ¹	Change	2021
Revenue	734.0	+32.0%	556.1
EBITDA adjusted	120.5	+46.8%	82.1
EBITDA margin adjusted	16.4%	+1.7 PP	14.8%
EBITDA	125.2	+52.5%	82.1
EBITDA margin	17.1%	+2.3 PP	14.8%
EBIT adjusted	93.4	+64.4%	56.8
EBIT margin adjusted	12.7%	+2.5 PP	10.2%
EBIT	95.9	+68.9%	56.8
EBIT margin	13.1%	+2.9 PP	10.2%
Additions to intangible assets and property, plant and equipment	32.2	+12.0%	28.7
Employees (at reporting date) ²	3.821	+1.5%	3.764

¹ Adjusted for the positive one-off effect of the net proceeds from the property of land in France in the Sempertrans segment (2022: EBITDA and EBIT effect: EUR -4.7 million) and for the negative one-off effect from the impairment in the Semperseal segment (2022: EBIT effect: EUR -2.1 million).

² The definition of the allocation key for overhead functions was adapted, resulting in slight shifts between the segments; the previous year's values were adjusted accordingly.

In the Industrial Sector – which comprises the Semperflex, Sempertrans, Semperseal and Semperform segments – a continuously increasing development of revenue, primarily due to price increases on the part of the Semperit Group, was still observed in the first half of 2022. However, the development in the individual segments varied greatly. Looking at demand as measured by order development, a continuous reduction from the previous high was already noticeable since the second half of 2021. This development continued in the course of 2022, partly due to high customer inventories. As a result of the gradual processing of orders, the order books were again below the high comparative values of the previous year at the end of 2022. At the same time, despite easing slightly, the high average raw material price levels continued to burden the earnings situation: in particular, the enormous increase in energy prices in the second and third quarters of 2022 due to the war, the significant rise in inflation and the higher wage level resulted in some significant pressure on margins. The ongoing efforts to pass on the input factor price increases to customers in a timely manner counteracted the difficult environment as far as possible.

Semperflex segment

Key figures Semperflex

in EUR million	2022	Change	2021
Revenue	328.8	+36.7%	240.5
EBITDA	82.2	+60.1%	51.3
EBITDA margin	25.0%	+3.7 PP	21.3%
EBIT	70.2	+75.6%	40.0
EBIT margin	21.4%	+4.7 PP	16.6%
Additions to intangible assets and property, plant and equipment	16.6	>100%	8.0
Employees (at reporting date) ¹	1,782	+1.6%	1,753

¹ The definition of the allocation key for overhead functions was adapted, resulting in slight shifts between the segments; the prior-year figures were adjusted accordingly.

Semperflex customers demonstrated above-average demand until the first half of 2022, driven by good market situation as well as an intended build-up of higher inventories. However, the trend gradually reversed from the third quarter of 2022 onwards as a result of the full warehouses of customers and the expected and actual economic slowdown. This applied to hydraulic hoses as well as industrial hoses. Order intake therefore showed a reduction, reflecting a normalisation of the previously above-average level of the order books and the increasing uncertainty about global developments in 2023.

Revenue increased significantly in the 2022 financial year compared to the previous year. Reasons for this were the increased sales volumes, supported by the production volume expansion in Odry (DH4) and the significant output increases in all Semperflex plants – with the exception of the plant in China, which was temporarily closed due to lockdowns. The necessary price adjustments as a consequence of significantly higher input factor costs also contributed to the growth in sales. The negative effects of higher raw material, transport and energy prices, which were further boosted in the second and third quarters by the Russia-Ukraine conflict, among other things, weighed on the result. However, like the effects of the tight raw material and container availability recorded in the first half of the year and the wage increases, they were compensated for by increases in sales volumes and the resulting volume advantages, efficiency improvements and price increases. As a result, EBITDA, EBIT and the corresponding margins significantly exceeded the respective levels of the previous year.

Sempertrans segment

Key figures Sempertrans

in EUR million	2022 ¹	Change	2021
Revenue	151.9	+45.5%	104.5
EBITDA adjusted	14.9	>100%	6.8
EBITDA margin adjusted	9.8%	+3.3 PP	6.6%
EBITDA	19.7	n/a	6.8
EBITDA margin	12.9%	+6.4 PP	6.6%
EBIT adjusted	10.8	>100%	3.2
EBIT margin adjusted	7.1%	+4.1 PP	3.1%
EBIT	15.5	n/a	3.2
EBIT margin	10.2%	+7.2 PP	3.1%
Additions to intangible assets and property, plant and equipment	3.6	-11.9%	4.1
Employees (at reporting date) ²	889	-3.4%	921

¹ Adjusted for the positive one-off effect of the net proceeds from the sale of property in France in the Sempertrans segment (2022: EBITDA and EBIT effect: EUR -4.7 million).

² The definition of the allocation key for overhead functions was adapted, resulting in slight shifts between the segments; the prior-year figures were adjusted accordingly.

In the late-cycle business of the Sempertrans segment, improved results were realised in the 2022 financial year as expected from the positive development of project pipelines. Driven by the favourable price development for mining products since 2021 and increased global demand, the need for conveyor and transport belts rose significantly as expected. This general market development has so far remained unaffected by the Russia-Ukraine war. The positive sentiment is reflected in the order book level, which is still the highest in over three years.

The positive market development was accompanied by a significant increase in sales volumes and revenue. In addition, the property held for sale of the French Sempertrans France Belting Technology S.A.S., including the buildings on it, was sold in the fourth quarter 2022. The net proceeds from the sale amounted to EUR 4.7 million. The positive trend, together with the price increases on the sales side from passing on increased input factor costs, contributed strongly to the development of revenue. Despite higher input factor prices, also driven by the Russia-Ukraine war, EBITDA and EBIT as well as the corresponding margins also recorded a significant increase compared to the previous year: Sempertrans almost tripled EBITDA and doubled the corresponding margin. EBIT and the EBIT margin recorded an even sharper increase. The key figures adjusted for the one-time effects also significantly exceeded the comparative values of the previous year at this level. This improvement was achieved despite the one-off positive deconsolidation effect of EUR 3.7 million in the third quarter of 2021. The effect was due to the positive deconsolidation effect of the reclassification of (historical) currency translation differences in the consolidated income statement following the liquidation of Sempertrans Best (ShanDong) Belting Co. Ltd (SBB).

Semperseal segment

Key figures Semperseal

in EUR million	2022 ¹	Change	2021
Revenue	142.1	+17.9%	120.5
EBITDA	8.3	-28.5%	11.6
EBITDA margin	5.8%	-3.8 PP	9.6%
EBIT adjusted	1.5	-70.0%	5.1
EBIT margin adjusted	1.1%	-3.1 PP	4.2%
EBIT	-0.6	n/a	5.1
EBIT margin	-0.4%	-4.6 PP	4.2%
Additions to intangible assets and property, plant and equipment	7.2	-37.4%	11.5
Employees (at reporting date) ²	560	+8.8%	514

¹ Adjusted for the negative one-off effect from the impairment loss in the Semperseal segment (2022: EBIT effect: EUR -2.1 million).

² The definition of the allocation key for overhead functions was adapted, resulting in slight shifts between the segments; the prior-year figures were adjusted accordingly.

Following the recovery in the 2021 financial year, the market initially experienced a further slight improvement in the 2022 financial year, which, however, steadily weakened from the summer, particularly as a result of the slowdown in the construction and industrial sectors. The order books at the end of the 2022 financial year were therefore below the level of the comparable figure for 2021. A strong economic slowdown was noticeable since the third quarter of 2022, with demand falling significantly in the fourth quarter. This trend was ultimately reflected in the volumes sold. As a result, sales volumes were below those of the previous year. A noticeable increase was achieved on the revenue side due to step-by-step price increases that were necessary for cost reasons. At the same time, however, rising input factor prices put pressure on the EBITDA and EBIT development, as the gradual cost increase could only be passed on with a time lag and the price increases could only partially compensate for the cost increases. In addition, the third quarter of 2022 saw the recognition of an impairment loss of EUR 2.1 million on specific machinery and technical equipment. EBITDA, EBIT and the corresponding margins – even if adjusted for the negative effect of the impairment loss – were eventually below the level of the same period of the previous year.

The production of sealing products in the new production facility in the USA (Newnan, Georgia) started in the first quarter of 2022; the first deliveries were already made in April 2022; the second production line was commissioned in July and is now running at normal operation.

Semperform segment

Key figures Semperform

in EUR million	2022	Change	2021
Revenue	111.1	+22.7%	90.6
EBITDA	15.1	+22.2%	12.4
EBITDA margin	13.6%	-0.1 PP	13.7%
EBIT	10.8	+26.6%	8.5
EBIT margin	9.7%	+0.3 PP	9.4%
Additions to intangible assets and property, plant and equipment	4.8	-7.9%	5.2
Employees (at reporting date) ¹	591	+2.5%	576

¹ The definition of the allocation key for overhead functions was adapted, resulting in slight shifts between the segments; the prior-year figures were adjusted accordingly.

The Semperform segment presented a mixed picture with regard to the development of the individual business units in the 2022 financial year: In particular, the Special Applications gradually recovered as a result of the catch-up effect in winter tourism after the slump caused by the corona pandemic; the diversification of the product portfolio also had a positive effect. In the handrail business, healthy global demand was observed; the markets in Europe and the Americas in particular showed positive trends; China was impacted by the lockdown in spring but was able to recover towards the end of the year. Only Engineered Solutions recorded a slight decline in the niche markets of railway and households compared with the exceptionally high level of the previous year; at the same time, the market for filtration membranes and the construction industry recorded an increase in demand. However, the necessary price increases put some pressure on the Engineered Solutions market share. On the whole, coupled with the gradual price increases, order intake rose slightly in the 2022 financial year. However, due to the consistent processing of orders, the level of the order books was just below that of the previous year. Business performance was largely unimpacted by the Russia-Ukraine crisis.

Revenue exceeded the previous year's level. This is particularly due to the changed product mix and the gradually implemented price increases to compensate for the sharp rise in input factor prices, especially in the second and third quarters of 2022. EBITDA and EBIT could be increased compared to the comparative period, while the corresponding margins largely reached the previous year's level.

Medical Sector: Sempermed segment

Key figures Sempermed

in EUR million	2022 ¹	Change	2021
Revenue	324.2	-48.2%	626.1
EBITDA adjusted	-7.0	n/a	301.1
EBITDA margin adjusted	-2.2%	-50.3 PP	48.1%
EBITDA	-15.4	n/a	301.1
EBITDA margin	-4.7%	-52.8 PP	48.1%
EBIT adjusted	-30.4	n/a	280.9
EBIT margin adjusted	-9.4%	-54.3 PP	44.9%
EBIT	-49.5	n/a	280.9
EBIT margin	-15.3%	-60.1 PP	44.9%
Additions to intangible assets and property, plant and equipment	15.0	-39.7%	24.9
Employees (at reporting date) ²	2,597	-14.5%	3,038

¹ The definition of the allocation key for overhead functions was adapted, resulting in slight shifts between the segments; the prior-year figures were adjusted accordingly.

² Adjusted for the one-off effect of the negative effect of the net impairments in the Sempermed segment (2022: effect on EBIT: EUR -10.8 million) and the one-off effect of the transaction costs (2022: effect on EBITDA and EBIT: EUR 8.4 million).

On 16 December 2022, the Semperit Group reached an agreement with the Southeast Asian glove producer HARPS GLOBAL PTE. LTD. on the sale of the medical business. As a result, the assets and liabilities and provisions held for sale and the results of these are now reported separately in the consolidated financial statements. The majority of the Medical Sector is affected by this classification. For the purposes of internal management, however, the Sempermed segment is still considered as a whole, without division into a discontinued operation (production and distribution of examination gloves; divestment is expected to be in mid-2023) and a continued operation (production of surgical gloves in Wimpassing and Sopron, continuation as contract manufacturing for up to five years). The following presentation therefore refers to the entire segment in total.

Compared to 2021, the market development of the Sempermed segment in the 2022 financial year was clearly determined by the end of the corona-induced special cycle and the consequences of the commissioning of new production capacities in the market: In the previous year, the first two quarters were still characterised by the significant increase in selling prices until they reached the plateau in the second quarter of 2021; it was not until the third quarter of 2021 that the noticeable downward trend in prices began. In contrast to the overall positive development in the previous year, the sustained market price reduction continued in 2022, especially since the second quarter. This was intensified by the further drop in market demand due to inventory optimisation programmes conducted by customers and the associated high level of overcapacity in glove production. Sales performance in 2021 was significantly impacted by the corona-related shutdown of production in Malaysia. In 2022, the resulting positive deviation of production volumes compensated for the negative impact of high inventory levels on the part of both wholesalers and end customers, and also mitigated the negative price effect to some extent. On the sales side, higher volumes were therefore achieved for examination gloves. Sales volumes for surgical gloves were de facto stable. However, comparatively high raw material and container prices, sharp increases in gas and energy costs, the increase in minimum wages in Malaysia from the second quarter of 2022, and weak capacity utilisation further impacted earnings.

The segment's key figures reflect these developments. In the operating area, provisions totalling around EUR 10.2 million were made in 2022 (previous year: EUR 0.0 million) in order to measure at net realisable value contracts that developed negatively due to the current market situation. Furthermore, in the light of the market dynamics for examination and protective gloves, estimates and assumptions relevant for valuation were reviewed as of 30 September 2022 based on the latest feedback from the market. The review identified the need for impairment loss of EUR 51.6 million for the Sempermed segment. This was offset by impairment reversals totalling EUR 40.9 million as of 31 December 2022 recognised in the course of the sale of the medical division. As a result, EBITDA and EBIT and adjusted EBIT as well as the corresponding margins came under pressure and were negative.

The difference in results between the discontinued operation and the Sempermed segment is due to the separation of formerly consolidated intra-Group business transactions and reclassifications. In addition to EBITDA from the discontinued operation (EUR –1.6 million), the Sempermed segment also included the negative result from the production of the surgical gloves business unit (EUR –4.7 million). The transaction costs (EUR –8.4 million) are shown separately from EBITDA in the discontinued operation; the remaining difference is attributable to formerly charged overhead costs that remain in continued operations.

Sustainability

The Semperit Group published its sixth separate sustainability report for the 2022 financial year. The report provides an overview of the various activities, developments, and key figures in the context of the material topics and is divided up into the following sections: Environment and Climate Protection, Social, and Governance (ESG). In addition to topics such as energy, greenhouse gas emissions, material use, health and safety, and compliance and anti-corruption, the sustainability report contains general information on the integration of sustainability in the Group, and further climate-relevant information according to the TCFD – Task Force on Climate-Related Financial Disclosures. As of the 2022 financial year, the sustainability report will cover the requirements of the EU Taxonomy and publish the relevant qualitative and quantitative information. All sustainability reports of the Semperit Group can be accessed online on the Semperit website.

Employees

The headcount as of 31 December 2022 for the continued and discontinued operations was 6,528 employees (FTE, full-time equivalent), which is –6.1% below the level as of 31 December 2021 (6,948). In the Industrial Sector, the number of employees increased in all segments compared to 31 December 2021, with the exception of Sempertrans. Particularly the Semperflex, Semperform and Semperseal segments saw an increase in employees of +1.6%, +2.5% and +8.8%, respectively. Meanwhile, the number of employees in the Sempertrans segment decreased by –3.4%. The Medical Sector recorded a decrease of –14.5% compared to the previous year. The definition of the allocation key for overhead functions was adapted; the previous year's values were adjusted accordingly.

Research and development

The Research & Development team (R&D team) of the Semperit Group is continuously working on the development of innovative materials and products as well as on the improvement of manufacturing processes. Research and development work is focusing more heavily on topics such as resource and energy efficiency, consideration of the life cycle perspective, as well as health and environmental compatibility in product application. In the 2022 financial year, R&D expenses of continued operations were around EUR 16.6 million (previous year: EUR 14.9 million), equating to around 2.1% of revenue (previous year: 2.5%).

The innovation management system used across the Group is the core of all R&D activities, covering the systematic identification of potential, the selection of suitable ideas, risk analysis with regard to the effects of products on people and the planet, and successful project management.

The R&D team is divided into a central and several decentralised areas. The central area, which is located in the R&D Centre in Wimpassing, deals with fundamental projects in addition to material development and central process development as well as the management of Group-wide activities. The decentralised part is based at segment level and focuses on targeted product and process optimisations, often in close collaboration with customers. It is formed by the product and process development teams within the various business units. In addition to the headquarters in Wimpassing, Semperit operates seven further research sites. Most production sites are also accompanied by on-site laboratories, which carry out the daily quality assurance processes and are also involved in the R&D activities. In addition to integrated and structured processes, communication between the various departments and with important stakeholders, such as customers and university research institutes, is paramount.

Executive and Supervisory Board matters

The Supervisory Board appointed Karl Haider as the new CEO of Semperit AG Holding at the beginning of January 2022. He took up his position on 11 January 2022; his Executive Board mandate will end on 31 March 2025.

Helmut Sorger, most recently CFO of the North America Division of the publicly listed company Wienerberger AG, was appointed as the new CFO of the Semperit Group and took up his position on 1 October 2022; his term on the Executive Board will end on 31 December 2025. He succeeds Petra Preining, who accepted a new professional challenge and therefore resigned from the Executive Board prematurely as of 30 September 2022.

At the 133rd Annual General Meeting on 27 April 2022, the number of members of the Supervisory Board was reduced within the statutory limits from eight to a total of seven members elected by the Annual General Meeting. Herbert Ortner was re-elected to the Supervisory Board at the Annual General Meeting after the end of his term of office. Stephan Büttner was elected as a new member of the Supervisory Board.

On 27 December 2022, Herbert Ortner resigned from his position as Chairman of the Supervisory Board and left the Supervisory Board. Stefan Fida, Deputy Chairman of the Supervisory Board, took over the responsibilities of the Chairman of the Supervisory Board on an interim basis from 27 December 2022 until the next Annual General Meeting on 25 April 2023. The Supervisory Board intends to propose Cord Prinzhorn, who is designated to take over the chairmanship in the future, for election to the Supervisory Board.

Additional information

Corporate governance

The corporate governance report can be found online at www.semperitgroup.com/en/ir, under the Corporate Governance menu. The direct link is: www.semperitgroup.com/en/ir/corporate-governance/corporate-governance-reports/.

Disclosures pursuant to Section 243a (1) of the Austrian Commercial Code (UGB)

As at 31 December 2022, the share capital of SAG amounted to EUR 21,358,996.53 and consisted of 20,573,434 no-par-value ordinary shares, each carrying equal rights in every respect.

There are no restrictions with regard to voting rights or the transfer of shares that go beyond the general provisions contained in the Austrian Stock Corporation Act. No shares were issued entitling the owners to special control rights.

B & C KB Holding GmbH directly owned 50% of the shares in SAG as at 31 December 2022 and is the direct majority shareholder of SAG. The private foundation B & C Privatstiftung is the highest controlling legal entity. B&C Holding Österreich GmbH is the indirect majority shareholder which draws up and publishes consolidated financial statements in which the Semperit Group is consolidated. Employees who hold shares exercise their voting rights at the Annual General Meeting. Employees who own shares are entitled to exercise their right to vote at the Annual General Meeting.

The Executive Board consists of up to five people. Members of the Executive Board are appointed by the Supervisory Board for a maximum period of five years. Reappointments, for a maximum of five years, are permissible.

The following applies with respect to the appointment and revocation of Supervisory Board members pursuant to the Articles of Association: Unless a shorter term of office is specified, Supervisory Board members are elected until the end of the Annual General Meeting resolving upon the ratification of the actions of the Executive and Supervisory Boards for the fourth year after the election, not including the financial year in which the election took place. However, at least two members of the Supervisory Board shall resign each year at the end of the Ordinary Annual General Meeting. Members of the Supervisory Board who have resigned from the Supervisory Board since the last Annual General Meeting or have resigned from office with effect from the end of the respective Annual General Meeting shall be counted towards this figure.

Otherwise, the members having to resign are determined as follows: First of all, members have to leave if their term of office has ended. If this does not apply to at least as many members required for two members to be determined, including other members who have left since the last Annual General Meeting or have resigned from office at the end of the respective Annual General Meeting, the members who have been in office for the longest will have to resign. In the event that the number of members eligible for departure is greater than required, the members will draw lots to decide who leaves. This procedure is also used to decide which members will depart if a decision cannot be made based on the above rules. The resigning members are immediately eligible for re-election.

If an elected member of the Supervisory Board retires from the Supervisory Board during their term of office, a substitute election shall only be held immediately if the number of elected Supervisory Board members falls below three. Substitute elections shall be held for the remaining term of office of the retiring Supervisory Board member unless the Annual General Meeting decides otherwise at the time of election. If a member is elected to the Supervisory Board by an Extraordinary Annual General Meeting, the first year in office is considered to be completed upon the close of the next Ordinary Annual General Meeting.

Each member of the Supervisory Board may resign from office by giving written notice to the Chairman of the Supervisory Board without having to provide reasons, subject to a four-week period of notice.

Resolutions of the Annual General Meeting require a simple majority of the votes cast, unless mandatory law requires a larger majority. In cases where capital majority is required, it shall pass resolutions by a simple majority of the share capital represented at the passing of the resolution, unless mandatory law requires a larger capital majority.

The Executive Board was authorised by the Ordinary Annual General Meeting on 25 April 2018, with the consent of the Supervisory Board, to increase the nominal capital of the company within five years from the registration of the amendment to the Articles of Association with the commercial register – if necessary in several tranches – by up to EUR 10,679,497.23 by way of issuing up to 10,286,716 new no-par-value shares in bearer or registered form against cash and/or payment in kind and to determine the share type, the issue price, and the terms and conditions of the issue. The Executive Board was also authorised to issue convertible bonds with agreement from the Supervisory Board. This may be linked to a right of conversion or purchase or a mandatory conversion or purchase of up to 10,286,716 no-par-value shares in the company. The share capital is conditionally increased according to Section 159 (2) (1) of the Austrian Stock Corporation Act by up to EUR 10,679,497.23 by issuing up to 10,286,716 new no-par-value bearer shares.

The Ordinary Annual General Meeting on 27 April 2022 authorised the Executive Board, with the consent of the Supervisory Board, to repurchase and, if applicable, retire own shares up to the legally permitted maximum of 10% of the share capital for a period of 30 months from the adoption of the resolution in the Annual General Meeting in accordance with Section 65 (1) (8) of the Austrian Stock Corporation Act. At the same Annual General Meeting, the Executive Board was also authorised – pursuant to Section 65 (1b) of the Austrian Stock Corporation Act and with agreement from the Supervisory Board – to decide on a different type of sale than via the stock exchange or through a public offering, and to decide on a possible exclusion of the repurchase option (purchase right) on the part of shareholders. There is no share buyback programme in place at present and SAG does not hold any treasury shares.

Certain financing agreements contain contractual clauses regarding a change of control in the event of takeovers pursuant to Section 243a (1) (8) of the Austrian Commercial Code.

There are no compensation agreements pursuant to Section 243a (1) (9) of the Austrian Commercial Code.

Risk management

Basic principles of risk management (Enterprise Risk Management)

The Semperit Group's risk policy supports the efforts to achieve competitive advantages, thereby increasing the Semperit Group's enterprise value in the long term. In addition to fulfilling legal requirements (compliance), the strategic focus is on the early identification of negative developments in the strategic, operational, market and financial areas that are detrimental to the success of the Semperit Group. This applies particularly to the areas of occupational safety, health, and the environment, as well as in securing the supply chains and punctuality of deliveries. The chosen systematic risk management process is also intended to increase risk awareness. The resulting findings are incorporated into operational activities and into strategic corporate development.

The Semperit Group manages risks by reducing, avoiding, or transferring them. The Group-wide risk management is an integral component of planning and implementing the business strategies, whereby the risk policies are defined by the Executive Board. In accordance with the organisation and the accountability structure, all Semperit companies are obliged to follow and implement the defined risk management process. Enterprise Risk Management is assigned to the Group Risk Management & Assurance department.

The enterprise risk management process

The Semperit Group uses coordinated internal control and risk management systems to support the Group in early identifying and reducing material risks and negative surprises representing risks to the company as a going concern. In this context, the greatest importance is attached to Group-wide processes that serve to assess potential risks as early as possible before major business decisions are made. The internal reporting system facilitates more thorough monitoring of such risks in the course of business.

The Semperit Group's risk management is based on a comprehensive enterprise risk management approach (ERM approach), which is integrated into the business organisation. The ERM approach is based on a globally recognised conceptual framework drafted by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the "Enterprise Risk Management – Integrated Framework". The ERM process aims at the early identification, assessment and control of risks. They could have a significant influence on the achievement of the Group's strategic, operational, financial, and social goals as well as goals related to governance and compliance, health, occupational safety and the environment (HSEQ).

Risks are identified and evaluated along a structured process combining elements of both the bottom-up and top-down approaches. As part of the ERM approach, the reporting period for risk assessment is at least one year and – in accordance with medium-term planning – up to five years. The additional evaluation of a five-year risk assessment period began in 2019.

The ERM is based on a net principle, according to which only risks remaining after the implementation of existing (control) measures are addressed. If potential negative deviations have already been accounted for in the consolidated financial statements, in the budget or in medium-term planning, they are no longer shown as risks. The progress made in implementing risk-reducing measures is monitored on a regular basis and is broken down to the individual Group companies in the internal risk reporting.

The Group Risk Management & Assurance department is responsible for the central coordination, moderation and monitoring of the structured risk management process for the entire Semperit Group. Relevant risks are prioritised from different perspectives and, in a further step, assessed with regard to their potential impact and their probability of occurrence. The bottom-up identification and prioritisation process is supported by (remote) workshops with the management of the respective

Semperit Group companies. This bottom-up element ensures that potential new risks are brought up for discussion at the management level and subsequently incorporated into the reporting, if relevant. These risks are coordinated with the segment management (top-down). Individual reporting takes place immediately after the respective risk update in the respective Group divisions. At least once a year, a comprehensive risk report of the individual risks including aggregation at Group level is made to the Audit Committee and Supervisory Board. The regular reporting process is supplemented by an ad hoc reporting process to draw attention to critical issues in a timely manner.

Integrated risk management must also identify, assess and manage internal and external trends and effects in the field of ESG (Environment, Social and Governance). In order to address current and future issues, Semperit conducts an annual ESG (Environment, Social and Governance) Risk & Opportunity Assessment. In a comprehensive process that is temporally independent of the classic risk process, the main risks are identified and evaluated together with Group Risk Management & Assurance department.

Organisation of risk management and responsibilities

To monitor the ERM process and to further drive the integration and standardisation of existing control activities in accordance with legal and operational requirements, risks, changes and developments in the risk management process are discussed in the Executive Board meetings on a quarterly basis. In addition, the top risks are monitored quarterly by the Risk Management Board, which consists of all Executive Board members.

The Group Risk Management & Assurance department is supported in the process by the individual Group companies and divisions. An update on the progress of measures is provided by the persons responsible for risks or measures. Insurable risks are covered by insurance policies as far as economically reasonable (see also "Insurable risks").

The legal framework and principles relevant to risk management are set forth in the Risk Management Guideline.

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. audited and confirmed the functionality of the Semperit Group's risk management system for the 2022 financial year in accordance with C-Rule 83 of the Austrian Corporate Governance Code.

Risk report

As an internationally active corporate group, the Semperit Group is continuously confronted with new challenges posed by pronounced regional differences in global economic development. The Semperit Group operates in countries with different economic environments. The countries are also going through different phases of political, constitutional and social development. The success of the Semperit Group's two sectors and five operating segments depends to varying degrees on the general economic situation based on their strategic orientation.

2022 was characterised by political tensions, such as the Russia-Ukraine conflict, the global corona pandemic with the related transport and travel restrictions and government-imposed temporary plant closures, as well as the availability (sourcing) and the price development of raw materials and energy. These uncertainties once again confronted the Semperit Group with major challenges. However, the Semperit Group was able to spread the risk thanks to its worldwide presence and the diverse market dynamics of the five segments.

Selected individual risks are discussed below. In addition to the risks listed here, further risks possibly exist, including strategic, operational, financial, and social risks, governance- and compliance-related risks, and health, safety, and environmental risks (HSEQ and ESG) as well as other internal and external risks that are currently unknown to the Semperit Group or which it is presently not aware of. If one or more known or unknown risks occur, this may have significant adverse effects on the business position, financial position, financial performance, and profit situation as well as the reputation of the Semperit Group.

Strategic risks

Transformation, governance and sustainability risks

The consistently pursued modernisation of management information systems and the implementation of new structures and standardised processes will result in considerable opportunities for management and control tasks. The modernisation of management information systems and the implementation of new structures and standardised processes has not yet been fully completed and could therefore lead to risks in corporate management.

This risk is countered on the one hand by the advancement of transformation projects in the IT and finance areas. On the other hand, various projects to harmonise processes across the value chain and to standardise IT systems are intended to counteract this risk.

In particular, there is a risk that the transformation and governance measures will take longer and involve higher costs, so that their actual benefit may be less than originally estimated, it takes effect later than assumed or its effect fails to materialise at all. In any case, the Semperit Group's profitability is influenced by savings actually achieved and the Group's ability to sustain the implementation of its ongoing projects.

Furthermore, there are ESG-related risks within the corporate strategy that arise in connection with the business activities, the demands of various stakeholders, and the effects of climate change. In order to address these risks, the objectives of the sustainability strategy in the areas of environment, social and governance have been consistently pursued.

Technological development

The markets in which the Semperit Group operates are not only becoming increasingly sensitive with regard to sustainability but are also subject to other significant changes resulting from the introduc-

tion of innovative and disruptive technologies. In the area of digitalisation (Industry 4.0), there is the risk that existing products are substituted and the risk that new business models replace traditional ones. In addition, there is a risk that competitors will be able to launch their products and solutions in the market earlier than the Semperit Group due to faster time-to-market strategies. With respect to environmental requirements, the significance of low-carbon products as well as promoting different aspects of circular economy will continue to increase. In addition, chemicals used by the Semperit Group could be added to the list of Substances of Very High Concern (SVHC) defined under the REACH Regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals), which is updated every six months. To that effect, the selection of raw materials as well as in product development and production must be taken into account accordingly. The development of the results strongly depends on the ability to anticipate changes in markets, to adapt accordingly and also be able to offer environmentally friendly and low-carbon products. The innovation projects initiated in connection with the introduction of new products and technologies are associated with the investment of significant financial resources and are not always successful. If capital expenditures do not lead to the expected success or are not met with the expected market acceptance, it could lead to a negative influence on the financial performance. Existing patents and other intellectual property rights of the Semperit Group cannot completely prevent competitors from developing and selling products that are very similar to Semperit products. Furthermore, not all trade secrets are patentable. In order to ensure appropriate secrecy, confidentiality instructions are agreed in service contracts or non-competition clauses.

Customer needs and market trends

An inherent risk for the Semperit Group is not recognising market trends (including those related to ESG issues) in a timely manner, or not being flexible enough to adapt products, production, and services to these market changes in a timely manner. This could result in an uncompetitive cost position and a major adverse effect on the business, financial and earnings position of the Semperit Group.

Operational risks

Organisational risks

The organisation of the Semperit Group in the form of a matrix organisation partially includes the risk of process overlaps, inflexibility, and inefficiency, which is typical for the management model. Decision-making procedures in response to market-related or critical developments potentially bear the risk of time delays or other inefficiencies. The control systems and the measurement of key figures against internal and external benchmarks are subject to ongoing further development. As transparency and comparability can temporarily be limited, wrong decisions could be made. In addition, there is a potential risk of losing existing competitive advantages or not being able to generate new ones.

Investment and divestment risks

The Semperit Group invests in existing and new sites, for example by constructing new buildings, purchasing new machines, and replacement investments. In case of potential acquisitions of new companies and divisions or divestments of existing parts of the company (e.g., due to sale or closures) a variety of risks arise. In the course of such investments and divestments the opportunities from the company's development and from the sustainable transformation into an industrial rubber specialist are offset by transaction risks, the risk of cost remanence, the risk of misjudgements in the transaction process and the emergence of legacy issues of any kind, among other things.

In addition, there is a high degree of uncertainty among the workforce in connection with the strategic decision to transform the company into an industrial rubber specialist and the associated extensive separation from the medical business planned for mid-2023. This could lead to increased staff fluctuation, reduced productivity, impaired customer and supplier relationships and the loss of operational and technical know-how.

Value chain risks

The value chain of the Semperit Group covers virtually all stages. It starts from R&D, continues with supply chain management and production to marketing and sales. In particular, bottlenecks in raw material and energy supply may arise along the value chain; likewise, production disruptions, scrap, quality defects in products/packaging/storage/ delivery may occur and lead to additional costs and delivery bottlenecks and/or delays. Moreover, this may result in reputational damage and loss of orders as well as potential product liability, occupational safety, compliance and environmental risks, which may have a negative effect on the asset, financial and earnings position of the Semperit Group.

The earnings position of the Semperit Group depends on the reliable and effective management of the supply chain for raw materials and mixes as well as on ensuring the appropriate cost-optimised logistical framework conditions, such as transport facilities. Capacity limitations and supply shortages – also in the face of the Russia-Ukraine conflict, the corona pandemic, and the global disruptions in the transport chains – could lead to delays and additional costs. The Semperit Group is fully dependent on external suppliers with regard to raw material and energy supply, and partially depends on them for the supply of mixes. This reduces the indirect possibilities of influencing productivity, quality assurance, delivery dates and costs, and increases the risk of not being able to react in due time and adequately to changing situations. The Russia-Ukraine conflict, the remaining effect of the corona pandemic, which is partly subsiding, and possible disruptions in transport logistics can have a negative impact on the supply chain and lead to interruptions as the Semperit Group regularly sources raw materials from different regions around the world. Active management of the supplier portfolio and globally oriented and coordinated Group-wide purchasing and supply chain management counteract these risks.

Supply shortages and delays can damage the business activities of the Semperit Group to a significant extent. Price increases for raw materials and components, wages, and energy, for example due to market shortages, could also have a negative effect on the asset, financial and earnings position of the Semperit Group. Furthermore, the Semperit Group could be confronted with the risk of delays and disruptions of the supply chain as a result of (economic, geopolitical, pandemic or also climate-related) disasters, especially if the Semperit Group does not manage to open up alternative sources of supply for various countries and regions. If the Semperit Group is not able to gain sufficient security along the supply chain, its reputation could also be adversely affected.

Procurement risks

The Semperit Group purchases large amounts of raw materials such as rubber (natural and synthetic rubber), chemicals, bulking agents and both textile and steel reinforcing materials as well as energy (gas and electricity) for manufacturing its products. These raw materials are subject to high price volatility. Price increases can be passed on to the customer only partially or only with delay – depending on the respective market situation. Therefore, an increase in raw material prices may have a negative impact on earnings. With raw material and chemical suppliers and energy or water suppliers, there are also monopolistic and oligopolistic supply situations, which lead to only limited options for negotiations for the Semperit Group. Geopolitical unrest can significantly increase this risk.

The management of appropriate safety stocks, multiple sourcing (i.e., reducing dependence on individual suppliers), the conclusion of long-term contracts and price escalation clauses with suppliers,

and the continuous review of these suppliers with regard to their sustainability performance counteract these risks. Semperit's presence in Asia, the world's most important region for the extraction of natural rubber, ensures proximity to producers along the entire value chain.

Furthermore, the Sempermed segment is partly dependent on the supply of finished products by third parties, which can be volatile and requires flexible shifts in volumes within the supplier portfolio.

A supply shortage of individual raw materials or finished products, restrictions on imports, limitations due to geopolitical tensions or international restrictions and sanctions, or the loss of an important supplier can lead to a massive production loss and a strongly negative impact on the assets, financial and earnings position of the Semperit Group.

Production and utilisation risks

Within the Semperit machine park, there are (partly outdated) facilities which are essential for production and for which there are no adequate replacements. A longer failure of one of these machines would lead to a (partial) loss of production and negative effects on the asset, financial and earnings position of the Semperit Group.

In the 2022 financial year, further investments were made in the replacement of outdated equipment and the expansion of production facilities. In addition, the risk that production facilities may break down is counteracted by regular inspections, including preventive maintenance and servicing. Disruptions can also be caused by natural hazards, which are beyond the control of the Semperit Group. As far as possible, such risks are optimised through technical preventive measures and insurance in an economically reasonable dimension.

Quality problems may arise in Semperit products, which are caused by inferior raw materials or result from the development or production of these products. Despite all efforts, the risk of operational downtimes, accidents, underutilisation or overloading of production sites as well as limited availability of space for production, room to move and storage cannot be ruled out. Such risks may lead to delayed deliveries and, subsequently, to a potential loss of customers, with possible negative effects on the asset, financial and earnings position of the Semperit Group.

Risks related to information technology (IT), cyber attacks, and data protection

The majority of production and control systems as well as services are dependent on a functioning and error-free IT landscape. The failure of essential servers and production scheduling units, enterprise resource planning (ERP) systems, non-availability, and unauthorised access to IT networks (cyber-crime) may lead to lower and irrecoverable production volumes, a negative impact on quality or delivery delays and thus be detrimental for the Semperit Group. Like other multi-national companies, the Semperit Group is also subject to the risk of cyber-attacks. In addition, the risk of cybercrime could continue to increase as a result of international conflicts such as the Russia-Ukraine conflict. Such attacks can potentially lead to the disclosure, falsification, espionage or loss of information, abuses of information systems or product faults, production losses and supply shortages, with negative effects on the reputation and competitiveness as well as the asset, earnings, and financial position of the Semperit Group. Measures to increase cyber security have been defined and are subject to continuous development. Semperit continuously invests in resources for the further development of training measures and projects that serve to increase cyber security.

Additional risks are posed by IT/OT systems developed in-house and a wide variety of different systems in use requiring a large number of manual interventions or depending on specific persons, which could have a negative effect on data quality and processes. Ensuring the traceability of produced goods may not be possible due to faulty and non-existent systems. This risk is countered with strategic projects to standardise IT processes and ERP systems.

Handling sensitive/confidential data inappropriately or not in compliance with legal requirements (particularly GDPR) may also represent a risk.

External criminal actions

Fraud and cyber-attacks (e.g., e-mail fraud, fake president fraud, etc.) generally represent a major risk for companies, which is also countered with ongoing Group-wide awareness trainings within the project "Sempercyber", with ICS (internal control system) trainings and payment security projects. Non-identification of such attacks or the failure of internal control systems cannot entirely be ruled out and can thus contribute to a deterioration of the business, asset, financial and earnings position.

Personnel risks

The Semperit Group continuously needs highly qualified employees. The competition for qualified employees continues to be intensive in regions where the company operates. Some Semperit sites are located in regions with persistently low unemployment and constant high demand for qualified skilled workers. The Semperit Group's future business performance will be largely determined by the recruitment of adequately qualified professional and managerial staff at the individual locations, their integration, further development, and long-term retention. The potential departure of key personnel must be covered by internal successors who have been trained in due time or by appropriate employer branding to support external recruiting processes. The orientation of the Semperit Group with regard to social aspects such as diversity, inclusion and attractive work is becoming increasingly important. This applies to existing and potential employees and will be successively expanded through appropriate additional benefits and activities. Should this not be possible, it may lead to a risk of a deterioration of the business, asset, liabilities, financial, and earnings position of the Semperit Group.

Labour shortages or restrictions on the admission of guest workers or outsourcing, state minimum wage regimes, strikes or outflow/unauthorised disclosure of know-how may lead to an impairment of production and to limitations in other business areas, thus also burdening productivity and the business, asset, financial and earnings position. The risk of a staff shortage due to high absences caused by illness is countered with substitutions, flexibilization, and preventive measures using shift models for attendances and remote working – as is also the case in other situations of long-term staff absences.

Financial risks

As an internationally active company, the Semperit Group is exposed to financial risks, which can have an impact in particular in the areas of capital, liquidity and financing risks, foreign currency and interest rate risks, as well as in the default risks of customers and banks. As required by IFRS 7.31, the financial risks and their management are described in detail in the notes under chapter 11.

Capital, liquidity and financial risks (capital management)

Capital risk is the risk of capital tied in investments. Liquidity risk (also known as refinancing risk) refers to the risk of being unable to raise the necessary cash for possible payments or only at increased refinancing costs. Financing risk refers to the risk that financing instruments are not available or not available to the required extent and thus threaten to cause payment difficulties or even insolvency.

Market risks to which the Semperit Group is exposed include political and economic developments that negatively influence the financial markets all over the world. These may be, for example, more restrictive regulations of the finance sector or policies of central banks, the limited availability of financial resources, including due to the consideration of sustainability aspects, e.g., in connection with the

EU Taxonomy Regulation. Changes in the credit ranking and legal capacity of banks and other funders, changes in interest rates or restrictions on the use of financial instruments are risks, which affect the company's scope of action regarding the taking up of financing operations or which impair the financing costs and deposit conditions.

Furthermore, the Semperit Group is subject to corporate risks in capital management. For example, a deterioration of its own creditworthiness may lead to higher expenses for borrowings, or no further financing granted by creditors. An increase in credit risk premiums may also result in a negative change of the market values of financial assets due to uncertainty and risk aversion on the financial markets.

The risks from capital management may have a significant negative impact on the business, asset, financial and earnings situation of the company.

Foreign currency risks

Foreign currency risks can generally be divided in transaction and translation risks. Due to international trade relations and existing subsidiaries all over the world, the Semperit Group is exposed to both risks.

Furthermore, in some countries there are capital controls that limit the Semperit Group in its freedom of action. Some national banks, for example, have restrictions on trade in currencies and hedging instruments.

The risks from foreign currency risk management may have a significant negative impact on the business, asset, financial and earnings situation of the Semperit Group.

Interest rate risks

Interest rate risks arise from the change in interest rates, both for variable and fixed interest financing, in the form of interest change risks or cash value risks. In addition, there is a negative interest rate risk, albeit reduced compared to 2021, in connection with corporate deposits.

The interest rate risks may have a significantly negative influence on the business, asset, financial and earnings position of the company.

Default risks of customers and banks

The Semperit Group is exposed to the default risk with regard to receivables from customers. If the credit rating of Semperit customers deteriorates, the default risk increases. Credit risks and the risk of payment default are managed through standardised business partner and credit checks, defined credit limits and credit insurance. The default of a key business partner could have a negative impact on the results and the liquidity of the Semperit Group. Due to a higher default risk caused by the corona pandemic and the Russia-Ukraine conflict, the costs for hedging credit risks could be increased.

In addition, there are default risks relating to the Semperit Group's bank deposits. These balances are partially or not at all protected by deposit protection funds. There is an investment guideline that limits the amount of liquid funds that may be held per bank and that defines the financial instruments in which the excess liquidity may be invested. In the event of the bankruptcy of individual banks or a renewed banking and/or financial market crisis, the Semperit Group may not be able to access this liquidity or credit lines, or may only be able to do so in part or with a delay. With regard to investments in near-liquid money market fund units, the default risk is basically comparable to that of short-term bonds with high credit ratings but is significantly reduced due to the fund's special asset status and the diversification into different investment securities and issuers within the fund.

The risks associated with non-payment on the part of customers or banks may have a significant negative impact on the company's business, assets, financial and earnings position.

Tax risks

The group companies of the Semperit Group are subject to local tax legislation in the respective countries and have to pay income taxes as well as other (local) taxes and fees. Changes in tax legislation and regulations in these jurisdictions could lead to higher tax expenses. The constant change and, in some cases, tightening of tax regulations increases the demands on tax compliance to comply with and monitor these regulations. Inadequate controls in business processes or lack of documentation can lead to the violation of regulations in national and international tax law and result in negative findings in tax audits.

A negative influence on tax receivables and liabilities of the Semperit Group as well as on deferred tax assets and liabilities is also possible. Unused tax loss carryforwards could be subject to tax audits and be questioned in part. Moreover, uncertainties in the tax environment of some regions could limit the possibilities of enforcing our own rights. The Semperit Group and its local companies are subject to regular tax audits by financial authorities which may entail negative findings.

If one or several of the above-mentioned events occur, a negative effect on the business, asset, financial and earnings position has to be assumed.

Compliance risks

The constant tightening of international codes of conduct and laws increases the requirements for compliance and monitoring of these regulations. Inadequate controls in business processes or insufficient documentation can lead to the violation of applicable rules and jeopardise the company's reputation and economic success through compliance violations. Among other things, the Semperit Group counters this risk with a new Group-wide Code of Conduct and continuous training for all employees worldwide in order to further increase awareness of non-compliant actions. The implemented whistle-blowing system can also make a valuable contribution in this regard by pointing out concerns and abuses regarding unethical or illegal behaviour.

Regulatory risks and potential sanctions

The Semperit Group has business activities with customers and suppliers in countries such as Russia, Belarus, Ukraine, or China, which are subject to export and import control regulations or other forms of trade restrictions (for example through the USA and the EU). New or extended sanctions in countries in which the Semperit Group has business operations could lead to restrictions of the raw material supply and also the existing business activities in these countries, or indirectly in other countries. In addition, the Semperit Group could be subject to claims or other measures by customers due to the termination of their business in countries, which are subject to sanctions.

For business activities in emerging countries, there are risks such as unrest, health risks, cultural differences, for example regarding employment relationships and business practices, volatility of the gross domestic product, economic and governmental instability and legal uncertainty, possible nationalisation of private assets as well as imposition of currency restrictions and stricter environmental requirements.

Risks arising from cartel and corruption allegations

Current and future proceedings against the Semperit Group regarding corruption and cartel allegations as well as other violations of laws could lead to monetary fines under criminal or civil law as well as to penalties, sanctions, court orders regarding future behaviour, disgorgement of profits, to the exclusion from directly or indirectly participating in certain business transactions, to the loss of trade licences or other restrictions and legal consequences. Part of the Semperit Group's business activities is accounted for by state-owned companies. Pending and possible future investigations into corrup-

tion or cartel allegations or allegations regarding other legal violations could have a long-term impact on the Semperit Group's business, including even an exclusion from public and private-sector orders. Moreover, such investigations could also lead to the cancellation of existing contracts and loss of orders and customers, and proceedings against the Semperit Group could be initiated.

Developments in ongoing or potential future investigations, such as the reaction to requests by the authorities and cooperation with the authorities, could distract the attention and resources of the management from other business matters.

One subsidiary is currently involved in unfair competition proceedings. The case is currently at a stage at which the outcome cannot be estimated with a sufficient degree of probability. The case is being heard before the authorities in consultation with local specialists. The subsidiary is cooperating with the competent authorities and is providing all the necessary assistance. For the anticipated costs and the appropriate risk, an appropriate provision has been made according to the assessment of the Semperit Group.

Risks related to legal proceedings

The Semperit Group is, and will be in the future, confronted with different legal disputes and proceedings as part of its ordinary business activities. As a consequence of such litigation, the payments of damages, punitive damages, meeting other claims as well as criminal or civil sanctions, fines or disgorgements may be imposed on the Group. In addition, this may in individual cases result in the formal or informal exclusion from tendering procedures, or withdrawal or loss of business licences or permits. Moreover, further proceedings may be initiated, and existing proceedings could be extended. Asserted claims from litigation are generally subject to interest payments.

In some of these legal disputes, negative decisions can be made against the Semperit Group, which may have significant effects on the business, asset, financial and earnings position of the company.

The Asian markets are of major importance for the Semperit Group. The local legal systems are subject to regular changes, which could have negative effects on the business, asset, financial and earnings position of the Semperit Group.

Occupational safety, health, and environmental risks (HSEQ)

Personnel safety and health are focal points of the corporate strategy with the aim of ensuring the protection of employees and further raising awareness of hazardous situations and continuously improving occupational safety.

Present or future occupational safety-related, health-related, and environmental or other state regulations, or changes of such regulations, could require adjustments of the operating activities of the Semperit Group or lead to a significant increase in operating costs, as is the case under the general conditions of the corona pandemic. In the course of the corona pandemic, additional disinfection measures were taken, and social distancing rules were implemented at all locations. The possibility of working remotely from home was also newly established and subsequently expedited where necessary. Moreover, there are risks regarding a possible occupational safety-related, environmental, and health-related incident, also when handling hazardous substances, as well as non-compliance with environmental, health- or occupational safety-related regulations, which could subsequently lead to severe accidents, staff absences, reputation loss and legal consequences.

Environmental damage could result in losses for the Semperit Group which exceed the insured amount or are not covered by insurance. Such losses could have a negative impact on the business, asset, financial and earnings position.

Compliance risks with respect to corporate social responsibility (ESG)

Due to existing local and international requirements as well as regulations in the area of environment, social and governance (ESG), risks that are not sufficiently known at the current time may arise. These can be based on legal requirements in the respective countries, but also on international requirements and, in addition to burdens on the business, assets, financial and earnings situation of the company, can also lead to reputational damage and loss of customers. A detailed description of the ESG risks can be found in the Sustainability Report of the Semperit Group.

To counter these risks, the Semperit Group regularly undergoes external audits, for example those of the Business Social Compliance Initiative (BSCI). In addition, the Semperit Group is a member of EcoVadis in order to be assessed with regard to its own performance in the fields of the environment, labour and human rights, ethics and sustainable procurement, and to subsequently improve further. Furthermore, since 2021 the Semperit Group has been a member of "Together for Sustainability" (TfS), an initiative of leading chemical companies with the goal of ensuring sustainability along the supply chain and thus successively improving the environmental and social standards of the relevant suppliers.

Insurable risks

The existing insurance cover does not protect the Semperit Group from possible reputational damage or the occurrence of natural hazards such as fire or natural disasters.

Fire, natural hazards and natural disasters hold significant loss potential for the Semperit Group, which may not be fully covered despite the insurance programme in place. In addition, the company may suffer, among other things, losses from legal disputes that exceed the insured amounts or are not covered by insurance.

Finally, it cannot be guaranteed that the Semperit Group will also receive adequate insurance cover on economically reasonable conditions in the future.

Market risks

Competitive environment

The global markets for the Semperit Group's products are highly competitive in terms of pricing, product and service quality, production technology, product development and introduction times, customer service and financing conditions, and with regard to changes in market needs. The Semperit Group is confronted with strong competitors, partially also from emerging countries, which have a more favourable cost structure. Some industries in which the Semperit Group operates are undergoing consolidation, which could lead to increased competition and a change in the relative market position of the Semperit Group. Furthermore, it must be noted that suppliers are also increasingly becoming serious competitors for the Semperit Group. In order to further strengthen the competitiveness of the Semperit Group, projects to strengthen innovative power, reduce costs, improve efficiency, reduce waste and maintain sustainable energy management are being implemented.

Economic, political, and geopolitical environment

From the Semperit Group's perspective there is currently a high level of insecurity regarding the future development of the global economy. The global markets were recently considerably affected by the corona crisis. Since February 2022, the development of the global economic climate has been significantly influenced by the Russia-Ukraine conflict and the growing uncertainty in the energy sector due to high or strongly fluctuating energy prices and an impending gas shortage that is difficult to calculate. There is a risk that the global economic climate will recover more slowly than expected and that the negative impact particularly in Asia, Europe and the USA will continue. A slowdown in economic growth in Asia or even a collapse of the real estate market, the banking sector or the stock market represent further significant risks. In the euro zone, too, the cooling of the economic climate might continue. This could increase business volatility and represent risks for the financial markets. The investment climate could suffer a slump due to political upheavals in Eastern Europe, further independence movements inside and outside the European Union (EU) or because of sustainable successes of protectionist parties and policies that are hostile to business and the EU.

A further intensification of the trade conflicts between the USA and China as well as USA and Russia and the consequences of a dispute with Iran, the tensions between China and Taiwan, and Japan as well as the further development of the Russia-Ukraine conflict could have negative effects on the business performance of the Semperit Group.

A terrorist attack or a series of such attacks in large economies could impair the global economic activity and cause the business climate to collapse. Further risks include political tensions, for example in Russia, Ukraine, Belarus, Syria, Turkey, Iran and Egypt. In particular since February 2022, the conflict between Russia and Ukraine has developed into another economic threat.

If the Semperit Group is not able to further adjust its production and cost structures appropriately in the current economic development, there is a risk of a negative impact on the asset, financial and

earnings position of the company. For example, the financing options of the customers could deteriorate or payment systems (e.g., SWIFT) may possibly no longer be available. As a result, intended purchases of the company's products could be changed, delayed or dropped, or purchases or contracts that have been commenced could not be completed. Moreover, the margins on Semperit products could drop to a greater extent than the Semperit Group can currently foresee. In addition, contractual terms of payment could change to the disadvantage of Semperit, which could lead to negative effects on the company's financial position.

Internal Control System (ICS)

The Semperit Group's internal control system (ICS) is designed to ensure the effectiveness and efficiency of its business activities, the reliability of its financial reporting and compliance with relevant statutory regulations. It also supports the early recognition and monitoring of risks deriving from inadequate monitoring systems and fraudulent actions and is improved and expanded on an ongoing basis by the Group Risk Management & Assurance department together with the relevant specialist departments. The management of the respective business unit is responsible for implementing and monitoring the ICS and the risk management system. The Executive Board of Semperit AG Holding stipulates cross-divisional framework conditions and regulations that are applicable throughout the group. Regular follow-up audits are performed at the locations to ensure the sustained implementation of the framework conditions and regulations.

The following principles form the basis of the ICS:

- Recognition of potential operating risks and making losses visible that have already occurred
- Protection of property
- Improvement in operating effectiveness
- Ensuring the accuracy of accounting and reporting
- Compliance with internal regulations (limits of authority) and external laws and regulations
- Auditability by independent experts
- Ensuring adequate implementation and segregation of duties
- Ensuring the controls provided in the process

At the time this management report was prepared, no risks were identified in connection with future developments that could threaten the continued existence of the Semperit Group either in isolation or jointly. Adequate insurance has been taken out for specific liability risks and damages when reasonable and cost effective.

Essential characteristics of the internal control and risk management system with regard to the financial reporting process

The key points of the existing ICS and the risk management system with regard to the (consolidated) financial reporting process are summarised as follows:

- With regard to the financial reporting process, the functions of accounting are separated from other areas of responsibility such as treasury.
- The applied financial systems are protected against unauthorised access by appropriate IT facilities.
- With regard to applied financial systems, standard software is widely used.
- A guideline system (e.g., accounting guidelines, payment guidelines) has been implemented.
- Received or forwarded accounting data will be examined for completeness and correctness, e.g., by means of random samples, by the responsible persons.
- The dual-control principle is applied in accounting-related processes.
- Accounting-related processes are examined on a random basis by internal audit.

Opportunities

In addition to monitoring the risks, it is an essential part of the management team to identify relevant opportunities in good time and to make the best use of them for the company.

In the long term, the management team sees great potential in the Industrial Sector as part of the strategic realignment of the Semperit Group and therefore in the transformation of the company to become an industrial rubber specialist. The Industrial Sector is generally characterised by significantly higher profitability, a more successful performance and the possibility of technological differentiation in regional and application-related niches. The potential in the Industrial Sector will be better utilised in the future through more customer proximity, a more market-oriented alignment of the entire organisation, and a focus on other regions, especially America and Asia, and on other industries. The goal is to be able to serve existing and future markets faster and more effectively. Overall, organic – e.g., further development of the new location in the USA and the expansion of the existing hose factory in the Czech Republic – and inorganic growth opportunities represent significant earnings potential for the Semperit Group.

In the short term, the special economic situation in the Medical Sector, caused by the corona pandemic, resulted in high earnings potential, as profitability was significantly above the normal level. The income realised by the Semperit Group to date brought about by special economic developments in the Medical Sector has noticeably strengthened the Group's financial power. This has laid a decent foundation for profitable organic and inorganic growth while providing a back-up buffer for potential crisis situations.

Outlook

For the 2023 financial year, the management of the Semperit Group expects a decline in earnings from continued operations. This is based on the following assumptions:

The overall economic slowdown is expected to have a noticeable impact on the Industrial Sector, especially in the first half of the year. Inventory optimisation programmes on the part of customers are expected to lead to restrained ordering behaviour of customers. The option to pass on potential further cost increases to customers will depend on the price sensitivity of the respective customers and the dynamics in the segment-specific product markets. As a result, lower sales volumes and increased pressure on margins are to be expected.

In addition, the earnings position of the Semperit Group may of course continue to be significantly influenced by developments such as the Russia-Ukraine conflict: The Executive Board continues to expect a high degree of volatility with regard to the price development and availability of energy in Europe, which may have a negative impact on the earnings situation. Possible uncertainty regarding the availability of necessary raw materials and supplies and their price development also pose a further risk.

In addition, visibility regarding the further development of the corona pandemic and the possible effects on international production sites is still low; this applies in particular to China, both as a location of Semperit plants and with regard to global supply chains.

Further developments in geopolitical trouble spots are still unclear and therefore uncertain. Negative effects of inflation and foreign currency developments require a high level of attention from the Executive Board.

Against this backdrop, the Executive Board expects EBITDA from continued operations of EUR 70 to 90 million for the 2023 financial year.

With regard to the sale of the medical business, a first closing is expected in the middle of 2023.

Earnings after taxes are still expected to be burdened by Medical Sector, as a result of the end of the corona-related special economic situation, and after the negative second half of 2022. Until the closing, the negative earnings development of the medical business will be borne by the Semperit Group.

The management of the Semperit Group is acting prudently and has initiated the evaluation and implementation of appropriate proactive measures to mitigate the negative developments at an early stage. Furthermore, the management is consistently pursuing the implementation of the transformation into an industrial rubber specialist, focusing on organic and inorganic growth projects. Current geopolitical and market-related developments are closely monitored, as are their effects on capital goods markets and possible corporate acquisitions.

Note

This outlook is based on the assessments of the Executive Board as of 20 March 2022 and does not take into account the impact of potential acquisitions, divestments, or other unforeseeable structural and economic changes during the remainder of 2023. These assessments are subject to both known and unknown risks and uncertainties, which may result in actual events and outcomes differing from the statements made here.

Vienna, 20 March 2023

The Executive Board



Karl Haider
CEO



Helmut Sorger
CFO



Kristian Brok
COO

Consolidated Financial Statements

Consolidated Financial Statements	76
Consolidated income statement.....	77
Consolidated statement of comprehensive income	78
Consolidated cash flow statement.....	79
Consolidated balance sheet	80
Consolidated statement of changes in equity	81
Notes to the consolidated financial statements	82
1. General	82
2. Performance	90
3. Non-current assets.....	111
4. Trade Working Capital	124
5. Equity.....	128
6. Net debt	131
7. Provisions	138
8. Other non-financial assets and liabilities.....	148
9. Taxes	149
10. Structure of the company	152
11. Risk management	156
12. Other	163
13. Approval of the consolidated financial statements.....	165
Auditor's Report.....	166

Consolidated income statement

in EUR thousand	Note	2022	2021 ¹
Revenue	2.2	779,848	601,789
Changes in inventories		11,756	9,844
Own work capitalised		2,671	2,803
Operating revenue		794,276	614,436
Other operating income	2.3	9,258	8,285
Cost of material and purchased services	2.4	-410,169	-299,890
Personnel expenses	2.5	-197,066	-182,658
Other operating expenses	2.6	-95,800	-86,193
Earnings before interest, tax, depreciation and amortisation (EBITDA)	2.1	100,499	53,981
Depreciation and amortisation of intangible assets and property, plant and equipment	3.1, 3.2	-30,430	-28,755
Impairment of intangible assets and property, plant and equipment	3.1, 3.2	-8,545	0
Reversal of impairment of intangible assets and property, plant and equipment	3.1, 3.2	618	0
Earnings before interest and tax (EBIT)		62,142	25,226
Finance income	2.7	481	285
Finance expenses	2.7	-2,619	-4,048
Profit / loss attributable to redeemable non-controlling interests	2.7	-6,684	-5,576
Other financial result	2.7	-1,581	-542
Financial result		-10,403	-9,880
Earnings before taxes		51,739	15,346
Income taxes	2.8	-13,379	-11,717
Earnings after tax from continued operations		38,360	3,629
Earnings after tax from discontinued operations	2.9	-43,952	243,879
Earnings after taxes		-5,592	247,508
thereof attributable to the shareholders of Semperit AG Holding – from ordinary shares	2.10	-5,529	246,604
thereof attributable to the shareholders of Semperit AG Holding – from hybrid capital	2.10	0	388
thereof attributable to non-controlling interests	2.10	-63	516
Earnings per share in EUR (basic and diluted)²	2.10	-0,27	11,99
of which earnings per share in EUR from continued operations (basic and diluted)		1,86	0,16
of which earnings per share in EUR from discontinued operations (basic and diluted)		-2,13	11,83

¹ The comparative figures were adjusted (see chapter 1.2 and 2.9).

² Earnings per share only concern the ordinary shareholders of Semperit AG Holding (excl. remuneration from hybrid capital).

Consolidated statement of comprehensive income

in EUR thousand	Note	2022	2021
Earnings after taxes		-5,592	247,508
Other comprehensive income that will not be recognised through profit and loss in future periods		6,309	355
Remeasurements of defined benefit plans	7.1	6,510	610
Income tax thereon	9.	-201	-255
Other comprehensive income that will be recognised through profit and loss in future periods		8,137	20,627
Measurement gain or loss from cash flow hedges	5.1	0	0
Reclassification to profit / loss for the period	2.7	0	200
Currency translation differences	5.1	8,137	20,627
Reclassification to profit / loss for the period	2.3	0	-3,829
Other comprehensive income – total		14,446	20,982
Comprehensive income		8,854	268,490
thereof on earnings attributable to the shareholders of Semperit AG Holding – from ordinary shares		8,912	267,486
thereof attributable to the shareholders of Semperit AG Holding – from hybrid capital		0	388
thereof on earnings attributable to non-controlling interests		-58	616

Consolidated cash flow statement

in EUR thousand	Note	2022	2021 ¹
Earnings before taxes		51,739	15,346
Earnings before taxes from discontinued operations ²		-35,947	283,613
Depreciation, amortisation, impairment and reversal of impairment of intangible assets and property, plant and equipment	3.1, 3.2	64,683	46,722
Gain / loss from disposal of assets (including current and non-current financial assets)		-4,627	463
Change in non-current provisions	7	1,185	-2,546
Profit / loss attributable to redeemable non-controlling interests	6.1	6,684	5,576
Net interest income (including income from securities)		1,197	3,571
Income taxes paid	2.8	-62,186	-31,056
Other non-cash income / expense	2.11	7,742	1,723
Gross cash flow		30,470	323,413
Change in inventories	4.1	19,652	-38,780
Change in trade receivables	4.2	-5,483	6,074
Change in other receivables and assets	3.3, 6.5, 8.1	6,984	-9,184
Change in trade payables	4.3	-8,960	9,663
Change in other liabilities and current provisions	6.3, 7.2, 8.2	3,548	-1,955
Cash flows from operating activities		46,209	289,229
Proceeds from sale of property, plant and equipment	3.2, 3.4	6,524	302
Purchases of intangible assets and property, plant and equipment	2.11	-54,536	-47,936
Interest received		1,154	308
Investment grants received		115	64
Proceeds from the repayment of financial assets	2.11	1,276	49,175
Acquisition of financial assets	2.11	-725	-48,770
Acquisition of a subsidiary, net of cash acquired		0	-1,126
Cash flows from investing activities		-46,192	-47,983
Cash receipts from current and non-current financial liabilities		0	4,607
Repayment of current and non-current financial liabilities	2.11, 6.2	-38,954	-86,377
Repayment of lease liabilities	3.2, 2.11	-3,422	-3,292
Dividend to shareholders of Semperit AG Holding	5.4	-30,860	-30,860
Dividends to redeemable non-controlling interests in subsidiaries	6.1	-5,705	-4,135
Dividends to non-controlling interests in subsidiaries	5.3	0	-123
Repayment of liabilities from capital repayment to non-controlling interests in subsidiaries	6.1	-348	-846
Disposal of shares of subsidiaries		0	168
Repayment of hybrid capital		0	-30,000
Coupon payments on hybrid capital	5.2	0	-785
Interest paid		-2,830	-3,978
Cash flows from financing activities		-82,120	-155,622
Currency translation differences		4,469	4,943
Net change in cash and cash equivalents		-77,633	90,567
Cash and cash equivalents at the beginning of the period related to continued operations		109,416	82,730
Plus cash and cash equivalents related to discontinued operations		126,123	62,242
Cash and cash equivalents at the beginning of the period (consolidated balance sheet value)		235,539	144,972
Cash and cash equivalents at the end of the period		157,906	235,539
Less cash and cash equivalents related to discontinued operations	3.4	51,274	126,123
Cash and cash equivalents at the end of the period related to continued operations (consolidated balance sheet value)	6.6	106,631	109,416

¹ The comparative figures were adjusted (see chapter 1.2 and 2.9).

² Earnings before taxes from discontinued operations comprise earnings before taxes of EUR -27,584 thousand (previous year: EUR 283,613 thousand) and transaction costs of EUR -8,364 thousand (previous year: EUR 0 thousand), see section 2.9.

Consolidated balance sheet

in EUR thousand	Note	31.12.2022	31.12.2021
ASSETS			
Non-current assets			
Intangible assets	3.1	6,283	8,492
Property, plant and equipment	3.2	293,531	376,576
Other financial assets	3.3	5,628	7,430
Other assets	8.1	5,842	3,241
Deferred tax assets	9	5,344	11,707
		316,628	407,447
Current assets			
Inventories	4.1	128,214	186,834
Trade receivables	4.2	88,861	98,766
Other financial assets	3.3, 6.5	2,457	1,536
Other assets	8.1	11,241	23,625
Current tax receivables		1,010	4,064
Cash and cash equivalents	6.6	106,631	235,539
		338,414	550,365
Assets held for sale	3.4	187,875	764
		526,289	551,128
ASSETS		842,917	958,575
EQUITY AND LIABILITIES			
Equity			
Share capital	5.1	21,359	21,359
Capital reserves	5.1	21,503	21,503
Retained earnings	5.1	482,136	512,216
Currency translation reserve	5.1	-6,825	-14,956
Equity attributable to the shareholders of Semperit AG Holding		518,174	540,122
Non-controlling interests	5.3	970	1,028
		519,145	541,151
Non-current provisions and liabilities			
Provisions	7	32,134	42,824
Liabilities from redeemable non-controlling interests	6.1	12,162	11,941
Financial liabilities	6.2	37,956	51,685
Trade payables	4.3	52	154
Other financial liabilities	6.3	18,925	19,602
Other liabilities	8.2	1,995	1,948
Deferred tax assets	9	12,629	11,954
		115,854	140,108
Current provisions and liabilities			
Provisions	7	23,442	26,406
Liabilities from redeemable non-controlling interests	6.1	6,745	5,595
Financial liabilities	6.2	14,503	39,654
Trade payables	4.3	63,890	95,166
Other financial liabilities	6.3	9,553	12,826
Other liabilities	8.2	35,289	40,844
Current tax liabilities		7,586	56,826
		161,009	277,317
Provisions and liabilities held for sale	3.4	46,909	0
		207,918	277,317
EQUITY AND LIABILITIES		842,917	958,575

Consolidated statement of changes in equity

in EUR thousand	Note	Share capital	Capital reserves	Hybrid capital	Retained earnings	Currency translation reserve	Total	Non-controlling interests	Total equity
As at 01.01.2021		21,359	21,503	30,000	294,886	-35,483	332,266	2,331	334,597
Earnings after taxes		0	0	0	246,992	0	246,992	516	247,508
Other comprehensive income		0	0	0	355	20,526	20,881	100	20,982
Comprehensive income		0	0	0	247,347	20,526	267,874	616	268,490
Dividend	5.4	0	0	0	-30,860	0	-30,860	-123	-30,983
Coupon payments on hybrid capital	2.9, 5.2	0	0	0	-785	0	-785	0	-785
Repayment of hybrid capital	5.2	0	0	-30,000	0	0	-30,000	0	-30,000
Capital reduction		0	0	0	0	0	0	-336	-336
Acquisitions of non-controlling interests	5.3	0	0	0	1,922	0	1,922	-1,922	0
Disposal of shares of subsidiaries	5.3	0	0	0	-293	0	-293	462	168
As at 31.12.2021		21,359	21,503	0	512,216	-14,956	540,122	1,028	541,151
As at 01.01.2022		21,359	21,503	0	512,216	-14,956	540,122	1,028	541,151
Earnings after taxes		0	0	0	-5,529	0	-5,529	-63	-5,592
Other comprehensive income		0	0	0	6,309	8,132	14,441	5	14,446
Comprehensive income		0	0	0	780	8,132	8,912	-58	8,854
Dividend	5.4	0	0	0	-30,860	0	-30,860	0	-30,860
As at 31.12.2022		21,359	21,503	0	482,136	-6,824	518,174	970	519,145

Notes to the consolidated financial statements

1. General

1.1. General Information

Semperit Aktiengesellschaft Holding (hereinafter Semperit AG Holding), a public limited company under Austrian law, is the parent company of an international industrial group (hereinafter Semperit Group). It is domiciled at Am Belvedere 10, 1100 Vienna, Austria, and it develops, produces, and sells highly specialised rubber products for the medical and industrial sectors. B&C KB Holding GmbH is the direct majority shareholder of Semperit AG Holding, and B&C Privatstiftung is the controlling legal entity. Business activities are divided into two sectors (medical and industry) and five business segments (Sempermed, Semperflex, Sempertrans, Semperform, and Semperseal). As part of its strategic realignment, the Semperit Group will concentrate on the industry sector in the future and complete the transformation into an industrial rubber specialist. Please see section 2.1 for additional information on the business segments.

1.2. Basic preparation principals

The consolidated financial statements as at 31 December 2022 were prepared in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union ("EU"), and in accordance with section 245a of the Austrian Commercial Code (Unternehmensgesetzbuch, "UGB"). The financial year comprises the period from 1 January to 31 December. The consolidated financial statements were prepared on 20 March 2023 and approved for submission to the Supervisory Board.

The reporting currency is the euro, with figures rounded to the nearest thousand, unless expressly stated otherwise. Rounding differences may occur when totalling rounded amounts and percentages through the use of automated calculation methods.

As at 31 December 2022, the medical sector (the Sempermed segment) was recognised for the most part under discontinued operations in the consolidated financial statements (see section 2.9). As per the accounting rules under IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations", the earnings after taxes of the continued and the discontinued operations are shown separately in the consolidated income statement. The earnings from the discontinued operations were reported as a separate item, including the earnings after taxes resulting from the fair value measurement less costs of disposal; the comparative figures were adjusted accordingly. The earnings after taxes resulting from the fair value measurement less costs of disposal equate to the reversal of impairment losses on intangible assets and property, plant and equipment. Cash flows from the continued and discontinued operations were presented together in the consolidated cash flow statement. The comparative figures were adjusted only in view of the changed starting point of the consolidated income statement regarding the indirect calculation of the cash flow from earnings. To improve comparability, cash and cash equivalents related to the continued operations at both the start and the end of the period were shown separately from those related to the discontinued operations; this also applies retrospectively. Cash flows from the operating, investing and financing activities of the discontinued operations are disclosed in the notes (see section 2.9). As at 31 December 2022, the assets and liabilities related to the discontinued operations form a disposal group in the consolidated balance sheet and are presented separately on both the assets and the liabilities side; pursuant to the accounting rules under IFRS 5, no corresponding presentation as at 31 December 2021 was made. The disclosures in the notes explaining the consolidated income statement, the consolidated cash flow statement and the consolidated balance sheet follow the presentation described here.

With the exception of the measurement of certain financial instruments, as well as provisions and deferred taxes, the consolidated financial statements were prepared based on amortised cost. Securi-

ties and derivative financial instruments are measured at fair value. The three levels in the fair value hierarchy are defined as follows:

- Level 1: measurement based on quoted prices on an active market for a specific financial instrument
- Level 2: measurement based on quoted market prices for similar instruments or on the basis of valuation models based exclusively on inputs that are observable on the market
- Level 3: measurement based on models with significant inputs that are not observable on the market

In the 2022 financial year, no financial instruments were reclassified between the individual levels.

The amount of provisions corresponds to the best estimate of the expenditures required to settle the liabilities as at the reporting date. Deferred taxes that are expected to be realised are calculated based on the nominal amount of existing temporary differences between the IFRS carrying amounts and the tax base, using the tax rate that is expected to apply.

1.3. Consolidation principles

The consolidated financial statements include the financial statements of the parent company and the financial statements of the subsidiaries controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control begins and until the date on which control ceases. Please see sections 10.1 through 10.2 for more detailed information on the scope of consolidation.

Acquisition accounting involves offsetting the acquisition cost of the equity interest in subsidiaries and the respective subsidiary's equity attributable to the investment. Receivables and liabilities between companies included in the scope of consolidation are eliminated during the course of the consolidation of intercompany balances. Foreign currency differences from debt consolidation are presented in the other financial result. All income and expenses from intercompany transactions, such as deliveries of goods and services, Group financing, or profit distributions, are offset during the elimination of income and expenses. Depending on the underlying transaction, foreign currency differences from the elimination of income and expenses are presented in the cost of materials, other operating expenses, or other financial result. In addition, intercompany profits and losses from intra-group goods and services are eliminated.

Currency translation

Assets and liabilities, including goodwill of subsidiaries included in the consolidated financial statements whose functional currency is not the euro, are translated at the mean exchange rate as at the reporting date; items in the consolidated income statement, the consolidated statement of comprehensive income, and the consolidated cash flow statement are translated using an average mean exchange rate for the financial year. The reference exchange rates of the European Central Bank (ECB) are generally used for currency translation. Currency differences resulting from this translation of a subsidiaries' financial statements are recognised through other comprehensive income in the currency translation reserve and reclassified to the consolidated income statement upon the sale or other disposal of the subsidiary in question.

Pursuant to IAS 21, for some subsidiaries there are mixed factors and indicators for the determination of the functional currency. In management's judgement, attributes that give rise to a functional currency other than the local currency predominate at the following subsidiaries:

- Semperit Investments Asia Pte Ltd., Singapore: US dollar
- Semperit Industrial Products Singapore Pte Ltd., Singapore: US dollar
- Sempermed Singapore Pte Ltd., Singapore: US dollar
- Sempermed Kft., Sopron, Hungary: Euro

At Semperflex Optimit s.r.o., Czech Republic, and Sempertrans Bełchatów Sp. z o.o., Poland, the assessment of the (mixed) factors and indicators for determining the functional currency results in the use of the local currency as the functional currency.

1.4. Judgements and uncertainties in estimates

Judgements

The accounting policies set out in the IFRSs provide users of the standards with various implicit and explicit options. The application of accounting policies is therefore subject to various exercises of judgement by management that can significantly affect the amounts recognised in the financial statements. The following judgements by management have a significant influence on these consolidated financial statements:

- Determination of the functional currency of subsidiaries (see section 1.3)
- Determination of sufficient indications of a need to recognise impairment losses or the reversal of impairment losses (see section 3.2)
- Lease terms: assessment of whether the exercise of extension options or the non-exercise of termination options is reasonably certain; determination of any economic disadvantages resulting from an early termination (see section 3.2)
- Treatment of non-controlling interests in subsidiaries with termination options (see sections 6.1 and 10.2)
- Classification of money market fund shares as cash equivalents (see section 6.6)
- Full consolidation of companies (see section 10.2): assessment whether control over a subsidiary does or does not exist
- Determination whether the conditions for the presentation of non-current assets held for sale or discontinued operations have been met (see section 2.9)

Significant estimates and assumptions

Preparation of the consolidated financial statements requires management to make estimates and assumptions about future developments that affect the recognition and measurement of assets and liabilities, the disclosures on other obligations as at the reporting date, and the reporting of the income generated and expenses accrued during the financial year. The amounts ultimately realised can differ from the amounts recognised based on the decisions and assumptions that were made. Estimates and the underlying assumptions are reviewed regularly and adjusted if necessary.

The following estimates and assumptions were made; more detailed explanations of these may be found under the respective item:

- Intangible assets: the annual impairment test of goodwill (see section 3.1)
- Intangible assets and property, plant and equipment: determination of the useful lives of assets with finite useful lives (see sections 3.1 and 3.2)
- Intangible assets and property, plant and equipment: indication-driven impairment testing of assets, delineation and determination of disposal costs (see section 3.2)
- Inventories: determination of net realisable values during inventory measurement (see section 4.1)
- Trade receivables: determination of valuation allowances (see section 4.2)
- Financial instruments: determination of the fair values for which there is no active market (see section 6.4)
- Tax uncertainties: recognition and measurement of actual and deferred income taxes in cases where there is uncertainty as to the amount of the (recoverable) income taxes owed (see sections 2.8 and 9)
- Deferred tax assets: availability of future taxable profits against which unused tax loss carry-forwards or tax credits can be utilised (see section 2.8 and 9)
- Personnel provisions: measurement of provisions for pensions, severance payments, and anniversary bonuses (see section 7.1 and 7.2)
- Other provisions: significant assumptions about the probability of occurrence and extent (see section 7.2)

Effects of climate-related matters and risks

In the 2022 financial year, the European Union's aim to use the "Green Deal" to create the framework required for a sustainable economic future led once again to the development of rules and regulations as well as action plans that are now being implemented step by step. Taking this into account, the Semperit Group is enhancing its efforts to make entrepreneurial decisions in favour of environmental and social impacts. The Semperit Group uses the "30% by 2030" initiative to bundle and accelerate all existing activities aimed at boosting efficiency, thus making a significant contribution to climate action. Its goal is to leverage process optimisation to achieve a 30% increase in efficiency and a 30% decrease in resource and energy consumption as well as waste generation by 2030 relative to the baseline year 2019. This work focuses chiefly on continual improvements in energy efficiency not only in production but also in facility management, as well as on reductions in waste, waste generation and water consumption. In addition, further measures to reduce CO₂ emissions are to be developed and implemented (e.g., installation of photovoltaics (PV) units and promotion of electromobility). Thanks to the demolition of the given thermal generation plants and measures aimed at reducing combustible heat capacities, for example, plants in the Austrian entity, Semperit Technische Produkte Gesellschaft m.b.H., and the Czech entity, Semperflex Optimit s.r.o., have already fallen outside of the purview of the respective emission allowance laws (see section 3.1). Additional activities aimed at environmental protection and climate action concern measures specific to materials (e.g., recycling activities) or the use of secondary raw materials. Not every raw material used in a rubber mixture can be substituted by a secondary raw material, because a change in the formulation affects not only the finished product's material and product properties but also the process-related steps in manufacturing. Currently, the use of secondary raw materials is still limited against this backdrop – not least in view of their limited availability. Different kinds of vulcanised rubber are difficult to reuse due to the chemical crosslinking reaction that occurs when they are exposed to heat – i.e., long-chain rubber molecules are crosslinked by sulphur bridges; elastomeric product components must be subjected to a separate regeneration step. This distinguishes rubber from other materials such as steel, glass, paper or cardboard. What must be considered in this case, furthermore, is the fact that the extraction of secondary raw materials is very energy-intensive and also involves large quantities of chemicals. Product design also plays a major role in the potential recycling of old products. In addition to the rubber mixture, the finished products of the Semperit Group often contain reinforcing materials such

as ropes, wires, woven fabrics and yarns. It is difficult to separate these materials at the end of a product's useful life. The Semperit Group tracks developments and technological progress in the extraction of secondary raw materials, regularly tests newly available recyclates and works to establish a supplier network as well as to improve technical options through research and development conducted in cooperation with third parties.

Climate-related matters and risks may affect the segments' medium-term financial planning, which may be used as the basis for determining the value in use for impairment tests. This applies particularly to the assumptions underlying assessments of the market developments in the Sempertrans segment: The Sempertrans segment engages in the production and sale of transport and conveyor belts, which are used (among other things) in the mining of coal, ores, and rare earth metals, in the steel and cement industry as well as in the civil engineering and transport industry. In order to meet various application requirements, Sempertrans reinforces the belts either with textile or with steel cord carcasses. The market for transport and conveyor belts comprises the replacement business as well as new or expansion projects. In the medium to long term, the coal phase-out in Europe will lead to the replacement of both the coal infrastructure and related energy production in favour of non-fossil and CO₂-neutral energy sources. The demand for transport and conveyor belts from the European coal mining industry will therefore decrease in the medium and long term. By contrast, the demand from the heavy load sector (particularly for transport and conveyor belts reinforced by steel cord carcasses) from the mining industry in connection with the mining of ores (e.g., copper) and rare earths, which are increasingly needed for electrification purposes and sustainable power supplies is growing. The mining industry also aims to reduce its carbon footprint through "green mining" initiatives. In this context, the traditional truck and shovel operation model is increasingly being replaced by transport and conveyor belt solutions. Furthermore, transport and conveyor belt solutions help to counteract soil compaction resulting from the use of heavy mining machines. Furthermore, the urbanisation megatrend will lead to growing demand for transport and conveyor belts in the steel and cement industry. In large part, the segments' medium-term financial planning only account implicitly for issues of sustainability related to energy consumption and emissions (e.g., improving energy efficiency, reducing emissions, improving the use of renewable resources to meet energy demands, etc.) as part of update planning. This applies analogously to aspects of the circular economy (e.g., choice of raw materials, efficiency of material use, improvements to waste management) and to environmentally-friendly new product development (e.g., high density window profiles and sound-reducing rail pads for lowering environmental noise pollution arising from harmful excess noise). Planned climate-related measures aimed at improving earnings that are predicated on infrastructure improvements were explicitly taken into account in the determination of the values in use, provided they had been formally adopted and are being implemented. This applies, for example, to yet another plant extension in Odry, Czech Republic (see section 3.1). Future developments related to potentially expanding the range of the sustainable product portfolio, realising potentials in the economic recycling of vulcanised rubber as well as using both replacement materials and technologies for vulcanised rubber products were anticipated in the medium-term financial planning only in part (e.g., use of available recyclates) even though the Semperit Group is currently evaluating such measures. The Semperit Group has not conducted a current, explicit scenario analysis of the resilience of its corporate strategy underlying its medium-term planning vis-à-vis various climate-related scenarios (including a scenario for achieving the two-degree objective of international climate policy). The preparation of a scenario analysis is planned for 2023.

Currently, there are no inventories in the Semperit Group that are at risk of obsolescence or falling prices due to climate-related risks. Climate-related risks did not represent an indication of impairment and also did not result in any adjustment of the useful lives of intangible assets or property, plant and equipment. The recognition of provisions for climate-related matters and risks is of minor importance

to the Semperit Group. However, the Group has taken note of the potential impact of issues of sustainability with its three central elements – environmental, social and governance (ESG) – on the financing of individual group companies and the group on the whole. Current regulatory and market developments regarding sustainable finance will have to be considered in future whenever financial liabilities are incurred; greater emphasis on aspects of sustainability may raise funding costs within the Semperit Group

Fallout from the Russia-Ukraine conflict and impact of macroeconomic factors

On February 24, 2022, the Russia-Ukraine conflict reached a new level of escalation, with Russia launching a war of aggression against Ukraine. Since the outbreak of this war, numerous punitive international sanctions have been imposed on Russia (and Belarus), particularly including an embargo on military goods, sectoral and goods/services-related restrictions such as export-related bans (e.g., on technology goods, on oil exploration and refining goods) and import-related bans (e.g., on petroleum, coal and other solid fossil fuels as well as iron and steel products), further sectoral business bans (e.g., prohibition on the maintenance of any economic relations whatsoever with certain persons) and restrictions on capital and financial markets and payment transaction. The direct consequences of these developments on the Semperit Group were minor, because the Semperit Group does not maintain any production facilities or sales and distribution units in Russia, Belarus or Ukraine, and because the Semperit Group's overall revenue with customers in the countries affected by the Russia-Ukraine conflict was negligible (see section 2.2). In connection with the international sanctions, the Semperit Group halted deliveries to customers in Russia and Belarus promptly after the outbreak of war. More than 80% of the existing gross trade receivables from Russian, Belarusian or Ukrainian customers were covered by credit insurance or secure payment terms. Up to and including March 2022, the political risk for Ukrainian customers was also covered by credit insurance. Since then, Ukrainian customers are essentially being supplied only against advance payment. In the Semperflex and Sempertrans segments, the loss of customer orders was offset by reprioritising customer orders within the order books and by acquiring new customers; in the Semperseal segment, the loss of customer orders was somewhat more noticeable and also resulted in a brand specific to the Russian business of the Semperseal segment. A shift in global procurement flows and inventory management was observed for key raw materials and supplies used to manufacture the Semperit Group's products due to the Russia-Ukraine conflict. The Semperit Group had already established international, multiple sourcing some time ago. Sourcing of materials from Russian companies on the sanctions lists or companies owned by sanctioned persons was discontinued. This changed the sourcing of the Semperit Group as well as the procurement flows. The availability of relevant materials has been secured; with the exception of individual deliveries of industrial chemicals, no materials will be purchased from Russian companies as of the beginning of the 2023 financial year. Safety stocks of production-critical materials (e.g., certain fillers), which were procured at comparatively high prices in the 2022 financial year, are being gradually reduced. In order to be prepared for any loss of Russian natural gas supplies, the natural gas-fired steam boiler burners at the production sites in Wimpassing (Austria), Odry (Czech Republic) and Seligenstadt (Germany) have been converted so that alternative energy sources and technologies can be used as well to generate heat.

The indirect consequences of the developments surrounding the Russia-Ukraine conflict had a material impact on the macroeconomic environment, leading to higher and more volatile prices for energy, raw materials, intermediate and primary products as well as transportation and supply chain issues, changed interest rates and interest rate expectations and rising inflation. In the 2022 financial year, we succeeded in passing on most of the increased input factor costs to customers (at least after a bit of a delay). However, this was not wholly possible for the production of surgical gloves in Wimpassing (Austria), due to the sharp price increases and volatilities on the European energy markets in

the 2022 financial year; This product line will remain in the Semperit Group and thus a part of its continued operations for the time being, despite the sale of the medical business,. The possibilities for passing on further input factor cost increases will depend on the respective customers' price sensitivity and the dynamic on the segment-specific product markets. Appropriate provisions have been recognized as at 31 December 2022 for the sales bonuses that have been contractually agreed or separately promised to price-sensitive customers. The changed interest rate landscape mainly impacts the servicing of financial liabilities, social capital (i.e., provisions for pensions, severance payments and anniversary bonuses) and the weighted average cost of capital ("WACC") for impairment testing purposes. De facto, the financial liabilities of the Semperit Group currently consist of fixed-interest corporate Schuldschein loans, which also bear no (negative) present value risk in the event of rising interest rates. As far as social capital is concerned, the changed interest rate landscape was taken into account by applying the most current calculation interest rates as at the reporting date; they are based on the Mercer Yield Curve ("MYC"), take into account the corresponding duration of the obligations and are derived from a spot rate yield curve from bonds in the euro area. Current wage and salary cost pressures were addressed in the valuation of social capital by positing remuneration increases for 2023 and 2024 that were significantly higher (for 2023) and slightly higher (for 2024) than the remuneration increases expected in the long term (for the years from 2025) (see section 7.1). In determining the weighted average cost of capital (WACC), an increased risk-free interest rate of 1.6% (previous year : 0.1%) was taken into account; this is determined on the basis of German government securities with a 30-year term using the Svensson method. The market risk premium was assumed to be 7.9% (previous year: 7.9%), taking observable developments in market yields into account. The risk increase of doing business in countries with higher economic and macro-economic risks was taken considered by applying a current weighted country risk premium.

1.5. New and amended accounting standards

The following new/revised Standards and Interpretations were applied for the first time in the 2022 financial year:

		Endorsement	Mandatory application for the Semperit Group	Effects on the Semperit Group
Amended standards				
Miscellaneous	Amendments to IFRS 3, IAS 16 and IAS 37	28 June 2021	1 January 2022	no
Miscellaneous	Annual improvements to IFRS, cycle 2018–2020	28 June 2021	1 January 2022	no

The following new/revised Standards and Interpretations will apply in future:

		Endorsement	Mandatory application for the Semperit Group	Effects on the Semperit Group
New standards and interpretations				
IFRS 17	Insurance Contracts	19 November 2021	1 January 2023	no
Amended standards				
IAS 1	Amendments to the presentation of the financial statement: classification of liabilities as current or non-current	open	1 January 2024	no
IAS 1	Amendments to the presentation of the financial statement: disclosure of accounting standards	2 March 2022	1 January 2023	no
IAS 8	Amendments to accounting policies, amendments to accounting estimates and errors: definition of accounting estimates	2 March 2022	1 January 2023	no
IAS 12	Amendments to deferred taxes related to assets and liabilities arising from a single transaction	11 August 2022	1 January 2023	no
Miscellaneous	Amendments to the initial application of IFRS 17 and IFRS 9 – comparative information	8 September 2022	1 January 2023	no
IFRS 16	Amendments to lease liability in a sale and leaseback	open	1 January 2024	no

2. Performance

2.1. Segment reporting

In accordance with IFRS 8, segment reporting is based on internal reporting to the Executive Board of Semperit AG Holding as the chief operating decision maker, which decides on the allocation of resources to the business segments.

The segments were determined on the basis of product groups. They are managed separately and correspond to the Semperit Group's business divisions. The Semperit Group has five reportable segments as at 31 December 2022, just as in the previous year.

- **Sempermed:** The Sempermed segment produces gloves using dipping technology, sells them, and trades in gloves worldwide. The product portfolio comprises examination and surgical gloves for the Medical Sector as well as protective gloves for industrial, commercial, and private use. As part of its strategic realignment, the Semperit Group will focus on the industrial sector in future. As a consequence, on 28 January 2020, the Executive and Supervisory Boards resolved to divest the Sempermed segment. On 16 December 2022, the management of the Semperit Group reached an agreement with the Southeast Asian glove producer, HARPS GLOBAL PTE LTD., which is based in Singapore and runs manufacturing operations in Malaysia, on the sale of the Sempermed segment. As far as the production of the examination gloves and the associated sales organisation are concerned, the conditions for a presentation as a discontinued operation were given as at 31 December 2022; for the time being, the production of surgical gloves will remain with the Semperit Group and thus a continued operation (see section 3.4).
- **Semperflex:** The Semperflex segment develops, produces, and sells low- and high-pressure hoses worldwide that are used in the construction and transportation industries, in mines, and in agricultural machinery. The hoses are reinforced with fabrics (industrial hoses) or with metal wires (hydraulic hoses).
- **Sempertrans:** The Sempertrans segment develops, produces, and sells conveyor and transport belts worldwide. Transport and conveyor belts are used in mining, the steel industry, the cement industry, in power plants, for civil engineering applications, and the transport industry, among others. In order to optimally meet the application requirements, the belts are reinforced with either textile or steel cord carcasses.
- **Semperform:** The Semperform segment develops, produces, and sells escalator handrails, ropeway rubber rings, anti-vibration membranes for skis and snowboards, and customised injection moulding and extrusion parts with sealing or damping functions. Escalator handrails are reinforced and formed with fabric and metal wiring; ropeway rubber rings are mainly reinforced with fabric.
- **Semperseal:** The Semperseal segment develops, produces, and sells sealing profiles for the construction industry and other industrial applications and elastomer and wear-resistant sheeting.

The accounting policies applied in deriving the segment figures are identical to the Semperit Group's accounting policies. The segment result is EBITDA. This is the result that is reported to the Executive Board for purposes of resource allocation and performance measurement. Trade working capital and the additions to intangible assets and property, plant and equipment are reported to the Executive Board as key indicators of segment assets.

Segmentation by business division

Segmentation by business division is based on internal management and reporting.

2022 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Corporate Center	Group Eliminations	Total
Revenue	324,179	328,803	151,943	142,116	111,138	0	0	1,058,179
Revenue with other segments	0	207	0	68	826	0	-1,102	0
EBITDA	-15,378	82,166	19,653	8,262	15,128	-19,343	0	90,488
EBIT	-49,519	70,214	15,543	-610	10,803	-20,625	0	25,805
Depreciation and amortisation of intangible assets and property, plant and equipment	-23,360	-11,953	-4,110	-6,769	-4,325	-1,281	0	-51,798
Impairments of intangible and tangible assets	-51,661	0	0	-2,103	0	0	0	-53,764
Reversal of impairment of intangible assets and property, plant and equipment	40,880	0	0	0	0	0	0	40,880
Trade working capital	42,729	73,907	35,357	25,217	21,232	-8,932	0	189,510
Additions to intangible assets and property, plant and equipment ¹	14,993	16,613	3,569	7,219	4,776	2,900	0	50,068

¹ Excluding right-of-use assets in accordance with IFRS 16

2022 in EUR thousand	Total	Adjustments	Discontinued + continued operation	Discontinued operation	Continued operation
Revenue	1,058,179	45,825	1,104,004	324,155	779,848
Revenue with other segments	0	0	0	0	0
EBITDA	90,488	8,364	98,851	-1,647	100,499
EBIT	25,805	8,364	34,169	-27,974	62,142
Depreciation and amortisation of intangible assets and property, plant and equipment	-51,798	0	-51,798	-21,369	-30,430
Impairments of intangible and tangible assets	-53,764	0	-53,764	-45,220	-8,545
Reversal of impairment of intangible assets and property, plant and equipment	40,880	0	40,880	40,262	618
Trade working capital	189,510	0	189,510	36,325	153,185
Additions to intangible assets and property, plant and equipment ¹	50,068	0	50,068	12,510	37,557

¹ Excluding right-of-use assets in accordance with IFRS 16

2021 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Corporate Center	Group Eliminations	Total
Revenue	626,119	240,462	104,450	120,543	90,604	0		1,182,178
Revenue with other segments	0	195	0	36	1,617	0	-1,848	0
EBITDA	301,149	51,307	6,848	11,561	12,384	-21,487		361,763
EBIT	280,939	39,994	3,214	5,056	8,534	-22,695		315,041
Depreciation and amortisation of intangible assets and property, plant and equipment	-20,210	-11,313	-3,635	-6,505	-3,851	-1,208		-46,722
Trade working capital	85,641	53,220	22,020	17,179	16,601	-4,226		190,434
Additions to intangible assets and property, plant and equipment ¹	24,860	7,954	4,050	11,530	5,184	2,820		56,399

¹ Excluding right-of-use assets in accordance with IFRS 16

2021 in EUR thousand	Total	Adjustments	Discontinued + continued operations	Discontinued operations	Continued operations
Revenue	1,182,178	45,708	1,227,886	626,097	601,789
Revenue with other segments	0	0	0	0	0
EBITDA	361,763	0	361,763	307,781	53,981
EBIT	315,041	0	315,041	289,814	25,226
Depreciation and amortisation of intangible assets and property, plant and equipment	-46,722	0	-46,722	-17,967	-28,755
Trade working capital	190,434	0	190,434	83,379	107,056
Additions to intangible assets and property, plant and equipment ¹	56,399	0	56,399	21,817	34,582

¹ Excluding rights of use pursuant to IFRS 16

The Sempermed segment essentially comprises the production of examination gloves and the production of porcelain dip mouldings used in the production of gloves in Malaysia, the production of surgical gloves in Wimpassing, Austria, by Semperit Technische Produkte GmbH ("STP"), and their packaging in Sopron, Hungary, as well as worldwide sales and distribution units. With the sale of the medical business expected in mid-2023, the Semperit Group is disposing of the Sempermed segment; for the time being, however, this will not affect the production and packaging of surgical gloves. This business will continue operating as a contract manufacturer for HARPS GLOBAL PTE. LTD. by the Semperit Group for a period of up to five years until the final sale; it will therefore remain a continued operation for now.

STP currently sells and will continue to sell the pre-packaged surgical gloves to Singapore-based Semperit Investments Asia Pte Ltd ("SIA"), which is still part of the Group; SIA then resells the products of the Sempermed segment to internal and external customers. In the 2022 financial year, the corresponding, previously consolidated sales between STP and SIA totalled EUR 45,825 thousand (previous year: EUR 45,708 thousand). As the revenue (of the continued operations) and the material expenses (of the discontinued operations) from this supply relationship will continue to exist, the presentation is based on an incremental approach, but the expense and income consolidation was not retained for this purpose. Taking past transfer prices into account, this adjustment leads to a corresponding recognition of earnings in both divisions.

The consolidated income statement is thus extended in order to present the effects of the disposal of the medical business as realistically as possible. For the rest, the intra-group settlements between the continued and the discontinued operations were eliminated in full. The primary expenses underlying the intra-group settlements were allocated to the divisions in accordance with the current contractual arrangements with HARPS GLOBAL PTE. LTD. In addition, EBITDA and EBIT were adjusted to reflect the transaction costs of EUR 8,364 thousand (previous year: EUR 0 thousand) related to the discontinued operations. Transaction costs are presented in discontinued operations following the result after tax (see section 2.9).

The income and expenses of group companies that engage in production and/or sales operations in more than one segment are divided and allocated to the appropriate segment so that no additional eliminations are required. The Corporate Center consists of Semperit AG Holding, which is not operationally active, as well as of those parts of a service company in Singapore that are assigned to the Corporate Center. In addition, certain services of the Corporate Center are provided by operating companies. Corporate Center cost transfers and allocations have already been allocated to the segments, to the extent possible.

EBITDA in the "Continued operations" column corresponds to EBITDA in the Semperit Group's consolidated income statement; the reconciliation to profit before tax thus follows from the consolidated income statement. For the EBITDA related to the discontinued operations, see section 2.9. The "Adjustments" column shows the transaction costs already incurred in addition to the revenue from the supply relationship between STP and SIA; in contrast to internal control and reporting practice, the transaction costs are presented separately in the income statement for the discontinued operations following the after-tax result.

Trade working capital consists of inventories plus trade receivables, less current trade payables (see section 4).

Geographic segmentation

The Group's activities are conducted primarily in Europe, Asia, and the Americas. In accordance with IFRS 8, the disclosures on revenue are presented by the customer's location and those on non-current assets and additions to intangible assets and property, plant and equipment are presented on the basis of the respective locations of the Semperit Group companies. Non-current assets do not include any deferred tax assets or securities. To the extent possible, consolidating entries have been allocated to the appropriate regions. The Semperit Group does not generate more than 10% of its revenue with any external customer.

	2022			2021		
in EUR thousand	Non-current assets	Additions to intangible assets and property, plant and equipment ¹	Revenue	Non-current assets	Additions to intangible assets and property, plant and equipment ¹	Revenue
Europe	264,787	31,618	529,252	261,193	31,022	408,684
thereof EU	264,787	31,618	492,460	261,124	31,022	358,147
thereof Austria	62,093	14,357	35,546	59,968	12,965	25,830
thereof EU excluding Austria	202,695	17,261	456,914	201,156	18,058	332,317
thereof rest of Europe	0	0	36,793	69	0	50,536
Asia	26,813	15,487	128,999	115,241	23,776	122,404
The Americas	14,284	2,962	103,264	12,846	1,600	59,888
Rest of the World	12	1	18,333	23	0	10,814
Group	305,896	50,068	779,848	389,304	56,399	601,789

¹ Excluding rights of use pursuant to IFRS 16

2.2. Revenue

Revenue is recognised using the transaction prices assigned to the performance obligations. Deductions are made for agreed rebates, volume and cash discounts and similar sales reductions as well as for contractual penalties and expected returns. These sales reductions are based on contractual agreements. All available information and historical values are taken into account when estimating the variable price components. As a rule, the amount delineated as a transaction price reduction is the amount that is likely to be claimed based on agreements or historical values; these estimates are updated regularly.

A refund liability is recognised for potential returns and expected refunds on the basis of contracts or historical values over the past three years. Assets from return claims (refund assets) are recognised at the original carrying amount less expected costs for the return of the products and are presented in inventories.

The agreed transaction price is normally charged upon delivery. Revenue from deliveries must generally be recognised when economic control is transferred to the customer in accordance with the Incoterms agreed for the delivery of the goods. The payment targets normally granted are from 14 to 60 days.

For practical reasons, revenue has not been adjusted for the effects of a significant financing component if the period between satisfaction of the performance obligation and payment by the customer is not more than one year. As in the previous year, no revenue was generated in the 2022 financial year from contracts that included a significant financing component and for which the period between satisfaction of the performance obligation and payment by the customer is longer than one year.

Some contracts are multiple element arrangements that, in addition to the sale of certain products, also include additional performance obligations such as services. In accordance with IFRS 15, the consideration is allocated to the elements in line with the relative stand-alone selling prices, where appropriate.

Contractually agreed warranties, which represent a separate and identifiable performance obligation, are recognised pro rata over the warranty period from the date on which control of the product sold is transferred.

Contract performance costs exist in the form of tool costs. The tools are capitalised in accordance with the provisions of IAS 16, and depreciated over a useful life of one to ten years. These tools are offset by contract liabilities, which are recognised in revenue over the useful life of the tools.

Contract initiation costs, if material, are capitalised when the contract term exceeds 12 months. As in the previous year, there were no instances of such cases in the 2022 financial year.

Revenue from contracts with customers is broken down by segment and geographical region as follows:

2022 in EUR thousand	Semper- med	Semper- flex	Semper- trans	Semper- seal	Semper- form	Group
Western Europe	24	194,533	55,049	113,751	67,446	430,803
Asia	45,825	24,887	34,868	649	22,769	128,999
Eastern Europe	0	49,390	21,726	15,321	11,985	98,422
North America	0	50,629	16,714	12,326	7,185	86,855
Central and South America	0	5,016	9,946	69	1,380	16,412
Africa	0	2,586	11,249	0	352	14,186
Australia and Oceania	0	1,762	2,390	0	21	4,173
Revenue	45,848	328,803	151,943	142,116	111,138	779,848

2021 in EUR thousand	Semper- med	Semper- flex	Semper- trans	Semper- seal	Semper- form	Group
Western Europe	23	135,750	36,487	94,519	49,641	316,419
Asia	45,708	25,919	26,195	1,121	23,461	122,404
Eastern Europe	0	48,806	14,700	18,043	10,715	92,264
North America	0	26,584	9,665	6,810	5,103	48,162
Central and South America	0	1,706	8,714	49	1,257	11,726
Africa	0	1,069	4,961	0	363	6,393
Australia and Oceania	0	628	3,728	0	65	4,421
Revenue	45,731	240,462	104,450	120,543	90,604	601,789

The revenue of the Sempermed segment, which is presented under continued operations, relates essentially to the supply relationship involving pre-packaged surgical gloves between the Austrian production company and the Singaporean sales company (see sections 2.1 and 4.3). This supply relationship between STP and SIA will remain in place for the time being, even after the disposal of the medical business.

In the 2022 financial year, Semperit Group revenue with customers in countries impacted by the Russia-Ukraine conflict accounted for around 0.8% of total revenue (2021: 4.5%). No new orders for customers in Russia and Belarus have been accepted since mid-March 2022. Semperit Group revenue with customers in countries impacted by the Russia-Ukraine conflict breaks down by segment and country as follows:

2022 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Group
Russia	0	2,691	346	953	10	4,000
Ukraine	0	1,536	539	43	30	2,148
Belarus	0	259	61	4	0	324
Total	0	4,486	946	1,000	40	6,472

2021 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Group
Russia	0	12,650	1,623	5,828	427	20,528
Ukraine	0	2,427	2,447	164	28	5,066
Belarus	0	1,605	0	20	0	1,625
Total	0	16,682	4,070	6,013	454	27,220

As at 31 December 2022, gross trade receivables from customers in Russia, Ukraine, or Belarus totalled EUR 808 thousand (31 December 2021: EUR 1,150 thousand); credit insurance or secure payment terms were in place for over 90% of this amount. Up to and including March 2022, the political risk for Ukrainian customers was also covered by credit insurance. Since then, however, deliveries to Ukrainian customers have only been made against prepayment.

2.3. Other operating income

in EUR thousand	2022	2021
Compensation for damages	961	486
Income from the sale of property, plant and equipment	5,095	146
Sale of by-products and waste materials	580	508
Rental income	219	207
Miscellaneous	2,404	3,115
Income from changes in the scope of consolidation	0	3,824
Total	9,258	8,285

The income from the disposal of property, plant and equipment essentially relate to the proceeds from the sale of the property (together with the buildings thereon) belonging to Sempertrans France Belting Technology S.A.S., which had been held for sale and was sold in October 2022. The carrying amount was EUR 764 thousand. The proceeds from the sale amounted to EUR 4,835 thousand and were recognised in the Sempertrans segment. The associated broker fees of EUR 133 thousand were recognised in other operating expenses.

Furthermore, miscellaneous other operating income includes government grants in the amount of EUR 862 thousand (previous year: EUR 744 thousand), that the Semperit Group received in the form of pandemic-related support payments (e.g. reimbursement of costs, grants, etc.) in the 2022 financial year. The grants were awarded in Austria and China.

2.4. Cost of materials and purchased services

in EUR thousand	2022	2021
Cost of materials	354,737	261,071
Energy expenses	39,410	24,078
Production-related maintenance costs	8,709	8,236
Purchased services	7,313	6,504
Total	410,169	299,890

2.5. Personnel expenses

in EUR thousand	2022	2021
Wages	76,952	71,023
Salaries	79,728	72,945
Severance payments	1,491	2,695
Retirement benefit expenses	847	822
Statutory social security expenses and other compulsory wage-related payments	34,867	32,107
Other social security expenses	3,181	3,067
Total	197,066	182,658

Research and development expenses in the 2022 financial year came to around EUR 16,600 thousand (previous year: EUR 14,900 thousand) in continued operations, which relate in particular to personnel expenses. The personnel expenses also include expenses for temporary staff (full-time equivalents). In the 2022 financial year, the average number of external personnel (in full-time equivalents) was 260 employees (previous year: 303).

Please see section 12 for information on the remuneration paid to members of the Executive Board.

The number of employees in Austria (full-time equivalents) on average was 925 (previous year: 891); the average number of employees in the continued operations of the Semperit Group is as follows:

in full-time equivalents	2022	2021
Blue-collar workers	3,028	2,902
White-collar workers	1,272	1,228
Total continued operations	4,300	4,130

2.6. Other operating expenses

in EUR thousand	2022	2021
Outgoing freight	30,811	24,909
Legal, consulting and auditing fees	12,202	15,715
Maintenance and external services	10,977	8,619
Insurance premiums	4,833	3,918
Software licence expenses	4,727	3,953
Travel expenses	4,459	2,023
Energy costs unrelated to production	3,999	2,037
Commission and advertising expenses	2,561	2,657
Rental and lease expenses	2,335	2,153
Waste disposal	2,230	2,165
Other taxes	1,680	1,227
Office equipment	1,123	875
Fees, subscriptions and donations	1,168	992
Communications	727	678
Training and education expenses	894	834
Bank expenses and hedging costs	308	302
Valuation allowances (+) / income from the release of valuation allowances (-)	658	-46
Complaint costs (+) / income of disposals of complaint provisions (-)	-572	557
Miscellaneous	10,680	12,625
Total	95,800	86,193

Expenses arising from claims were negative in the 2022 financial year, because of realised income from the reversal of provisions for claims. This income is largely due to a change in the estimate concerning the warranty risks in a particular case.

Other operating expenses include the cost of an environmental provision for soil remediation work at the Sempertrans production site in Bełchatów, Poland, in the amount of EUR 945 thousand (previous year: EUR 0 thousand).

The following fees have been recognised as consulting and audit expenses for the services rendered in the 2022 financial year by the auditors of the consolidated financial statements

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. and the companies of the Ernst & Young global network:

in EUR thousand	2022	2021
Auditing of consolidated financial statements and related assurance services	952	897
thereof Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.	379	306
Other assurance of valuation services	90	139
Other services	25	26
Total	1,066	1,062

2.7. Financial result

in EUR thousand	2022	2021
Expense (+) / income (-)		
Finance income		
Income from securities	-111	-39
Interest and related income	-370	-246
	-481	-285
Finance expenses		
Interest expense	2,619	4,048
	2,619	4,048
Other financial result		
Net foreign currency result	259	-100
Net result from the FVPL and FV measurement categories – hedging instruments	1,320	570
Miscellaneous	2	71
Total	1,581	542
Profit / loss attributable to redeemable non-controlling interests	6,684	5,576
Financial result	10,403	9,880

The interest expense includes interest expenses from lease liabilities in the amount of EUR 502 thousand (previous year: EUR 148 thousand).

Of the interest expenses included in the financial result, EUR 2,527 thousand (previous year: EUR 3,985 thousand) is attributable to financial liabilities measured at amortised cost (AC, at cost). An interest expense of EUR 73 thousand (previous year: EUR 63 thousand) is attributable to interest accrued to long-term provisions. In the liabilities from redeemable non-controlling interests, the portion of the earnings recorded in the consolidated income statement in the amount of EUR 6,684 thousand (previous year: EUR 5,576 thousand) represents the "interest expense".

The net result from financial assets in the AC measurement category (at cost) consists of the following:

in EUR thousand	2022	2021
Expense (+) / income (-)		
Interest and related income	-370	-246
Valuation allowances (+) / income from the release of valuation allowances (-)	658	-46
Net foreign currency result	-1,111	-505
Net result from the AC (At Cost) valuation category	-823	-797

Impairment losses on financial assets at amortised cost are recognised in other operating expenses (see section 2.6). Other operating expenses also include reversals of impairment losses on financial assets at amortised cost previously recognised as an expense.

In the 2022 financial year the financial instruments in the FVPL measurement category (fair value through profit and loss) concern forward exchange contracts to hedge parts of the operating business at Semperflex Asia Corp. Ltd. in Thailand (see section 11.5). The cash flow hedge in the 2021 financial year concerned the hedging of a corporate Schuldschein loan in Polish zloty (PLN); it was terminated upon repayment of this corporate Schuldschein loan in November 2021.

The net result from financial instruments in the FVPL and FV measurement categories – hedging instruments is comprised of the following:

in EUR thousand	2022	2021
Expense (+) / income (-)		
Income from forward exchange transactions	-197	-56
Expenses from currency forwards	19	91
Results from the measurement and disposal of securities and derivatives	1,498	503
Net result from the FVPL (Fair Value through Profit and Loss) valuation category	1,320	537
in EUR thousand	2022	2021
Expense (+) / income (-)		
Cash-flow Hedges – reclassified from hedging reserve	0	200
Cash-flow Hedges – ineffective portion of changes in fair value	0	-43
Cashflow Hedges – realised foreign exchange result	0	-124
Net result from the FV – Hedging Instrument valuation category	0	33

The net foreign currency result from financial liabilities at amortised cost is EUR 1,403 thousand (previous year: EUR -842 thousand).

2.8. Income taxes

The tax expense presented for the financial year comprises the current taxes on taxable income calculated for the individual Group companies from continued operation and the tax rate applicable in the respective country, as well as deferred taxes.

in EUR thousand	2022	2021
Current tax expense (+) / tax income (-)		
for the current period	14,298	12,173
for previous periods	661	224
Total current tax expense (+) / tax income (-)	14,958	12,397
Deferred tax expense (+) / tax income (-)		
from the origination or reversal of temporary differences	3,757	114
from the adjustment of tax loss carry-forwards, tax credits and temporary differences	-3,104	-136
other deferred tax effects	-2,233	-658
Total deferred tax expense (+) / tax income (-)	-1,579	-680
Total	13,379	11,717

Appropriate provisions were recognised for tax uncertainties related to the amount of tax loss carry-forwards to be utilised.

See section 9 for information on the accounting policies, the reconciliation of earnings, as well as details on deferred taxes.

2.9. Earnings after taxes from discontinued operations

On 16 December 2022, the Management Board and the Supervisory Board of the Semperit Group decided to sell the Sempermed segment to HARPS GLOBAL PTE. LTD., which is based in Singapore and maintains production activities in Malaysia. For a description of the business activities of the Sempermed segment, see section 2.1. A corresponding sale and purchase agreement (SPA) was also signed on 16 December 2022. The strategic decision of the Management Board and the Supervisory Board of 28 January 2020 to dispose of the medical business, to focus in future on the industrial sector, and to complete the transformation into an industrial rubber specialist has thus been implemented. The disposal had been postponed due to the significant contributions to earnings from the special economic circumstances resulting from the coronavirus pandemic. Completion of the transaction is subject to regulatory approval under investment control and competition law and will be implemented in two steps:

The first step is expected in mid-2023 and includes the sale by Semperit Technische Produkte Gesellschaft m.b.H. ("STP") of its wholly-owned stake in Singapore-based Semperit Investments Asia Pte Ltd. ("SIA") and in Austria-based Sempermed Europe GmbH ("SME") as well as specific intangible property rights. The sale price (cash and debt free) is EUR 108.0 million and is subject to customary price adjustment mechanisms once the transaction is closed. With this transaction, the Semperit Group will dispose of the production of examination gloves and the production of porcelain dip mouldings for the manufacture of gloves in Malaysia along with the associated sales and distribution units worldwide. The carrying amount of the associated segment assets is now mainly realised through a sale transaction and no longer through continued use. The divestment group as presently configured may be sold immediately at terms that are common and customary for the sale of such assets or divestment groups; the SPA does not define any conditions precedent that would require the seller to implement time-consuming and resource-intensive measures. The (first) closing of the transaction is expected within 12 months (see above). This part of the Sempermed segment comprises a total of 12 Group companies (see section 10.2) and constitutes a discontinued operation; the changes to comparative information in the consolidated income statement as well as in the consolidated cash flow statement concern the separate presentation of this discontinued operation.

The second step involves the sale of the STP-hosted facility for the production of surgical gloves in Wimpassing, Austria, and the wholly-owned stake in Sempermed Kft., which processes their packaging in Sopron, Hungary. This business will continue to be commissioned for HARPS GLOBAL PTE. LTD. by the Semperit Group until the sale is finalised. To this end, the plan is to conclude a contract manufacturing agreement at the closing, which will provide for the delivery at "cost plus" of defined quantities. The term of this contract manufacturing agreement will include several renewal options and will therefore be up to five years. The (second) closing of the transaction will not take place until the expiry of the contract manufacturing agreement. The sale price (cash and debt free) is EUR 7.0 million and is subject to customary price adjustment mechanisms once the transaction is closed. This portion of the Sempermed segment is therefore not currently a part of the discontinued operations; the carrying amounts of the associated segment assets are not recognised in discontinued operations.

The income statement for the discontinued operations is presented below:

in EUR thousand	2022	2021
Revenue	324,155	626,097
Changes in inventories	-38,316	22,749
Own work capitalised	784	2,090
Operating revenue	286,624	650,935
Other operating income	365	1,047
Cost of material and purchased services (thereof intra-group purchases of surgical gloves in the amount of EUR -45,825 thousand (previous year: EUR -45,708 thousand))	-213,212	-276,112
Personnel expenses	-35,388	-33,887
Other operating expenses	-40,036	-34,202
Earnings before interest, tax, depreciation and amortisation (EBITDA)	-1,647	307,781
Depreciation and amortisation of intangible assets and property, plant and equipment	-21,369	-17,967
Impairment of intangible assets and property, plant and equipment	-45,220	0
Reversal of impairment of intangible assets and property, plant and equipment	40,262	0
Earnings before interest and tax (EBIT)	-27,974	289,814
Finance income	727	110
Finance expenses	-49	12
Other financial result	-288	-6,324
Financial result	390	-6,201
Earnings before taxes	-27,584	283,613
Income taxes	-8,148	-39,734
Earnings after taxes	-35,731	243,879
Transaction costs recognised	-8,364	0
Income taxes on transactions costs recognised	143	0
Result from deconsolidation	0	0
Reclassification of other income to profit/loss for the period	0	0
Subtotal	-8,221	0
Result from discontinued operations	-43,952	243,879
thereof earnings attributable to the shareholders of Semperit AG	-43,889	243,363
thereof earnings attributable to non-controlling interests	-63	516

Revenue from the discontinued operations includes all external revenue from the Sempermed segment – including those from the sale of surgical gloves. STP currently sells and will continue to sell the pre-packaged surgical gloves to SIA (currently still part of the Group); SIA then resells the products of the Sempermed segment to internal and external customers. As the revenue (of the continued operations) and the material expenses (of the discontinued operations) from this supply relationship will continue to exist due to the contract manufacturing agreement, an incremental approach was selected for the presentation, but the income and expense consolidation was not retained for this purpose. This adjustment leads to the accurate recognition of earnings in both divisions and extends the consolidated income statement in order to present the effects of the disposal of the medical business as realistically as possible. The manufacturing costs of the packaged surgical gloves as well as the revenue from the supply relationship between STP and SIA will remain in continued operations; the expenses for material and purchased services arising from the supply relationship between STP and SIA as well as the revenue from external customers will remain in discontinued operations. For the rest, all intra-group settlements between the continued and the discontinued operations were eliminated in full. The primary expenses underlying the intra-group settlements were allocated to the

relevant divisions in accordance with the current contractual arrangements with HARPS GLOBAL PTE. LTD.

The effects of transitional service agreements (TSAs) that may still have to be concluded were not taken into account.

The expenses for material and purchased services comprise the following:

in EUR thousand	2022	2021
Cost of materials	165,089	246,183
Energy expenses	45,291	26,935
Production-related maintenance costs	2,533	2,620
Purchased services	299	374
Total	213,212	276,112

The production of examination gloves in Kamunting (Malaysia) consumes the most natural gas by far within the Semperit Group. The non-European production sites were not directly affected by the price increases and volatilities on the European natural gas market, but prices were also rising considerably on the international markets. For the Semperit Group, this is particularly relevant in Malaysia where the prices of natural gas is linked to the price of Brent crude, which has risen significantly as well. The expenses for energy include provisions of EUR 7,613 thousand (previous year: EUR 0 thousand) for a natural gas supply contract that runs until the business year 2024, contains a take-or-pay clause and has developed adversely on account of current market conditions.

Personnel expenses comprise the following:

in EUR thousand	2022	2021
Wages	8,273	8,725
Salaries	20,433	18,848
Severance payments	62	39
Retirement benefit expenses	251	230
Statutory social security expenses and other compulsory wage-related payments	2,764	3,211
Other social security expenses	3,604	2,834
Total	35,388	33,887

The average number of employees in Austria (full-time equivalents) was 23 (previous year: 5). The number of employees on average in the Semperit Group in the discontinued operations is as follows:

Full-time equivalents	2022	2021
Blue-collar workers	2,048	2,378
White-collar workers	477	467
Total discontinued operations	2,524	2,845

Other operating expenses comprise the following:

in EUR thousand	2022	2021
Outgoing freight	26,438	22,797
Legal, consulting and auditing fees	1,808	989
Maintenance and external services	1,593	1,485
Commission and advertising expenses	1,476	1,054
Insurance premiums	1,409	1,698
Rental and lease expenses	1,077	1,460
Travel expenses	786	339
Software licences	564	289
Waste disposal	535	429
Energy costs unrelated to production	496	446
Communications	323	266
Office equipment	271	320
Other taxes	233	364
Valuation allowances (+) / income from the release of valuation allowances (-)	218	-22
Bank expenses and hedging costs	204	281
Fees, subscriptions and donations	117	261
Training and education expenses	16	58
Miscellaneous	2,470	1,688
Total	40,036	34,202

Other operating expenses include provisions for onerous customer contracts of EUR 662 thousand (previous year: EUR 0 thousand).

Depreciation, amortisation and impairment as well as reversals thereof

Impairment losses on intangible assets and property, plant and equipment were affected by the following circumstances. Due to the coronavirus pandemic and the resulting enormous increase in demand for personal protective equipment (PPE) both in the medical sector and in other areas (e.g., food services and the hotel industry), the former buyer's market for examination and protective gloves became a seller's market. This special economic development triggered considerable excess demand, a veritable price rally, and a reversal of past write-downs of Sempermed's segment assets. In the 2021 financial year, the price rally reached its apex by around mid-year; since then, the average sales price (ASP) has continuously fallen, as expected. The excess of supply was further intensified by the reduction in (excess) stocks of examination and protective gloves along the entire distribution chain. Inventory optimisation programmes therefore led (yet again) to customers' unusual ordering behaviour, to temporary underutilisation of the available production capacities (some of which had been newly created), and to a general decline in profitability in the industry.

In September 2022, there were observable indications that the relative competitive position of the Sempermed segment following the coronavirus pandemic had deteriorated yet again. The current market response suggests that the excess capacities in the market and the resulting price pressure have a lasting negative impact on profitability compared with previous planning. The most recent medium-term planning reflects the declining duration and intensity of the coronavirus pandemic, the accelerating speed of the return to a buyer's market, longer-term changes in customers' ordering behaviour, the development of competitors' production capacities (especially in China), the consolidation pressure affecting the market for examination and protective gloves as well as rising interest rates.

The management of the Sempermed segment determined the recoverable amount for the segment's cash-generating unit as at 30 September 2022 against this backdrop. The recoverable amount was calculated as the value in use and, as in the 2019 financial year, was lower than the trade working capital, which would again result in full impairment of the non-current segment assets. However, the allocation of the impairment loss may not undershoot separately identifiable fair values (less disposal costs) or separately identifiable values in use of the assets constituting the cash-generating unit. These separate values were determined on the basis of the following assumptions and methods:

- Separate recoverable amounts were not determinable for intangible assets; their recoverable amount was therefore zero, as assumed.
- For land and buildings, including buildings on third-party land, in most cases an expert evaluation was carried out on the basis of comparative values or replacement costs minus reductions for the functional and economic obsolescence of the buildings. Individual characteristics of the industrial plots were taken into account in this connection.
- An expert evaluation of the technical equipment and machinery was carried out as well. This assessment was made on the basis of the replacement cost of comparable installations, applying appropriate discounts to account for functional and economic obsolescence.
- Expert evaluations were also carried out for other assets as well as operating and office equipment. The assessment was made on the basis of the replacement costs of comparable assets, applying appropriate discounts to account for functional and economic obsolescence.
- For rights of use, an evaluation was carried out subject to an assessment of their future or alternative use.
- A separate recoverable amount was determined for the assets of the Malaysian company, FormTech Engineering (M) Sdn Bhd, which produces porcelain dip mouldings for the manufacture of gloves.
- The disposal costs were either explicitly estimated by the experts or determined based on historical data.

As at 30 September 2022, the total recoverable amounts of the assets constituting the cash-generating unit amounted to EUR 45,941 thousand, which was less than the preliminary carrying amount as at the balance sheet date of EUR 162,924 thousand (thereof trade working capital, excluding trade receivables related to investments of EUR 66,063 thousand, and lease liabilities of EUR 1,808 thousand). The resulting impairment loss of EUR 52,728 thousand was allocated to the non-current segment assets as follows, recognised in the functional currencies of the subsidiaries belonging to the Sempermed segment, and converted into euros at the respective average foreign exchange rates applicable to the financial year. Given the average foreign exchange rates in 2022, this resulted in an impairment loss of EUR 51,662 thousand.

The resulting impairment loss for the segment assets used in the production of examination gloves and the production of porcelain dip mouldings for the production of gloves in Malaysia as well as for the worldwide sales and distribution units of the Sempermed segment is as follows:

in EUR thousand	2022	2021
Other intangible assets	110	0
Property, plant and equipment	45,110	0
Impairment loss from discontinued operations	45,220	0

The following impairment losses were taken on segment assets used in the production and packaging of surgical gloves:

in EUR thousand	2022	2021
Other intangible assets	731	0
Property, plant and equipment	5,711	0
Impairment loss from continued operations	6,442	0

The signing of the sales and purchase agreement (SPA) with HARPS GLOBAL PTE. LTD., however, made it possible to determine a fair value (level 1) for the segment assets of Sempermed as at 31 December 2022 based on the sale price (cash and debt free) and taking into account the price adjustment mechanism provided for in the SPA. Directly attributable, expected but not yet incurred disposal costs for legal services in the proceedings with the investment control and competition authorities, the audit services related to the preparation of interim financial statements at the time of closing (closing accounts), IT-related services for the production of specific documentation and the archiving of corporate data promised in the SPA as well as stamp fees had to be deducted from this fair value. Whilst the disposal costs have been not deducted from the fair value – to the extent that they have already been recognised as provisions or liabilities (especially for legal services already obtained, the due diligence, the preparation of a fairness opinion, success fees, and project-related bonuses for employees) – they were separately recognised in the income statement for the discontinued operations.

The resulting need for a reversal of the impairment loss for the Sempermed segment as at 31 December 2022 in the amount of EUR 40,274 thousand was allocated to the material non-current segment assets and, translated at the closing price as at 31 December 2022, recognised in the functional currencies of the corresponding subsidiaries. Converted at the average foreign exchange forward rates for the 2022 financial year, this resulted in income of EUR 40,880 thousand from the reversal of the impairment loss, EUR 40,262 thousand of which was attributable to discontinued operations and EUR 618 thousand to continued operations.

Cash flows from the operating, investing and financing activities of the discontinued operations

The effect of the discontinued operations on the consolidated cash flow statement is as follows (presented in abbreviated form):

in EUR thousand	2022	2021
Cash flows from operating activities	2,714	271,466
Cash flows from investing activities	-16,475	-17,049
Cash flows from financing activities	-5,936	-4,030

2.10. Earnings per share

in EUR	2022	2021
Earnings after taxes	-5,591,938	247,508,012
Result from hybrid capital attributable to the shareholders of Semperit AG Holding	0	-388,356
Result attributable to non-controlling interests	-62,869	-515,584
Results attributable to ordinary shares	-5,529,070	246,604,071
Average number of shares outstanding (in units)	20,573,434	20,573,434
Earnings per share (basic and diluted)	-0.27	11.99
of which earnings per share in EUR from continued operations (basic and diluted)	1.86	0.16
of which earnings per share in EUR from discontinued operations (basic and diluted)	-2.13	11.83

As at 31 December 2022 and 31 December 2021 no dilutive effects had to be taken into account.

The result from hybrid capital attributable to the shareholders of Semperit AG Holding relates to the proper periodic accrual of "interest" on the hybrid capital. In principle, Semperit AG Holding did not have to pay any "interest" on the hybrid capital. However, interest payments on the hybrid capital, which must be treated as dividend payments under IFRS, had to be made in particular if dividends were distributed to shareholders or if management decided to pay "interest" irrespective of a dividend distribution. In the 2022 financial year, "interest" (previous year: EUR 785 thousand) was no longer paid for the hybrid capital as it had already been repaid in full in March 2021 (see section 5.2).

2.11. Consolidated statement of cash flows

The cash flow statement is prepared jointly for the continued and the discontinued operations; no distinction is made between the cash flows of the individual business units. Cash flows from the operating, investing and financing activities of the discontinued operations are disclosed in the notes (see section 2.9).

The cash flow from operating activities is determined using the indirect method. The measurement effects are presented under other non-cash expenses or income. These include, in particular, income from changes in exchange rates, the measurement of derivatives, reclassifications of (historical) foreign exchange rate differences in the consolidated income statement (recycling) as well as changes in impairment losses on inventories and receivables. Of the other non-cash income or expense of EUR 7,742 thousand (previous year: EUR 1,723 thousand), impairment losses on inventories accounted for a total EUR 5,955 thousand (previous year: EUR 1,228 thousand). Of this amount, EUR 5,745 thousand (previous year: EUR 1,321 thousand) concerned discontinued operations in the wake of the market conditions currently affecting examination and protective gloves.

The cash flows from investing and financing activities are based on direct determination. Interest received are shown in the cash flow from investing activities and interest paid in the cash flow from financing activities.

The total additions of EUR 53,870 thousand (previous year: EUR 69,424 thousand) presented in the changes in intangible assets and property, plant and equipment (see section 3.1 and 3.2) include EUR 3,802 thousand in additions of right-of-use assets (previous year: EUR 16,934 thousand). Liabilities related to additions have decreased by EUR 3,519 thousand (previous year: increase by EUR 5,310 thousand), and prepayments have increased by EUR 1,010 thousand (previous year: EUR 758 thousand). Interest on fixed assets of EUR 63 thousand (previous year: EUR 0 thousand) is shown in the financing cash flow.

Proceeds from the sale of property, plant and equipment include the proceeds from the sale of the property in France. The disposal price was EUR 5,600 thousand.

The items, "Proceeds from the repayment of financial assets" and "Disbursements from the acquisition of financial assets" mainly include investments in and redemptions of fixed deposits in Indian rupees ("INR") with a maturity of more than three months at the acquisition data. In the 2021 financial year the items, "Proceeds from the redemption of financial assets" and "Disbursements from the acquisition of financial assets", mainly include investments in and redemptions of fixed deposits in U.S. dollars ("USD") with a maturity of more than three months at the acquisition date.

in EUR thousand	Liabilities from financing activities				
	Financial liabilities	Liabilities from redeemable non-controlling interests	Derivative financial liabilities	Lease liabilities	Total
As at 01.01.2021	167,093	17,403	3,636	6,004	194,135
Financing cash flows	-82,940	-4,981	-2,665	-3,475	-94,060
Effect of changes in foreign exchange rates	3,313	-462	0	91	2,942
Changes in fair values	0	0	671	0	671
Other changes	3,873	5,576	0	18,096	27,545
As at 31.12.2021	91,339	17,536	1,641	20,716	131,233
Thereof non-current	51,685	11,941	1,622	17,828	83,075
Thereof current	39,654	5,595	19	2,889	48,157
As at 01.01.2022	91,339	17,536	1,641	20,716	131,233
Financing cash flows	-41,221	-5,705	0	-3,988	-50,915
Effect of changes in foreign exchange rates	317	392	0	503	1,212
Changes in fair values	0	0	282	0	282
Other changes	2,025	6,684	0	4,000	12,710
Reclassification of provisions held for sale and liabilities	0	0	0	-1,279	-1,279
As at 31.12.2022	52,460	18,907	1,923	19,952	93,243
Thereof non-current	37,956	12,162	0	16,853	66,972
Thereof current	14,503	6,745	1,923	3,099	26,271

The other changes include interest expenses, the share of earnings after taxes from redeemable non-controlling interests, as well as non-cash additions and disposals from leases.

3. Non-current assets

3.1. Intangible assets

Acquired intangible assets

Acquired intangible assets are recognised at cost and subsequently amortised on a straight-line basis over the expected useful life. The estimated useful life is normally in the range of one to fifteen years. Assumptions and estimates must be made when determining useful lives. Upon visible indications of a change in value, acquired intangible assets are tested for impairment (see section 3.2).

Internally generated intangible assets

Internally generated intangible assets are recognised at cost. With regard to amortisation and impairment testing, the explanation relating to acquired intangible assets above applies mutatis mutandis to internally generated intangible assets. Internally generated intangible assets essentially comprise software implementations and, to a minor extent, capitalizable development costs. The estimated useful life is generally eight years.

Intangible assets acquired through business combinations

The cost of intangible assets acquired through a business combination and recognised separately from any goodwill is the fair value of such assets at the acquisition date. With regard to amortisation and impairment testing, the explanation relating to acquired intangible assets above applies mutatis mutandis to intangible assets acquired through business combinations.

Emission allowances

Semperit Technische Produkte Gesellschaft m.b.H. and Semperflex Optimit s.r.o. were originally subject to the respective emission allowance laws in Austria and the Czech Republic and received emission allowances free of charge from the government. The emission allowances were recognised at zero cost in the balance sheet (net method). Plants in Semperit Technische Produkte Gesellschaft m.b.H. (in 2020) and in Semperflex Optimit s.r.o. (in 2021) fell outside of the scopes of the respective emission allowance laws due to demolition of the respective thermal generation plants and measures aimed at reducing combustible heat capacities. The emission allowances held by Semperit Technische Produkte Gesellschaft m.b.H. were sold in the 2022 financial year. As at 31 December 2022, Semperflex Optimit s.r.o. was the only entity within the Semperit Group that still held a total of 12,500 emission allowances (previous year: 16,578 allowances).

Goodwill

Goodwill is not amortised but tested for impairment annually and additionally if there are indications of a possible impairment, provided that there are no circumstances that would allow foregoing the annual impairment test in accordance with IAS 36.

In the Semperit Group, the segments are the lowest level (cash generating unit, CGU) at which goodwill is monitored for internal management purposes.

Management determined the recoverable amount as at 30 September 2022 for the impairment test of the goodwill of EUR 1,677 thousand (previous year: EUR 1,677 thousand) attributable to the Semperflex segment. The recoverable amount was calculated as a value in use. Alternative planning scenarios were used to counteract the growing forecasting uncertainty caused by the crises. These planning scenarios differ mainly in the assumptions respecting the different assessments of market trends and therefore of the annual growth rate in the production volumes.

The key assumptions that were used in the determination of the recoverable amount of the Semperflex segment relate to the future development of the EBITDA margin. In the perpetual annuity phase (i.e., from the 2028 financial year), the EBITDA margin will be around 22% (22% from the 2027 financial year). The difference in the EBITDA margins in the 2027 financial year will be slight, depending on the planning scenarios. The planning was initially based on management's assumptions respecting the development of the markets, the market shares of the Semperflex segment as well as strategic product and customer initiatives. The segment management's mid-term planning is based on the continuation of the Semperflex segment's successful niche strategy to focus exclusively on hose production and thereby distinguish itself from competitors that also produce or assemble fittings and lines or manufacture complete hydraulic systems.

Planned measures to improve earnings that require capacity expansions or infrastructure improvements as well as measures that have yet to be sufficiently substantiated were not taken into account in the determination of the value in use. However, the new plant extension in Odry, Czech Republic, which was decided in June 2022, was considered. In order to expand capacity, around EUR 110,000 thousand will be invested in the hydraulic hose production over the next few years. Particular attention is being paid to meeting sustainability criteria and achieving a high degree of automation. The start-up of the production plants' regular operations involving an additional production volume of 32 million metres of hydraulic hose per year is scheduled for the financial year 2025. The new production plants are operated exclusively using green energy and are therefore CO₂-neutral for the first time. Total water consumption at the Odry site will drop by around 30% once the new production facilities have been completed, irrespective of capacity expansion. The remaining investments in property, plant and equipment are intended to maintain capacity; they roughly correspond to planned depreciation. Changes to trade working capital are planned on the basis of revenue.

The cash flows from the 2028 financial year were extrapolated using a sustainable growth rate of 2.00% (previous year: 0.75%). The planned growth rate reflects both competitive and price pressures in the market, an assumption that market growth will be moderate, and a normalised inflation rate. The weighted average cost of capital (WACC) was determined as the discount rate using the capital asset pricing model. A uniform group of comparable companies (peer group) was posited for the industrial sector (the segments Semperflex, Sempertrans, Semperseal, and Semperform). The pre-tax discount rate that was calculated for the Semperflex segment is 12.3% (previous year: 9.7%). The after-tax discount rate is 9.5% (previous year: 7.8%).

The recoverability of the recognised goodwill was confirmed in connection with the impairment test of the Semperflex segment.

Other than goodwill, the Semperit Group does not possess any intangible assets with indefinite useful lives.

Change in intangible assets

Intangible assets changed as follows:

in EUR thousand	Software licences, industrial property rights and similar rights	Goodwill	Intangible assets in development	Total
Acquisition costs				
As at 01.01.2021	49,370	43,929	1,846	95,145
Currency translation differences	288	38	0	326
Additions	681	0	1,347	2,029
Additions due to business acquisitions	911	0	0	911
Disposals	-10,894	0	0	-10,894
Disposals resulting from deconsolidation	-259	0	0	-259
Transfers	1,263	0	-846	417
As at 31.12.2021	41,360	43,968	2,348	87,675
Currency translation differences	94	31	0	125
Additions	787	0	255	1,043
Disposals	-587	0	-257	-843
Reclassification to non-current assets held for sale	-702	-41,462	0	-42,164
Transfers	1,434	0	-1,336	98
As at 31.12.2022	42,387	2,537	1,011	45,934
Depreciation / reversal of impairment losses / impairment				
As at 01.01.2021	45,326	42,252	0	87,578
Currency translation differences	259	38	0	297
Depreciation and amortisation	2,127	0	0	2,127
Disposals	-10,561	0	0	-10,561
Disposals resulting from deconsolidation	-259	0	0	-259
As at 31.12.2021	36,893	42,290	0	79,183
Currency translation differences	85	31	0	116
Depreciation and amortisation	1,982	0	0	1,982
Impairment losses	566	0	404	970
Reversals of impairment losses	-94	0	0	-94
Disposals	-441	0	0	-441
Reclassification to non-current assets held for sale	-603	-41,462	0	-42,065
Transfers	1	0	0	1
As at 31.12.2022	38,388	859	404	39,651
Carrying amounts				
Carrying amount 01.01.2021	4,043	1,677	1,846	7,567
Carrying amount 31.12.2021	4,467	1,677	2,348	8,492
Carrying amount 31.12.2022	3,998	1,677	607	6,283

Impairment losses on intangible assets in the Sempertrans segment came to EUR 129 thousand (previous year: EUR 0 thousand) and relate to the impairment of a brand specific to the Russian business of the Semperseal segment. In the 2022 financial year, impairment losses on intangible assets in the Sempermed segment came to EUR 731 thousand (previous year: EUR 0 thousand) in

continued operations and EUR 110 thousand (previous year: EUR 0 thousand) in discontinued operations. See section 2.9 for further details on impairment testing of the Sempermed segment.

3.2. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

They are depreciated by allocating the cost less their expected residual value on a straight-line basis over the expected useful life. Assumptions and estimates have to be made when determining the useful lives, which are reviewed at each reporting date and adjusted if necessary.

The expected useful lives of each category of property, plant and equipment are within the following ranges:

Property, plant and equipment excluding right-of-use assets	Useful life in years
Technical plants and other operating buildings	2–50
Technical equipment and machinery	1–33
Operating and office equipment	2–25
Vehicles	3–10

The expected useful lives of the right-of-use assets included in property, plant and equipment are within the following ranges:

Right-of-use assets	Useful life in years
Land and buildings, including on land owned by third parties	1–16
Technical equipment and machinery	2–5
Operating and office equipment	3–8
Vehicles	2–7

Impairment testing

If there are observable indicators of impairment, plant, property and equipment are tested as to whether the carrying amount of the respective asset or cash-generating unit exceeds the recoverable amount pursuant to IAS 36. An impairment loss is recognised if the carrying amount exceeds the recoverable amount. The assessment of impairment and the determination of the recoverable amount are subject to material estimates and assumptions. In particular, this concerns assumptions as to corporate planning, future inflation and growth and foreign exchange rates, the WACC used to discount future cash flows, the expected performance of each and every cash-generating unit as well as the separate recoverable amounts for individual assets deemed the lowest possible level of impairment.

Right-of-use assets and lease liabilities were taken into account during the impairment test in accordance with IFRS 16. The book value of the cash generating unit includes the right-of-use assets and it is reduced by the lease liabilities. The recoverable amount deemed the total value of the cash generating unit comprises the present value of the cash flows, which is lowered by the lease payments.

Specific machinery and technical equipment were identified in the Semperseal segment for which there will be no further use in the Semperit Group. These assets will now be recognised at their scrap value. In total, this resulted in an impairment loss of EUR 1,974 thousand (previous year: EUR 0 thousand).

The impairment losses on property, plant and equipment in the Sempermed segment in the 2022 financial year came to EUR 5,711 thousand (previous year: EUR 0 thousand) in continued operations and EUR 45,109 thousand (previous year: EUR 0 thousand) in discontinued operations. The reversals of impairment losses on property, plant and equipment in the Sempermed segment in the 2022 financial year totalled EUR 618 thousand (previous year: EUR 0 thousand) in continued operations and EUR 40,168 thousand (previous year: EUR 0 thousand) in discontinued operations. See section 2.9 for more detailed information on impairment testing in the Sempermed segment.

Changes in property, plant and equipment

Property, plant and equipment changed as follows:

in EUR thousand	Land and buildings, including on land owned by third parties	Technical equipment and machinery	Other equipment, operating and office equipment	Assets under construction	Total
Acquisition costs					
As at 01.01.2021	194,814	550,592	80,917	21,723	848,046
Currency translation differences	6,170	12,822	1,239	578	20,809
Additions	17,395	15,189	5,030	29,781	67,395
Additions due to business acquisitions	888	2,887	68	0	3,843
Disposals	-4,150	-4,102	-3,369	-85	-11,706
Transfers	886	7,398	679	-9,381	-417
As at 31.12.2021	216,002	584,787	84,564	42,617	927,970
Currency translation differences	1,985	1,538	466	325	4,314
Additions	4,026	18,012	9,969	20,820	52,827
Disposals	-1,797	-5,269	-2,728	7	-9,787
Reclassification to non-current assets held for sale	-39,799	-112,897	-20,945	-134	-173,775
Transfers	3,606	28,336	1,981	-34,022	-98
As at 31.12.2022	184,024	514,507	73,306	29,613	801,451
Depreciation / reversal of impairment losses/ impairment					
As at 01.01.2021	96,883	349,251	59,521	2,211	507,867
Currency translation differences	2,475	6,768	773	-14	10,001
Depreciation and amortisation	9,666	28,853	6,075	0	44,595
Disposals	-4,045	-3,987	-3,016	-21	-11,069
Transfers	19	387	5	-411	0
As at 31.12.2021	104,998	381,272	63,359	1,766	551,394
Currency translation differences	635	834	395	-29	1,834
Depreciation and amortisation	10,615	32,361	6,840	0	49,816
Impairment losses	3,602	45,681	3,182	329	52,795
Reversals of impairment losses	-3,189	-34,884	-2,486	-226	-40,786
Disposals	-1,539	-4,696	-2,451	0	-8,686
Reclassification to non-current assets held for sale	-21,629	-63,363	-13,644	190	-98,447
Transfers	155	212	1	-368	-1
As at 31.12.2022	93,648	357,416	55,195	1,660	507,920
Carrying amounts					
Carrying amount 01.01.2021	97,931	201,341	21,395	19,512	340,179
Carrying amount 31.12.2021	111,004	203,515	21,205	40,852	376,576
Carrying amount 31.12.2022	90,376	157,091	18,111	27,953	293,531

Of the carrying amount reported for land and buildings (including buildings on third-party land), a total of EUR 4,079 thousand (previous year: EUR 6,995 thousand) relates to land as such (fundamental value).

In the 2022 financial year, a total of EUR 64 thousand in borrowing costs were capitalised as part of the cost of the production of qualifying assets (previous year: EUR 116 thousand). The underlying financing rate was 2,2% (previous year: 2,0%).

As at 31 December 2022 and 31 December 2021, no property, plant and equipment was pledged as collateral for liabilities.

In the 2021 financial year, a new production site allocable to the Semperseal segment was opened in the USA, and the current corporate headquarters and North America distribution center for Sempertrans USA, LLC, was moved from Stone Mountain to Newnan, both Georgia, USA. The ownership rights to the newly constructed production lines of US-based Semperit Industrial Products Inc. were conveyed to the Coweta County Development Authority, Georgia, USA, in order to optimise property-related taxes. At the same time, the company purchased a municipal revenue bond issued by the Development Authority to finance the transaction and concluded a lease agreement for the use of the transferred production line. The nominal value of the bond as at 31 December 2022 equivalent to EUR 1,227 thousand corresponds to the amount of the investments in the new production line made in the 2021 financial year. The bond will be repaid through the lease payments. The companies may transfer the bond back to the Development Authority at any time or no later than at the end of the term, thereby reacquiring the ownership rights to the production line. There are no cash flows because the company is both the lessee and the bondholder. From an economic perspective, therefore, neither a sale-and-lease-back agreement nor a revenue bond was concluded or recognised. As previously, the rubber gasket production lines will be recognised in property, plant and equipment. Due to the expansion of the production capacities in the 2022 financial year, the ownership rights to the other assets will also be transferred to the Development Authority.

Right-of-use-assets

The Semperit Group is a lessee in particular with regard to right-of-use assets related to land and buildings, office equipment, and motor vehicles.

As the lessee, for leases that must be recognised, the Semperit Group recognises a lease liability as an other financial liability and a right-of-use asset under property, plant and equipment at the time the leased asset is made available to the Company. The lease liability bears interest and is amortised on an annuity basis by the current payments; the right-of-use asset is amortised on a straight-line basis over the shorter of the asset's useful life or lease term.

The option not to apply the lease accounting requirement to short-term leases (i.e., up to 12 months), to leased assets of low value (i.e., up to a replacement value of approximately EUR 5 thousand), and to intangible assets is exercised. The Semperit Group thus does not recognise right-of-use assets or lease liabilities for these types of contracts; lease payments from these contracts are recognised as an expense on a straight-line basis over the lease term:

The right-of-use assets from leases included in property, plant and equipment changed as follows in the 2022 financial year:

in EUR thousand	Right-of-use assets			Total
	Land and buildings, including on land owned by third parties	Technical equipment and machinery	Other equipment, operating and office equipment	
Acquisition costs				
As at 01.01.2021	7,111	201	3,917	11,229
Additions due to business acquisitions	832	0	13	845
Currency translation differences	603	13	13	628
Additions	15,896	331	707	16,934
Disposals	-3,288	-182	-723	-4,194
Transfers	2,852	0	0	2,852
As at 31.12.2021	24,006	363	3,926	28,295
Currency translation differences	575	9	-8	576
Additions	1,245	631	1,926	3,802
Disposals	-1,290	-29	-789	-2,108
Reclassification to non-current assets held for sale	-4,894	-52	-415	-5,361
As at 31.12.2022	19,642	922	4,641	25,204
Depreciation / reversal of impairment losses/ impairment				
As at 01.01.2021	3,914	163	1,430	5,507
Currency translation differences	134	5	5	144
Depreciation and amortisation	2,176	66	957	3,199
Disposals	-3,213	-182	-592	-3,988
Transfers	478	0	0	478
As at 31.12.2021	3,490	51	1,799	5,340
Currency translation differences	62	2	-1	63
Depreciation and amortisation	2,748	117	1,075	3,940
Disposals	-1,069	-11	-641	-1,721
Reclassification to non-current assets held for sale	-1,686	-10	-102	-1,798
As at 31.12.2022	3,546	149	2,131	5,825
Carrying amounts				
Buchwert 01.01.2021	3,197	38	2,487	5,722
Carrying amount 31.12.2021	20,517	312	2,127	22,955
Carrying amount 31.12.2022	16,096	773	2,510	19,379

As at 31 December 2022, right-of-use assets in the amount of EUR 19,379 thousand (previous year: EUR 22,955 thousand) were recognised in property, plant and equipment and lease liabilities in the amount of EUR 19,952 thousand (previous year: EUR 20,716 thousand) were recognised in current and non-current other financial liabilities. See section 11.2 for the maturity analysis of lease liabilities as at 31 December 2022.

The Semperit Group has concluded several lease agreements that contain renewal and termination options. These options were negotiated by management in order to manage the portfolio of leased assets flexibly and in accordance with the Group's particular business requirements. The assessment of whether the exercise of these renewal and termination options is reasonably certain requires material judgements by management.

The following table shows the undiscounted potential future lease payments for periods after the exercise date of the renewal and termination options that are not included in the lease term.

in EUR thousand	within the next 5 years	over 6 to 10 years	Total
Renewal options that are not expected to be exercised	1,013	3,041	4,054
Termination options that are expected to be exercised	502	964	1,466
Total potential future lease payments as at 31.12.2022	1,515	4,005	5,520
thereof attributable to continued operations	1,484	3,850	5,334
thereof attributable to discontinued operations	31	155	186

in EUR thousand	within the next 5 years	over 6 to 10 years	Total
Renewal options that are not expected to be exercised	1,015	2,050	3,065
Termination options that are expected to be exercised	8	196	204
Total potential future lease payments as at 31.12.2021	1,023	2,246	3,269

The following amounts from leases were recognised through profit or loss:

in EUR thousand	2022	2021
Depreciation expense of right-of-use assets	3,940	3,199
Expense relating to short-term leases	1,131	874
Expense relating to leases of low-value assets	305	230
Interest expense for lease liabilities	565	215
Total amount recognised in profit or loss	5,942	4,517
thereof attributable to continued operations	4,872	3,287
thereof attributable to discontinued operations	1,069	1,230

The Semperit Group's cash outflows for leases (including short-term leases and leased assets of low value) totalled EUR 5,425 thousand in the 2022 financial year (previous year: EUR 4,330 thousand).

3.3. Other financial assets (non-current)

The carrying amounts of the other non-current financial assets are comprised of the following:

in EUR thousand	31.12.2022	31.12.2021
Financial assets recognised at fair value through profit or loss		
Shares in funds, shares, other securities	5,388	6,435
	5,388	6,435
Financial assets recognised at amortised cost		
Receivables due from employees	7	22
Miscellaneous other financial assets	233	973
	240	994
Total	5,628	7,430

The fund shares concern 97,500 shares (previous year: 97,500 shares) in Amundi GF Euro Rent, a bond fund that is suitable for covering pension provisions and invests mainly in fixed and variable-rate government bonds in the euro zone.

The miscellaneous other financial assets essentially contain rental and other security deposits.

Disclosures on financial instruments – current and non-current assets

The following table shows the carrying amounts of the individual financial assets classified in accordance with the measurement categories pursuant to IFRS 9.

in EUR thousand	Measurement category according IFRS 9 ¹	Level	Note	Carrying amount 31.12.2022	Carrying amount 31.12.2021
Trade receivables	AC	–	4.2	88,861	98,766
Other financial assets			3.3, 6.5		
Securities	FVPL	1	3.3	5,388	6,435
Derivative financial instruments	FVPL	2	6.5	233	22
Miscellaneous other financial assets	AC	–	3.3, 6.5	2,464	2,509
Cash and cash equivalents			6.6	106,631	235,539

¹ FVPL (fair value through profit and loss); AC (at cost)

Other financial assets include receivables from personnel and other receivables (see sections 3.3 and 6.5).

Financial assets at fair value

Financial assets are recognised or derecognised on the basis of a regular way purchase or sale at the settlement date. The fair values of securities are determined using publicly available prices.

The derivative financial instruments measured at fair value through profit or loss are forward exchange contracts.

In addition to operational measures, individual derivative financial instruments, primarily forward exchange contracts, are used to hedge foreign currency risks. They are measured at the current fair value. The fair value corresponds to the value that the respective Group company would receive or have to pay if the transaction were unwound on the reporting date. Positive fair values as at the reporting date are presented under other financial assets and negative fair values under other financial liabilities. If the requirements for hedge accounting are met, this is applied in part. Recognition is as described in the section 6.4 depending on whether it is a cash flow hedge or a fair value hedge.

Financial assets at amortised cost

For all financial assets not measured at fair value, the carrying amounts approximate the fair value.

3.4. Assets held for sale and provisions and liabilities held for sale

Under IFRS 5, all non-current assets and disposal groups that can be disposed of in their current condition and are very likely to be disposed of within 12 months based on a properly documented intention to dispose of the management shall be classified as held for sale. Held-for-sale non-current assets or disposal groups are measured at the lower of the carrying amount and the fair value less costs to sell.

Assets and liabilities related to the production of examination gloves and the production of porcelain dip mouldings for the manufacture of gloves in Malaysia as well as to the worldwide sales and distribution units of the Sempermed segment are recognised as discontinued operations in the consolidated income statement and as a disposal group in the consolidated statement of financial position. See section 2.9 for the measurement of lease liabilities as at 31 December 2022. The assets of the disposal group are shown under the item "Assets held for sale" and the liabilities under the item "Provisions and liabilities held for sale" and comprise the following:

in EUR thousand	31.12.2022
ASSETS	
Non-current assets	
Intangible assets	99
Property, plant and equipment	75,328
Other financial assets	81
Other assets	24
	75,532
Current assets	
Inventories	38,597
Trade receivables	17,520
Other financial assets	454
Other assets	2,528
Current tax receivables	1,970
Cash and cash equivalents	51,274
	112,343
Assets held for sale	187,875
Currency translation differences	-16,989
LIABILITIES	
Non-current provisions and liabilities	
Provisions	4,747
Other financial liabilities	734
Other liabilities	400
Deferred tax assets	7
	5,887
Current provisions and liabilities	
Provisions	10,904
Trade payables	19,792
Other financial liabilities	2,299
Other liabilities	3,524
Current tax liabilities	4,503
	41,022
Provisions and liabilities held for sale	46,909

There is a cash pool between Semperit AG Holding and significant subsidiaries of the discontinued operations. The relevant contracts must be terminated before the closing and the intra-group cash pool balances must be paid. As at 31 December 2022, Semperit AG Holding has net intra-group liabilities from the cash pool of EUR 8,639 thousand towards subsidiaries of the discontinued operations; the relevant cash and cash equivalents were not attributed to the disposal group of the discontinued operations.

Non-current assets held for sale

In the 2022 financial year, the held-for-sale property along with the buildings thereon belonging to the French entity, Sempertrans France Belting Technology S.A.S., with a carrying amount of EUR 764 thousand was sold for EUR 5,600 thousand less EUR 133 thousand in brokerage costs recognised in other operating expenses.

The non-current assets held for sale by the Semperit Group outside of the disposal group of the discontinued operations are as follows:

in EUR thousand	Segment	Asset	31.12.2022	31.12.2021
Sempertrans France Belting Technology S.A.S., Argenteuil, France	Sempertrans	Land	0	426
		Buildings	0	338
Total			0	764

4. Trade Working Capital

Trade working capital consists of inventories, trade receivables and current trade payables.

4.1. Inventories

Inventories must be measured at the lower of cost and net realisable value, whereby, in the course of determining the net sales values, in particular realisation risks related to obsolete or surplus inventories are taken into account. Utilisation is determined using the moving average price method. Income and expenses from intercompany deliveries of inventories are eliminated unless they are of minor significance.

in EUR thousand	31.12.2022	31.12.2021
Finished goods and merchandise	51,645	107,294
Raw materials, consumables and supplies	58,568	59,875
Work in progress	17,945	16,637
Prepayments	9	3,008
Refund assets	47	21
Total	128,214	186,834

in EUR thousand	31.12.2022	31.12.2021
Inventories		
thereof at cost	104,025	155,708
thereof at net realisable value	24,189	31,126
Total	128,214	186,834

When determining the net realisable values as part of the inventory measurement at the reporting date, specific customer contracts are used or, if such contracts are not available, existing list prices are used. Estimates are also required from the relevant segment management related to the recoverable prices and market developments. These are evaluated regularly and adjusted as necessary. The net Inventory write-downs recognised as an expense were EUR 209 thousand (previous year: EUR 85 thousand).

4.2. Trade receivables

The trade receivables, which essentially originate from revenues with customers of the Semperit Group, must be allocated to the AC (at cost) category in accordance with IFRS 9 and are therefore measured at cost less expected defaults.

The trade receivables comprise the following:

in EUR thousand	31.12.2022			31.12.2021		
	Gross	Allowances	Net	Gross	Allowances	Net
Receivables not yet due	71,472	-41	71,430	81,582	-9	81,572
Up to 30 days overdue	12,884	-134	12,750	11,899	-4	11,895
30 to 90 days overdue	2,995	-44	2,951	2,842	0	2,842
More than 90 days overdue	2,688	-959	1,730	3,695	-1,239	2,456
Total	90,039	-1,178	88,861	100,018	-1,252	98,766

Internal valuation guidelines are used to assess creditworthiness. When determining the extent of the impairment need, the Semperit Group assesses the defaults from the past four years by segment and country groups and uses this analysis to create an impairment matrix based on time ranges. This impairment matrix is updated to include forward-looking macroeconomic variables. Payment defaults for the 2022 and 2023 financial years, as forecast by the credit insurer Allianz Trade, were also taken into consideration in the calculation of the impairment matrix. The analysis of the past did not identify an elevated default risk for receivables that are past due by more than 90 days. As a result, the Group does not deem overdue status of more than 90 days to be an indicator that a loss event has occurred, which would imply an allocation to stage 3 of the impairment model according to IFRS 9. Loss events are, for example, a significant downgrade of creditworthiness by credit rating agencies, the commissioning of collection services, or the insolvency of the customer.

Credit insurances, bank guarantees, secured terms of payment, and bank acceptance drafts are in place for a significant portion of the gross trade receivables (92.8%; previous year 94.4%) The credit insurances include a deductible if a loss occurs. The maximum loss allowance recognised for a credit loss is the insurance deductible for these receivables.

Receivables not covered by credit insurance, or deductibles for receivables covered by credit insurance, are written down based on empirical values in accordance with the default risk categories in the impairment matrix (stage 2 of the impairment model in accordance with IFRS 9). Receivables allocated to stage 3 of the impairment model in accordance with IFRS 9 based on an individual assessment of the creditworthiness of the relevant customers are also written down to the expected recoverable amount.

Overdue receivables are essentially covered by credit insurance as all subsidiaries with substantial volumes of receivables hold credit insurance. With respect to the receivables not covered by credit insurance and to the deductibles for receivables covered by credit insurance, there is no significant concentration of credit risk as the customers are widely dispersed.

The impairment losses in level 2 amounting to EUR 22 thousand (previous year: EUR 14 thousand) are based on the following impairment matrix:

31.12.2022				
	Not overdue	1–30 days	31–90 days	>90 days
Semperflex	0,01–0,01%	0,03–0,03%	0,29–0,29%	0,42–0,42%
Sempermed	0,01–0,03%	0,01–0,10%	0,02–0,44%	0,03–7,03%
Semperform	0,01–0,01%	0,01–0,05%	0,01–0,44%	0,02–1,18%
Sempertrans	0,01–0,01%	0,04–0,05%	0,08–0,10%	0,04–0,03%
Semperseal	0,01–0,01%	0,01–0,27%	0,01–2,50%	0,01–2,14%

31.12.2021				
	Not overdue	1–30 days	31–90 days	>90 days
Semperflex	0,01–0,03%	0,01–0,37%	0,03–2,36%	0,06–4,10%
Sempermed	0,01–0,12%	0,01–0,39%	0,02–0,78%	0,02–7,58%
Semperform	0,01–0,01%	0,02–0,13%	0,07–0,74%	0,14–2,32%
Sempertrans	0,01–0,03%	0,04–0,21%	0,09–0,33%	0,04–0,19%
Semperseal	0,01–0,01%	0,02–0,10%	0,07–0,42%	0,11–1,45%

The ranges arise from the geographic regions where the revenues are generated. The impairment of trade receivables is generally recognised indirectly via allowance accounts. The impairment has changed as follows:

in EUR thousand	Adjusted lifetime expected credit loss based on portfolio valuation (stage 2)	Adjusted lifetime expected credit loss based on single valuation (stage 3)	Total
As at 01.01.2021	26	1,557	1,582
Release	–12	–368	–381
Currency translation difference	1	15	16
Written down due to irrecoverability	–3	–33	–36
Additions	3	68	71
As at 31.12.2021	14	1,238	1,252
Release	–28	–449	–477
Currency translation difference	0	–35	–35
Written down due to irrecoverability	0	3	3
Additions	36	398	434
As at 31.12.2022	22	1,155	1,178

Receivables determined to be unrecoverable are derecognised if the receivable loss has been determined conclusively, with valuation allowances recognised beforehand being used. In the 2022 financial year trade receivables of EUR 194 thousand (previous year: 230 thousand), which were not written down, were derecognised.

4.3. Trade payables

The trade payables must be allocated to the AC (at cost) category in accordance with IFRS 9 and are therefore measured at cost.

The carrying amount of trade payables as at 31. December 2022 totalled EUR 63,942 thousand (previous year: EUR 95,320 thousand).

5. Equity

5.1. Share capital and reserves

Share capital

The share capital of Semperit AG Holding as at 31 December 2022 remained unchanged compared to the previous year at EUR 21,359 thousand. This is broken down into 20,573,434 fully paid-in, no-par value ordinary shares of which each has an equal participation in the share capital. Each share is entitled to a voting right and to receive a dividend.

The Executive Board was authorised by the Annual General Meeting on 25 April 2018 with the agreement of the Supervisory Board to increase the share capital by 50% or up to 10,286,716 new no-par-value shares over the next five years following registration of the change to the Articles of Association on the Company Register, through cash and/or non-cash contributions. The Executive Board was also authorised to issue convertible bonds with the approval of the Supervisory Board. This may be linked to a right of conversion or purchase or a mandatory conversion or purchase of up to 10,286,716 no-par-value shares (50% of the existing shares) in the company.

The Executive Board was authorised by the Annual General Meeting on 27 April 2022 to buy back and, if necessary, to redeem the company's treasury shares up to the legally permissible amount of 10% of the share capital for a period of 30 months from the date that the resolution was passed in the Annual General Meeting pursuant to Section 65 (1) No. 8 of the Stock Corporation Act (AktG) with agreement from the Supervisory Board. At the same Annual General Meeting, the Executive Board was also authorised, pursuant to Section 65 (1b) AktG, and with the approval of the Supervisory Board, to decide on a different type of sale than via the stock exchange or through a public offering, and to decide on an exclusion of the buyback option (purchase right) on the part of shareholders. There is no share buyback programme in place at present.

Capital reserves

The capital reserves result primarily from the amount generated beyond the proportional amount of the share capital following the issue of shares (share premium). Capital reserves also include EUR 21,503 thousand in appropriated reserves as at 31 December 2022 (previous year: 21,503 thousand). These may only be released to offset any net loss otherwise stated in the annual financial statements under corporate law of Semperit AG Holding, unless there are any free reserves available to cover such a loss.

Revenue reserves

Revenue reserves contain the retained earnings of the Semperit Group and the accumulated other comprehensive income (excluding currency translation differences).

The distribution of revenue reserves is as follows:

Revenue reserves

in EUR thousand	Retained earnings	IAS-19-reserve	Total
As at 01.01.2021	310,015	-15,129	294,886
Earnings after taxes	246,992	0	246,992
Other comprehensive income	0	355	355
Total comprehensive income	246,992	355	247,347
Dividend	-30,860	0	-30,860
Coupon payments on hybrid capital	-785	0	-785
Acquisitions of non-controlling interests	1,922	0	1,922
Disposal of shares of subsidiaries	-293	0	-293
As at 31.12.2021	526,990	-14,774	512,216
As at 01.01.2022	526,990	-14,774	512,216
Earnings after taxes	-5,529	0	-5,529
Other comprehensive income		6,309	6,309
Total comprehensive income	-5,529	6,309	780
Dividend	-30,860	0	-30,860
As at 31.12.2022	490,601	-8,464	482,136

The income earned includes, among other things, the statutory provisions of Semperit AG Holding in the amount of EUR 999 thousand (previous year: EUR 999 thousand), which may only be reversed to offset any net loss otherwise stated in the statutory annual financial statements. The fact that free reserves are available to offset any loss is no obstacle to the reversal of said provisions to offset the loss.

The IAS 19 reserve includes the effects of remeasurements of defined benefit plans due to severance payments and pensions.

Currency translation reserve

The currency translation reserve records translation differences resulting from converting the subsidiaries' financial statements from their functional currency to euros until the subsidiaries in question are sold or disposed of by other means.

In the 2022 financial year, currency differences totalled EUR 8,137 thousand (previous year: EUR 24,456 thousand). In the 2022 financial year, no currency differences were reclassified to the consolidated income statement (previous year: EUR -3,829 thousand). Hence other comprehensive income as at 31 December 2022 that will be recognised through profit or loss in future periods comes to EUR -6,824 thousand (previous year: -14,956 thousand). Regarding reclassifications of currency differences in the consolidated income statement that are to be expected due to the sale of the disposal group constituting the discontinued operations see section 3.4.

5.2. Hybrid capital

The hybrid capital facility no longer exists as at the 31 December 2022 reporting date. In the first quarter of 2021, the hybrid capital was fully redeemed; EUR 30,000 thousand were repaid to B&C Holding Österreich GmbH. No "interest payments" (payment of hybrid coupons) were made in the 2022 financial year (previous year: EUR 785 thousand).

5.3. Non-controlling interests

In the 2022 financial year, the non-controlling interests and their corresponding share in after-tax earnings or comprehensive income are attributable to Latexx Partners Berhad ("LPB", Group's equity stake: 97.36%) and FormTech Engineering (M) Sdn Bhd ("FTE", Group's equity stake: 69.88%). Both subsidiaries are attributed to the discontinued operations (see section 10.2). In the 2022 financial year, dividends in the amount of EUR 0 thousand (previous year: EUR 123 thousand) were paid to the non-controlling interests of FormTech Engineering (M) Sdn Bhd.

LPB has been in liquidation since December 2022. In the 2021 financial year, 1.5% of the EUR 462 thousand equity interest in Latexx Partners Berhad was sold for EUR 168 thousand. Furthermore, LPB's wholly owned equity interests in Latexx Manufacturing Sdn Bhd, Latexx Manpower Services Sdn Bhd, and Medtexx Manufacturing Sdn Bhd were sold intra-group to the Singaporean company, Semperit Investments Asia Pte Ltd. As a result, the Group's stake in these subsidiaries rose from 97.36% to 100%. The corresponding shift in Group holdings is reported in the consolidated statement of changes in equity for the 2021 financial year as an acquisition of non-controlling interests in the amount of EUR 1,922 thousand.

5.4. Dividends and treasury shares

The shareholders are entitled to a distribution of the net profit of Semperit AG Holding. The Executive Board proposes a dividend of EUR 1.50 per share for the financial year ended as well as a conditional additional dividend of between EUR 2.00 and EUR 3.50. The total dividend proposal thus stands at a maximum of EUR 5.00 per share (previous year: EUR 1.50 per share) for the financial year 2022. As a result, the total dividend will be at least EUR 30,860 thousand and at most EUR 102,867 thousand; it has yet to be resolved by the Annual General Meeting and has therefore not yet been accounted for as a liability in these financial statements. The entitlement to the additional dividend is contingent on the sale of the medical business (Sempermed; in a first step, the production of examination gloves and porcelain dip moulding for the manufacture of gloves in Malaysia along with the global sales and distribution organisations; see section 2.9) by 30 September 2023. In particular, the sale of the medical business is still subject to approval by the investment control and competition authorities. The exact amount of the additional dividend proposal depends on the economic outlook and on further specification of organic and inorganic growth projects; it is subject to further resolution by the Executive Board of Semperit AG Holding.

The distribution for the 2021 financial year took place in May 2022 and totalled EUR 30,860 thousand (EUR 1.50 per share).

The Semperit Group did not hold any treasury shares as at 31 December 2022, nor as at 31 December 2021.

6. Net debt

The net debt is made up of the liabilities from redeemable non-controlling interests, financial liabilities, and other financial liabilities, less other financial assets (current), and cash and cash equivalents.

6.1. Liabilities from redeemable non-controlling interests

Shares of subsidiaries' net assets held by non-controlling shareholders are recognised as liabilities from redeemable non-controlling interests if the respective shareholder has an unconditional termination right or a termination right linked to conditions whose fulfilment or non-fulfilment lies outside the control of the Semperit Group, or if the company in which the non-controlling shareholder owns an interest has a limited life span.

The liability was initially recognised at fair value. As IFRSs do not provide any guidance on the sub-sequent measurement of such an obligation, the amount of the liability initially recognised is increased by the share in profit or reduced by the share in loss accruing at the measurement date in accordance with the option described in the statement issued by the Institute of Public Auditors in Germany (IDW RS HFA 45). In this connection, this share of profit or loss also includes the share in other comprehensive income. In addition, any amounts reported directly in equity are included in the measurement of the liability. Dividends distributed to non-controlling shareholders reduce the liabilities. The amounts recognised as part of the subsequent measurement are recognised in the consolidated income statement and constitute finance expenses. This is disclosed separately as results attributable to redeemable non-controlling interests.

The pro-rata cash flows relevant to measurement were derived from the most recent medium-term financial planning in order to determine the fair value of the redeemable non-controlling interests of Semperflex Asia Corp. Ltd. in Thailand (level 3). The detailed planning period runs until the end of the 2027 financial year. The pro-rata cash flows relevant to measurements after the 2028 financial year were extrapolated based on a sustainable growth rate of 2.0% (previous year: 0.75%). The growth rate reflects both competitive and price pressures in the market, an assumption that market growth will be moderate, and a normalised inflation rate. The weighted average cost of capital (WACC) was determined as the discount rate using the capital asset pricing model. The rate of return on capitalisation after taxes is 10.5% (previous year: 8.5%). The key assumptions that were used in the determination of the fair value relate in particular to the market-driven future development of the EBITDA margin.

Liabilities from redeemable non-controlling interests changed as follows:

in EUR thousand	2022	2021
Carrying amount 01.01.	17,536	17,403
Dividends	-5,705	-4,135
Share of annual income after tax	6,684	5,576
Currency translation differences	392	-462
Deconsolidation of Sempertrans Best (ShanDong) Belting Co. Ltd.	0	-846
Carrying amount 31.12.	18,907	17,536
thereof Semperflex Asia Corp. Ltd., Thailand	18,907	17,536
Fair value 31.12.	58,885	57,729

6.2. Financial liabilities

The corporate Schuldschein loans as well as the liabilities to banks are initially recognised at their fair value net of transaction costs. They are then subsequently measured at amortised cost in accordance with the effective interest method.

They are derecognised if and when the underlying obligation is settled or terminated or has expired.

in EUR thousand	31.12.2022	Thereof non-current	Thereof current	31.12.2021	Thereof non-current	Thereof current
Corporate Schuldschein loan	52,457	37,956	14,501	86,476	51,682	34,794
Liabilities to banks	3	0	3	4,863	3	4,860
Total	52,460	37,956	14,503	91,339	51,685	39,654

Corporate Schuldschein loans

Between 2013 and 2016, Semperit AG Holding issued several corporate Schuldschein loans, some with fixed interest rates and some with variable interest rates, in EUR as well as in the following foreign currencies: US dollars ("USD"), Polish zloty ("PLN"), and Czech crown ("CZK"). The loans had a total volume of EUR 344,466 thousand. In the 2022 financial year, a fixed-interest tranche of the corporate Schuldschein loans in euros ("EUR") with a nominal value of EUR 34,000 thousand was redeemed.

The outstanding total nominal value at the reporting date amounts to EUR 51,964 thousand (previous year: EUR 85,741 thousand); with around 86% attributable to EUR and around 14% attributable to Czech crown ("CZK").

As at 31 December 2022, accrued interest of EUR 538 thousand (previous year: EUR 805 thousand) was recognised under corporate Schuldschein loans. The differences between the carrying amounts excluding interest (clean price) and the nominal amounts are the transaction cost of the Schuldschein offerings, which are allocated over the terms of the individual corporate Schuldschein loan tranches in accordance with the effective interest rate method.

31.12.2022							
	Final maturity	Effective interest rate	Currency	Nominal amount in local currency	Carrying amount in EUR thousand	Thereof non-current	Thereof current
Fixed-interest corporate Schuldschein loan	25.07.2023	3.65%	EUR '000	5,000	5,080	0	5,080
Fixed-interest corporate Schuldschein loan	25.07.2023	3.65%	EUR '000	1,500	1,523	0	1,523
Fixed-interest corporate Schuldschein loan	03.11.2023	1.29%	CZK '000	180,000	7,478	0	7,478
Fixed-interest corporate Schuldschein loan	25.07.2025	2.41%	EUR '000	31,000	31,295	30,970	325
Fixed-interest corporate Schuldschein loan	25.07.2030	3.09%	EUR '000	7,000	7,081	6,986	94
Total					52,457	37,956	14,501

31.12.2021							
	Final maturity	Effective interest rate	Currency	Nominal amount in local currency	Carrying amount in EUR thousand	Thereof non-current	Thereof current
Fixed-interest corporate Schuldschein loan	25.07.2022	1.77%	EUR '000	34,000	34,253	0	34,253
Fixed-interest corporate Schuldschein loan	25.07.2023	3.65%	EUR '000	5,000	5,080	5,000	80
Fixed-interest corporate Schuldschein loan	25.07.2023	3.65%	EUR '000	1,500	1,523	1,499	24
Fixed-interest corporate Schuldschein loan	03.11.2023	1.29%	CZK '000	180,000	7,253	7,239	15
Fixed-interest corporate Schuldschein loan	25.07.2025	2.41%	EUR '000	31,000	31,286	30,959	327
Fixed-interest corporate Schuldschein loan	25.07.2030	3.09%	EUR '000	7,000	7,080	6,985	95
Total					86,476	51,682	34,794

Liabilities to banks

As at 31 December 2022, there was a framework credit agreement in the amount of EUR 75,000 thousand in place, with a term running until 22 December 2023. The credit agreement clauses state that the financial covenants only have to be included if the credit line is utilised.

As at the reporting date, an amount of EUR 0 thousand of the framework loan has been utilised (previous year: EUR 0 thousand).

In August 2020, a credit line amounting to EUR 15,000 thousand was agreed as part of the Oesterreichische Kontrollbank AG ("OeKB") refinancing framework. The credit line is available until further notice and may be terminated by OeKB on 30 June of a given year with a minimum notice period of three months. An amount of EUR 0 thousand of this credit line has been utilised as at the reporting date (previous year: EUR 0 thousand).

31.12.2022						
	Effective interest rate	Currency	Nominal amount in local currency	Carrying amount in EUR thousand	Thereof non-current	Thereof current
Fixed-interest liabilities to banks	1.67%	EUR '000	3	3	0	3
Total				3	0	3
31.12.2021						
	Effective interest rate	Currency	Nominal value in local currency	Carrying amount in EUR thousand	Thereof non-current	Thereof current
Fixed-interest liabilities to banks	1.67%	EUR '000	19	19	3	16
	1.00%	EUR '000	15	15	0	15
Variable-interest liabilities to banks	n.a.	EUR '000	n.a.	31 ¹	0	31 ¹
	1.46–2.51%	MYR '000	22,640	4,798	0	4,798
Total				4,863	3	4,860

¹ concerns accrued commitment fee.

6.3. Other financial liabilities

With the exception of derivatives, other financial liabilities are measured at amortised cost in accordance with the effective interest method. Liabilities from derivative financial instruments are measured at fair value through profit or loss. See section 6.4 for information on determining fair values.

Liabilities to personnel (including bonuses and commission) are recorded at the cash value of the amount expected to be paid out insofar as they relate to services already rendered. However, discounting takes place only in if the interest effect is material.

in EUR thousand	31.12.2022	Thereof non-current	Thereof current	31.12.2021	Thereof non-current	Thereof current
Lease liabilities	19,952	16,853	3,099	20,716	17,828	2,889
Personnel liabilities	4,894	0	4,894	5,179	0	5,179
Derivatives	1,923	1,922	1	1,641	1,622	19
Refund liabilities	849	0	849	1,231	0	1,231
Accrued commission	458	0	458	807	0	807
Miscellaneous other financial liabilities	402	150	252	2,854	152	2,702
Total	28,478	18,925	9,553	32,429	19,602	12,826

The contingent purchase price liability arising from the acquisition of M+R Dichtungstechnik GmbH amounting to EUR 1.922 thousand (previous year: EUR 1.622 thousand) is recognised under Derivatives.

6.4. Disclosures on financial instruments - liabilities

in EUR thousand	Measurement category according IFRS 9 ¹	Level	Note	Carrying amount 31.12.2022	Carrying amount 31.12.2021
Liabilities from redeemable non-controlling interests	AC	–	6.1	18,907	17,536
Corporate Schuldschein loan	AC	3	6.2	52,457	86,476
Liabilities to banks	AC	–	6.2	3	4,863
Trade payables	AC	–	4.3	63,942	95,320
Derivative financial liabilities	FVPL	2	6.3	1	19
Derivative financial liabilities	FVPL	3	6.3	1,922	1,622
Lease liabilities	AC	–	6.3	19,952	20,716
Miscellaneous other financial liabilities	AC	–	6.3	6,603	10,071

¹ FVPL (fair value through profit and loss); AC (at cost).

Liabilities at fair value

Derivative financial instruments are used in isolated cases to hedge against interest rate risks. The derivative financial instruments are accounted for either as cash flow hedges or as fair value hedges, provided both the prospective effectiveness measurements under IFRS 9 are carried out and the hedging strategy documentation requirements are met. There were no derivatives designated as hedging instruments, neither as at 31 December 2022 nor as at 31 December 2021.

The financial instruments measured at fair value are derivative financial instruments. As at 31 December 2022, the derivative financial instruments (freestanding financial instruments) relate to foreign exchange forward contracts for hedging parts of the operational business at Semperflex Asia Corp. Ltd. in Thailand and a contingent purchase price liability from the acquisition of M+R Dichtungstechnik GmbH (M+R) on 4 January 2021 (see section 10.1).

The fair values of the foreign exchange forward contracts are determined using accepted actuarial measurement models. Future payment flows are simulated using the yield curves published at the reporting date. In addition, the carrying amount is adjusted for the credit risk of the respective counterparty. In this connection, positive exposures are measured based on the counterparty's default risk, and negative exposures are measured based on the Group's own default risk. The contingent purchase price liability is calculated based on the future development of the business activities of M+R, and is discounted at a customary market cost of equity rate. It is measured at fair value through profit or loss and recognised as a derivative in other non-current financial liabilities.

Liabilities at amortised cost

The fair values correspond to the carrying amounts for all financial assets and liabilities, with the exception of those stated below and the liabilities from redeemable non-controlling interests (see section 6.1). Actuarial valuation models are used to determine the fair value of financial instruments for which no active market is available. The parameters relevant to valuation for determining fair value are based in part on forward-looking assumptions.

in EUR thousand	Measurement category according to IFRS 9 ¹	Level	Fair value 31.12.2022	Fair value 31.12.2021
Liabilities				
Corporate Schuldschein loan	AC	3	50,052	91,297

¹ AC (at cost)

The fair value of the corporate Schuldschein loan was determined by discounting the contractual payment streams with current interest rates. The comparable interest rates used at the reporting date in this connection were derived from capital market yields with matching terms and adjusted for current risk and liquidity costs observable on the market. These comparable interest rates were derived based on management's current assessment of the rating of the Semperit Group using a Moody's methodology. The difference between the carrying amount and the fair value stems, for one, from the significant increases in the volatility of the banks' refinancing costs since the corporate Schuldschein loans were issued and, for another, from a few advantageous contract clauses related to the corporate Schuldschein loans. The banks' volatile refinancing costs – which are part of the cost of corporate financing through banks – arise from the steps taken by the European Central Bank (ECB), such as medium-term refinancing tenders for banks at different interest rates and the substantial fluctuations in risk premiums arising from the ECB's monetary policies.

6.5. Other financial assets (current)

in EUR thousand	31.12.2022	31.12.2021
Financial assets recognised at fair value through profit or loss		
Derivatives	233	22
	233	22
Financial assets measured at amortised cost		
Receivables due from employees	259	198
Accruals and deferrals	67	22
Other financial assets	1,898	1,295
	2,224	1,514
Total	2,457	1,536

Other financial assets include, in particular, rental and other deposits amounting to EUR 1,169 thousand (previous year: EUR 474 thousand), short-term fixed deposits amounting to EUR 0 thousand (previous year: EUR 335 thousand) and restricted funds amounting to EUR 516 thousand (previous year: 14 thousand).

For details of their fair values and other additional information, see section 3.3. An impairment loss needs to be taken into consideration for financial assets measured at amortised cost (see section 4.2).

6.6. Cash and cash equivalents

in EUR thousand	31.12.2022	31.12.2021
Cash on hand	7	19
Cash deposits in banks	80,898	159,698
Short-term deposits	25,727	75,822
Total	106,631	235,539

Short-term deposits are cash equivalents and consist of time deposits in U.S. dollars ("USD") with a remaining term of no more than three months from the date of acquisition totalling EUR 22,940 thousand (previous year: EUR 44,147 thousand) and money market fund units totalling EUR 2,787 thousand (previous year: EUR 31,675 thousand). The fixed-term deposits consist of euros ("EUR") in the amount of EUR 20,000 thousand (previous year: EUR 0 thousand), Indian rupees ("INR") in the amount of EUR 2,722 thousand (previous year: EUR 0 thousand), Chinese renminbi ("CNY") in the amount of EUR 217 thousand (previous year: EUR 0 thousand), and US dollars ("USD") in the amount of EUR 0 thousand (previous year: EUR 44,147 thousand). These items enable the Semperit Group to meet short-term payment obligations and minimise the negative interest rate risk. As a result, they are not typically held for investment or other purposes.

The assessment of whether money market fund units are to be classified as cash equivalents in accordance with IAS 7 requires discretionary judgement. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and are only subject to immaterial risks of fluctuations in terms of their value; equity investments are generally not classified as cash equivalents, unless they are such investments by their very nature. The deposits made by the Semperit Group in the money market fund CIFM RMB were classified as cash equivalents as at 31 December 2022. This classification was based on an analysis of the fund characteristics and their integration into the Semperit Group's cash management or liquidity management. An assessment of whether the financial investment is highly liquid or not took into account the redemption options and the fund's liquidity. Given that classification as cash equivalents also requires the financial investment to be able to be converted directly into a payment amount already determined when the deposit is made, money market fund units cannot be classified as cash equivalents on their own as they can be traded at any time on an active market at the respective market price. As for assessing the immateriality of risks of fluctuations in terms of their value, the Semperit Group continually analyzes whether the variability of returns is small and comparable to the variability of returns for the money market interest rate, "PBOC (People's Bank of China) 7 Days Deposit Rate". This assessment also takes into account the fund's rigorous investment policy, the weighted average fixed-interest period of the fund portfolio (well below three months), the fund's risk and volatility exposure, and its high diversification and issuer spread along with the fund's strong credit rating. The money market fund units form an integral part of the Semperit Group's payment and liquidity management measures.

7. Provisions

7.1. Retirement benefit expenses, provisions for pensions and severance payments

Retirement benefit plans – defined benefit plans

In the case of defined benefit plans, the cost of providing the benefit is calculated using the projected unit credit method ("PUC"); for this purpose, an actuarial assessment is carried out at each reporting date. All remeasurement of plan assets and obligations, especially actuarial gains and losses, are reported directly in equity under other comprehensive income in accordance with IAS 19.

The provision recognised in the balance sheet for defined benefit plans equals the present value of the benefits accruing to the employees at the reporting date, less the fair value of any plan assets required to settle the obligation at the reporting date.

Pension commitments

Based on an existing pension statute of Semperit AG Holding and Semperit Technische Produkte Gesellschaft m.b.H., company pensions are granted to employees who joined the company before 1 January 1991 in the form of a fixed amount, with the amount of this dependent on the relevant employee's number of years of service. The statute stipulates that only retired former employees or their surviving dependents are now entitled to these pensions. The obligations of this statute are not funded by plan assets.

A number of former members of the Executive Board have been granted pensions under individual pension agreements. These liabilities are not covered by pension plan assets either.

Severance payment commitments

Depending on their length of service, most employees in Austria, France, India, Poland, and Thailand are legally entitled to a one-off payment, particularly on retirement.

The benefits due on retirement are considered to be payments due following termination of the employment relationship in accordance with IAS 19. These obligations are not funded by plan assets.

Overview of the carrying amounts of pension provisions and provisions for severance payments

The carrying amounts of pension provisions and provisions for severance payments are distributed across the individual countries as follows:

in EUR thousand	31.12.2022	31.12.2021
Austria – pensions	9,819	13,017
Austria – severance payments	12,913	16,124
Germany – pensions	2,099	3,093
Other countries – severance payments		
France	953	1,339
Poland	130	195
India	148	190
Thailand	578	540
Total	26,641	34,499

Actuarial assumptions

The most important actuarial parameters for the defined benefit pension and severance plans are as follows. Interest rates were determined separately in the individual countries depending on the pension plan.

Discount rate p.a. in %	31.12.2022	31.12.2021
Austria – pensions	4.00% / 4.10%	0.80% / 0.90%
Austria – severance payments	4.10%	0.90% / 1.30%
Germany – pensions	4.10%	0.80%
Other countries – severance payments		
France	4.10% / 4.20%	0.80% / 1.20% / 1.30%
Poland	6.40%–6.80%	2.50%–3.30%
India	7.56%	7.13%
Thailand	1.40%–5.40%	0.52%–3.57%

Increases in wages and salaries were determined in the individual countries based on the relevant benefit plan and, if relevant, separately for blue-collar and white-collar workers. The increases in remuneration shown in the table below correspond to managements' long-term assumptions. Greater increases were posited for the business years 2023 and 2024.

Salary increases p.a. in %	31.12.2022	31.12.2021
Austria – pensions	1.70%	1.75%
Austria – severance payments	2.20% / 3.20%	3.00%
Germany – pensions	2.00% / 2.20%	1.80% / 3.40%
Other countries – severance payments		
France	4.40% / 5.20%	2.50%
Poland	2.70%–12.80%	5.00%
India	5.00% / 10.00%	5.00% / 12.00%
Thailand	3.00% / 4.00%	3.00% / 4.00%

Fluctuation deductions were taken into account depending on the length of service of the employees.

Employee turnover deductions p.a. in %	31.12.2022	31.12.2021
Austria – pensions	0.00%	0.00%
Austria – severance payments	0.60%–5.70%	0.60%–5.70%
Germany – pensions	0.00%	0.00%
Other countries – severance payments		
France	0.00%–7.00%	0.00%–7.00%
Poland	0.00%–24.00%	0.00%–12.00%
India	1.00% / 2.00%	1.00% / 2.00%
Thailand	0.00%–35.00%	0.00%–35.00%

The average weighted duration of defined benefit pension and severance liabilities, presented in years, is as follows:

Weighted average duration	31.12.2022	31.12.2021
Austria – pensions	7.6	9.4
Austria – severance payments	8.3	10.0
Germany – pensions	8.2	10.1
Other countries – severance payments		
France	14.2	16.7
Poland	7.6	10.0
India	14.0	15.0
Thailand	13.7	12.7

The retirement age was set either in accordance with the individual regulations of the specific plan or, in the absence of such, at the earliest possible statutory retirement age of the country concerned.

The following biometric calculation bases and assumptions were used to determine the present value of the obligations (defined benefit obligation – DBO):

- Austria: AVÖ 2018-P ANG
- Germany: Heubeck 2018G
- France: TH 00–02 / TF 00–02
- Poland: Life Expectancy Table of Poland 2019 (previous year: Life Expectancy Table of Poland 2016)
- India: Indian Assured Lives Mortality (2012–2014)
- Thailand: Thailand TM017

The provisions for pension and severance payments comprise the following:

in EUR thousand	Total 31.12.2022	thereof non-current	thereof current	Total 31.12.2021	thereof non-current	thereof current
Provisions for pensions	11,919	10,474	1,445	16,110	14,633	1,477
Provisions for severance payments	14,722	13,840	882	18,389	17,849	540
Total	26,641	24,314	2,327	34,499	32,482	2,017

The following table shows the maturities of the expected benefit payments:

in EUR thousand	31.12.2022	31.12.2021
Severance payments		
under 1 year	882	540
1 to 5 years	4,201	4,969
6 to 10 years	6,903	6,539
over 10 years	14,780	12,770
Pensions		
under 1 year	1,445	1,477
1 to 5 years	5,515	5,596
6 to 10 years	3,882	3,925
over 10 years	5,979	6,843

Provisions for Pensions

in EUR thousand	31.12.2022	31.12.2021
Present value of funded defined benefit obligations	2,137	3,115
Fair value of the plan assets	-80	-80
Deficit	2,057	3,035
Present value of unfunded defined benefit obligations	9,862	13,075
Provisions for pensions as at 31.12.	11,919	16,110

The present value of the obligations arising from defined benefit pension plans changed as follows:

in EUR thousand	2022	2021
Present value of the obligations (DBO) as at 01.01.	16,190	17,798
Current service costs	7	8
Interest expense	138	121
Total expenses for pensions	146	128
Remeasurements	-2,860	-205
Payments/transfers	-1,476	-1,531
Present value of the obligations (DBO) as at 31.12.	11,999	16,190

Both the service costs and the interest expense are recorded as expenses for retirement benefits under personnel expenses in the consolidated income statement (see section 2.5).

Plan assets measured at fair value consist of the following:

in EUR thousand	31.12.2022	31.12.2021
Cash funds	80	80
Fair value of the plan assets as at 31.12.	80	80

Plan assets changed as follows:

in EUR thousand	2022	2021
Fair value of the plan assets as at 01.01.	80	80
Interest income from plan assets	1	0
Remeasurements of plan assets	-1	0
Fair value of the plan assets as at 31.12.	80	80

Provisions for severance payments

in EUR thousand	2022	2021
Present value of the obligations (DBO) as at 01.01.	18,389	19,728
Current service costs	445	465
Past service costs	0	3
Interest expense	196	151
Total expenses for severance payments	641	620
Remeasurements	-3,650	-405
Payments	-567	-1,546
Currency translation differences	2	-8
Reclassification to provisions and liabilities held for sale	-92	0
Present value of the obligations (DBO) as at 31.12.	14,722	18,389

Remeasurements

The remeasurements recognised under other comprehensive income in accordance with IAS 19 comprise the following:

in EUR thousand	2022	2021
Pensions		
from changes to financial assumptions	3,697	268
Experience adjustments	-837	-62
	2,860	205
Remeasurements of plan assets	-1	0
Pensions total	2,860	205
from changes to demographic assumptions	43	-9
from changes to financial assumptions	3,820	443
Experience adjustments	-212	-29
Severance payments total	3,650	405
Total remeasurements	6,510	610

Sensitivity analysis

Sensitivity analyses were performed for pension and severance plans regarding the effect of significant actuarial assumptions. Sensitivities were determined based on the same actuarial assumptions used to value the provisions for pension and severance payments, with one parameter changing in each case. The remaining parameters remained unchanged. If the change of the parameter results in a negative interest rate, then this is used for the calculation.

The impact of changes to these parameters – plus/minus one percentage point with regard to the interest rate and increases in wages and salaries, and plus/minus one year with regard to life expectancy – on the present value of pension obligations of EUR 11,999 thousand (previous year: EUR 16,190 thousand) and on the present value of severance payment liabilities of EUR 14,722 thousand (previous year: EUR 18,389 thousand) were as follows:

in EUR thousand	Change in parameter	Present value of obligation (DBO) 31.12.2022		Present value of obligation (DBO) 31.12.2021	
		Increase in parameter	Decrease in parameter	Increase in parameter	Decrease in parameter
Pensions					
Interest rate	+/- 1 percentage point	11,173	12,952	14,786	17,863
Increases in salaries	+/- 1 percentage point	12,749	11,343	17,470	15,102
Life expectancy	+/- 1 year	12,530	11,485	17,039	15,379
Severance payments					
Interest rate	+/- 1 percentage point	13,564	16,041	16,644	20,415
Increases in salaries	+/- 1 percentage point	15,948	13,628	20,268	16,728

Retirement benefit plans – defined contribution plans

Payments to defined contribution plans are recognised as an expense if the employees have actually completed the work, obliging the company to make this contribution.

Semperit AG Holding is required to make contributions to a pension fund for all current members of the Executive Board. A contractually fixed amount is paid into a pension fund (APK Pensionskasse AG) each year. In the 2022 financial year, the expense for these contributions totalled EUR 135 thousand (previous year: EUR 100 thousand).

One former member of the Executive Board and certain executives were granted pensions in the past that are covered by reinsurance policies purchased from Generali Versicherung AG, with the pension entitlement matching the amount covered by the reinsurance. In the 2022 financial year, the expense for these contributions totalled EUR 116 thousand (previous year: EUR 131 thousand).

Employees whose employment contract is subject to Austrian law and who entered into this employment relationship after 31 December 2002 are not entitled to severance payments from their respective employer. For these employees and all current members of the Executive Board, contributions totalling 1.53% (previous year: 1.53%) of their wages or salaries had to be paid into a staff pension fund. In the 2022 financial year, the expense for these contributions totalled EUR 852 thousand (previous year: EUR 776 thousand), including the expenses related to the discontinued operations.

For employees in the USA, contributions equating to a fixed percentage of their annual salary are paid into a pension fund. In the 2022 financial year, the expense for these contributions totalled EUR 140 thousand (previous year: EUR 222 thousand).

For employees in Singapore, contributions equating to a fixed percentage of their annual salary are paid into a pension fund. In the 2022 financial year, the expense for these contributions totalled EUR 170 thousand (previous year: EUR 139 thousand).

Furthermore, the employees of the Semperit Group are enrolled in country-specific governmental pension plans that are usually financed on the basis of an (unfunded) pay-as-you-go scheme. The obligations of the Semperit Group are limited to paying contributions when they are due. There is no legal or de facto obligation in respect of future benefits.

7.2. Other provisions

Provisions are recognised at the present value of the expected settlement amount based on management's best possible estimate of the uncertain obligation. This is done by taking account of unavoidable risks and uncertainties associated with a large number of events and scenarios as well as future events, insofar as there exist sufficient objective and substantial indications of their occurrence. However, discounting takes place only if the interest effect is material.

If it can be assumed that the amount required to settle the obligation will be completely or partially reimbursed by a third party, this reimbursement claim is recognised if and to the extent that it is virtually certain that such reimbursement will be received and the amount can be estimated reliably.

The timings of the expected payment flows from other provisions (except anniversary bonuses) largely reflect the maturities outlined below.

The carrying amounts of the other provisions are as follows:

in EUR thousand	31.12.2022	Thereof non-current	Thereof current	31.12.2021	Thereof non-current	Thereof current
Bonuses and other personnel provisions	13,419	470	12,949	18,332	2,383	15,949
Guarantees	5,015	1	5,015	6,430	1	6,430
Anniversary bonuses	3,342	2,882	460	4,308	3,927	381
Miscellaneous	7,158	4,467	2,691	5,661	4,032	1,629
Total	28,935	7,820	21,115	34,731	10,342	24,389

The other provisions changed as follows:

in EUR thousand	01.01.2022	Currency differences	Release	Use	Additions	Reclassi- fications	31.12.2022
Bonuses and other personnel provisions	18,332	75	-1,162	-17,231	19,666	-6,261	13,419
Guarantees	6,430	17	-3,868	-557	3,041	-47	5,015
Anniversary bonuses	4,308	1	-800	-358	253	-62	3,342
Miscellaneous	5,661	133	-135	-664	11,351	-9,188	7,158
Total	34,731	226	-5,964	-18,810	34,312	-15,558	28,935

The additions to other provisions basically comprise provisions that are being set up for natural gas and raw material supply contracts as well as for customer contracts that have developed negatively owing to current market conditions for examination and protective gloves. The reclassifications concern the provisions of the discontinued operations, which are shown under the provisions and liabilities held for sale; they mainly concern the aforesaid provisions (also see section 2.9).

Anniversary bonuses

Provisions for anniversary bonuses are calculated using the projected unit credit method in accordance with IAS 19, based on an actuarial assessment. Revaluations (actuarial gains and losses) are reported in the consolidated income statement for the period as personnel expenses.

Provisions for anniversary bonuses are established for employees in Austria, Germany, and the Czech Republic, whose entitlement to them is based on collective bargaining agreements. They were valued based on the same actuarial assumptions used to value the provisions for pension and severance payments.

Undiscounted payment flows as at 31 December 2022 of EUR 460 thousand (previous year: EUR 375 thousand) arise within one year and EUR 2,784 thousand (previous year: EUR 2,933 thousand) over a period of up to ten years for the anniversary bonus provisions.

The average weighted duration of the present value of the anniversary bonus obligations is around 8 years (previous year: around 9 years). The sensitivity analyses as to the effect of significant actuarial parameters (interest rate, wage and salary increases) were performed. They resulted in the following effects on the present value of the provisions for anniversary bonuses:

in EUR thousand	Change in parameter	Present value of obligation (DBO) 31.12.2022		Present value of obligation (DBO) 31.12.2021	
		Increase in parameter	Decrease in parameter	Increase in parameter	Decrease in parameter
Interest rate	+/- 1 percentage point	3,112	3,609	3,932	4,756
Increases in salaries	+/- 1 percentage point	3,558	3,153	4,655	4,010

Guarantees

The provisions for guarantees are based largely on case-by-case assessments of the guarantee risks; guarantee provisions that are allocated on a portfolio basis derived from experience are of minor importance in the Semperit Group. Since guarantee claims may involve lengthy negotiations as well as legal disputes, it is not possible to accurately predict when payments will actually have to be made.

Bonuses and other personnel provisions

The provisions for bonuses of employees (corresponding to the Semperit Group Bonus Policy), managers (corresponding to a long-term incentive plan orientated around long-term performance bonuses for the Executive Board) and Executive Board members (corresponding to the remuneration policy) are recognised with the best-possible estimated settlement amounts. The estimated settlement amounts take into consideration the expected achievements of individual and group targets as well as the current results from the performance evaluation. Long-term performance bonuses are distributed over several periods and accumulated; the anticipated vesting of the claims determines the end of the accumulation period. Due to a lack of materiality, there is no discounting of the long-term performance bonuses. Local bonus agreements also exist for employees and management staff, for which provisions are also recognised on the basis of the individually estimated and anticipated achievement of targets.

Other provisions

The remaining other provisions include a provision for tax proceedings related to transaction taxes in Brazil for the tax assessment years 2008–2010 in the amount of EUR 3,150 thousand (previous year: EUR 2,547 thousand). The duty (PIS/COFINS) is levied on the import and resale of goods in Brazil.

A security was deposited in the 2017 financial year in connection with the resale PIS/COFINS to ensure that the case would continue through the relevant court system after appeals in the administrative proceedings were unsuccessful. As before, the provision in the amount of EUR 3,150 thousand (previous year: EUR 2,547 thousand) is offset by a corresponding demand for reimbursement of the security deposited with the civil court.

In addition, provisions in the amount of EUR 44 thousand (previous year: EUR 111 thousand) were formed in respect of expected litigation costs related to the tax proceedings in Brazil. As far as the assessment years 2011 and 2012 are concerned, management assumes that the period of limitation has expired.

Provisions in the amount of EUR 1,064 thousand (previous year: EUR 833 thousand) were set up in respect of disputed charges (including any interest on arrears) for the disposal of raw materials imported into Poland. Environmental provisions of EUR 945 thousand (previous year: EUR 0 thousand) for a soil treatment obligation with a Polish subsidiary were created as well.

One subsidiary is involved in competition law proceedings. These lengthy proceedings are currently at a stage where the outcome is highly uncertain. The case is being heard before the authorities in consultation with local specialists. The subsidiary is cooperating with the competent authorities and has assured them of its full support. Provisions equating to the most likely anticipated costs and associated risks have been recognised in line with the Semperit Group's assessment of the situation. The amount is reviewed periodically to determine if it needs to be adjusted.

Detailed information on the specific financial impact would materially weaken the position of the Semperit Group in asserting its interests in current legal proceedings and is therefore omitted pursuant to IAS 37.92.

8. Other non-financial assets and liabilities

8.1. Other non-financial assets

in EUR thousand	31.12.2022	Thereof non-current	Thereof current	31.12.2021	Thereof non-current	Thereof current
Tax receivables	9,300	3,110	6,190	13,822	2,693	11,129
Accrued expenses	4,721	516	4,206	7,292	45	7,247
Prepayments	2,846	2,166	680	1,912	348	1,564
Other non-financial assets	216	51	165	3,841	156	3,685
Total	17,083	5,842	11,241	26,866	3,241	23,625

8.2. Other non-financial liabilities

in EUR thousand	31.12.2022	Thereof non-current	Thereof current	31.12.2021	Thereof non-current	Thereof current
Contract liabilities	17,259	1,798	15,461	20,582	1,566	19,016
Liabilities from taxes and social security contributions	11,606	0	11,606	11,842	0	11,842
Unused holidays and overtime balances	7,344	1	7,343	8,489	296	8,194
All other non-financial liabilities	1,075	195	879	1,878	86	1,792
Total	37,284	1,995	35,289	42,792	1,948	40,844

Of the contract liabilities of EUR 17,259 thousand (previous year: EUR 20,582 thousand), a total of EUR 8,574 thousand arose in the 2022 financial year (previous year: EUR 17,232 thousand). Of the previous year's contract liabilities, EUR 7,267 thousand (previous year: EUR 12,374 thousand) were recognised in revenue.

9. Taxes

Tax reconciliation statement

The reconciliation of earnings before taxes with the Group tax expense is prepared jointly for the continued and discontinued operations and is as follows:

in EUR thousand	2022	2021
Earnings before taxes from continued operations	51,739	15,346
Earnings before taxes from discontinued operations	-35,947	283,613
Earnings before taxes	15,792	298,959
Tax expense (-) / Tax income (+) at 25%	-3,948	-74,740
Different tax rates in other countries	1,187	22,615
Profit / loss attributable to redeemable non-controlling interests	-1,671	-1,394
Non-deductible expenses	-2,686	-4,083
Non-taxable income, tax exemptions and tax deductibles	218	520
Tax deductible expenses for hybrid coupons	0	97
Reduction of current tax expenses on the basis of as yet unused tax loss carryforwards and tax credits	1,422	925
Non-recognised deferred tax assets on new loss carryforwards and tax credits in the financial year	-8,927	-1,492
Change of the adjustment of deferred tax assets from temporary differences and tax loss carryforwards and tax credits arising from previous years	-5,586	5,425
Change to outside basis differences	174	388
Tax effects on valuations of holdings of fully consolidated companies	-223	500
Tax effects on the reclassification of the (historical) FX-effects to the Group P&L	0	947
Withholding taxes	-1,786	-1,832
Taxes from previous periods	1,573	508
Other	-1,131	163
Income taxes	-21,383	-51,451
of which income taxes from continued operations	-13,379	-11,717
of which income taxes from discontinued operations	-8,004	-39,734

Earnings before taxes from discontinued operations comprise the earnings before taxes of EUR -27,584 thousand (previous year: EUR 283,613 thousand) and the transaction costs of EUR -8,364 thousand (previous year: EUR 0 thousand); see section 2.9.

in EUR thousand	2022	2021
Earnings before taxes	15,792	289,959
Profit / loss attributable to redeemable non-controlling interests	6,684	5,576
Total	22,476	304,535
Income taxes	21,383	51,451
Effective tax rate in %	95.1%	16.9%

Deferred taxes

Following the temporary differences, the deferred taxes in the consolidated financial statements for the continued operations comprise the following:

in EUR thousand	31.12.2022		31.12.2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	797	302	2,914	397
Property, plant and equipment	245	19,802	217	26,791
Other financial assets	13	0	12	67
Inventories	2,835	12	5,174	192
Trade receivables	455	311	802	288
Other (financial) assets	62	71	133	451
Provisions for personnel	2,864	0	5,329	0
Other provisions	2,505	82	2,209	48
Trade payables	226	75	434	14
Other (financial) liabilities	5,029	9	7,089	1,070
Temporary differences in connection with shares in subsidiaries (outside-basis-differences)	0	1,838	0	1,992
Tax loss carryforwards and as yet unused tax credits	41,088	n.a.	64,958	n.a.
Total deferred tax assets and liabilities	56,120	22,502	89,270	31,310
Valuation allowance for deferred tax assets	-40,904	n.a.	-58,207	n.a.
Offsetting of deferred tax assets and tax liabilities	-9,872	-9,872	-19,356	-19,356
Deferred tax assets	5,344		11,707	
Deferred tax liabilities		12,629		11,954

The adjustment of deferred tax assets of EUR 40,904 thousand (previous year: EUR 58,207 thousand) includes the adjustment of deferred tax assets recognised on temporary differences of EUR 5,202 thousand (previous year: EUR 9,590 thousand) as well as the adjustment of deferred tax assets recognised on loss carry-forwards and unused tax credits of EUR 35,702 thousand (previous year: EUR 48,616 thousand). This adjustment also includes deferred tax assets that arose but were not (yet) recognised in the relevant financial year. Deferred tax assets with a maturity of more than five years were adjusted.

Of the adjustments of deferred tax assets recognised on temporary differences and loss carry-forwards, a total of EUR 32,346 thousand (previous year: EUR 35,092 thousand) concerned the tax group pursuant to Section 9 of the Austrian Corporation Tax Act (Körperschaftsteuergesetz, KStG), whose parent is Semperit AG Holding. Due to the Austrian tax group's history of losses in the recent past, the IFRS requirements respecting the reliability of the group's tax planning have become more stringent. The recognition of deferred tax assets (not covered by deferred tax liabilities) recognised on temporary differences and loss carry-forwards requires additional substantial evidence that taxable income generated in future financial years will be used for probable tax relief. The deferred tax assets of the Austrian tax group are not eligible for recognition, given the history of losses of the Austrian tax group in the recent past, the transformation of the Semperit Group into an industrial rubber specialist and given the uncertainties arising particularly from current economic parameters.

Deferred tax assets and liabilities of the same taxable entity are offset if they relate to income taxes levied by the same tax authority and there is a right to offset current tax liabilities against current reimbursement claims. The tax group formed in Austria in accordance with Section 9 KStG is

considered a taxable entity for this purpose. In Germany, Semperit Profiles Deggendorf GmbH and Semperit Profiles Leeser GmbH constitute a corporate tax group.

The net change in deferred taxes recognised in the statement of financial position was EUR –7,046 thousand. Of this amount, EUR 6,630 thousand were recognised as a tax expense (of which continued operations: tax revenue of EUR –1,579 thousand; of which discontinued operations: tax expense of EUR 8,210 thousand), EUR 201 thousand as income taxes attributable to other comprehensive income from the remeasurement of defined benefit plans, and EUR 215 thousand in connection with the currency translation of the deferred tax items from the functional currency to the reporting currency.

As at the reporting date, there were deductible temporary differences in the amount of EUR 21,561 thousand (previous year: EUR 36,616 thousand) as well as tax loss carry-forwards and unused tax losses in the amount of EUR 148,534 thousand (previous year: EUR 153,616 thousand) for which no deferred tax assets have been recognised. Of these unused tax losses, EUR 863 thousand (previous year: EUR 4,312 thousand) will expire within the next five years and EUR 2,240 thousand (previous year: EUR 16,355 thousand) in the next seven years. The major portion of the remaining tax losses and deductible temporary differences may be carried forward without limitation.

Deferred tax assets of EUR 4,302 thousand (previous year: EUR 5,849 thousand) were recognised for tax jurisdictions with tax losses. Of this amount, EUR 3,924 thousand concern the German tax group. The tax loss arises from impairment losses on intangible assets and property, plant and equipment; see section 3.1 and 3.2. Of the other deferred tax assets, EUR 266 thousand concern France and EUR 112 thousand concern China.

Deferred tax liabilities of EUR 42,263 thousand (previous year: EUR 81,987 thousand) were not recognised for taxable temporary differences of EUR 178,742 thousand (previous year: EUR 334,243 thousand) in connection with equity interests in subsidiaries because the parent can control the time at which the temporary difference is reversed and because it is likely that the temporary differences will not be reversed in the foreseeable future. In addition, there are deductible temporary differences in the amount of EUR 4,218 thousand (previous year: EUR 4,474 thousand) for which deferred tax assets of EUR 116 thousand (previous year: EUR 743 thousand) were not recognised because it is unlikely that the temporary differences will be reversed in the foreseeable future.

10. Structure of the company

10.1. Scope of consolidation

Subsidiaries where control is exercised pursuant to IFRS 10 are included in the scope of consolidation of Semperit AG Holding's consolidated financial statements. Associates with a significant influence are accounted for as investments in associated companies using the equity method.

The scope of consolidation of the Semperit Group changed in the 2022 financial year as follows:

	Fully consolidated companies
As at 01.01.2022	40
Reorganisations	-1
As at 31.12.2022	39

	Fully consolidated companies
As at 01.01.2021	42
First-time consolidations	1
Deconsolidations	-2
Reorganisations	-1
As at 31.12.2021	40

Reorganisations

In the 2022 financial year, the German entity, Semperit Profiles Leeser Verwaltungs GmbH, was merged with and into the German entity, Semperit Profiles Leeser.

In the 2022 financial year, the Brazilian entity, Brasil Produtos Técnicos Ltda., was merged with and into the Brazilian entity, Sempermed Brasil Promoção de Vendas Ltda.

Deconsolidations in financial year 2021

The Chilean entity, Semperit Productos Técnicos SpA, was liquidated in the 2022 financial year. Both it and the Chinese entity, Sempertrans Best (ShanDong) Belting Co. Ltd., which had already been liquidated in July 2021, were deconsolidated in the 2021 financial year. The effects from deconsolidation stem mainly from the reclassification of EUR 3,829 thousand in currency translation differences to the consolidated income statement and were recognised in other operating expenses. (see section 2.3).

First-time consolidations in financial year 2021

In the 2022 financial year, the German entity, M+R Dichtungstechnik GmbH, was consolidated for the first time.

10.2. Consolidated companies

	31.12.2022				31.12.2021		
	Currency	Authorised share capital in '000s	Direct holding in %	Group holding in %	Authorised share capital in '000s	Direct holding in %	Group holding in %
Europe							
Semperit Aktiengesellschaft Holding, Vienna, Austria	EUR	21,359			21,359		
Semperit Technische Produkte Gesellschaft m.b.H., Vienna, Austria	EUR	61,701	100.00	100.00	61,701	100.00	100.00
Sempermed Europe GmbH, Vienna, Austria ⁷	EUR	36	100.00	100.00	36	100.00	100.00
Semperflex Rivalit GmbH, Waldböckelheim, Germany	EUR	1,281	100.00	100.00	1,281	100.00	100.00
Semperit Profiles Deggendorf GmbH, Deggendorf, Germany	EUR	11,050	100.00	100.00	11,050	100.00	100.00
Semperit Profiles Leeser GmbH, Hückelhoven, Germany	EUR	81	100.00	100.00	81	100.00	100.00
Semperit Profiles Leeser Verwaltungs GmbH, Hückelhoven, Germany	EUR	0	0.00	0.00	25	100.00	100.00
M+R Dichtungstechnik GmbH, Seligenstadt, Deutschland	EUR	249	100.00	100.00	248.5	100.00	100.00
Semperit (France) S.A.R.L., Levallois Perret, France	EUR	495	100.00	100.00	495	100.00	100.00
Sempertrans France Belting Technology S.A.S., Argenteuil, France	EUR	2,542	100.00	100.00	2,542	100.00	100.00
Sempertrans Maintenance France Nord S.A.S., Argenteuil, France	EUR	176	100.00	100.00	176	100.00	100.00
Semperit Industrial Products Ltd., Birmingham, Great Britain ⁷	GBP	150	100.00	100.00	150	100.00	100.00
Sempertrans Belchatów Sp. z o.o., Belchatów, Poland	PLN	7,301	100.00	100.00	7,301	100.00	100.00
Carlona Sp. z o.o., Warsaw, Poland	PLN	68,047	100.00	100.00	67,611	100.00	100.00
Semperflex Optimit s.r.o., Odry, Czech Republic	CZK	470,318	100.00	100.00	470,318	100.00	100.00
Semperflex A.H. s.r.o., Odry, Czech Republic	CZK	100	100.00	100.00	100	100.00	100.00
Sempermed Kft., Sopron, Hungary	EUR	3,680	100.00	100.00	3,680	100.00	100.00
Semperform Kft., Sopron, Hungary	HUF	243,000	100.00	100.00	243,000	100.00	100.00
Sempermed Magyarország Kft., Budapest, Hungary ⁷	HUF	3,000	100.00	100.00	3,000	100.00	100.00
Sempertrans Conveyor Belt Solutions GmbH, Vienna, Austria	EUR	3,136	100.00	100.00	3,136	100.00	100.00

		31.12.2022			31.12.2021		
	Currency	Authorised share capital in '000s	Direct holding in %	Group holding in %	Authorised share capital in '000s	Direct holding in %	Group holding in %
The Americas							
Sempermed Brasil Promoção de Vendas Ltda., Piracicaba, Brazil	BRL	33,971	100.00	100.00	33,971	100.00	100.00
Sempermed USA Inc., Clearwater, Florida, USA ⁷	USD	4,000	100.00	100.00	4,000	100.00	100.00
Semperit Industrial Products Inc., Fair Lawn, New Jersey, USA	USD	1	100.00	100.00	1	100.00	100.00
Sempertrans North America Investments Corp., Atlanta, USA	USD	19,800	100.00	100.00	19,800	100.00	100.00
Sempertrans USA, LLC, Atlanta, USA	USD	17,894	100.00	100.00	17,894	100.00	100.00
Semperit Productos Técnicos SpA, Santiago de Chile, Chile	CLP	0	0.00	0.00	46,000	100.00	100.00
Asia							
Semperflex Shanghai Ltd., Shanghai, China	USD	15,000	100.00	100.00	15,000	100.00	100.00
Semperit (Shanghai) Management Co. Ltd., Shanghai, China	USD	2,570	100.00	100.00	2,570	100.00	100.00
Shanghai Semperit Rubber & Plastic Products Co. Ltd., Shanghai, China	EUR	2,471	100.00	100.00	2,471	100.00	100.00
Shanghai Changning Sempermed Glove Trading Co. Ltd., Shanghai, China ⁷	USD	2,305	100.00	100.00	2,305	100.00	100.00
Sempertrans India Pte. Ltd., Roha, Maharashtra, India	INR	790,769	100.00	100.00	790,769	100.00	100.00
FormTech Engineering (M) Sdn Bhd, Nilai, Malaysia ⁷	MYR	8,300	69.88	69.88	8,300	69.88	69.88
Latexx Partners Berhad, Kamunting, Malaysia ⁷	MYR	2,230	97.36	97.36	2,230	97.36	97.36
Latexx Manpower Services Sdn Bhd, Kamunting, Malaysia ⁷	MYR	6,378	100.00	100.00	6,378	100.00	100.00
Latexx Manufacturing Sdn Bhd, Kamunting, Malaysia ⁷	MYR	571,421	100.00	100.00	571,421	100.00	100.00
Medtexx Manufacturing Sdn Bhd, Kamunting, Malaysia ⁷	MYR	5,000	100.00	100.00	5,000	100.00	100.00
Semperit Engineering Technology Asia Sdn Bhd, Penang, Malaysia ⁷	MYR	600	100.00	100.00	600	100.00	100.00
Semperit Industrial Products Singapore Pte Ltd., Singapore	USD	2,965	100.00	100.00	2,965	100.00	100.00
Semperit Investments Asia Pte Ltd., Singapore ⁷	EUR	55,398	100.00	100.00	55,398	100.00	100.00
Sempermed Singapore Pte Ltd., Singapore	USD	10,985	100.00	100.00	10,740	100.00	100.00
Semperflex Asia Corp. Ltd., Hat Yai, Thailand	THB	380,000	50.00	50.00	380,000	50.00	50.00

¹ Not consolidated due to a lack of materiality

² In liquidation

³ The investments of other shareholders are reported as redeemable non-controlling interests.

⁴ Deconsolidated

⁵ Merged

⁶ Liquidated

⁷ Discontinued operation

The Semperit Group's interest in the share capital and voting rights of Semperflex Asia Corp. Ltd. is 50%. The management of the Semperit Group has conducted and continues to conduct ongoing analyses of Semperflex Asia Corp. Ltd. to determine whether control as defined in IFRS 10 exists and whether consolidation would therefore be justified. Based on past and current analyses, as at 31 December 2022 the management of the Semperit Group concluded as before that Semperflex Asia Corp. Ltd. should be included in the consolidated financial statements of the Semperit Group as a consolidated subsidiary. This judgement is based on the underlying contracts, an analysis of the relevant activities, and on the facts and circumstances. The following key points were considered:

- The Chairman of the Board of Directors who is appointed by the Semperit Group casts the deciding vote.
- The Semperit Group has a call option for the remaining 50% of the shares in the Sri Trang Group, which may be exercised by the middle of 2026 at a fixed price.
- The Semperflex segment's management exercises control over purchasing, production, and distribution.
- Two positions were established for local employees to implement the Semperit Group's rights of control.
- As at the reporting date, there were no indications of the Sri Trang Group effectively restricting the Semperit Group's exercise of control.

There are no non-controlling interests that would be significant to the Semperit Group (see section 5.3). The minority shares in Semperflex Asia Corporate Ltd. are shown as redeemable non-controlling interests in the liabilities from redeemable non-controlling interests (see section 6.1).

11. Risk management

As a Group with international operations, the Semperit Group is continually confronted with new challenges resulting from global economic developments and their strong regional variations. The Semperit Group operates in countries with different economic parameters. In addition, these countries are going through different phases of political, constitutional, and social development. Given the differences in their strategic orientation, the success of the Semperit Group's two sectors and five operating segments is contingent to varying degrees on the macroeconomic environment. The Semperit Group thus is exposed to corresponding risks.

The Semperit Group is exposed to currency risks on account of its international trading activities in various foreign currencies.

Derivative financial instruments and natural hedges are generally used in the Semperit Group to hedge not only currency risks but also interest rate risks. The Group's risk management strategy for hedging currency and interest rate risks is applied to individual cases and specific projects in both the long term and the short term. Cost/benefit and risk considerations are decisive in this connection. In part, currency risks arising for example from expected customer, investment, and dividend payments are hedged using foreign exchange forward contracts that are accounted for as freestanding derivatives.

11.1. Capital risk management

Capital management serves to ensure the company's ability to continue as a going concern, to enable growth-oriented organic and possibly non-organic investment activities, and to allow for a compatible dividend policy. The financing structure, liquidity, and finance risk positions are centrally managed by the Semperit Group. Based on capital market principles, long-term capital management also encompasses the decision-making on fixed or variable-interest borrowings and hybrid borrowings.

In case of non-fulfilment, standard credit agreement clauses (financial covenants) in loan contracts can result in termination by the investors and in a deterioration of credit agencies' ratings of the Semperit Group potentially triggering, in turn, an adverse effect on the company's financial position and financial performance.

From a capital management perspective, the total capital of the Semperit Group consists of its equity (including non-controlling interests in subsidiaries), the redeemable non-controlling interests, and net financial debt as defined in the financial covenants. The net financial debt corresponds to the total of the financial and lease liabilities less cash and cash equivalents as well as shares in funds, stocks, and other securities.

The Semperit Group is not subject to any legal requirements in respect of minimum equity, minimum equity ratios, or maximum gearing levels; however, it is subject to certain credit agreement stipulations. These relate to a minimum equity ratio and a maximum leverage ratio. The equity ratio corresponds to the share of equity in the total capital in the consolidated statement of financial position. The leverage ratio is the quotient resulting from EBITDA and net financial debt. As at 31 December 2022, the equity ratio was 61.5% (previous year: 56.3%) and the leverage ratio -0.60 (previous year: -0.4). The relevant financial covenants were complied with both as at 31 December 2022 and as at 31 December 2021.

11.2. Liquidity risk management

In addition to continual liquidity planning, liquidity risk management involves monitoring the existing financial covenants as well as making available drawdown options (from the general credit agreement and the Kontrollbank refinancing facility) and reserve liquidity. Cash pooling in EUR and USD is available for significant group companies.

The maturities of the undiscounted contractual cash flows from financial liabilities are broken down as follows:

	31.12.2022					
in EUR thousand	Total	up to 1 month	2 to 3 months	4 to 12 months	1 to 5 years	over 5 years
Corporate Schuldschein loan	56,269	0	0	15,261	32,927	8,082
Liabilities to banks	3	2	1	0	0	0
Trade payables	63,942	42,580	16,427	4,882	52	0
Refund liabilities	867	7	15	845	0	0
Derivatives	2,637	0	0	1	2,636	0
Lease liabilities	22,368	309	602	2,603	9,846	9,009
Other financial liabilities	5,734	4,090	1,298	196	150	0
Total	151,819	46,987	18,343	23,789	45,610	17,090

	31.12.2021					
in EUR thousand	Total	up to 1 month	2 to 3 months	4 to 12 months	1 to 5 years	over 5 years
Corporate Schuldschein loan	91,940	0	0	35,896	48,178	7,865
Liabilities to banks	4,864	4,800	40	21	3	0
Trade payables	95,320	48,932	45,650	583	154	0
Refund liabilities	1,271	13	53	1,204	0	0
Derivatives	2,135	0	0	19	2,116	0
Lease liabilities	23,520	283	537	2,534	9,783	10,383
Other financial liabilities	8,853	5,786	2,205	710	152	0
Total	227,901	59,813	48,485	40,967	60,387	18,249

The maturities of the undiscounted cash flows of the derivatives as at 31 December 2022 mainly relate to payment of a contingent purchase price liability (see section 10.1). The maturities of the undiscounted cash flows of the derivatives as at 31 December 2021 were also mainly related to payment of a contingent purchase price liability.

11.3. Default and credit risk management

Credit risks arise when self-constructed products or goods are sold to customers on credit. The risk arises as soon as the Semperit Group no longer has access to the shipped products or goods; in case of customised manufacturing, however, this risk actually already arises during production. In order to mitigate these risks, customers are always subjected to business partner credit checks and relevant business information is obtained. Trade receivables are also protected to a very high degree by credit insurance.

An approved credit limit as per the Semperit Group's credit guidelines must be in place for every customer that is served on credit. Deliveries are halted if credit limits are exceeded or payments are late; they can only be resumed by authorised persons specified in the Group's directives under certain

conditions. Customer credit risks are continually monitored and credit limits adjusted accordingly, even for customers with the best credit ratings.

The default risk associated with uninsured receivables from customers can therefore be considered minor, as customer creditworthiness is monitored continually and the Group's diversified customer structure mitigates any concentration of risks. However, the default risk is assumed to increase significantly whenever credit ratings are adversely affected due to bankruptcy or the onset of insolvency proceedings. A default is deemed to have occurred if recoverability is no longer considered realistic and payment is therefore no longer expected. In the 2022 financial year, this resulted in write-offs of receivables in the amount of EUR 194 thousand (previous year: EUR 263 thousand).

The Semperit Group can be exposed to default risks relating to its bank deposits in the event that individual banks run into difficulties or another banking and/or financial crisis occurs. Such deposits are not or only partially secured by deposit protection funds. An investment guideline limits the amount of cash that may be held per bank and defines the financial instruments in which the excess liquidity may be invested. The Semperit Group might not be able to access this liquidity or these credit lines at all, or only partially or with some delay, if individual banks go bankrupt or another banking and/or financial crisis occurs. As far as investments in quasi-liquid money market fund units are concerned, the default risk is effectively on par with that of bank deposits but is significantly mitigated due to both the fund's status as a contractual investment fund and the diversification within the fund into different securities and issuers.

In addition, the Semperit Group conducts business activities in countries with capital controls or has restrictive agreements with joint venture partners or non-controlling shareholders. In countries where cash transfers are restricted, the Semperit Group tries to limit the amount held locally to the minimum necessary for business operations. The above-mentioned risks may adversely affect the company's financial position and financial performance if restrictions are placed on the free availability of cash and cash equivalents or on access to credit lines.

The default risk associated with financial assets is recognised through loss allowances. The maximum default risk is determined on the basis of the risk of a total default of all debtors (not taking credit insurance into account) and is broken down as follows in the corresponding measurement categories:

in EUR thousand	31.12.2022	31.12.2021
Cash and cash equivalents	106,631	235,539
Trade receivables	16,302	20,692
Other financial assets – securities	5,388	6,435
Derivative financial instruments	233	22
Miscellaneous other financial assets	2,464	2,509
Total	131,018	265,198

11.4. Interest rate risk management

Operating resources, investments, and acquisitions as part of the Group's business operations are financed through borrowings, some of which carry variable interest rates, and by other means. Depending on interest rate developments, hedging transactions could have a significant impact on the Group's financial position and financial performance.

The risk associated with fixed-interest financial instruments is that market values may be negatively impacted by changes in interest rates. In the case of variable-interest financial instruments, the risk

is that fluctuations in cash flows can adversely affect cash and cash equivalents as well as the planning of future cash flows.

Recently, there was a positive development in the financial landscape for the Semperit Group in that negative interest rates are no longer charged on company deposits. However, the current volatile interest rate environment also entails risks, as banks often delay passing on positive changes in market rates to companies in respect of their corporate deposits. The Semperit Group relies on active liquidity management to meet these challenges, which includes repaying financial liabilities and making temporary investments in fixed assets or money market fund shares. The assessment policy of the Semperit Group is consistently adhered to.

Current interest rate risks follow from the interest-bearing financial instruments as at the reporting date. The interest rate profile of the Group's interest-bearing financial instruments is shown below:

in EUR thousand	31.12.2022		31.12.2021	
	Fixed interest	Variable interest	Fixed interest	Variable interest
Financial assets	73,106	30,748	87,221	117,165
Financial liabilities	52,460	150	86,510	4,979
	125,566	30,898	173,731	122,144

The interest rate sensitivity analysis focuses on the risk arising from variable-interest financial instruments. It is assumed that the variable-interest financial assets and financial liabilities have been outstanding for a full year as at the reporting date. When performing this sensitivity analysis, a change of 100 basis points is simulated. Negative interest rates are not considered for the purposes of this sensitivity analysis for interest rates <1%. The effects of the simulations on the financial result are shown below:

in EUR thousand	31.12.2022			31.12.2021		
	Sensitivity to changes in interest rates by			Sensitivity to changes in interest rates by		
	Balance	+100 basis points	-100 basis points	Balance	+100 basis points	-100 basis points
Variable-interest financial assets	30,748	307	-158	117,165	1,172	-246
Variable-interest financial liabilities	150	-2	2	4,979	-50	49
	30,898	306	-157	122,144	1,122	-197

11.5. Currency risk management

The Semperit Group is exposed to currency risks due to its international trade relationships in various foreign currencies. Transaction risks exist at all Group companies, e.g., for those that purchase raw materials in foreign currencies and/or sell products in a different currency. The main currencies in this context are the US dollar (USD), the Chinese renminbi (CNY), the Czech crown (CZK), the Polish zloty (PLN); the main currencies in the discontinued operations are the US dollar (USD) and the Malaysian ringgit (MYR).

The translation of foreign financial statements into the euro reporting currency results in currency translation differences (translation risk) of EUR 8,137 thousand (previous year: EUR 20,627 thousand),

which were recorded in other comprehensive income. Of this amount, EUR 5 thousand (previous year: EUR 100 thousand) was attributable to non-controlling interests. The currency translation differences in the 2022 financial year (as in the previous year) were mainly due to changes in the exchange rate of the US dollar (USD).

The carrying amounts of assets and liabilities of subsidiaries not domiciled in the euro zone, and the contribution of these subsidiaries to the Semperit Group's earnings, are materially contingent upon the changes in the EUR exchange rates of the functional currencies of these subsidiaries; the translation risk is not considered within the scope of the following disclosures pursuant to IFRS 7.

The following breakdown of the Semperit Group's revenue by material currencies (as a percentage of overall revenue) shows that, in the 2022 financial year, a total of 21.5% (previous year: 21.3%) of revenue was generated in a foreign currency.

in % of Semperit Group's revenue	2022	2021
EUR	78.5%	78.7%
USD	14.3%	11.1%
CNY	3.7%	5.9%
GBP	0.5%	0.5%
INR	2.3%	2.5%
THB	0.2%	0.3%
CZK	0.0%	0.2%
PLN	0.1%	0.2%
Other	0.5%	0.7%

A significant portion of the Semperit Group's earnings is generated by subsidiaries that do not have their registered office in the euro zone (see section 10.2).

The Group's financial management system aims to avoid currency risks as much as possible by coordinating payment flows. The table below shows the derivative financial instruments used to hedge against currency risks by group company, type of hedging transaction, and hedged currency. In the 2022 financial year, the financial instruments consisted of foreign exchange forward contracts for hedging parts of the operating business at Semperflex Asia Corp. Ltd. in Thailand.

31.12.2022	Country	Type of transaction	Currency	Hedge amount ¹	Hedge rate ²	Fair value in EUR thousand 2022	Range of remaining days to maturity
Semperflex Asia Corp. Ltd., Hat Yai, Thailand	Thailand	Forward exchange	EUR	1,030,000	37.18	12	32–119
Semperflex Asia Corp. Ltd., Hat Yai, Thailand	Thailand	Forward exchange	USD	7,530,000	35.16	220	59–174

¹ Refers to the total amount of all existing derivative financial instruments as at the end of the reporting period for EUR and USD.

² Refers to the weighted average rate derived from all existing derivative financial instruments as at the end of the reporting period.

31.12.2021	Country	Type of transaction	Currency	Hedge amount ¹	Hedge rate ²	Fair value in EUR thousand 2021	Range of remaining days to maturity
Semperflex Asia Corp. Ltd., Hat Yai, Thailand	Thailand	Forward exchange	EUR	130,000	38.06	1	159–172
Semperflex Asia Corp. Ltd., Hat Yai, Thailand	Thailand	Forward exchange	USD	4,540,000	33.37	2	88–179

¹ Refers to the total amount of all existing derivative financial instruments as at the end of the reporting period for EUR and USD.

² Refers to the weighted average rate derived from all existing derivative financial instruments as at the end of the reporting period.

The derivative financial instruments of Semperflex Asia Corp. were accounted for as freestanding financial instruments and not as hedging transactions. The fair values were shown in the consolidated balance sheet as other financial assets or other financial liabilities.

For the purposes of currency risk management, sensitivity analyses were prepared for the measurement at the reporting date of monetary items that deviate from the functional currency. These analyses also present the effects on profit of hypothetical changes in exchange rates for each currency pair. Receivables and liabilities in the respective currency pair as at the reporting date serve as the basis for these analyses, as do the foreign exchange forward contracts. The spread of exchange rate fluctuations was not deemed to be uniform; instead, appropriate fluctuation ranges for each currency pair were determined on the basis of historical fluctuations during the year. The following table shows the effects of the appreciation and depreciation of major foreign currencies versus the euro (EUR) and the US dollar (USD):

	2022			2021		
	Calculated fluctuation range	Impact on profit from price increase	Impact on profit from price decrease	Calculated fluctuation range	Impact on profit from price increase	Impact on profit from price decrease
	in %	in EUR thousand	in EUR thousand	in %	in EUR thousand	in EUR thousand
Change in currency to EUR						
USD	9%	1,297	-1,297	5%	3,642	-3,642
THB	5%	-120	120	5%	242	-242
PLN	2%	-620	620	2%	-280	281
CZK	2%	-511	511	2%	-758	758
HUF	10%	153	-153	3%	51	-51
GBP	3%	35	-35	3%	24	-24
CNY	5%	-16	16	6%	-20	20
INR	5%	-3	3	4%	-45	45
MYR	4%	0	0	3%	-35	35
SEK	4%	23	-23	2%	7	-7
CHF	6%	1	-1	4%	1	-1

	2022			2021		
	Calculated fluctuation range	Impact on profit from price increase	Impact on profit from price decrease	Calculated fluctuation range	Impact on profit from price increase	Impact on profit from price decrease
	in %	in EUR thousand	in EUR thousand	in %	in EUR thousand	in EUR thousand
Change in currency to USD						
EUR	9%	104	-104	5%	814	-814
PLN	10%	-29	29	6%	144	-144
CZK	10%	173	-173	4%	24	-24
HUF	18%	0	0	7%	-121	121
CNY	9%	-103	103	1%	26	-26
INR	6%	-4	4	2%	22	-22
MYR	7%	0	0	3%	525	-525
SGD	4%	1	-1	2%	14	-14
GBP	12%	0	0	3%	197	-197
AUD	9%	-232	232	6%	-151	151
THB	9%	144	-144	7%	170	-170

12. Other

12.1. Related-party transactions with companies and individuals

Outstanding balances and transactions between Semperit AG Holding and its subsidiaries were eliminated in the course of consolidation and are not further discussed here.

B&C KB Holding GmbH is the direct majority shareholder of Semperit AG Holding, and B&C Privatstiftung is the controlling legal entity. B&C Holding Österreich GmbH is the indirect majority shareholder, which draws up and publishes consolidated financial statements in which the Semperit Group is consolidated. Under IAS 24, B&C Privatstiftung and its subsidiaries, joint ventures, and associates are related parties of the Semperit Group.

The related parties of the Semperit Group include the members of the Executive and Supervisory Boards of Semperit AG Holding, the managing directors and supervisory board members of all companies that directly or indirectly hold a majority stake in Semperit AG Holding and, finally, the members of the executive board of B&C Privatstiftung and the close family members of these Executive and Supervisory Board members and managing directors. In the 2022 financial year, free consultancy contracts between (the Supervisory Board of) Semperit AG Holding and the managing directors of B&C KB Holding GmbH were in place with, specifically, Dr. Markus Fürst from 27 July 2022 to 5 December 2022 and with Mr. Mag. Mathias Breuer from 5 December 2022.

The remuneration of the members of the Executive Board and the Supervisory Board follows from the following table:

	2022			2021		
in EUR thousand	Supervisory board members	Management board members	Total	Supervisory board members	Management board members	Total
Short-term benefits	460	1,924	2,384	399	2,064	2,463
Benefits after termination of employment relationship	0	135	135	0	100	100
Other long-term benefits	0	97	97	0	628	628
Termination benefits	0	0	0	0	1,130	1,130
Total	460	2,155	2,615	399	3,922	4,321

The short-term benefits include not only regular payments but also the variable, short-term incentive (STI), which falls due within one year.

The benefits upon termination of an employment contract relate to payments to the pension fund, APK Pensionskasse AG. Payments made by Semperit AG Holding to the corporate severance fund (Betriebliche Vorsorgekasse, BVK) on behalf of members of the Executive Board also constitute benefits following the termination of an employment contract. In the 2022 financial year, these totalled EUR 28 thousand (previous year: EUR 56 thousand). However, these payments were not included in the above table to ensure that the presentation is consistent with the remuneration report.

The other long-term benefits relate to the variable long-term incentive (LTI). The termination benefit relates to the one-time severance payment made to Ms. Mag. Gabriele Schalleger in the 2021 financial year.

Payments to former members of the Executive Board and their survivors in the 2022 financial year totalled EUR 695 thousand (previous year: EUR 688 thousand).

The following transactions were conducted with other related parties specified below, and the following balances existed as at the reporting date: In the 2022 financial year, the Group conducted

transactions with unit-IT Dienstleistungs GmbH & Co KG totalling EUR 817 thousand (previous year: EUR 577 thousand). These transactions relate to the purchase and maintenance of SAP licences and were conducted at arm's length. As at 31 December 2022, the outstanding liabilities to unit-IT Dienstleistungs GmbH & Co KG were EUR 357 thousand (previous year: EUR 28 thousand).

In the 2022 financial year, transactions totalling EUR 10 thousand were concluded with Grohs Hofer Rechtsanwälte GmbH (previous year: EUR 251 thousand). These transactions related to legal consulting services and were conducted at arm's length. As at 31 December 2022, the outstanding liabilities to Grohs Hofer Rechtsanwälte GmbH were EUR 0 thousand (previous year: EUR 123 thousand).

In the 2022 financial year, transactions totalling EUR 50 thousand were concluded with B&C KB Holding GmbH (previous year: EUR 50 thousand). These transactions related to management and other services, and internal charging, and were conducted at arm's length. As at 31 December 2022, the outstanding liabilities to B&C KB Holding GmbH were EUR 0 thousand (previous year: EUR 0 thousand).

In the 2022 financial year, transactions totalling EUR 215 thousand (previous year: EUR 40 thousand since 1 November 2021) were effected with Mr. Mag. Patrick Lackenbacher, who was appointed managing director of B&C Holding Österreich GmbH as at 1 November 2021. These transactions related to consulting services and were conducted at arm's length. As at 31 December 2022, the outstanding liabilities to Patrick Lackenbacher were EUR 15 thousand (previous year: EUR 20 thousand).

12.2. Other obligations and risks

Contingent liabilities and other financial obligations

The constant changes and, in some cases, tightening of the rules in national and international tax laws increase the demands on the tax compliance department in connection with the monitoring of and compliance with these rules. Against this backdrop, there are tax uncertainties and tax-related contingent liabilities, especially in connection with income taxes (e.g., existing tax loss carry-forwards) and transaction taxes.

There were liabilities from the use of intangible assets and property, plant and equipment not recognised in the balance sheet due to rental agreements and leases that are not reported in accordance with IFRS 16, as the option for short-term leases (i.e., up to 12 months) and low-value leased assets (i.e., up to a replacement value of around EUR 5 thousand) was exercised (see section 3.2).

In addition, as at 31 December 2022 there were contractual obligations to purchase property, plant and equipment for a total amount of EUR 9,671 thousand (previous year: EUR 15,688 thousand); these assets are almost entirely attributable to continued operations.

Legal disputes

Various companies in the Group are defendants in cases in which the plaintiffs claim to have incurred damages caused by products of the defendant. However, in light of current insurance coverage, the management does not expect these proceedings to impair the Semperit Group's financial position and financial performance significantly. There were also legal disputes and legal uncertainties in matters pertaining to employment and social law. See section 7.2 for all legal disputes for which provisions have been made.

12.3. Events after the reporting date

No events subject to disclosure occurred between the reporting date and the release of this report for publication on 20 March 2023.

13. Approval of the consolidated financial statements

These consolidated financial statements were prepared on 20 March 2023 and approved for submission to the Supervisory Board. The Supervisory Board is tasked with examining the consolidated financial statements and explaining whether it approves the consolidated financial statements.

Vienna, 20 March 2023

The Executive Board

Three handwritten signatures in black ink are displayed horizontally. From left to right: the first signature is 'Karl Haider', the second is 'Helmut Sorger', and the third is 'Kristian Brok'.

Dr. Karl Haider
CEO

Dr. Helmut Sorger
CFO

Kristian Brok, MSc
COO

Auditor's Report¹

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of

Semperit Aktiengesellschaft Holding, Vienna,

and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of December 31, 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of December 31, 2022 and its financial performance for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by EU, and the additional requirements under Section 245a Austrian Company Code UGB.

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by 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 of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

¹⁾ This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the consolidated financial statements together with our auditor's opinion is only allowed if the consolidated financial statements and the management report for the Group are identical with the German audited version. This audit opinion is only applicable to the German and complete consolidated financial statements with the management report for the Group. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

Below we describe the Key Audit Matters:

Recoverability of assets

As of 31 December 2022, the consolidated financial statements of Semperit Aktiengesellschaft Holding show EUR 294 million of tangible assets and EUR 6 million of intangible assets.

In the Industrial Sector, which consists of the segments (= cash-generating unit) Sempertrans, Semperform, Semperseal and Semperflex, the earnings exceeded as expected the previous year, despite the incipient economic downturn.

For the Medical Sector, an impairment trigger was identified in the third quarter of 2022 due to overcapacities on the market and the resulting price pressure, which had a negative impact on the profitability compared to previous planning.

As the determined value in use of the Sempermed segment was lower than the trade working capital as of September 30, 2022, the segment was measured at fair value less costs of disposal. The fair values were determined by an external expert. The main risk lies in the estimation of the valuation parameters used in the expert's opinion. The determined recoverable amount of EUR 45.9 million is below the carrying amount of the assets as of September 30, 2022 in the amount of EUR 162.9 million. Thus, an impairment of EUR 52.7 million was identified.

For the Industrial Sector and the cash-generating units included thereby, it was evaluated in fiscal year 2022 whether the increase in market interest rates constitutes an indicator of impairment within the meaning of IAS 36.12. In addition, an impairment indicator was identified for the Sempertrans segment due to the changed market environment. This assessment includes also significant assumptions and estimates regarding future factors.

The corresponding disclosures of the Semperit Group are included in the notes "2.9 Profit after tax from discontinued operations" and "3. Non-current assets".

Audit Response

We critically scrutinized and reviewed management's assumptions and estimates in order to address this risk, and performed audit procedures in this regard, including the following:

- Assessment of the concept and design of the process for reviewing the recoverability of assets
- Review of the planning documentation of the three scenarios and completion of a plausibility analysis of the key value drivers (sales, expenses, capital expenditure, changes in trade working capital and cash flow)
- Verification of whether the revenue and earnings forecasts are derived from the plans submitted to the Supervisory Board, and whether these items are in compliance with the requirements of IAS 36
- Review of the external reports and discussions with the external experts as well as plausibility checks of the material valuation parameters and assessment of the competence, ability and objectivity of the external expert commissioned by the management
- Audit of the methodology applied, and the computational accuracy of the documentation and calculations provided, as well as assessment of the plausibility of the discount rate with the assistance of our valuation specialists for the purposes of calculating the segment's value in use
- Verification of the correct determination of the carrying amounts of the assets as a comparative value to the determined fair value less costs of disposal of the segment Sempermed and the value in use of the segments of the industrial sector
- Verification of adequacy of notes disclosures

Discontinued operation – Sempermed

On 16 December 2022, an agreement on the sale of the medical business (surgical and examination gloves) was signed between Semperit AG Holding and the Southeast Asian glove manufacturer HAPRS GLOBAL PTE.LTD. based in Singapore.

In the first step, only the business area of the examination gloves is covered by the transaction. The production of surgical gloves at the production site in Wimpassing, Austria, and their packaging in Sopron, Hungary, is not included in this sales transaction for the time being.

The selling price for the surgical and examination gloves business is EUR 115 million.

The execution of this sales transaction is subject to the approval of the relevant authorities, which is expected in mid-2023.

The criteria of IFRS 5 were considered fulfilled by the legal representatives. Thus, they were presented as discontinued operations as of 31 December 2022.

Due to the complexity of the correct and complete classification of assets and liabilities of the discontinued operation and the measurement based on fair value less costs of disposal in accordance with IFRS 5, this transaction was considered as a key audit matter.

The corresponding disclosures of the Semperit Group are included in the notes "2.9 Profit after tax from discontinued operations" and "3.4. Assets held for sale and provisions and liabilities held for disposal".

Audit Response

We performed the following audit procedures:

- Questioning the legal representatives about the status of the disposal process and their assessment of the probability of the transfer of the shares
- Review of the contractual basis for the sale of the surgical and examination gloves business
- Assessment of compliance with the criteria according to IFRS 5 of a discontinued operation
- Audit of the measurement of the assets and liabilities of discontinued operations in accordance with IFRS 5 at fair value less costs of disposal
- Audit of the correct and complete allocation of affected assets, liabilities, expenses and income – including valuation results – as discontinued operation
- Verification of the correct presentation of assets, liabilities and results allocated to the discontinued operation
- Examination of the adequacy of disclosures in the notes

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the Group's management report and the auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS as adopted by the EU, and the additional requirements under Section 245a Austrian Company Code UGB for them to present a true and fair view of the assets, the financial position and the financial performance of the Group 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.

In preparing the consolidated financial statements, management is 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 intends 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 for the Audit of the Consolidated Financial Statements

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 opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

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

- 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.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our 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.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or 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, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to out-weigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Comments on the Management Report for the Group

Pursuant to Austrian Generally Accepted Accounting Principles, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report for the Group in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report for the Group.

Opinion

In our opinion, the management report for the Group was prepared in accordance with the valid legal requirements, comprising the details in accordance with Section 243a Austrian Company Code UGB, and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

Additional information in accordance with article 10 EU regulation

We were elected as auditor by the ordinary general meeting at April 27, 2022. We were appointed by the Supervisory Board on May 25, 2022. We are auditors without cease since fiscal year 2012.

We confirm that the audit opinion in the Section "Report on the consolidated financial statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Austrian Certified Public Accountant

The engagement partner on the audit resulting in this independent auditor's report is Mr. Hans-Erich Sorli.

Vienna, March 20, 2023

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Hans-Erich Sorli mp
Wirtschaftsprüfer / Certified Public
Accountant

ppa Viola Vostatek, MSc mp
Wirtschaftsprüferin / Certified Public
Accountant

Statement of all legal representatives

Pursuant to Section 124 (1) (3) of the Austrian Stock Exchange Act

We confirm to the best of our knowledge that the consolidated financial statements as at 31 December 2022 prepared in accordance with applicable accounting standards give a true and fair view of the financial position and financial performance 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 position of the Group, together with a description of the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the separate financial statements as at 31 December 2022 give a true and fair view of the financial position and financial performance of Semperit AG Holding as required by the applicable accounting standards and that the management report gives a true and fair view of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Vienna, 20 March 2023

The Executive Board



Dr. Karl Haider
CEO



Dr. Helmut Sorger
CFO



Kristian Brok, MSc
COO

Glossary

C

Compliance

Conformity with regulations; adherence to rules, guidelines and voluntary codes within a company.

Corporate Governance

Rules for the responsible management and control of a company; laid out in the Austrian Corporate Governance Code.

D

Directors' Dealings / Managers' transactions

Share transactions conducted by the management of exchange-listed companies in the companies' own shares.

Directors and Officers (D&O) Insurance

Liability insurance taken out by a company for its boards and executives.

Dividend ex day

The day on which the amount of the dividend is deducted from the share price.

Dividend payout ratio

Distribution ratio; share of the profit that is distributed to shareholders in the form of dividends.

E

EBIT

Earnings before interest and tax; operating result.

EBIT margin

EBITDA in relation to revenue.

EBITDA

Earnings before interest, tax, depreciation and amortisation.

EBITDA margin

EBITDA in relation to revenue.

Equity ratio

The ratio of shareholders' equity to total assets.

Elastomer

Form stable but elastically deformable plastics.

Equity consolidation / Equity method

The share in earnings after tax prorated according to the proportion of ownership interest is disclosed in the income statement under the item "Investments in joint ventures and associated companies".

F

Full consolidation

All assets and liabilities, expenses and income of the subsidiaries are included in full in the consolidated financial statements. If the shareholding is less than 100% the share in equity not attributable to the group is reported either in equity under non-controlling interests or in debt under redeemable non-controlling interests.

I**IFRS (International Financial Reporting Standards)**

Accounting standards developed by the International Accounting Standards Board (IASB). In addition to the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) of the IASB, it also incorporates the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Interpretations of the Standing Interpretations Committee (SIC).

Industrial Sector

The Industrial Sector comprises the Semperflex, Sempertrans and Semperform segments.

M**Market capitalisation**

Number of shares multiplied by the share price; market value of a company in absolute terms.

Medical Sector

The Medical Sector consists of the segment Sempermed.

N**Natural latex**

Milky juice of the rubber tree that is obtained by grazing the bark.

Nitrile

Comprehensive term for a group of chemical compounds – basic material for Semperit's synthetic gloves.

O**Organisation for Economic Cooperation and Development (OECD)**

An organisation of 30 industrial states aiming to promote economic growth and global trade.

P**Payout ratio**

See dividend payout ratio.

Provisions

Accounting provisions for future obligations, the extent and maturity of which cannot be determined explicitly.

R**Return on equity**

The return on equity in terms of earnings after tax.

Contact

Semperit AG Holding

Am Belvedere 10
1100 Vienna, Austria
Tel.: +43 1 79 777 0
Fax: +43 1 79 777 600
www.semperitgroup.com/en

Investor Relations

Judit Helenyi
Director Investor Relations
Tel.: +43 1 79 777 310
www.semperitgroup.com/en/ir

Addresses of the Semperit Group

www.semperitgroup.com/en/contact

Contacts of the Semperit Group

Ownership and publisher: Semperit Aktiengesellschaft Holding, Am Belvedere 10, 1100 Vienna, Austria, Produced in-house with firesys GmbH, www.firesys.de

Disclaimer

The terms "Semperit" or "Semperit Group" in this report refer to the group; "Semperit AG Holding" or "Semperit Aktiengesellschaft Holding" is used to refer to the parent company (individual company).

We have prepared this report and verified the information it contains with the greatest possible care. Nevertheless, rounding, typesetting and printing errors cannot be ruled out. Rounding of differences in the summation rounded amounts and percentages may arise from the automatic processing of data.

The forecasts, plans and forward-looking statements contained in this report are based on the knowledge and information available and the assessments made at the time that this report was prepared (editorial deadline: 20 March 2023). As is true of all forward-looking statements, these statements are subject to risk and uncertainties. As a result, actual events may deviate significantly from these expectations. No liability whatsoever is assumed for the accuracy of projections or for the achievement of planned targets or for any other forward-looking statements. Words such as "expect," "want," "believe," "anticipate," "includes," "plan," "assumes," "estimate," "projects," "intends," "should," "will," "shall," or variations of such words are generally part of forward-looking statements.

Furthermore, there is no guarantee that the contents are complete.

Statements referring to people are valid for both men and women.

This report has been written in German and English. In case of doubt, the German version shall take precedence.

Financial Calendar 2023

22.03.2023	Publication of 2022 annual financial statements
15.04.2023	Record Date Annual General Meeting
25.04.2023	Annual General Meeting, Vienna
27.04.2023	Ex-dividend day
28.04.2023	Record Date Dividend (= day, on which settled positions are struck at CSD Austria at close of business to determine the entitlement)
03.05.2023	Dividend payment day
10.05.2023	Report on Q1 2023
10.08.2023	Half-year financial report 2023
08.11.2023	Report on Q1-3 2023

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