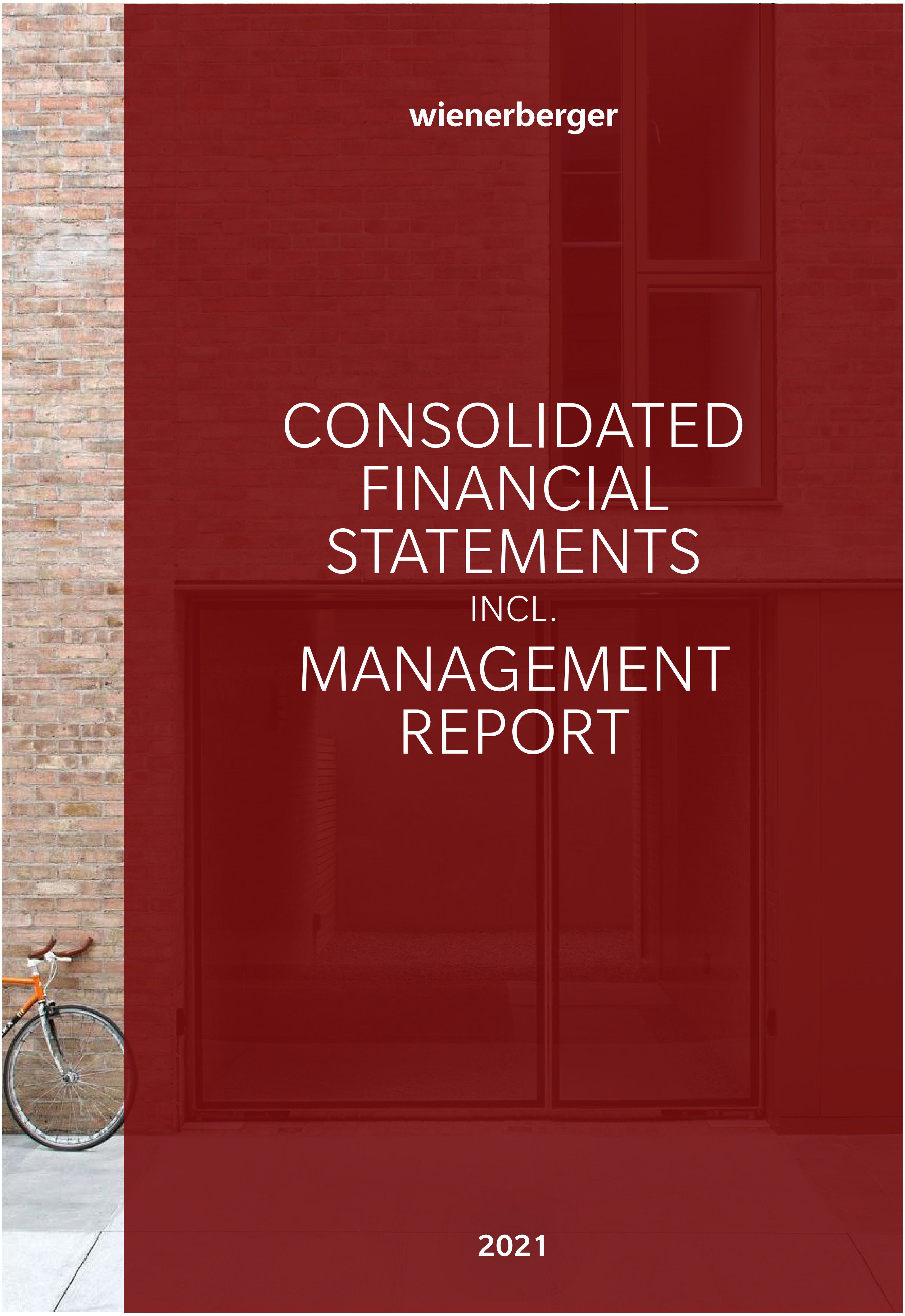

wienerberger

CONSOLIDATED FINANCIAL STATEMENTS INCL. MANAGEMENT REPORT

2021

Management Report

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Economic Environment and Capital Markets

Economic environment in 2021

The year 2021 was marked by the economic recovery from the impacts of the corona pandemic, which had led to a massive slump in global economic activity in the spring of 2020. After a steep upturn seen until the middle of the year, which was partly attributable to the wide availability of corona vaccines, an atmosphere of increasing uncertainty became noticeable during the last months of 2021. This development was due, among other factors, to bottlenecks along the supply chains, surging inflation rates, and the recurrent outbreak of the pandemic triggered by new variants of the virus. Before the end of the year, many companies again faced the challenge of having to plan and act in an environment of great uncertainty. According to estimates of the International Monetary Fund (IMF), the world economy grew by 5.9% in 2021 (2020: -3.1%).

In Europe and North America, the two core regions of the Wienerberger Group, we witnessed a strong rebound of economic activity, not least due to the extensive stimulus packages put together by governments in the EU and the USA in the course of the Covid-19 pandemic. In response to the Covid-19 pandemic, the European Union had set up a recovery fund in the amount of € 750 billion in mid-2020. The USA had also adopted economic stimulus packages worth trillions in 2020. Thanks to these measures, a swift economic recovery set in, initially supported by industry and further strengthened by increasing private consumption. According to IMF estimates for 2021, economic output increased by 5.6% in the USA (2020: -3.4%) and by 5.2% in the euro area (2020: -6.4%). The German economy grew at a rate of 2.7%, while France outperformed the average of the euro area at a rate of 6.7%. Great Britain recorded a steep 7.2% increase in economic output. The economies of Eastern Europe, which are also part of the Wienerberger Group's core markets, grew at a rate of 6.5%.

Alongside the inauguration of Joe Biden as the new US president and the parliamentary elections in Germany, the political situation was dominated by numerous summit meetings dealing with issues of economic and climate policy. In July, the European Commission presented its "Fit for 55" package, which is aimed at making the European economy more sustainable and achieving climate-neutrality by 2050. This project provides the basis for far-reaching changes in numerous sectors of the economy. Among other targets, an increased rate of renovation was agreed upon as essential for the enhancement of energy and resource efficiency on the way to a climate-neutral Europe. The infrastructure package adopted in the USA also provides for part of the capital expenditure to go into climate protection measures. Apart from the continuing pandemic, global events in the course of 2021 were also marked by extreme weather conditions and natural disasters.

Monetary policy

The measures taken by central banks in the spring of 2020 in response to the drastic negative impacts of the Covid-19 pandemic, aimed at supporting and subsequently stimulating the economy, remained in effect at the beginning of 2021. The US Federal Reserve System (Fed) maintained its federal funds rate within a corridor of 0.00% to 0.25% and continued its generous supply of liquidity within the framework of its asset purchase program in the amount of USD 120 billion per month. Similarly, the European Central Bank (ECB) upheld its Pandemic Emergency Purchase Program (PEPP), which was launched in 2020 for a period of at least until the end of the first quarter of 2022. In 2021, the ECB maintained its key lending rate at the all-time low of 0.00% and the deposit rate at -0.50%. The Bank of England (BoE) at first maintained its base rate at 0.10% and continued its comprehensive bond purchase program. However, the high inflation rate, which occurred mainly in the second half of 2021, led to a shift away from the loose monetary policy. In December, the British central bank increased its base rate for the first time since the beginning of the corona pandemic by 15 basis points to 0.25%. At the same time, the Fed held out the prospect of interest rate hikes and a reduction of its asset purchase program for 2022. The ECB left its interest rate policy unchanged and announced its intention to phase out the Pandemic Emergency Purchase Program at the end of March, as planned, and to top up its former Asset Purchase Program (APP) instead.

Stock markets

For the stock markets, 2021 was a year marked by a consistently positive market sentiment, which had already made itself felt in the second half of 2020. In particular, the ample availability of vaccines against Covid-19 boosted share prices all over the world and even resulted in new all-time highs for some indices as well as individual stocks. At the same time, worldwide supply bottlenecks, continuously increasing inflation rates, and the emergence of new virus variants caused uncertainty and high volatility in the global stock markets. Compared to individual stocks, some of which were hit harder by the pandemic, almost all relevant lead indices closed the previous year with above-average growth rates.

The Dow Jones Industrial Average closed 2021 with an 18.7% price gain year on year. The S&P 500 closed the year with an even higher price gain of 26.9%. Driven by strong demand for technology stocks, the NASDAQ 100 soared by 26.6%. Thus, all three US indices mentioned closed 2021 with significant price gains. Stock exchanges in Europe also benefited from a generally positive market development and recorded high price gains in the reporting year. The EURO STOXX 50, the European lead index, closed the year with a gain of 21.0%, while the French CAC 40 soared by 28.9% compared to 2020. The British FTSE was affected by uncertainty in connection with Brexit, but nevertheless rose by 14.3% over the previous year's level. The DAX, the lead index of Europe's biggest economy Germany, gained 15.8%, reaching a new year-end high. The Austrian ATX recorded a 38.9% price gain in the reporting year, which was due not least to the heavily weighted bank and energy stocks.

The residential construction market in Europe

The following analysis is based on the most recent data published by Euroconstruct, Europe's leading construction market forecasting network. The most important indicators of residential construction activities are the numbers of building permits issued, new housing starts, and housing completions. To enhance the validity of the forecasts for Wienerberger AG, we base our analysis on weighted growth rates. To this end, Euroconstruct's growth projections for the individual countries were weighted by the respective shares of revenues attributable to the Wienerberger Building Solutions Business Unit.

Despite building material shortages and supply bottlenecks in some areas, the construction sector recorded vigorous growth in 2021. After the downturn of the previous year, the reporting year was marked by a significant increase in all parameters relevant to us. In the single- and two-family home segment, where Wienerberger's market position is particularly strong, weighted building permits increased by 13.8%. Our experience shows that the length of time between the issue of a building permit and the actual start of construction is becoming longer and longer, and therefore the relevance of this indicator is progressively diminishing. The number of new housing starts increased by 9.1%. The lagging indicator of housing completions increased by 4.4% in 2021.

Within the residential construction segment, renovation activity is continuously gaining in importance for Wienerberger's performance. Driven among other factors by government measures in support of climate-friendly and sustainable housing, our core regions reported a weighted 5.9% increase of activity in this field year on year.

The European infrastructure market

In 2021, government support programs also strongly impacted developments in the infrastructure market. An analysis based on Euroconstruct as the industry benchmark shows the following revenue-weighted growth forecast for the Wienerberger Piping Solutions Business Unit, broken down by core regions. According to this forecast, weighted infrastructure expenditure in the relevant countries of Western and Northern Europe increased by 5.1%. In Eastern Europe, capital expenditure on infrastructure increased moderately by 0.4% compared to the previous year. Overall, the weighted growth of total infrastructure spending in all European markets relevant to the Wienerberger Group amounted to 4.3%.

An analysis of the individual sub-segments confirms the solid growth in infrastructure expenditure compared to the previous year. In the field of water management, which accounts for roughly 11% of infrastructure expenditure and comprises potable water supply and wastewater disposal systems, an important market for our pipe business, a weighted 4.5% increase in capital expenditure has been forecast. In 2021, investments in the energy sector increased by 3.4%. Investments in transport infrastructure grew by 4.6% compared to the previous year, while the telecommunication sector saw a 3.3% increase in capital expenditure. Road construction, the most important segment accounting for 34% of total infrastructure spending, recorded 4.0% weighted growth.

The US housing market

The US housing market presented an exceptionally positive picture. According to the U.S. Census Bureau, the number of building permits rose by 17.2% in 2021. The construction of new single-family homes grew by 13.4%, whereas the multi-family home segment grew even more strongly by 26.4% after the downturn in the previous year. New housing starts also increased substantially by 15.6% to 1.595 million units. 13.4% growth was recorded in the single-family home segment, while the construction of new multi-family homes increased by 22.1%. Housing completions increased by 4.0% to 1.338 million units. The number of single-family homes completed rose by 6.1%, while completions of multi-family homes declined by 0.4%. For 2021, the National Association of Home Builders (NAHB), one of the biggest entities representing the interests of principals, developers, and building contractors in the USA, foresees a 15.6% increase in housing starts to 1.595 million units. While 13.4% growth is being reported for the single-family home segment, the multi-family home segment is growing even faster at a rate of 21.3%.

The NAHB/Wells Fargo Housing Market Index, which is based on monthly surveys among NAHB members, reflects the general assessment of market conditions and estimates of house sales for the next six months. In December 2021, the index was high at 84 points, down by a mere two points from the previous year's level. A value above 50 indicates that the majority of those surveyed see the outlook as positive. The S&P/Case Shiller 20-City Composite Home Price Index reflects the development of the value of residential real estate in 20 large urban agglomerations in the USA. Rising by 18.6% in the reporting year, the index continued on its upward trend of recent years. The fixed interest rate on 30-year mortgage loans was 3.10% at the end of the year. Compared to the previous year's value, this corresponds to an increase of 42 basis points. This indicator thus remains at a historic low.

Macroeconomic outlook for 2022

After the strong 5.9% growth recorded in 2021, the January 2022 forecast of the International Monetary Fund foresees further growth of the global economy at a rate of 4.4% in 2022. Economic output in the USA is expected to increase by 4.0%, while a 3.9% rate of growth is being forecast for the euro area. Similar developments are foreseen for the United Kingdom and the Eastern European economies, with growth rates of 4.7% and 3.5% projected for 2022, respectively. However, it should be noted that these forecasts were published before the outbreak of the Russia-Ukraine crisis.

The economic outlook and targets of the Wienerberger Group for 2022 were also set before the outbreak of the Russia-Ukraine conflict. Its effects cannot yet be reliably estimated at the time of preparing the 2021 annual report. We will closely monitor developments and will be able to assess decision-making situations on site promptly thanks to our locally operating units. Wienerberger does not operate any production sites in Ukraine. Furthermore, the share of the Russian business in Group revenues is less than 1%.

Sources: IMF (World Economic Outlook January 2022), U.S. Census Bureau, Euroconstruct, Freddie Mac Primary Mortgage Market Survey, NAHB, NAHB/Wells Fargo Housing Market Index, S&P/Case-Shiller 20-City Composite Home Price Index

Financial Review

Earnings

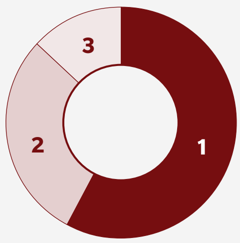
In 2021, the Wienerberger Group delivered record results in terms of revenues, EBITDA, and free cash flow:

- Steep 18% increase in revenues to € 3,971.3 million (2020: € 3,354.6 million)
- Significant rise in EBITDA by 24% to € 694.3 million (2020: € 558.0 million)
- Free cash flow up by 6% to € 420.6 million (2020: € 397.3 million)

The strong performance of the Wienerberger Group in the 2021 business year was primarily due to the recovery of sales volumes after 2020, the year marked by the Covid-19 crisis, and significant contributions to earnings from our self-help program of optimization measures. For Wienerberger Piping Solutions, in particular, successful supply chain management to ensure a high level of product availability despite challenging procurement conditions was an essential factor contributing to growth in earnings.

Companies acquired in 2021 contributed € 144.4 million to the Group's revenues. Foreign exchange effects accounted for a decrease in revenues by € 7.7 million compared to the previous year. The very high negative effects of the devaluation of the US dollar, the Turkish lira, and the Polish zloty were largely offset by the appreciation of the British pound, the Norwegian crown, and the Czech crown.

External Revenues by Segment



In the reporting year, the Wienerberger Group's EBITDA LFL increased by 20% to € 670.8 million (2020: € 558.7 million). Contributions from the consolidation of newly acquired companies in the amount of € 23.8 million, income from the sale of non-core real estate of € 9.8 million, and the € 4.3 million effect on earnings from the disposal of assets in Russia and Greece are not included in EBITDA LFL, nor are structural adjustment costs of € 13.8 million and negative foreign exchange effects of € 0.7 million taken into account.

EBITDA in MEUR	2021	2020	Chg. in %
Wienerberger Building Solutions	477.6	415.2	+15
Wienerberger Piping Solutions	127.5	97.1	+31
North America	89.1	45.7	+95
Wienerberger Group	**694.3**	**558.0**	**+24**

EBITDA Bridge in MEUR	2021	2020	Chg. in %
EBITDA	694.3	558.0	+24
Foreign exchange effects	0.7		-
Result from the sale of non-strategic and non-core assets	-14.2	-9.8	-44
Changes in the scope of consolidation	-23.8	-2.7	<-100
Structural adjustments	13.8	13.3	+4
EBITDA LFL	**670.8**	**558.7**	**+20**

Scheduled depreciation and amortization on tangible and intangible non-current assets increased by 3% to € 251.2 million (2020: € 244.3 million). Moreover, impairment charges and special depreciation and amortization of assets in the amount of € 22.6 million (2020: € 121.2 million) were booked. The amount includes € 10.7 million in goodwill impairment for the CGU group Pipes Pipelife East which, based on increased cost of capital rates as a triggering event, was booked in the first half of 2021 (2020: € 90.4 million goodwill impairment for North America).

As a result, earnings before interest and tax (EBIT) increased to € 420.4 million in the reporting year, surpassing the previous record from 2019 (2020: € 192.5 million).

Profitability Ratios in %	**2021**	**2020**
Gross profit to revenues	**36.2**	35.4
Administrative expenses to revenues	**6.9**	6.8
Costs of sales to revenues	**17.8**	18.7
EBITDA margin	**17.5**	16.6
Operating EBIT margin	**10.9**	9.1

Financial Result and Taxes

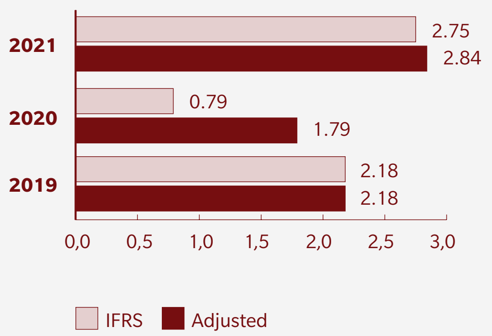
The financial result changed slightly from € -43.7 million in 2020 to € -46.2 million in the reporting year, which was primarily due to write-downs of investments in the amount of € 8.5 million.

The Group's profit before tax improved significantly from € 148.7 million in 2020 to € 374.3 million.

The Group's income tax expense increased to € 62.2 million (2020: € 48.8 million). At 16.6%, the effective tax rate was significantly below that of the previous year (32.8%), as the 2020 profit before tax included very high non-recurring impairment effects.

As a result, the profit after tax increased steeply from the previous year's amount of € 99.9 million to € 312.1 million in 2021. Even taking the high one-off effects of the previous year into account, which were mainly due to impairments associated with the Covid-19 pandemic, the Wienerberger Group's earnings improved significantly, surpassing the previous record achieved in 2019. After the deduction of income attributable to non-controlling interests of € 0.2 million (2020: € 0.3 million) and income attributable to holders of hybrid capital in the amount of € 1.2 million (2020: € 11.1 million), the 2021 net profit amounted to € 310.7 million (2020: € 88.5 million). Taking the slightly increased weighted average of 113.1 million shares into account (2020: 112.7 million), earnings per share came to € 2.75 (2020: € 0.79).

Earnings per Share
in EUR



Assets and Financial Position

As at 31/12/2021, the total assets of the Group amounted to € 4,903.8 million, which corresponds to a 13% increase over the previous year's value of € 4,327.0 million. Non-current assets increased by 24% to € 2,973.5 million in 2021, compared to € 2,401.1 million in 2020. The increase was primarily due to intangible assets identified and goodwill recognized for the acquired companies and property, plant and equipment taken over through the acquisitions, as well as higher investments (maintenance and special capex: € 279.8 million; 2020: € 201.1 million). In total, the Group's non-current assets increased by 22% to € 3,131.8 million (2020: € 2,569.4 million).

Despite the fact that the amount of physical products on stock was lower than in the previous year, the value of inventories increased significantly due to higher raw material prices and the takeover of the acquired companies' inventories. Receivables also increased through a substantial contribution from the acquired companies and the higher level of trade receivables, due to operational reasons, at the cut-off date. At the same time, the amount of cash and cash equivalents at the end of 2020 was significantly higher at € 666.1 million compared to € 364.3 million as at 31/12/2021, which was primarily due to the redemption of the hybrid bond at the beginning of 2021.

In 2021, the Group's working capital (inventories + net trade receivables - trade payables) therefore increased by 24% to € 624.9 million (2020: € 503.8 million). The ratio of working capital to revenues changed only slightly from 15.0% in 2020 to 15.7% in the reporting year, remaining well below the Group's defined threshold of 20%.

Given the Group´s total comprehensive income after tax of € 385.0 million and the sale of treasury shares for an amount of € 80.6 million, minus dividends paid out in the amount of € 67.4 million, the Group's equity improved by 23% over the previous year's level to € 2,149.1 million (2020: € 1,749.0 million).

In the reporting year, deferred tax liabilities increased to € 107.3 million (2020: € 62.1 million), which was primarily due to fair value adjustments within the framework of the purchase price allocation of the acquired companies. At the same time, non-current personnel provisions, particularly pension provisions, declined as a result of major changes in the pension plan assumptions underlying pension provisions, interest rate changes, and an increase in plan assets by € 40.4 million to € 100.2 million (2020: € 140.6 million). In general, the Wienerberger Group does not enter into any new defined-benefit pension commitments and is converting existing commitments into defined-contribution commitments wherever possible. As a result, pension provisions carried on the balance sheet show a decreasing trend, as commitments are either expiring or paid out. Other long-term provisions, mainly provisions for warranties and the recultivation of depleted clay pits, increased from € 73.7 million in 2020 to € 98.7 million in 2021, the main reason being the assumption of commitments of the companies acquired in the reporting year.

Current provisions also increased to a total of € 44.6 million (2020: € 36.9 million). In particular, short-term personnel provisions increased over the previous year's level, the reasons being the higher headcount due to changes in the scope of consolidation on the one hand and the Group's earnings-dependent bonus arrangements on the other hand.

Interest-bearing debt (financial liabilities) decreased by € 58.4 million to € 1,539.1 million (2020: € 1,597.5 million). The changes are mainly due to the redemption of the hybrid bond at the beginning of 2021 in the amount of € 225.4 million (including the hybrid coupon), the conclusion of new bank loans of € 250.0 million in the fourth quarter of 2021, and the assumption of the obligations of the acquired companies. Interest-bearing financial liabilities include interest-bearing liabilities to banks, bond holders, and other third parties in the amount of € 1,285.1 million (2020: € 1,376.3 million), derivatives with negative market values of € 8.7 million (2020: 4.1 million), and liabilities from leases of € 245.3 million (2020: € 217.1 million). These interest-bearing liabilities were offset by cash and cash equivalents and securities in a total amount of € 404.6 million (2020: € 715.4 million), as well as committed credit lines of € 400.0 million, of which € 383.0 million were undrawn by the balance sheet date. Of the total interest-bearing debt in the amount of € 1,539.1 million, 86% (2020: 73%) was of a long-term and 14% (2020: 27%) of a short-term nature.

Calculation of Net Debt in MEUR	2021	2020	Chg. in %
Long-term interest-bearing financial liabilities	**1,133.2**	983.5	+15
Short-term interest-bearing financial liabilities	**160.7**	396.9	-60
Lease liabilities	**245.3**	217.1	+13
- Intercompany receivables and payables from financing	**-21.4**	-21.1	+1
- Securities and other financial assets	**-18.9**	-28.1	-33
- Cash and cash equivalents	**-364.3**	-666.1	-45
Net debt	**1,134.5**	**882.1**	**+29**

As at 31/12/2021, the Group's net debt came to € 1,134.5 million, up by 29% from the previous year (2020: € 882.1 million). Thus, the year-end level of debt corresponds to a gearing of 52.8%, as compared to the previous year's value of 50.4%. Nevertheless, as at 31/12/2021, the debt repayment period of 1.6 years remained significantly below the internal target of a maximum of 2.5 years (2020: 1.6 years).

Balance Sheet Ratios		2021	2020
Capital employed	in MEUR	**3,248.1**	2,594.1
Net debt	in MEUR	**1,134.5**	882.1
Equity ratio	in %	**43.8**	40.4
Gearing	in %	**52.8**	50.4
Asset coverage	in %	**70.4**	70.3
Working capital to revenues	in %	**15.7**	15.0

Treasury

Thanks to the Group's proactive financing policy, a sound liquidity reserve of more than € 1 billion (comprising cash and cash equivalents of € 666.1 million and committed but undrawn credit lines of € 371.0 million) was available at the beginning of the 2021 business year. In the course of 2021, these liquidity reserves were used, above all, for the complete redemption of the hybrid bond (5% coupon) at the first possible call date of February 9, 2021, and to pay the purchase price for the acquisitions in the USA, the UK, and Ireland.

Other important treasury projects included the placement of 2.5 million treasury shares within the framework of an accelerated book-building procedure in the third quarter of 2021 and the conclusion of a new long-term syndicated bank loan with a sustainability component backed by Oesterreichische Kontrollbank (OeKB) in the amount of € 250.0 million in the fourth quarter of 2021. Compared to the previous year, the (negative) net interest result increased by € 2.3 million (from € -35.7 million to € -38.0 million).

The financial indicators taken into account for the company's bank covenants and its rating were stable throughout 2021, with sufficient headroom to remain below the external limits set by the bank covenants. Despite the fact that a total of € 467.1 million was paid out for growth projects (M&A) during the business year, the debt repayment period (ratio of net debt to EBITDA) remained unchanged at 1.6 years.

The Group thus substantially outperformed its internal target of keeping the debt repayment period below 2.5 years at year end. The indicators taken into account by Moody's rating agency, i.e. the improvement of the net cash position and the maturity profile, show that the Wienerberger Group is positioned even more strongly in the Ba1 rating class. The rating agency thus changed the outlook, which had been downgraded to negative in the course of the Covid-19 crisis, back to stable in May 2021.

Treasury Ratios	31/12/2021	31/12/2020
Net debt/EBITDA	**1.6**	1.6
EBITDA/interest result	**18.3**	15.7

As at the balance sheet date, 73% (2020: 62%) of the Group's financial liabilities was fixed-interest-bearing, though without taking the financial liabilities to be recognized according to IFRS 16 Leases into account. Owing to the local character of Wienerberger's business, foreign exchange fluctuations are reflected primarily as translation risks and, to a lesser extent, as transaction risks. Subject to economic restrictions, translation risks (above all from intra-group loans in foreign currencies) are selectively hedged by means of cross-currency swaps. Most of the Group's transaction risks are hedged through currency forwards.

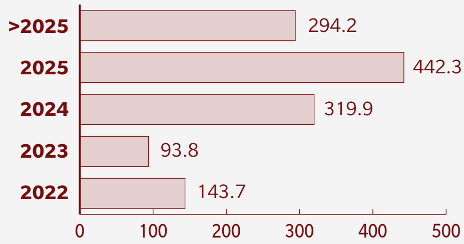
Cashflow

Owing to the steep increase in net profit, and despite the working capital build-up, cash flow from operating activities increased slightly to € 510.6 million compared to € 504.7 million in 2020.

In the reporting year, cash flow from investing activities was primarily influenced by cash outflows for growth projects (M&A) in the amount of € 467.1 million (2020: € 10.5 million). Cash outflows for investments in property, plant and equipment and intangible assets amounted to € 279.8 million, which corresponds to a 39% increase over the previous year's value of € 201.1 million. Alongside capital expenditure for regular maintenance, the amount also includes investments in optimization projects, plant extensions, digitalization, and measures to improve occupational health and safety. Cash outflow from investing activities thus increased steeply over the previous year's level of € -147.8 million and came to € -666.7 million.

Overall, owing to its excellent operational performance, the Wienerberger Group generated a free cashflow of € 420.6 million in 2021, 6% above the previous year's level of € 397.3 million.

Term Structure of Interest-bearing Financial Liabilities[1)]
in MEUR



1) Excluding lease liabilities

Cash flow from financing activities came to € -147.6 million (2020: € 183.3 million), comprising, above all, cash outflows for the redemption of the hybrid bond of € 225.4 million (including coupon), dividends distributed in the amount of € 67.4 million, as well as cash inflows from the conclusion of long-term liabilities in the amount of € 253.5 million and the sale of treasury shares for € 80.6 million.

Given the high cash outflow for acquisitions, investments, and the redemption of the hybrid bond, the change in cash and cash equivalents amounted to € -303.8 million compared to € 540.1 million in the previous year.

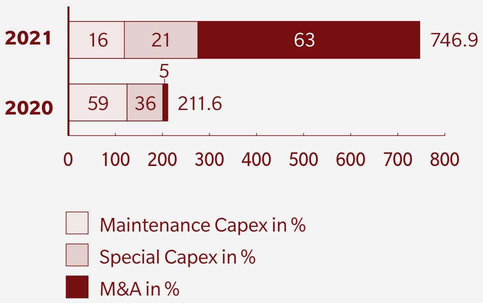
Cash Flow Statement in MEUR	2021	2020	Chg. in %
Gross cash flow	**566.0**	**440.6**	**+28**
Change in working capital and other	-55.5	64.1	<-100
Cash flow from operating activities	**510.6**	**504.7**	**+1**
Maintenance capex	-120.4	-125.9	+4
Special capex	-159.4	-75.2	<-100
M&A	-467.1	-10.5	<-100
Divestments and other	80.2	63.7	+26
Cash flow from investing activities	**-666.7**	**-147.8**	**<-100**
Special capex and M&A	626.5	85.7	>100
Lease payments	-49.8	-45.2	-10
Free cash flow	**420.6**	**397.3**	**+6**

Investments

In the reporting year, total investments amounted to € 279.8 million (2020: € 201.1 million). In addition to capital expenditure for regular maintenance, the amount also comprises investments in plant extensions, efficiency-enhancing optimization measures in production, occupational health and safety measures, and environmental and sustainability projects with a view to decarbonization, biodiversity and the circular economy. In 2021, the share of special investments not accounted for under regular maintenance rose significantly from € 75.2 million to € 159.4 million. Maintenance capex thus amounted to € 120.4 million (2020: € 125.9 million) in the 2021 reporting year.

An amount of € 467.1 million (2020: € 10.5 million) was spent on growth projects (M&A). The breakdown of total investments in property, plant, and equipment and intangible assets shows that in the reporting year, 63% of the total was accounted for by Wienerberger Building Solutions, 29% by Wienerberger Piping Solutions, and 8% by North America.

Total Investments and M&A
in MEUR



Development of Non-current Assets in MEUR	Intangible	Tangible	Financial	Total
31/12/2020	**645.6**	**1,805.7**	**37.0**	**2,488.3**
Capital expenditure	14.6	265.2	2.4	**282.2**
Change in the scope of consolidation	223.2	259.9	0.0	**483.1**
Depreciation, amortization, and impairment charges	-43.4	-230.4	-8.2	**-282.0**
Reversal of impairment	0.0	0.0	4.1	**4.1**
Disposals	-1.0	-39.6	0.0	**-40.6**
Currency translation and other	18.4	99.3	0.2	**117.9**
31/12/2021	**857.4**	**2,160.1**	**35.5**	**3,052.9**

Total Investments in MEUR	2021	2020	Chg. in %
Wienerberger Building Solutions	**176.1**	135.5	+30
Wienerberger Piping Solutions	**81.3**	55.2	+47
North America	**22.4**	10.4	>100
Wienerberger Group	**279.8**	**201.1**	**+39**

Value Management

Wienerberger's value management focuses not only on long-term, sustainable creation of shareholder value, but also on ESG aspects with a special focus on the well-being of our employees, whose contributions are essential for the company's long-term success. In our ESG Report, which is part of the Annual Report, we report on progress achieved in terms of our non-financial performance in 2021.

The key indicator of Wienerberger's value-oriented corporate governance is the return on capital employed (ROCE after tax). This indicator measures the after-tax return on capital currently employed in the company and reflects the value creation by the individual business units and by the Group as a whole. It is calculated by relating the net operating profit after tax (NOPAT) to the average interest-bearing total capital employed of the Group. Wienerberger's medium-term target is to sustainably exceed its ROCE to more than 10%. In addition to ROCE, other indicators are also regularly analyzed as part of the company's value management and taken into account in the calculation of top management bonuses, such as EBITDA LFL, free cash flow, efficiency-enhancing measures, total shareholder return, and the attainment of certain environmental, social, and governance (ESG) targets.

In 2021, we significantly outperformed our medium-term ROCE target. Wienerberger generated € 431.2 million (2020: € 305.1 million) in operating EBIT, which corresponds to a 41% increase compared to the previous year. As a result, NOPAT increased to € 356.4 million, compared to € 244.4 million in 2020. Over the same period, average capital employed increased from € 2,753.1 million to € 2,921.1 million owing to the acquisitions closed in the course of the reporting year. Overall, the Wienerberger Group's ROCE came to 12.2% (2020: 8.9%).

Alongside the analysis of the profitability of the capital employed at Group level, we regularly analyze the profitability of the individual operating segments and thus review the entire portfolio. If individual entities do not meet our internal targets, value-enhancing measures must be taken. To this end, Wienerberger employs the following strategic alternatives:

- Improvement of profitability within the framework of the self-help program / efficiency-enhancing measures
- Repositioning of the field of business through M&A
- Exit from the field of business if a thorough analysis shows that the first two alternatives will not produce the expected result

In 2021, we invested a total of € 467.1 million in acquisitions of companies that are a perfect fit for our long-term strategy. Particularly noteworthy transactions included the acquisitions of FloPlast and Cork Plastics in Great Britain and Ireland, which will further strengthen our market presence as a full-range system solutions provider, and the acquisition of Meridian Brick in the USA and Canada, which led to a significant build-up of our position in North America. Moreover, a number of other important steps aimed at optimizing our portfolio were taken during the reporting year. In the field of plastic pipes, we withdrew from Greece and Russia, as our sites in these markets no longer met our strict criteria of future growth.

In addition to these value-accretive investments and divestments, a total of € 120.4 million was invested in the maintenance of our industrial platforms and the continuous improvement of the health and safety standards for our employees. Based on strong free cash flow generation and taking these investments into account, Wienerberger achieved an attractive cash conversion rate of 83% in 2021. Additionally, a total of € 159.4 million was invested in the reduction of our ecological footprint, the expansion and optimization of our production network, and the further development of our product portfolio.

Calculation of Operating EBIT and NOPAT		2021	2020
EBIT	in MEUR	**420.4**	**192.5**
Impairments / Reversal of impairment charges to assets	in MEUR	**0.0**	22.3
Impairment charges to goodwill	in MEUR	**10.7**	90.4
Operating EBIT	in MEUR	**431.2**	**305.1**
Income taxes	in MEUR	**-62.2**	-48.8
Adjusted taxes	in MEUR	**-12.6**	-12.0
NOPAT	in MEUR	**356.4**	**244.4**

Calculation of Average Capital Employed		2021	2020
Equity and non-controlling interests	in MEUR	**2,149.1**	1,749.0
Financial liabilities	in MEUR	**1,539.1**	1,597.5
Intercompany receivables and payables from financing	in MEUR	**-21.4**	-21.1
Cash and financial assets	in MEUR	**-418.7**	-731.3
Capital employed at reporting date	in MEUR	**3,248.1**	**2,594.1**
Average capital employed	in MEUR	**2,921.1**	**2,753.1**

Calculation of ROCE		2021	2020
NOPAT	in MEUR	**356.4**	244.4
Average capital employed	in MEUR	**2,921.1**	2,753.1
ROCE	in %	**12.2**	**8.9**

Fourth Quarter of 2021

Following the trend set in earlier quarters, all Wienerberger business units again delivered excellent results in the fourth quarter of 2021:

- Fourth-quarter revenues increased by 33% to € 1,073.7 million (2020: € 806.4 million)
- EBITDA LFL rose significantly by 24% to € 161.7 million (2020: € 130.5 million), surpassing the result of the strong fourth quarter of the previous year
- Constantly high demand and very strong performance in all business units
- Successful closure of the acquisition of Meridian Brick in North America in October

External revenues in MEUR	10-12/2021	10-12/2020	Chg. in %
Wienerberger Building Solutions	581.6	510.4	+14
Wienerberger Piping Solutions	285.4	213.8	+33
North America	206.7	82.2	>100
Wienerberger Group	**1,073.7**	**806.4**	**+33**

EBITDA in MEUR	10-12/2021	10-12/2020	Chg. in %
Wienerberger Building Solutions	118.9	99.8	+19
Wienerberger Piping Solutions	23.5	13.2	+78
North America	41.8	11.8	>100
Wienerberger Group	**184.1**	**124.8**	**+48**

During the last three months of the year, continuing high demand in almost all operating segments translated into a very satisfactory overall result. Besides particularly mild weather, which allowed construction activities to continue toward the end of the year, price adjustments that were initiated in the summer months to cover cost inflation also contributed to this positive result.

In the fourth quarter of 2021, we continued to take advantage of high demand for our roof and wall solutions in the new-build and renovation segments in many of our core markets. In the field of plastic pipes, the challenging procurement situation persisted along the entire value chain during the last three months of the reporting period. Nevertheless, thanks to our excellent margin and supply chain management and stable sales volumes, we succeeded in increasing our earnings.
In the North America Business Unit, we continued to benefit from our very strong plastic pipe business and generally high demand for façade solutions.

Wienerberger Building Solutions

In the fourth quarter of 2021, the Wienerberger Building Solutions Business Unit reported a 14% increase of its external revenues to € 581.6 million (2020: € 510.4 million). Over the same period, EBITDA LFL grew by 14% to € 114.4 million (2020: € 100.0 million).

Demand was already high in the third quarter and remained at that level during the last three months of the business year, with even a slight further increase seen in Eastern Europe. We also benefited from mild weather in most of our core markets. Moreover, in the fourth quarter we announced further price increases, effective as of the beginning of 2022, to cover cost inflation. This motivated some of our customers, whose inventories were already low, to place their orders earlier than originally intended. Our plants were therefore working at a very high level of capacity during the last months of the 2021 business year, while our own inventories remained low.

Throughout the fourth quarter, we continued to benefit from our long-term forward buying policy for gas and electricity and succeeded in keeping our energy costs relatively low, despite significant market price increases.

Wienerberger Piping Solutions

The Wienerberger Piping Solutions Business Unit continued to record strong growth during the last quarter of the reporting period. Compared to the fourth quarter of 2020, external revenues increased by 33% to € 285.4 million (2020: € 213.8 million). With a 6% rise to € 17.5 million (2020: € 16.5 million), EBITDA LFL was in line with the business unit's satisfactory performance. Contrary to expectations, the procurement market remained challenging throughout the fourth quarter. In the wake of rising gas prices, raw material prices for plastic polymers increased again and reached new record levels. However, thanks to our proactive margin management, we succeeded in largely offsetting the impact of rising raw material costs and, at the same time, positioned ourselves as a reliable and predictable partner for our customers.

In Northern Europe, we also closed the last three months of the 2021 business year with sound results. In Western Europe, demand remained stable at a high level in all segments. Once again, the growth momentum was strongest in Eastern Europe, where markets continued to experience high demand for infrastructure and in-house solutions. Our positive performance therefore continued during the last three months of 2021, and we further pursued our strategy focused on consistently strengthening our product portfolio. The integration of FloPlast and Cork Plastics, the companies taken over in July 2021, proceeded to our full satisfaction and first synergy effects have already been achieved.

North America

In the reporting period, the North America Business Unit generated external revenues of € 206.7 million (2020: € 82.2 million), including contributions to revenues from the acquisition of Meridian Brick. EBITDA LFL, which does not include any contributions to earnings from the acquisition, more than doubled in the fourth quarter to € 29.9 million (2020: € 14.0 million). Consequently, the last quarter of 2021 also closed with an excellent result, which continued to be driven by the extraordinary performance of the plastic pipe business.

As in the previous quarters, the market environment in the USA and Canada was marked by lively new construction activities, which resulted in constantly high demand for façade solutions. In the fourth quarter, our plants therefore continued to work at a high level of capacity. In our plastic pipe business, the raw material supply situation remained tight. Nevertheless, thanks to our dynamic margin management, which enabled us to pass on the notable raw material price increases to the market within a short period of time, we recorded a significant increase in earnings.

The successful closure of the acquisition of Meridian Brick in the fourth quarter marked a strategically important step, which made us the leading provider of façade solutions in the USA and Canada. We used the relatively long time taken by the authorities to process the approval of the merger to elaborate the specific steps to be implemented in integrating the acquired company. We were therefore able to swiftly launch the integration of Meridian Brick into Wienerberger's corporate structure and have already made some progress in this respect.

Operating Segments

Wienerberger Building Solutions

In 2021, the Wienerberger Building Solutions Business Unit, operating in a positive market environment, generated a new record result:

- Notable 10% increase in external revenues to € 2,300.5 million (2020: € 2,092.1 million)
- Steep 15% rise in EBITDA LFL to € 473.4 million (2020: € 412.2 million)
- Consistently high demand across all product groups and markets, especially for roofing solutions
- Positive market sentiment in both renovation and new build
- Outlook: We expect to see continued positive market development and high demand in our European core markets

Wienerberger Building Solutions		2021	2020	Chg. in %
External revenues	in MEUR	**2,300.5**	2,092.1	+10
EBITDA LFL	in MEUR	**473.4**	412.2	+15
EBITDA LFL margin	in %	**20.7%**	20.1%	-
EBITDA	in MEUR	**477.6**	415.2	+15
EBITDA margin	in %	**20.8%**	19.8%	-
EBIT	in MEUR	**313.3**	227.9	+38
Capital employed	in MEUR	**1,787.9**	1,736.7	+3
Total investments	in MEUR	**176.1**	135.5	+30
Ø Employees	in FTE	**12,427**	11,939	+4

In 2021, operating in a generally positive market environment, the Wienerberger Building Solutions Business Unit generated a new record result, surpassing the former record of 2019.

Our self-help program, which comprises optimization measures along the production process, strict cost management, and the use of new digital solutions, contributed substantially to this record result. At the beginning of the year, price adjustments were successfully implemented in all our core markets, the primary goal being to cover the rising inflation of costs for energy, personnel, and raw materials. In certain markets, prices were further increased during the summer months in order to offset the extraordinary development of cost inflation. In 2021, we benefited especially from our mainly local value chains, the operation of our own clay pits, and our long-term energy procurement strategy.

Owing to unfavorable weather conditions, the beginning of the 2021 reporting year was marked by a rather slow start to the construction season in some of our core regions. Starting in March, renovation activities picked up in all relevant markets. We also saw consistently high demand in new residential construction, especially in Western Europe. Intensified renovation activities led to a boost in demand for our innovative and sustainable product solutions, which in all countries resulted in a very high level of capacity utilization in our plants. The high volume of incoming orders was also reflected in a low level of inventories. Nevertheless, thanks to good cooperation between our country organizations and plants, as well as the high quality of our internal customer service, we succeeded in meeting our delivery obligations in all regions. Once more, we proved to be a reliable partner for our customers and were able to further strengthen our long-standing business relations.

In 2021, developments in our Western European markets, especially in Belgium and Great Britain, were highly satisfactory. Demand for our products for wall and roof solutions was particularly high in the renovation and new-build segments. The upward trend in new residential construction was further stimulated by government incentives for the creation of house building and adjustments to emission control regulations, which will continue to have a positive impact on our business performance in the years to come.

Driven by our innovative roofing and façade solutions, the result generated in the Netherlands was also substantially above the pre-crisis level. In Germany, weather-related delays in project starts at the beginning of the year resulted in an overall drop in earnings. In France, we achieved satisfactory growth in earnings across all product groups. Our activities in Northern Europe, which focused on the further development of our range of premium products, delivered a sound result in a stable market environment.

In our Eastern European markets, we observed an increase in demand, above all in the second half of the year, and closed the year with earnings significantly above the previous year's level. In Poland, the Czech Republic, and Hungary, activities were sluggish in parts of the region due to unfavorable weather conditions at the beginning of the year, but notable catch-up effects were seen during the summer months. In this market environment, intensified activities in the new-build and renovation segments resulted in higher sales volumes, with the roofing business delivering a particularly good performance.

In Austria, too, demand for our product solutions was high as a result of vigorous construction and renovation activities, which led to substantial growth in earnings in our home market. Of our markets in South-Eastern Europe, especially Croatia and Serbia performed extremely well.

Our concrete paver business in Eastern Europe benefited from our focus on mid-market and premium products. Despite a late start to the construction season due to inclement weather, the segment delivered a sound full-year result.

Overall, the external revenues generated by the Wienerberger Building Solutions Business Unit increased to € 2,300.5 million in the reporting year, up by 10% from the previous year's level of € 2,092.1 million. Over the same period, EBITDA LFL rose by an excellent 15% to € 473.4 million (2020: € 412.2 million), which also led to an improved EBITDA LFL margin of 20.7% (2020: 20.1%).

Outlook 2022

For 2022, we expect the economic environment in our core markets to remain favorable and therefore anticipate a consistently high level of demand. We will benefit from the strong momentum created by the European Green Deal, especially in the renovation sector. However, the continuing shortage of skilled labor in the construction industry could have a dampening effect on growth. As regards pricing, we will continue to focus on covering cost inflation while making every effort to be a transparent and reliable partner for our end customers. Given that innovative building material solutions will continue to be in high demand, capacity utilization in our plants will remain high during the first half of 2022; measures aimed at further capacity expansions at selected production sites were already taken during the past business year.

Alongside the initiatives planned within the framework of our self-help program, we will remain focused on growth investments and the implementation of sustainable business management measures (ESG). Thanks to our local value chains, which secure the availability of raw materials and transport capacities, and thanks to our well-established energy forward buying policy, we consider ourselves well positioned for further growth.

Wienerberger Piping Solutions

In 2021, despite the challenges faced in the raw material markets, the Wienerberger Piping Solutions Business Unit delivered a record result:

- Notable 25% increase in external revenues to € 1,167.3 million (2020: € 932.6 million)
- 15% rise in EBITDA LFL to € 114.7 million (2020: € 99.6 million)
- Excellent supply chain management and successful procurement initiatives ensured the availability of our products despite the difficult raw materials situation
- Acquisition of FloPlast and Cork Plastics in Great Britain and Ireland accelerates the company's transformation into a full-range provider of smart water management solutions for new build and renovation
- Outlook: Stable demand for in-house and infrastructure solutions expected to continue. Procurement will remain challenging in the first half of 2022

Wienerberger Piping Solutions		2021	2020	Chg. in %
External revenues	in MEUR	**1,167.3**	932.6	+25
EBITDA LFL	in MEUR	**114.7**	99.6	+15
EBITDA LFL margin	in %	**10.3 %**	10.7 %	-
EBITDA	in MEUR	**127.5**	97.1	+31
EBITDA margin	in %	**10.9 %**	10.4 %	-
EBIT	in MEUR	**49.5**	37.4	+32
Capital employed	in MEUR	**920.3**	563.8	+63
Total investments	in MEUR	**81.3**	55.2	+47
Ø Employees	in FTE	**3,606**	3,328	+8

In the 2021 business year, our plastic pipe business was marked by challenging conditions on the raw material markets and along the supply chains. Nevertheless, we delivered a new record result, with external revenues exceeding one billion euros for the first time. This satisfactory development was due, above all, to excellent supply chain management, successful purchasing initiatives, and our proactive margin management, as outlined below.

Given the exceptionally high rates of price increases for almost all raw materials, the environment on the procurement markets remained difficult. Moreover, the situation was further aggravated by acute raw material bottlenecks due to maintenance backlogs and force majeure notifications by some suppliers, combined with a worldwide increase in demand, above all at the beginning of the year. However, we were able to largely offset the resultant increase in input costs, especially for plastic polymers, which are particularly relevant to us, through forward-looking measures in procurement and pricing. Successful inventory management, long-term relations with our suppliers, and optimization measures along the entire value chain helped us to deliver the promised volumes of products and thus further strengthen our market position. Through our proactive margin management, we once again positioned ourselves as a transparent and reliable partner for our customers. Moreover, the continued pursuit of our strategy of focusing on the provision of high-margin product groups led to significant growth in earnings.

The first six months of the reporting period were marked by exceptionally high demand for plastic pipe solutions in almost all our core markets; the demand situation normalized at the beginning of the second half of the year. In the field of infrastructure, we continued to focus on the ongoing expansion of our product portfolio and recorded high demand for our system solutions for water and energy management. We also recorded strong demand for our innovative system solutions in the in-house segment. This satisfactory development of our business confirms that we have taken the right initiatives in line with our long-term strategic orientation.

In Northern Europe, we achieved a solid result in a stable market environment. Alongside an improved product mix, we benefited from rising demand for frost-resistant and pre-insulated plastic pipes, especially in Norway. In the reporting period, we made good progress with the expansion of our Swedish plant in Ljung, which is to become the biggest pipe production site in Northern Europe. The construction of our new site in Finland for the production of tailor-made special products for water management, such as pumping stations and large tank solutions, was successfully advanced. In the Baltic States, we took advantage of strong demand and achieved a significant increase in earnings thanks to our proactive margin management.

In Western Europe, we achieved a significant improvement in earnings, which was primarily due to the ongoing optimization of our product portfolio in the in-house segment. The acquisition of FloPlast and Cork Plastics in July 2021 further strengthened our position in the extremely attractive British and Irish renovation markets. This acquisition is accelerating our transformation into a full-range system solutions provider, as it enables us to combine our roofing portfolio with complementary rainline, rainwater, and drainage solutions. It also underlines our commitment to water management as part of our ESG strategy. At the same time, the combined product portfolio offers additional cross-selling opportunities in private and public new housing construction, where we already hold a leading position in the UK. With this strategy, we are generating additional growth while sustainably improving the profitability of our business.

Our business in Eastern Europe performed particularly well. Substantial contributions to growth came from Poland, the Czech Republic and Hungary. We succeeded in expanding our market positions with our system solutions and an enlarged product range. EU support programs for the expansion and renovation of pipeline systems created additional momentum. In Austria, benefiting primarily from an improved supply chain, we achieved satisfactory growth in earnings.

Throughout 2021, we continued to pursue our strategy of consistent portfolio optimization. Consequently, in the course of the year we withdrew from Russia and Greece, two markets unable to meet our future growth expectations. In the future, we will continue to actively pursue a strategy of portfolio consolidation and thus further improve our profitability.

In the reporting year, the business unit's total external revenues increased by 25% to € 1,167.3 million (2020: € 932.6 million). Despite challenging conditions in the procurement markets, our successful initiatives along the entire supply chain and the consistent pursuit of our value-accretive growth strategy enabled us to achieve a 15% improvement in EBITDA LFL from € 99.6 million to € 114.7 million and generate an EBITDA LFL margin of 10.3% (2020: 10.7%).

Outlook 2022

For the 2022 business year, we expect to see stable demand in the first half of the year despite persistent tension in the raw material markets with volatile price developments in the plastics sector and tight supply chains. EU support programs for the implementation of major infrastructure projects will continue to have a positive impact on market sentiment. As we further pursue our diversification into higher-value segments, such as rainwater and wastewater management in the infrastructure sector and the expansion of our in-house business, we will strive to further optimize the profitability of the business unit. Alongside the consistent implementation of our proactive margin management, the acquisition of FloPlast and Cork Plastics as well as the expansion of plants in Northern Europe will make a significant contribution to earnings.

North America

In 2021, the North America Business Unit continued on its growth path and again delivered excellent results:

- External revenues rose steeply by 53% to € 498.6 million in the reporting year (2020: € 325.0 million)
- EBITDA LFL increased by a highly satisfactory 76% to € 82.7 million (2020: € 46.9 million)
- Successful closure of the acquisition of Meridian Brick in October 2021
- Particularly strong earnings growth in plastic pipe activities and the Canadian brick business
- Outlook: Demand for façade solutions favored by consistently positive market environment

North America		2021	2020	Chg. in %
External revenues	in MEUR	**498.6**	325.0	+53
EBITDA LFL	in MEUR	**82.7**	46.9	+76
EBITDA LFL margin	in %	**19.6 %**	14.4 %	-
EBITDA	in MEUR	**89.1**	45.7	+95
EBITDA margin	in %	**17.9 %**	14.1 %	-
EBIT	in MEUR	**57.6**	-72.8	>100
Capital employed	in MEUR	**539.9**	293.6	+84
Total investments	in MEUR	**22.4**	10.4	>100
Ø Employees	in FTE	**1,591**	1,352	+18

The 2021 performance of the North America Business Unit was marked by a positive market environment in the new-build segment in our core regions in the USA and Canada and high demand in the US infrastructure segment. Despite a few remaining restrictions imposed by the authorities to contain the pandemic, we continued on our successful growth path of recent years and again recorded a significant improvement of our results. Exceptionally strong contributions to the Group's earnings came from our plastic pipe operations and the façade business in Canada.

Despite weather-related delays of project starts in individual regions, 2021 began very well in North America. Housing starts were at a constantly high level, above the previous years' average. We therefore recorded consistently high demand in both new build and infrastructure and achieved strong growth in earnings. This development was strongest in the southern regions of the USA. In fact, the rate of growth would have been even higher without the delivery bottlenecks and the shortage of labor seen throughout the sector.

Our North American brick activities benefited, in particular, from strong demand for our design elements for interior walls and our innovative façade solutions. Our plants were therefore working at a high level of capacity, and inventories were low. The combination of successfully implemented price increases to cover cost inflation and further efficiency-enhancing measures along the entire value chain provided the basis for a very successful 2021 business year. Alongside the energy forward buying policy at Group level, a sand pit in Canada purchased several years ago proved to be extremely valuable. Being in control of this important raw material, we were able to ensure its availability and, at the same time, minimize the impact of rising cost inflation.

The performance of our 2021 plastic pipe business in North America was particularly noteworthy: Owing to several factors, especially the development of margins, the segment had an extraordinarily positive one-off effect on earnings. This strong momentum was created by a combination of very high demand for infrastructure solutions and a particularly challenging procurement market characterized, above all, by a shortage of raw materials and the resultant substantial price increases. In the first quarter of 2021, numerous force majeure notifications by suppliers due to winter storms in Texas led to considerable supply bottlenecks. Due to continued strong demand and low inventory levels, the situation became more and more acute in the course of the year. Although first signs of a slight easing of tight supply chains were seen in the second half of the year, even the fourth quarter did not bring the expected normalization of the situation. However, given our long-term supplier contracts, an optimized procurement chain, and targeted inventory management, we were able to successfully overcome the supply bottlenecks. Moreover, thanks to our forward-looking price management with a special focus on price flexibility and strict cost discipline, we succeeded in passing on the notably increased raw material prices to the market and improving our profitability.

The successful closure of the acquisition of Meridian Brick in the fourth quarter of 2021 marked yet another important milestone on our growth path and greatly strengthened our position in the attractive markets of the south-eastern states of the USA and in Canada. This acquisition has made us the leading provider of innovative façade solutions in the North American market. The integration process was started immediately upon closure, and first changes of the organizational structure have already been successfully implemented. We are pursuing the clear goal of embracing the new plants and their employees as part of our Wienerberger culture with its long-term orientation, and establishing ourselves as a sound, sustainably growing company and an attractive employer. While emphasizing the social aspects of the integration of the newly acquired plants, we are also focused on harmonizing their sales organization, which will be based on strong and easily recognizable local brands. Our experienced team in the USA and Canada will be working expeditiously to advance the integration of the companies. We will therefore be able to leverage considerable synergies already during the first year after the takeover and further accelerate the pace of growth in our core markets.

Overall, despite challenging conditions along the supply chains, we closed the 2021 business year with another excellent result. In the reporting period, external revenues grew by 53% to € 498.6 million, including the consolidation of Meridian Brick (2020: € 325.0 million). Over the same period, EBITDA LFL rose substantially to € 82.7 million, which corresponds to a 76% increase compared to the previous year (2020: € 46.9 million). Benefiting from the positive effect of the plastic pipe business, the EBITDA LFL margin improved to 19.6% (2020: 14.4%)

Outlook 2022

For the first half of the year, we expect to see a consistently positive market environment in new build and anticipate that our façade solutions will continue to benefit from strong demand. Challenges may arise on account of supply chain bottlenecks. The shortage of skilled labor may also have a dampening effect on growth. In the infrastructure sector, we expect demand to remain high, with additional support from state aid to public construction works. Given that market conditions are projected to normalize, we do not expect our plastic pipe business to repeat the extraordinarily strong result of 2021. The integration of Meridian Brick will continue throughout 2022. The fact that we are maintaining our original target of a combined EBITDA contribution of USD 120 million three years after the acquisition confirms our positive assessment of the attractive North American market, even though three production sites and individual distribution outlets had to be sold to comply with regulatory requirements.

Outlook and Targets for 2022

Market Outlook for Europe

For 2022, we expect a volatile market environment in our European core markets, particularly due to the Russia-Ukraine conflict. Furthermore, we will still have to face challenges along the supply chains, issues of availability, and the dynamic inflation of raw material and energy prices. Nevertheless, we foresee a continuation of the underlying positive trend of the second half of 2021, especially in the first half of the year. Demand from the construction of new single- and multi-family homes will remain at a solid level, and vigorous renovation activities are expected to continue. Moreover, the initiatives taken to stimulate investments in sustainability within the framework of the European Green Deal will also have a positive impact on demand in our field of business.

We anticipate further demand for infrastructure solutions and expect markets to remain stable overall. In the medium term, this segment will also benefit from the stimulus programs announced by the EU Member States, which will have a positive impact on demand for our solutions in the fields of water and energy management.

Apart from the aforementioned challenges, other limiting factors include the global development of the pandemic and the availability of qualified labor, which could have a dampening effect on market dynamics.

Market Outlook for North America

Essentially, the outlook for markets in the USA and Canada in 2022 is similar to that for Europe. We anticipate a positive market sentiment to prevail, especially in the first half of the year, and expect demand to remain stable at a high level on account of vigorous construction activities in our core markets in the USA and Canada. Moreover, we expect a positive impetus from the package of capital expenditure measures for infrastructure projects adopted by the US government. In North America, too, the shortage of qualified labor and bottlenecks along the supply chains could have a dampening effect on growth.

Targets

Based on the new record results achieved in 2021, we will further pursue the value-accretive growth strategy of the Wienerberger Group throughout the 2022 business year. Our focus will remain on our proven strategic pillars of growth. Benefiting from our high innovative strength and in line with our program of continuous performance enhancement, we will actively promote the generation of organic growth. Given our successful track record in value-accretive M&A transactions, we will pursue further takeover options with a view to addition-al non-organic growth. All our business activities are in line with our ESG strategy and clearly defined KPIs.

For 2022, we have set ourselves the ambitious target of increasing the Wienerberger Group's EBITDA to a range of € 750 to 770 million. Alongside organic growth and contributions to earnings from our self-help program, we also expect contributions from the acquisition of Meridian Brick as well as FloPlast and Cork Plastics. Effects from asset sales and currency fluctuations have not been taken into account in setting the target range. The outlook and targets for 2022 were set before the outbreak of the Russia-Ukraine conflict. Its effects cannot yet be reliably estimated at the time of preparing the 2021 Annual Report. Wienerberger does not operate any production sites in Ukraine and the share of the Russian business in Group revenues is less than 1%. Apart from our proactive margin management to cover cost inflation, we expect to benefit from our proven internal processes along the entire value chain and will continuously optimize our portfolio in order to further increase our profitability and remain a reliable and transparent partner for our customers.

Given the year-on-year increase in the number of production sites, a total of € 135 million will be spent on maintenance in our plants and measures aimed at the continuous improvement of health and safety at the workplace. Another € 160 million will be invested in the steady reduction of our ecological footprint, the optimization and expansion of our plants, and the further development of our product portfolio. At the same time, we are continuously evaluating a large number of potential acquisition targets. We analyze the targets for their strategic development potential, value-creating additions to our portfolio in the fields of smart infra-structure, renovation, and new-build solutions, as well as their earning, cash-flow, and synergy potential in line with our ESG targets.

Additional Information about the Company

Research and Development

Research and Development (R&D) are of central strategic importance for the Wienerberger Group, as they enable us to take the lead in terms of costs and technology and strengthen our position in the long term through product innovations. Our primary focus is on creating benefits for the users of our products and on meeting all requirements in terms of sustainability. Our R&D activities are fundamental to the achievement of our ambitious targets regarding decarbonization and the circular economy. Moreover, the development of new materials, products and system solutions, the optimization of existing production technologies and the development of new ones, the digitalization of processes, and the continued transition to Industry 4.0 are among our central action areas.

Strategic R&D projects are managed centrally, but generally implemented at the local level. To this end, Wienerberger operates several research centers in a number of countries, each of them specializing in a specific product group. Within the framework of demonstration projects, new technologies are first tested for their potential benefits and their added value for customers. Successful ideas are then quickly rolled out across the entire Group via our platforms.

Innovations, system solutions, and efficient use of resources

One of the priorities of our research activities is to continuously optimize the properties of building materials and the use of resources, combined with the development of new solutions, in order to meet the steadily increasing demands on building materials in terms of energy efficiency, their CO_2 footprint, earthquake resistance, and structural properties. Moreover, we focus on enhancing existing and new products by adding smart and/or digital functionalities. Our goal is to develop solutions that enable environment-friendly, fast, and easy installation of our products on the construction site, contribute to climate protection and the energy efficiency of buildings, and create added value for our customers. All our R&D activities are completely in line with our ambitious ESG targets.

Becoming a CO_2-neutral provider of building materials

In pursuit of the goal of circularity, 100% of our new products are designed so as to be reusable or recyclable. Moreover, we are making every effort to ensure that all our products advance the target of decarbonization throughout their life cycle and thus reduce the entire Group's CO_2 footprint. With their positive properties as a natural, energy-efficient building material, our bricks contribute to environmental protection and ensure a pleasant and healthy indoor climate in summer as well as in winter.

Our research priorities in ceramic production include the use of alternative energy sources (electrification of processes, possible use of hydrogen or "green" gas), the reduction of energy consumption in the drying and firing processes, and the optimized use of raw material resources through product developments and new formulations. Additionally, we are continuously investing in the automation of production processes and the introduction of novel production technologies.

As a technology and innovation leader, Wienerberger is developing building materials and services for the future, including solutions for the entire building envelope. By reducing the weight of our products, enhancing the efficiency of our production processes, and optimizing the physical properties of our products, we have succeeded in improving thermal insulation by almost one third, reducing energy consumption in production, and enabling the construction of substantially thinner walls.

In the course of our ongoing innovation efforts, we are intensively exploring the possibilities of mobile masonry robots and prefabrication. In times of digitalization, high demand for affordable housing, and the growing shortage of skilled labor, the entire construction sector is confronted with major challenges. As the innovation leader of our industry, we see great potential for automation in both prefabrication and the execution of construction projects. We want to offer our customers product solutions that not only accelerate and facilitate construction work, but also reduce costs and, at the same time, offer the advantage of increased safety, efficiency and quality. To this end, we are cooperating with well-established businesses, start-ups, and universities. Among other solutions, the first prototype of an innovative masonry robot for use on construction sites has been designed on this basis. The objective is to develop this solution to market maturity in response to the increasing shortage of skilled labor on construction sites.

In the plastic pipe segment, we have continuously optimized our products and further increased the share of recycled raw materials used in production. With this development, we are actively contributing toward improving the CO_2 balance across the entire product life cycle and ensuring full circularity. This process was accompanied by regular quality control measures and numerous tests of the composition of the pipe material to ensure a consistently high level of product quality.

Moreover, we are continuously working on our infrastructure solutions in the field of water management to prevent a shortage of this invaluable resource. In the field of energy, we are making every effort to promote the use of renewable energy sources. The Raineo system developed by Pipelife, our subsidiary, is a noteworthy example: It is made entirely from secondary raw materials and optimizes rainwater management on sealed surfaces. Another example is our Preflex Spider, a prefabricated, tailor-made electrical installation ideally suited to increase the efficiency of construction site work. These and other solutions are our response to the growing shortage of skilled labor and to climate change.

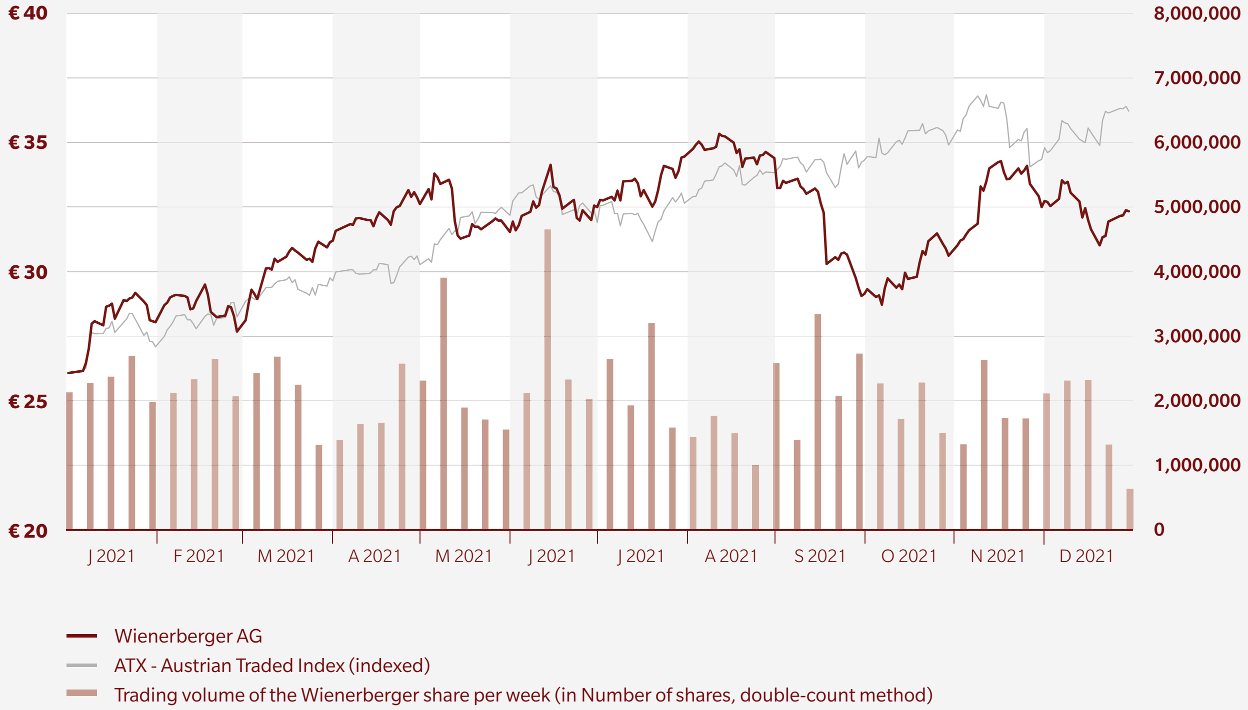
Ceramic pipe production is another area where we are continuously improving our processes. Pipes of the Steinzeug-Keramo brand, produced exclusively from natural, reusable raw materials, are 100% recyclable at the end of their useful life.

Be it climate change, the shortage of skilled labor, or the scarcity of resources – our response to current challenges is innovation. Our vision is to improve people's quality of life with our smart building and infrastructure solutions. One third of the Wienerberger Group's revenues are already accounted for by innovative products and services. Our goal for the future is to maintain this share at such a high level throughout the Group. Regular information on current topics in the field of research and development is provided on our website.

Wienerberger Share and Shareholders

Wienerberger AG is listed in the Prime Market segment of the Vienna Stock Exchange with no-par-value bearer shares. There are neither preferred shares or registered shares nor any restrictions on common stock. The "one share – one vote" principle therefore applies in full. In the USA, Wienerberger AG trades on the OTC market via an ADR Level 1 Program of the Bank of New York. With a market capitalization of € 3,725 million and a weighting of 6.0% in the ATX at the end of 2021, Wienerberger is one of the seven largest listed companies in Austria.

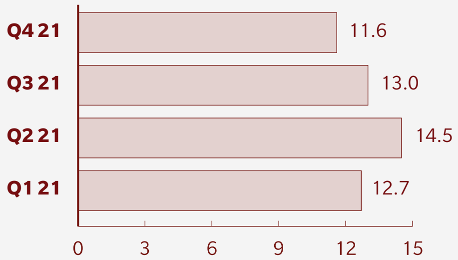
Development of the Share Price



The Wienerberger share started the 2021 trading year at a price of € 26.08, the closing price of the highly volatile previous year marked by the outbreak of the Covid-19 pandemic, the resultant global stock market slump in mid-March, and the subsequent recovery of share prices. In a favorable market environment, the Wienerberger share performed well at the beginning of the year, continuing on the upward trend of the last months of 2020. At € 26.16, the first trading day of 2021 marked the annual low. By the end of the first half of the year, the share gained 25% in value, trading at a price of € 32.50. Boosted by consistently positive market sentiment and our own strong business performance, the share price continued to increase at the beginning of the second half of the year, reaching its annual high at € 35.34 on August 11. However, rising inflation driven up in particular by energy prices and the resultant nervous atmosphere on the global stock markets led to a correction of the share price by the beginning of October to just under € 30, before the share again surged almost back to its annual high on the back of strong quarterly results. This highly volatile market sentiment continued during the last months of the year. With infection figures on the increase alongside persistently high inflation rates, the share price again trended downward before the end of the year. Trading closed at a year-end price of € 32.34 with an overall gain of 24.0% for the Wienerberger share in the 2021 stock exchange year. The Austrian ATX, the lead index of the Vienna Stock Exchange, gained 38.9% over the same period, a development primarily driven by the high price gains of bank and energy stocks, which are heavily weighted in the Austrian lead index.

Based on the current forecast for the development of business, the Managing Board will propose to the 153rd Annual General Meeting on May 3, 2022, that a dividend of € 0.75 per share be paid out, which corresponds to a 25% increase year on year. Amounting to a total of € 86.1 million, the dividend to be paid out corresponds to 20.5% of the free cash flow after liabilities for leases. Based on the year-end share price of € 32.34, this represents a dividend yield of 2.3%.

Liquidity
in MEUR



ø Stock exchange turnover of the Wienerberger share per day (double-count method)

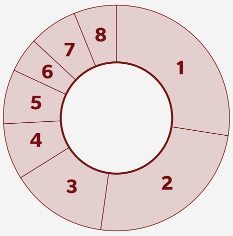
Key Data per Share		2021	2020	Chg. in %
Earnings	in EUR	**2.75**	0.79	>100
Adjusted earnings	in EUR	**2.84**	1.79	+59
Dividend	in EUR	**0.75**	0.60	+25
Free cash flow [1]	in EUR	**3.72**	3.53	+5
Equity [2]	in EUR	**19.00**	15.52	+22
Share price high	in EUR	**35.34**	28.26	+25
Share price low	in EUR	**26.16**	11.59	>100
Share price at year-end	in EUR	**32.34**	26.08	+24
P/E ratio high		**12.9**	36.0	-
P/E ratio low		**9.5**	14.8	-
P/E ratio at year-end		**11.8**	33.2	-
Shares outstanding (weighted) [3]	in 1,000	**113,105**	112,680	+0
Market capitalization at year-end	in MEUR	**3,725**	3,004	+24
Ø Stock exchange turnover/day [4]	in MEUR	**12.9**	12.9	+0

1) Cash flow from operating activities less cash flow from investing activities and outflow from the redemption of liabilities from leases plus special capex and net outflow for acquisitions // 2) Equity including non-controlling interests, excluding hybrid capital // 3) Adjusted for treasury shares // 4) Double-count method

Shareholder structure

Wienerberger is a pure free float company and has no core shareholder. The Group's widely diversified shareholder structure is typical of a publicly traded company with international operations. The most recent survey of the shareholder structure performed in November 2021 showed that 14% of Wienerberger shares are held by private investors, while the majority is held by institutional investors, more than half of them based in the Anglo-Saxon region, i.e. North America (31%) and Great Britain (25%). The remaining shares are held mainly by Continental European investors.

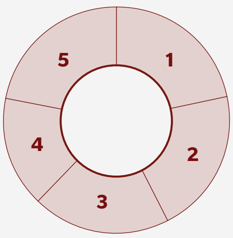
Shareholder Structure by Country
(Institutional Investors)



1	USA	28%
2	Great Britain	25%
3	France	14%
4	Germany	8%
5	Austria	8%
6	Scandinavia	5%
7	Other Europe	7%
8	Other World	6%

An analysis of the various strategies pursued by institutional investors shows that value-oriented investors dominate at a rate of 22%, followed by GARP investors and growth-oriented investors (21% and 20%, respectively).

Shareholder Structure by Investor Type
(Institutional Investors)



1	Value	22%
2	GARP	21%
3	Growth	20%
4	Index	16%
5	Other	22%

Pursuant to sections 130 to 134 of the Austrian Stock Exchange Act, which provides for mandatory reporting of significant holdings, the following notifications have been received from shareholders: More than 5% of Wienerberger shares have been held by FMR LLC (Fidelity), based in the USA, since October 27, 2021. The share capital of Wienerberger AG comprises 115,187,982 no-par-value shares and 381,910 treasury shares.

Investor Relations

In the course of our intensive investor relations activities, we are making every effort to establish long-term relations and engage in continuous exchanges with investors, analysts, and banks. The crucial issue in investor relations is to ensure the highest possible degree of transparency through ongoing, open, and active communication. To meet these demanding requirements in a year that was still marked by considerable uncertainty, Wienerberger not only resumed personal contacts as far as possible, but also continued to use digital communication channels in order to respond to enquiries as quickly as usual and to inform the financial market about current developments in our markets through regular conference calls. We also participated in numerous roadshows and investor conferences, most of them conducted virtually. In the year under review, the Managing Board and the Investor Relations team were in direct contact with investors and analysts all over the world more than 500 times, informing them about our key financials, the company's operational and strategic developments, the impact of the pandemic on individual markets, as well as current ESG (environmental, social, governance) topics. The fact that Wienerberger is covered by a number of renowned Austrian and international investment banks ensures the visibility of the Wienerberger share among the financial community. As of February 2022, the Wienerberger share is being covered by 14 analysts.

Disclosures on capital, shares, voting rights, and rights of control

The 151st Annual General Meeting held on May 5, 2020, authorized the Managing Board to buy back own shares of up to 8% of the share capital during a period of 30 months, without further resolution by the Annual General Meeting. Subject to compliance with the legal provisions in effect, shares can be bought back according to the Managing Board's judgement either on the stock exchange or over the counter, even by individual shareholders or a single shareholder, provided the Supervisory Board is retroactively informed thereof.

The 151st Annual General Meeting held on May 5, 2020, authorized the Managing Board for a period of five years, with the approval of the Supervisory Board and without further resolution by the Annual General Meeting, to sell or use treasury shares other than over the stock exchange or through a public offering, subject to the provisions, mutatis mutandis, regarding the exclusion of shareholders' subscription rights, and to set the terms and conditions of the sale. Furthermore, the Managing Board of Wienerberger AG was authorized, for a period of 30 months, to reduce the share capital, if necessary, through the cancellation of own shares with the approval of the Supervisory Board and without further resolution by the Annual General Meeting.

The 150th Annual General Meeting held on May 6, 2019, resolved on an authorized capital of € 17,452,724 (15% of the share capital) through the issue of up to 17,452,724 new no-par-value shares over a period of five years. The shareholders' statutory subscription rights can be excluded under certain conditions. However, the total number of shares issued subject to the exclusion of subscription rights must not exceed 5,817,574 (5% of the share capital.)

In the year under review, Wienerberger AG executed a share resale program on August 31, 2021, which was settled on September 3, 2021. A total of 2,500,000 treasury shares with a total value of € 81.3 million were sold over the counter at a weighted average price of € 32.50 per share through an accelerated book-building procedure and subject to the exclusion of the subscription right of existing shareholders.

Change of control clauses are included in the employment contracts of the members of the Managing Board, the terms of corporate and hybrid bonds, and the terms and conditions of syndicated loans and other loans. Further disclosures on the composition of Wienerberger's capital, the types of shares, rights, and restrictions, as well as the powers of the Managing Board to issue, buy back, or sell shares are contained in the Notes to the Consolidated Financial Statements under Note 28 ("Group Equity") starting on page 278.

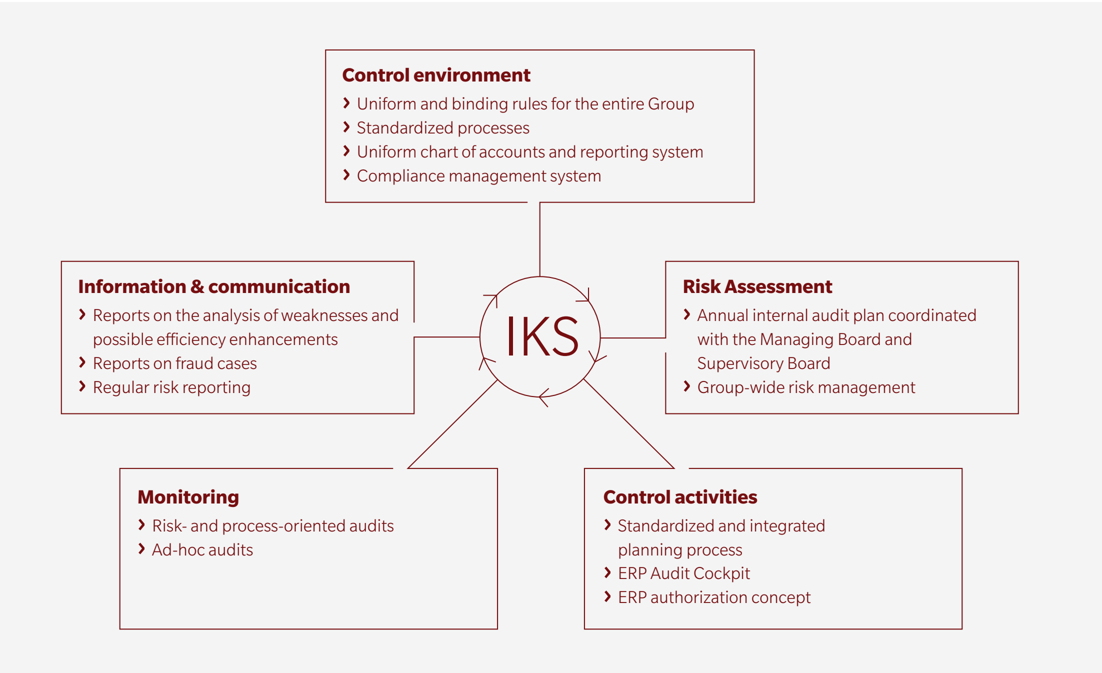
Risk Management and the Internal Control System

Our international operations not only offer great opportunities, but are also associated with short-, medium-, and long-term risks. Wienerberger has therefore established an effective risk management system, which identifies existing risks and counters them in a structured process through avoidance, elimination, and limitation. Our risk awareness is taken into account in all strategic decisions. Purely operational risks are considered acceptable, whereas taking risks beyond the scope of operational business is not permitted.

As a leading provider of building material and infrastructure solutions, we voluntarily undertake to present a transparent overview not only of climate-related opportunities, but also of the associated risks. The identification and analysis of climate-related risks is part of Wienerberger's all-encompassing risk management approach. Since 2021, we have therefore been following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)[1] as regards the identification, analysis, and assessment of physical risks[2] and transition risks[3].

The internal control system (ICS) of Wienerberger AG plays an important role in risk management. Based on the standards of the internationally recognized framework for internal control systems (issued by COSO), the ICS provides the management with a comprehensive tool for the analysis and/or prevention of uncertainties and risks arising from the company's essential business activities. Rules and controls applicable throughout the Group and across its operating segments are set by the Managing Board. In accordance with the decentralized structure of Wienerberger, responsibility for implementing the ICS lies with the respective local management. Internal Audit is responsible for communication and monitoring. Continuous compliance with the ICS is ensured through regular audits performed at the local sites.

The ICS comprises a system of measures and processes covering the following areas:



1) The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board of the G20 in 2015. It was mandated to elaborate recommendations for more effective climate-related disclosures to the capital market by companies regarding their resilience to climate change. These recommendations are structured around four thematic areas (governance, strategy, risk management, and metrics and targets), the objective being to identify, assess, and manage climate-related risks and opportunities and report on them. Since the publication of these voluntary recommendations in June 2017, more than 1,300 organizations worldwide have confirmed their support for TCFD. The updated recommendations published in October 2021 have been taken into account by Wienerberger. // 2) Physical risks are risks that may arise through changes of the climatic conditions (e.g. chronic and acute risks). // 3) Transition risks are risks that may arise from the conversion to a low-carbon economy (e.g. political and legal risks, technology risks, market risks, reputation risks).

Control Environment

- Uniform and binding rules for the entire Group
- Standardized processes
- Uniform chart of accounts and reporting system
- Compliance management system

The control environment forms the basis for standardization and harmonization processes across the Group. As regards accounting, the Managing Board issues group-wide guidelines with uniform and binding rules to be followed in the preparation of annual and interim financial statements. Business transactions are recorded by means of standardized processes based on a uniform Group chart of accounts. Wienerberger's consolidated financial statements and interim financial statements are prepared in accordance with IFRS in a fast-close process. The financial statements of all subsidiaries are reviewed in a two-stage process by the finance and controlling departments of the respective business units and by the Corporate Reporting department, consolidated, and subsequently released by the Managing Board of Wienerberger AG for submission to the Supervisory Board.

Wienerberger's compliance management system consists of a set of rules designed to support employees in complying with the Group's ethical and legal standards. It applies to all employees working for Wienerberger. If the national legislation provides for stricter rules, the latter take precedence. As clear rules are indispensable for the prevention of misconduct, Wienerberger implemented anti-bribery and anti-corruption policies, a guideline regarding compliance with anti-trust law, export controls (lists of sanctions), as well as capital market and data privacy rules. The compliance management system is continuously adapted to changes in legislation. The policies and guidelines are communicated to all employees concerned on a regular basis. Training sessions are organized and documented. Additional controls have been introduced at the Group level to inform and support the local management in matters of compliance. Internal Audit regularly verifies compliance with the rules and guidelines in effect.

In 2021, in accordance with its ESG strategy, the Wienerberger Group established its own Code of Conduct. The Code of Conduct is designed as a binding guideline setting out clear and uniform rules for employees, business partners, and suppliers. It also refers to the internal corporate policies.

Risk Assessment

- Group-wide risk management
- Annual internal audit plan coordinated with the Managing Board and Supervisory Board

To manage the Group-wide risks, we aim at identifying risks as early as possible and counteracting them through appropriate measures in order to minimize deviations from our corporate goals. The respective risk owners within our experienced international teams are in charge of the

- identification,
- analysis,
- assessment,
- management and monitoring

of risks. To this end, surveys are conducted regularly at top and senior management level, involving the members of the Managing Board, the management of the business units, and the heads of Corporate Functions in order to update existing risks and identify new ones. Risks are identified and assessed proactively through interviews, workshops, scenario analyses, and templates to be filled in. Subsequently, the risks identified are analyzed and broken down into strategic and operational risks along the entire value chain and assigned to the risk owners. Risk assessment is based on probabilities of occurrence and potential impact on free cash flow,with observation horizons divided into short-term (up to 1 year), medium-term (1-5 years) and long-term (5-25 years).

Besides strategic risks, the major risks for the Wienerberger Group are procurement, production, market, and price risks, financial and legal risks, and climate-related risks. The risks identified are compared with out materiality matrix in order to ensure consistency in our risk assessment and alignment with the expectations of external stakeholder groups. For detailed information on all types of risk, please refer to the Risk Report starting on page 304.

The most important instruments for risk monitoring and risk management are planning and controlling processes, Group policies, regular reporting of financial and non-financial parameters, and the diversification of risks through our portfolio approach.

Most of the risks identified are addressed and monitored within the framework of established internal management processes. In particular, local companies only take on risks arising from their operational business, which are analyzed by the respective risk owners within the business unit concerned and weighed against the potential gains. Additionally, risks arising within the framework of Group financing, in procurement, in IT, or in the area of compliance are not only addressed by the business unit concerned, but also managed, monitored, and mitigated centrally by the holding company. Another risk class includes material risks with a low probability of occurrence, which are continually monitored and assessed and are to be addressed through predefined defensive measures on a timely basis whenever need arises.

Internal Audit draws up an annual audit plan, which is agreed upon with the Managing Board and submitted to the Audit and Risk Committee of the Supervisory Board. In the course of the year, Internal Audit regularly reports to the Managing Board and the Audit and Risk Committee on the audits performed, the results obtained, and the degree of implementation of the findings.

The external auditor performs an annual assessment of Wienerberger's risk management system and reports the outcome to the Supervisory Board and the Managing Board. The functionality of the risk management system was reviewed and confirmed by the external auditor in 2021. Additionally, the control systems of the individual business units are covered within the framework of the audit of the annual financial statements by the external auditor.

Control Activities

- Standardized and integrated planning process
- ERP Audit Cockpit
- ERP authorization concept

The controlling activities include an annual planning process that is based on an integrated bottom-up planning approach. The planning process covers the budgeting of profit and loss, the balance sheet, and the cash flows of the following business year as well as a medium-term plan for a horizon of four years. The monthly comparison of actual results with the forecasts for the respective period is an essential element of the internal control and risk management system. In addition, all subsidiaries prepare updated forecasts of their expected annual results three times a year.

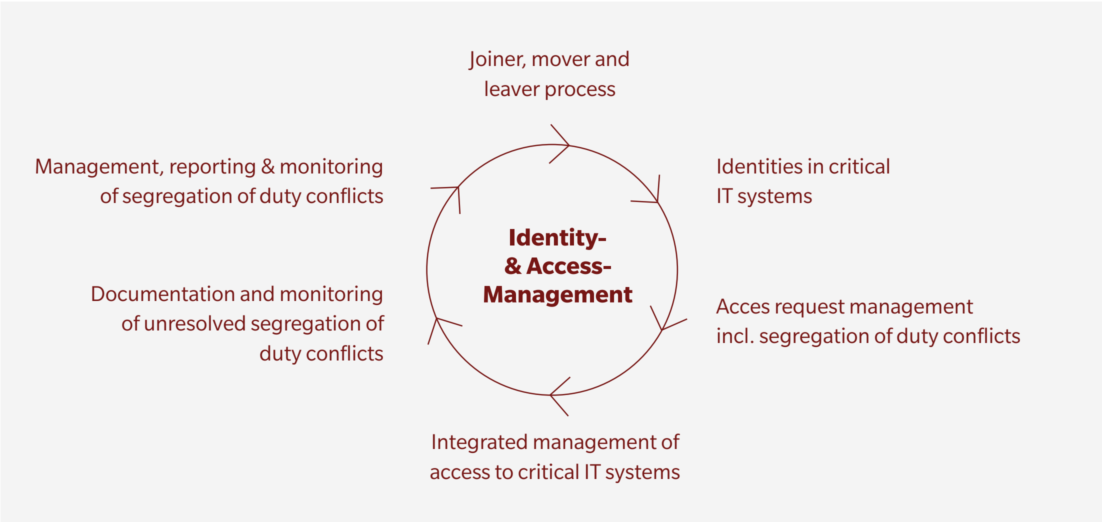
In order to strengthen, formalize, and document the internal control system, a risk and control matrix was designed and introduced with more than 150 controls broken down into about 20 main processes and over 60 sub-processes. Once a year, the local management evaluates and documents the status of implementation of selected key controls. Internal Audit regularly reviews this self-evaluation and assesses the degree of maturity of the respective key controls.

As a further control instrument, a fully integrated governance, risk, and compliance (GRC) system has been established. At its core, there is an identity and access management system. It comprises a complete joiner, mover, and leaver process, which ensures that all identities and their assigned critical IT access rights within the organization are always up to date. In 2020, the system was rolled out to 26 countries.

Through the identification of segregation of duty conflicts beyond the ERP system, excessive IT access rights as well as segregation of duty breaches across different applications can already be restricted at the stage of access request management.

If segregation of duty conflicts are nevertheless allowed for operational reasons, they are subject to approval and retroactive controls. The performance of such mitigating controls is triggered by and documented in the identity and access management system. Additionally, the system provides for reporting options for the management to verify the control performed.

Based on this governance, risk, and compliance solution, an integrated process has been established ranging from the identification and communication of critical single access rights and segregation of duty conflicts to their control and documentation.



Monitoring

- Risk- and process-oriented audits
- Ad-hoc audits

The organizational and management structure of Wienerberger AG and its companies is clearly defined. Responsibilities for the risk management monitoring process are also clearly separated and defined. A detailed description of the internal organizational structure can be found starting on page 38.

In coordination with the audit plan, Internal Auditing reviews compliance with the ICS as well as operational processes for risk propensity and efficiency enhancement opportunities at regular intervals – every two to four years, depending on the size of the company. In addition, Internal Auditing monitors compliance with legal requirements and internal guidelines and is thus the central monitoring body for the internal control system.

Furthermore, in addition to its risk- and process-oriented audits, Internal Audit performs ad-hoc and special audits when so requested by the management.

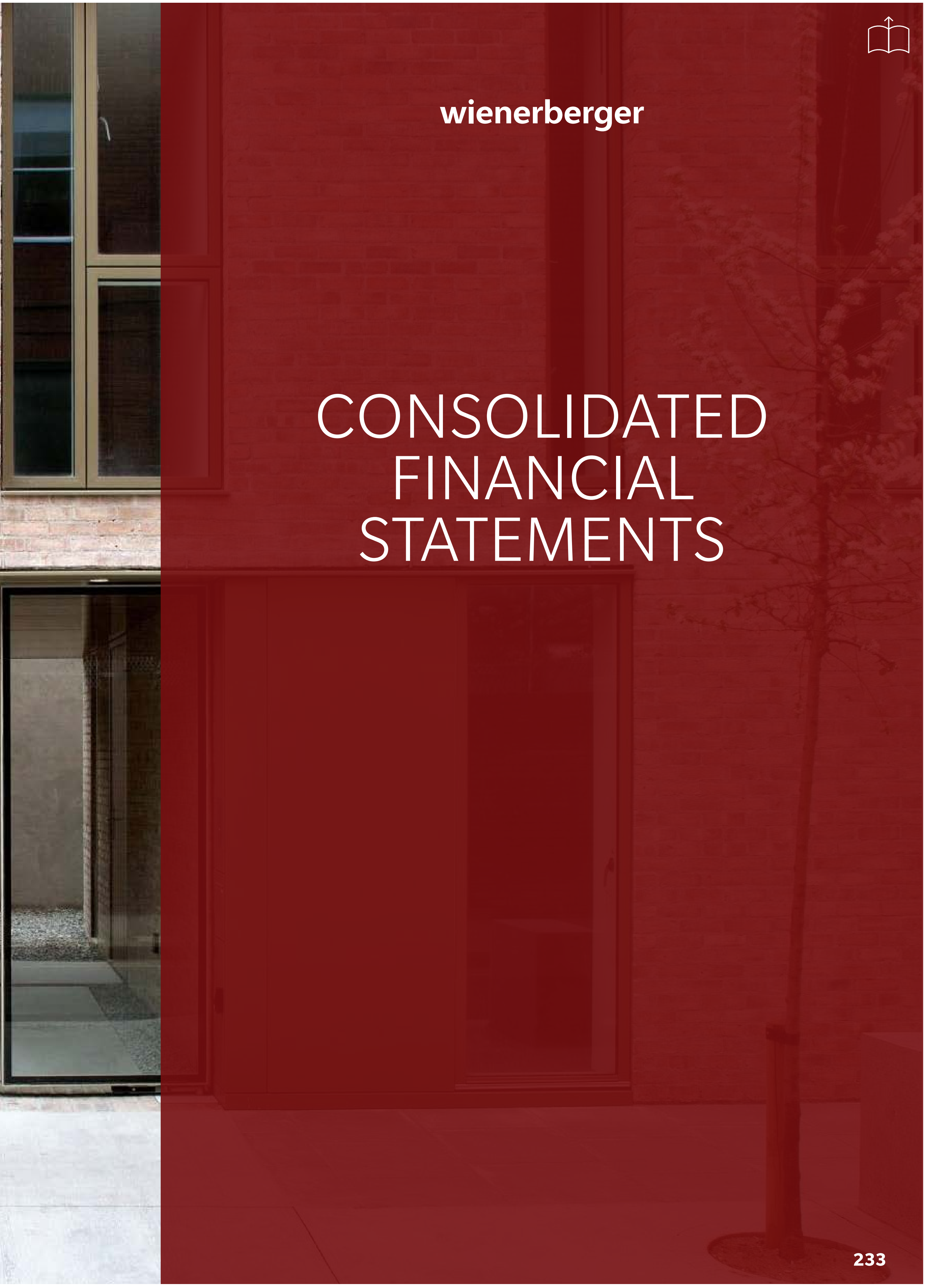
Information and Communication

- Regular risk reporting
- Reports on the analysis of weaknesses and possible efficiency enhancements
- Reports on fraud cases

Twice a year, a structured risk management process takes place. In the course of this process, the risk management team supports the individual business areas through proactive interviews and workshops aimed at identifying and assessing their respective risks. The results and the related recommendations and measures are summarized and transmitted to the Managing Board of the Group and the external auditor. Risk reports are submitted as follows:

- Standardized – structured risk management process in the form of interviews and workshops
- Regularly – embedded in the Group's existing reporting channels
- Ad hoc – for instant communication of changing or new risks

Within the framework of the other information and communication duties of the ICS, Internal Audit and Corporate Reporting regularly report to the Audit and Risk Committee on material accounting and valuation procedures, the impact of newly adopted IFRS rules on the consolidated financial statements, major changes in the accounting process, and findings from risk management. Moreover, the Audit and Risk Committee is regularly informed of audit findings, relevant implementation activities, and measures to eliminate weaknesses identified in the ICS.



wienerberger

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements

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Consolidated Income Statement

Notes	in TEUR	2021	2020
(9)	Revenues	**3,971,307**	3,354,599
(10-12, 14-16)	Cost of goods sold	**-2,532,107**	-2,166,132
	Gross profit	**1,439,200**	**1,188,467**
(10-12, 14-16)	Selling expenses	**-706,929**	-626,179
(10-12, 14-16)	Administrative expenses	**-275,489**	-228,036
(11, 15, 16)	Other operating income	**56,555**	40,723
(11, 14, 16)	Other operating expenses:		
(11)	Impairment charges to assets	**0**	-22,306
(11)	Impairment charges to goodwill	**-10,747**	-90,366
	Other	**-82,153**	-69,834
	Operating profit/loss (EBIT)	**420,437**	**192,469**
(2)	Income from investments in associates and joint ventures	**4,079**	4,136
(17)	Interest and similar income	**2,376**	2,208
(17)	Interest and similar expenses	**-40,343**	-37,858
(17)	Other financial result	**-12,276**	-12,208
	Financial result	**-46,164**	**-43,722**
	Profit/loss before tax	**374,273**	**148,747**
(18)	Income taxes	**-62,203**	-48,819
	Profit/loss after tax	**312,070**	**99,928**
	Thereof attributable to non-controlling interests	**184**	287
	Thereof attributable to hybrid capital holders	**1,176**	11,112
	Thereof attributable to equity holders of the parent company	**310,710**	**88,529**
(19)	Earnings per share (in EUR)	**2.75**	0.79
(19)	**Diluted earnings per share (in EUR)**	**2.75**	**0.79**

Consolidated Statement of Comprehensive Income

Notes	in TEUR	2021	2020
	Profit/loss after tax	**312,070**	**99,928**
(37)	Foreign exchange adjustments	**54,453**	-102,401
(37)	Foreign exchange adjustments to investments in associates and joint ventures	**75**	-42
	Changes in hedging reserves	**-8,729**	39,672
	Items to be reclassified to profit or loss	**45,799**	**-62,771**
(30)	Actuarial gains/losses	**27,031**	-6,775
	Actuarial gains/losses from investments in associates and joint ventures	**100**	62
	Items not to be reclassified to profit or loss	**27,131**	**-6,713**
	Other comprehensive income	**72,930**	**-69,484**
	Total comprehensive income after tax	**385,000**	**30,444**
	Thereof comprehensive income attributable to non-controlling interests	**215**	259
	Thereof attributable to hybrid capital holders	**1,176**	11,112
	Thereof comprehensive income attributable to equity holders of the parent company	**383,609**	**19,073**

Consolidated Balance Sheet

Notes	in TEUR	31/12/2021	31/12/2020
	Assets		
(22)	Intangible assets and goodwill	**857,371**	645,570
(22)	Property, plant and equipment	**2,116,153**	1,755,519
(22)	Investment property	**43,905**	50,167
(23)	Investments in associates and joint ventures	**18,166**	23,919
(23, 26)	Other financial investments and non-current receivables	**22,110**	38,441
(31)	Deferred tax assets	**74,127**	55,799
	Non-current assets	**3,131,832**	**2,569,415**
(24)	Inventories	**883,301**	729,042
(25)	Trade receivables	**343,416**	218,770
(26)	Receivables from current taxes	**10,718**	5,542
(26)	Other current receivables	**118,563**	83,770
(25, 35, 36)	Securities and other financial assets	**40,313**	49,222
	Cash and cash equivalents	**364,307**	666,148
	Current assets	**1,760,618**	**1,752,494**
(27)	**Non-current assets held for sale**	**11,335**	**5,106**
	Total assets	**4,903,785**	**4,327,015**
	Equity and liabilities		
	Issued capital	**115,188**	115,188
	Share premium	**1,069,751**	1,036,170
	Retained earnings	**1,189,703**	946,176
	Other reserves	**-219,035**	-291,934
	Treasury shares	**-7,439**	-57,300
	Controlling interests	**2,148,168**	**1,748,300**
	Non-controlling interests	**900**	685
(28)	**Equity**	**2,149,068**	**1,748,985**
(31)	Deferred taxes	**107,269**	62,100
(30)	Employee-related provisions	**100,174**	140,648
(29)	Other non-current provisions	**98,670**	73,726
(32, 34, 36)	Long-term financial liabilities	**1,326,108**	1,159,795
(32)	Other non-current liabilities	**29,569**	25,716
	Non-current provisions and liabilities	**1,661,790**	**1,461,985**
(29)	Current provisions	**44,566**	36,939
(32)	Payables for current taxes	**18,154**	9,696
(32, 34-36)	Short-term financial liabilities	**212,995**	437,720
(32)	Trade payables	**423,078**	299,873
(32)	Other current liabilities	**394,134**	331,817
	Current provisions and liabilities	**1,092,927**	**1,116,045**
	Total equity and liabilities	**4,903,785**	**4,327,015**

Consolidated Statement of Cash Flows

Notes	in TEUR	2021	2020
	Profit/loss before tax	**374,273**	148,747
(11)	Depreciation and amortization	**251,237**	244,312
(11)	Impairment charges to goodwill	**10,747**	90,366
(11)	Impairment charges to assets and other valuation effects	**22,045**	40,439
(29, 30)	Increase/decrease in non-current provisions	**-13,907**	-17,548
(2)	Income from investments in associates and joint ventures	**-4,079**	-4,136
	Gains/losses from the disposal of fixed and financial assets	**-2,874**	-5,298
(17)	Interest result	**37,967**	35,650
	Interest paid	**-36,175**	-33,410
	Interest received	**621**	870
	Income taxes paid	**-72,110**	-59,408
	Other non-cash income and expenses	**-1,702**	0
	Gross cash flow	**566,043**	**440,584**
	Increase/decrease in inventories	**-95,875**	51,950
	Increase/decrease in trade receivables	**-52,089**	-12,706
	Increase/decrease in trade payables	**74,629**	-14,422
	Increase/decrease in other net current assets	**17,855**	39,263
	Cash flow from operating activities	**510,563**	**504,669**
	Proceeds from the sale of assets (including financial assets)	**52,932**	31,209
	Payments made for property, plant and equipment and intangible assets	**-279,756**	-201,067
	Payments made for investments in financial assets	**-2,406**	-2,040
	Dividend payments from associates and joint ventures	**2,705**	2,533
	Increase/decrease in securities and other financial assets	**15,642**	-1,988
	Net payments made for the acquisition of companies	**-464,730**	-8,478
	Net proceeds from the sale of companies	**8,909**	31,990
(20)	**Cash flow from investing activities**	**-666,704**	**-147,841**
(21)	Cash inflows from the increase in short-term financial liabilities	**321,676**	164,097
(21)	Cash outflows from the repayment of short-term financial liabilities	**-460,797**	-512,910
(21)	Cash inflows from the increase in long-term financial liabilities	**253,458**	711,091
(21)	Cash outflows from the repayment of long-term financial liabilities	**0**	-648
(21)	Cash outflows from the repayment of lease liabilities	**-49,793**	-45,179
(28)	Dividends paid by Wienerberger AG	**-67,359**	-67,359
(28)	Hybrid coupon paid	**-10,732**	-12,537
(28)	Dividends paid to non-controlling interests	**0**	-409
(28)	Repayment/buyback of hybrid capital	**-214,630**	-33,212
(28)	Sale of treasury shares	**80,561**	0
(28)	Purchase of treasury shares	**0**	-19,686
	Cash flow from financing activities	**-147,616**	**183,248**
	Change in cash and cash equivalents	**-303,757**	**540,076**
	Effects of exchange rate fluctuations on cash held	**1,916**	-2,683
	Cash and cash equivalents at the beginning of the year	**666,148**	128,755
	Cash and cash equivalents at the end of the year	**364,307**	**666,148**

Consolidated Statement of Changes in Equity

Notes	in TEUR	Issued capital	Share premium	Hybrid capital	Retained earnings
	Balance on 31/12/2019	**116,352**	**1,058,946**	**241,008**	**943,851**
	Profit/loss after tax				99,641
(37)	Foreign exchange adjustments				
(37)	Foreign exchange adjustments to investments in associates and joint ventures				
	Changes in hedging reserves				
	Changes in other reserves				
	Other comprehensive income				
	Total comprehensive income				**99,641**
(28)	Dividend payment/hybrid coupon				-79,896
(28)	Change in hybrid capital			-241,008	-17,289
(28)	Changes in treasury shares				
(28)	Retirement of treasury shares	-1,164	-22,776		-131
	Balance on 31/12/2020	**115,188**	**1,036,170**	**0**	**946,176**
	Profit/loss after tax				311,886
(37)	Foreign exchange adjustments				
(37)	Foreign exchange adjustments to investments in associates and joint ventures				
	Changes in hedging reserves				
	Changes in other reserves				
	Other comprehensive income				
	Total comprehensive income				**311,886**
(28)	Dividend payment				-67,359
(12, 28)	Changes in stock option plan		595		
(12, 28)	Changes in treasury shares		519		
(12, 28)	Sale of treasury shares		32,467		-1,000
	Balance on 31/12/2021	**115,188**	**1,069,751**	**0**	**1,189,703**

Other reserves						
Actuarial gains/losses	**Hedging reserve**	**Translation reserve**	**Treasury stock**	**Controlling interests**	**Non-controlling interests**	**Total**
-83,329	**46,835**	**-185,984**	**-61,685**	**2,075,994**	**835**	**2,076,829**
				99,641	287	**99,928**
		-102,373		**-102,373**	-28	**-102,401**
		-42		**-42**		**-42**
	39,672			**39,672**		**39,672**
-6,713				**-6,713**		**-6,713**
-6,713	39,672	-102,415		**-69,456**	-28	**-69,484**
-6,713	**39,672**	**-102,415**		**30,185**	**259**	**30,444**
				-79,896	-409	**-80,305**
				-258,297		**-258,297**
			-19,686	**-19,686**		**-19,686**
			24,071	**0**		**0**
-90,042	**86,507**	**-288,399**	**-57,300**	**1,748,300**	**685**	**1,748,985**
				311,886	184	**312,070**
		54,421		**54,421**	32	**54,453**
		75		**75**		**75**
	-8,729			**-8,729**		**-8,729**
27,132				**27,132**	-1	**27,131**
27,132	-8,729	54,496		**72,899**	31	**72,930**
27,132	**-8,729**	**54,496**		**384,785**	**215**	**385,000**
				-67,359		**-67,359**
				595		**595**
			767	**1,286**		**1,286**
			49,094	**80,561**		**80,561**
-62,910	**77,778**	**-233,903**	**-7,439**	**2,148,168**	**900**	**2,149,068**

Notes to the Consolidated Financial Statements

General Information

1. Basis for the preparation of the consolidated financial statements

Wienerberger AG, which is headquartered in Vienna, Austria, is the parent company of an international building materials group whose business activities are classified into three segments according to management responsibilities: Wienerberger Building Solutions, Wienerberger Piping Solutions and North America. The address of Wienerberger AG is Wienerbergerplatz 1, 1100 Vienna, Austria.

The consolidated financial statements were prepared pursuant to § 245a of the Austrian Commercial Code and in accordance with the International Financial Reporting Standards (IFRS) and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) published by the International Accounting Standard Board (IASB) as of the balance sheet date and adopted by the European Union (EU). Independent auditors have examined the annual financial statements of all major Austrian and foreign group companies to confirm their compliance with the International Financial Reporting Standards.

In principle, the annual financial statements are based on amortized acquisition and production costs and were prepared as of the balance sheet date, the only exception being certain financial instruments, such as derivatives and equity instruments, which are accounted for at fair value. Deferred taxes are determined on the basis of temporary differences and re-evaluated on every balance sheet date. In addition, defined benefit pension and severance compensation plans are recognized and measured according to the projected unit credit method. The income statement is prepared in accordance with the cost of sales method; the reconciliation to the total cost method is provided in the Notes.

With a few exceptions as noted, the consolidated financial statements are presented in thousand euros.

2. Consolidated companies

The list of companies at the end of the Notes provides an overview of the fully consolidated subsidiaries, joint ventures and associates included at equity, and investments that are not fully consolidated for materiality reasons. The following table shows the changes in the scope of consolidation of the Wienerberger Group during the reporting year and comprises subsidiaries as well as associates and joint ventures accounted for at equity:

Consolidated companies	Full consolidation	Equity consolidation
Balance on 31/12/2020	**165**	**6**
Included during reporting year for the first time	13	1
Merged/liquidated during reporting year	-16	0
Divested during reporting year	-1	0
Balance on 31/12/2021	**161**	**7**
Thereof foreign companies	137	7
Thereof domestic companies	24	0

Subsidiaries
In addition to Wienerberger AG, the 2021 consolidated financial statements include 24 (2020: 22) Austrian and 137 (2020: 143) foreign subsidiaries over which Wienerberger AG exercises control. Subsidiaries are fully consolidated as of the date control is obtained and deconsolidated when control ceases to exist. In accordance with IFRS 10, control is considered to exist when Wienerberger has power over the subsidiary and can use this power to influence the company's financial and operating policies. Five subsidiaries were not consolidated in 2021 (2020: 5) because their influence on the Group's assets, liabilities, financial position and profit or loss is immaterial for a true and fair view.

Investments in associates and joint ventures
The 2021 consolidated financial statements of Wienerberger AG include six investments in joint ventures (2020: 5) and one investment (2020: 1) in an associate that are accounted for at equity. In accordance with the criteria of IFRS 11, Schlagmann Poroton GmbH & Co KG, Silike keramika, spol. s.r.o. and TV Vanheede-Wienerberger, as well as EXA IP B.V., acquired in 2021, are to be classified as joint ventures, because these companies are managed jointly with a partner of equal rights. Wienerberger holds 50 % in these joint ventures. TONDACH BOSNA I HERCEGOVINA d.o.o., in which Wienerberger holds 80 %, is managed jointly and accounted for at equity on account of the distribution of voting rights. Moreover, Wienerberger holds 30 % of Interbran Baustoff GmbH, which is classified as a joint venture on account of its joint management. The following table shows the values (100 %) resulting from the aggregation of the joint ventures:

in TEUR	2021	2020
Revenues	**124,996**	117,889
EBITDA	**21,873**	21,175
EBIT	**14,698**	14,552
Profit/loss after tax	**6,935**	7,376
Total comprehensive income after tax	**7,135**	7,501

Assets

in TEUR	31/12/2021	31/12/2020
Non-current assets	**65,752**	65,630
Current assets	**49,958**	45,235
	115,710	**110,865**

Equity and liabilities

in TEUR	31/12/2021	31/12/2020
Equity	**37,138**	33,034
Non-current provisions and liabilities	**15,227**	39,528
Current provisions and liabilities	**63,345**	38,303
	115,710	**110,865**

3. Acquisitions and disposals of companies

The purchase price allocation for the stake in the Dutch Inter Act Group, a developer and provider of web- and cloud-based technologies comprising Inter Act B.V., Inter ACT industrial automation B.V., TeleControlNet B.V., and Inter Act GmbH, acquired in November 2020, was completed in the reporting year. After the identification of technology and the customer base, a remaining goodwill of TEUR 375 was recognized (goodwill preliminary purchase price allocation: 8,170 TEUR). For reasons of materiality, the adjustment of the final purchase price allocation was not done retrospectively.

In July 2021, the purchase of 100% of the shares in FloPlast Ltd. in Great Britain and the Cork Plastics Group in Ireland, a well-established provider of rainwater, drainpipe, and roofline solutions, was closed. This acquisition enables Wienerberger not only to increase its share in the attractive Irish and British renovation markets, but also advances its transformation into a provider of complete solutions, especially in Great Britain, through the combination of the Wienerberger Group's own roofing portfolio with add-on solutions from FloPlast.

Although, in legal terms, the transaction included the acquisition of two companies, it was treated as an integrated set of business due to the close economic interactions between FloPlast and the Cork Plastics Group and thus seen as one transaction with one single purchase price. Based on the preliminary purchase price allocation, the customer base and the FloPlast brand were identified; the remaining goodwill amounts to TEUR 102,835. At the time of acquisition, the value of the gross receivables taken over amounted to TEUR 33,149; after deduction of expected non-recoverable cash flows of TEUR 144, the remaining net receivables amount to TEUR 33,005. The valuation of the assets and debts taken over, as well as the identification of intangible assets, have been largely completed, but detailed analyses regarding the allocation of the drivers of the envisaged synergies are still outstanding. As at 31/12/2021, the final allocation of goodwill to CGUs or groups of CGUs was therefore not yet possible. The incidental costs of the transaction amounted to TEUR 6,669 and are recognized in general administrative expenses. Between 01/01/2021 and 31/12/2021, FloPlast and the Cork Plastics Group generated revenues of TEUR 122,201 and EBITDA of TEUR 17,623. Calculated from the time of first consolidation, revenues came to TEUR 53,772 and EBITDA to TEUR 7,905.

In December 2020, the purchase agreement for the acquisition of 100% of the shares in Meridian Brick LLC, USA, and Meridian Brick Canada Ltd., Canada, was concluded. Based in Georgia, USA, the Meridian Brick Group is the largest producer of façade solutions (in terms of capacity) in the USA and holds a very strong market position in Canada. Closure of the transaction depended on approval by the US anti-trust authorities. The approval was granted in October 2021, subject to the sale of two Meridian Brick production sites and one existing Wienerberger plant in the USA as well as several distribution outlets. In accordance with the remedies imposed by the authorities, these assets were sold in November 2021. Based on the restrictive conditions imposed by the US authorities, the enforced sale of the three production sites and several distribution outlets resulted in a loss of TEUR 12,066, which is recognized in the reporting year under other operating expenses.

The transaction comprises all Meridian Brick assets in the USA and Canada, which had been operated as an integrated business with entities in both countries even before the acquisition. The transaction was therefore treated as one acquisition of a business combination at a single purchase price. In the purchase price allocation, a small gain on bargain purchase of TEUR 1,567 was determined, which is recognized in other operating income. This difference essentially derives from favorable business performance in the period between signing of the purchase agreement and the approval by the authorities. Therefore, working capital on the acquisition date exceeded the upper limit covered by the purchase price mechanism. The assets and liabilities acquired at the time of acquisition are shown in the following table. The gross trade receivables taken over amounted to TEUR 46,381, from which the presumably non-recoverable contractual cash flows expected at the time of acquisition in the amount of TEUR 4,586 had to be deducted.

In order to prevent foreign-exchange fluctuations and potential losses resulting from changes in the value of the US dollar, the agreed basic purchase price for the Meridian Brick Group was hedged through a USD deposit account with the Austrian financing company after the signing of the purchase agreement in December 2020. This FX deposit was classified as a cash flow hedge. The exchange-rate changes of the US dollar at the time of closing in October 2021 resulted in an exchange-rate gain of TEUR 11,297. Given that the hedge was classified as a hedge of a non-financial item, the exchange-rate gain at the time of closing of the Meridian Brick acquisition was recycled from the Consolidated Statement of Comprehensive Income to the Consolidated Income Statement and is recognized in the reporting year under “Other operating income”.

In total, the non-recurring effects relating to the acquisition of the Meridian Brick Group (gain on bargain purchase, exchange-rate gain from the purchase price hedge, and the loss due to the sale of the divestment package enforced by the authorities) result in other operating income of TEUR 12,864 and other operating expenses of TEUR 12,066 recognized in the 2021 Consolidated Income Statement. The non-recurrent positive effect on the operating result therefore amounts to TEUR 798.

The incidental expenses for the transaction, recognized in general administrative expenses, amounted to TEUR 4,662. During the period from 01/01/2021 to 31/12/2021, the Meridian Brick Group acquired in the reporting year generated revenues of TEUR 403,923 and EBITDA of TEUR 34,340. From the date of first consolidation, revenues of TEUR 88,959 and EBITDA of TEUR 12,515 were reported.

In October 2021, Wienerberger also acquired 100 % of the shares in Struxura (Struxura BV and Struxys BV), a Belgian producer of prefabricated walls. In the purchase price allocation, goodwill in the amount of TEUR 1,478 was identified, which is recognized in the operating segment of Wienerberger Building Solutions. From 01/01/2021 to 31/12/2021, Struxura BV and Struxys BV, acquired in the reporting year, generated revenues of TEUR 6,874 and EBITDA of TEUR 1,259. From the date of first consolidation, revenues of TEUR 1,620 and EBITDA of TEUR 282 were reported. No incidental expenses were incurred for these transactions.

Net cash outflows for the acquisition of companies in the reporting year amounted to a total of TEUR 457,353. Purchase price liabilities of TEUR 700, contingent on the achievement of certain targets, were recognized as other liabilities. Moreover, payments of purchase price liabilities for acquisitions from the previous year amounted to TEUR 7,378.

The sale of ZZ Wancor AG, closed in the previous year, resulted in cash inflow of TEUR 8,909 from outstanding purchase price receivables.

The reconciliation is shown as follows:

in TEUR	FloPlast and Cork Plastics	Meridian Brick	Other	Total
Intangible assets	106,756	3,992	15,955	**126,703**
Property, plant and equipment and financial assets	77,123	175,767	6,987	**259,877**
Deferred tax assets	0	493	0	**493**
Non-current assets	**183,879**	**180,251**	**22,942**	**387,072**
Inventories	16,581	68,446	483	**85,510**
Trade receivables	33,005	41,795	941	**75,741**
Other current receivables	57,808	41,196	1,941	**100,945**
Current assets	**107,394**	**151,437**	**3,365**	**262,196**
Deferred taxes	30,603	2,170	4,314	**37,087**
Non-current provisions	55	14,706	549	**15,310**
Long-term financial liabilities	0	21,058	3,158	**24,216**
Non-current provisions and liabilities	**30,658**	**37,934**	**8,021**	**76,613**
Current provisions	638	2,180	74	**2,892**
Short-term financial liabilities	0	31,282	862	**32,144**
Trade payables	16,945	32,372	2,782	**52,099**
Other current liabilities	11,600	15,573	194	**27,367**
Current provisions and liabilities	**29,183**	**81,407**	**3,912**	**114,502**
Net assets	**231,432**	**212,347**	**14,374**	**458,153**
Goodwill	102,835	0	-6,317	**96,518**
Badwill	0	-1,567	0	**-1,567**
Cash and cash equivalents	-57,170	-37,537	-343	**-95,050**
Purchase price liabilities	0	0	-700	**-700**
Payments made for companies acquired in previous periods				**7,378**
Net payments made for acquisitions	**277,096**	**173,242**	**7,014**	**464,730**

4. Methods of consolidation

The acquisition method of accounting is applied to all fully consolidated companies. According to this method, the compensation transferred in exchange for the investment is compared with the revalued net assets (shareholders' equity) of the acquired company on the date of purchase. All identifiable assets, liabilities and contingent liabilities are initially recognized at fair value in accordance with IFRS 3; any remaining positive difference between the purchase price and revalued pro-rata equity is recognized in local currency as goodwill in the relevant segment. Negative differences are recognized in the income statement under other operating income. Goodwill and intangible assets with an indefinite useful life are tested for impairment at least once each year together with the cash-generating unit to which they are allocated and reduced to the lower applicable recoverable amount in the event of impairment. Impairment tests are also performed more frequently if there are indications of a lasting decline in the value of a cash-generating unit during the financial year (see Note 5. Accounting and valuation principles and Note 22. Non-current assets).

Revenues, income and expenses as well as receivables and liabilities arising between consolidated companies are eliminated. Intercompany gains and losses from the sale of goods or services between Group companies that affect current or non-current assets are eliminated, unless they are immaterial.

The basic methodology of consolidation applies to associates and joint ventures consolidated at equity; local valuation methods are retained if the variances are immaterial.

5. Accounting and valuation principles

The accounting and valuation principles that form the basis for these consolidated financial statements remain unchanged in comparison with the previous year and were extended to include the new IFRSs to be applied on a mandatory basis as of the financial year (see Note 7. Effects of new and revised standards). A detailed description of the accounting and valuation principles can be found beginning on page 298.

6. Estimates and judgements

In preparing the consolidated financial statements, management must make estimates and judgements that influence the recognition and measurement of assets, liabilities and contingent liabilities, the disclosure of other obligations as of the balance sheet date, and the recognition of revenues and expenses during the reporting period. The actual figures may differ from management estimates.

For example, the valuation of pension plans and severance claims by actuaries include assumptions concerning the expected discount rate, increase in salaries and pensions, employee turnover rates and the development of the costs of medical care. Detailed information on the parameters used is provided in Note 30. Employee benefits. This Note also includes a sensitivity analysis of the defined benefit obligations.

The useful life of property, plant and equipment is also determined on the basis of estimates which, in this case, are derived from experience with the operation of comparable equipment. A table showing the ordinary useful lives of these assets can be found on page 299.

Provisions for site restorations are based on the best possible estimate of the expected costs of recultivating depleted clay pits as well as long-term discount rates, considering the respective national inflation rates.

The measurement of deferred tax assets requires assumptions regarding the future taxable income and the time of realization of the deferred tax assets. However, given the fact that the future development of business cannot be predicted with certainty and is not entirely within Wienerberger's control, the valuation of deferred taxes is uncertain.

The Wienerberger Group issues various types of product warranties, depending on the respective product segment and on market conditions. In principle, the recognition and measurement of provisions for warranties/guarantees relate to estimates of the frequency and amount of losses. These estimates are based on historical records of the occurrence and scope of guarantee cases as well as the best possible management estimates of payments to be made in guarantee cases. The provisions are adjusted regularly to reflect new information.

In particular, impairment testing of goodwill and other assets involves estimates and forward-looking assumptions by management concerning the expected cash surpluses and the cost of capital for the Wienerberger Group and its cash-generating units during the planning period. The estimates made during the preparation of these consolidated financial statements reflect the best knowledge and belief of management on a going-concern basis. They draw on past experience and take account of the remaining degree of uncertainty. A sensitivity analysis was performed to show the influence of changes in macroeconomic parameters on forecasts for the income statement. This analysis is explained in detail in Note 22. Non-current assets.

7. Effects of new and revised standards

The following table provides an overview of the new standards and interpretations published by the IASB as of the balance sheet date:

Standards/Interpretations		Published by IASB	Mandatory first-time adoption
IFRS 4	Insurance Contracts - Amendments	June 2020	1/1/2021 [1)]
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	IBOR Reform - Phase 2	August 2020	1/1/2021 [1)]
	Annual Improvements to IFRSs 2018 - 2020 Cycle	May 2020	1/1/2022 [1)]
IAS 16	Property, Plant and Equipment - Amendments	May 2020	1/1/2022 [1)]
IAS 37	Provisions - Amendments	May 2020	1/1/2022 [1)]
IFRS 3	Business Combinations - Amendments	May 2020	1/1/2022 [1)]
IFRS 16	Covid-19-related amendments	March 2021	1/4/2021 [1)]
IFRS 17	Insurance Contracts	May 2017	1/1/2023 [1)]
IAS 1	Classification of liabilities as current or non-current - Amendments	January 2020	1/1/2023
IAS 1	Disclosure of Accounting policies - Amendments	February 2021	1/1/2023
IAS 8	Definition of Accounting Estimates - Amendments	February 2021	1/1/2023
IAS 12	Deferred Tax related to leases and decommissioning obligations	May 2021	1/1/2023
IFRS 17	Insurance Contracts -Amendments	December 2021	1/1/2023

1) Mandatory effective date according to European Union directive.

New and amended standards and interpretations published that were adopted by the EU
The amendments to IFRS 4 Insurance Contracts, published in June 2020, concern the prolongation of the temporary exemption from the application of IFRS 9. The amendments must be applied on a mandatory basis as of January 1, 2021 and have no impact on Wienerberger's financial statements.

In August 2020, the IASB published amendments of IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The second-phase amendments supplement the requirements of the first phase and concern the replacement of a given interest rate benchmark by another interest rate benchmark. The amendments are to be applied on a mandatory basis as of January 1, 2021 and have no impact on Wienerberger's financial statements.

In May 2020, the IASB published clarifications on IAS 37 Provisions, Contingent Liabilities and Contingent Assets, IAS 16 Property, Plant and Equipment, IFRS 3 Business Combinations and the IFRS 2018-2020 improvement cycle. IAS 37 defines which costs can be taken into account in the case of an onerous contract. IAS 16 clarifies how the sale of products from the test phase of production equipment is to be recognized in the financial statements. IFRS 3 receives an update to the conceptual framework. These amendments have no impact on Wienerberger's financial statements.

In March 2021, the Covid-19-related amendments to IFRS 16, which had been published in May 2020, were prolonged for one year. The amendments to IFRS 16 Leases provide for practical expedients for lessees in the accounting of rent concessions. For a limited period of time, lessees are exempted from assessing whether a Covid-19-related rent concession is a lease modification. This expedient is only applicable to payment due on or before June 30, 2022. Wienerberger did not make use of these practical expedients.

In May 2017, the IASB published IFRS 17 Insurance Contracts, a new standard which replaces IFRS 4 and clarifies the accounting treatment of insurance and reinsurance contracts. Given that Wienerberger holds neither insurance nor reinsurance contracts as an insurer, the new standard is of no relevance to the financial statements of the Group.

New and amended standards and interpretations published, but not yet adopted by the EU
In January 2020 amendments to IAS 1 were published. These amendments introduce a more generally valid approach to the classification of liabilities as short-term according to IAS 1, which is based on the contractual arrangements in effect as of the balance sheet date. The amendments are to be applied on a mandatory basis as of January 1, 2023.

Amendments to IAS 1 and IAS 8 were published in February 2021. The amendments to IAS 1 specify the extent to which accounting policies must be disclosed in the IFRS notes. The amendments to IAS 8 contain clarifications on changes in accounting estimates in order to improve the distinction from changes in accounting methods. The amendments are to be applied on a mandatory basis as of January 1, 2023.

In May 2021, amendments to IAS 12 were published. The amendments clarify how companies account for deferred taxes relating to assets and liabilities arising from a single transaction (such as leases). The amendments are to be applied on a mandatory basis as of January 1, 2023.

In December 2021, the IASB published amendments to IFRS 17. The amendments enable companies applying both IFRS 17 and IFRS 9 for the first time to disclose comparative information on a financial asset in a way as if the classification and measurement rules of IFRS 9 had already been previously applied to the financial asset in question. The amendments are to be applied on a mandatory basis as of January 1, 2023. Given that Wienerberger holds neither insurance nor reinsurance contracts as an insurer, the new standard is of no relevance to the Consolidated Financial Statements.

8. Operating segments

The definition of operating segments and the presentation of segment results are based on the management approach required by IFRS 8 and follow internal reports to the Managing Board of Wienerberger AG as the chief operating decision maker, i.e. the body that decides on the allocation of resources to the individual segments.

The business activities of the Wienerberger Group are managed by business areas and regions. In the Wienerberger Building Solutions segment we report on our business in ceramic solutions for the building envelope and our concrete paver activities. The Wienerberger Piping Solutions segment comprises our European plastic pipe business and our ceramic pipe activities. Business in North America is reported in the North America segment. The activities of the holding companies are allocated to the segments on the basis of the capital employed of the business areas.

Reports to the responsible chief operating decision maker include EBITDA as the key indicator for the management of the operating segments as well as revenues, EBIT, operating EBIT, interest result and profit/loss after tax. Accordingly, these indicators are also presented in the segment report. The allocation of revenues, EBITDA, EBIT, operating EBIT, interest result, income taxes, profit/loss after tax, assets, liabilities, capital employed, and total investments is based on the headquarters of the individual companies.

Investments for maintenance of the industrial base are shown as “maintenance capex”, while investments in the expansion and optimization of plants, the development of new products, environmental and/or sustainability projects, and digitalization are recognized under “special capex”.

The reconciliation of segment results to Group results only requires the elimination of revenues, income and expenses as well as receivables and liabilities arising between the operating segments.

Wienerberger does not generate more than 10 % of its revenues with any single external customer.

Operating Segments in TEUR	Wienerberger Building Solutions 2021	Wienerberger Building Solutions 2020	Wienerberger Piping Solutions 2021	Wienerberger Piping Solutions 2020
External revenues	**2,300,500**	2,092,062	**1,167,342**	932,574
Intercompany revenues [1]	**4,770**	4,853	**239**	245
Total revenues	**2,305,270**	2,096,915	**1,167,581**	932,819
EBITDA	**477,583**	415,195	**127,531**	97,054
Depreciation and amortization [2]	**-164,240**	-170,763	**-67,332**	-53,904
Operating EBIT [3]	**313,343**	244,432	**60,199**	43,150
Impairment charges/Reversal of impairment charges	**0**	-16,571	**0**	-5,735
Impairment charges to goodwill	**0**	0	**-10,747**	0
EBIT	**313,343**	227,861	**49,452**	37,415
Income from investments in associates and joint ventures	**4,260**	4,329	**-121**	-105
Investments in associates and joint ventures	**18,130**	21,243	**-240**	1,520
Interest and similar expenses	**-42,925**	-46,515	**-23,506**	-17,989
Interest and similar income	**23,016**	25,869	**10,380**	8,954
Income taxes	**-52,698**	-42,589	**-7,864**	-7,898
Profit/loss after tax	**237,519**	166,657	**26,912**	16,791
Liabilities	**1,714,051**	1,696,054	**677,790**	588,377
Capital employed	**1,787,905**	1,736,669	**920,260**	563,778
Assets	**3,077,287**	2,975,106	**1,324,844**	939,007
Non-current assets held for sale	**1,568**	829	**9,767**	4,277
Maintenance capex	**78,755**	87,629	**30,460**	32,429
Special capex	**97,355**	47,865	**50,812**	22,742
Ø Employees (in FTE)	**12,427**	11,939	**3,606**	3,328

Revenues in TEUR	Wienerberger Building Solutions 2021	Wienerberger Building Solutions 2020	Wienerberger Piping Solutions 2021	Wienerberger Piping Solutions 2020
Great Britain	**406,565**	330,423	**53,195**	9,548
USA				
Netherlands	**234,848**	234,713	**118,604**	100,748
Belgium	**248,820**	228,197	**103,446**	86,722
Germany	**249,983**	234,965	**34,637**	35,522
Austria	**119,070**	99,966	**156,895**	127,287
Poland	**185,447**	172,149	**83,910**	58,395
France	**175,615**	157,666	**45,011**	29,312
Czech Republic	**156,175**	131,673	**31,270**	22,030
Norway	**12,100**	11,410	**133,152**	110,882
Hungary	**83,145**	68,391	**51,594**	39,206
Sweden	**11,544**	9,400	**104,980**	88,145
Romania	**96,635**	98,950	**8,544**	8,815
Finland	**13,063**	12,806	**77,865**	71,402
Other countries	**312,232**	306,153	**164,361**	144,706
Wienerberger Group	**2,305,242**	**2,096,862**	**1,167,464**	**932,720**

1) Intercompany revenues represent the revenues between fully consolidated, at-equity consolidated and unconsolidated Group companies. // 2) Including special write-downs // 3) Adjusted for impairment charges to assets and goodwill and reversal of impairment charges

North America		Group eliminations		Wienerberger Group	
2021	**2020**	**2021**	**2020**	**2021**	**2020**
498,601	325,017	**0**		**3,966,443**	3,349,653
0	0	**-145**	-152	**4,864**	4,946
498,601	325,017	**-145**	-152	**3,971,307**	3,354,599
89,140	45,717			**694,254**	557,966
-31,498	-28,158			**-263,070**	-252,825
57,642	17,559			**431,184**	305,141
0	0			**0**	-22,306
0	-90,366			**-10,747**	-90,366
57,642	-72,807			**420,437**	192,469
-60	-88			**4,079**	4,136
276	1,156			**18,166**	23,919
-9,590	-11,899	**35,678**	38,545	**-40,343**	-37,858
4,658	5,930	**-35,678**	-38,545	**2,376**	2,208
-1,641	1,668			**-62,203**	-48,819
48,277	-83,389	**-638**	-131	**312,070**	99,928
371,846	295,235	**-8,970**	-1,636	**2,754,717**	2,578,030
539,901	293,604			**3,248,066**	2,594,051
737,297	440,543	**-235,643**	-27,641	**4,903,785**	4,327,015
0	0			**11,335**	5,106
11,143	5,834			**120,358**	125,892
11,231	4,568			**159,398**	75,175
1,591	1,352			**17,624**	16,619

North America		Wienerberger Group	
2021	**2020**	**2021**	**2020**
		459,760	339,971
459,439	301,908	**459,439**	301,908
		353,452	335,461
		352,266	314,919
		284,620	270,487
		275,965	227,253
		269,357	230,544
		220,626	186,978
		187,445	153,703
		145,252	122,292
		134,739	107,597
		116,524	97,545
		105,179	107,765
		90,928	84,208
39,162	23,109	**515,755**	473,968
498,601	**325,017**	**3,971,307**	**3,354,599**

Products	EBITDA		Total investments	
in TEUR	2021	2020	2021	2020
Wall	192,383	158,067	68,428	46,488
Facade	166,912	147,234	79,342	40,965
Roof	158,367	138,625	35,548	25,410
Pavers	23,059	25,367	9,686	15,228
Pipes	187,048	114,249	81,985	53,380
Other	-33,515	-25,576	4,767	19,596
Wienerberger Group	**694,254**	**557,966**	**279,756**	**201,067**

Notes to the Consolidated Income Statement

9. Revenues

In the year under review, consolidated revenues increased by 18% to TEUR 3,971,307 including negative effects from currency translation in the amount of TEUR 7,692. The most significant negative foreign-exchange effects resulted from the devaluation of the US dollar, the Turkish lira, and the Polish zloty and were only partly offset by the appreciation of the British pound, the Norwegian krone, and the Czech koruna. Group revenues include revenues in the amount of TEUR 12,093 (2020: TEUR 17,229) from construction contracts. Detailed information on revenues by region is provided in the presentation of operating segments on pages 250 and 251.

The Wienerberger Group generates revenues from the sale of building material and infrastructure solutions for different fields of application. As a rule, revenue is recognized at the time of delivery and, consequently, the transfer of control of the product to the buyer, which usually corresponds to the time of delivery agreed upon in the delivery terms.

The goods are delivered to the customer by Wienerberger's own means of transport or by carriers contracted by Wienerberger. Transport revenues are recognized as part of external revenues, while transport-related expenses are recognized under selling expenses (in gross amounts).

Revenue is adjusted for expected returns and customer bonuses or discounts. Return obligations arise primarily from returnable packaging material, such as pallets. Expected returns are estimated mainly on the basis of historic data of recent years.

In international project business with LLLD (long-length large-diameter) pipes, revenue is recognized over a period of time. In the brick business as well, revenue from individual contracts is recognized over a period of time. This applies, for instance, to customer-specific production or so-called "heritage" products. However, the period of production for such contracts usually does not extend beyond a few days or weeks. Progress made in contract execution during the reporting period is calculated by means of output-oriented methods, for instance on the basis of the volume produced relative to the total volume ordered.

Apart from the sale of products and system solutions, Wienerberger also provides services to customers within the framework of digitalized products and services. The current contributions to revenues from such services are immaterial.

The period of time between the transfer of goods and/or services to the buyer and the due date of the receivable is usually less than one year. Wienerberger therefore makes use of the practical expedient not to adjust revenues by a significant financing component. The time of settlement of the receivables depends on the agreed payment terms.

External revenues, broken down by the most important product groups – after reconciliation to the reporting segments – are as follows:

1-12/2021 in TEUR	**Wienerberger Building Solutions**	**Wienerberger Piping Solutions**	**North America**	**Wienerberger Group**
Wall	829,334	0	24,321	**853,655**
Façade	703,077	0	325,532	**1,028,609**
Roof	645,539	0	0	**645,539**
Pavers	122,442	0	562	**123,004**
Pipes	0	1,167,306	148,168	**1,315,474**
Other	108	36	18	**162**
Total	**2,300,500**	**1,167,342**	**498,601**	**3,966,443**

1-12/2020 in TEUR	**Wienerberger Building Solutions**	**Wienerberger Piping Solutions**	**North America**	**Wienerberger Group**
Wall	742,151	0	21,170	**763,321**
Façade	649,221	0	231,182	**880,403**
Roof	581,249	0	0	**581,249**
Pavers	119,352	0	478	**119,830**
Pipes	0	932,548	72,165	**1,004,713**
Other	89	26	22	**137**
Total	**2,092,062**	**932,574**	**325,017**	**3,349,653**

Information on future revenues from contractual performance obligations not yet fulfilled on the balance sheet date is not provided, as customer contracts are generally executed within one year. For the same reason, Wienerberger makes use of the practical expedient not to capitalize contract costs, but to recognize them in expenses. These are mainly commissions paid to sales staff upon conclusion of customer contracts.

10. Material expenses

The cost of goods sold, selling and administrative expenses and other operating income and expenses include expenses for materials, maintenance, merchandise and energy as follows:

in TEUR	2021	2020
Cost of materials	**762,492**	498,293
Maintenance expenses	**149,500**	136,759
Cost of merchandise	**462,346**	396,355
Cost of energy	**279,934**	249,894
Total	**1,654,272**	**1,281,301**

The reported expenses were increased by a change of TEUR 48,046 (2020: TEUR 155,567) in inventories of semi-finished and finished goods. This includes adjustments to the cost of goods sold resulting from the recognition of assets for the right to recover products returned from customers. Income of TEUR 2,054 (2020: TEUR 1,774) resulted from the capitalization of own work and a proportional share of borrowing costs related to the construction of qualified plant and equipment.

The cost of materials consists mainly of expenses for clay, sand, plastics, sawdust and other additives, as well as expenses for pallets and other packaging materials. Maintenance expenses comprise the use of maintenance materials and other low-value spare parts as well as third party services.

11. Depreciation, amortization, impairment charges and reversal of impairment charges

The cost of goods sold, selling and administrative expenses and other operating expenses for the reporting year include TEUR 251,237 (2020: TEUR 244,312) of scheduled depreciation and amortization as well as special write-downs in accordance with IAS 36 of TEUR 11,833 (2020: TEUR 8,513) from the mothballing of plants and/or lines. The impairment tests carried out according to IAS 36 (see Note 22. Non-current assets) led to impairment charges on property, plant and equipment and intangible assets in a total amount of TEUR 10,747 (2020: TEUR 112,672). In the reporting year, the impairment was entirely attributable to goodwill impairment in the CGU Group Pipelife East in the Wienerberger Piping Solutions segment. There were no reversals of impairment charges in 2021 (2020: TEUR 0).

Depreciation, amortization, impairment charges, and reversal of impairment charges to intangible assets and property, plant and equipment are as follows:

in TEUR	2021	2020
Depreciation	**251,237**	**244,312**
Special write-downs	**11,833**	8,513
Depreciation and special write-downs	**263,070**	**252,825**
Impairment charges to property, plant and equipment and intangible assets	**0**	22,306
Impairment charges to goodwill	**10,747**	90,366
Impairment charges	**10,747**	**112,672**
Depreciation, amortization, impairment charges and reversal of impairment charges	**273,817**	**365,497**

12. Personnel expenses

The cost of goods sold, selling and administrative expenses include the following personnel expenses:

in TEUR	2021	2020
Wages	**364,331**	317,530
Salaries	**357,156**	323,697
Temporary workers	**41,418**	32,585
Expenses for long-term incentive programs	**3,991**	-1,851
Expenses for severance payments (incl. voluntary severance payments)	**5,693**	6,776
Expenses for pensions	**15,179**	17,631
Expenses for statutory social security and payroll-related taxes and contributions	**153,268**	141,568
Other employee benefits (incl. anniversary bonuses)	**23,176**	24,517
Personnel expenses	**964,212**	**862,453**

In the reporting year, the fixed remuneration component of the Managing Board members amounted to TEUR 2,179 (2020: TEUR 1,964). The variable components include a short-term (STI – short-term incentive) and a long-term remuneration component (LTI – long-term incentive). The final entitlements to the short-term variable remuneration component earned in 2021 amounted to TEUR 2,095 (2020: TEUR 746) and will be paid out in 2022.

From 2021 onward, the LTI program for the long-term remuneration component of the Managing Board is structured as a share-based remuneration program with a performance period of three years and a holding period of another two years for the allocated shares. The fixed salary of the Managing Board member concerned is taken as the base amount for 100 % target attainment. Maximum target attainment is capped at 150 % for Management Board members and 175 % for the CEO.

As laid down in the Remuneration Policy, the following targets apply to all members of the Managing Board members:

- RTSR (relative total shareholder return, measured by the performance of the STOXX Europe 600 Construction & Materials index)
- Return on capital employed after tax (ROCE)
- ESG target: reduction of group-wide CO_2 emissions compared to 2020

For 2021, the relevant targets and degrees of target attainment for these three categories are as follows:

Target	Weighting	Minimum target performance	100 % Target	Maximum target performance	Actual target achievement 2021	
RTSR	33 %	25.00 %	50.00 %	≥75.00 %	**76.38 %**	**>150 %**
ROCE	33 %	10.20 %	10.60 %	11.10 %	**12.20 %**	**>150 %**
CO_2 emission reduction	33 %	5.00 %	6.70 %	7.20 %	**8.12 %**	**>150 %**

The LTI entitlement for 2021, determined on the basis of target achievement, as shown above, amounts to TEUR 1,122 (2020: TEUR 0, as the targets were not attained). This entitlement will be paid out in 2024 depending on the achievement of the targets of the three-year plan. In accordance with the agreement on the long-term incentive, the entitlement will be paid out at the end of the term, with at least 50 % paid out in shares and not more than 50 % in cash. As target attainment was set on the basis of a cash amount and the exchange ratio for the share component is defined at a later point in time, the fair value is determined at the cash amount. For the 2021 LTI an expense of TEUR 1,191, including incidental expenses, was booked in the reporting year, with 50 % recognized in equity for the share component and 50 % booked as a provision for the cash component.

In 2021, all outstanding entitlements of the CEO from before 2021 were bundled into a new, share-based five-year program. This "special LTI" comprises two components: 40 % RSUs (restricted share units) and 60 % PSUs (performance share units). The RSUs, corresponding to a value of EUR 1 million (calculated on the basis of the average closing prices of the Wienerberger share during the last 20 ATX trading days of 2020), were transferred to the CEO in May 2021. Based on the current share price at the time of transfer of these 40,258 shares on May 28, 2021, the equivalent value was TEUR 1,287, which was recognized as such in equity.

The criteria and the definition of the target parameters for the PSU part of the special LTI for the CEO are shown in the following tables:

Parameters	Explanation
Amount granted	2,500 TEUR
Plan	40 % RSUs[1] – transferred to Heimo Scheuch as of May 28, 2021 60 % PSUs
Period of performance	5 years holding period for RSUs 3 years with a holding period of another 2 years for PSUs (vesting period 5 years)
Weighting of targets (PSUs)	70 % EBITDA growth in accordance with the Strategy 2023 30 % ESG targets (see table below)
Basic prerequisite	Annual payout of at least 50 % of the short-term variable bonus (STI); if this target is not met, the allocation of PSUs will be reduced by one third each year
Target achievement	Target achievement is determined linearly between the defined upper and lower limits (PSUs)
Maximum entitlement	PSU portion maximum 300 % (max. EUR 4,500 TEUR)
Allocation	Once in 3 years (+ 2 years holding period) valid for PSUs
Claw-back, malus, leaver regulation	The provisions of the 2020-2024 Remuneration Policy apply

1) Shares granted (restricted stock units), tax payable by the CEO

ESG targets for 2023	Weighting	Minimum target performance	100 % target	Maximum target performance
CO_2 reduction compared to 2020	10.0 %	>5.0 %	15.0 %	≥30.0 %
Female employment				
Women in senior management	5.0 %	<10 %	15.0 %	≥22.5 %
Women in white-collar positions	5.0 %	<20 %	30.0 %	≥45.0 %
Increase of training hours per employee compared to 2020	10.0 %	>0 %	10.0 %	≥25.0 %

Based on the increase in EBITDA achieved in 2021, and based on the projected forecasts of EBITDA target attainment in the following years, as well as the expected attainment of the ESG targets, the expected total number of PSUs as part of the special LTI plan was set at 86,508 PSUs. The number of PSUs was multiplied by the fair value per PSU (EUR 29.17 per share) and the portion in the vesting period (20 %) to determine the entitlement for 2021 in the amount of TEUR 505.

Given the values determined on a preliminary basis, an expense of TEUR 464, plus non-wage expenses of TEUR 41, i.e. a total of TEUR 505, was booked in the reporting year and recognized as a provision.

For the Managing Board members active in the reporting year, TEUR 864 (2020: TEUR 467) in pension expenses were booked in the form of contributions to pension funds (defined-contribution commitments). In 2021, provisions for severance payments in the amount of TEUR 214 were released (2020: TEUR 299 addition to provisions). Moreover, in the 2021 financial year, the contractually agreed severance compensation of TEUR 2,500 was paid out to the CEO on the basis of his employment contract expiring as at 31/12/2020. The current employment contract concluded with the CEO upon his reappointment as of 01/01/2021 does not provide for any further entitlement to severance compensation.

Payments of TEUR 877 (2020: TEUR 863) were made to former members of the Managing Board and their surviving dependents. In 2021, Supervisory Board remuneration (to be paid out in 2022) amounted to a total of TEUR 846 (2020: TEUR 921 paid out in 2021).

No credit guarantees and loans by companies of the Wienerberger Group were granted to members of the Managing Board or Supervisory Board.

13. Employees

The average number of employees is shown in the following table:

in FTE	2021	2020
Production	11,293	10,613
Sales	4,482	4,254
Administration	1,849	1,752
Total	**17,624**	**16,619**
Thereof apprentices	99	84

Changes compared to the previous year primarily result from changes in the scope of consolidation.

14. Other operating expenses

The cost of goods sold, selling and administrative expenses include the following other operating expenses:

in TEUR	2021	2020
Transportation costs for deliveries	247,626	208,387
Purchased services	127,358	107,113
Internal transport expenses	52,494	45,218
Non income-based taxes	25,994	25,559
License and patent expenses	25,358	20,873
Rental and leasing charges	13,362	12,551
Expenses for environmental protection measures	12,729	9,412
Expenses for commissions	6,476	4,654
Losses on the disposal of fixed assets, excluding financial assets	2,319	6,011
Impairment charges on trade receivables	678	1,596
Miscellaneous	162,746	105,789
Other operating expenses	**677,140**	**547,163**

The reconciliation of expenses under the total cost method to expenses under the cost of sales method is shown on page 259.

Purchased services especially include expenses for legal advisory and miscellaneous consulting services, advertising, insurance, business trips and travel as well as telecommunications. Expenses for the external auditor and members of the auditor's network totaled TEUR 2,317 (2020: TEUR 2,320) for the audit of the consolidated financial statements in the year under review, TEUR 176 (2020: TEUR 973) for assurance services, TEUR 10 (2020: TEUR 12) for tax consulting services and TEUR 111 (2020: TEUR 51) for other services.

Miscellaneous other expenses consist mainly of expenses for customer claims and research and development. In 2021, research and development expenses amounted to TEUR 17,004 (2020: TEUR 17,407). Moreover, this position includes non-recurring items in connection with acquisitions, which in 2021 primarily comprised the loss resulting from the divestment enforced by the authorities in the context of the acquisition of the Meridian Brick Group in the amount of TEUR 12,066 and incidental transaction costs of TEUR 11,331 (see Note 3. Acquisitions and disposals of companies).

Expenses for rent and leases, shown under other operating expenses, comprise the following:

in TEUR	2021	2020
Expenses for short-term leases	5,818	4,247
Expenses for leases of low-value assets	1,922	1,532
Expenses for variable lease payments	247	295
Expenses for other lease payments	5,375	6,477
Rental and leasing charges	**13,362**	**12,551**

Expenses for other lease payments primarily include non-lease components of contracts for land and buildings and other rent and lease payments not within the scope of IFRS 16.

15. Other operating income

The cost of goods sold, selling and administrative expenses include the following other operating income:

in TEUR	2021	2020
Income from the disposal of tangible assets, excluding financial assets	17,221	17,508
Income from rental and leasing contracts	3,961	4,170
Subsidies	1,990	1,774
Income from insurance claims	261	353
Miscellaneous	41,130	24,272
Other operating income	**64,563**	**48,077**

Miscellaneous other operating income represents sales-like revenues that are not part of the direct business activities of the Wienerberger Group, as well as foreign-exchange gains in the amount of TEUR 11,297 from the hedge of the purchase price in USD and the gain on bargain purchase of TEUR 1,567 from the purchase price allocation of the Meridian Brick Group (see Note 3. Acquisitions and disposals of companies).

16. Reconciliation of results according to the cost of sales and total cost method

In the income statement prepared according to the cost of sales method, expenses are classified by functional area. Under the total cost method, the amounts are shown for each individual category of expenses and adjusted to reflect the increase or decrease in finished and semi-finished goods, own work capitalized and the proportional share of construction-related borrowing costs. The relationship of these two methods is explained below; changes in inventories and the capitalization of costs relating to the construction of qualified fixed assets are included under the cost of materials:

2021 in TEUR	**Cost of freight**	**Cost of materials**	**Cost of merchandise**	**Appreciation/ depreciation**	**Cost of energy**	**Personnel expenses**	**Other income**	**Other expenses**	**Total**
Cost of goods sold	0	935,425	460,897	168,986	272,649	545,334	-1,768	150,584	**2,532,107**
Selling expenses	247,626	21,233	1,449	37,614	5,251	255,202	-4,160	142,714	**706,929**
Administrative expenses	0	1,326	0	24,186	1,037	163,676	-5,844	91,108	**275,489**
Other operating expenses	0	0	0	43,031	997	0	0	48,872	**92,900**
Other operating income	0	0	0	0	0	0	-52,791	-3,764	**-56,555**
	247,626	**957,984**	**462,346**	**273,817**	**279,934**	**964,212**	**-64,563**	**429,514**	**3,550,870**

2020 in TEUR	**Cost of freight**	**Cost of materials**	**Cost of merchandise**	**Appreciation/ depreciation**	**Cost of energy**	**Personnel expenses**	**Other income**	**Other expenses**	**Total**
Cost of goods sold	0	766,549	395,164	168,913	243,700	488,614	-1,310	104,502	**2,166,132**
Selling expenses	208,387	21,120	1,191	35,411	4,148	233,123	-3,410	126,209	**626,179**
Administrative expenses	0	1,176	0	22,136	947	140,716	-5,088	68,149	**228,036**
Other operating expenses	0	0	0	139,037	1,099	0	0	42,370	**182,506**
Other operating income	0	0	0	0	0	0	-38,269	-2,454	**-40,723**
	208,387	**788,845**	**396,355**	**365,497**	**249,894**	**862,453**	**-48,077**	**338,776**	**3,162,130**

17. Interest and other financial result

In accordance with the categories defined by IFRS 9, the following items are included in the interest and other financial result:

2021 in TEUR	**Total**	**Loans and receivables AC** [1]	**FLAC** [2]	**FVtPL** [3]	**Derivatives**
Interest and similar income	**2,376**	2,295	0	0	81
Interest and similar expenses	**-34,485**	0	-32,559	0	-1,926
Interest expense on lease liabilities	**-4,336**		-4,336		
Net interest result from defined benefit pension and severance obligations as well as anniversary bonuses	**-1,522**				
Interest result	**-37,967**	**2,295**	**-36,895**	**0**	**-1,845**
Income from third parties (dividends)	**1,167**			1,167	
Income from investments	**1,167**	**0**	**0**	**1,167**	**0**
Result from the disposal of investments	**38**				
Valuation of derivative instruments	**3,049**				3,049
Impairment of investments in associates and joint ventures	**-8,525**				
Impairment of financial instruments	**-254**	-161	0	-93	
Appreciation of financial instruments	**4,421**	112		4,309	
Foreign exchange differences	**-8,776**				
Net result	**-10,047**	**-49**	**0**	**4,216**	**3,049**
Bank charges	**-3,396**				
Other financial result	**-12,276**	**-49**	**0**	**5,383**	**3,049**
Total	**-50,243**	**2,246**	**-36,895**	**5,383**	**1,204**

1) Loans and receivables at amortized cost // 2) Financial liabilities at amortized cost // 3) Financial assets at fair value through profit or loss

Impairments of loans in the amount of TEUR 161 (2020: TEUR 362) are recognized in the financial result, whereas impairments of trade receivables of TEUR 678 (2020: TEUR 1,596) are recognized in the operating result. The fair value of derivatives contributed a positive amount of TEUR 3,049 (2020: TEUR 345) to the result of the period.

2020 in TEUR	**Total**	**Loans and receivables AC [1]**	**FLAC [2]**	**FVtPL [3]**	**Derivatives**
Interest and similar income	**2,208**	2,073	0	17	118
Interest and similar expenses	**-32,088**	0	-29,179	0	-2,909
Interest expense on lease liabilities	**-3,913**		-3,913		
Net interest result from defined benefit pension and severance obligations as well as anniversary bonuses	**-1,857**				
Interest result	**-35,650**	**2,073**	**-33,092**	**17**	**-2,791**
Income from third parties (dividends)	**764**			764	
Income from investments	**764**	**0**	**0**	**764**	**0**
Valuation of derivative instruments	**345**				345
Impairment of investments in associates and joint ventures	**-3,885**				
Impairment of financial instruments	**-925**	-362	0	-563	
Appreciation of financial instruments	**3,237**	0		3,237	
Foreign exchange differences	**-8,938**				
Net result	**-10,166**	**-362**	**0**	**2,674**	**345**
Bank charges	**-2,806**				
Other financial result	**-12,208**	**-362**	**0**	**3,438**	**345**
Total	**-47,858**	**1,711**	**-33,092**	**3,455**	**-2,446**

1) Loans and receivables at amortized cost // 2) Financial liabilities at amortized cost // 3) Financial assets recognized at fair value through profit or loss

18. Income taxes

This item includes income taxes paid and owed by Group companies as well as deferred tax assets and liabilities.

in TEUR	**2021**	**2020**
Current tax expense	**75,478**	56,463
Deferred tax income	**-13,275**	-7,644
Income taxes	**62,203**	**48,819**

The difference between the Austrian corporate tax rate of 25% applicable in 2021 (2020: 25%) and the Group tax rate shown in these statements is due to the following factors:

in TEUR	2021	2020
Profit/loss before tax	**374,273**	**148,747**
Tax expense at tax rate of 25%	**-93,568**	-37,187
Other foreign tax rates	**13,707**	11,860
Tax income and expense from prior periods	**2,402**	-239
Effect of tax-free income from investments in associates and joint ventures	**597**	593
Change in deferred tax assets not recognized	**48,470**	43,790
Non-temporary differences	**-32,517**	-63,660
Changes in tax rates	**-1,294**	-3,976
Effective tax expense	**-62,203**	**-48,819**
Effective tax rate in %	**16.6%**	32.8%

Deferred taxes are calculated on the basis of the tax rates applied or announced to be applied in the individual countries. In Austria, the calculation is based on the corporate tax rate of 25%.

In Austria, the Eco-social Tax Reform Act was published in the Federal Law Gazette on 14/02/2022. The act provides for a successive reduction of the corporate tax rate to 23%, starting on 01/01/2024. This reduction of the tax rate has an impact on the tax loss carryforwards of Austrian companies capitalized in the Consolidated Financial Statements on the basis of their planned periods of utilization and results in a reduction of deferred tax assets in the amount of TEUR 430.

For foreign companies, deferred taxes are calculated on the basis of the respective country-specific tax rates. These tax rates ranged from 0% to 32% in 2021.

19. Earnings per share, proposal for profit distribution

The number of shares issued totaled 115,187,982 as of December 31, 2021. As of that date, Wienerberger held 381,910 shares as treasury shares (2020: TEUR 2,922,168), which were deducted for the calculation of earnings per share. In the reporting year, Wienerberger sold 2,500,000 treasury shares for a price of TEUR 80,561. In the financial year, 40,258 treasury shares were allocated to CEO Heimo Scheuch as part of his remuneration. This resulted in a weighted average number of 113,104,817 shares outstanding as a basis for the calculation of earnings per share for 2021.

Number of shares	2021	2020
Outstanding	**115,187,982**	115,187,982
Treasury shares	**381,910**	2,922,168
Weighted average	**113,104,817**	112,679,863

Earnings per share of EUR 2,75 were calculated by dividing the profit/loss after tax attributable to equity holders of the parent company by the weighted average number of shares outstanding. The diluted earnings per share of EUR 2,75 represent the basic earnings per share for 2021.

In accordance with the provisions of the Austrian Stock Corporation Act, the separate financial statements of Wienerberger AG as of December 31, 2021, as prepared on the basis of Austrian accounting rules, form the basis for dividend payment.

These financial statements show a net profit of EUR 93,518,814.26. The Managing Board proposes to the Annual General Meeting that a dividend of EUR 0.75 per share be paid out on the issued capital of EUR 115,187,982 from the net profit of EUR 93,518,814.26 i.e. EUR 86,390,986.50 less a proportional amount of EUR 286,432.50 for treasury shares, i.e. EUR 86,104,554.00, and that the balance of EUR 7,414,260.26 be carried forward to new account.

Notes to the Consolidated Statement of Comprehensive Income

The statement of comprehensive income provides a reconciliation of profit/loss after tax to total comprehensive income as defined in IAS 1. Total comprehensive income comprises, in particular, currency translation differences, actuarial gains and losses from the measurement of defined benefit pension plans and similar post-employment benefits and the change in the hedging reserve. The components of comprehensive income are shown after tax.

In the year under review, pre-tax currency translation differences of TEUR 58,296 (2020: TEUR -105,269) resulted primarily from the US dollar, the British pound, and the Russian ruble. Differences in the amount of TEUR -9,232 (2020: TEUR 22,563) previously recognized in the currency reserve were recycled to the Income Statement and primarily resulted from the redemption of Group loans in foreign currencies in the course of the reporting year.

The market valuation of hedges decreased the hedging reserve before deferred taxes by TEUR -12,334 (2020: Increase TEUR 43,616). Of this total TEUR -10,823 (2020: TEUR 10,050) was accounted for by hedges of investments in foreign operations and TEUR -993 (2020: TEUR 5,212) by hedges for future transactions (cash flow hedges).

Overall, market value changes of hedges of investments in foreign operations (net investment hedges) in the amount of TEUR 518 (2020: TEUR -28,354, primarily resulting from the sale of the Group's activities in Switzerland) previously recognized in other comprehensive income, were recycled to the Income Statement in the reporting year. Ineffective components of TEUR 876 (2020: TEUR -7) were recognized in the Income Statement in the reporting year.

Deferred taxes in the total amount of TEUR -4,698 (2020: TEUR 548) were recognized in other comprehensive income. The following table shows the allocation of deferred taxes to the components of other comprehensive income:

in TEUR	2021	2020
Foreign exchange translation	**-3,768**	2,827
Changes in hedging reserves	**3,605**	-3,944
Actuarial gains/losses	**-4,535**	1,665
Deferred taxes in other comprehensive income	**-4,698**	**548**

In the reporting period, total comprehensive income after tax increased equity by TEUR 385,000 (2020: TEUR 30,444).

Notes to the Consolidated Statement of Cash Flows

The consolidated statement of cash flows of the Wienerberger Group shows the changes in cash and cash equivalents resulting from the inflow and outflow of funds during the reporting year. Cash and cash equivalents (liquid funds) include cash on hand and balances with banks. Securities and current liabilities to banks do not count as cash and cash equivalents. The effects of company acquisitions are eliminated and shown separately under net payments made for the acquisition of companies. The amounts reported by foreign Group companies are generally translated at the average exchange rate for the year. In contrast to this practice, cash and cash equivalents are valued at the exchange rate in effect on the balance sheet date.

20. Cash flow from investing activities

The acquisition of property, plant and equipment and intangible assets resulted in an outflow of funds totaling TEUR 279,756 (2020: TEUR 201,067). This amount includes TEUR 120,358 (2020: TEUR 125,892) in maintenance capex and TEUR 159,398 (2020: TEUR 75,175) for the expansion and optimization of plants, the development of new products, environmental and/or sustainability projects, and digitalization (special capex). A total of TEUR 467,136 (2020: TEUR 10,518) was spent on acquisitions and on investments in financial assets (M&A).

Non-cash additions to non-current assets (including financial assets) in the amount of TEUR 76,030 (2020: TEUR 69,606) mainly result from the capitalization of right of use assets and obligations to restore of clay pits.

Cash inflows from the disposal of non-current assets amounted to TEUR 52,932 (2020: TEUR 31,209) and included the disposal of property, plant and equipment and intangible assets as well as the sale of production sites and distribution outlets in connection with the acquisition of the Meridian Brick Group (see Note 3. Acquisitions and disposals of companies).

In the year under review, net cash inflows from the disposal of companies in the amount of TEUR 8,909 (2020: TEUR 31,990) resulted from the sale of our business activities in Switzerland.

The reconciliation of total investments in maintenance and special capex as well as payments made for the acquisitions of companies (M&A) of the Wienerberger Group is as follows:

in TEUR	2021	2020
Maintenance capex	120,358	125,892
Special capex	159,398	75,175
Payments made for investments in tangible and intangible assets	**279,756**	**201,067**
Net payments made for the acquisition of companies	464,730	8,478
Payments made for investments in financial assets	2,406	2,040
M&A capex	**467,136**	**10,518**
Total investments including financial assets	**746,892**	**211,585**

21. Cash flow from financing activities

The change in financial liabilities, as shown on the balance sheet, results from cash inflows and outflows recognized in cash flow from financing activities on the one hand, and from non-cash changes on the other:

in TEUR	Short-term financial liabilities	Long-term financial liabilities	Total financial liabilities
Balance on 1/1/2021	**437,720**	**1,159,795**	**1,597,515**
Cash inflows	321,676	253,458	575,134
Cash outflows	-460,797	0	-460,797
Repayment of lease liabilities	-49,793	0	-49,793
New and amended lease contracts	0	53,421	53,421
Change in scope of consolidation	32,144	24,216	56,360
Change in derivatives	4,592	0	4,592
Repayment of hybrid capital (incl. hybrid coupon)	-225,362	0	-225,362
Currency translation differences and other effects	-14,448	2,482	-11,966
Reclassifications	167,263	-167,263	0
Balance on 31/12/2021	**212,995**	**1,326,108**	**1,539,103**

in TEUR	Short-term financial liabilities	Long-term financial liabilities	Total financial liabilities
Balance on 1/1/2020	**460,211**	**576,246**	**1,036,457**
Cash inflows	164,097	711,091	875,188
Cash outflows	-512,910	-648	-513,558
Repayment of lease liabilities	-45,179	0	-45,179
New and amended lease contracts	0	51,271	51,271
Change in scope of consolidation	-14	-17,771	-17,785
Accrued interest and cost of procuring money	-530	1,314	784
Change in derivatives	-6,840	0	-6,840
Currency translation differences and other effects	-5,428	-2,480	-7,908
Reclassification hybrid capital	225,085	0	225,085
Reclassifications	159,228	-159,228	0
Balance on 31/12/2020	**437,720**	**1,159,795**	**1,597,515**

Notes to the Consolidated Balance Sheet

22. Non-current assets

The development of non-current assets is shown on pages 272 and 273. The figures shown for foreign exchange rate increases and decreases represent amounts arising from the use of different exchange rates to translate the assets of foreign companies at the beginning of the year and at year-end.

Wienerberger defines its cash-generating units (CGUs) as plants, which are then aggregated into groups of CGUs by division and region. Intangible assets with an indefinite useful life, such as goodwill and trademarks that are not amortized on a scheduled basis, are tested at least once each year for indications of impairment in accordance with IAS 36. These intangible assets are allocated to groups of CGUs for the purpose of impairment testing. The carrying amounts are as follows:

	Goodwill		Trademarks	
in TEUR	2021	2020	2021	2020
Wienerberger Building Solutions	**339,655**	**332,398**	**18,112**	**17,860**
Bricks and Roof Eastern Europe	**52,524**	52,277	**12,402**	12,402
Bricks and Roof Western Europe West	**281,021**	273,984	**5,710**	5,458
Pavers Semmelrock	**6,110**	6,137	**0**	0
Wienerberger Piping Solutions	**44,148**	**62,523**	**44,550**	**44,550**
Pipes Pipelife East	**0**	10,747	**14,927**	14,927
Pipes Pipelife West	**44,148**	51,776	**19,561**	19,561
Pipes Steinzeug Group	**0**	0	**10,062**	10,062
North America	**0**	**0**	**1,765**	**1,629**
Goodwill FloPlast and Cork Plastics [1]	**104,518**			
Wienerberger Group	**488,321**	**394,921**	**64,427**	**64,039**

1) see Note 3. Acquisitions and disposals of companies

Other intangible assets consist primarily of acquired customer base totaling TEUR 163,562 (2020: TEUR 81,357), acquired trademarks with an indefinite useful life in the amount of TEUR 64,427 (2020: TEUR 64,039), CO_2 certificates, patents and concessions. Internally generated intangible assets of TEUR 1,504 (2020: TEUR 2,388) were capitalized during the reporting year.

Wienerberger monitors its goodwill on the basis of 12 CGU groups.

In the Wienerberger Building Solutions segment, Wienerberger's brick business is characterized by plants serving entire regions instead of individual countries. In particular, the production and the product portfolio of roof tiles and facing bricks are optimized for an entire region. This also applies to the optimization of the network of clay block plants, although for reasons of efficiency, deliveries of these products are generally made over shorter distances than in the roof tile and facing brick business. In any event, plants close to the German and French borders can also cover most of the Benelux region. Due to the interrelations in the Western European region, goodwill is managed at regional level in the CGU group of Bricks and Roof Western Europe West. The exceptions in this segment are Italy (in the CGU group of Bricks Italy), which has not yet been integrated in the optimization process, as well as Finland and the Baltic States (in the CGU group of Bricks and Roof Western Europe, Finland and Baltics), which produce for export markets in Eastern Europe and Russia. The CGU group of Bricks and Roof Eastern Europe is characterized by the region's cross-border business and increasing integration of the brick and roof tile business under a single management for both the brick and roof tile segments. The CGU group of Bricks Russia, however, is an independent unit with only limited supply relations with the other CGU groups in Central and Eastern Europe. The paver business (CGU group of Pavers Semmelrock), which is integrated into Wienerberger Building Solutions, uses molds that can be exchanged between the individual production sites within the framework of a supra-regional strategy and product development policy, although concrete products are not transported over longer distances, as a rule.

The segment Wienerberger Piping Solutions comprises the CGU groups of Pipes Pipelife West, Pipes Pipelife East and Pipes Steinzeug. The European plastic pipe business is characterized by a high share of deliveries between the country organizations, above all for fittings, which are produced in the Netherlands for the Western European market and in Poland for the Eastern European market.

In the North America segment, the CGU groups are distinguished by product group: Bricks North America comprises the North American brick business and Pipes Pipelife USA comprises the entire American plastic pipe business.

The carrying amounts of the goodwill and operating assets allocated to the CGU groups are compared with the recoverable amounts and, if necessary, written down to the lower value in use or the fair value less cost of disposal. In principle, the recoverability of the tested assets of the CGU groups is verified on the basis of values in use. If the value in use is lower than the value of the tested assets, the fair value is established in addition in order to determine the higher recoverable amount. The value in use of a CGU group is generally determined on the basis of an income approach by discounting the related cash flows at the weighted average cost of capital after tax (WACC) to arrive at the present value.

For the determination of the value in use, the after-tax weighted average cost of capital is derived from external sources on the basis of recognized financial methods. The conversion of the values in use is performed at the exchange rate on the day of the impairment test. An average weighted after-tax WACC of 6.36 % (2020: 6.79 %) was used for impairment testing in the Wienerberger Group, with different specific cost of capital rates applied to all markets outside the euro zone. In accordance with IAS 36 rules, all cost of capital rates were reconciled to WACC before tax.

For the purpose of impairment testing, the following pre-tax cost of capital rates and growth rates were used:

	Pre-tax WACC		Growth rate	
in %	2021	2020	2021	2020
Wienerberger Building Solutions				
Bricks and Roof Eastern Europe	**10.28**	11.03	**3.67**	3.81
Bricks Russia	**13.85**	14.28	**2.06**	2.32
Bricks and Roof Western Europe West	**9.47**	9.13	**1.99**	2.57
Bricks Finland and Baltics	**8.75**	8.16	**2.00**	2.50
Bricks Italy	**11.45**	12.27	**1.63**	2.15
Bricks India	**14.51**	15.98	**6.83**	7.94
Pavers Semmelrock	**10.48**	10.78	**3.80**	3.96
Wienerberger Piping Solutions				
Pipes Pipelife East	**11.42**	11.33	**3.16**	3.23
Pipes Pipelife West	**8.99**	8.45	**2.36**	2.52
Pipes Steinzeug Group	**9.49**	9.54	**1.88**	2.55
North America				
Bricks North America	**9.21**	7.55	**2.37**	2.61
Pipes North America	**9.29**	7.58	**2.39**	2.50
Wienerberger Group	**9.73**	**9.55**	**2.62**	**2.95**

The expected future cash surpluses are based on the latest internal plans prepared by the top management and approved by the Managing Board and the Supervisory Board for the period from 2022-2025. These forecasts do not include the earnings potential of future strategic growth investments, such as possible acquisitions. Planned expansion investments that concern individual production lines and the related contributions to income are eliminated for the determination of the value in use.

The quality of these forecasts is reviewed on a regular basis through a variance analysis comparing the projected data with actual results, which are then incorporated into the subsequent planning process in the form of corrections. The calculation is based on four detailed planning periods (2022-2025); based on the going-concern assumption, the surplus cash inflows in the following planning period are assumed to be sustainable over the long term and used as the basis for determining the present value of the perpetual yield. These perpetual cash flows are based on the assumption of country-specific growth rates derived from an external source (IMF, October 2021, World Economic Outlook Database). In the interest of long-term growth, profits are retained to be used in future for the provision of production capacities. Wienerberger tests its assets for impairment at least once each year in connection with the corporate planning process. If interim forecasts or analyses indicate a significant negative variance from the original plan, the cash-generating unit concerned is again tested for impairment. In such cases, the impairment tests are recalculated on the basis of updated planning data and extended to include stress tests. Similarly, impairment tests are updated in the event that any external factors change significantly.

Assumptions regarding the future development of local markets, sales and prices constitute the decisive factors for determining the value in use. Therefore, the value in use is determined on the basis of forecasts published by statistical agencies and international organizations as well as management's experience. The estimates for cost structures are based primarily on the extrapolation of empirical values and incorporate macroeconomic forecasts for the most important production factors, such as energy prices, plastic granulate prices, and wage and salary trends.

The change in the weighted cost of capital rates (WACC) as at 30/06/2021, which were used for the discounting of future cash flows to determine the value in use of the CGU groups, was considered to be a triggering event for impairment tests of tangible and intangible assets. The payment flows underlying the tests and the changes in discount rates had a significant influence on the values in use. Overall, impairment charges of TEUR 10,747 were determined for the impairment of the total goodwill of the CGU Group Pipes Pipelife East in the Wienerberger Piping Solutions segment. By applying a WACC after tax of 9.27% as at 30/06/2021 (31/12/2020: 9.09%), a value in use of approximately MEUR 231 was determined for the CGU group concerned.

An additional sensitivity analysis shows when the value in use would correspond to the book value of the tested assets, if individual elements are changed while all other parameters remain constant. For this purpose, the WACC after tax, as a central component of the payment flows of relevance to the value in use, was modified.

The result of this analysis is as follows:

Risk of impairment	WACC +25 BP		WACC +50 BP		WACC -25 BP		WACC -50 BP	
in TEUR	2021	2020	2021	2020	2021	2020	2021	2020
Bricks and Roof Eastern Europe	992,233	755,575	948,454	719,609	1,088,011	833,923	1,140,546	876,703
Bricks Russia	26,877	-6,457	25,807	-6,704	29,167	-5,929	30,396	-5,646
Bricks Italy	-1,385	-11,259	-2,307	-11,851	627	-9,974	1,727	-9,275
Bricks and Roof Western Europe West	884,624	989,765	808,879	908,290	1,052,800	1,171,270	1,146,503	1,272,774
Bricks Finland and Baltics	16,215	24,324	15,065	22,933	18,770	27,419	20,194	29,148
Bricks India	191	-387	-42	-597	689	61	955	299
Pavers Semmelrock	73,421	73,153	68,273	68,479	84,640	83,280	90,770	88,778
Wienerberger Building Solutions	**1,992,175**	**1,824,715**	**1,864,128**	**1,700,159**	**2,274,705**	**2,100,050**	**2,431,091**	**2,252,780**
Pipes Pipelife East	17,823	-29,088	10,384	-35,384	34,134	-15,253	43,101	-7,630
Pipes Pipelife West	44,569	104,988	15,970	84,769	108,076	150,245	143,462	175,676
Pipes Steinzeug Group	50,206	38,325	46,032	34,713	59,482	46,383	64,655	50,894
Wienerberger Piping Solutions	**112,598**	**114,226**	**72,385**	**84,097**	**201,691**	**181,375**	**251,218**	**218,940**
Bricks North America	127,829	39,449	104,987	27,450	178,631	66,739	206,987	82,345
Pipes North America	104,426	108,955	99,291	102,777	115,834	123,010	122,194	131,051
North America	**232,255**	**148,404**	**204,277**	**130,227**	**294,465**	**189,749**	**329,181**	**213,396**
Wienerberger Group	**2,337,028**	**2,087,346**	**2,140,791**	**1,914,483**	**2,770,861**	**2,471,174**	**3,011,490**	**2,685,116**

Non-current assets include land with a value of TEUR 411,575 (2020: TEUR 340,412). As at the balance sheet date, commitments for the purchase of property, plant and equipment amounted to TEUR 52,279 (2020: TEUR 24,743).

The balance sheet item investment property includes real estate and buildings with a carrying amount of TEUR 43,905 (2020: TEUR 50,167), that are not used in current business operations. These assets are scheduled for sale over the medium to long term and are therefore classified as investment property. The fair values of these assets derived from comparable transactions are allocated to level 2 in the fair value hierarchy according to IFRS 13 and estimated at TEUR 90,945 (2020: TEUR 109,812). The fair value was determined mainly on the basis of external purchase offers for the properties concerned or on the basis of prices available in the market for similar properties. In 2021, these properties generated rental and other income of TEUR 1,532 (2020: TEUR 1,482). Expenses for investment property that generated rental income in the year under review amounted to TEUR 100 (2020: TEUR 424); expenses in the amount of TEUR 2,011 (2020: TEUR 1,815) were incurred for investment property that did not generate rental income. Investment property with a carrying amount of TEUR 5,415 (2020: TEUR 4,903) was sold during the reporting year.

Leases

The change in rights of use for leases, reported under property, plant and equipment, is recognized as follows:

in TEUR	1/1/2021	Foreign exchange incr./decr.	Change in scope of consolidation	Additions	Depreciation	Disposals	31/12/2021
Land and buildings	141,682	1,287	7,004	26,642	18,417	5,140	**153,058**
Machinery and equipment	6,860	65	236	3,099	3,052	90	**7,118**
Fixtures, fittings, tools and equipment	60,255	1,059	16,095	32,664	29,386	5,573	**75,114**
Right-of-use asset leases	**208,797**	**2,411**	**23,335**	**62,405**	**50,855**	**10,803**	**235,290**

in TEUR	1/1/2020	Foreign exchange incr./decr.	Change in scope of consolidation	Additions	Depreciation	Disposals	31/12/2020
Land and buildings	141,975	-2,248	-595	21,669	17,545	1,574	**141,682**
Machinery and equipment	7,049	-286	-3	3,455	3,262	93	**6,860**
Fixtures, fittings, tools and equipment	59,554	-1,295	-1,491	31,289	26,325	1,477	**60,255**
Right-of-use asset leases	**208,578**	**-3,829**	**-2,089**	**56,413**	**47,132**	**3,144**	**208,797**

Wienerberger primarily rents vehicles, office space, storage facilities, production sites and showrooms. Lease contracts are negotiated individually under different terms and conditions. Plant and equipment include rented vehicles.

In the interest of operational flexibility, contracts for real estate, in particular, frequently include prolongation and termination options. In individual cases, unlimited contract terms with termination options are agreed upon. In principle, long contract terms are assumed, with due consideration given to contractual and economic factors. In the majority of cases, the exercise of prolongation options and/or the non-exercise of termination rights are assumed. No purchase options have been agreed upon in the material IFRS 16 contracts.

Details on lease liabilities, including an analysis of maturities, are contained in Note 32. Liabilities. For a breakdown of other expenses for rent and leases, see Note 14. Other operating expenses.

Asset table	Acquisition or production costs						
in TEUR	Balance on 1/1/2021	Change in scope of consolidation	Foreign exchange incr./decr.	Additions	Disposals	Transfers	Balance on 31/12/2021
Goodwill	798,311	96,518	28,304	0	0	0	**923,133**
Other intangible assets	442,748	126,703	10,013	14,591	5,925	2,038	**590,168**
Intangible assets and goodwill	**1,241,059**	**223,221**	**38,317**	**14,591**	**5,925**	**2,038**	**1,513,301**
Land and buildings	1,451,249	159,311	23,701	64,779	32,545	6,147	**1,672,642**
Machinery and equipment	2,720,022	75,487	45,847	96,444	143,721	41,765	**2,835,844**
Fixtures, fittings, tools and equipment	252,370	18,323	3,977	46,737	23,740	-1,129	**296,538**
Assets under construction	109,943	6,756	338	132,760	605	-71,484	**177,708**
Property, plant and equipment	**4,533,584**	**259,877**	**73,863**	**340,720**	**200,611**	**-24,701**	**4,982,732**
Investment property	**103,518**	**0**	**1,532**	**475**	**13,203**	**-2,498**	**89,824**
Intangible assets and property, plant and equipment	**5,878,161**	**483,098**	**113,712**	**355,786**	**219,739**	**-25,161**	**6,585,857**

Asset table	Acquisition or production costs						
in TEUR	Balance on 1/1/2020	Change in scope of consolidation	Foreign exchange incr./decr.	Additions	Disposals	Transfers	Balance on 31/12/2020
Goodwill	844,386	-15,727	-28,331	0	2,017	0	**798,311**
Other intangible assets	421,471	7,125	-7,652	26,109	5,205	900	**442,748**
Intangible assets and goodwill	**1,265,857**	**-8,602**	**-35,983**	**26,109**	**7,222**	**900**	**1,241,059**
Land and buildings	1,537,099	-82,639	-41,842	46,825	6,446	-1,748	**1,451,249**
Machinery and equipment	2,846,717	-82,200	-88,039	77,968	76,251	41,827	**2,720,022**
Fixtures, fittings, tools and equipment	231,080	-4,889	-7,077	42,117	7,677	-1,184	**252,370**
Assets under construction	107,607	-1,238	-4,010	77,615	189	-69,842	**109,943**
Property, plant and equipment	**4,722,503**	**-170,966**	**-140,968**	**244,525**	**90,563**	**-30,947**	**4,533,584**
Investment property	**130,196**	**-26,942**	**-3,153**	**39**	**19,040**	**22,418**	**103,518**
Intangible assets and property, plant and equipment	**6,118,556**	**-206,510**	**-180,104**	**270,673**	**116,825**	**-7,629**	**5,878,161**

Depreciation and amortization

Balance on 1/1/2021	Change in scope of consolidation	Foreign exchange incr./decr.	Depreciation/ amortization	Impairments[1]	Reversal of impairments	Disposals	Transfers	Balance on 31/12/2021	Carrying amount 31/12/2021
403,390	0	20,675	0	10,747	0	0	0	**434,812**	**488,321**
192,099	0	4,221	31,814	814	0	4,946	-2,884	**221,118**	**369,050**
595,489	**0**	**24,896**	**31,814**	**11,561**	**0**	**4,946**	**-2,884**	**655,930**	**857,371**
628,122	0	8,139	52,810	4,499	0	18,687	-7,802	**667,081**	**1,005,561**
2,001,988	0	33,282	121,979	5,454	0	129,856	-7,652	**2,025,195**	**810,649**
146,444	0	1,981	42,284	545	0	17,148	-1,690	**172,416**	**124,122**
1,511	0	402	0	521	0	691	144	**1,887**	**175,821**
2,778,065	**0**	**43,804**	**217,073**	**11,019**	**0**	**166,382**	**-17,000**	**2,866,579**	**2,116,153**
53,351	**0**	**345**	**2,350**	**0**	**0**	**7,788**	**-2,339**	**45,919**	**43,905**
3,426,905	**0**	**69,045**	**251,237**	**22,580**	**0**	**179,116**	**-22,223**	**3,568,428**	**3,017,429**

Depreciation and amortization

Balance on 1/1/2020	Change in scope of consolidation	Foreign exchange incr./decr.	Depreciation/ amortization	Impairments[1]	Reversal of impairments	Disposals	Transfers	Balance on 31/12/2020	Carrying amount 31/12/2020
335,282	0	-20,241	0	90,366	0	2,017	0	**403,390**	**394,921**
170,196	-400	-3,458	28,589	1,723	0	5,095	544	**192,099**	**250,649**
505,478	**-400**	**-23,699**	**28,589**	**92,089**	**0**	**7,112**	**544**	**595,489**	**645,570**
631,900	-34,715	-17,543	51,896	11,377	0	1,258	-13,535	**628,122**	**823,127**
2,084,786	-76,115	-65,416	122,607	16,511	0	75,518	-4,867	**2,001,988**	**718,034**
121,863	-3,587	-4,046	39,256	972	0	5,212	-2,802	**146,444**	**105,926**
1,320	0	-146	96	236	0	1	6	**1,511**	**108,432**
2,839,869	**-114,417**	**-87,151**	**213,855**	**29,096**	**0**	**81,989**	**-21,198**	**2,778,065**	**1,755,519**
72,364	**-20,252**	**-1,346**	**1,868**	**0**	**0**	**14,137**	**14,854**	**53,351**	**50,167**
3,417,711	**-135,069**	**-112,196**	**244,312**	**121,185**	**0**	**103,238**	**-5,800**	**3,426,905**	**2,451,256**

1) Including special depreciation and amortization

23. Investments

Investments in associates and joint ventures as well as other investments are as follows:

in TEUR	2021	2020
Investments in associates and joint ventures	**18,166**	**23,919**
Investments in subsidiaries	**58**	53
Other investments	**17,261**	13,106
Other investments	**17,319**	**13,159**
Investments	**35,485**	**37,078**

24. Inventories

in TEUR	2021	2020
Raw materials and consumables	**223,700**	166,010
Semi-finished goods	**121,776**	96,617
Finished goods and merchandise	**532,196**	459,918
Prepayments	**5,629**	6,497
Inventories	**883,301**	**729,042**

Pallets are included under raw materials and consumables. Clay purchased from third parties is shown together with clay extracted from the Group's own pits under semi-finished goods. Impairment charges of TEUR 9,947 (2020: TEUR 7,357) were booked for products with a net realizable value (selling price less selling and administrative expenses) lower than the acquisition or production costs.

25. Receivables, securities and other financial assets

Loans and receivables

in TEUR	2021			2020		
	Total	Remaining term < 1 year	Remaining term > 1 year	Total	Remaining term < 1 year	Remaining term > 1 year
Trade receivables from third parties	**343,006**	**343,006**	**0**	217,869	217,869	0
Trade receivables from subsidiaries	**410**	**410**	**0**	901	901	0
Trade receivables	**343,416**	**343,416**	**0**	**218,770**	**218,770**	**0**
Financial receivables from subsidiaries	**21,425**	**21,425**	**0**	21,145	21,145	0
Receivables arising from loans	**8,086**	**8,086**	**0**	9,621	9,621	0
Loans granted	**29,511**	**29,511**	**0**	**30,766**	**30,766**	**0**
Loans and receivables AC [1)]	**372,927**	**372,927**	**0**	**249,536**	**249,536**	**0**

1) Loans and receivables at amortized cost (AC)

Trade receivables include contract assets of TEUR 1,165 (2020: TEUR 1,478) from customer-specific production orders. They represent a conditional right to consideration for complete performance of the contractual obligations by Wienerberger.

Loans and receivables are recognized at amortized cost and adjusted to reflect weighted expected credit loss. Specific valuation allowances are deducted directly from receivables and other assets. In accordance with the IFRS 9 rule, receivables sold (factoring) are derecognized. As at December 31, 2021, trade receivables in the amount of TEUR 115,042 (2020: TEUR 102,343) had been sold to third parties. Trade receivables in a total amount of TEUR 1,520 (2020: TEUR 2,569) are secured by notes payable.

Financial receivables from subsidiaries result from loans granted to companies consolidated at equity and other investments.

Financial assets at fair value through profit or loss

2021 in TEUR	**Carrying amount**	**Market value**	**Market value changes recog. in financial result**	**Ø Effective interest rate in %**
Shares in funds	**5,881**	5,881	78	0.19
Stock	**64**	64	0	-
Other	**340**	340	0	-
Securities	**6,285**	**6,285**	**78**	

2020 in TEUR	**Carrying amount**	**Market value**	**Market value changes recog. in financial result**	**Ø Effective interest rate in %**
Shares in funds	**5,795**	5,795	-78	0.20
Stock	**63**	63	0	-
Other	**682**	682	0	-
Securities	**6,540**	**6,540**	**-78**	

Securities are held for short-term investment of liquidity and to cover pension and severance obligations; they primarily include shares in funds and stock, which are accounted for at fair value. Value fluctuations are recognized in the financial result. As of the balance sheet date, no debt instruments to be measured through other comprehensive income were held.

Financial assets measured at fair value through profit or loss in a total amount of TEUR 25,352 (2020: TEUR 20,101) include securities of TEUR 6,285 (2020: TEUR 6,540) recognized in current assets, derivatives of TEUR 1,748 (2020: TEUR 402) and other investments of TEUR 17,319 (2020: TEUR 13,159) recognized in non-current assets.

Derivatives

in TEUR	2021		2020	
	Carrying amount	Market value	Carrying amount	Market value
Derivatives from cash flow hedges	**1,893**	**1,893**	1,923	1,923
Derivatives from net investment hedges	**876**	**876**	9,491	9,491
Derivatives from fair value hedges	**0**	**0**	100	100
Other derivatives	**1,748**	**1,748**	402	402
Derivatives with positive market value	**4,517**	**4,517**	**11,916**	**11,916**

The balance sheet item of securities and other financial assets can be broken down as follows:

in TEUR	2021	2020
Loans granted	**29,511**	30,766
Securities	**6,285**	6,540
Derivatives hedge accounting	**2,769**	11,514
Other derivatives	**1,748**	402
Securities and other financial assets	**40,313**	**49,222**

26. Other receivables

in TEUR	2021			2020		
	Total	Remaining term < 1 year	Remaining term > 1 year	Total	Remaining term < 1 year	Remaining term > 1 year
Receivables from current taxes	**10,718**	**10,718**	**0**	**5,542**	**5,542**	**0**
Return asset	**14,461**	**14,461**	**0**	6,690	6,690	0
Prepaid expenses and deferred charges	**14,471**	**13,576**	**895**	10,659	9,611	1,048
Miscellaneous receivables	**94,422**	**90,526**	**3,896**	91,703	67,469	24,234
Other receivables	**123,354**	**118,563**	**4,791**	**109,052**	**83,770**	**25,282**

Assets for the right to recover products from customers (return assets) result from the accounting of rights of return, such as returnable pallets.

The remaining other receivables mainly include receivables from tax authorities and social security institutions, receivables from the sale of mining rights, and receivables from the disposal of companies.

27. Non-current assets held for sale

Assets with carrying amounts of TEUR 11,335 (2020: TEUR 5,106) are designated as held for sale. These include inventories as well as land and buildings which, according to management's assessment, are most likely to be sold within the next 12 months.

28. Group equity

The development of Group equity in 2021 and 2020 is shown on pages 240 and 241.

The 151st Annual General Meeting of Wienerberger AG on 5/5/2020 authorized the Managing Board for a period of 30 months to buy back own shares of up to 8 % of the share capital at a price of no less than one euro and no more than twice the stock exchange price of 5/5/2020. Moreover, the Managing Board was authorized, subject to approval by the Supervisory Board but without further resolution of the Annual General Meeting, to cancel own shares (authorization valid for a period of 30 months) or to decide to sell and/or use them other than on the stock exchange or by public offering (authorization valid for a period of five years). This authorization replaces the authorization to buy back and/or sell own shares granted by the Annual General Meeting on 14/6/2018.

The 150th Annual General Meeting held on May 6, 2019 approved authorized capital of EUR 17,452,724. This authorization covers an ordinary capital increase against contributions in cash or in kind within a period of five years, subject to approval by the Supervisory Board. The share capital can be increased by a maximum of EUR 17,452,724 through the issue of up to 17,452,724 new bearer shares with the possibility of excluding subscription rights for fractional amounts. The capital increase can be carried out in several tranches, if necessary. The type of shares, the issue price and the issue conditions are to be determined by the Managing Board, subject to approval by the Supervisory Board. In principle, the shareholders have statutory subscription rights.

However, the Managing Board was authorized to exclude the shareholders' statutory subscription rights in two special cases: first, for a capital increase in case of a contribution in kind for the granting of shares as currency for the acquisition of companies, parts of companies or participations in companies, and second, for multiple allotments in connection with the placement of new shares by the company (greenshoe). The number of shares issued subject to the exclusion of subscription rights must not exceed 5,817,574.

Wienerberger showed an equity of TEUR 2,149,068 as of December 31, 2021, compared to TEUR 1,748,985 in the previous year. Profit after tax increased equity by TEUR 312,070 (2020: TEUR 99,928). The other components of comprehensive income led to an increase in equity by another TEUR 72,930 (2020: decrease of TEUR -69,484) after the deduction of deferred taxes. As of December 31, 2021, the share of equity in total assets amounted to 43.8 % (2020: 40.4 %), and net debt increased from TEUR 882,145 in 2020 to TEUR 1,134,483.

At the end of the financial year, total non-controlling interests came to TEUR 900 (2020: TEUR 685).

The share capital of Wienerberger AG totaled EUR 115,187,982 as of December 31, 2021 and is divided into115,187,982 no-par value shares that all carry the same rights. All shares are fully paid in. A dividend of EUR 0.60 per share was paid out in 2021, i.e. TEUR 69,113 less TEUR 1,753 for treasury shares (pro rata), or TEUR 67,359 in total.

On 11/12/2020 the Managing Board decided to call the 2014 hybrid bond at the earliest possible date and to redeem the outstanding perpetual subordinated hybrid bond with a nominal value of TEUR 214,630 on 9/2/2021. As a result, the hybrid capital previously recognized in equity was reclassified to current financial liabilities on the balance sheet date. The remaining hybrid bond with a nominal value of TEUR 214,630, plus a coupon of TEUR 10,732, was redeemed in the reporting period.

During the reporting year, Wienerberger sold 2,500,000 treasury shares for a price of TEUR 80,561. Moreover, 40,258 treasury shares were allocated to CEO Heimo Scheuch as part of his remuneration. In total, transaction costs of TEUR 1,000 were offset against retained earnings.

Retained earnings of TEUR 1,189,703 (2020: TEUR 946,176) include the retained earnings of Wienerberger AG and all retained earnings of subsidiaries not eliminated during capital consolidation. Group results for 2021, excluding the share of profit or loss attributable to non-controlling interests, are shown under retained earnings.

Other reserves include the components of other comprehensive income. These include actuarial gains and losses from pension and severance pay plans, which are not reclassified to profit or loss. The remaining other reserves include those components of other comprehensive income which, as a matter of principle, must be reclassified to profit or loss. The currency translation reserve includes all differences from foreign currency translation after tax that are recognized under other comprehensive income, with the differences from companies reported at equity shown separately. The hedging reserve includes changes in the value of hedges that are recognized under other comprehensive income. These hedging transactions comprise hedges of net investments in foreign operations (net investment hedges) as well as hedges for foreign currency transactions (cash flow hedges).

Change of control clauses are included in the employment contracts of the members of the Managing Board, the terms and conditions of the 2018 and 2020 corporate bonds, and in various syndicated term loans and other loans.

29. Provisions

in TEUR	1/1/2021	Foreign exchange incr./decr.	Change in scope of consolidation	Reversal	Use	Addition	31/12/2021
Provisions for warranties	20,917	350	3,809	928	1,889	5,485	**27,744**
Provisions for site restoration	42,315	1,592	10,736	735	4,650	9,019	**58,277**
Miscellaneous non-current provisions	10,494	115	474	1,046	5,187	7,799	**12,649**
Other non-current provisions	**73,726**	**2,057**	**15,019**	**2,709**	**11,726**	**22,303**	**98,670**
Taxes provision	2,083	16	0	6	120	54	**2,027**
Other current provisions	34,856	603	2,892	9,544	27,242	40,974	**42,539**
Current provisions	**36,939**	**619**	**2,892**	**9,550**	**27,362**	**41,028**	**44,566**
Other provisions	**110,665**	**2,676**	**17,911**	**12,259**	**39,088**	**63,331**	**143,236**

Miscellaneous non-current provisions primarily include other non-current employee-related provisions. Other current provisions mostly include restructuring provisions as well as other current employee-related provisions.

30. Employee benefits

The obligations for employee benefits are as follows:

in TEUR	2021	2020
Provisions for severance payments	**26,762**	30,826
Provisions for pensions	**61,625**	98,315
Provisions for anniversary bonuses	**11,787**	11,507
Employee-related provisions	**100,174**	**140,648**

The obligations for post-employment benefits total TEUR 88,387 (2020: TEUR 129,141) and comprise pension obligations of TEUR 61,625 (2020: TEUR 98,315) and severance compensation obligations of TEUR 26,762 (2020: TEUR 30,826). The relevant accounting and valuation principles are described on pages 301 and 302.

The company is exposed to various risks in connection with the plans for post-employment benefits. In addition to general actuarial risks, such as an increase in the life expectancy for retirement benefits and interest rate risks, the company is also exposed to foreign exchange risks or investment risks on the capital markets.

Pension obligations

Wienerberger has made pension commitments to employees in the Netherlands, Great Britain, Scandinavia, the USA, Canada, Germany and Belgium as well as to selected managers in Austria. Defined contribution plans represent the goal for future pension agreements. Defined benefit pension agreements have been regularly converted to defined contribution pension models through the transfer of previously earned claims to pension funds. Wienerberger has also made a number of defined pension commitments, mainly to former managers, based on unfunded pension plans; the length of service forms the basis for retirement benefits under these plans. The employees of General Shale Brick Inc. (USA) have a funded defined benefit pension plan as well as an unfunded (retirement) health insurance scheme. Entitlements earned by Dutch employees are satisfied through a defined contribution pension plan, primarily through contributions to an industry-wide pension fund in the Netherlands. In Great Britain, a defined contribution pension plan covers all employees. The companies of thebrickbusiness, acquired in 2004, as well as Baggeridge, acquired in 2007, had defined benefit models; a provision was created to reflect these obligations. There are also defined benefit pension plans for the employees of the Steinzeug-Keramo Group. The Pipelife Group has defined benefit pension plans for individual members of the management in the Netherlands, Belgium, Austria and Germany.

The calculations are based on the following weighted average parameters:

Parameters	2021	2020
Discount rate	**0.6%**	1.3%
Expected salary increases	**0.2%**	0.2%
Expected pension increases	**1.5%**	1.3%
Average employee turnover	**0.0%**	0.0%
Mortality tables		
Austria	**AVÖ 2018-P ANG**	AVÖ 2018-P ANG
Germany	**Heubeck 2018 G**	Heubeck 2018 G
USA	**Pri.A-2012 Fully Generational with Scale MP 2021**	Pri.A-2012 Fully Generational with Scale MP 2019
Great Britain	**105% of SAPS "S2" Combined**	105% of SAPS "S2" Combined
Belgium	**MR-3/FR-3**	MR-3/FR-3
Sweden	**DUS14**	DUS14
Canada	**CPM Improvement Scale B**	CPM Improvement Scale B
Netherlands	**AG Prognosetafel 2020**	AG Prognosetafel 2020

The country-specific discount rate is based on the average return on first-rate, fixed-interest industrial bonds with a term to maturity that reflects the average maturity of the obligations to employees.

Total pension expenses for 2021 cover both defined contribution and defined benefit pension plans. The current and past service cost and the effects of plan settlements are reported under operating result and the net interest effect under interest result.

in TEUR	2021	2020
Defined contribution plans	**16,045**	**14,314**
Defined benefit plans		
Service cost for defined benefit plans	**2,973**	3,129
Past service cost[1)]	**-3,839**	188
Net interest cost	**1,258**	1,588
Expenses for defined benefit plans	**392**	**4,905**
Total expenses for pensions	**16,437**	**19,219**

1) The negative amount of past service cost results from model changes to the pension plan in the United Kingdom.

The gross pension obligations can be reconciled to net obligations as shown on the balance sheet by deducting the fair value of plan assets. Of the total net obligations, TEUR 9,136 (2020: TEUR 8,807) is related to the US (retirement) health insurance program. A change in the cost trend for medical services would not have any major impact on the interest cost or the defined benefit pension obligation.

The components of pension obligations and their coverage through plan assets are shown below:

in TEUR	Defined benefit pension obligations 2021	2020	Fair value of plan assets 2021	2020
Value as of 1/1	**352,269**	**425,573**	**253,954**	**319,702**
Change in scope of consolidation	**55**	-70,430	**0**	-63,225
Foreign exchange increase/decrease	**16,404**	-14,522	**13,136**	-10,755
Service cost for defined benefit pension plans	**2,973**	3,129	**0**	0
Interest cost	**4,798**	6,016	**0**	0
Expected income from plan assets	**0**	0	**3,540**	4,428
Actuarial gains/losses	**-21,141**	16,107	**10,567**	6,196
Past service cost	**-3,839**	188	**0**	0
Payments to retirees	**-14,583**	-13,601	**-14,583**	-13,299
Payments received from employees	**185**	183	**185**	183
Payments received from employers	**-414**	-374	**8,283**	10,724
Value as of 31/12	**336,707**	**352,269**	**275,082**	**253,954**
Fair value of plan assets	**-275,082**	-253,954		
Net pension obligations	**61,625**	**98,315**		
Actuarial gains/losses resulting from pension plans				
Actuarial gains/losses from changes in demographic assumptions	**-2,836**	-515		
Actuarial gains/losses from changes in financial assumptions	**-5,992**	27,407		
Actuarial gains/losses from experience adjustments	**-12,313**	-10,785		
Deviation of return on plan assets	**-10,567**	-6,196		
Actuarial gains (-)/losses (+) in other comprehensive income	**-31,708**	**9,911**		

Pension plan assets consist mainly of the assets of funded defined benefit pension plans in the USA, Great Britain and Pipelife's plan in the Netherlands. The plan assets are invested in shares (45 %; 2020: 46 %), bonds (44 %; 2020: 48 %) and other assets (11 %; 2020: 6 %).

The sensitivity of the gross pension obligation was tested by modifying the major actuarial assumptions individually while holding all other conditions constant. A negative amount represents a reduction of the obligation, while a positive amount indicates an increase.

Sensitivity of the gross pension obligation	Change of parameter in basis points (bp)/years	Increase of parameter in TEUR	Decrease of parameter in TEUR
Discount rate	+/- 25 bp	-11,684	12,022
Salary increases	+/- 100 bp	1,477	-1,329
Employee turnover	+/- 100 bp	-225	105
Life expectancy	+/- 1 year	13,735	-12,673

The payments to defined benefit pension plans are expected to total TEUR 8,636 in 2022. As of December 31, 2021, the weighted average duration of the pension obligations was 12.1 years (2020: 15 years).

Severance compensation obligations

Legal regulations grant Austrian employees who joined the company before January 1, 2003, the right to a lump-sum payment upon retirement or termination by the employer, the amount of the payment being dependent on the length of service. These future obligations are reflected in provisions for severance payments. There are similar obligations in France, Italy, Poland and Turkey.

The country-specific discount rate used to calculate the severance compensation obligations under the projected unit credit method was based on the same yield curve used to calculate the pension obligations. The calculations are based on the following weighted average parameters:

Parameters	2021	2020
Discount rate	**0.7%**	0.4%
Expected salary increases	**2.6%**	1.8%
Average employee turnover	**1.9%**	1.5%

The current and past service cost and the effects of settlement payments from defined benefit severance compensation plans are reported under operating results, while the net interest effect is included under interest result.

in TEUR	2021	2020
Defined contribution plans	**1,631**	**1,393**
Defined benefit plans		
Service cost for defined benefit plans	**1,174**	1,192
Past service cost	**86**	6
Effects of settlements	**0**	32
Net interest cost	**215**	219
Expenses for defined benefit plans	**1,475**	**1,449**
Expenses for severance payments	**3,106**	**2,842**

The severance compensation obligations in France are covered by plan assets, which are held in shares (13 %; 2020: 12 %), bonds (78 %; 2020: 75 %) and other assets (9 %; 2020: 13 %).

The following table shows the composition of the severance compensation obligations and their coverage through plan assets:

	Defined benefit severance obligation		Fair value of plan assets	
in TEUR	2021	2020	2021	2020
Value as of 1 / 1	**33,440**	**35,738**	**2,614**	**2,502**
Change in scope of consolidation	**0**	311	**0**	0
Foreign exchange increase/decrease	**-270**	-202	**0**	0
Service cost for defined benefit severance obligations	**1,174**	1,192	**0**	0
Interest cost	**229**	231	**0**	0
Expected income from plan assets	**0**	0	**14**	12
Effects of settlements	**25**	32	**0**	0
Actuarial gains/losses	**141**	-1,371	**0**	100
Past service cost	**86**	6	**0**	0
Payments	**-5,318**	-2,497	**0**	0
Payments received from employers	**-117**	0	**0**	0
Value as of 31 / 12	**29,390**	**33,440**	**2,628**	**2,614**
Fair value of plan assets	**-2,628**	-2,614		
Net severance compensation obligations	**26,762**	**30,826**		
Actuarial gains / losses resulting from severance payment plans				
Actuarial gains/losses from changes in demographic assumptions	**-1,717**	-344		
Actuarial gains/losses from changes in financial assumptions	**1,694**	-874		
Actuarial gains/losses from experience adjustments	**164**	-153		
Deviation of return on plan assets	**0**	-100		
Actuarial gains (-) / losses (+) in other comprehensive income	**141**	**-1,471**		

The sensitivity of the gross severance obligation was tested by modifying the major actuarial assumptions individually while holding all other conditions constant. A negative amount represents a reduction of the obligation, while a positive amount indicates an increase.

Sensitivity of the gross severance obligation	Change of parameter in basis points (bp)	Increase of parameter in TEUR	Decrease of parameter in TEUR
Discount rate	+/- 25 bp	-738	741
Salary increases	+/- 100 bp	2,907	-2,695
Employee turnover	+/- 100 bp	-517	399

The payments to defined benefit severance compensation plans are expected to total TEUR 929 in 2022. As of December 31, 2021, the weighted average duration of the severance compensation obligations was 11 years (2020: 11 years).

31. Deferred taxes

The following deferred tax assets and deferred tax liabilities as of December 31, 2021 and December 31, 2020 are the result of temporary valuation and accounting differences between carrying amounts in the consolidated financial statements and the respective tax assessment bases:

in TEUR	2021		2020	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Intangible assets	**930**	**-64,870**	2,372	-39,298
Property, plant and equipment	**11,240**	**-131,354**	10,443	-121,958
Inventories	**4,137**	**-5,254**	3,308	-5,617
Receivables	**18,566**	**-11,413**	22,023	-12,196
Miscellaneous receivables	**52,526**	**-33**	49,868	-53
	87,399	**-212,924**	**88,014**	**-179,122**
Provisions	**23,725**	**-3,282**	28,962	-4,345
Liabilities	**61,904**	**-7,233**	54,975	-6,986
Prepayments received	**523**	**-212**	826	-213
	86,152	**-10,727**	**84,763**	**-11,544**
Tax losses carried forward	**318,220**		356,418	
Deferred tax assets/liabilities	**491,771**	**-223,651**	**529,195**	**-190,666**
Unrecognized deferred tax assets	**-301,262**		-344,830	
Offset within legal tax units and jurisdictions	**-116,382**	**116,382**	-128,566	128,566
Recognized tax assets/liabilities	**74,127**	**-107,269**	**55,799**	**-62,100**

At Group level there are deductible temporary differences and tax loss carryforwards (including pro-rata depreciation and amortization) in a total amount of TEUR 1,163,842 (2020: TEUR 1,368,207). Thereof TEUR 254,991 (2020: TEUR 253,763) are relating to deductible temporary differences and TEUR 908,851 (2020: TEUR 1,114,444) to tax loss carryforwards (including pro-rata depreciation and amortization). These were not recognized as deferred tax assets, as their effective tax release is not fully covered by mid-term planning. This corresponds to non-recognized deferred tax assets of TEUR 301,262 (2020: TEUR 344,830) for temporary differences and tax loss carryforwards.

The following table shows when unused tax losses expire:

in TEUR	2021	2020
Expiry date of unused tax losses ≤ 5 years	**13,742**	16,740
Expiry date of unused tax losses 6 - 10 years	**975**	66,159
Expiry date of unused tax losses > 10 years	**0**	0
Expiry date of unused tax losses unlimited	**894,134**	1,031,545
Total of unused tax losses	**908,851**	**1,114,444**

Temporary pro-rata tax depreciation (over 7 years), which is tax-deductible under Austrian law, amounted to TEUR 61,639 (2020: TEUR 98,618) for Wienerberger AG. Deferred tax assets were not recognized for this amount in 2021 or 2020.

As at December 31, 2021, taxable temporary differences associated with investments in subsidiaries amounted to TEUR 281,659 (2020: TEUR 203,411), for which no deferred tax liabilities were recognized in accordance with IAS 12.39 (outside basis differences).

32. Liabilities

Liabilities are generally measured at amortized cost, except for derivatives with negative market values, which are measured at fair value.

The remaining terms of the various categories of liabilities are shown in the following tables:

2021 in TEUR	**Total**	**Remaining term < 1 year**	**Remaining term 1-5 years**	**Remaining term > 5 years**	**Thereof secured by collateral**
Interest-bearing loans	**1,293,830**	160,677	914,818	218,335	0
Lease liabilities	**245,273**	52,318	98,558	94,397	0
Financial liabilities	**1,539,103**	**212,995**	**1,013,376**	**312,732**	**0**
Trade payables owed to third parties	**421,950**	421,950	0	0	0
Trade payables owed to subsidiaries	**1,128**	1,128	0	0	0
Trade payables	**423,078**	**423,078**	**0**	**0**	**0**
Payables for current taxes	**18,154**	**18,154**	**0**	**0**	**0**
Contract liability	**8,875**	8,842	33	0	0
Amounts owed to tax authorities and social security institutions	**71,161**	71,871	-710	0	0
Refund liabilities	**18,891**	18,891	0	0	0
Prepayments received	**8,697**	6,449	383	1,865	0
Miscellaneous liabilities	**316,079**	288,081	16,166	11,832	0
Other liabilities	**423,703**	**394,134**	**15,872**	**13,697**	**0**
Total liabilities	**2,404,038**	**1,048,361**	**1,029,248**	**326,429**	**0**

2020 in TEUR	**Total**	**Remaining term < 1 year**	**Remaining term 1-5 years**	**Remaining term > 5 years**	**Thereof secured by collateral**
Interest-bearing loans	**1,380,416**	396,896	925,602	57,918	1,250
Lease liabilities	**217,099**	40,824	83,424	92,851	0
Financial liabilities	**1,597,515**	**437,720**	**1,009,026**	**150,769**	**1,250**
Trade payables owed to third parties	**299,021**	299,021	0	0	0
Trade payables owed to subsidiaries	**852**	852	0	0	0
Trade payables	**299,873**	**299,873**	**0**	**0**	**0**
Payables for current taxes	**9,696**	**9,696**	**0**	**0**	**0**
Contract liability	**13,192**	13,171	12	9	0
Amounts owed to tax authorities and social security institutions	**73,878**	73,878	0	0	0
Refund liabilities	**8,990**	8,990	0	0	0
Prepayments received	**9,323**	6,922	455	1,946	0
Miscellaneous liabilities	**252,150**	228,856	23,268	26	0
Other liabilities	**357,533**	**331,817**	**23,735**	**1,981**	**0**
Total liabilities	**2,264,617**	**1,079,106**	**1,032,761**	**152,750**	**1,250**

Leases already concluded but not yet commenced on the balance sheet date have not been taken into account in the valuation of lease liabilities. On the basis of information available on the balance sheet date, such arrangements will result in an increase in right-of-use assets and lease liabilities in the following year by roughly TEUR 3,286 (2020: TEUR 7,223). The entire cash outflow for leases amounted to TEUR 54,129 (2020: TEUR 49,092).

Refund liabilities primarily comprise rights of return recognized for returnable pallets.

Contract liabilities describe advance payments received from customers and are recognized on the balance sheet under other liabilities. On the balance sheet date, they amounted to TEUR 8,875 (2020: TEUR 13,192). Revenues generated from these orders are recognized at the time of transfer of the goods/services to the customer.

Miscellaneous liabilities include TEUR 83,815 (2020: TEUR 69,942) due to employees and TEUR 170,569 (2020: TEUR 130,919) from accruals for bonuses and other sales deductions due to customers. Prepayments received include TEUR 6,026 (2020: TEUR 5,429) of subsidies and investment grants from third parties, which are reversed to income over the useful life of the related items of property, plant and equipment. In addition to liabilities from current taxes, amounts owed to tax authorities and social security institutions also include tax liabilities of TEUR 42,341 (2020: TEUR 50,262).

Financial liabilities include the following derivatives with negative market values:

Derivatives

in TEUR	2021	2020
Derivatives from cash flow hedges	**2,428**	1,578
Derivatives from net investment hedges	**5,301**	377
Derivatives from fair value hedges	**448**	0
Other derivatives	**534**	2,164
Derivatives with negative market value	**8,711**	**4,119**

Total liabilities thus include TEUR 2,381,381 (2020: TEUR 2,242,940) in financial liabilities measured at amortized cost, TEUR 13,945 (2020: TEUR 17,558) in other liabilities measured at fair value, TEUR 8,177 (2020: TEUR 1,955) in derivatives in hedge accounting, and TEUR 534 (2020: TEUR 2,164) in other derivatives measured at fair value through profit or loss.

Financial liabilities are expected to result in the following cash flows:

Analysis of contractual cash flows

2021 in TEUR	**Carrying amount as at 31/12/2021**	**Total**	**< 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**> 5 years**
Bonds	655,488	**-709,000**	-16,000	0	-16,000	-677,000	0
Liabilities to banks	628,685	**-652,922**	-65,564	-92,311	-95,545	-178,988	-220,514
Lease liabilities	245,273	**-282,192**	-29,562	-26,247	-41,359	-64,575	-120,449
Liabilities to non-banks	946	**-955**	-3	-131	-821	0	0
Primary financial instruments	**1,530,392**	**-1,645,069**	**-111,129**	**-118,689**	**-153,725**	**-920,563**	**-340,963**
Interest rate derivatives	8,177	**-15,840**	-2,497	-2,114	-4,879	-6,350	0
Forward exchange contracts and swaps	534	**-4,309**	-2,736	-1,573	0	0	0
Derivative financial instruments	**8,711**	**-20,149**	**-5,233**	**-3,687**	**-4,879**	**-6,350**	**0**
Carrying amounts/ Contractual cash flows	**1,539,103**	**-1,665,218**	**-116,362**	**-122,376**	**-158,604**	**-926,913**	**-340,963**

2020 in TEUR	**Carrying amount as at 31/12/2020**	**Total**	**< 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**> 5 years**
Bonds	879,341	**-958,341**	-249,341	0	-16,000	-693,000	0
Liabilities to banks	496,386	**-508,953**	-49,461	-113,946	-102,060	-181,610	-61,876
Lease liabilities	217,099	**-253,955**	-22,748	-20,228	-35,011	-57,821	-118,147
Liabilities to non-banks	570	**-582**	-6	-140	-3	-433	0
Primary financial instruments	**1,593,396**	**-1,721,831**	**-321,556**	**-134,314**	**-153,074**	**-932,864**	**-180,023**
Interest rate derivatives	1,955	**-2,059**	-173	-194	-470	-1,207	-15
Forward exchange contracts and swaps	2,164	**-2,953**	-2,698	-255	0	0	0
Derivative financial instruments	**4,119**	**-5,012**	**-2,871**	**-449**	**-470**	**-1,207**	**-15**
Carrying amounts/ Contractual cash flows	**1,597,515**	**-1,726,843**	**-324,427**	**-134,763**	**-153,544**	**-934,071**	**-180,038**

The cash flows shown in the above tables include interest paid for both fixed-interest and floating-rate financial liabilities. They were determined on the basis of the interest rates established at the end of the reporting period.

33. Contingent liabilities and guarantees

Contingent liabilities result from obligations to third parties, and include the following:

in TEUR	31/12/2021	31/12/2020
Guarantees	**15,225**	18,138
Other contractual obligations	**1,582**	1,389
Contingent liabilities	**16,807**	**19,527**

All events reported under contingent liabilities reflect possible future obligations that are contingent upon the occurrence of a future event that is completely uncertain as of the balance sheet date.

34. Financial instruments

Interest-bearing financial liabilities comprise the following items:

2021	Currency	Nominal value	Market value	Carrying amount as at 31/12/2021	Effective interest rate
		in 1,000 local currency	in TEUR	in TEUR	in %
Long-term loans	EUR	84,016	84,141	**84,016**	1.00
	TRY	11,305	677	**742**	18.18
Roll-over	TRY	46,993	3,084	**3,085**	18.59
Short-term loans	EUR	52,225	52,460	**52,225**	1.12
	TRY	58,000	3,742	**3,808**	19.23
Fixed interest liabilities due to financial institutions			**144,104**	**143,876**	

2020	Currency	Nominal value	Market value	Carrying amount as at 31/12/2020	Effective interest rate
		in 1,000 local currency	in TEUR	in TEUR	in %
Long-term loans	EUR	136,089	136,260	**136,089**	1.05
	CZK	1,429	54	**54**	-
Roll-over	TRY	54,000	5,877	**5,926**	19.16
Short-term loans	EUR	47,172	47,459	**47,170**	1.15
Fixed interest liabilities due to financial institutions			**189,650**	**189,239**	

2021	Currency	Nominal value	Market value	Carrying amount as at 31/12/2021	Effective interest rate
		in 1,000 local currency	in TEUR	in TEUR	in %
Long-term loans	EUR	401,667	400,083	**401,667**	0.45
Roll-over	EUR	17,000	17,006	**17,000**	0.80
	TRY	221,790	14,649	**14,559**	26.05
			31,655	**31,559**	
Short-term loans	EUR	47,349	47,350	**47,393**	0.91
	CAD	995	691	**691**	-
	CZK	20	1	**1**	-
	USD	3,962	3,498	**3,498**	-
			51,540	**51,583**	
Derivatives	EUR	478,453	8,711	**8,711**	-
Variable interest liabilities due to financial institutions			**491,989**	**493,520**	

2020	Currency	Nominal value	Market value	Carrying amount as at 31/12/2020	Effective interest rate
		in 1,000 local currency	in TEUR	in TEUR	in %
Long-term loans	EUR	201,250	**199,784**	**201,250**	0.64
	DKK	8,753	1,266	**1,176**	2.16
			201,050	**202,426**	
Roll-over	EUR	29,000	28,871	**29,000**	0.80
	TRY	65,000	7,072	**7,133**	18.78
			35,943	**36,133**	
Short-term loans	EUR	65,661	65,838	**65,661**	1.10
	TRY	12,480	1,369	**1,369**	-
	CAD	154	99	**99**	-
	USD	1,787	1,457	**1,457**	-
	PLN	4	1	**1**	-
	CZK	30	**1**	**1**	-
			68,765	**68,588**	
Derivatives	other in EUR	222,615	4,119	**4,119**	-
Variable interest liabilities due to financial institutions			**309,877**	**311,266**	

2021	Currency	Nominal value	Market value	Carrying amount as at 31/12/2021	Effective interest rate
		in 1,000 local currency	in TEUR	in TEUR	in %
Bonds – fixed interest (long-term)	EUR	650,000	683,695	**645,830**	2.69
Bonds – fixed interest (accrued interest)	EUR	9,658	9,658	**9,658**	-
Long-term loans – fixed interest	EUR	898	910	**898**	0.75
Short-term loans – fixed interest	TRY	737	48	**48**	30.76
Lease liabilities (long-term)	other		192,955	**192,955**	
Lease liabilities (short-term)	other		52,318	**52,318**	
Financial liabilities owed to non-banks				**901,707**	

2020	Currency	Nominal value	Market value	Carrying amount as at 31/12/2020	Effective interest rate
		in 1,000 local currency	in TEUR	in TEUR	in %
Bonds – fixed interest (long-term)	EUR	650,000	680,909	**644,519**	2.69
Bonds – fixed interest (short-term)	EUR	214,630	224,361	**225,086**	4.79
Bonds – fixed interest (accrued interest)	EUR	9,736	9,736	**9,736**	-
Long-term loans – fixed interest	EUR	432	441	**432**	0.75
Short-term loans – fixed interest	TRY	1,257	138	**138**	30.76
Lease liabilities (long-term)	other		176,275	**176,275**	-
Lease liabilities (short-term)	other		40,824	**40,824**	-
Financial liabilities owed to non-banks				**1,097,010**	

Interest rates (variable, fixed) can be exchanged through the conclusion of interest rate swaps. The structure of financial liabilities (variable and fixed interest rates), including the effects of interest rate swaps, is shown on page 309.

35. Derivative financial instruments and hedge accounting

The market value of derivative financial instruments represents the value the company would receive or be required to pay on settlement as of the balance sheet date. Current market conditions – above all current interest rates, foreign exchange rates and the credit standing of the counterparty – are taken into account. These valuation parameters can be monitored on the market and are available to all relevant market participants. The fair value of the respective derivative instruments corresponds to the net present value determined by means of recognized actuarial methods, extended by adjustments according to IFRS 13 (credit value and debit value adjustments – CVA/DVA).

As of December 31, 2021, Wienerberger held foreign exchange forward contracts that were concluded to hedge transaction risks for a period of up to 12 months. The risk positions covered by these hedges are documented in the Group's foreign-currency-based liquidity planning. These derivatives are classified as cash flow hedges of future transactions, and changes in their market value during the term are recognized in the hedging reserve. The ineffective portion of the change in market value is recognized through profit or loss and consists primarily of the CVA/DVA as defined in IFRS 13. On the maturity date of the derivative, the cumulative, effective market value differences are reclassified from other comprehensive income to profit or loss.

The Wienerberger Group also holds currency swaps that are used to hedge cash pool and bank account balances in foreign currencies. The foreign currency differences on the bank account balances that are hedged with these instruments are recognized through profit or loss and, consequently, the market value differences of the hedges are also recognized through profit or loss. As these are natural hedges, hedge accounting is not applied.

As of the balance sheet date, two interest rate swaps to partially hedge the interest expense were in effect, the valuation of which was performed by cash flow hedge accounting through the hedging reserve. The ineffective part of the market change is determined by means of the hypothetical derivative method and recognized in profit or loss.

The cross-currency swaps are derivatives that hedge the Group's net investments in various currencies (US dollars, British pounds, Canadian dollars, Czech korunas and Polish zlotys) and are therefore classified as hedges of a net investment in a foreign operation. The effectiveness of these instruments is measured at least quarterly by comparing the cumulative market value changes with the cumulative currency differences of the hedged position, which is represented by a hypothetical derivative. The effective portion of the hedge is recognized in the hedging reserve, and the ineffective portion is recognized through profit or loss.

Moreover, a purchase price receivable from the sale of the business activities in Switzerland in the prior year was booked for Wienerberger Building Solutions as of the balance sheet date. The value of this receivable was hedged by FX forward transactions; fluctuations in the value of the receivable and the hedges were therefore recognized in the financial result.

	31/12/2021			31/12/2020		
	Currency	Nominal value	Market value	Currency	Nominal value	Market value
		in 1,000 local currency	in TEUR		in 1,000 local currency	in TEUR
Forward exchange contracts	NOK	**267,939**	**-385**	NOK	194,504	-300
	GBP	**122,286**	**-2,093**	GBP	74,838	326
	USD	**135,000**	**237**	USD	2,000	4
	DKK	**27,000**	**0**	DKK	22,000	0
	CAD	**30,000**	**-131**	CAD	0	0
	CZK	**479,476**	**-194**	CZK	140,154	-23
	HUF	**2,615,395**	**318**	HUF	2,992,706	210
	PLN	**33,854**	**115**	PLN	53,931	355
	SEK	**263,088**	**124**	SEK	96,433	-250
	RUB	**103,262**	**26**	RUB	350,000	93
	RON	**0**	**0**	RON	7,501	-9
	CHF	**12,500**	**-448**	CHF	22,100	100
	BGN	**3,000**	**0**	BGN	0	0
	HRK	**5,000**	**0**	HRK	0	0
	EUR	**199,123**	**1,365**	EUR	119,399	-1,791
	USD/NOK	**776**	**188**	USD/NOK	3,314	860
Interest rate swaps	EUR	**218,000**	**1,110**	EUR	68,000	-893
Cross currency swaps	GBP/EUR	**85,000**	**-2,381**	GBP/EUR	40,000	863
	USD/EUR	**80,000**	**-1,240**	USD/EUR	80,000	7,474
	PLN/EUR	**60,000**	**876**	PLN/EUR	60,000	723
	CAD/EUR	**47,500**	**-15**	CAD/EUR	7,000	237
	CZK/EUR	**700,000**	**-1,666**	CZK/EUR	700,000	-182
			-4,194			**7,797**

36. Disclosures on financial instruments

Financial instruments are classified in three levels that reflect the degree of valuation certainty. Wienerberger uses the following hierarchy to classify financial instruments measured at fair value according to the valuation method used:

- Level 1: Valuation based on the market price for a specific financial instrument
- Level 2: Valuation based on the market prices for similar instruments or on valuation models that only use parameters that can be monitored on the market
- Level 3: Valuation based on models with significant parameters that cannot be monitored on the market

The financial instruments regularly carried at fair value by the Wienerberger Group are generally classified under level 1 (shares in funds and stock; see Note 25. Receivables, securities and other financial assets) or level 2 (other financial assets and derivative financial instruments; see Note 35. Derivative financial instruments and hedge accounting). No items were reclassified between hierarchy levels during the reporting year.

Other securities recognized as financial instruments at fair value through profit or loss are partly classified as level 3 of the valuation hierarchy. They serve as reinsurance for pension obligations and netting against the provision is not permitted.

Investments in subsidiaries and other investments are recognized at fair value, which is determined on the basis of the underlying planning by means of a DCF method. They are therefore classified as level 3 of the valuation hierarchy.

Other financial liabilities recognized at fair value represent a purchase price liability in connection with the purchase of interests in companies. These include a liability of TEUR 3,000 for 30 % of the joint venture Interbran Baustoff GmbH. The payment obligation is conditional on the achievement of defined research and development targets and is classified under level 3 of the valuation hierarchy. Another TEUR 8,745 is accounted for by a put option on the non-controlling interests in connection with the acquisition of Vesterled Teglvaerk A/S, Helligsø Teglvaerk A/S and Egernsund Tegl a.m.b.a.. The value of the put option was determined on the basis of budgeted EBITDA and a defined multiplier; the liability was therefore classified as level 3 of the valuation hierarchy. Additionally, a total of TEUR 2,600 results from contingent liabilities from acquisitions of companies, payment of which is conditional on the achievement of certain earnings targets; the liability is therefore classified as level 3 of the valuation hierarchy.

The following table shows the financial assets and financial liabilities carried at fair value:

Financial assets and financial liabilities carried at fair value

in TEUR	Level 1	Level 2	Level 3	Carrying amount as at 31/12/2021
Assets				
Investments in subsidiaries and other investments			17,319	**17,319**
Stock	64			**64**
Shares in funds	5,881			**5,881**
Other			340	**340**
At fair value through profit or loss	**5,945**	**0**	**17,659**	**23,604**
Derivatives from cash flow hedges		1,893		**1,893**
Derivatives from net investment hedges		876		**876**
Other derivatives		1,748		**1,748**
Derivatives with positive market value		**4,517**		**4,517**
Liabilities				
Derivatives from cash flow hedges		2,428		**2,428**
Derivatives from net investment hedges		5,301		**5,301**
Derivatives from fair value hedges		448		**448**
Other derivatives		534		**534**
Derivatives with negative market value		**8,711**		**8,711**
Contingent purchase price liability			**13,945**	**13,945**

in TEUR	Level 1	Level 2	Level 3	Carrying amount as at 31/12/2020
Assets				
Investments in subsidiaries and other investments			13,159	**13,159**
Stock	63			**63**
Shares in funds	5,795			**5,795**
Other	2	1	679	**682**
At fair value through profit or loss	**5,860**	**1**	**13,838**	**19,699**
Derivatives from cash flow hedges		1,923		**1,923**
Derivatives from net investment hedges		9,491		**9,491**
Derivatives from fair value hedges		100		**100**
Other derivatives		402		**402**
Derivatives with positive market value		**11,916**		**11,916**
Liabilities				
Derivatives from cash flow hedges		1,578		**1,578**
Derivatives from net investment hedges		377		**377**
Other derivatives		2,164		**2,164**
Derivatives with negative market value		**4,119**		**4,119**
Contingent purchase price liability			**17,558**	**17,558**

The valuation of financial instruments classified under level 3 is shown in the following table:

	Investments		Other securities		Contingent purchase price liability	
in TEUR	2021	2020	2021	2020	2021	2020
Balance on 1/1	**13,159**	**10,408**	**679**	**666**	**17,558**	**15,436**
Additions	**7**	0	**0**	0	**0**	3,500
Change in scope of consolidation	**16**	0	**0**	0	**0**	0
Results from valuation in income statement	**4,150**	2,751	**-339**	13	**70**	122
Disposals	**-13**	0	**0**	0	**-3,683**	-1,500
Balance on 31/12	**17,319**	**13,159**	**340**	**679**	**13,945**	**17,558**

Wienerberger generally carries loans and receivables as well as liabilities at amortized cost, with a credit loss on loans and receivables in the amount of the weighted expected defaults. The fair value of these liabilities can either be monitored on the market, which permits classification under level 1 (bonds), or can be derived by means of an income approach, which permits classification under level 2 (loans).

Trade receivables and trade payables, loans granted, and other receivables and liabilities mostly have a term of less than one year. The respective carrying amounts generally correspond to fair values and are therefore not reported separately.

Financial assets and financial liabilities at amortized cost

in TEUR	Fair value Level 1	Fair value Level 2	Fair value Level 3	Carrying amount as at 31/12/2021
Assets				
Other receivables		**29,871**		**29,871**
Liabilities				
Long-term loans		484,901		**486,425**
Roll-over		34,739		**34,644**
Short-term loans		107,742		**107,616**
Financial liabilities owed to financial institutions		**627,382**		**628,685**
Bonds	693,353			**655,488**
Long-term loans		910		**898**
Short-term loans		48		**48**
Lease liabilities		245,273		**245,273**
Financial liabilities owed to non-banks	**693,353**	**246,231**		**901,707**
Purchase price liability		**1,708**		**1,708**

in TEUR	Fair value Level 1	Fair value Level 2	Fair value Level 3	Carrying amount as at 31/12/2020
Assets				
Other receivables		**30,739**		**30,739**
Liabilities				
Long-term loans		337,364		**338,569**
Roll-over		41,820		**42,059**
Short-term loans		116,224		**115,758**
Financial liabilities owed to financial institutions		**495,408**		**496,386**
Bonds	915,006			**879,341**
Long-term loans		441		**432**
Short-term loans		138		**138**
Lease liabilities		217,099		**217,099**
Financial liabilities owed to non-banks	**915,006**	**217,678**		**1,097,010**
Purchase price liability		**5,365**		**5,365**

Accounting and Valuation Principles

Revenues: Income from deliveries of goods and services is recognized when control of the goods delivered is transferred to the buyer. As a rule, at Wienerberger this corresponds to the time of delivery to the customer.

In individual cases, revenue is already realized during production, if an asset produced is customer-specific and has no alternative use and Wienerberger has an enforceable right to payment against the customer. In the case of manufacturing contracts revenue is realized on the basis of production progress and, is generally calculated by means of output-oriented methods (e.g. based on the amount produced relative to the total amount). Revenue from services, however, is calculated by means of an input-oriented method on the basis of the costs incurred by the cut-off date relative to the expected total costs of the contract (cost-to-cost method). Such services include, for instance, 3D models for building design produced within the framework of building information modelling. If the costs for a specific contract are expected to exceed the agreed revenues, a provision for impending losses is recognized.

Variable considerations are recognized in revenue only up to the extent to which it is highly probable that there will be no significant revenue reversals in the future. Revenues are reported net of rebates, discounts, bonuses, penalties and rights of return. The recognition of variable considerations is based largely on historical data. Payments to customers are deducted from revenue, unless they represent payments for distinct goods and services.

Costs of goods sold: The cost of goods sold includes direct material and production costs as well as a proportional share of overhead expenses for production equipment. Other components of the cost of goods sold are fixed production costs that cannot be capitalized due to the underutilization of capacity, impairment charges to inventories and the procurement cost of sold merchandise.

Government grants: Wienerberger recognizes government grants at their fair value under liabilities. Their reversal is reported under other income during the relevant accounting period when there is reasonable assurance that all conditions attached to the grant have been met.

Earnings per share: The calculation of earnings per share is based on Group profit after tax less non-controlling interests and the planned component of earnings attributable to hybrid bondholders, divided by the weighted number of shares outstanding (less treasury shares).

Intangible assets: Identifiable intangible assets purchased by the Group are reported at acquisition cost less straight-line amortization and any necessary impairment charges. Capitalized brands which on the date of purchase have been established for a long time and continue in use, are counted as intangible assets with an indefinite period of use to be subjected to annual impairment tests.

Goodwill: In accordance with IFRS 3, goodwill arising through a business combination is allocated to cash-generating units and not reduced through scheduled amortization but tested at least once each year for indications of impairment.

Property, plant and equipment: Items of property, plant and equipment are recognized at acquisition cost less straight-line depreciation or usage-based depletion (clay pits). The recognition of internally generated plant or equipment includes an appropriate component of material and production overheads but excludes general administrative and selling expenses. In accordance with IAS 23, borrowing costs incurred during the production of qualified assets are capitalized as part of acquisition cost and depreciated over the applicable useful life. Research and development expenses at Wienerberger also include the costs for product development, process technology, the improvement of environmental standards and laboratory activities. Development costs are capitalized under the related asset category provided they meet the criteria for recognition of IAS 38

The Group-wide depreciation rates are based on the useful economic lives of the respective assets (component approach) as shown in the following table:

Production plants (incl. warehouses)	10 - 40 years	Other machinery	4 - 30 years
Administrative and residential buildings	40 years	Fittings, furniture and office equipment	4 - 15 years
Building infrastructure	4 - 40 years	Customer bases	5 - 15 years
Kilns and dryers	5 - 30 years	Other intangible assets	4 - 10 years

Repairs that do not increase the presumed useful life of assets are booked as incurred. In accordance with IFRS 5, scheduled depreciation is discontinued when assets are classified as held for sale.

When plant or equipment is sold or retired, the gain or loss arising from the difference between the net proceeds on sale and the remaining carrying amount or impairment charge is reported under other operating income or expenses.

Leases: Upon conclusion of a contract, Wienerberger, as the lessee, reviews the contract in order to assess if it establishes a lease and recognizes the present value of the lease payments as a lease liability and as a right of use, plus initial direct payments and advance payments made, according to IFRS 16. Payments for short-term leases for a term of not more than 12 months, as well as leases of minor-value assets, are treated according to the practical expedient and continue to be recognized linearly as rental and leasing expenses over the period of the respective lease. The Group's activities as a lessor are immaterial.

Impairment of non-financial assets: In accordance with IAS 36, impairment tests are carried out on a regular basis and whenever there is any indication of lasting impairment. Assets are tested separately for impairment when it is possible to allocate distinct cash flows to the individual asset. Impairment testing involves comparing the carrying amount of an asset with its recoverable amount, which represents the higher of fair value less costs to sell or the value in use. An impairment loss is recognized when the recoverable amount is lower than the carrying amount. Fair value less costs to sell is the price that would be received on the sale of an asset, after the deduction of selling costs. The value in use is determined on the basis of an income approach and represents the present value of expected future cash flows to be derived from the asset or cash-generating unit.

Independent cash flows cannot be allocated to intangible assets with an indefinite useful life. These assets are tested for impairment as part of a cash-generating unit at least once each year in accordance with IAS 36.

Reversals are booked if the reasons for impairment cease to exist or a possible use is found for the item. In accordance with IAS 36, previously recognized impairment losses to goodwill are not reversed.

Investment property is carried at depreciated cost and, with the exception of land, is depreciated on a straight-line basis.

Investments in associates and joint ventures: Investments in associates over which Wienerberger exercises a significant influence (as a rule, between 20 % and 50 % of the shares) and joint ventures are carried at equity.

Inventories: Inventories are carried at the lower of cost or net realizable value, with valuation based on the moving average method. Cost includes direct expenses as well as allocated overhead and depreciation based on normal capacity usage (between 85 % and 100 % of capacity). Interest charges as well as selling and administrative expenses are not included in the production cost of current assets. Risks resulting from the length of storage or other impairments in value are reflected through appropriate write-downs.

Rights of return: When Wienerberger is obliged to take back products returned by the customer, e.g. pallets, the payment expected is accounted for as a refund liability and revenue is reduced by the corresponding amount. At the same time, an asset is booked for the right to take the returned products back. The refund liability is recognized under other liabilities, while the return asset is reported under other receivables. The estimate of the return rate is based on historical return rates, among other factors.

Emission certificates: In accordance with IAS 20 and IAS 38, Wienerberger uses the acquisition cost of zero to report the emission certificates allocated free of charge based on the EU Emissions Trading Directive. If actual emissions exceed the free certificates, a liability is set up. Purchased certificates are recognized at cost or the lower market price on the balance sheet date.

Spot transactions in financial assets are recognized on the day of execution. A financial asset is derecognized when the contractual rights to cash flows from that asset expire.

Loans and receivables are carried at amortized cost, with recognizable individual risks reflected in appropriate valuation adjustments. Additionally, a discount is booked for expected credit losses, which in the case of trade receivables is calculated by applying a weighting factor for different economic scenarios. Long-term, interest-free or non-interest-bearing receivables with terms of more than one year are recognized at the discounted net present value and adjusted for expected impairments, depending on the credit rating of the counter party. Receivables in foreign currencies are measured at the mean exchange rate on the balance sheet date.

Other investments classified as non-current assets are treated as equity instruments according to IFRS 9 and therefore measured at fair value through profit or loss, with gains and losses resulting from changes in fair values recognized in the financial result.

Securities held for short-term investment in investment funds, corporate debt instruments and equities and reported under short-term assets and measured at fair value, with changes in value being recognized in the income statement or in other comprehensive income, depending on their character (equity instrument or debt instrument). For listed securities the fair value is determined on the basis of stock exchange prices, whereas non-listed financial assets are measured on the basis of discounted cash flows in a DCF (discounted cash flow) model. Valuation gains and losses are recognized through profit or loss.

Derivative financial instruments: Derivative financial instruments are used exclusively to hedge risks arising from business operations. Foreign exchange futures are used to hedge transaction risks, and interest rate swaps serve to optimize the fixed and/or variable interest rate component of financial liabilities. Cross currency swaps are used to hedge net investments in foreign subsidiaries whose accounts are kept in a currency other than the euro. All derivative financial instruments are recognized at fair value upon conclusion of the contract and on the balance sheet date in accordance with IFRS 13, with the counterparty default risk being taken into account. Current stock exchange prices are used for listed financial instruments; for non-listed interest-related instruments, the fair values are determined by discounting future payments by using the current market interest rate. According to IFRS 9, derivative financial instruments not used for hedge accounting are measured at fair value through profit or loss.

Hedge Accounting: Wienerberger applies the IFRS 9 rules to hedge balance sheet items (translation risk) and future cash flows (transaction risk). A cash flow hedge is defined as an instrument that provides protection against fluctuations in future cash flows from recognized assets or liabilities. Changes in the market value of an effective hedge are recognized in other comprehensive income in the hedging reserve, while non-effective components are recognized in profit or loss and shown under the financial result. The hedge of a net investment in a foreign business operation is treated in the same way, with all changes in the value of the effective component of the hedging instrument used shown under the hedging reserve. The hedged risk, i.e. the result from currency translation of the hedged investment, is recognized in other comprehensive income.

Non-current assets held for sale: Wienerberger owns land and buildings that are not used in business operations and intends to realize the value of these assets through a sale. In accordance with IFRS 5, non-current assets must be reclassified as held for sale when they are available for immediate sale in their present condition and their sale is highly probable within one year. If these requirements are met, the items are reported separately in the balance sheet and measured at the lower of the carrying amount or fair value less costs to sell. Scheduled depreciation is not recognized on assets held for sale.

Cash and cash equivalents include cash on hand, checks received, demand deposits and short-term investments as well as deposits with financial institutions that have a fixed term of up to three months.

Provisions for pensions: The Wienerberger Group has both defined contribution and defined benefit pension plans. Defined contribution plans carry no further obligation for the employer after the payment of premiums. The employer's contributions to these pension plans are reported under expenses for pensions. If any additional contributions have to be made by Wienerberger, the provision will be recognized like the defined benefit commitments. Under defined benefit plans, the employee is promised a certain retirement benefit. The risk related to the actual retirement benefit is carried by the company up to the point of payment. The provisions for defined benefit pension plans are calculated according to the projected unit credit method. The valuation of pension commitments includes future increases in wages/salaries and pensions. The provisions for pensions are calculated by independent actuaries.

The provisions for pensions are netted with the pension plan assets that are held to cover commitments. In accordance with IAS 19, actuarial gains and losses are recognized under other comprehensive income as incurred after the deduction of deferred taxes. The interest component of post-employment benefits is reported separately in the financial result.

Expenses for additions to the provisions for pensions are allocated to the various functional areas. Commitments by US companies to cover medical costs for retired employees are recognized under provisions for pensions because of their pension-like character.

Provisions for severance compensation: Legal regulations grant Austrian employees the right to a lump-sum payment at retirement or termination by the employer, with the amount of the payment being dependent on the length of service. These future obligations are reflected in provisions for severance payments. There are similar obligations, among others, in France, Italy, Poland and Turkey. The provisions for severance compensation are calculated according to actuarial principles based on the projected unit credit method. For Austrian employees, whose employment started after December 31, 2002, the employer contributes 1.53 % of the gross wage or salary each month to an employee severance compensation fund. This fund represents a defined contribution plan in accordance with IAS 19, and the related employer contributions are reported under severance expense.

Provisions for anniversary bonuses: A number of employees in the Wienerberger Group are entitled to long-service bonuses when they reach a specified number of years of employment with the company. Provisions are recognized for these obligations based on the projected unit credit method. Any actuarial gains or losses are recognized immediately through profit or loss.

Provisions for site restoration: In accordance with IAS 37, a provision for site restoration is created when a clay pit is purchased and is reported as an addition to non-current assets according to IAS 16. The underlying assumptions for these obligations are generally based on the regulations applicable in the respective countries. Non-current provisions that are expected to be used after 12 months are discounted and reported at their present value.

Provisions for warranties: Wienerberger provides manufacturer's warranties, especially for clay products, which assure the customer that the products concerned correspond to the contractually agreed specifications. As a rule, such warranties cannot be purchased separately. Such "assurance-type warranties" are recognized in the balance sheet under provisions for warranties according to IAS 37. To calculate the provisions for warranties, single risks are measured, and a risk total is calculated on the basis of empirical values from the past. To this end, losses experienced in the past are evaluated and the extent of potential obligations is derived by means of stochastic methods. "Service-type warranties" representing a separate performance obligation are not concluded with customers within the Wienerberger Group.

Other provisions: Other current obligations that result from a past event and are expected to lead to an outflow of resources, but whose timing or amount are uncertain, are recognized at their full cost in accordance with IAS 37 and reported as provisions.

Deferred taxes: In accordance with IAS 12, the calculation of deferred taxes includes all temporary valuation and accounting differences arising between the financial statements prepared for tax purposes and the IFRS financial statements. Deferred tax assets also include tax credit entitlements which arise from the expected use of existing losses carried forward in future years and whose realization is probable. These entitlements are calculated on the basis of planned operating results and the earnings effects from the reversal of taxable temporary differences. Deferred taxes are calculated using the tax rate expected to be in effect when these differences reverse in the future and are based on the local tax rate applicable to the individual Group company. Future changes in tax rates are included if the relevant legal amendment has been enacted as of the balance sheet date.

Financial liabilities: Liabilities are stated at the actual amount received, less transaction costs. Any premium, discount or other difference between the amount received and the repayment amount is distributed over the term of the liability according to the effective interest rate method and recognized in the financial result. Therefore, the measurement of these items reflects amortized cost. Foreign currency liabilities are translated at the exchange rate in effect on the balance sheet date. Wienerberger has not elected to use the option provided by IFRS 9, which permits the initial recognition of a financial liability at fair value through profit or loss.

Transfer prices: There are several regional supply and delivery relationships between the individual operating segments. Prices for the sale of goods between Group companies are established at arm's length terms based on the resale price method. Prices for the provision of services between Group companies are established at arm's length terms based on the cost-plus method.

37. Foreign exchange translation

The accounts of foreign companies are translated to euros based on the functional currency method. The relevant local currency is the functional currency in all cases, as these companies operate independently in financial, economic, and organizational terms. All balance sheet items, with the exception of equity, are translated at the closing rate at the end of the reporting year (i.e. December 31, 2021). Goodwill is recognized as an asset in local currency and is also translated at the closing rate on the balance sheet date for the consolidated financial statements. Expense and income items are translated at the average exchange rate for the year.

Unrealized currency translation differences arising from non-current Group loans are offset against the translation reserve without recognition in profit or loss. Currency translation differences arising from the use of the closing rate for the balance sheet and the average exchange rate for the income statement are also reported under other comprehensive income.

Cross currency swaps are used to limit the translation risk arising from the Group's business activities in the USA, Canada, Great Britain and certain countries in Eastern Europe. These transactions involve the conclusion of a cross currency swap equal to the value of the foreign currency assets to be hedged.

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

	Closing rate on		Average rate for the year	
	31/12/2021	**31/12/2020**	**2021**	**2020**
British pound	**0.84028**	0.89903	**0.85960**	0.88970
Bulgarian lev	**1.95583**	1.95583	**1.95583**	1.95583
Danish krone	**7.43640**	7.44090	**7.43703**	7.45421
Canadian dollar	**1.43930**	1.56330	**1.48257**	1.52999
Croatian kuna	**7.51560**	7.55190	**7.52841**	7.53838
Norwegian krone	**9.98880**	10.47030	**10.16333**	10.72279
Polish zloty	**4.59690**	4.55970	**4.56518**	4.44305
Romanian lei	**4.94900**	4.86830	**4.92148**	4.83828
Russian ruble	**85.30040**	91.46710	**87.15272**	82.72480
Swedish krone	**10.25030**	10.03430	**10.14646**	10.48475
Swiss franc	**1.03310**	1.08020	**1.08115**	1.07052
Czech koruna	**24.85800**	26.24200	**25.64049**	26.45508
Turkish lira	**15.23350**	9.11310	**10.51237**	8.05472
Hungarian forint	**369.19000**	363.89000	**358.51612**	351.24938
US dollar	**1.13260**	1.22710	**1.18274**	1.14220

Risk Report

Principles of risk management

The conduct of global operations exposes the Wienerberger Group to a variety of risks that are inseparable from entrepreneurial activities. These risks have an effect on the business segments of the Group and on its assets, liabilities and planned commercial decisions.

Throughout the Group, Wienerberger focuses on the early identification and active management of risks in its operating environment. To this end, regular surveys are being performed among the Managing Board as well as the Business Unit managers and Corporate Function heads in charge in order to update the existing risk catalogue and to identify new risks. In the course of this process, strategic and operational risks are identified along the entire value chain. The impact of these risks on cash flow is assessed and appropriate risk mitigation strategies and measures are adopted and implemented.

Risk situation and operating risks relating to the Group's markets

As a producer of building materials, Wienerberger operates in a cyclical industry and belongs to the group of late cyclical companies that usually follow general economic cycles with a delay. These companies are dependent on developments in the economies that form the backdrop for their activities, in particular macroeconomic developments, construction activity in both the residential and public (infrastructure) sectors and renovation. The development of business is also influenced by consumer confidence, the unemployment rate, long-term interest rates, the availability of financing, tax policies, building regulations and subsidies for housing construction, availability of labor for construction sites as well as other factors outside the Group's control. The economic cycles in the construction industry that influence Wienerberger's business are considerably longer than in other areas, with timing delays that also differ by market.

The unfavorable development of any or all of these factors can have a negative influence on the demand for Wienerberger products, both in terms of the volumes sold and the price levels. Cyclical fluctuations in demand lead to a risk of excess capacity, which may result in increased pressure on prices as well as a decline in margins and/or revenues that fail to cover production costs. The building materials industry – and, as a part of this industry, also Wienerberger – is characterized by a high share of fixed costs as a percentage of total costs due to its capital-intensive nature, and active capacity management therefore represents a central instrument for corporate management. Production capacity is analyzed on a continuous basis and adjusted to reflect market demand through measures that include temporary or permanent plant closings as well as the relocation of production to more efficient facilities.

Wienerberger views the markets in Central and Eastern Europe as long-term growth markets due to the high pent-up demand for new residential construction and infrastructure. Weaker demand and increased pressure on prices in these growth markets can lead to increased risk for the Wienerberger Group.

Furthermore, Wienerberger competes with other building materials such as concrete, wood, limestone, glass, steel and aluminum, which exposes the Group to a risk of substitution. Our strong position as a quality leader and investments in the development of premium products should allow us to minimize substitution risks. In particular, these developments involve improvements in the physical properties as well as the economy of our products.

The building materials industry is subject to seasonal fluctuations, with substantially higher volumes being sold during the months from April to October than in the rest of the year. Similarly to the building materials industry, the earnings of the Wienerberger Group are in part dependent on the weather, since long frost and rain periods have a negative influence on demand through a decline in construction activity.

In order to avoid earnings fluctuations wherever possible, Wienerberger pursues a strategy of geographical diversification with parallel concentration on the core business. This core business covers clay blocks, roof tiles and facing bricks as well as pavers and pipe systems, and positions Wienerberger as a supplier of building material solutions for residential construction and infrastructure projects. Our activities are subject to the usual risks inherent in local markets, where positions must be repeatedly defended against competitors and substitute products. The Group's most important customer group is the building materials sector, and further market adjustments in this sector are expected to increase pressure and prices in the future. Specific market situations can also have a negative impact on price levels, and Wienerberger therefore monitors its price strategy on a continuous basis.

As a multinational corporation, Wienerberger operates in countries that are in different stages of economic and social development. Unfavorable changes in political or economic conditions therefore represent additional sources of risk. The activities of the Wienerberger Group could also be materially affected by the following factors: changes in tax laws in individual markets, in the taxation of energy sources or in labor law; the effect of language and cultural differences on the coordination of international activities; the limitation of opportunities for the repatriation of profits; an increase in legal requirements for the utilization of raw materials; product standards and product liability law; and environmental and safety standards. In addition, some markets such as Russia and India, may carry a risk that production equipment can be expropriated without proper compensation. Especially in these markets, Wienerberger is additionally exposed to tax risks that could arise from a change in tax laws or the interpretation of existing tax laws. However, the company is not able to quantify the probability of occurrence or the extent of these potential risks at the present time.

The plastic pipe business is substantially influenced by the development of raw material prices, which usually correlate closely with the price of crude oil. Synthetic polymers comprise a major part of the production cost for plastic pipes. The volatility of raw material prices has increased considerably in recent years. Strong fluctuations within individual months require flexible pricing to limit the effects of these price changes and/or pass them on to the market. Fast price management is also a decisive factor for the sustainable protection of earnings. In addition to price risk, this business is exposed to a raw material supply risk. Any interruption in supplies would invariably disrupt production. With few exceptions, this risk is met by developing alternative suppliers for raw materials.

The economic outlook and targets of the Wienerberger Group for 2022 were also set before the outbreak of the Russia-Ukraine conflict. Its effects cannot yet be reliably estimated at the time of preparing the 2021 annual report. We will closely monitor developments and will be able to assess decision-making situations on site promptly thanks to our locally operating units. Wienerberger does not operate any production sites in Ukraine. Furthermore, the share of the Russian business in Group revenues is less than 1 %.

Procurement, production, investment and acquisition risks

Wienerberger has a modern and efficient plant network. Therefore, the risk of operating breakdowns or a longer loss of production due to technical problems is low. Supplies of clay raw materials for our plants are guaranteed on a lasting basis by sufficient deposits and long-term supply contracts.

The cost of energy for the firing of bricks represents a significant percentage of the Group's cost structure. In 2021 energy costs for the Wienerberger Group totaled TEUR 279,934 (2020: TEUR 249,894) or 7.0 % (2020: 7.4 %) of revenues. These expenses consist of 58 % for natural gas, 37 % for electricity and 5 % for other materials. Energy prices are dependent on international and local market developments and are subject to fluctuations.

Wienerberger minimizes the risk connected with rising energy prices in liberalized markets (in total, roughly 90 % of energy costs) by concluding futures contracts or fixed-price agreements with national and international suppliers. These prices are usually fixed on a long-term or medium-term basis. In a limited number of East European countries (in total, roughly 10 % of energy costs) the prices for natural gas are regulated by the federal government and contracts with local suppliers are negotiated each year.

In 2014, Wienerberger was granted carbon leakage status for its European brick operations. Based on a further qualitative evaluation performed in 2018, the brick industry has been included in the new carbon leakage list for the fourth trading period. This means that Wienerberger will enjoy carbon leakage status and therefore be allocated the major part of the CO_2 certificates it requires free of charge.

In addition to price risk Wienerberger is also exposed to energy supply risk (natural gas and electricity), in particular with respect to the current conflict between Russia and Ukraine. A disruption in supply inevitably results in a loss of production and can therefore have a negative effect on operating results if demand cannot be met from inventories.

Continuing optimization (operational excellence) and product innovations as well as internal and external growth projects are implemented to increase the value of Wienerberger. The future profitability of these projects is dependent to a large degree on the investment volume and/or acquisition price as well as the development of the market. For this reason, all growth projects must meet the defined return on investment criteria for the Group's bolt-on and strategic projects. The entry into new markets is also connected with risks involving competition, planning accuracy and the evaluation of the political situation as well as the successful, profitable development of business. New projects are therefore analyzed extensively in advance, both from a qualitative and quantitative standpoint.

Financial risks

In addition to financing risk, operating activities expose Wienerberger to interest rate and exchange rate risks. Derivative financial instruments, in particular forward exchange contracts and interest rate swaps, as well as operational measures are used to limit and manage this risk. All cash flow hedges and hedges of investments in foreign operations are classified as highly effective as a means of offsetting the hedged risks in keeping with risk management objectives. No derivatives are held for speculative purposes.

The refinancing sources open to Wienerberger are determined by numerous financial, macroeconomic and other factors beyond the control of management. These factors include covenants in the existing and future debt arrangements as well as the maintenance of the current rating. According to these covenants, the ratio of net debt to EBITDA may not exceed 3.9 years; this indicator equaled 1.6 years as of December 31, 2021. Part of earnings is used to pay interest and is therefore not available for other purposes. If the Group's rating should deteriorate or covenants are not met, interest expense could rise due to an increase in the credit risk premium and lead to higher financing costs and lower cash flow. The failure to comply with covenants could also result in a loan becoming due immediately.

Exchange rate risks
A significant portion of the revenues and earnings of the Wienerberger Group is generated by subsidiaries whose headquarters are not located in the euro zone. Wienerberger recorded 55 % of its revenues for the reporting year in currencies other than the euro, predominately East European currencies (22 %), the British pound (12 %) and the US dollar (12 %). The exchange rate risk connected with cash flows is immaterial due to the local nature of the building materials business. Cash flows into or out of the euro region are primarily related to Group dividends or loans and the sale of goods and services. The foreign exchange risk on these intragroup cash flows is managed by the holding company.

Credit financing for the purchase of current assets is concluded in the local currency of the individual companies because of the decentralized structure of the Wienerberger Group. Foreign exchange risk in the financing area is therefore reduced to a minimum, since the Group companies generally issue their invoices in local currency and these transactions form a natural hedge. The exposure of financial liabilities to foreign exchange risk is discussed in Note 34. Financial instruments.

However, the translation of foreign company financial statements into the euro results in currency translation differences (translation risk), which are recognized in other comprehensive income under foreign exchange adjustments. The revenues, earnings, and balance sheet items of companies not headquartered in the euro region are therefore dependent on the relevant euro exchange rate.

The Wienerberger risk strategy calls for reducing the translation risk arising from net investments in foreign subsidiaries to a certain extent through hedging. The following table shows Group revenues and capital employed by currency, with the calculation of capital employed including the effects of forward exchange contracts and foreign currency swaps:

Revenues	2021		2020	
	in MEUR	Share in %	in MEUR	Share in %
Euro	**1,787.7**	**45**	1,591.7	47
East European currencies	**864.7**	**22**	754.6	22
British pound	**459.8**	**12**	340.0	10
US dollar	**459.4**	**12**	301.9	9
Other	**399.7**	**9**	366.4	12
Group revenues	**3,971.3**	**100**	**3,354.6**	**100**

Capital employed	2021		2020	
	in MEUR	Share in %	in MEUR	Share in %
Euro	**2,193.0**	**68**	1,747.1	68
East European currencies	**431.5**	**13**	416.4	16
US dollar	**253.0**	**8**	188.4	7
British pound	**189.2**	**6**	83.4	3
Other	**181.4**	**5**	158.8	6
Capital employed after hedging effect	**3,248.1**	**100**	**2,594.1**	**100**

The effects of a hypothetical change in foreign exchange rates on the consolidated income statement and the consolidated statement of comprehensive income are shown through sensitivity analyses. For the purpose of this presentation, an annual volatility is assumed as of the balance sheet date. This volatility is calculated on the basis of the daily change in the relevant exchange rate against the euro. In accordance with IFRS 7, foreign exchange risks result from monetary financial instruments not denominated in the functional currency of the reporting entity. Consequently, receivables, liabilities, cash and cash equivalents as well as derivative foreign-currency financial instruments form the basis of the calculation of the sensitivity of the consolidated income statement. The sensitivity of the consolidated statement of comprehensive income reflects the differences of long-term loans to subsidiaries as well as valuation effects of cash flow hedges for currency risks reported in other comprehensive income. Translation differences arising from the translation of financial statements prepared in a currency other than the euro were not included in the calculation.

A change in the annual volatility of the euro against the most relevant exchange rates as of the reporting date would affect the consolidated income statement and the consolidated statement of comprehensive income as follows:

Sensitivity of the consolidated income statement

in TEUR	2021			2020		
	Annual volatility	if the euro depreciates	if the euro appreciates	Annual volatility	if the euro depreciates	if the euro appreciates
EUR/USD	**5.60%**	**-6,560**	**6,560**	7.49%	114	-114
EUR/GBP	**5.19%**	**846**	**-846**	8.83%	471	-471
EUR/NOK	**8.69%**	**817**	**-817**	15.79%	1,466	-1,466
EUR/PLN	**5.26%**	**608**	**-608**	7.49%	373	-373
EUR/SEK	**5.34%**	**463**	**-463**	8.04%	371	-371
EUR/HUF	**6.11%**	**411**	**-411**	8.17%	192	-192
USD/TRY	**36.12%**	**-328**	**328**	14.14%	-31	31

Sensitivity of the consolidated statement of comprehensive income

in TEUR	2021			2020		
	Annual volatility	if the euro depreciates	if the euro appreciates	Annual volatility	if the euro depreciates	if the euro appreciates
EUR/USD	**5.60%**	**8,227**	**-8,227**	7.49%	16,513	-16,513
EUR/NOK	**8.69%**	**2,796**	**-2,796**	15.79%	4,434	-4,434
EUR/CAD	**6.49%**	**2,139**	**-2,139**	8.77%	-21	21
EUR/GBP	**5.19%**	**-2,090**	**2,090**	8.83%	-7,214	7,214
EUR/PLN	**5.26%**	**775**	**-775**	7.49%	362	-362
EUR/RUB	**9.51%**	**606**	**-606**	21.24%	2,598	-2,598

Interest rate risks

Interest rate risk is comprised of two components: the relevant value of the average term for the Group's financing and the separation into fixed and variable interest rates. The risk associated with fixed interest rates lies in a possible decline in interest rate levels, while the risk associated with variable interest rates arises from the possibility of an increase in interest rates. A parallel upward shift of 100 basis points in interest rates would have increased profit after tax by MEUR 0.9 (2020: increase of MEUR 2.9) and, through this change in the income statement, also changed equity by the same amount. A decrease of 100 basis points in interest rates would have decreased (2020: decreased) profit after tax and equity by the same amount.

The risk position of Wienerberger AG with respect to the interest rate risks arising from liabilities with fixed and variable interest rates is explained below.

In order to analyze interest rate risk (fixed and variable interest rates), financial liabilities (see pages 290 to 292) are adjusted for the effects of derivative instruments (hedging) and short-term fixed-interest financial liabilities are treated as variable interest items. Sensitivity analyses were carried out on fixed interest and variable interest financial liabilities to estimate the impact on earnings and equity.

in TEUR	2021		2020	
	Fixed interest rate	Variable interest rate	Fixed interest rate	Variable interest rate
Interest-bearing loans	1,045,583	493,520	1,286,249	311,266
Reclassification of short-term fixed interest rate loans	-68,824	68,824	-288,057	288,057
Effects of derivative instruments (hedging)	218,000	-218,000	68,000	-68,000
Financial liabilities after hedging effects	**1,194,759**	**344,344**	**1,066,192**	**531,323**

Credit risks
Wienerberger has established strict requirements for the credit standing of its financial partners, which are defined in internal financial and treasury guidelines. The credit risk connected with the investment of liquid funds and securities is limited because Wienerberger works only with financing partners whose credit rating leads to expectations of a sound financial standing and sets counterparty limits based on this credit rating. However, financial partners with an excellent rating can also pose a credit risk and Wienerberger therefore continuously monitors developments on financial markets and adjusts credit limits accordingly. The following table shows the maximum exposure of trade receivables and miscellaneous receivables (including receivables from current taxes) to credit risks as of December 31, 2021, classified by region:

Credit risk	2021		2020	
	in MEUR	Share in %	in MEUR	Share in %
Western Europe	259.3	56	188.3	58
Central-Eastern Europe	97.6	21	87.2	27
North America	95.8	21	35.3	11
Other	10.3	2	11.9	4
Total trade receivables and miscellaneous receivables	**463.0**	**100**	**322.7**	**100**
thereof insured against default	244.5		171.6	

Trade receivables consist primarily of receivables due from building material retailers and large customers. If an amount is overdue for more than 360 days, default is assumed, and the receivable is written off in its entirety. Receivables are derecognized when there is a legal basis for the assumptions that no more payments will be received.

The following table shows the age structure of trade receivables and impairment charges to trade receivables:

	2021			2020		
in MEUR	Gross receivable	Loss - allowance	Carrying amount	Gross receivable	Loss - allowance	Carrying amount
Not due	**292.2**	**-1.4**	**290.8**	187.4	-2.2	185.2
Up to 30 days overdue	**41.6**	**-1.2**	**40.4**	22.1	-0.6	21.5
31 to 60 days overdue	**8.6**	**-1.0**	**7.6**	7.2	-0.4	6.8
61 to 90 days overdue	**2.7**	**-0.9**	**1.8**	9.4	-8.0	1.4
More than 90 days overdue	**14.6**	**-11.8**	**2.8**	9.7	-5.8	3.9
Trade receivables	**359.7**	**-16.3**	**343.4**	**235.8**	**-17.0**	**218.8**

Loans granted and other long-term receivables primarily comprise receivables from financing activities in respect of companies included at equity and non-consolidated Group companies as well as receivables from the sale of extraction rights and the sale of the business activities in Switzerland. In the reporting year, impairments were calculated mainly for defaults expected in the following 12 months, as the assessment of the counterparties' solvency has not changed materially. As a matter of principle, default is defined on the basis of generally recognized rating classes as well as externally available or internally calculated ratings. Additional information available internally is also used to assess the risk of default. On the balance sheet date, there were two receivables for which an expected credit loss was assumed over the residual term.

Loans granted and other long-term receivables can be classified by rating class as follows:

Rating categories	2021			2020		
in MEUR	Gross receivable	Loss - allowance	Carrying amount	Gross receivable	Loss - allowance	Carrying amount
Grade 1: low risk	**21.9**	**-0.1**	**21.8**	53.1	-0.1	53.0
Grade 2: fair risk	**29.3**	**-0.2**	**29.1**	7.7	-0.1	7.6
(Partial) default	**1.1**	**-0.8**	**0.3**	1.1	-0.9	0.2
Loans granted and other non-current receivables	**52.3**	**-1.1**	**51.2**	61.9	-1.1	60.8

Loss allowances of trade receivables and loans granted can be reconciled as follows:

Loss allowance	2021		2020	
in MEUR	Trade receivables	Loans and other non-current receivables	Trade receivables	Loans and other non-current receivables
Balance on 1/1	**17.0**	**1.1**	**17.1**	**0.9**
Foreign exchange translation	**0.0**	**0.0**	-0.6	-0.1
Net impairment loss	**0.7**	**0.0**	1.6	0.3
Disposals	**-1.4**	**0.0**	-1.1	0.0
Balance on 31/12	**16.3**	**1.1**	**17.0**	**1.1**

Liquidity risks
The protection of liquidity and the preservation of a healthy financial base represent the focal points of the Wienerberger strategy. The most important instruments in this respect are the maximization of free cash flow through cost reduction, active working capital management and a cutback in investments to the necessary minimum.

Liquidity risks arise, above all, when cash flows from revenues fall below expectations because of weaker demand and the measures to reduce working capital and cash outflows for fixed costs (active capacity management) are not sufficient or can only be implemented with a delay.

Liquidity is managed on a regular basis, among others, on the basis of rolling quarterly liquidity planning as well as a regular analysis of the cash conversion cycle, which is based on average accounts payable turnover, inventory turnover and receivables conversion. The receivables conversion period averaged 23 days (2020: 22 days), the inventory turnover period averaged 80 days (2020: 87 days) and the payable turnover period averaged 42 days (2020: 36 days). This resulted in a cash conversion cycle of 61 days (2020: 73 days).

An analysis of the liquidity risks arising from liabilities is provided on page 289 (Analysis of contractual cash flows).

Legal risks

Business combinations may be subject to the approval of antitrust authorities, depending on the market position in individual countries and/or the size of the planned acquisition. These approval procedures could lead to delays or, in individual cases, to the prohibition of specific acquisitions or mergers. Wienerberger evaluates the antitrust risk associated with an acquisition together with national and international legal and business experts during the early stages of work on a project in order to minimize this risk. No acquisitions planned by the Group have ever been prohibited.

In connection with real estate transactions carried out in earlier years, Wienerberger AG is liable for possible contamination and the resulting damage during its ownership.

Other risks

Wienerberger is subject to extensive and increasingly strict environmental, health and safety laws (environment social governance, ESG) in many countries, which can lead to investments for compliance with these regulations. Failure to comply with these regulations could result in administrative fines, claims for damages or the withdrawal of operating permits.

Wienerberger plants exceed current legal requirements for the prevention of environmental damage, but the intensification of environmental standards presents the Group with a continuous range of new challenges. Legal commitments are identified and met through knowledge of current legal and contractual requirements as well as cooperation with experts and external consultants. Risks arising from the restoration of clay pits are part of the company's operating risk and are monitored continuously.

As a leading provider of building material and infrastructure solutions, we are committed to the transparent disclosure of climate-related opportunities as well as risks. The identification and analysis of climate-related risks is part of Wienerberger's overall approach to risk management. Since 2021, we have therefore supported the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as regards the identification, analysis and assessment of physical and transition risks.

The risks associated with a breakdown of our centralized Group data processing system as the result of natural disasters have been minimized through the installation of redundant systems at facilities in different locations.

A number of building materials companies with operations in the USA are subject of class action suits from patients with asbestos-related diseases. After an examination of our US activities, we have classified this risk as minimal because none of our American subsidiaries has ever produced or sold asbestos products.

A number of older buildings of the Wienerberger Group contain a certain percentage of asbestos products. The company takes utmost care to ensure that such products do not constitute a direct threat to its staff and utilizes specialized services when removing such asbestos products.

The Wienerberger Group also competes with other firms in the labor market. In order to train future managers and prepare these persons for management positions, Wienerberger has developed curricula that include the Sales Academy, the Plant Manager Program and the Ready4Excellence Program. Wienerberger uses these programs and personalized training measures to optimally train its employees and to also strengthen their ties to the company (see the Wienerberger Sustainability Report for additional information).

The Covid-19 pandemic declared by the World Health Organization (WHO) on March 11, 2020, triggered strict health-related restrictions in some of the countries Wienerberger operates in. Wienerberger minimizes the risk of infection clusters at its sites through strictly regulated workflows and hygiene measures both in its plants and at its administrative locations.

Other disclosures

38. Related party transactions

The following companies and persons are considered to be related parties of Wienerberger: the members of the Supervisory and Managing Boards, associated companies, joint ventures and non-consolidated subsidiaries of Wienerberger AG as well as ANC Private Foundation and its affiliates. Transactions with companies in which members of the Supervisory Board of Wienerberger AG are active are conducted at arm's length conditions. Business relationships between the company and related parties, in particular members of the Managing and Supervisory Boards of Wienerberger AG, are disclosed in Note 12. Personnel expenses if any payments to these persons are involved.

ANC Private Foundation and its affiliates operates landfill activities in Austria that were transferred by Wienerberger AG in 2001 and owns a limited amount of assets (in particular real estate and securities). The managing board of ANC Private Foundation consists of two members of Wienerberger top management, which allows Wienerberger to exercise control over the foundation. In accordance with IFRS 10, ANC Private Foundation cannot be consolidated because the shareholders of Wienerberger AG, and not the company itself, are entitled to the variable cash flows from the foundation. The total assets of ANC Private Foundation amounted to TEUR 32,853 as of December 31, 2021 (2020: TEUR 31,433) and consist primarily of land and buildings totaling TEUR 7,350 (2020: TEUR 8,008) and securities and liquid funds of TEUR 21,189 (2020: TEUR 17,519). The foundation had provisions of TEUR 11,071 (2020: TEUR 8,925) and no financial liabilities as of December 31, 2021.

Wienerberger AG and its subsidiaries finance associates, joint ventures and non-consolidated subsidiaries through loans granted at ordinary market conditions. The outstanding loan receivables due from joint ventures amounted to TEUR 16,494 as of December 31, 2021 (2020: TEUR 15,545), while the comparable amount for non-consolidated subsidiaries was TEUR 4,912 (2020: TEUR 5,587). In addition, trade receivables due from joint ventures amounted to TEUR 419 (2020: TEUR 920), including the sale of an asset, while the comparable amount for non-consolidated subsidiaries was TEUR 27 (2020: TEUR 8) as of the balance sheet date. Revenues of TEUR 4,863 were recognized with joint ventures in 2021 (2020: TEUR 4,900).

Other related party transactions relate to clay supplies in the amount of TEUR 855 (2020: TEUR 587) as well as rental services of TEUR 316 (2020: TEUR 321) received by non-consolidated subsidiaries. In addition, products in the amount of TEUR 834 (2020: TEUR 889) were sold to a related party in the financial year 2021. Transactions with natural persons as related parties in the reporting year amounted to TEUR 270 (2020: TEUR 242).

39. Significant events after the balance sheet date

The economic outlook and targets of the Wienerberger Group for 2022 were set before the outbreak of the Russia-Ukraine conflict. Its effects cannot yet be reliably estimated at the time of preparing the 2021 annual report. Wienerberger does not operate any production sites in Ukraine. Furthermore, the share of the Russian business in Group revenues is less than 1% and the assets held by the two Russian companies are also of minor importance for the Wienerberger Group. The main risks for Wienerberger are therefore related to the economic and macroeconomic effects of the crisis, such as possible energy supply shortages, high cost inflation, disruptions of supply chains, or potential extensive indirect effects of economic sanctions and foreign-exchange rate or price effects. As a result of these effects, certain expectations and assumptions may have to be revised in the future, which in turn may require adjustments to the valuation of certain assets or liabilities. The longer-term consequences may also have an impact on sales volumes, cash flows, or the profitability of the Group. Although, at this point in time, the Managing Board is not yet in a position to assess these effects and their consequences in concrete terms, precautions have already been taken, as far as possible, to keep the negative impact on the Wienerberger Group as low as possible.

Based on the authorization granted by the 151st Annual General Meeting, the Managing Board of Wienerberger AG decided on March 4, 2022, to acquire up to 3,450,000 own shares during the period from March 9, 2022, to presumably June 30, 2022, at the market price via the stock exchange and via multilateral trading facilities. Up to approximately 3% of the share capital of Wienerberger AG can thus be bought back. The maximum amount of capital earmarked for this purpose is EUR 100 million. Since the start of the share buyback program on March 9, 2022 up to the preparation of these consolidated financial statements, 200,107 Wienerberger shares have been repurchased (repurchases are included up to and including March 14, 2022).

The consolidated financial statements were approved by the Managing Board of Wienerberger AG on March 16, 2022 and submitted to the Supervisory Board on March 25, 2022 for publication.

Vienna, March 16, 2022

The Managing Board of Wienerberger AG

Heimo Scheuch	Gerhard Hanke	Solveig Menard-Galli	Harald Schwarzmayr
Chief Executive Officer	*Chief Financial Officer*	*COO Wienerberger Building Solutions*	*COO Wienerberger Piping Solutions*

Statement by the Managing Board

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

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

Vienna, March 16, 2022

The Managing Board of Wienerberger AG

Heimo Scheuch	Gerhard Hanke	Solveig Menard-Galli	Harald Schwarzmayr
Chief Executive Officer	*Chief Financial Officer*	*COO Wienerberger Building Solutions*	*COO Wienerberger Piping Solutions*

GROUP COMPANIES

Company	Headquarters	Share capital	Currency	Interest in %	Type of consolidation	Notes
Wienerberger International N.V.	**Zaltbommel**	**50,001**	**EUR**	**100.00%**	**VK**	
Wienerberger Roof Asset Management GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger Österreich GmbH	Wien	5,000,000	EUR	100.00%	VK	
Wienerberger zRt.	Budapest	5,000,000	HUF	100.00%	VK	
Wienerberger s.r.o.	České Budějovice 1	50,000,000	CZK	100.00%	VK	
Cihelna Kinský, spol. s r. o.	Kostelec nad Orlicí	2,000,000	CZK	68.80%	VK	
Wienerberger eurostroj, spol. s r. o.	České Budějovice 1	32,100,000	CZK	100.00%	VK	
Silike keramika, spol. s r.o	České Budějovice 1	100,000	CZK	50.00%	EQ	
Wienerberger s.r.o.	Zlaté Moravce	3,319,392	EUR	100.00%	VK	
Wienerberger Ceramika Budowlana Sp. z o.o.	Warszawa	374,324,808	PLN	100.00%	VK	
Handel Ceramika Budowlana Sp. z o.o.	Warszawa	50,000	PLN	100.00%	OK	1)
Wienerberger d.o.o.	Karlovac	8,988,000	HRK	100.00%	VK	
IGM Ciglana d.o.o. u likvidaciji	Petrinja	12,756,900	HRK	100.00%	VK	
Wienerberger d.o.o.	Sarajevo	2,000	BAM	100.00%	VK	
Wienerberger Opekarna Ormož d.o.o.	Križevci pri Ljutomeru	951,986	EUR	100.00%	VK	
Opekarna Pragersko d.o.o.	Pragersko	1,022,743	EUR	100.00%	VK	
Wienerberger Backa d.o.o	Kanjiza	651,652	EUR	100.00%	VK	
WIENERBERGER S.R.L.	Bucuresti	39,147,100	RON	100.00%	VK	
Wienerberger TOV („in liquidation“)	Kyiv	3,000,000	UAH	100.00%	VK	
Semmelrock International GmbH	**Wien**	**3,000,000**	**EUR**	**100.00%**	**VK**	
Semmelrock Baustoffindustrie GmbH	Wien	1,000,000	EUR	100.00%	VK	
Semmelrock Stein + Design GmbH	Wien	35,000	EUR	100.00%	VK	
Semmelrock Stein + Design GmbH & CoKG	Wien	100,000	EUR	100.00%	VK	
Semmelrock Industriebeteiligungsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
Semmelrock Stein & Design Kft.	Ócsa	983,100,000	HUF	100.00%	VK	
SEMMELROCK STEIN + DESIGN Dlazby s.r.o.	Sered	3,027,286	EUR	100.00%	VK	
Semmelrock Stein & Design d.o.o.	Ogulin	22,870,000	HRK	100.00%	VK	
Semmelrock Stein & Design Sp. z o.o.	Warsaw	46,000,000	PLN	100.00%	VK	
Semmelrock Stein + Design S.R.L.	Bolintin-Vale	1,328,400	RON	100.00%	VK	
Semmelrock Stein + Design Dlazby s.r.o.	Ledcice	2,000,000	CZK	100.00%	VK	
Semmelrock Stein und Design EOOD	Sofia	11,500,000	BGN	100.00%	VK	
Wienerberger GmbH	**Hannover**	**9.500.000**	**EUR**	**100.00%**	**VK**	
Schlagmann Beteiligungs GmbH	Zeilarn	26,000	EUR	50.00%	OK	1)
Schlagmann Poroton GmbH & Co KG	Zeilarn	10,300,000	EUR	50.00%	EQ	
Schlagmann Poroton Vertriebs GmbH	Zeilarn	25,000	EUR	50.00%		4)
Tongruben Verwaltungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Argeton GmbH	Hannover	100,000	EUR	100.00%	VK	
Wienerberger Deutschland Service GmbH	Hannover	1,000,000	EUR	100.00%	VK	
RM 2964 Vermögensverwaltungs GmbH	Zeilarn	25,000	EUR	50.00%		4)
MR Erwerbs GmbH & Co. KG	Zeilarn	50,000	EUR	50.00%		4)

Company	Headquarters	Share capital	Currency	Interest in %	Type of consolidation	Notes
Redbloc Elemente GmbH	Plattling	25,000	EUR	15.00%		4)
Redbloc Systems Deutschland GmbH	Plattling	25,000	EUR	12.50%		4)
Ammonit Vermögensverwaltungs GmbH	Hannover	25,000	EUR	100.00%	VK	
Ammonit GmbH. & Co. KG	Hannover	100	EUR	100.00%	VK	
Wienerberger S.p.A.	**Mordano**	**10,000,000**	**EUR**	**100.00%**	**VK**	
Fornaci Giuliane S.r.l.	Cormons	100,000	EUR	30.00%	EQ	
Wienerberger NV	**Kortrijk**	**47,557,745**	**EUR**	**100,00%**	**VK**	
Wienerberger Asset Management NV	Zonnebeke	5,240,053	EUR	100.00%	VK	
Deva-Kort NV	Kortemark	247,894	EUR	100.00%	VK	
TV Vanheede-Wienerberger	Kortrijk	0	EUR	50.00%	EQ	
Struxura BV	Poperinge	20,000	EUR	100.00%	VKE	
Struxys BV	Poperinge	18,600	EUR	100.00%	VKE	
Wienerberger B.V.	**Zaltbommel**	**36,778,680**	**EUR**	**100.00%**	**VK**	
Van Hesteren & Janssens B.V.	Zaltbommel	363,024	EUR	100.00%	VK	
BrickTrading Holland B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
German Brick Trading B.V.	Zaltbommel	249,700	EUR	100.00%	VK	
Aberson B.V.	Zwolle	60,000	EUR	100.00%	VK	
Aberson SmartBuild BV	Zwolle	1	EUR	100.00%	VK	
DEKO Beheer BV	Elst	18,000	EUR	100.00%	VK	
Bricks BV	Elst	15,750	EUR	100.00%	VK	
Bricks GBMH	Rhede	25,000	EUR	100.00%	VK	
Deko Industrieel BV	Elst	1,000	EUR	100.00%	VK	
Deko Mobiele Steenzagerij BV	Elst	10,000	EUR	100.00%	VK	
Deko Produkten BV	Elst	18,000	EUR	100.00%	VK	
Deko Solutions BV	Elst	1,000	EUR	100.00%	VK	
Deko Steenzagerij BV	Elst	18,000	EUR	100.00%	VK	
Steinzentrale Nord Leeuwis GmbH	Rellingen	52,500	EUR	100.00%	VK	
EXA IP B.V.	The Hague	100	EUR	50%	EQE	
Wienerberger Limited	**Cheadle**	**81,120,552**	**GBP**	**100.00%**	**VK**	
Galileo Brick Limited (in Liquidation)	Cheadle	2,000,000	GBP	100.00%	VK	
Chelwood Group Unlimited (in Liquidation)	Cheadle	1	GBP	100.00%	VK	
The Brick Business Limited (in Liquidation)	Cheadle	900,002	GBP	100.00%	VK	
Sandtoft Roof Tiles Limited	Cheadle	11,029	GBP	100.00%	VK	
Building Product Design Limited	Sale	612,720	GBP	100.00%	VK	
Richmond GmbH	Königswinter	25,000	EUR	100.00%	VK	
WIENERBERGER PARTICIPATIONS SAS	**Achenheim**	**36,000,000**	**EUR**	**100.00%**	**VK**	
WIENERBERGER SAS	Achenheim	63,000,000	EUR	100.00%	VK	
Briqueterie de Rouffach SAS	Achenheim	336,120	EUR	100.00%	VK	

Company	Headquarters	Share capital	Cur-rency	Interest in %	Type of con-solidation	Notes
Egernsund Wienerberger A/S	**Helsinge**	**11,765,882**	**DKK**	**85.00%**	**VK**	
Wienerberger AS	Oslo	43,546,575	NOK	85.00%	VK	
Wienerberger AB	Malmö	17,550,000	SEK	85.00%	VK	
Egernsund Wienerberger Production A/S	Sonderborg	1,602,000	DKK	85.00%	VK	
Egernsund Tegl a.m.b.a.	Egernsund	9,000,000	DKK	85.00%	VK	
General Shale Brick Inc.	**Johnson City**	**1,000**	**USD**	**100.00%**	**VK**	
General Shale Building Materials, Inc.	Johnson City	1,000	USD	100.00%	VK	
Watsontown Brick Company	Watsontown	72,050	USD	100.00%	VK	
Pipelife Jet Stream, Inc.	Siloam Springs	0	USD	100.00%	VK	
Meridian Brick LLC	Alpharetta	0	USD	100.00%	VKE	
Arriscraft Canada Inc.	**Halifax**	**18.500.000**	**CAD**	**100.00%**	**VK**	
Meridian Brick Canada Ltd	Vancouver	1	CAD	100.00%	VKE	
Wienerberger EOOD	**Sofia**	**12,500,000**	**BGN**	**100.00%**	**VK**	
Uspeh AD	Sofia	2,141,220	BGN	99.66%	VK	
OOO „Wienerberger Kirpitsch“	**Kiprevo**	**612,694,577**	**RUB**	**100.00%**	**VK**	
OOO „Wienerberger Kurkachi“	Kurkachi	568,418,785	RUB	100.00%	VK	
Wienerberger OY AB	**Helsinki**	**1,000,000**	**EUR**	**100.00%**	**VK**	
Wienerberger AS	**Aseri**	**1,540,736**	**EUR**	**100.00%**	**VK**	
UAB Wienerberger Statybine Keramika	**Vilnius**	**2,925**	**EUR**	**100.00%**	**VK**	
Wienerberger India Private Limited	**Bangalore**	**990,000,000**	**INR**	**100.00%**	**VK**	
WBI Industries Private Limited	Chennai	1,000,000	INR	100.00%	VK	
PIPELIFE International GmbH	**Wien**	**29,000,000**	**EUR**	**100.00%**	**VK**	**2)**
PIPELIFE Austria GmbH & Co KG	Wien	4,360,370	EUR	100.00%	VK	
PIPELIFE Austria GmbH	Wien	36,337	EUR	100.00%	VK	
Pipelife Always Part of your Life GmbH	Wien	35,000	EUR	100.00%	VKE	
Pipelife Pipes for Life GmbH	Wien	35,000	EUR	100.00%	VKE	
Pipelife Belgium NV	Kalmthout	510,926	EUR	100.00%	VK	
Pipelife Bulgaria EOOD	Botevgrad	30,000	BGN	100.00%	VK	
Pipelife Czech s r.o.	Otrokovice	202,971,000	CZK	100.00%	VK	
PIPELIFE Deutschland Asset Management GmbH	Bad Zwischenahn	26,000	EUR	100.00%	VK	
PIPELIFE Deutschland GmbH & Co. KG Bad Zwischenahn	Bad Zwischenahn	5,000	EUR	100.00%	VK	
PIPELIFE Deutschland Verwaltungs-GmbH Bad Zwischenahn	Bad Zwischenahn	5,726,469	EUR	100.00%	VK	
Pipelife Eesti AS	Harjumaa	25,024	EUR	100.00%	VK	

Company	Headquarters	Share capital	Currency	Interest in %	Type of consolidation	Notes
Pipelife Finland OY	Oulu	33,637	EUR	100.00%	VK	
Talokaivo Oy	Vantaa	2,000,000	EUR	100.00%	VK	
Pipelife France SNC	Gaillon	35,605,800	EUR	100.00%	VK	
Pipelife Hellas S.A.	Thiva	2,343,999	EUR	100.00%	VK	
PIPELIFE-HRVATSKA cijevni sustavi d.o.o.	Sveta Nedelja	47,171,500	HRK	100.00%	VK	
Pipelife Hungaria Kft.	Debrecen	3,123,520,000	HUF	100.00%	VK	
QUALITY PLASTICS HOLDINGS LTD	Cork	635,000	EUR	100.00%	VK	
Farranview Unlimited Company (in Liquidation)	Cork	43,000	EUR	100.00%	VKE	
Cherry Blossom Avenue Limited	Cork	343,503	EUR	100.00%	VKE	
PIPELIFE IRELAND LTD	Cork	254	EUR	100.00%	VK	
Cork Plastics Ventures Limited	Cork	340,000	EUR	100.00%	VKE	
Cork Plastics Networks Limited	Cork	72,916	EUR	100.00%	VKE	
Cork Plastics Manufacturing Limited	Cork	487,500	EUR	100.00%	VKE	
Cork Plastics Limited	Cork	624	EUR	100.00%	VKE	
Kenfern Investments Ltd (in Liquidation)	Cork	447	EUR	100.00%	OK	1)
Pipelife UK Ltd	Corby	244,001	GBP	100.00%	VK	
FloPlast Limited	Sittingbourne	30,000	GBP	100.00%	VKE	
Pipelife Latvia SIA	Riga	426,600	EUR	100.00%	VK	
Pipelife Opco BV	Enkhuizen	1	EUR	100.00%	OKE	1)
Pipelife Nederland B.V.	Enkhuizen	11,344,505	EUR	100.00%	VK	
Pipelife Finance B.V.	Enkhuizen	18,000	EUR	100.00%	VK	
Inter Act B.V.	Apeldoorn	1	EUR	100.00%	VK	
Inter ACT industrial automation B.V.	Apeldoorn	20,000	EUR	100.00%	VK	
TeleControlNet B.V.	Apeldoorn	20,000	EUR	100.00%	VK	
Inter Act GmbH.	Nordhorn	25,000	EUR	100.00%	VK	
Pipelife Norge AS	Surnadal	50,000,000	NOK	100.00%	VK	
Pipelife Polska S.A.	Krokowa	112,243,963	PLN	100.00%	VK	
Pipelife Romania S.R.L.	Bucuresti	7,323,115	RON	100.00%	VK	
Pipelife Serbia d.o.o.	Beograd	168,493,895	RSD	100.00%	VK	
Pipelife RUS LLC	Zhukov	104,458,072	RUB	100.00%	VK	
Pipelife Hafab AB	Haparanda	3,000,000	SEK	100.00%	VK	
Pipelife Nordic AB	Ölsremma	167,000,000	SEK	100.00%	VK	
Pipelife Sverige AB	Ljung	3,600,000	SEK	100.00%	VK	
Isoterm AB	Stenkullen	200,000	SEK	100.00%	VK	
Pipelife Slovenija d.o.o.	Trzin	843,258	EUR	100.00%	VK	
Pipelife Slovakia s r.o.	Piestany	6,700	EUR	100.00%	VK	
Arili Plastik Sanayii A.S.	Pendik/Istanbul	39,616,800	TRY	100.00%	VK	
Preflexibel Invest NV	Ninove	1,200,000	EUR	100.00%	VK	
Preflexibel NV	Ninove	312,000	EUR	100.00%	VK	
Preflexibel France SAS	Salindres	370,000	EUR	100.00%	VK	
Preflex France SAS	Salindres	46,500	EUR	100.00%	VK	

Company	Headquarters	Share capital	Cur-rency	Interest in %	Type of con-solidation	Notes
Wienerberger Dach Beteiligungs GmbH	**Wien**	**500,000**	**ATS**	**100.00%**	**VK**	
WIBRA Tondachziegel Beteiligungs-GmbH	Wien	500,000	ATS	100.00%	VK	
Tondach Beteiligungs GmbH	**Wien**	**200,000**	**EUR**	**100.00%**	**VK**	
Tondach Gleinstätten GmbH	Gleinstätten	500,000	EUR	100.00%	VK	3)
Wienerberger doo Kanjiza	Kanjiza	605,394,000	RSD	100.00%	VK	
Wienerberger DOOEL Vinica	Vinica	349,460,010	MKD	100.00%	VK	
TONDACH Ingatlanhasznosító Zrt.	Budapest	5,000,000	HUF	100.00%	VK	
TONDACH ROMANIA SRL	Sibiu	36,137,155	RON	100.00%	VK	
TONDACH BOSNA I HERCEGOVINA d.o.o.	Sarajevo	200,000	BAM	80.00%	EQ	
Wienerberger Anteilsverwaltung GmbH	**Wien**	**35,000**	**EUR**	**100.00%**	**VK**	
Tondach Holding GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger Industriebeteiligungsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger Finance Service B.V.	Zaltbommel	18,151	EUR	100.00%	VK	
Wienerberger Finanz Service GmbH	Wien	25,435,492	EUR	100.00%	VK	
Wienerberger West European Holding GmbH	Wien	35,000	EUR	100.00%	VK	
Dryfix GmbH	Wien	35,000	EUR	100.00%	VK	
Interbran Baustoff GmbH	Worms	25,000	EUR	30.00%	EQ	
German Perlite Ltd.	Tiflis	0	GEL	30.00%		5)
Wienerberger Gamma Asset Management GmbH	Wien	35,000	EUR	100.00%	VK	
Steinzeug-Keramo GmbH	**Frechen**	**18,408,000**	**EUR**	**100.00%**	**VK**	
Steinzeug - Keramo NV	Hasselt	9,400,000	EUR	100.00%	VK	
Keramo-Wienerberger Immo NV	Hasselt	14,068,558	EUR	100.00%	VK	
SOCIETA DEL GRES S.p.A.	Sorisole	2,000,000	EUR	100.00%	VK	
Steinzeug Keramo s.r.o.	České Budějovice	40,000,000	CZK	100.00%	VK	
Steinzeug - Keramo SARL	Marolles-en-Hurepoix	38,125	EUR	100.00%	VK	
Steinzeug-Keramo Sp. z.o.o.	Piekary Slaskie	2,000,000	PLN	100.00%	VK	

VK = Full consolidation
VKE = First time full consolidation
QU = Quota consolidation
QUE = First time quota consolidation
EQ = At equity consolidation
EQE = First time at equity consolidation
OK = No consolidation
OKE = First time no consolidation

1) Immaterial
2) Holding company of the Pipelife Group
3) Holding company of the Gleinstätten Group
4) Subsidiary of Schlagmann Poroton GmbH & Co KG
5) Subsidiary of Interbran Baustoff GmbH

Auditor's report

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Wienerberger AG, Vienna, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the consolidated financial position of the Group as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements under section 245a UGB.

Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 and with the Austrian Generally Accepted Auditing Standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those 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 laws and regulations applicable in Austria, and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained up to the date of our report is sufficient and appropriate to provide a basis for our opinion as of that date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. 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.

The following matters were of most significance for our audit:

1. Assessment of the carrying value of goodwill
2. Assessment of the carrying value of property, plant and equipment

1. Assessment of the carrying value of goodwill

Description and Issue
Goodwill represents a significant amount on the balance sheet (EUR 488 million). The carrying amounts of the assets of the respective cash generating units are compared to their recoverable amount, which represents the higher of fair value less costs of disposal and the value in use. An impairment loss is recognized when the recoverable amount is lower than the carrying amount. The value in use calculation involves significant estimates and forward-looking assumptions by management concerning the expected cash surpluses and the cost of capital. Small changes in the assumptions used in determining the value in use can result in materially different outcomes of the impairment tests.

Management describes the approach to assess the carrying value of goodwill in the Section "General Information" in Note 6 "Estimates and Judgements" in the notes to the financial statements. The allocation of the goodwill to the respective cash generating units and the assumptions and valuation results are described in Note 22 "Non-current assets".

The valuation model used for the impairment test necessitates a large number of input factors for the assessment of the market. In case of negative changes in the future development of the assumptions there is a risk that the goodwill is overstated. Due to the complexity of the valuation model and the dependence of the outcome of the impairment test on the management's assessment of the input factors this matter was of particular importance for our audit.

Our Response
We have challenged the parameters used for the impairment testing with entity and industry specific information as well as market expectations from internal and external sources and have assessed the appropriateness of the valuation model. Furthermore, we gained an overview of the planning process and have critically reviewed the back testing performed by the management. We have assessed the consistency of the future cash flows used in the calculation by comparing them to the budgets approved by the supervisory board.

For the verification of the capital costs by the means of a comparative analysis, we have used internal experts.

In cases where the fair value less costs of disposal was used as recoverable amount in the impairment test, we have also involved internal experts to validate the assumptions made in the valuation.

2. Assessment of the carrying value of property, plant and equipment

Description and Issue
The carrying value of property, plant and equipment amounts to EUR 2.116 million, representing 43% of the total assets shown on the consolidated balance sheet of Wienerberger AG. Management assesses on an annual basis, or whenever triggering events are identified, whether the carrying value of property, plant and equipment is impaired. For purposes of the impairment testing within a division plants are aggregated to groups of cash generating units. The carrying amount of the assets is compared to the recoverable amount, which represents the higher of fair value less costs of disposal and the value in use. An impairment loss is recognized when the recoverable amount is lower than the carrying amount.

Management describes the approach to assess the carrying value of property, plant and equipment in the Section “General Information” in Note 6 “Estimates and Judgements” in the notes to the financial statements. The details of the valuation method and the assumptions and valuation results are described in Note 22 “Non-current assets”.

The impairment tests involve complex calculations and the assumptions include a degree of uncertainty regarding the future development of cash flows and discount rates. Minor changes in the assumptions can have a significant effect on the outcome of the impairment tests. Therefore, this matter was of particular importance for our audit.

Our Response
We performed similar procedures to those described above in relation to property, plant and equipment impairment testing in respect of the key assumptions used in the impairment model. Therefore, we refer to the section above for further details.

Other Information

Management is responsible for the other information. The other information comprises all information in the annual report, but does not include the consolidated financial statements, the consolidated management report and our auditor's report thereon. We obtained the consolidated corporate governance report (except for the Report of the Supervisory Board included therein) and the consolidated non-financial report prior to the date of this auditor's report, the other parts of the annual report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. With respect to the information in the consolidated management report we refer to the section "Report on the Audit of the Consolidated Management Report".

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, 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 on the other information that we obtained prior to the date of this auditor's report, 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 Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the additional requirements under section 245a UGB and for such internal control as management determines is 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 Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will 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 on these consolidated financial statements.

As part of an audit in accordance with Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgement and maintain professional skepticism 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 the directors' 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 auditors' 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 gives a true and fair view.

- We 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 consolidated 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 outweigh the public interest benefits of such communication.

Report on the Audit of the Consolidated Management Report

Pursuant to statutory provisions, the consolidated management report is to be audited as to whether it is consistent with the consolidated financial statements and whether it has been prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the consolidated management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with laws and regulations applicable with respect to the consolidated management report.

Opinion
In our opinion, the consolidated management report is prepared in accordance with the applicable legal requirements, includes appropriate disclosures according to section 243a UGB and is consistent with the consolidated financial statements.

Statement
In the light of the knowledge and understanding of the Group and its environment obtained in the course of our audit of the consolidated financial statements, we have not identified material misstatements in the consolidated management report.

Other Matters which we are required to address according to Article 10 of Regulation (EU) No 537/2014

We were appointed as auditors by the annual general meeting on May 4, 2021 and commissioned by the supervisory board on May 31, 2021 to audit the consolidated financial statements for the financial year ending December 31, 2021. We have been auditing the Group since the financial year ending December 31, 2017.

We confirm that our opinion expressed in the section "Report on the Audit of the Consolidated Financial Statements" is consistent with the additional report to the audit committee referred to in Article 11 of Regulation (EU) No 537/2014.

We declare that we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 and that we remained independent of the Group in conducting the audit.

Engagement Partner

The engagement partner responsible for the audit is Gerhard Marterbauer.

Vienna, März 17, 2022

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Gerhard Marterbauer
Certified Public Accountant

This report is a translation of the audit report according to section 273 of the Austrian Commercial Code (UGB). The translation is presented for the convenience of the reader only. The German wording of the audit report is solely valid and is the only legally binding version. Section 281(2) UGB applies.