ANNUAL REPORT
2021_22

BE PART OF THE PROGRESS.

ADVANCED TECHNOLOGIES
& SOLUTIONS

AT&S AT A GLANCE

MISSION

AT&S sets the highest quality standards in the industry, industrialises leading-edge technologies, cares about people, reduces its ecological footprint – AT&S creates value.

KEY FIGURES

	Unit	2018/19	2019/20	2020/21	2021/22	Change year-on-year in %
Revenue	€ in millions	1,028.0	1,000.6	1,188.2	1,590	34
EBITDA	€ in millions	250.1	194.5	245.7	349	42
EBITDA margin	%	24.3	19.4	20.7	22.0	–
EBIT	€ in millions	117.2	47.4	79.8	126	59
EBIT margin	%	11.4	4.7	6.7	8.0	–
Profit/(loss) for the period	€ in millions	89.0	19.8	47.4	103	>100
ROCE	%	9.7	2.8	5.8	7.8	–
Net CAPEX	€ in millions	100.8	218.5	435.8	602	38
Operating free cash flow	€ in millions	69.7	(33.4)	(251.1)	111	>100
Net debt	€ in millions	150.3	246.7	508.5	212	-58
Earnings per share	€	2.08	0.30	1.01	2.39	>100
Dividend per share[1]	€	0.60	0.25	0.39	0.90	>100
Employees[2]	–	9,811	10,239	11,349	13,046	15

1) 2021/22: Proposal to the Annual General Meeting
2) incl. contract staff, average

€ 1.6 billion
Revenue

Approx. 13,000
Employees

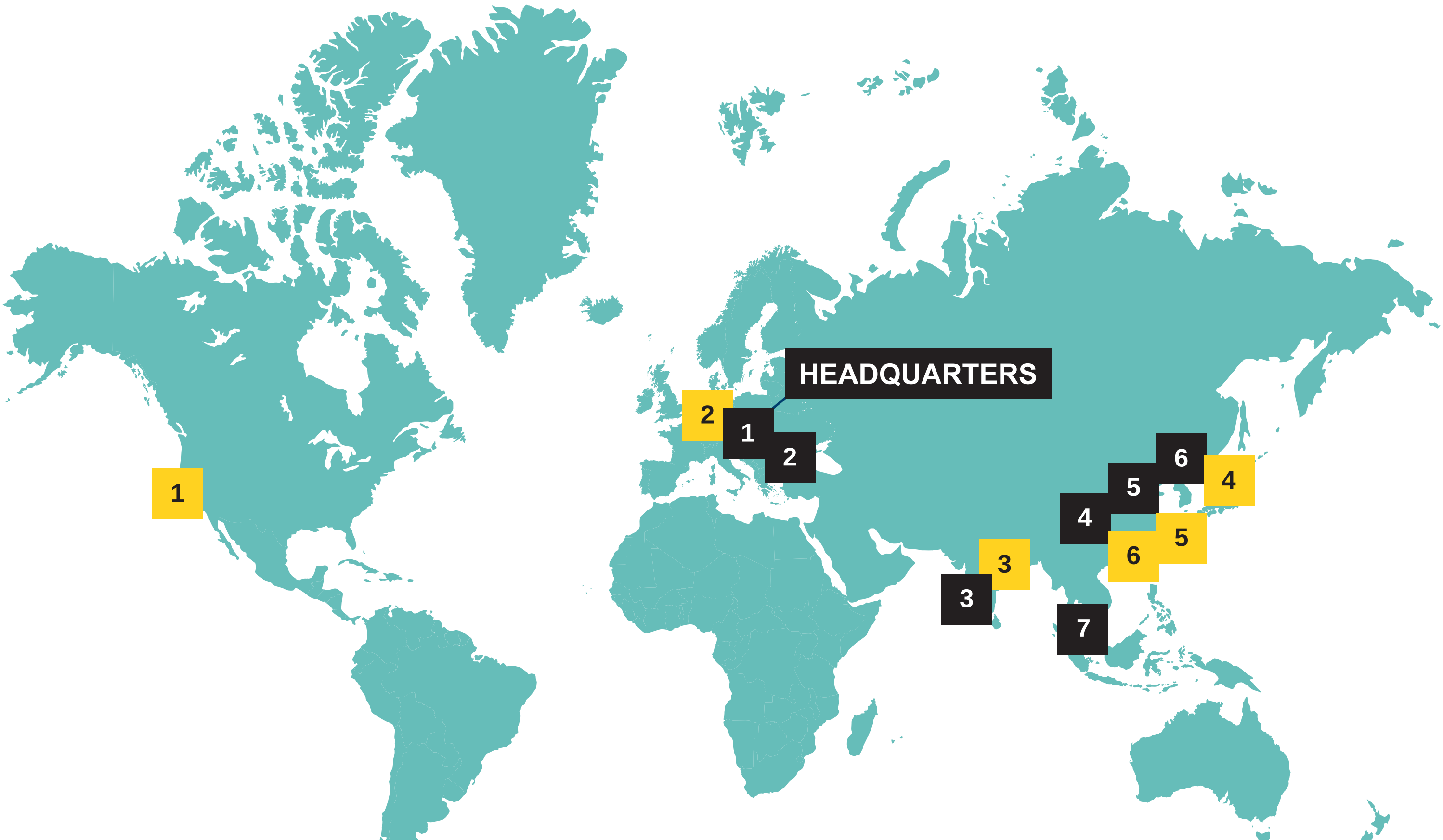
€ 349 million
EBITDA

33%
Equity ratio

CONTENT

PROFILE

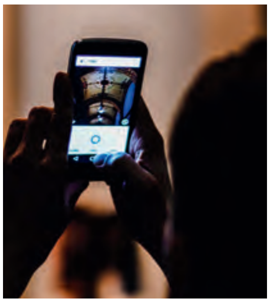
AT&S is one of the globally leading manufacturers of high-end printed circuit boards and IC substrates. At its locations in Europe and Asia, AT&S develops and produces high-tech solutions for its global partners, especially for applications in the areas of communication, computer and consumer electronics, mobility, industry and medical technology. AT&S will continue to drive the digital megatrends and grow profitably in the coming years. To do so, AT&S will increase vertical integration and work even more closely with its customers as a solutions supplier.



PRODUCTION PLANTS	
1 – LEOBEN, AUSTRIA	4 – CHONGQING, CHINA
2 – FEHRING, AUSTRIA	5 – SHANGHAI, CHINA
3 – NANJANGUD, INDIA	6 – ANSAN, SOUTH KOREA
	7 – KULIM, MALAYSIA

SALES SUPPORT OFFICES	
1 – SAN JOSE, USA	4 – TOKYO, JAPAN
2 – DÜREN, GERMANY	5 – TAIPEI, TAIWAN
3 – BANGALORE, INDIA	6 – HONG KONG, CHINA (HOLDING COMPANY)

MARKETS AND APPLICATIONS



MOBILE DEVICES

_ Smartphones
_ Wearables (smart glasses, earphones, smart watches)
_ Laptops and tablets
_ Consumer electronics (action cameras and drones)

IC SUBSTRATES

_ High-performance computers
_ Servers
_ Client PCs
_ Cloud and edge computing
_ 5G base stations
_ Networking
_ Gaming

AUTOMOTIVE

_ Advanced driver assistance systems
_ Autonomous driving (radar, camera, vehicle-to-everything (V2X) communication)
_ Power supply for motor systems

INDUSTRIAL

_ Smart building, grid, lighting, manufacturing, retail and transportation
_ Telecom infrastructure
_ Robots

MEDICAL

_ Diagnostics and imaging systems (X-ray, MRI, ultrasound)
_ Therapy devices/ applications (pacemakers, neurostimulators, hearing aids, prostheses, drug delivery)
_ Patient monitoring (activity trackers, glucose monitors)

SEGMENTS

MOBILE DEVICES & SUBSTRATES

€ **1,191** million

Segment revenue*

€ **307** million

Segment EBITDA

AUTOMOTIVE, INDUSTRIAL, MEDICAL

€ **399** million

Segment revenue*

€ **57** million

Segment EBITDA

* With external customers

BE PART OF THE PRO-GRESS:

Europe, Asia, America: we are at home in a connected world.

We are passionate about progress. Every single employee is an important enabler for pioneering products and solutions that shape the connected world: in communications, mobility, medicine or environmental technology. Innovation, intelligence and open-mindedness make AT&S an attractive employer – and one of the most rapidly growing companies in Europe. And we are managing this growth with a sure hand at all locations.

I BUILD BRIDGES TO THE DIGITAL SOCIETY.

BE PART OF
THE PROGRESS

SOLUTIONS FOR A CONNECTED FUTURE

The transformation towards a digital society is in full swing. The need for high-performance IC substrates and modules is growing equally fast. As a globally leading supplier in this segment, AT&S serves this demand, accelerates solutions by boosting innovation and actively contributes to shaping digital transformation.

SEMICONDUCTOR BOOM: Driverless cars, mobile devices, smart diagnostics and Industry 4.0: There is barely an area of everyday life which is not touched by digital change – a development AT&S strongly benefits from in different markets. After all, our products ensure that components such as microchips can do their job in the first place. The IC substrate segment offers particularly significant growth potential: high-tech elements acting as a connection between processors and the rest of the system in computers. They serve the skyrocketing demand for processing power in many ways because they are employed both in the connected devices and in the data centres required for processing.

Solutions by AT&S make a significant contribution to providing the necessary data infrastructure for the connected future.

By working with industry market leaders and through constant, leading-edge research and development, AT&S ensures that growing data volumes can always be processed fast, efficiently and sustainably. In addition, we are part of the strategic European IPCEI programme and the European Chip Act Initiative. And we will help shape this growth process even more actively in the future: in the medium term, we will invest a record € 3 billion in expanding our capacities in Chongqing/China, in Kulim/Malaysia and at our headquarters in Leoben/Austria. By 2026, AT&S will be one of the world's three largest ABF substrate suppliers.

PANDEMIC ROUTINE REQUIRES SMART INFRASTRUCTURE. Work at home, learn at home, play at home: During the coronavirus pandemic, the number of connected devices and the need for digital communication increased rapidly as video conferences and remote working became indispensable in many cases. Two examples: in 2021, the number of laptops shot up 19% year-on-year, reaching a historic high of 257 million units. Gaming consoles saw an even sharper increase of 27% year-on-year.

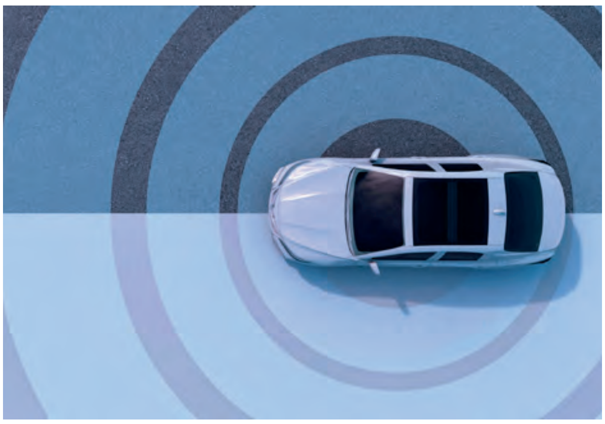
The coronavirus pandemic triggered a global boost in digitalisation, especially within companies. Remote working, virtual meetings and digital sales posed new challenges that required rapid responses. New working models emerged and will largely be retained. Many companies have now introduced a "hybrid" mode, i.e., a combination of office and remote work. And the readiness for digital transformation continues unabated. Solutions by AT&S make a significant contribution to providing the data infrastructure necessary for all of these developments.

Data infrastructure is also the buzzword in the Automotive segment. Here, the topics of electrification and advanced driver assistance systems (ADAS) moved the world in 2021. The spread of electric vehicles accelerated considerably, and the introduction of the first car that meets the strict legal requirements for a level 3 ADAS was an important step towards autonomous driving. Whether at home, at work or on the road: AT&S connects the digital future.

The coronavirus pandemic has caused a sharp increase in demand for connected devices.

>3

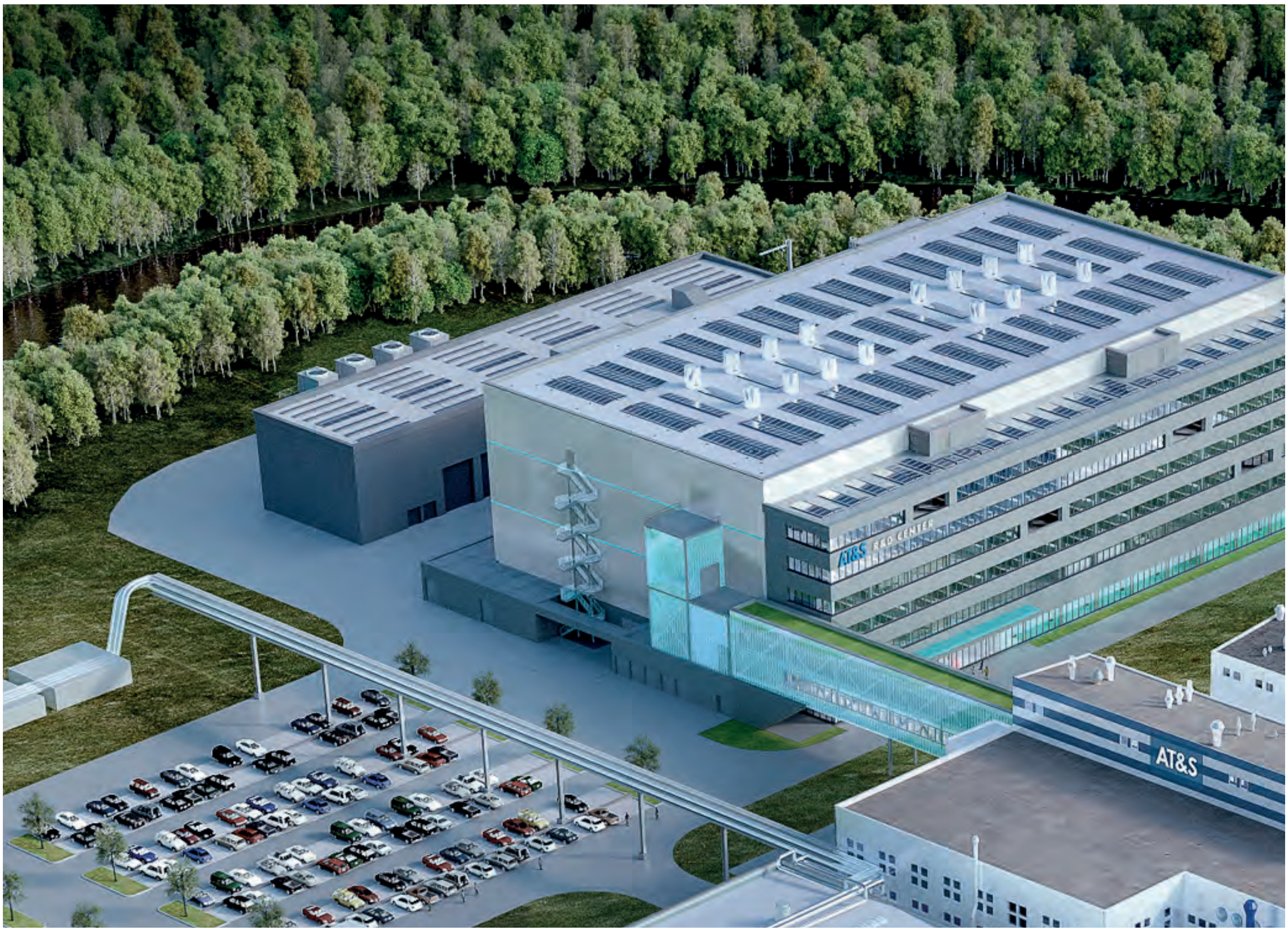
€ bn investments in site expansions



Driving is becoming increasingly electric and autonomous: we support this transformation with our solutions.

AT&S is the only producer that will manufacture IC substrates in Europe.

(MORE) SPACE FOR PROGRESS: In view of the ongoing boom in demand for microelectronics and ever new performance requirements for electronic systems, we will focus even more strongly on research and development in the future. At the location in Leoben, we are building a new research & development centre for substrate and advanced packaging solutions for the global semiconductor industry. In addition, there will be another technology upgrade of the production facilities and a new AT&S headquarters building. Investments totalling € 500 million are planned up until 2025. “Leoben is the central hub of AT&S. Starting here, the company has evolved into a global group and is one of the most important players in the field of high-end printed circuit boards and IC substrates today,” says Hannes Androsch, Chairman of the AT&S Supervisory Board. Leoben already produces precursors for IC substrates, which will be processed into high-quality finished products at the production sites in Chongqing/China, and in the future also in Kulim/Malaysia.



The new Research & Development Center in Leoben (currently under construction)

We produce innovative solutions with our modern, top-level equipment.

500

€ million for the expansion of the Leoben site up until 2025

Going forward, the company will address not only customers in the high-end semiconductor segment with substrates made in Leoben, but also international research institutions. "We are the only manufacturer of substrates who will produce in Europe. This is where AT&S shows what is possible for European companies in the semiconductor industry. Based on state-of-the-art technology, the new facilities allow us to supply our customers with even more innovative solutions for future generations of their products," says AT&S CEO Andreas Gerstenmayer.

This is an exciting task, which will be performed by significantly more employees in the future. The expansion of the parent plant will lead to an increase in the number of employees to some 2,500. A true challenge for AT&S as an employer – and for the region. Approximately 700 additional employees will be needed by 2025, for example engineers in different disciplines, skilled workers and university graduates for business and technology departments as well as qualified specialists. » Read more on this topic on page 26

A CLEAR FOCUS ON GROWTH MARKETS,

MOBILE DEVICES
IC SUBSTRATES
AUTOMOTIVE
INDUSTRIAL
MEDICAL

I CREATE INNOVA-TIONS YOU CAN TOUCH.

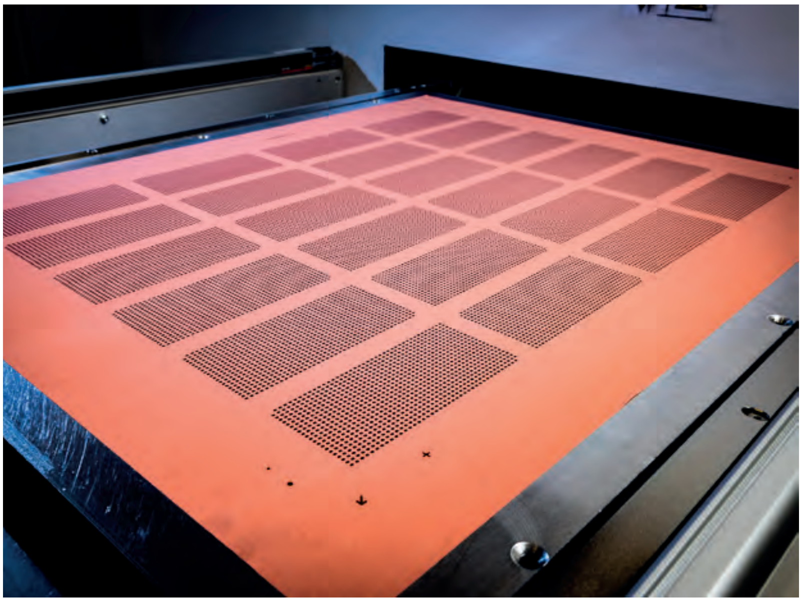
BE PART OF
THE PROGRESS

CREATING CHANGE, BOTH LARGE AND SMALL

Faster, smaller, more powerful: the amount of data we produce and process across the world has exploded over the past few years and will continue to grow rapidly. As a result, the requirements for data processing and communication infrastructure will also increase. High-tech products from AT&S ensure that data centres and mobile networks will be able to cope with the current and future flood of data. Our products make processors more powerful and speed up wireless data transmission.

WE DEVELOP THE INTERCONNECT SOLUTIONS OF THE FUTURE. Many innovative solutions for mobility, future mobile communication generations and sophisticated technology have one thing in common: they only become possible through the latest developments by AT&S. The requirements regarding speed, performance and efficiency are increasing in all applications, from hi-res video conferences to augmented reality, from autonomous driving to telemedicine, from smart factories to comprehensive industrial control systems. Thanks to consistent technological advancement, AT&S can always offer its global customers the most innovative, state-of-the-art solutions.

One of the most exciting developments is the trend of enabling the processing and analysis of data directly where things are happening, “at the edge”, consequently also expanding the cloud. This includes basically all applications whose growing workloads are linked to 5G, the Internet of Things and real-time analyses. By moving intelligence closer to where data is created, the overall performance can be improved and, above all, made more secure. Prime examples of the advantages of edge computing are therefore applications requiring a response in real time. Smart cities, for example, where smart traffic management systems communicate with (partially) autonomous vehicles, urban rail systems and emergency systems, promise new safety standards for all road users. Based on sufficient onboard computing power and efficient C2X communication, life-saving reactions will be possible within milliseconds in the future. But edge computing will set new standards in all dimensions: on a small scale, for example, in the healthcare sector by transmitting data of tiny sensors and wearables; or on a large scale in industry, from robot-assisted manufacturing to process, machine and building safety. Artificial intelligence and machine learning also lead to the rapid growth of edge computing applications.



With our technologies, we ensure that products and processors become more powerful

TRENDS AND AT&S DEVELOPMENT FIELDS:

_Miniaturisation and functional integration: Electronic devices are continuously becoming smaller and lighter, but also increasingly more powerful, and fulfil ever more functions. We create the basis for this development, for example through solutions which increase the packaging density and efficiency of the overall system.

_Fast signal transmission: New interconnect solutions enable signal transmission with minimal losses and low latencies. They make a crucial contribution to achieving optimum signal integrity at high data transmission rates of more than 10 Gbps or in high frequency ranges of more than 30 GHz. As a result, applications become more precise and energy consumption is significantly reduced.

_Performance and performance efficiency: In electrification, there is currently a strong trend towards carbon-neutral energy production, new energy source systems and electricity-based forms of propulsion. AT&S focuses its development on systems which enable optimum power supply with the lowest electrical losses.

_Manufacturing of the future: Industrial production processes will increasingly be organised using artificial intelligence (AI) and focus on sustainability aspects. We are working on new solutions which allow efficient and flexible manufacturing with minimum resource consumption (material, water, energy, etc.). In doing so, large data volumes are put to use digitally in order to optimise and improve processes.

45

billion connected devices in 2021

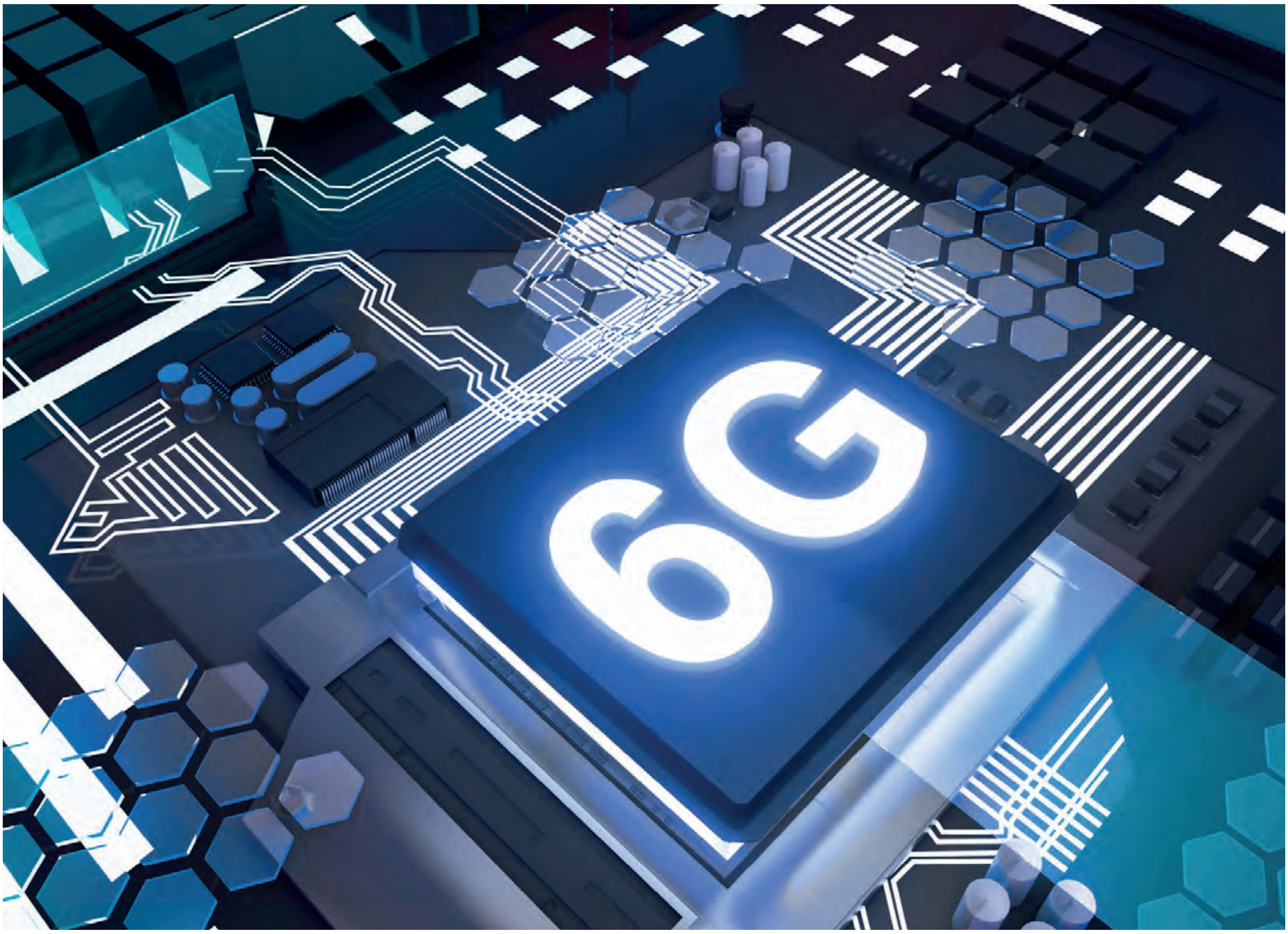
54

billion connected devices by 2026

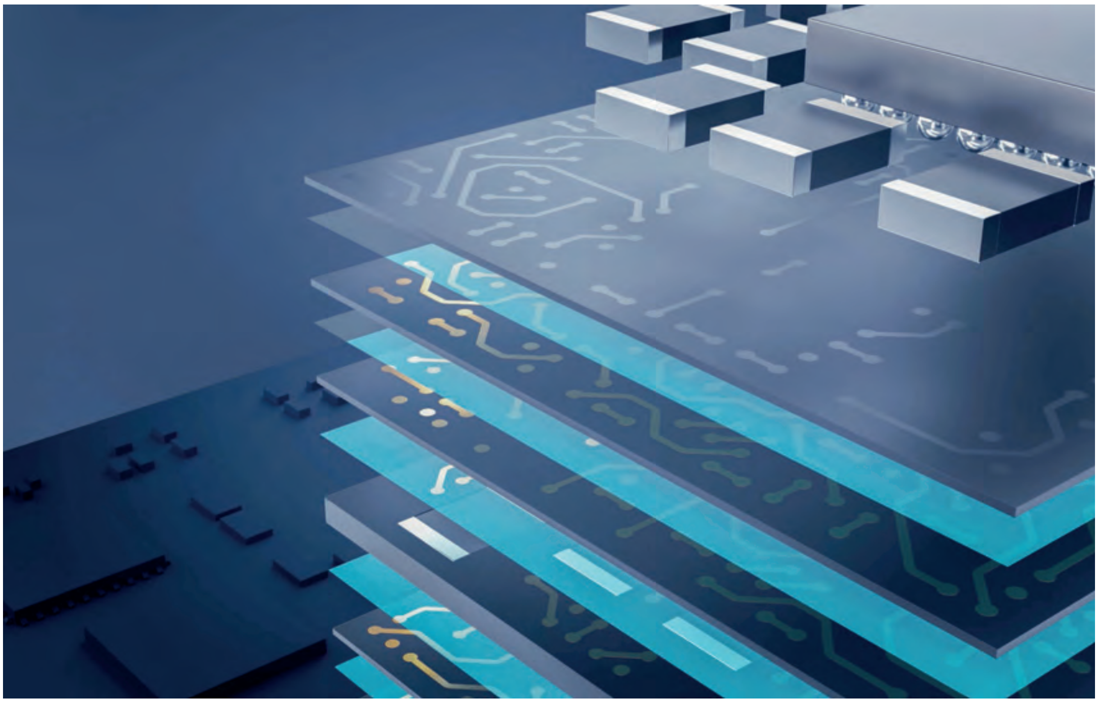
3.7

% CAGR

EXAMPLES FROM THE AT&S INNOVATION FOUNDRY



WAVEGUIDES: READY FOR THE NEXT GENERATION OF MOBILE COMMUNICATION. What comes after 5G? AT&S is making an important contribution to the development of the mobile communication and radar technologies of tomorrow, and is already working on 6G. In the past, the growing demand for bandwidth has, among other things, led to the use of ever higher frequencies in mobile communications. Although they have a lower range, they can transport significantly more data. The 5G networks which are currently being built will use substantially higher frequencies in metropolitan areas than the infrastructure of preceding generations. However, if frequencies continue to increase, even these approaches will reach their limits at some point. This is why AT&S is already developing processes to enable the efficient transmission of signals with an even higher frequency. Waveguides play an important role here: they are hollow metal structures which conduct electromagnetic signals with virtually no loss. AT&S can integrate waveguides directly into printed circuit boards for data transmission at very high frequencies – thus paving the way for 6G and more.



1

mm²
The world's smallest image sensor, codeveloped by AT&S.

MINIATURISATION: THE WORLD'S SMALLEST DIGICAM. In the medical technology sector, miniaturisation is a decisive component: the smaller the device for diagnosis or treatment, the gentler it is for the patient. AT&S contributed to the development of the world's smallest digicam with an image sensor of 1 mm² in size and weighing 1 gram. Not only can it be built into smartphones, VR cameras and other wearables – it can also be integrated into medical devices such as endoscopes. The image sensor creates sharp pictures of 100,000 pixels, but power consumption is only low thanks to the smart interconnect architecture. AT&S considers this product development a special success: firstly, the AT&S hardware design team created the layout. Secondly, the interconnect design was realised using ECP technology (Embedded Component Packaging). ECP enables both active and passive components to be integrated into high-tech printed circuit boards on minimum space in such a way that they virtually "disappear".

AWARDED: INNOVATION PRIZE FOR FLEXIBLE MINI PRINTED CIRCUIT BOARDS. In Austria alone, 1.8 million people suffer from a hearing impairment, and only about 400,000 of them wear a hearing aid. This is partly due to the poor reputation of these devices in the past, which often only provided limited relief in everyday life; moreover, they were big, noticeable and chunky. Modern, miniaturised hearing aids carry numerous microchips. They communicate with smartphones and cars and will soon translate conversations simultaneously. AT&S's innovation starts at the intersection of these trends – miniaturisation and growing complexity: we developed a mini PCB from special materials which meets both requirements at the same time. The system of a flexible printed circuit board and its associated adapter mini PCB is compact and gives manufacturers maximum freedom. In March 2022, this made AT&S the winner in the digitalisation category of the brand new "Innovationspreis Steiermark" (Innovation Prize Styria), which awards the best projects of Styrian companies and research institutions.

With our "mini printed circuit board", we won first place in the "Innovation Prize Styria".

I AM CONNEC- TED TO GLOBAL RESPON- SIBILTY.

AT&S

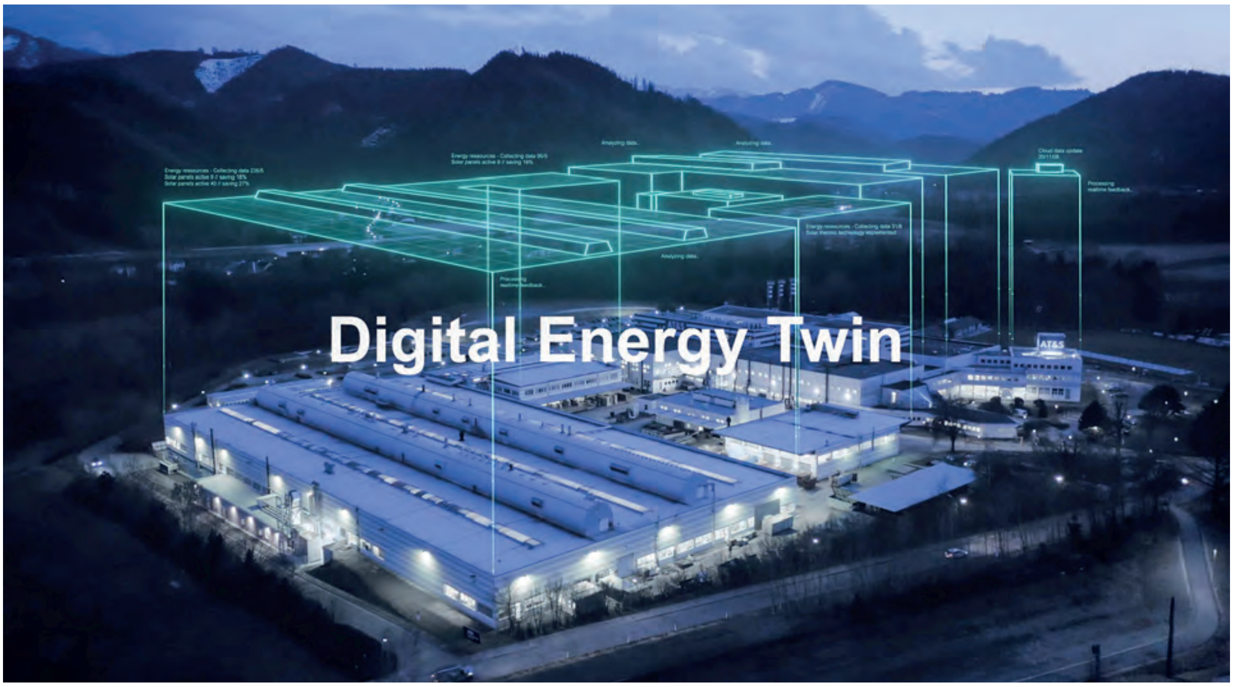
BE PART OF THE PROGRESS

INTELLIGENTLY MANAGING THE CLIMATE TRANSITION

Microelectronics plays a central role in the implementation of the climate goals. It enables the establishment and efficient operation of sustainable energy systems. But we also take care to reduce our own environmental footprint.

TRAILBLAZER FOR THE GREEN DEAL. Based on the Paris Climate Agreement of 2015, the EU aims to achieve climate neutrality by 2050. Making the energy transition work – above all the switch to renewable energy and systematic resource conservation – is one of the crucial elements on the road to success. Microelectronics plays a key role in the entire chain, from electric energy production to energy transmission and energy consumption by end users. It comes into play wherever energy is converted into power, whether it's electric vehicle drives, the conversion of wind energy to "green hydrogen" or the production of synthetic fuels. And it contributes to measuring, analysing and controlling increasingly complex processes. Only by using intelligent digital solutions can renewable energy from different sources be fed into the system, stored and distributed as needed. This is the absolute prerequisite for more energy efficiency.

GREEN TECH BUILDS ON INNOVATIVE MICROELEC-TRONICS



The digital twin allows us to integrate renewable energies even more easily.

One innovative example of smart energy management is used at AT&S itself: the "Digital Energy Twin" is part of our energy strategy (see below). Using simulation tools, it will be possible to digitally model the energy requirements for our production in the future. At the same time, fluctuations in the availability of renewable energy sources in energy production will also be mapped. The goal is to optimise process-related energy demand with the help of the digital twin and to optimally integrate renewable energy into the process. To this end, data from real production is transferred to the digital twin of the factory, modelled there, and validated. Subsequently, the results are transferred back to the production line.

TRANSLATING RESPONSIBILITY INTO ACTION. For us as a globally operating company, expansion also means a growing responsibility for people and the environment. Today, we face challenges in more and more areas of sustainability, and our core topics – climate protection and circular economy, decent work, and a sustainable supply chain – are continuously gaining importance. We accept this great challenge conscientiously and with our fullest commitment. This mindset is reflected in both our sustainability strategy and in the wide range of measures which we successfully launched in 2021/22. One of our main goals is to reduce our own ecological footprint.

80%

of our energy requirements from renewable sources by 2025

We are reducing our carbon footprint with the power of the sun.

POSITIVE ENERGY. On this journey, the AT&S energy strategy plays an important role. Its goal is to obtain 80% of the energy we need from renewable sources by 2025 (including hydroelectric power plants). We also attach special importance to increasing our energy efficiency. One of the working packages specifically focuses on reducing the product lines' energy consumption by 20% as part of the energy strategy. In a cooperation project, AT&S and its suppliers are working on identifying energy saving potential in older production machines, which is higher in comparison to new machinery. Two pilot facilities for copper plating, located at the Shanghai plant and at the site in Leoben, were selected as part of the project launched in July 2021. Potential energy savings have already been calculated and measures have been selected based on the specialist knowledge and experience of the machine suppliers and the production specialists. Thanks to its close collaboration with suppliers and an innovative combination of IoT software solutions and hardware optimisation, AT&S will be able to further decrease total energy consumption and to achieve our climate goals.

Stronger together: we work with our suppliers to achieve our climate goals.

THE PROGRESS WE ARE PROUD OF:

55.7%

renewable energies including large hydroelectric power plants

100%

of key suppliers signed the Code of Conduct

High standards in the areas of environment, quality and occupational health & safety

Life cycle assessment of the copper recycling project

MALAYSIA: SOLAR POWER FOR CLIMATE PROTECTION. Energy for the AT&S plant in Kulim will be provided by photovoltaic systems in the coming years, which will already cover 50% of the new AT&S plant's energy consumption when production starts. The share of renewable energy is expected to rise to 150 GWh by 2025 and increase further as power consumption increases during the ramp-up. The rooftops of the production building will also be equipped with photovoltaic systems. By 2030, the savings will be increased through additional efficiency measures. AT&S CEO Andreas Gerstenmayer welcomes the initiative for renewable energy: "AT&S is committed to the principles of environment, social and corporate governance (ESG). It is therefore a very important step for us to rely on solar energy to operate our plant in Kulim."

LARGE-SCALE WATER CONSERVATION. Whether for cooling machinery or for manufacturing our high-end interconnect solutions: water is indispensable for the production process at AT&S. At the same time, it is an increasingly scarce resource worldwide. Therefore, the sustainable use and treatment of water must be in everyone's interest – and is also at the top of the agenda at AT&S. Initiated in the financial year 2019/20, our water strategy addresses a sustainable water policy aiming to reduce consumption and to optimally recycle withdrawn water. Our measures include the treatment, processing and recycling of this precious resource, for example through biological and chemical-physical wastewater treatment plants. Efficiency projects are underway for both the plant in Kulim and the new research centre in Leoben, aiming to reduce water consumption by up to 30% compared with conventional operations. All measures are planned in detail and partially tested for their feasibility on a laboratory scale prior to implementation.

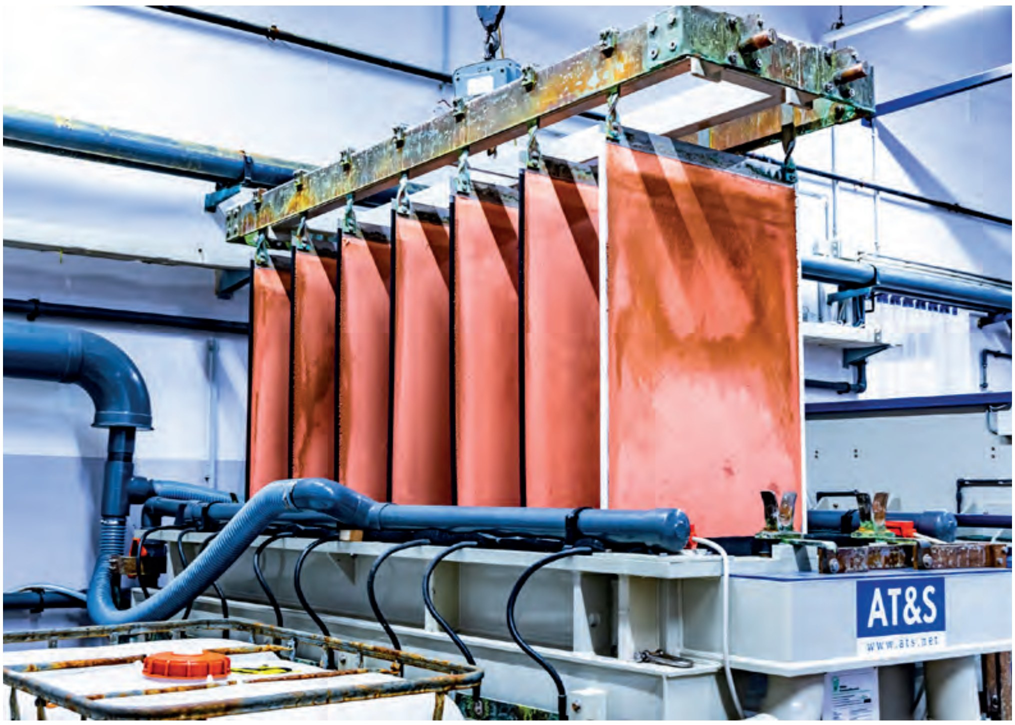
WATER RECYCLING RATES:

53%

at the Nanjangud site

24%

at the Shanghai plant



Increasing energy efficiency: we identify the savings potential of our machines.

I DESIGN OPEN-MINDED NET-WORKS.

BE PART OF
THE PROGRESS

CARING ABOUT PEOPLE

Open to new technologies, open to people in all their diversity, reliable in terms of health matters, occupational safety and development opportunities: the AT&S corporate values guide us in our everyday work. This way, we overcome major challenges in an increasingly complex working world.

MORE THAN A JOB. It is fascinating to be part of a company that is at home in the future and whose solutions make a decisive contribution to shaping digital change. This has made us an attractive employer for more than 13,000 people all over the world. And we keep growing. At AT&S, visionary decision-makers meet solution-oriented doers in international teams, who make a vital contribution to our growing success. After all, even if our hearts beat for technology and engineering, it is the people that define AT&S – highly qualified employees from 61 countries. They are the strong foundation of the AT&S brand.

We are looking for roughly 10,000 new employees from different disciplines by 2025.

THE MOST IMPORTANT MISSION: INSPIRE NEW EMPLOYEES. To keep the growth course of AT&S on track, we need one thing most of all: new talents and experienced professionals. In the next three years, AT&S will hire roughly 10,000 people globally. We are looking for engineers, technicians and graduates of technical colleges as well as production shift workers. Attracting these people and ensuring their enthusiasm for AT&S in the long term is one of our main challenges. After all, the labour market has undergone significant changes in recent years, with demand for qualified talents now exceeding supply. At the same time, we are experiencing a growing shortage of skilled labour, which will intensify when more semiconductor production sites are established outside of Taiwan, China and South Korea. In the rapidly growing markets, demand for the software knowledge required for the programming and integration of chips is rising. This will also aggravate labour shortages in the long run.

We actively and dynamically address this challenge at several levels, for example through long-term cooperation with universities and universities of applied sciences across the world. In China, we were able to establish a new degree course in mechatronics at Shanghai Open University thanks to a long-standing collaboration. Moreover, AT&S China and the Mechatronic Engineering & Automation School of Shanghai University are setting up a “Digital Transformation Innovation Centre”. In India, another long-standing collaboration with the Vidya Vikas Institute of Engineering, Technology and Educational Trust in Mysuru ensures the training of the professionals of tomorrow based on the joint establishment of a curriculum for printed circuit board production for Indian universities

Our heart beats for technology

and universities of applied sciences. Recruiting and training measures are also in full swing at the new location in Malaysia. In cooperation with the country's leading tech universities, for example the University of Science Malaysia, research and education networks are being created in order to attract top talents, ensure continued education and train the next generation of professionals.

In Austria we increasingly focus on establishing contact with potential young employees as early as possible. In cooperation with external partners, the "AT&S Talent Network" has been established. This network enables young people to get in touch with us without any application formalities and to get involved in an industry network which they themselves could belong to one day. A broad range of apprenticeships, apprenticeships including a school leaving exam, and the option to spend a semester abroad during training make us interesting as an employer for school-leavers. Several schools used the opportunity to take a look behind the scenes of printed circuit board production at the Take Tech Days.

Our existing workforce is another powerful element. In this context, we initiated an attractive recommendation programme whereby employees can recommend potential candidates they know from their personal surroundings for filling vacancies. A successful recommendation is rewarded by a one-off bonus payment. Numerous applicants have already been hired successfully via this channel.

More than

13,000

employees worldwide

Open-mindedness towards new technologies and openness to different people are part of our success.

THE RIGHT PLACE TO MAKE A DIFFERENCE

Our professional fields are as diverse as our teams.

VIBRANT DIVERSITY. People of 61 nationalities work at AT&S. 35 percent of our employees are women. As of 31 March 2022, AT&S employed 45 people with disabilities, most of them at our Austrian locations, where they are an integral part of our teams. We are firmly convinced that diversity and inclusion are a basis of successful collaboration. Our self-image is embracing diversity in all areas. This is why we signed the Diversity Charter in the financial year 2020/21. In doing so, we officially commit to value and promote all employees equally, regardless of nationality, ethnic origin, religion or ideology, disability, age or sexual orientation and identity.

INDIVIDUAL DEVELOPMENT WITH A TAILWIND. Where do I stand? Where do I want to go? To give our employees clear feedback and career prospects, we have established the AT&S Performance Management scheme. It includes regular appraisal and development interviews, which support dialogue with our employees and serve for individual development planning. Training and coaching for professional growth are essential at AT&S, but lifelong learning not only involves seminars. Rather, it also has to be integrated into the workplace. In times of remote working, limited contact, social distancing and travel restrictions, this required thorough planning and a high level of commitment. Nevertheless we tried to provide optimal conditions for continued education at AT&S and massively expanded our virtual learning offer.

Through our engagement with universities we create loyalty to AT&S among young professionals at an early stage.

61

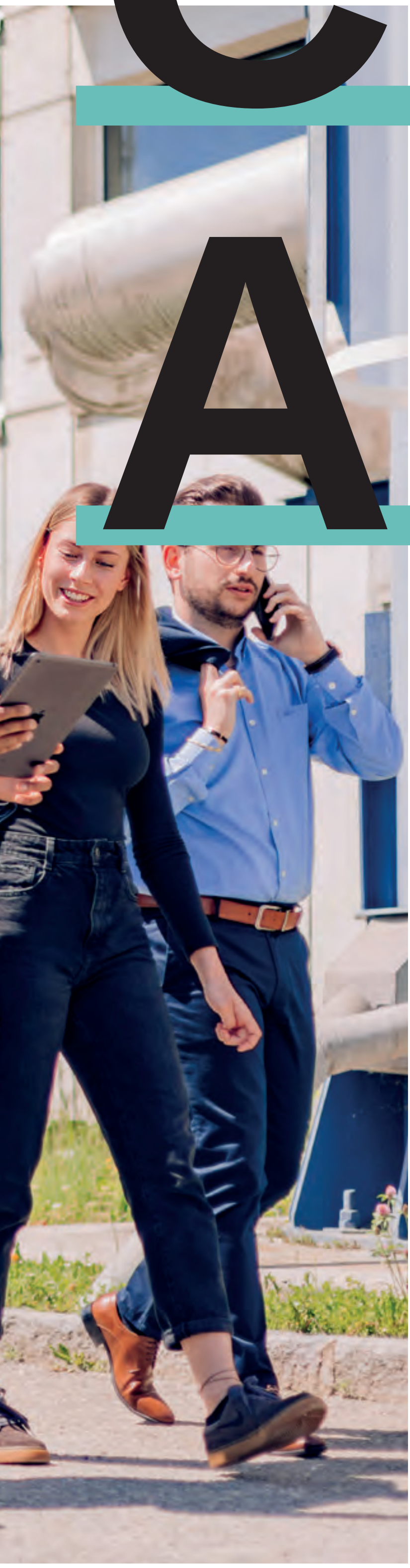
nationalities are represented in our company

We rely on equal opportunities and diversity: more than a third of our workforce is female.

HEALTH FIRST. Growth, transformation, COVID-19 pandemic: we are aware that the past year was not always easy for our staff. Therefore it is all the more important to us to protect our employees' physical and mental health. The basis for this is the ISO 45001 occupational safety and health protection standard, which has been established across the Group. Continuous workplace inspections, preventive measures and targeted training programmes ensure maximum safety. The pandemic was by far the biggest health challenge. Setting up a COVID-19 task force enabled us to continuously adapt the protection measures to the occurrence of infections at the respective location. Our "Coronavirus info point", continuous updates via all important communication channels and the option to get vaccinated at our locations in Austria, China and India, as well as the distribution of medication packages in India ensured that our employees were always comprehensively informed and supported.

Health prevention also plays an increasingly important role. The AT&S site management team for Leoben and Fehring developed an extensive health, fitness and leisure-time programme. In addition, access to professional psychological online advice has been provided and can be used anonymously and free of charge. At the Chinese locations annual health checks at the workplace and blood donation campaigns are carried out. Plus, the doctor's and mothers' room at the Chongqing location was renovated, enabling employees to use medical services on site.

COMPANY



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MANAGEMENT INTERVIEW

Unfazed by the uncertain environment, AT&S continued to successfully implement its growth strategy in the financial year 2021/22. The Management Board looks to the future with optimism, both for the current year and the years to come.

From left to right: Ingolf Schröder (COO), Andreas Gerstenmayer (CEO) and Peter Schneider (CSO)

MR GERSTENMAYER, WHAT IS YOUR OVERALL ASSESSMENT OF THE FINANCIAL YEAR 2021/22?

A. Gerstenmayer_ Given our results, it was of course a fantastic year: when revenue increases by 34% and business develops so successfully under critical conditions, you can only be satisfied and applaud the employees of AT&S for their achievements. We built the largest plant in our company's history to date in Chongqing during the pandemic, and we started production ahead of schedule and within the budget. That shows the strength of our organisation: we are capable of achieving our goals, even in a difficult environment. In doing so, we remain a dependable partner for our customers at all times.

One of the reasons for our success today is that we set the course early. We decided to enter the substrate market in 2013, started volume production in 2016 and continued to pursue this path despite initial difficulties. As a result, substrate production has gradually become our most important business segment.

P. Schneider_ I would like to add something here: AT&S has done many things right over many years. That is paying off now. Even when the market for IC substrates was struggling, AT&S continued to focus on the long-term perspective and invested heavily in the production sites. And now we can reap the rewards of our work because we are present as a quality leader during a market boom – side by side with companies which have been on the market for decades.

34%

revenue growth is an exceptional record figure.

SPEAKING OF PRODUCTION SITES: MR SCHRÖDER, WHEN BUILDING ADDITIONAL CAPACITY, YOU CHOSE KULIM IN MALAYSIA AS A LOCATION LAST YEAR. WHY?

I. Schröder_ First of all, Kulim has been a centre of semiconductor-related production for decades. A number of high-tech electronics companies are based there, so we don't have to start from scratch when setting up the infrastructure. A working supply chain is in place. Many of the materials we need are produced in Asia. Another reason is the close proximity to our customers. A large part of our products is processed in Southeast Asia. And thirdly, we also receive great support from the authorities in creating the framework conditions. The Malaysian government and Malaysian Investment Development Authority MIDA, which represents the government, actively contribute to eliminating potential obstacles.

AG_ What is more, it is easier to recruit adequately qualified professionals and engineers in an environment where microelectronics are already at home. Competition is of course also greater. But we are confident that we can attract and retain the employees we need with the right corporate culture. Our close cooperation with universities and other educational institutions in the region will also help us in our efforts.

TELL US ABOUT THE STATUS QUO IN KULIM. HOW IS THE DEVELOPMENT OF THE SITE COMING ALONG?

IS_ The project is on schedule – despite additional official requirements and challenges due to coronavirus. Just a few words about the overall project: during the first project phase, we will invest approximately € 1.7 billion in Kulim within six years and create up to 6,000 high-tech jobs. Phase 1 comprises the construction of two substrate plants including the periphery by 2024. During this first phase alone, we will create buildings with a total of 280,000 sqm on an area of 235,000 sqm, build 120,000 sqm of cleanrooms, use 600,000 m^3 of concrete and lay 620 km of lines and 250 km of cable. Over the past few weeks we have already had more than 1,300 workers on the construction site. As the project progresses, this number will increase to more than 4,000 workers. These are impressive figures, illustrating that a demanding and very exciting project lies ahead of us.

We are also making good progress at our other production sites. Plant III in Chongqing is in the middle of ramp-up. The objective for this calendar year is to have lines 2, 3 and 4 in full production. The required build-up of resources is on schedule. In Korea we have completed a new building, technically upgraded the machines and in terms of processes created the basis for stronger in-house production. In India – where there are currently no construction activities – we have significantly increased productivity despite massive pressure on the supply chains.

HOW DO YOU SEE THE MARKET DEVELOPMENT AND WHERE WILL MARKET OPPORTUNITIES ARISE FOR AT&S?

AG_ In the current environment, IC substrates will remain the central growth and technology drivers. We also expect impetus for our business from the area of modules. Establishing the corresponding production in Chongqing II also proved to be the right decision at the right time. The growth rates will not be as high as for IC substrates yet. They will, however, allow us a respectable positioning in this product segment as well. Likewise, the printed circuit board market will also develop positively, at a rate between three and five percent. But we are more selective in this area and primarily invest in technology upgrades and maintaining our position as one of the industry's

"IN THE CURRENT ENVIRONMENT, IC SUBSTRATES REMAIN THE CENTRAL GROWTH AND TECHNOLOGY DRIVERS FOR US."

Andreas Gerstenmayer, Chief Executive Officer

technology leaders. As far as modules and module integration are concerned, we are temporarily slowing the pace down due to the expansion in other areas, and focus on R&D projects. Nonetheless, this area remains an important part of our strategy. As soon as sufficient resources become available again, we will address this topic more intensively.

IS_ Intensive R&D work will remain the foundation of our development. Today, we invest nearly ten percent of our revenue in research and development. And we will continue to do so in order to maintain and expand our technological positions. We want to be even better prepared for future requirements in order to support our customers to the best of our abilities.

AT&S NOW HAS LONG TRADITION OF CLOSE COOPERATION IN R&D WITH UNIVERSITIES.

AG_ Yes, and that is a very conscious choice: working with universities and other research institutions gives us access to the latest knowledge and future high achievers. We also continued to expand our cooperation network last year. In the area of power electronics we are now collaborating with the Indian Institute of Technology in Delhi (IIT). In the USA, we entered into cooperation with Virginia Tech for the development of power modules. In China, we revived our cooperation with Shanghai University. In Austria, we are participating in the establishment of Silicon Austria Labs, the country's non-university research hub.

10%

of revenue: R&D investments are the basis for future success.

Andreas Gerstenmayer has been Chairman of the Management Board since 2010.

IS_ Leoben will also gain importance for our future research work. We are currently building a research centre for IC substrates and packaging technologies here, including a small series production facility. This project is nothing less than a milestone for technological advancement in Europe. After all, we strongly believe that in addition to chips, packages will also play a central role in increasing the performance of components in the future.

THE MARKETS ARE CURRENTLY PLAYING IN FAVOUR OF AT&S. HOW DO YOU ADDRESS THIS SITUATION IN TERMS OF SALES STRATEGY?

PS_ Capacity requirements are currently particularly high in the substrate segment. Here, we are asking ourselves who we want to collaborate with – and how closely. We decide that on a long-term basis. That is to say, we are not interested in quick profits, but rather in the long-term perspective of collaboration. Does the positioning fit with ours? What future do the products have? Can we make investments in partnership with our customers? This long-term philosophy, as opposed to maximum profit in the short term, is deeply rooted in the DNA of AT&S.

AG_ Irrespective of that, we have succeeded in further improving our profitability by consistently passing on raw material and energy price increases, charging market rates for services and extras we provide and optimising our product portfolio. In the future we will put an even stronger focus on high-margin products and technologies in line with the premium brand positioning of AT&S. This does not mean that we neglect our traditional products. But we must also achieve an appropriate contribution to earnings in this area.

IS AT&S USING THE GROWING MARKET DEMAND TO BUILD NEW CUSTOMER SEGMENTS?

PS_ So far, we have always built on our core markets when looking for new customers. We also consider the long-term perspective from the very beginning in this context. This requires a good understanding of market attractiveness and the existing or achievable competitive position. Sales, sales engineering, business lines and market intelligence work hand in hand here.

"WE ARE NOT INTERESTED IN QUICK PROFITS, BUT IN THE LONG-TERM PERSPECTIVE OF COLLABORATION."

Peter Schneider, Chief Sales Officer

Ingolf Schröder has been COO since 2020.

Peter Schneider has been CSO since 2021.

By 2026, the number of employees will increase by 10,000.

+75%

AT&S HAS RECENTLY RESTRUCTURED ITS SALES ORGANISATION. HOW IS THAT WORKING OUT?

PS_ We introduced a regional sales structure and separated strategic marketing from operational sales in order to accelerate the development in our regional markets. These measures have already produced the first results. Most recently we made some good progress in the USA. In terms of coverage we are in a better position today than even a few years ago. The establishment of a distributor network also helped us in this respect. Based on this setting, we will be able to develop successfully by our own strength – also during difficult market phases.

SALES STRUCTURES ARE ONE THING. BUT IT ALSO TAKES GOOD TEAMS TO BE SUCCESSFUL IN THE MARKET …

PS_ ... and we have good teams. I am very proud of our customer relations. We have an excellent technical sales team. Also with respect to commercial issues and contract law matters we are self-confident and on an equal footing with our customers in every way. Our good position with customers is the result of the professionalisation of our customer relationships, which we are expanding with our growth every day. Training, additional staff – we put great effort into becoming better every day. The reputation which AT&S has built over many years is another aspect that pays in the collaboration with our customers. Time and again our customers tell us that our performance is exceptionally good – from the development of new products to technical consulting and final delivery.

GOOD REPUTATION CERTAINLY ALSO HELPS ATTRACT NEW EMPLOYEES. YOU WILL ADD MORE THAN 10,000 JOBS IN THE COMING YEARS.

AG_ That is truly a mammoth task. Not only do we have to recruit new people, we must also train, integrate and retain them – and all of this in a time when competition for employees is fierce all over the world. Nevertheless, it is working quite well for us at present – supported by intensive employer branding to actively position ourselves as an attractive brand. People see that we are a rapidly growing company which offers its employees very good opportunities. People from 52 countries now work at the location in Leoben. Such multicultural structures are particularly exciting for young people. They enjoy working in dynamic teams where they can develop professionally and as a person. That gets around and obviously makes us attractive.

"FROM LEOBEN, WE WILL SUBSTANTIALLY PROMOTE THE PACKAGING DEVELOPMENT."

Ingolf Schröder,
Chief Operations Officer

A new production line, a new research centre and new headquarters: AT&S not only invests around the world, but also at its home base in Leoben, Austria.

TODAY, ESG MATTERS ARE INCREASINGLY IMPORTANT TO YOUNG PEOPLE IN PARTICULAR, BUT ALSO CUSTOMERS. HOW IS AT&S DOING IN THIS AREA?

AG_ This area is anything but new to us and has been an integral part of our business operations for many years. We are interested in saving energy, water and materials as well as in recycling – not only for environmental reasons, but also from a cost perspective. There is a positive correlation here. And there are similar correlations for other ESG topics, for example diversity. The diversity of employees is a necessary prerequisite for us to be successful as an international corporation.

IS_ To give you some examples of environmental aspects, right from the start we are building our new location in Kulim, Malaysia, in a way that will enable us to achieve carbon-neutral production in the long term. We aim to reduce water consumption by up to 30% from the beginning – the same also applies to our new R&D centre in Leoben. But we are also doing well as a group: we increased the share of renewable energies to 56% in the past financial year and are clearly ahead of our plan.

LET'S TALK ABOUT FURTHER PROCESS OPTIMISATION: WHAT IS AT&S'S APPROACH?

IS_ Rapid growth at different locations always confronts production and organisation with challenges – the key word is scalability. That is why it is essential to create the basis now to push topics such as transparency, flexibility and harmonisation in a clearly structured process landscape. A uniform end-to-end process landscape is a central lever to achieve this. This means that we closely coordinate all chronologically and logically consecutive sub-processes within our group and streamline them in such a way that we can achieve highly efficient production and optimally meet our customers' requirements. Along with that, we drive digitalisation in all processes, for example through artificial intelligence and pattern recognition in elaborate inspection and control processes. This way, an even faster and earlier response to potential process deviations can be achieved. For this purpose, we are establishing data structures and are building a data landscape.

By the way, this does not mean that our production is not already very good and highly efficient. Our processes are already so good today that they are very well received by our customers because we set standards in the market this way. In the future, we will align even more closely to processes known from the semiconductor industry. To do so, we are working on new ideas and concepts which will give us cost and competitive advantages in the long run.

LET'S TALK ABOUT FINANCE AGAIN: AT&S IS INVESTING LARGE SUMS. HOW STABLE IS THE FINANCING OF THESE INVESTMENTS?

AG_ Despite the large investment volumes, we have a stable capital structure and sufficient liquidity – both for our current operating activities and for the planned investments. We can rely on proven sources for additional financing, such as issuing promissory note loans, taking out bank loans and using credit lines based on guarantees by large Austrian and European banks. The capital market has great confidence in AT&S, which was also demonstrated by the successful placement of our hybrid bond in January. Cash flow is also a reliable source of financing for us: EBITDA of € 349 million has a massive impact on our internal financing strength. Moreover, based on bilateral agreements, we have also managed to involve our customers in our new investments to a significant extent. This is a completely new and very powerful way of implementing projects.

FROM A SHAREHOLDER PERSPECTIVE, A SUCCESSFUL FINANCIAL YEAR IS ALSO REFLECTED IN AN ATTRACTIVE DIVIDEND.

AG_ Against the backdrop of the very good business development, we think that sharing this success appropriately with our shareholders is the right thing to do – despite the current phase of massive investments. Therefore, the Management Board and the Supervisory Board will propose a dividend of 90 cents per share to the Annual General Meeting on 7 July; to be precise: a basic dividend of 78 cents and a special dividend of 12 cents per share. This means that the basic dividend has doubled compared with last year.

WHAT CAN YOU TELL US ABOUT THE BUSINESS AND FINANCIAL OUTLOOK?

AG_ We are on track with all topics, both strategically and operationally, and so we were able to confirm our previously communicated forecast for both the short-term and medium-term guidance. We are aiming for revenue of roughly € 2 billion and an adjusted EBITDA margin of 23% to 26% for the financial year 2022/23. The expansion of the production capacities in Chongqing, Kulim and Leoben will increase our revenue to € 3.5 billion and the EBITDA margin to 27% to 32% in the financial year 2025/26 if things develop as planned. Until then, the equity ratio may temporarily fall below the target of more than 30% due to currency effects and volatilities.

PS_ On the sales side, we continue to focus on expanding our key account base. In the foreseeable future, we aim to support a handful of selected market and technology leaders in the chip industry in a wider sense. In recent months we have succeeded in building further excellent business relationships in addition to our established customers in the semiconductor industry. These are the best prerequisites for our continued success in the longer term.

IS_ With our new location in Malaysia, we are in a good starting position to achieve our goal of reaching the top 3 IC substrate manufacturers. By 2024, we will have built the largest production site for this segment in the industry – with an option to further increase capacity. The location and the volume will give us a competitive cost position, which is important in case competition in the market intensifies again.

56%
share of renewable energies

"WE ARE AIMING FOR REVENUE OF ROUGHLY € 2 BILLION IN THE CURRENT FINANCIAL YEAR."

Andreas Gerstenmayer, Chief Executive Officer

STRATEGY

"MORE THAN AT&S": SUSTAINABLE PROFITABLE GROWTH

The overarching goal of AT&S is to continue our sustainable profitable growth course and create added value for all involved – our customers, shareholders, employees and the company. By 2025/26 we plan to generate approximately € 3.5 billion in revenues through strategic business expansion with the recently announced investments, operational excellence, outstanding customer service and strong innovation culture. We continue to pursue our technology leadership strategy and set the highest quality standards in our industry. We set ambitious ESG goals to guide us on the way there.

The ongoing trend towards digitalisation, connectivity and smart applications continues to drive the increase of data to be stored, processed and transmitted, thus further increasing the demand for AT&S interconnection solutions. With these solutions, we continue to hold top positions in our target markets, fostered by our deep understanding of the underlying applications, high level of manufacturing expertise and industrialisation of new technologies. AT&S will take advantage of new business opportunities to continue to grow faster than the market in the future. We also expect a steady increase in profitability. Our strategic investments in the expansion of our performance in key technologies support this growth strategy.

The long-term corporate goals of AT&S reflect these growth ambitions in profitable market segments and applications.

VISION AND STRATEGIC GOALS

We aspire to be the first choice for our customers in our market segment based on top performance – for high-end printed circuit boards and IC substrates, for advanced packaging technologies and the corresponding system and interconnect solutions. Our growth strategy follows the vision "First choice for advanced solutions". On our path to implementation, we are guided by four strategic goals:

1. Expansion of technology leadership

We strive to be the leading provider of advanced interconnect solutions. To achieve this, we aim for a Vitality Index of >20%. Our strategic implementation focuses on the development and industrialisation of new technology platforms and on strengthening our role as a proactive development partner for our customers. AT&S is constantly improving the toolbox, with high-end printed circuit boards, IC substrates and embedding technology, and is continuously expanding its service offer beyond the production of printed circuit boards and IC substrates to IC packaging design, manufacturing, system integration and testing. Thus, AT&S is transforming from a contract manufacturer to a proactive interconnect solution provider.

STRATEGIC GOALS

Advanced Technologies and Solutions

1. Expansion of technology leadership
- Leading provider of advanced interconnect solutions
- Vitality Index of >20%

2. Focus on sustainable profitable growth
- 2025/2026: revenue target of € 3.5 billion
- EBITDA margin target of 27% to 32%

3. Create shareholder value
- Long-term ROCE of >12%

4. Sustainable management
- 80% renewable energy
- Life cycle assessment of product groups
- Equal opportunities and equal treatment lead to a diverse workforce

2. Sustainable profitable growth

We strive to generate approximately € 3.5 billion by the financial year 2025/26, aiming for an EBITDA margin in the range of 27% to 32%. Strategic implementation of this ambitious goal is supported by the following levers:

a) Customer orientation and highest service level: We support our customers by providing technical advice as well as additional design, simulation and testing services in order to enable the optimum interconnect solution.

b) Operational excellence: In our processes, we focus on efficiency, productivity with highest capacity utilisation and a competitive cost structure. In doing so, we are also prepared for particularly complex and individual manufacturing requirements in different lot sizes in premium quality.

c) Focus on fast-growing and profitable applications: We concentrate on technologically advanced applications with disproportionately high market growth and solid EBITDA margin potential.

d) Focus on cash flow generation and optimisation of the financing structure: We strengthen our internal financing power for further investment cycles by maintaining our key figures at a high level: we aim for an equity ratio of >30% and a net debt to EBITDA ratio of <3.

3. Creation of shareholder value

AT&S is progressively expanding its capabilities, which is connected to high investments. Nevertheless, we are focused on maintaining a high level of value creation for our shareholders. In the upcoming years we expect the interest on the capital employed by our shareholders (ROCE) to achieve a mid-term level of >12%. The return on capital employed thus exceeds the weighted average cost of capital of comparable companies. At the same time, we are pursuing a transparent dividend policy based on investment cycles and profit for the year.

4. Sustainable management

We will only be able to expand our technology leadership and achieve sustainable profitable growth if our actions are value-based and we generate added value for all stakeholder groups. Compliance with high standards in the areas of ethics, working conditions, health and safety, environment and quality are fundamental requirements on the road to success. The Responsible Business Alliance, the OECD Guidelines for Multinational Enterprises, the Sustainable Development Goals of the United Nations (SDGs) and our company values serve as our compass.

Our strategic focus areas are derived from the above, as are the AT&S materiality analysis, customer requirements and global developments in environmental and social matters.

STRATEGIC FIELDS OF ACTION

One of the strengths of AT&S is that the company understands its customers' challenges and develops customised interconnect solutions in partnership with them early on. This is an ability we will maintain and expand on in the future. In this context, AT&S is increasingly focusing on combining the possibilities of the core business with new technologies.

To achieve targeted growth, we drive our business based on the following four strategic fields of action:

1. Expansion of the core business

AT&S is strengthening its core competence in the area of high-end printed circuit boards and IC substrates and is continuing to develop its business in the existing market segments. Here, the market promises solid growth.

2. Diversification of the customer and application portfolios

AT&S uses proven technologies to implement innovative solutions for other (groups of) customers and applications, thus extending the life cycle of existing technologies and expanding its earnings base.

3. Proactive product development

AT&S intensifies its collaboration with customers during early development phases and develops innovative solutions for specific customer requirements by combining the core capabilities with new technologies.

4. Industrialising new technologies

AT&S drives the development of new technology platforms and broadens its positioning in the value chain, among other things through new solutions for the module business. AT&S

thus generates additional revenue and increases its leading edge over competitors.

MARKET GROWTH DRIVERS

Exponentially Growing Data Volume

Driven by increasing digitalisation, the number of connected things and the requirements in terms of data processing, transmission and storage are also growing. We serve the applications required with our systems and interconnect solutions, which enable the generation of sustainable, profitable growth.

This boosts, among other things, the business of data centres and cloud computing applications. For AT&S this development offers significant growth opportunities in the field of IC substrates for server and network applications. The required performance and computing power of the processors lead to massively growing technological requirements on IC substrates.

At the same time, the digitalisation trend drives the growing need for computing performance in end devices (edge computing), which opens up interesting opportunities for AT&S in terms of profitable growth in the printed circuit board business in all market segments.

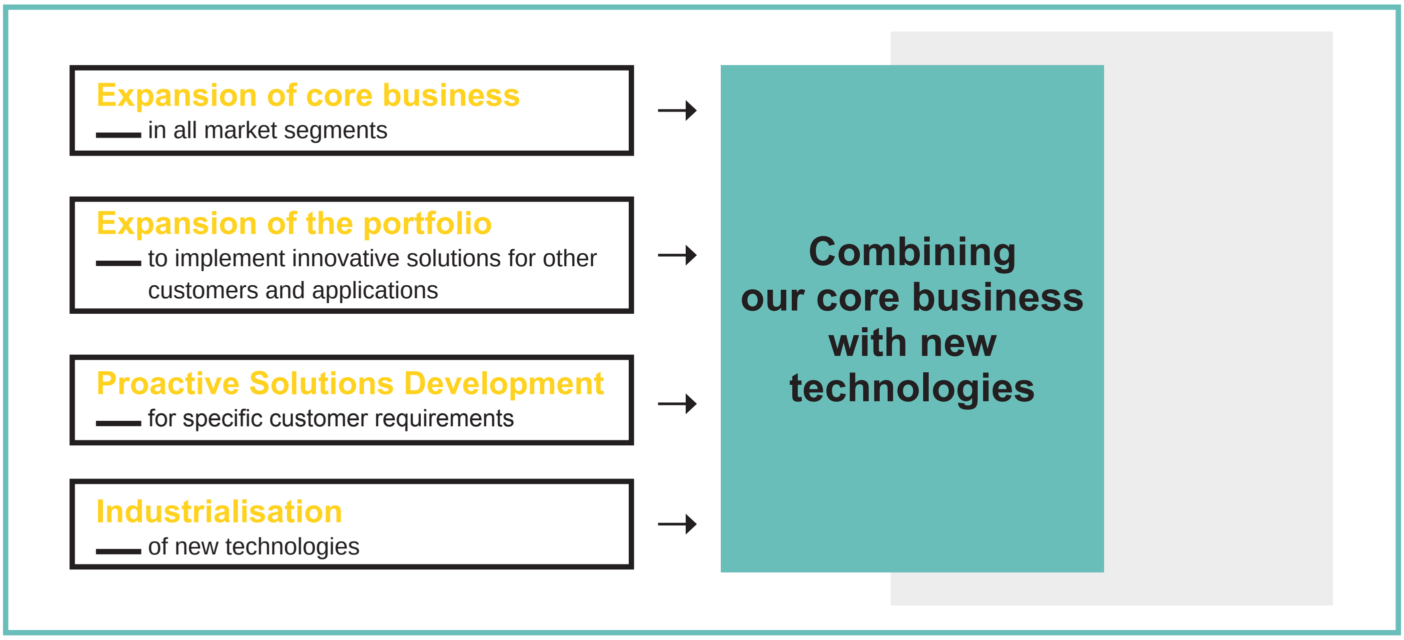
The increasing need for miniaturisation and functional integration further boosts the modularisation trend. This means more functionalities are covered within one sub-system by single or multiple chips or chiplets connected with each other. To address this need technology companies require advanced interconnect solutions, covering everything – from motherboard to module substrate to assembly and testing. This creates further opportunities for AT&S in the field of services and solutions.

TECHNOLOGICAL GROWTH DRIVERS

Increasing Value of Packaging for Integrated Circuit Performance

As progress in semiconductor development approaches the end of Moore's Law, increases in performance coupled with further miniaturisation require the support of advanced approaches to system integration. As a result, packaging is gaining in importance and increasingly determining the performance of the overall system. Ensuring miniaturisation ca-

"MORE THAN AT&S" – CORPORATE STRATEGY



pabilities while maintaining high signal quality by high speed and low loss interconnections is an integral part of this key element, making the significance of IC substrates in this system even higher. This on the one hand drives demand for advanced IC substrates and high-end printed circuit boards, and on the other hand importance of advanced packaging technologies development and of integration service.

HETEROGENEOUS INTEGRATION AND CHIPLETS

A constant trend away from a monolithic silicon solution – system on chip – and towards a disaggregated one, using so-called chiplets to leverage advantages of the various integrated circuit technologies within one miniaturised system, known as heterogeneous integration is gaining speed. Heterogeneous integration means connection of multiple chiplets, often produced using different technologies, into one system. This requires not only connection from the chip to PCB, but also the interconnection of the chiplets.

While there are many different ways to realise such connection, the dominant ones involve IC substrates. The substrates become larger and more complex, to accommodate all different interconnections needed. Thus heterogeneous packaging further drives increasing value-based growth in substrates and making them a more important part of the final integrated circuit.

STRATEGIC PRIORITIES BY PRODUCT FIELD

The key competencies of AT&S lie in high-end PCB and IC substrates technologies. These two fields remain the focus of our business. While in high-end PCBs we are leveraging scale effects and focusing on profitability, the IC substrates field is currently in the strong growth phase, where we focus on capacity expansion. Driven by the market and technology trends, AT&S addresses heterogeneous integration and modularisation with IC substrates and substrates like PCBs for modules in various market segments.

AT&S continuously evaluates growing opportunities within attractive markets. In addition to our strategic focus on our two main product groups – high-end PCB mainboards and IC substrates, we are gradually marketing embedded die/ECP technology and evaluating the further expansion of our technology portfolio in advanced electronics packaging. Though our market share is not yet substantial in this field, this segment is particularly promising, as the value of packaging in the overall electronics is increasing.

PRODUCT/ OFFER FIELD	STRATEGIC PRIORITIES
Mainboards and substrate-like PCBs	_ Focus on profitability and high-end applications _ Leveraging modularisation trend _ Technology leadership
IC substrates	_ Customer diversification _ Capacity and capability expansion through recently announced major investments _ Utilising window of opportunity and main market drivers
Advanced electronic packaging	_ Embedded die/ECP technology marketing _ Technology toolbox expansion _ Evaluation of strategic options for entrance into electronic packaging business as a service provider

REPORT OF THE SUPERVISORY BOARD

DEAR SHAREHOLDERS,

AT&S continued to pursue its successful growth course in the financial year 2021/22 despite the volatile market environment. We succeeded in significantly increasing both revenue and earnings once again and achieved record levels for both figures. This clearly proves that we are investing in the right markets as we continue to evolve. Revenue was at a record level of € 1,589.9 million (previous year: € 1,188.2 million), up 34%. Likewise, EBITDA reached an all-time high of € 349.5 million (previous year: € 245.7 million).

Profit for the year rose from € 47.4 million in the previous year to € 103.3 million due to the higher operating result.

ACTIVITIES OF THE SUPERVISORY BOARD

The Supervisory Board met ten times during the financial year 2021/22.

In the financial year 2021/22 the Supervisory Board performed the tasks for which it is responsible in accordance with the law, the Articles of Association and Rules of Procedure. During the financial year from 1 April 2021 to 31 March 2022, the Supervisory Board was regularly informed by the Management Board about the market situation, strategy, operating and financial position of the Group and its investments, staff situation and planned capital expenditures in plenary and committee meetings, as well as in comprehensive oral and written reports. The Supervisory Board made the respective decisions accordingly. At these meetings, there was a comprehensive exchange of information between the Management Board and the Supervisory Board about the business development and situation of the AT&S Group, including the financial performance. The Chairman of the Supervisory Board and his deputies, and subsequently also the full Supervisory Board, were regularly informed about relevant developments by the Management Board, also outside the framework of Supervisory Board meetings.

The activities of the Supervisory Board also focused on the preparation of the budget for the financial year 2022/23 and the further technological development. In the past financial year, the consulting activities and decisions of the Supervisory Board were also related to advancing the company's strategic development, which the Management Board coordinated with the Supervisory Board in detail on a regular basis, the expansion projects at the various production sites, in particular, the new construction project in Malaysia at the new site in Kulim, the continued expansion of the plant in Chongqing, the expansion of the plant in Leoben and the design of the Group's financing structure.

SUPERVISORY BOARD COMMITTEES

Within the Supervisory Board, the Audit Committee, the Nomination and Remuneration Committee as well as the Finance Committee, as standing committees, exercise certain tasks assigned to them through the Rules of Procedure of the Supervisory Board. The respective committees carried out detailed analyses of particular matters where necessary and reported their findings to the Supervisory Board:

The Audit Committee, consisting of Regina Prehofer (Chairwoman), Gertrude Tumpel-Gugerell (finance expert), Georg Riedl, Wolfgang Fleck and Günther Wölfler, focused primarily on the review of the annual and consolidated annual financial statements for the year ended 31 March 2021, and on planning and preparation for the audit of the annual and consolidated financial statements for the financial year 2021/22 and, in particular, the preparation of a proposal for the election of the statutory auditor. By means of discussions with the auditor, inspection of relevant documents and discussions with the Management Board, it obtained a comprehensive view. The Audit Committee also monitored the effectiveness of the company-wide internal control system and the Group's internal audit and risk management systems. The Audit Committee reported to the full Supervisory Board with respect to this monitoring and found no deficiencies. The Audit Committee convened three times in the past financial year.

In accordance with a decision made by the Supervisory Board, the members of the Nomination and Remuneration Committee are Georg Riedl (Chairman), Hermann Eul (Deputy Chairman), Robert Lasshofer, Wolfgang Fleck and Günther Wölfler. This committee held three meetings in the past financial year, which focused in particular on matters related to succession planning for the position of the CFO and the development of the remuneration policy of the Management Board members.

Hannes Androsch, Chairman of the Supervisory Board

The following Supervisory Board members were appointed members of the Finance Committee:

Hannes Androsch (Chairman), Regina Prehofer (Deputy Chairwoman), Robert Lasshofer, Georg Riedl, Wolfgang Fleck and Günther Wölfler.

The Finance Committee met five times during the financial year 2021/22 and discussed matters of general Group financing as well as project financing and has contributed significantly to general Group and project financing.

SELF-EVALUATION OF THE SUPERVISORY BOARD

The Supervisory Board carries out a self-evaluation annually, and did so again for the financial year 2021/22. This evaluation performed by the Supervisory Board based on a digital questionnaire confirmed that its practices meet the Good Governance requirements and that its organisation, work practices and target orientation are efficient and effective.

ANNUAL FINANCIAL STATEMENTS AND DIVIDEND

The Supervisory Board of AT&S proposed to the 27th Annual General Meeting that Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, be appointed Company and Group auditors for the financial year 2021/22. The proposal was approved by the Annual General Meeting of 8 July 2021.

The annual financial statements of AT&S Austria Technologie & Systemtechnik Aktiengesellschaft and the consolidated financial statements for the year ended 31 March 2022 were audited by Deloitte Audit Wirtschaftsprüfung GmbH, Vienna, and awarded an unqualified audit report. The Management Report and the Group Management Report for the financial year 2021/22 were consistent with the annual financial statements and the consolidated financial statements. Based on the prior discussions of the Audit Committee, and following its own detailed discussions and examination, the Supervisory Board approved the Company's annual financial statements for the year ended 31 March 2022 in accordance with Section 96 (4) of the Austrian Stock Corporation Act (AktG) at its meeting on 2 June 2022. With regard to the Non-financial Report, the Management Board obtained a statement by the auditor prior to the audit, which was submitted to the Supervisory Board. Moreover, based on the prior discussions of the Audit Committee, and after its own detailed consideration and examination, the Supervisory Board approved the consolidated financial statements drawn up in accordance with IFRS pursuant to Section 245a of the Austrian Commercial Code (UGB) as well as the Management Report, the Group Management Report, the Corporate Governance Report and the Non-financial Report. The Supervisory Board review, which included extensive discussions with the auditors, did not give rise to any objections. Pursuant to the recommendation of the Audit Committee, the Supervisory Board of AT&S will propose to the 28th Annual General Meeting that Deloitte Audit Wirtschaftsprüfung GmbH, Vienna, be appointed Company and Group auditors for the financial year 2022/23.

The Supervisory Board supports the proposal of the Management Board. It will be proposed to the Annual General Meeting that out of the total profit of € 57,800,790.14 a dividend of € 0.78 per no-par share outstanding on the payout date and entitled to dividend as well as a special dividend of € 0.12 due to the positive business development be distributed, and an amount of € 22,835,790.14 be carried forward.

ACKNOWLEDGEMENT

We would like to express our sincere gratitude to the Management Board and all employees for our success and the work that made it possible, as well as to our shareholders, loyal customers, reliable suppliers and the public sector for their support. We are convinced that together we will continue to advance the AT&S Group and lead it to further success!

On behalf of the Supervisory Board

Leoben-Hinterberg, 2 June 2022

Hannes Androsch m.p.
Chairman of the Supervisory Board

CONSOLIDATED CORPORATE GOVERNANCE REPORT

The Austrian Code of Corporate Governance (ACCG, as amended in January 2021) is a regulatory framework for stock corporations regarding the management and supervision of the company. The objective of the Code is the responsible management and control of enterprises and groups for the purposes of sustainable, long-term value creation. This is intended to achieve a high level of transparency for all stakeholders of the company. The Code is based on the provisions of Austrian company, stock exchange and capital market law, the EU recommendations regarding the responsibilities of supervisory board members and the remuneration of directors and the principles of the OECD Guidelines for Corporate Governance.

COMMITMENT TO THE AUSTRIAN CODE OF CORPORATE GOVERNANCE

AT&S Austria Technologie & Systemtechnik Aktiengesellschaft ("AT&S") has expressly committed to compliance with the rules of the Austrian Code of Corporate Governance (ACCG) since its admission to listing on the Vienna Stock Exchange on 20 May 2008. This Corporate Governance Report is based on the status of the Code as amended in January 2021. In key report items, matters of the entire Group are included, if necessary. The Corporate Governance Report was most recently audited by the auditor in 2021.

The Code can be accessed at **www.corporate-governance.at**.

As an internationally operating listed company, AT&S considers the responsible and sustainable management of the AT&S Group a fundamental prerequisite to achieving the corporate goal of a sustainable increase in company value considering ecological, social and economic aspects.

EXPLANATION OF DEVIATIONS (FROM C-RULES)

Based on the following explanations, AT&S ensures behaviour consistent with the Code in accordance with the ACCG:

C RULES 27 AND 27A AND ALL RELATED PROVISIONS

These rules were amended in the course of the review of the ACCG in December 2009 and came into force on 1 January 2010, whereby Rules 27 and 27a only applied to contracts concluded after 31 December 2009. C-Rules 27 and 27a were therefore not applicable with respect to the original agreement appointing Heinz Moitzi (member of the Management Board until the expiry of 31 May 2021) to the Management Board as of 1 April 2005 and were also not applied in full when that agreement was extended by the Supervisory Board in 2016. Overall, it was ensured in drawing up the Management Board contracts that existing contracts would not be interfered with and Management Board contracts concluded at a later time would also be consistent with the relevant regulations regarding remuneration. The following deviations regarding the Management Board contracts in the reporting period require explanation:

A long-term incentive programme ("LTI programme") for the Management Board and key staff was implemented by resolution of the Supervisory Board on 3 July 2014 based on stock appreciation rights ("SAR"). The Management Board and Supervisory Board work continuously to increase the performance of the AT&S Group with respect to non-financial targets and cooperate closely regarding the long-term development of the company. However, in order to maintain the transparency and traceability of target achievement as it relates to variable long-term remuneration, no fixed non-financial criteria for remuneration are stipulated under the long-term incentive programme. This LTI programme was continued essentially unchanged for the period from 2017 to 2019 and the year 2020 and extended for the period from 2021 to 2023. Details regarding the LTI programme can be found in the Remuneration Policy and the Remuneration Report, which can be viewed on the company's website upon presentation to the Annual General Meeting.

The variable remuneration of the Management Board (not in the form of SAR) is currently dependent on the achievement of three performance indicators defined in the budget for the respective financial year: return on capital employed (ROCE) with a weighting of 80%, as well as Renewable Energy Share (RES) and the Vitality Index with a weighting of 10% each.

The key figure RES reflects the company's commitment to sustainability and also takes account of external stakeholders' growing interest in incorporating environmental sustainability goals in corporate management. The inclusion of the Vitality Index is of major importance in giving variable remuneration a long-term focus because innovation strength – the development of new technologies, products or product properties – is a crucial factor for the future business success of the Group. It can also be measured reliably. The Vitality Index represents the share of total revenue generated from technologically innovative products introduced in the past three years. The three-year reference period provides a long-term component of variable remuneration.

The combination of short-term and long-term incentive programmes promotes the desired long-term, sustainable steering effect over several years while at the same time accentuating the targeted dynamic company growth.

Management Board members are contractually entitled to termination benefits in accordance with the Salaried Employees Act, applied mutatis mutandis ("old system for severance pay"), if their appointments are terminated. As a result, severance payments may exceed the amount of two annual remunerations in exceptional cases. The same could also apply in the event of a premature termination of a Management Board member's appointment by the respective Board member for reasonable cause, or where the function becomes obsolete for legal reasons.

The contracts of all members of the Management Board include a "Change of Control" clause, which defines the benefits related to the termination of the Management Board appointment as a result of a change of control. A change of control exists in the event that a shareholder has obtained control of the company in accordance with Section 22 of the Austrian Takeover Act (ÜbG), or the company has been merged with a non-Group legal entity, unless the value of the other legal entity amounts to less than 50% of the value of the company according to the agreed exchange ratio.

In the event of a change of control, the Management Board member is entitled to resign for good cause and to terminate the Management Board contract within a defined period of time ("special termination right"). If the special termination right is exercised or the Management Board contract is terminated by mutual agreement within six months of the change of control, the Management Board member is entitled to the payment of his/her remuneration entitlements for the remaining term of this contract, however, for a maximum of three annual gross salaries. Other remuneration components shall not be included in the calculation of the amount of the severance payment and shall be excluded from it. If a termination benefit has been agreed in the Management Board contract, the Management Board member is also entitled to this termination benefit in the event the special termination right is exercised or the Management Board contract is terminated by mutual consent in the event of a change of control. Beyond that, there are no entitlements. The agreement of such a contract clause is considered market standard by the Nomination and Remuneration Committee and serves to ensure that Management Board members exercise their tasks in the best interests of the company in such situations.

C-RULE 43

The Nomination and Remuneration Committee is chaired by Mr Riedl, Deputy Chairman of the Supervisory Board. In view of Mr Riedl's expertise as a practising lawyer in the field of drawing up contracts and his intensive work related to topics of management board remuneration and the relevant experience of the other members of the Nomination and Remuneration Committee, the required membership of the Chairman of the Supervisory Board in this committee was dispensed with when appointing members to this committee.

MANAGEMENT BOARD

AT&S AG MANAGEMENT BOARD

	ASSIGNED GROUP FUNCTIONS	INTERIM SINCE OCTOBER 2021	DATE OF FIRST APPOINTMENT	END OF CURRENT APPOINTMENT
Andreas Gerstenmayer, CEO born 1965	Strategy, M&A; Public Relations, Communication, Corporate Affairs; IT, Digital Transformation; Human Resources; Research & Development, Innovation; Advanced Interconnect Solution Services; Corporate Social Responsibility	Controlling; Accounting & Finance; Legal Affairs & Compliance; Internal Audit	01/02/2010	31/05/2026
Simone Faath, CFO born 1966	Controlling; Accounting & Finance; Investor Relations; Legal Affairs & Compliance; Internal Audit		01/11/2020	25/10/2021
Peter Schneider, CSO born 1970	Global Sales, Sales Regions; Business Unit Sales, Business Lines, Business Development; Marketing; Market Intelligence	Investor Relations	01/06/2021	31/03/2024
Heinz Moitzi, CTO born 1956	Research & Development; Corporate Social Responsibility; Advanced Interconnect Solution Services		01/04/2005	31/05/2021
Ingolf Schröder, COO born 1972	Business & Operational Excellence; Business Continuity Management; Maintenance; Production; Quality; Security; EHS; Global Supply Chain; Purchasing		01/09/2020	31/08/2025

COMPOSITION, WORKING PRACTICES AND ORGANISATION

As of 31 March 2022, the Management Board consisted of Andreas Gerstenmayer as CEO and Interim CFO, Peter Schneider as CSO and Ingolf Schröder as COO.

As a collective executive body, the Management Board is jointly responsible for the management of the company. In addition to the collective responsibility, each Management Board member is also responsible for defined areas of business. The assigned corporate functions are shown in the table.

COMPOSITION OF THE SUPERVISORY BOARD

AT&S AG SUPERVISORY BOARD

	DATE OF FIRST APPOINTMENT	END OF CURRENT APPOINTMENT	MEMBERSHIP OF OTHER SUPERVISORY BOARDS	INDEPENDENT ACCORDING TO ACCG RULE
Hannes Androsch Chairman of the Supervisory Board born 1938	30/09/1995	31st AGM 2025	–	–
Regina Prehofer First Deputy Chairwoman of the Supervisory Board born 1956	07/07/2011	30th AGM 2024	Member of the Supervisory Board of Wienerberger AG, Vienna, Austria	53, 54
Georg Riedl Second Deputy Chairman of the Supervisory Board born 1959	28/05/1999	30th AGM 2024	–	53
Gertrude Tumpel-Gugerell Member of the Supervisory Board born 1952	04/07/2019	30th AGM 2024	Member of the Supervisory Board of Vienna Insurance Group AG, Vienna, Austria Member of the Supervisory Board of OMV AG, Vienna, Austria Member of the Supervisory Board of Commerzbank AG, Frankfurt, Germany	53, 54
Robert Lasshofer Member of the Supervisory Board born 1957	09/07/2020	31st AGM 2025	Member of the Supervisory Board of Vienna Insurance Group AG, Vienna, Austria	53, 54
Georg Hansis Member of the Supervisory Board born 1973	09/07/2020	31st AGM 2025	–	53
Hermann Eul Member of the Supervisory Board born 1959	09/07/2020	31st AGM 2025	Member of the Supervisory Board of Knowles Corporation, Itasca, USA	53, 54
Karin Schaupp Member of the Supervisory Board born 1950	07/07/2011	30th AGM 2024	–	53, 54
Lars Reger Member of the Supervisory Board born 1970	09/07/2020	31st AGM 2025	–	53, 54
Wolfgang Fleck Member of the Supervisory Board born 1962	03/09/2008	–	–	n. a.
Günter Pint Member of the Supervisory Board born 1976	19/09/2017	–	–	n. a.
Siegfried Trauch Member of the Supervisory Board born 1960	28/01/2016	–	–	n. a.
Günther Wölfler Member of the Supervisory Board born 1960	10/06/2009	–	–	n. a.

The Supervisory Board monitors and supervises management, and is responsible for decisions that are of fundamental importance to, or involve the strategic focus of, the Group.

Throughout the financial year from 1 April 2021 to 31 March 2022, the Supervisory Board received written and oral reports from the Management Board on the Group's policies and performance, and was closely involved in all business issues. The Supervisory Board met ten times during the financial year 2021/22.

At these meetings, the Management Board and the Supervisory Board discussed the economic position of the AT&S Group in detail. The Management Board comprehensively informed the Chairman of the Supervisory Board or his Deputy, also between Supervisory Board meetings, and the Supervisory Board as part of the Group's ongoing reporting process and at all board meetings, of the Group's operating and financial position, and of its investments in other companies, the staff situation and planned capital expenditures. In the past financial year, discussions and decisions of the Supervisory Board addressed, in particular, the Group's future strategic development and the ongoing development in the capacity expansion for IC substrates as well as the optimisation of Group financing.

The Supervisory Board annually carries out a self-evaluation in accordance with Rule 36 of the Code of Corporate Governance, and did so again for the financial year 2021/22. This evaluation performed by the Supervisory Board based on a digital questionnaire confirmed that its practices meet the Good Governance requirements and that its organisation, work practices and target orientation are efficient and effective.

INDEPENDENCE OF SUPERVISORY BOARD MEMBERS

In accordance with C-Rule 53 of the ACCG, the Supervisory Board has established the following criteria to be used in determining the independence of its members: Supervisory Board members are to be regarded as independent if they have no business or personal relationships with the company or its Management Board which could be cause for material conflicts of interest and therefore liable to influence the behaviour of the member in question. The detailed criteria for the assessment of a Supervisory Board member are defined in the Rules of Procedure of the Supervisory Board, Appendix 1: Criteria of independence of the AT&S Supervisory Board. The Rules of Procedure of the Supervisory Board can be viewed at **www.ats.net/company/supervisory-board/**.

In March 2022, the members of the Supervisory Board appointed by the Annual General Meeting each declared in writing whether they were independent as determined by the above criteria. Eight of the nine members of the Supervisory Board representing shareholder interests declared that they were independent. Mr Androsch declared that he was not independent.

C-Rule 54 specifies that, for companies with a free float in excess of 50%, at least two Supervisory Board members who are independent in accordance with C-Rule 53 should also not be shareholders with interests in excess of 10%, or representatives of such interests. Six of nine Supervisory Board members representing shareholder interests declared themselves independent within the meaning of this rule.

DIVERSITY

When selecting members of the Supervisory Board, the focus is on expertise and management experience. Diversity is also a consideration in its composition. Currently, three members of the Supervisory Board are women, representing a proportion of female members of 23%, a value below the average of listed Austrian companies. The company strives to further raise this percentage in accordance with legal requirements. The age of Supervisory Board members ranges from 44 to 83 years on 31 March 2022. All members of the Supervisory Board representing shareholder interests have extensive experience in international business. In the financial year 2017/18, a diversity concept was prepared, which is continuously being developed further. Details regarding the diversity concept and the advancement of women in leadership roles are provided in the chapter “Decent work” in the non-financial report.

RELATED PARTY TRANSACTIONS

In connection with various projects, the Group obtained services totalling € 363 thousand (previous year: € 365 thousand) from AIC Androsch International Management Consulting GmbH, where Chairman of the Supervisory Board Hannes Androsch has full authority to act on behalf of the company as its Managing Director.

COMMITTEES

In order to provide effective support and to properly address complex technical matters, the Supervisory Board has established three permanent committees for detailed analysis of particular issues and regular reporting to the Supervisory Board.

Audit Committee

In the reporting year, the Audit Committee consisted of:

- Regina Prehofer (Chairwoman)
- Gertrude Tumpel-Gugerell (Finance expert)
- Georg Riedl
- Wolfgang Fleck
- Günther Wölfler

The Audit Committee monitors the accounting process and the work of the statutory auditor, monitors and reviews the statutory auditor's independence, reviews the preparation and audit of the annual financial statements and reviews the proposed distribution of profits, the Management Report and the Corporate Governance Report as well as other reports and declarations to be presented as part of the preparation of the annual financial statements. The committee is responsible for reporting on the results of its reviews to the Supervisory Board. The Audit Committee also carries out preparatory work for the Supervisory Board on all issues in connection with the audit of the consolidated financial statements, consolidated management report and the consolidated accounting process. It also submits a proposal for the appointment of the statutory auditors and reports on this matter to the Supervisory Board. The Audit Committee is responsible for monitoring the effectiveness of the Group-wide internal control system and the Group's internal audit and risk management systems. The Audit Committee convened three times in the financial year 2021/22. Its activities focused on the discussion and reviews of the annual and consolidated financial statements as of 31 March 2021, the planning and preparation of the audit of the annual and consolidated financial statements for the financial year 2021/22, the preparation of a proposal for the election of the statutory auditor as well as the discussion of the risk management, internal control and internal audit systems.

Nomination and Remuneration Committee

This committee consisted of the following members:

- Georg Riedl (Chairman)
- Hermann Eul
- Robert Lasshofer
- Wolfgang Fleck
- Günther Wölfler

The Nomination and Remuneration Committee submits proposals to the Supervisory Board for appointments to fill vacancies on the Management Board whenever necessary. It deals with succession planning issues and the remuneration of Management Board members. All of the committee members representing shareholders possess knowledge of and experience in the area of remuneration policies. The Nomination and Remuneration Committee is also authorised to make decisions in urgent cases. This committee met five times in the financial year 2021/22, which focused in particular on matters related to succession planning for the position of the CFO and the development of the remuneration policy of the Management Board members.

Finance Committee

A Finance Committee has been established to address the complex and specific tasks of financing as efficiently as possible. The members of the Finance Committee are:

- Hannes Androsch (Chairman)
- Regina Prehofer (Deputy Chairwoman)
- Robert Lasshofer
- Georg Riedl
- Wolfgang Fleck
- Günther Wölfler

The Finance Committee met five times in the financial year 2021/22 and discussed matters of general Group financing as well as project financing.

DIRECTORS' DEALINGS

Purchases and sales carried out by members of the Management Board, the Supervisory Board and related persons are reported to the Financial Market Authority in accordance with Art. 19 of Regulation (EU) No. 596/2014 and published via an EU-wide disclosure system as well as on the AT&S website, **www.ats.net/company/corporate-governance/directors-dealings/**.

NON-FINANCIAL REPORT

STATEMENT OF THE MANAGEMENT BOARD

An exciting year lies behind us. The COVID-19 pandemic is still keeping us in suspense. In addition, we are faced with a challenging geopolitical situation, which is further aggravated by the war in Ukraine. In this environment full of uncertainty, AT&S is making history and pursuing an extensive growth strategy.

Sustainable thinking and action constitute a significant part of this expansion and our transformation towards a high-end interconnect solution provider. We are proud of the success we have achieved so far, such as sustainability prizes and awards; however, we are aware that as we keep growing, so does our responsibility. The areas in which we are challenged as an innovative company with a clear commitment to sustainability and social responsibility are steadily expanding. Our core topics, climate protection and circular economy, decent work as well as a sustainable supply chain, are becoming ever more important. The number of ESG (environment, social, governance) laws and regulations is rising continuously. Even though the standard of our operating activities exceeds statutory requirements by far, it is our responsibility to meet our reporting obligations. Against this background, we meet the obligations resulting from the EU Taxonomy Regulation in this report and keep the information provided to the legally required minimum.

Stable and successful companies committed to resource conservation in their business activities play a key role in accomplishing the climate goals. Implementing a wide range of measures, we show that we are taking this commitment seriously. For example, AT&S has committed to the Science Based Targets initiative. Consequently, the strategic fields of action were restructured in the past year, and a separate field of action was assigned to energy and decarbonisation. In addition, the share of renewable energies has been a component in the calculation of performance-based remuneration since the financial year 2021/22.

RATED BY*

* **You can find the full list, including details of the assessments, on our website.**

AT&S continuously works on the integration of climate-related information in accordance with the EU guidelines on reporting climate-related information and the Task Force on Climate-related Financial Disclosures (TCFD). This report has been prepared in partial compliance with the standards of the Global Reporting Initiative (GRI). The specific contents of the GRI Standard that have been applied are listed in the GRI Index at the end of the non-financial report. In this report, AT&S complies with the reporting obligation pursuant to the Sustainability and Diversity Improvement Act (NaDiVeG, section 243b and section 267a of the Austrian Commercial Code, UGB) for the Group as a whole and for Austria Technologie und Systemtechnik Aktiengesellschaft (in the following referred to as “the company”).

AT&S’s restructured strategic fields of action derive from the sustainability strategy. Material topics including a management concept, due diligence processes and key figures are allocated to them. The objective of this report is to give the stakeholders of the AT&S Group transparent access to all ESG-relevant information as well as an overview of the main activities.

Strong global partnerships with our stakeholders represent a central element in successfully moving forward on our path during these challenging times: joint expansion projects with our customers, reliable supplier relationships during the pandemic and – not least – employees on whom we can depend every single day in a tense geopolitical situation.

We are aware that our growth and the related challenges as well as external circumstances place enormous demands on our employees. They are currently achieving great things. We thank all our employees for their untiring commitment and dedication. Without them, our success would not be possible.

Our partners also include the representatives of all global frameworks to which we are committed, such as the Sustainable Development Goals (SDGs) of the United Nations, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights, the International Labour Organization (ILO), the UN Global Compact, the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI).

Finally, we look ahead to the future. Our transformation has only just begun. Shaping an innovative future and technological progress will only be possible in compliance with the ESG criteria. To this end, we build strong partnerships and look forward to overcoming future challenges together.

WHAT WE STAND FOR

RBA
(Responsible Business Alliance)

ILO
(International Labour Organization)

RMI
(Responsible Minerals Initiative)

SDGs
(Sustainable Development Goals)

OECD
Guidelines

ISO
(International Organization for Standardization)

UNGC
(United Nations Global Compact)

OUR GOALS

80%
renewable energies by
2025

Decarbonisation of all AT&S production facilities by
2030

With
equal opportunities
and equal treatmet to a diverse workforce

Life cycle assessments
at product group level

Stronger
partnerships with suppliers

BE PART OF THE PROGRESS.

WHAT WE ARE PROUD OF

55.7%
renewable energies

100%
Code of Conduct signed by all key suppliers

35%
proportion of female employees

Life cycle assessment
of copper recycling project

Strong
crisis management during the COVID-19 pandemic

Signed the
Diversity
Charter

High standards
in the areas of environment, energy, quality, occupational health & safety

BE PART OF THE PROGRESS.

EMBEDDING AND MANAGING SUSTAINABILITY

GROWTH STRATEGY BRINGS MORE RESPONSIBILITY

AT&S has achieved a globally leading position in the microelectronics industry with the production of high-end printed circuit boards, substrates and modules. In addition to the existing production sites in Austria, China, India and South Korea, the company will also manufacture high-end substrates for high-performance processors at the new site in Malaysia in the future. The establishment of the AT&S R&D Center in Leoben will turn this location into a hotspot of the microelectronics technology in Europe in the years to come.

We are aware that this ambitious growth strategy also involves growing responsibility: towards all our stakeholders on the one hand and towards the environment and future generations on the other. This responsibility is a key factor in the expansion and further development of our sustainability strategy. Conversely, all our business activities already follow clear ESG criteria and are in line with our sustainability goals.

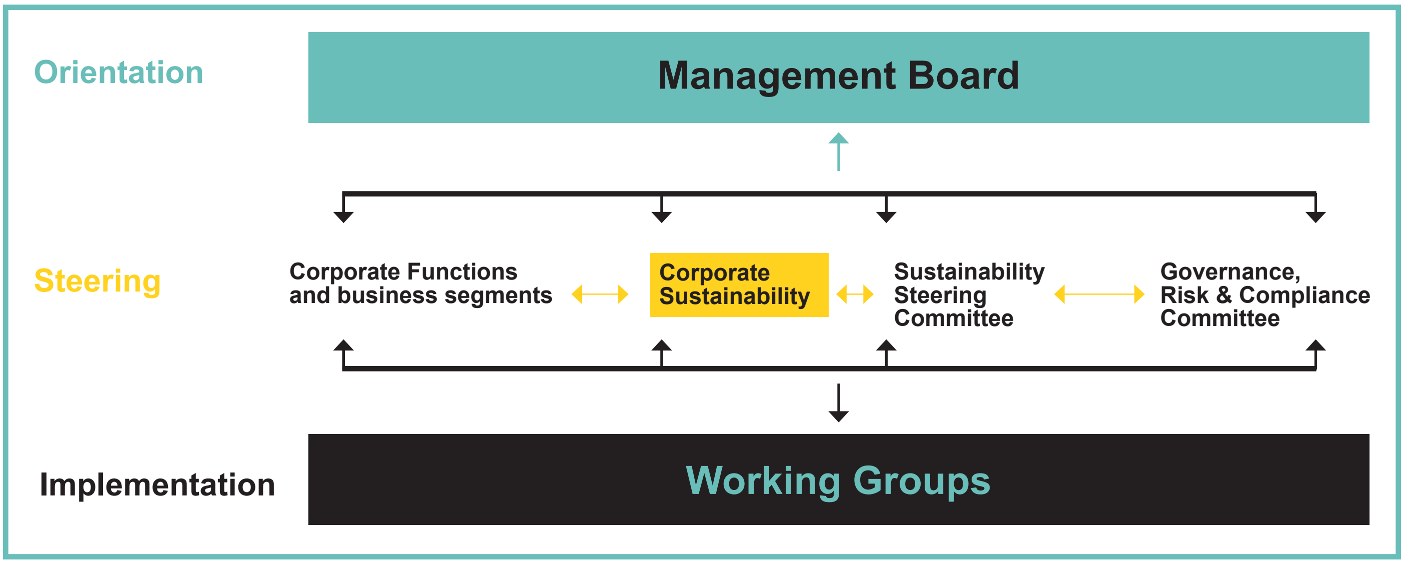
Based on a resource-friendly, conscious orientation in our business activities, we take responsibility for future generations in the long term and create stability and certainty for all relevant stakeholders. The expansion projects in Malaysia and Leoben will lead to a significant increase in the number of staff. In the financial year 2021/22 AT&S employed an annual average of 13,046 people (full-time equivalents) across all locations including sales companies.

SUSTAINABILITY – A MATTER FOR TOP MANAGEMENT

Sustainability in all its dimensions is a guideline for the company and aims to incorporate social, environmental and economic factors in all processes and decisions. The AT&S Corporate Sustainability team reports directly to the company's CEO and is represented in important governing bodies.

The central responsibilities of the AT&S Corporate Sustainability team include the development of the AT&S sustainability strategy, the coordination of the sustainability agenda as well as internal and external communication. This is coordinated

MANAGEMENT STRUCTURE



with the Management Board, the segments and relevant corporate functions at meetings of governing bodies held at regular intervals, and aims to secure the future success of the company.

HIGH STANDARDS FORM THE BASIS

AT&S attaches great importance to highest management standards in all areas in order to optimally pursue its own sustainability goals and those of the stakeholders. The following table shows certifications and standards which cover the areas of quality, environment, occupational safety and data security, address the needs of customers and are established at the respective production sites. Regarding the plant in Malaysia, which is currently in the construction phase, the plan is to apply the ISO standards already in place at all AT&S locations in a first stage.

AWARDS AND PRIZES CONFIRM OUR SUSTAINABILITY ENGAGEMENT

In the financial year 2021/22 AT&S was recognised with 17 awards and prizes by different stakeholder groups. This confirms our commitment to maintaining production, environmental, quality and social standards at the highest level.

The recognitions include environmental awards such as the “Environment Protection Credible Enterprise” prize, which AT&S Chongqing received for the fifth consecutive time.

In addition, our long-standing sustainability efforts were recognised with the Gold Status of EcoVadis. The ratings by ESG rating agencies for the most part exceed the industry average. For current details on this material aspect please visit our website.

STANDARDS AND CERTIFICATES

CERTIFICATION	DESCRIPTION	LEOBEN	FEHRING	NANJANGUD	ANSAN	SHANGHAI	CHONGQING
ISO 9001:2015	Certification of quality management systems to prove high quality standards of products	X	X	X	X	X	X
EN 9100:2018	European quality standard for the aerospace industry	X	X				
DS/EN ISO 13485:2016	International quality standard for the design and production of medical devices	X	X				
DIN EN ISO 50001:2018	International standard for energy management to increase energy efficiency	X	X	X			
ISO 45001: 2018	Standard for the management of occupational health and safety to minimise risks and increase productivity	X	X	X	X	X	X
ISO 14001:2015	Global standard for environmental management systems, to optimise processes, reduce costs and minimise risks	X	X	X	X	X	X
IATF 16949:2016	Globally recognised standard in automotive industry	X	X	X	X	X	
ISO/IEC 27001:2013	International standard for information security	X	X	X		X	X
NADCAP Accreditation	Accreditation for a uniform quality standard in the aerospace industry to harmonise production and audit processes of aircraft components	X					
AEO Certificate	Authorised Economic Operator of the European Union	X	X				
UL Listing	Standard to ensure electrical and mechanical safety of electronic components	X	X	X	X	X	X
Sony Green Partner Certificate	“Green Partner Environmental Quality Approval System” for cross-company cooperation for the manufacturing of sustainable products	X	X			X	
IECQ QC 080000:2017	International Technical Specification for Process Management of Hazardous Substances					X	
ANSI/ESD S20.20-2014	Electrostatic discharge standard					X	
IPC-QL-653 standard	Certification of Facilities that Inspect/Test Printed Boards, Components and Materials	X					

Sustainable management is an increasingly important criterion for the capital market

The great importance of sustainability for the capital market is not only reflected in the EU Taxonomy and the relevance of ESG ratings. AT&S can also point to an excellent performance on the stock exchange. As a result, the company achieved a top 3 position in the category ATX of the Vienna Stock Exchange Award 2021. Moreover, AT&S was once again included in VÖNIX, the sustainability benchmark on the Austrian stock market. This index comprises companies listed on the Vienna Stock Exchange which are leaders in terms of ecological and social achievements.

SUSTAINABILITY STRATEGY 2.0

Sustainable management means continuously adapting to changing conditions. As part of the integrated ESG strategy process, the influencing factors were analysed again in the financial year 2021/22 in order to update the AT&S sustainability strategy. The AT&S corporate strategy, the Sustainable Development Goals of the United Nations (SDGs), the AT&S ESG opportunities and risk management, global megatrends and legal requirements as well as frameworks were incorporated in the resulting scenario development and definition of corporate goals. The materiality analysis conducted in 2018/19 and the associated stakeholder survey were also taken into account. In this process, particular importance was attached to the integration of the needs and perspectives of all significant stakeholder groups such as employees, customers, suppliers and shareholders.

Since ESG requirements are highly dynamic, we are planning to revise the materiality matrix in the current financial year. The sustainability strategy equally takes into account the current ESG requirements of our key customers and a peer, market and supplier review as well as ideas and inputs of our employees in the field of sustainability.

Our contribution to the UN Sustainable Development Goals (SDGs)

In September 2015, the Agenda 2030 for Sustainable Development was adopted by all UN member states, explicitly holding industrialised countries accountable. Since the Sustainable Development Goals can only be implemented with the help of companies worldwide, AT&S already assessed the 17 SDGs and their 169 subgoals in the financial year 2019/20.

WE FOLLOW

The SDGs that guide us

This assessment was updated in the financial year 2021/22 in the course of the strategy process. The SDGs reflected in the measures and programmes of the AT&S sustainability strategy and where AT&S actively contributes to achieve these goals were defined as relevant. In the assessment process, SDGs 8, 12 and 17 were rated central and SDGs 4, 6, 7, 9, 10 and 16 relevant. The main change was the replacement of SDG 13 by SDG 7.

A detailed analysis of the subgoals showed that our activities within the energy strategy address affordable and clean energy (SDG 7) to a greater extent than climate protection measures (SDG 13).

We present new strategic fields of action

The following fields of action can be derived from the strategy process: Decarbonisation, Circular Economy, Decent Work and Sustainable Value Chain & Business Ethics.

The main change was that the strategic field of action Environment and Resources was specified in greater detail and split into Decarbonisation and Circular Economy. As a result, one field of activity focuses exclusively on energy and decarbonisation. This underlines the topicality and urgency for all stakeholders and gives the topic adequate significance.

Under Circular Economy we subsume all activities aimed at resource efficiency in the areas of water, waste and waste prevention.

Since sustainability is now firmly embedded in nearly all R&D and innovation strategies and included in all ESG areas, Sustainable Innovation is no longer considered a strategic field of action.

Clear and ambitions goals were defined for every field of action, which are implemented based on concrete measures. The target achievement level is transparently managed and controlled. As a result, negative impacts of AT&S's business activities on the NaDiVeG issues can be minimised and synergies can be optimally captured.

The following sections provide details on the qualitative and quantitative targets, the management concepts, due diligence processes and indicators as well as the connection to the SDGs. The structure of the report is based on the strategic fields of activity to which the material topics are allocated. The Decarbonisation and Circular Economy fields are summarised in one chapter. The new structuring of the fields of activity enables an unambiguous allocation.

As a leading provider of high-end interconnect solutions, AT&S combines the different interests of business, ecology and social development with this holistic and future-oriented mindset, while at the same time creating added value for the company.

ESG OPPORTUNITIES AND RISK MANAGEMENT

Non-financial opportunities and risk management was integrated into the Group-wide risk management in the financial year 2019/20 and serves as a basis for the AT&S sustainability strategy. Material ESG risks were again identified this year, allocated to the existing risk categories and assessed for AT&S and for the business environment in a five-year horizon.

We integrate the TCFD recommendations where they represent an added value for the company and our stakeholders. Both physical – acute and chronic – and transitory climate-related risks are part of risk assessment and directly influence the sustainability strategy. Risks for operating activities are included in the allocated category of Group-wide risk management.

An overview of non-financial opportunities and risks for the business environment including risk categories, mitigation measures and allocation of the issues is shown in the following table. For details on the risk categories and explanations regarding the risk levels and risk management please refer to the Group Management Report, section "Opportunities and Risks". Details regarding ESG risk management including a process description for risk identification can be found in the Annual Report 2019/20.

In accordance with our risk categories, climate-related risks are operational risks or risks relevant to the environment. The AT&S energy strategy and the related ambitious decarbonisation goals contain effective measures to counter climate-related risks. Details regarding the measures and key figures are provided in the section Decarbonisation and Circular Economy.

Material risks are risks which are rated at a risk level of four or higher before mitigation measures over the next five years and are caused directly by the operating activities of AT&S, its supply chain or its products.

The main change is that the risk of the application of AT&S products in unethical applications was rated at a risk level of less than four in the financial year 2021/22. This results from the establishment of the corresponding mitigation measures over the past years, for example a compliance statement by our customers. In contrast, the risk of global warming was rated at risk level 4 this year and therefore represents a material risk.

Other relevant risks include the disruption of operations due to pandemics, occupational accidents, extreme weather events and corruption. These risks were either classified at a risk level below four in the risk assessment process since the mitigation measures implemented are very well established within the company. As a result, both the probability of occurrence and the expected effects on the company and its environment are reduced. Or they are not within the direct sphere of influence of AT&S.

RESPONSIBILITY ALONG THE ENTIRE VALUE CHAIN

As a provider of high-end interconnect solutions, AT&S continuously works on minimising the impact of and risks resulting from its business activities on the environment and society along the entire value chain. We consider it our responsibility to extend the AT&S standards in all ESG areas to our partners as far as possible, even though our influence on the upstream and downstream processes is limited.

MATERIAL RISKS	RISK CATEGORY	MITIGATION	OPPORTUNITIES	NADIVEG ISSUES
Lack of employee retention, discrimination and lack of diversity	ORGANISATION	Training on anti-discrimination and Code of Conduct, inclusive recruiting process, targeted employer branding measures, evaluation and adaption of remuneration strategy, investment in leadership & culture	Strong cohesion, loyalty of staff, diversity, increase in employee motivation, low attrition and prevention of "brain drain", higher creativity and innovative strength, integrated approach to employee engagement	Employee issues, social issues, respect for human rights
Global warming	ENVIRONMENT	Energy strategy, employee sensitisation and training	Cost reduction, climate-resilient business model, industry benchmark, image improvement	Environmental issues, social issues
Non-compliance with ESG-relevant requirements	PROCUREMENT	Suppler Code of Conduct, clear processes for careful selection of suppliers, supplier audits, commitment to RBA & RMI	Protection of human rights, image improvement, increased attractiveness of the company for sustainable financing, avoidance of support of armed conflicts, increased employee motivation	Social issues, employee issues, environmental issues, respect for human rights
OTHER RELEVANT RISKS	**RISK CATEGORY**	**MITIGATION**	**OPPORTUNITIES**	**NADIVEG ISSUES**
Disruption of operations/ pandemics	OPERATIONAL	Business continuity management, ISO 45001, highest safety standards, COVID-19 task forces at all production sites	Image improvement, strong crisis management, strong cohesion and loyalty of staff	Employee issues, social issues
Occupational accidents	OPERATIONAL	OHSAS 18001/ISO 45001, protective clothing, handling of dangerous goods, training	Increased employee motivation, low fluctuation	Employee issues
Extreme weather events, natural disasters	ENVIRONMENT	Business continuity management, ISO 45001, employee sensitisation and training	Strong cohesion, loyalty of staff, stronger adaptability	Environmental issues, social issues
Corruption and unethical behaviour	ORGANISATION	Code of Conduct, anti-corruption guideline, capital market compliance, training, GRC committee	Image improvement, trustful partnerships, competitive advantage	Employee issues, combating corruption and bribery

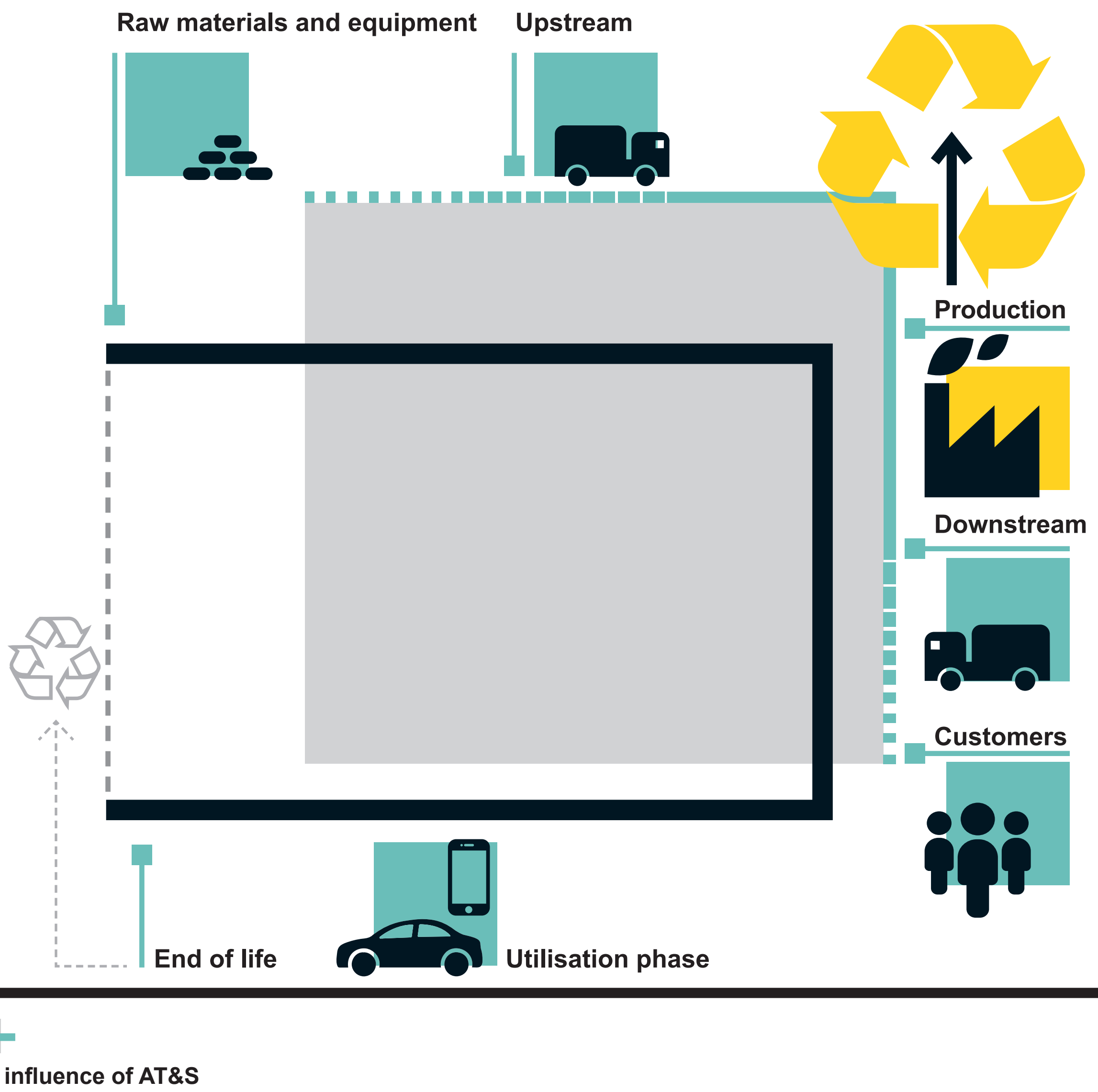
Integrated approach to the entire value chain

AT&S relies on intensive collaboration and joint innovation work with all partners along the entire value chain. This way, smart products, which are made using and processing all raw materials efficiently, create added value for all customers.

Upstream processes are related to the procurement and transport of the materials which are applied in production. The most important raw materials include copper, gold, laminates and chemicals. In addition to quality and availability, the focus is above all on the extraction processes and sustainable sourcing practices.

When it comes to transport, we rely on dependable partners who commit to our Code of Conduct and our high standards.

VALUE CREATION PROCESS



Until the start of production, all materials are stored in accordance with regulations to meet the quality standards. Since the company uses a large number of wet chemical processes, the highest consumption values in production are attributable to the use of energy and water. We strive to maintain consumption as low as possible based on technology innovation and efficiency measures.

Prevention and responsible disposal of waste

Where useful and possible, cycles are closed through in-house recycling processes. At the same time, we try to prevent waste in advance. Depending on their type and classification, other waste materials are transferred to disposal companies and either recycled or disposed of. AT&S products are appropriately packaged and shipped to customers. Since AT&S has no influence on the disposal of the finished products at the end of their life cycle, we call on the end users to act responsibly in this respect.

MAINLY CAPEX EU TAXONOMY-ELIGIBLE

The EU has published requirements for sustainable business activities by means of the EU Taxonomy Regulation, which entered into force in 2020. Currently, these have been defined for two of the six environmental goals (climate change mitigation and climate change adaptation). Therefore, the proportion of taxonomy-eligible economic activities of turnover as well as capital and operating expenditure must be disclosed for the first time for the reporting period 2021/22; the key figures published refer to a full analysis of the economic activities of the environmental goal “substantial contribution to climate change mitigation”. In principle, all fully consolidated Group companies are included in this analysis. In accordance with Art 8 paragraph 1 of the Taxonomy Regulation, AT&S is required to apply the regulation.

At present, not all economic activities are covered by EU legislation yet. This also applies to AT&S’s core business activity; consequently, only a small part of turnover can be shown as taxonomy-eligible. However, due to the continuous further development of the legislation, the list of activities classified as taxonomy-eligible is expected to be extended. First drafts have already been published.

The indicator turnover is based on the ratio of turnover from taxonomy-eligible economic activities to total turnover, with total turnover corresponding to the revenue presented in the consolidated statement of profit or loss (see consolidated financial statements). In the financial year 2021/22, 0.2% of turnover was generated with taxonomy-eligible economic activities as defined in the current version of the legislation. These are classified as taxonomy-eligible based on the economic activities 3.1. “Manufacture of renewable energy technologies”, 3.3. “Manufacture of low carbon technologies for transport” and 3.5. “Manufacture of energy efficiency equipment for buildings” as described in the Delegated Regulation (EU) 2021/2139 (Annex I). Consequently, 99.8% of turnover is taxonomy-non-eligible.

The capital and operational expenditures of the financial year 2021/22 were reflected in a number of economic activities of the EU Taxonomy Regulation, for example in 5.3. “Construction, extension and operation of waste water collection and treatment” or 7.7. “Acquisition and ownership of buildings”. Overall, 17.0% of CAPEX and 2.3% of OPEX were classified as taxonomy-eligible (accordingly, 83.0% of CAPEX and 97.7% of OPEX are taxonomy-non-eligible).

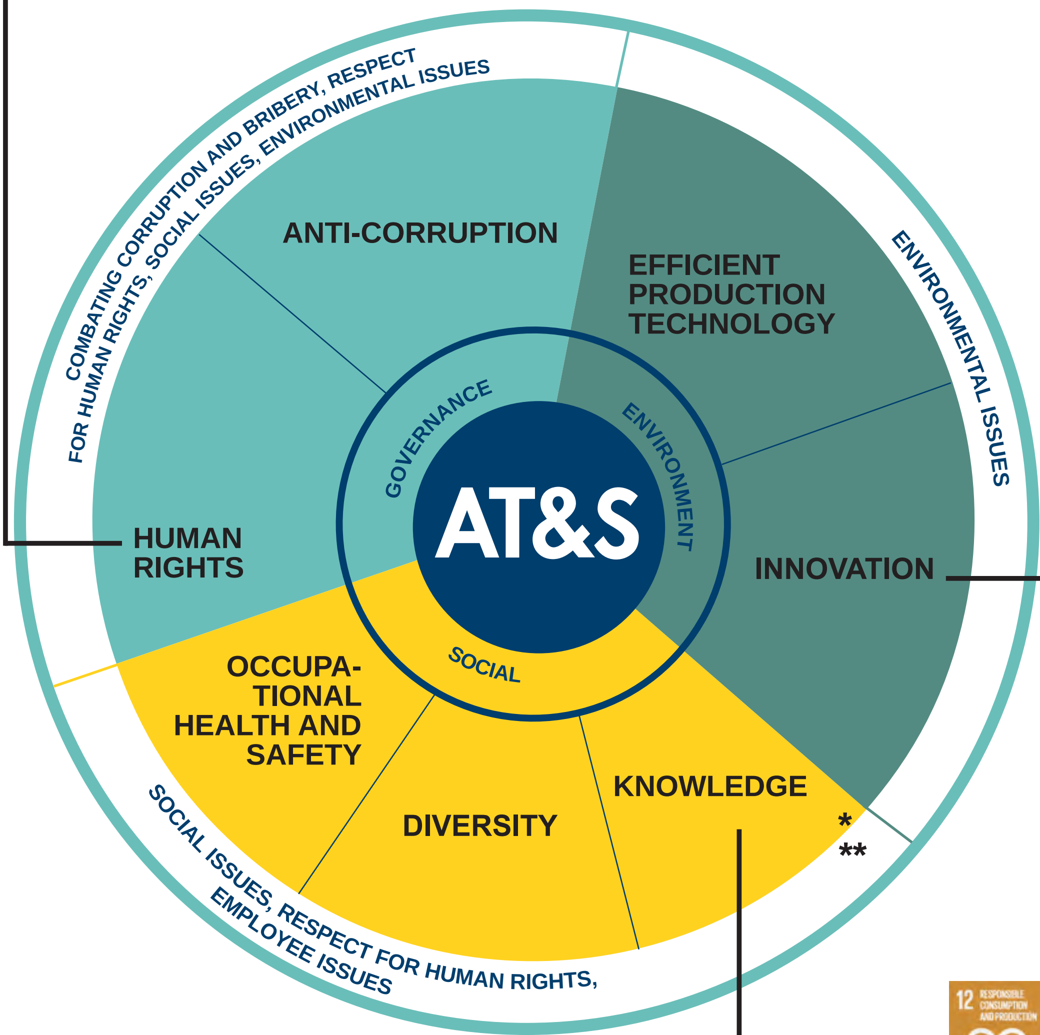
The denominator of the indicator CAPEX consists of additions to assets (see “Property, plant and equipment” in the notes to the consolidated statement of financial position, in the notes to the consolidated financial statements). The denominator of the indicator OPEX consists of maintenance expenses, R&D costs and current lease expenses (see “Types of expenses” and “Research and development costs” in the notes to the consolidated statement of profit or loss, and “Property, plant and equipment” in the notes to the consolidated statement of financial position, in the notes to the consolidated financial statements). Double counting of expenditures was avoided.

As of the financial year 2022/23, the reporting of taxonomy alignment is planned in addition to taxonomy eligibility. Taxonomy alignment will be evaluated using technical screening criteria and will be included in reporting in the future.

REPORT STRUCTURE

The structure of the non-financial report follows the ESG logic. The NaDiVeG issues, material topics and SDGs are assigned to the chapters.

CHAPTER SUSTAINABLE SUPPLY CHAIN & BUSINESS ETHICS



CHAPTER DECENT WORK

CHAPTER DECARBONISATION & CIRCULARITY

* material topics
** NaDiVeG issues

DECARBONISATION & CIRCULAR ECONOMY

The climate crisis, environmental pollution, loss of biodiversity and the destruction of natural ecosystems are some of the major challenges of the 21st century. Resource shortages show us the limits of linear growth, calling on society and the economy to drive a fundamental transformation. AT&S is committed to making a significant contribution to climate protection through efficient production, optimised use of resources and circularity. The production of high-end products aims at reducing resource consumption, preventing environmental impact and waste, and increasing value creation and resource efficiency. This way we can grow sustainably and mitigate negative effects on the environment.

AT&S undertakes to continuously improve in the areas of environment and quality through the Group-wide establishment of ISO14001 and ISO 9001. In addition, the company possesses industry- and location-specific certifications for the automotive sector (ISO/TS 16949), aviation (AS/EN 9100) and the medical sector (DS/EN 13485).

This section covers the strategic fields of action Decarbonisation and Circular Economy. Together, these two fields underline the company's stringent approach to decouple economic growth from material resource consumption and to operate processes with maximum efficiency.

Due to systematic sustainability management with regard to the environment, waste, chemicals and energy, SDG 12 was identified as central, and SDGs 6, 7, 8, 9 and 17 as relevant. The allocated material topics "efficient production technology" and "innovation" stand for our commitment to developing and permanently implementing sustainable production patterns by applying our innovative strength.

OUR CONTRIBUTION TO THE SDGS:

DECARBONISATION & CIRCULARITY

SDG	Targets	Measures
12	12.2, 12.4, 12.5, 12.6	_ ISO 14001 & ISO 50001 certification at all production sites _ Energy strategy incl. energy efficiency projects _ Copper recycling project _ LCA project _ Water strategy & waste management _ REACH & RoHS compliance
6	6.3, 6.4	_ Water strategy and sustainable water management _ Increase water recycling rate in water scarce areas _ Wastewater treatment at all sites _ ISO 14001 _ REACH & RoHS compliance
7	7.2, 7.3	_ Energy efficiency on facility and process level _ On-site and regional renewable energy production _ Purchase green energy _ ISO 50001
8	8.2, 8.4	_ Energy strategy incl. energy efficiency projects _ Engineering and R&D departments strongly involved in sustainable innovation and industrialisation _ Strengthen innovative power with the new R&D centre in Leoben
9	9.2, 9.4	_ Modern & resilient infrastructure for expansion projects _ High resource efficiency and eco-friendly technologies _ Engineering and R&D departments strongly involved in sustainable innovation and industrialisation _ Strengthen innovative power with the new R&D centre in Leoben
17	17.16, 17.17	_ Cooperation with suppliers, customers and universities on sustainability and digitalisation _ Global partnerships with NGOs and local authorities _ Promotion of sustainable industrialisation and efficient use of resources within the supply chain

DECARBONISATION – THE AT&S ENERGY STRATEGY AND THE RESULTING CLIMATE PROTECTION MEASURES

Climate protection is an omnipresent focus of the AT&S sustainability strategy. The Paris Climate Agreement sets a clear goal, which must be accomplished in order to secure a worthwhile future for later generations. In the financial year 2021/22, AT&S made a commitment to the Science Based Targets initiative. This ensures that emission reduction targets set by the company in the future will be considered science-based and aligned with the latest findings of climate science.

In order to meet the targets of the Paris Climate Agreement and the requirements of our customers, the AT&S energy strategy not only strives to improve the use resources and increase efficiency, but also aims to cover at least 80% of the Group's energy requirements through renewable energy (including large hydroelectric power plants) by 2025. Another goal is to replace all fossil fuels within our own production sites by 2030 (Scope 1 emissions) in order to prevent direct greenhouse gas emissions in our company.

AT&S has chosen an integrated approach to achieve the above-mentioned goals. To this end, the company focuses on efficient energy management at the process and plant levels as well as on increasing the share of green energy in energy purchases. In addition to defining energy targets for the individual production sites every year, efforts are made to raise the share of renewable energy by implementing a variety of measures and to reduce energy consumption.

As a result of the ISO 50001 certification of the locations in Austria and India, some successes, which directly promote the AT&S energy strategy, have already been achieved. Over the past years, savings were made in terms of both consumption and costs by conducting energy audits. In these audits, all ongoing projects at the different locations are reviewed, and reduction and efficiency measures are derived. Savings resulting from energy efficiency measures amounted to 8.9 GWh or 3.1 kt CO_2 across the Group in the financial year 2021/22. In the previous year, savings totalled 4.8 GWh or 3.9 kt CO_2. Overall, annual savings of 60.0 GWh resulting from the measures implemented since the financial year 2017/18 can be reported.

Energy Savings

8.9 GWh

(previous year: 4.8 GWh)

AT&S is building – using a highly efficient energy concept to reduce energy consumption

Both the new research and development centre in Leoben and the new production site in Kulim, Malaysia, have been designed in such a way that the originally calculated energy consumption can be reduced by up to 12% through efficiency measures. The aim is to implement enhanced hot water systems, optimised electricity consumption in the utilities, a highly efficient humidification system, heat recovery systems to heat buildings and a reduction in natural gas consumption. In production, the machines will be equipped with controlled heating and cooling, highly efficient motors, thermal insulation and frequency-controlled drives in the future.

At the AT&S plant in Kulim, energy will be provided from photovoltaic systems in the coming years, which will cover 50% of the annual energy consumption of the new AT&S plant as soon as production starts. The share of renewable energy is set to increase to 150 GWh by 2025 and will be raised further with the growing electricity consumption in the ramp-up. The rooftops of the production buildings will also be equipped with photovoltaic systems. By the end of 2030, savings will be increased through further efficiency measures.

High air quality standards and sustainable heating and cooling systems for a modern work environment

At the location in Leoben, the environmentally friendly heating and cooling system of the new office building allows directly using the waste heat of the plant for heat recovery, and groundwater to cool the building. Thanks to concrete core activation, heat can be given off to the building or absorbed for cooling. In this process, the massive concrete components act like big storage facilities where heat can be stored and given off at a later point in time.

In order to prevent heat losses, the new office building will be equipped with a state-of-the-art ventilation system. A high air exchange rate ensures that the air is exchanged several times per hour and the CO_2 content is maintained at a low level, thus ensuring high air quality in the rooms.

Collaboration with suppliers as a recipe for success

The reduction of energy consumption of the production facilities is an integral part of the energy strategy. For this reason, a cooperation project with a key machinery supplier has been initiated aiming to reduce the energy consumption of the machines employed. In close cooperation with the supplier, we work on the development and implementation of measures to lower the energy consumption of a selected pilot line. Newly installed software will measure the machine's exact energy consumption in order to gain a better understanding of the module consumptions.

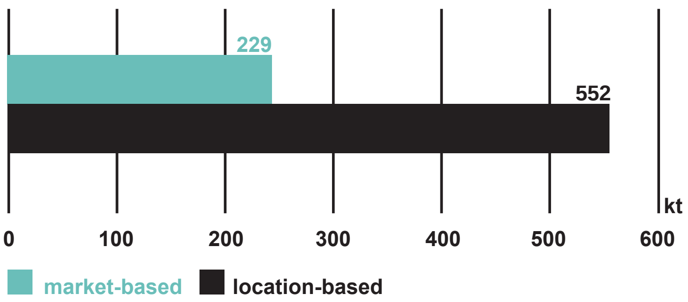
Digitalisation, artificial intelligence and simulation tools create genuine added value

The "Digital Energy Twin" is part of the energy strategy. In the future, it will be able to digitally show the respective energy requirements in production using simulation tools. At the same time, the fluctuating availability of renewable energy sources in energy production will also be illustrated. The objective is to optimise the project-related energy requirements with the help of the digital twin and to optimally integrate renewable energy into the process. To this end, data from real production is transferred to the digital twin of the factory, where it will be modelled and validated. Then the results are transferred back to the production line. Along with a combination of physical and data-driven models, artificial intelligence (AI) and virtual reality applications (VR) will also be employed. The research project is additionally supported by the Austrian Research Promotion Agency (FFG) and is a cooperation of twelve different partners.

Our emissions in detail

Emissions are reported in accordance with the Greenhouse Gas (GHG) Protocol, which distinguishes between three categories: Scope 1, Scope 2 and Scope 3. Scope 1 comprises direct emissions of climate-damaging gases in the company, which are, for example, generated in the combustion of natural or liquefied gas at the AT&S locations. Scope 2 refers to indirect emissions, which are released by energy suppliers. At AT&S this is mainly related to emissions from purchasing electricity. In addition, all indirect emissions created along a company's value chain are summarised under Scope 3.

MARKET-BASED VS. LOCATION-BASED SCOPE 2 EMISSIONS

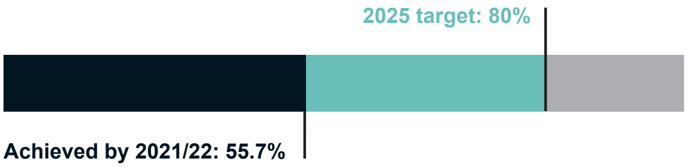


This year it is possible for the first time to report not only location-based but also market-based Scope 2 emissions as the corresponding supplier-specific conversion factors are now available for all locations of the AT&S Group. While the location-based emissions amount to 552 kt CO_2 in the financial year 2021/22, market-based emissions total only 229 kt. This immense difference clearly shows the impact that the high share of purchased renewable electricity has on actual CO_2 emissions.

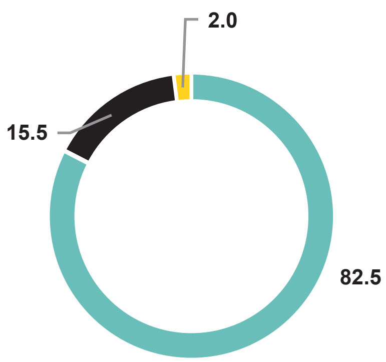
AT&S's efforts to switch to sustainable energy sources are also reflected in the 55.7% share of renewable energies in the financial year 2021/22, compared with 45% in the previous year. Nevertheless the availability of electricity from regenerative energy sources is by no means a matter of course, especially in the Asian region. Meeting our energy targets therefore remains a challenge, which we will face looking ahead to the future. All other graphics and tables refer to the location-based Scope 2 emissions since no comparative figures for the previous year are available yet for market-based emissions.

The calculation of emissions is based on the conversion factors of the Environment Agency Austria, the ecoinvent database version 3 and EXIOBASE 3. All CO_2-related figures are CO_2 equivalents.

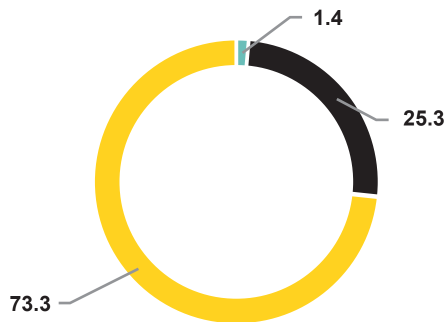
SHARE OF RENEWABLE ENERGIES



ENERGY CONSUMPTION BY ENERGY SOURCE in %



SPLIT OF CARBON FOOTPRINT BY SCOPE in %



ENERGY CONSUMPTION

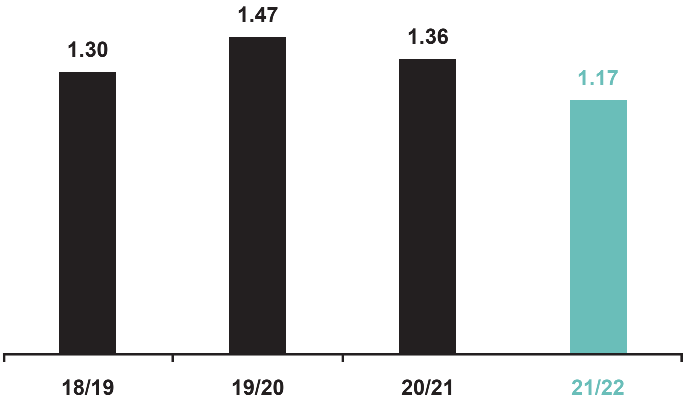
	ABSOLUTE ENERGY CONSUMPTION (in GWh)			RELATIVE ENERGY CONSUMPTION (in kWh per € GVA)		
	2021/22	2020/21	Change in %	2021/22	2020/21	Change in %
MOBILE DEVICES & SUBSTRATES SEGMENT	703.2	601.1	17.0%	1.31	1.54	(14.5%)
AUTOMOTIVE, INDUSTRIAL, MEDICAL SEGMENT & OTHERS	175.7	144.6	21.6%	0.82	0.93	(12.2%)
TOTAL GROUP	**879.0**	**745.7**	**17.9%**	**1.17**	**1.36**	**(14.1%)**
THEREOF ATTRIBUTABLE TO PARENT COMPANY	79.6	71.9	10.8%	0.55	0.66	(17.3%)

As shown by the left figure, electricity is the main energy source of AT&S. Consequently, the Scope 2 share is significantly higher than Scope 1. However, at 73.3%, Scope 3 emissions account for the largest share of emissions. Reporting in this respect was further expanded in the past financial year. After screening all 15 Scope 3 categories according to the GHG Protocol, categories 1 "Purchased goods and services" and 2 "Capital goods" were identified as the main influencing factors in the value chain.

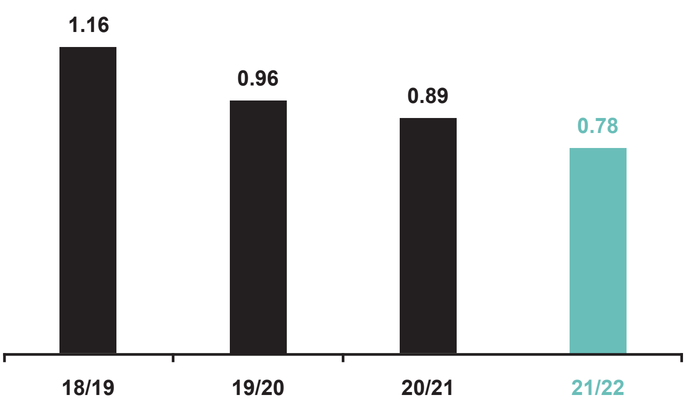
While only the most important inventory-managed materials were included in Scope 3 emissions so far, both categories have now been fully incorporated in the reporting. This results in a massive increase in Scope 3 emissions compared with the previous year. In addition to these two areas, Scope 3 emissions also cover the shipping of products to customers, fuel- and energy-related emissions, air travel by AT&S employees as well as the CO_2 emissions resulting from the commuting practices of employees.

In the financial year 2021/22, relative energy consumption was reduced by 14.1% compared with the previous year due to a combination of efficiency measures and the positive business development. Absolute energy consumption was up 17.9% on the previous year. The increase is attributable to higher production volumes and a higher share of highly complex printed circuit boards. This also led to significantly higher energy expenses (up € 15.3 million on the previous year), which are presented in the consolidated statement of profit or loss in the notes to the consolidated financial statements. In addition to an increase in energy requirements, rising and currently very volatile energy prices are another reason for the increase in energy expenses.

RELATIVE ENERGY CONSUMPTION
in kWh per € GVA



RELATIVE CARBON FOOTPRINT (SCOPE 1+2)
in kg CO_2 per € GVA



CARBON FOOTPRINT (SCOPE 1+2)

	ABSOLUTE CARBON FOOTPRINT (SCOPE 1+2) (in kt CO_2)			RELATIVE CARBON FOOTPRINT (SCOPE 1+2) (in kg CO_2 per € GVA)		
	2021/22	2020/21	Change in %	2021/22	2020/21	Change in %
MOBILE DEVICES & SUBSTRATES SEGMENT	480.7	403.0	19.3%	0.90	1.03	(12.8%)
AUTOMOTIVE, INDUSTRIAL, MEDICAL SEGMENT & OTHERS	102.0	82.9	23.0%	0.48	0.53	(11.1%)
TOTAL GROUP	**582.7**	**485.9**	**19.9%**	**0.78**	**0.89**	**(12.6%)**
THEREOF ATTRIBUTABLE TO PARENT COMPANY	21.5	19.5	10.2%	0.15	0.18	(17.7%)

CARBON FOOTPRINT (SCOPE 3)

	ABSOLUTE CARBON FOOTPRINT (SCOPE 3) (in kt CO_2)			RELATIVE CARBON FOOTPRINT (SCOPE 3) (in kg CO_2 per € GVA)		
	2021/22	2020/21	Change in %	2021/22	2020/21	Change in %
MOBILE DEVICES & SUBSTRATES SEGMENT	1,431.6	346.3	> 100%	2.67	0.88	> 100%
AUTOMOTIVE, INDUSTRIAL, MEDICAL SEGMENT & OTHERS	172.0	85.2	> 100%	0.80	0.55	45.9%
TOTAL GROUP	**1,603.6**	**431.5**	**> 100%**	**2.14**	**0.79**	**> 100%**
THEREOF ATTRIBUTABLE TO PARENT COMPANY	76.6	31.7	> 100%	0.53	0.29	80.5%

CO_2 emissions show a similar picture. Despite a higher absolute value, the relative CO_2 footprint (Scopes 1+2) declined by 12.6%. Scope 3 emissions saw a substantial increase in both the relative and absolute footprint due to the above mentioned extended scope of reporting. Absolute Scope 3 emissions rose from 431.5 kt CO_2 in the previous year to 1,603.6 kt CO_2 in the financial year 2021/22.

The relative indicators refer to the gross value added (GVA), which is based on EBIT plus depreciation/amortisation and wage and salary expenses.

RESOURCE CONSERVATION THROUGH STATE-OF-THE-ART TECHNOLOGY AND CIRCULAR ECONOMY T

Ultimately, total circularity of all materials should be the long-term goal we all pursue. By implementing measures in the areas of water, copper recycling, waste, life cycle assessment and innovation, AT&S makes a considerable contribution to achieving this goal.

Water is the source of all life – also for AT&S

Water is one of the main material flows in production due to a number of wet chemical, and partly resource-intensive, processes in manufacturing AT&S high-end interconnect solutions. The consumption of fresh water, the use of cooling water for machines and production-related wastewater are important indicators for the assessment of sustainable water management and consumption.

All activities are aimed at the optimum effective output of the water resources, which can often be used multiple times for cooling purposes, process water treatment, biofilter systems or cooling towers. While simultaneously increasing the value added, the objective is to reduce the environmental impact at all locations to a minimum this way.

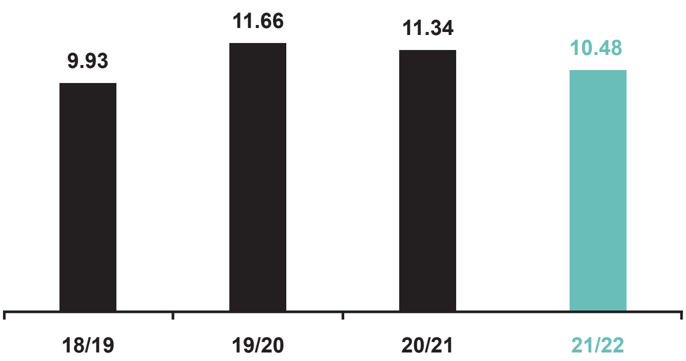
Measures for the sustainable use of water include its treatment, processing and recycling. AT&S operates biological and chemical-physical wastewater treatment plants to treat the wastewater generated. Sites located in high-risk regions according to the Aqueduct Water Risk Tool are subject to strict water recycling rates. The company strives to continuously increase these rates. Specific targets are being developed as part of the water strategy. In the financial year 2021/22, the water recycling rates amount to 53% at the Nanjangud site and to 24% at the Shanghai plant.

The water strategy initiated in the financial year 2019/20 addresses a sustainable water policy aiming to reduce water consumption and to recycle withdrawn water in the best possible way. Due to the ongoing expansion projects in Malaysia and Leoben, the focus in the financial year 2021/22 was on water efficiency planning for the new production facilities. Both for the plant in Kulim and for the new R&D Center at the site in Leoben, efficiency projects work on reducing water consumption by up to 30% compared with standard operations.

All measures are planned in detail in advance and in some cases tested for their feasibility on a laboratory scale. This includes, among other things, using electro-deionisation instead of ion exchangers for process water treatment, and the implementation of various water efficiency measures in the qualification of production machinery.

RELATIVE WATER CONSUMPTION

in litres per € GVA



Despite an increase in absolute water consumption by 26.9% compared to the previous year, relative water consumption in relation to gross value added was reduced by 7.5% in the financial year 2021/22.

Copper – a circular life cycle

Along with electricity and water, raw materials, such as copper and gold, and chemicals are the main components required for manufacturing high-end products. With a purchasing volume of 4,253 tonnes in the financial year 2021/22, copper is of central importance. AT&S strives to use resources with maximum efficiency in all aspects of the core business and along the value chain and to manufacture products considering the circular economy.

The copper recycling project is a measure initiated in the financial year 2019/20. Manufacturing processes such as etching or electroplating generate copper-containing wastewater flows, which are treated through an in-house wastewater treatment plant in a physical-chemical process. Using different chemicals, a copper-containing sludge is produced from the material flows. It is disposed of in a dried state, and reusable materials are recycled externally or disposed of.

The efficiency and effectiveness project of copper circularity aims to recover copper from the wastewater flows. This brings a whole range of benefits: the chemicals employed are reduced and the waste generated, most of which is classified as hazardous waste, is minimised. Raw material efficiency is increased through the recovery of copper-containing acids from the production processes. The project underlines AT&S's mission to reduce the ecological footprint and to evolve from a linear use of valuable raw materials towards a fully-fledged circular economy.

In the financial year 2021/22 the first modules of copper recovery started operations. A closed loop of recycled wastewater has already been created by setting up an evaporator and an ion exchanger, and a recovery of process wastewater with a low concentration of heavy metals has been achieved. A pilot plant, where 30% of the wastewater generated is currently treated, was built for the separation of the metals and acids contained in the water. Scaling to 100% is planned for the

WATER CONSUMPTION

	ABSOLUTE WATER CONSUMPTION (in m³ million)			RELATIVE WATER CONSUMPTION (in litres per € GVA)		
	2021/22	2020/21	Change in %	2021/22	2020/21	Change in %
MOBILE DEVICES & SUBSTRATES SEGMENT	7.24	5.66	28.1%	13.53	14.45	(6.4%)
AUTOMOTIVE, INDUSTRIAL, MEDICAL SEGMENT & OTHERS	0.62	0.54	14.9%	2.89	3.48	(17.0%)
TOTAL GROUP	**7.86**	**6.19**	**26.9%**	**10.48**	**11.34**	**(7.5%)**
THEREOF ATTRIBUTABLE TO PARENT COMPANY	0.21	0.24	(13.4%)	1.44	2.22	(35.3%)

financial year 2022/23. In addition, the hall for copper recovery will be completed and the complete recycling plant installed.

Life cycle assessment of the copper recycling process

The life cycle of our products is a topic we have been addressing for quite some time. In the financial year 2019/20 a research and development project was launched in cooperation with external partners. As a pilot, a life cycle assessment for the copper recycling process was conducted, and the life cycle of products, from raw material mining to leaving the AT&S production, site was examined as part of a cradle-to-gate analysis.

Both the copper recycling process and the conventional wastewater treatment process were assessed for their material and energy flows in six different categories applying ISO 14044: abiotic depletion potential (ADP), global warming potential (GWP), human toxicity potential (HTP), photochemical ozone creation potential (POCP), acidification potential (AP) and eutrophication potential (EP). Based on the life cycle assessments carried out, all relevant material, process and energy flows can be mapped.

In addition, potential for a more efficient process design was identified and starting points for the reduction of chemicals and their substitution by environmentally friendly alternatives were demonstrated.

Life cycle assessment at the product group level is progressing

To meet the increasing number of customer enquiries regarding the environmental impact of the products purchased and to identify optimisation potential within our own processes, AT&S has pursued the objective to establish life cycle assessment at the product group level for several years. In doing so, the ecological footprint is calculated for specific printed circuit boards. Data of all materials, substances and processes must be determined throughout their entire life cycle for this purpose. By assessing these material and energy flows, the environmental impact can be calculated throughout the life cycle.

In an intensive scoping and target definition phase, the requirements for the life cycle assessment process were determined and a catalogue of requirements was prepared. Special importance was attached to considering the interests of all stakeholders involved, both internally and externally, from the beginning. In the future, the process will be implemented at the location in Leoben and gradually rolled out to the other locations. The process requirements will be continuously evaluated and adapted as needed.

Waste prevention requires perfectly interacting systems

Sustainably managed waste flows ensure that valuable resources do not go to waste, but are collected, treated and reintroduced to production as raw materials. At the same

WASTE AMOUNT

	ABSOLUTE WASTE AMOUNT (in kt)			RELATIVE WASTE AMOUNT (in kg per € GVA)		
	2021/22	2020/21	Change in %	2021/22	2020/21	Change in %
HAZARDOUS WASTE	50.8	42.3	20.0%	0.07	0.08	(12.6%)
NON-HAZARDOUS WASTE	11.9	10.7	11.1%	0.02	0.02	(19.1%)
TOTAL WASTE AMOUNT	62.7	53.1	18.2%	0.08	0.10	(13.9%)
MOBILE DEVICES & SUBSTRATES SEGMENT	38.8	36.3	6.9%	0.07	0.09	(21.8%)
AUTOMOTIVE, INDUSTRIAL, MEDICAL SEGMENT & OTHERS	23.9	16.8	42.5%	0.11	0.11	2.9%
TOTAL GROUP	**62.7**	**53.1**	**18.2%**	**0.08**	**0.10**	**(13.9%)**
THEREOF ATTRIBUTABLE TO PARENT COMPANY	6.0	5.3	14.2%	0.04	0.05	(14.7%)

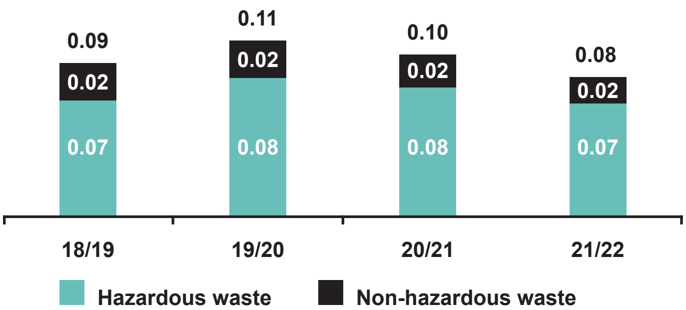
time, we strive to keep the amounts of waste generated to a minimum, leading to overall improved waste management in the long term.

In cooperation with long-standing business partners, AT&S has optimised, evaluated and tested smart waste containers, and already permanently installed them in those locations where it is useful. They are equipped with high-tech sensors and automatically monitor waste levels and temperature fluctuations. The containers are no longer emptied unnecessarily and risks such as fire hazards are minimised while efficiency is enhanced at the same time.

Waste reduction is a central element in AT&S's sustainability strategy. Despite an increase in absolute volume of waste, the relative total volume of waste was reduced by 13.9% in the financial year 2021/22. The share of hazardous waste remained at a constant level. This level should, however, be steadily reduced in the coming years by focusing on the copper recycling project.

RELATIVE WASTE AMOUNT

in kg per € GVA



EFFICIENT PRODUCTION THROUGH CONSCIOUS USE OF KEY MATERIALS

In addition to electricity and water, valuable raw materials and other materials are also required for manufacturing AT&S products. These include gold, palladium, copper, laminates and chemicals. The volume purchased increased for all of these key materials in the financial year 2021/22 compared with the previous year. This development is directly related to the increase in production volumes during the reporting period. The lower increase in laminates is due to a change in product mix.

PURCHASE OF SIGNIFICANT MATERIALS

Total Group

	Unit	2021/22	2020/21	Change in %
GOLD	kg	569	475	19.9%
PALLADIUM	kg	325	268	21.2%
COPPER	t	4,253	3,637	16.9%
LAMINATE	million m²	14.6	14.0	4.0%
CHEMICALS	thousand t	191.1	163.8	16.7%

PURCHASE OF SIGNIFICANT MATERIALS

attributable to parent company

	Unit	2021/22	2020/21	Change in %
GOLD	kg	69	58	17.5%
PALLADIUM	kg	13	6	112.6%
COPPER	t	381	262	45.1%
LAMINATE	million m²	1.4	1.2	20.0%
CHEMICALS	thousand t	10.9	9.4	16.3%

CLASSIFICATION OF CHEMICALS PURCHASED

in %

		2021/22	2020/21	Change in %
EXPLOSIVE	GHS01	–	–	n. a.
FLAMMABLE	GHS02	0.19	0.21	(6.4%)
OXIDISING	GHS03	2.17	2.52	(14.0%)
COMPRESSED GAS	GHS04	1.41	1.61	(12.1%)
CORROSIVE	GHS05	72.50	78.63	(7.8%)
TOXIC	GHS06	0.60	0.64	(5.6%)
IRRITANT	GHS07	28.41	31.44	(9.7%)
HEALTH HAZARD	GHS08	4.69	4.79	(2.1%)
ENVIRONMENTAL HAZARD	GHS09	2.05	2.10	(2.3%)
NON-HAZARDOUS	-	21.01	14.67	43.2%

* Since one chemical can be included in several hazardous substance categories, the total of all categories is greater than 100%.

In addition, the chemicals purchased are broken down transparently using GHS classification. This shows that the share of all GHS-classified chemicals was reduced in comparison with the previous year. In contrast, the share of non-hazardous chemicals rose by 43.2%.

Dealing responsibly with resources in all areas is an important issue at AT&S. It includes compliance with EU Regulation 1907/2006 REACH (Registration, evaluation, authorisation and restriction of chemicals) for all products. Likewise, compliance with the RoHS Regulation of the EU, which governs putting hazardous materials in electronic devices and electronic components on the market, is also considered a matter of course.

SUSTAINABLE INNOVATION IS THE KEY IN ALL AREAS

In addition to enhancing efficiency and effectiveness, innovation is also a key to achieving our sustainability goals. As explained at the beginning, sustainability is now firmly anchored in our R&D and innovation strategy. Innovation is, and will remain, a cross-cutting issue. We need leading-edge approaches in all areas. This is why sustainable innovation is no longer a separate strategic field of action. It will, however, remain a material topic and is therefore reported separately.

The construction of the new R&D Center in Leoben is only one sign that AT&S is intensifying its investments in innovative strength. The share of employees in the research and development departments and engineering teams amounted to an average of 13.9% in the financial year 2021/22.

The new InnoWorld

Every idea, however small and insignificant it may seem at the beginning, can turn into a great innovation. To further promote ingenuity and ideas within the company, the InnoWorld platform has been created for all ideas.

The first ideas competition was dedicated to the topic “Boost our Innovation Culture”, looking for the best ideas to enhance the innovation culture, set up creative spaces, framework conditions and services to promote innovation in all areas of the company. In total 54 proposals were submitted.

The second InnoWorld Challenge focused on “More sustainability in our actions”. The AT&S community submitted a total of 61 ideas, which addressed social and environmental topics as well as the supply chain. The three winning projects are currently in the analysis phase to ensure optimal implementation.

The Innovation Award recognises the best projects implemented

Innovation and a focused approach to future technologies are at the heart of the AT&S vision. This is exactly why the boost of innovation is so important to our company.

Therefore, all AT&S employees worldwide, from all departments, can participate in the Innovation Award. Innovative projects addressing the advancement and improvement of our products and technologies, but also the further development of various systems, work steps and services are welcome. The main criterion is that the project has already been implemented successfully and recognisable improvements have been achieved in our company as a result, for example cost savings or particularly high customer satisfaction. As in the previous year, there are two categories: technology and administration projects, as well as a special prize for the most sustainable project.

Overall, 24 projects were submitted, 18 in the technology category and six in the administration category. Out of the eight finalist projects, six were rated at or above average in the sustainability category. The special prize for sustainability went to an Industry 4.0 project dedicated to the implementation of “Strategic Condition Monitoring” to make machines retroactively intelligent. This shows how closely related digitalisation and sustainability are. Smart machines lead to enormous savings.

Digital technologies and innovation for bees

Environmental toxins, climate change, monocultures and pests take a heavy toll on bees. AT&S has therefore decided to partner with the bee start-up “BeeAndme”. The beehives are our contribution to protecting nature and species and to maintaining biodiversity. In cooperation with BeeAndme, bees are monitored via an IoT solution. Data mining and machine learning are only two aspects that the start-up and the technology development of AT&S have in common. The beehives are equipped with sensors which record the temperature, humidity, weight and vibrations and transfer the data via a mobile network. This way, the digital beehive provides valuable data for the beekeeper and immediately alerts them in case of anomalies. This enables a targeted and timely response, allowing the beekeeper to protect the bee colony.

DECENT WORK

AT&S is currently in a phase of massive growth. This development is both an opportunity and a challenge for our company. To ensure a structured and effective implementation of the transformation associated with this growth, we need highly qualified, motivated and satisfied employees. AT&S is aware of its great responsibility for its employees. The strategic field of action “Decent Work” therefore focuses on the company’s social responsibility and also covers the material topics “diversity”, “knowledge” as well as “health and safety at work”.

Embracing the fundamental values responsibility, commitment and open-mindedness, AT&S positions itself as an attractive employer. Our employees have the chance to help shape their own work environment in a stable setting with a long-term perspective and to take advantage of global career and development opportunities.

SDG 8 lends its name to, and is the central SDG for, this field of action. In addition, SDGs 4, 6, 10 and 17 have been classified as relevant. All employees have the same opportunities in our company because we promote decent work regardless of gender, origin, age, religion as well as any aspects that make the diversity visible.

At the end of the financial year 2021/22, 14,269 persons were employed in the company. This corresponds to an increase by 18.3% compared to the previous year, which is attributable to the growth strategy. The main driver was the significant increase in staff at the Chongqing plant. Likewise, the construction of the new plant in Malaysia and the kick-off to the expansion of the Leoben plant caused the number of employees to rise. The share of contract workers amounted to 3.0% at the end of the financial year, compared with 2.1% in the previous year.

Employees are remunerated at market conditions and in accordance with the applicable laws; in Austria we pay at least according to the collective agreement. A bonus system, which governs the performance-based share of remuneration, is implemented throughout the Group. This component is linked to the economic performance of AT&S (EBIT, ROCE), its innovative strength (Vitality Index), the employees' personal performance and, since the financial year 2021/22, the share of renewable energy.

OUR CONTRIBUTION TO THE SDGS:

DECENT WORK

SDG	Targets	Measures
8	8.5, 8.7, 8.8	_ Code of Conduct to pursue all ethics- and labour-related aspects including human rights, working conditions, diversity and combating child and forced labour _ ISO 45001 certification at all production sites
4	4.4, 4.5, 4.7	_ On-the-job training, e-learning and classroom training _ Leadership and professional training _ Performance management _ Zero tolerance towards any form of discrimination
6	6.1, 6.2	_ Clean drinking water and sanitation for all AT&S employees _ Support of water supply projects in the neighbourhood of AT&S India
10	10.2, 10.3	_ Commitment to Diversity Charter _ Diversity and intercultural training _ Inclusive recruiting process _ Code of Conduct
17	17.16, 17.17	_ Global partnerships with NGOs and local authorities _ AT&S talent network _ Cooperation with universities

In the financial year 2021/22, the ratio of personnel costs to revenue was 23.3%, down 4.3% on the previous year. Details are provided in the notes to consolidated statement of profit or loss in the notes to the consolidated financial statements.

With an attrition rate of 16.3% in the financial year 2021/22, an increase by 2.7 percentage points was recorded in this area. Nevertheless, over multiple years this value is within the average since the rate was particularly low in the previous year due to the pandemic. Attrition is generally higher at the Chinese locations, which is typical of the dynamic labour market there. Since the attrition rate is also an indicator of employee satisfaction and motivation, AT&S strives to keep it as low as possible.

DIVERSITY AND INCLUSION – THE BASIS OF SUCCESSFUL COLLABORATION

The labour market has massively changed over the past years, with demand for qualified young professionals now exceeding supply. This means that today's talents have the flexibility and freedom to choose for which company they want to work. Diversity in the company and respectful treatment of people from different cultures play an important role for further development.

AT&S signed the Diversity Charter in the financial year 2020/21, committing to a work environment in which all employees experience the same appreciation and support, regardless of their nationality, ethnic origin, religion, ideology, disability, age as well as sexual orientation and identity. The company is committed to an organisational culture that centres on mutual respect and appreciation and makes diversity and its values an internal and external dialogue. All employees of the company are included. Equal opportunities and equal treatment are considered cornerstones of fair, unbiased and open collaboration. Because diversity is an important key to success.

HEADCOUNT (AT YEAR-END)

in heads

		2021/22			2020/21		
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
CATEGORY	White collar	3,526	1,162	4,688	2,848	883	3,731
	Blue collar	5,756	3,825	9,581	5,067	3,261	8,328
REGION	Europe & USA	1,181	851	2,032	993	699	1,692
	Asia	8,101	4,136	12,237	6,922	3,445	10,367
SEGMENT	Mobile Devices & Substrates	6,633	3,943	10,576	5,505	3,248	8,753
	Automotive, Industrial, Medical	2,410	901	3,311	2,232	778	3,010
	Others	239	143	382	178	119	296
TYPE OF EMPLOYMENT *	Full-time	9,239	4,756	13,995	7,873	3,934	11,807
	Part-time	38	203	241	35	184	219
TOTAL GROUP		**9,282**	**4,987**	**14,269**	**7,915**	**4,144**	**12,059**
THEREOF ATTRIBUTABLE TO PARENT COMPANY		1,150	824	1,974	964	675	1,639

* excl. inactive employees, e.g. parental or educational leave

ATTRITION RATE

in % *

	2021/22	2020/21	Veränderung in %
MOBILE DEVICES & SUBSTRATES SEGMENT	18.9	16.7	13.1%
AUTOMOTIVE, INDUSTRIAL, MEDICAL SEGMENT	9.1	5.8	55.4%
OTHERS	8.1	2.6	> 100%
TOTAL GROUP	**16.3**	**13.6**	**19.9%**
THEREOF ATTRIBUTABLE TO PARENT COMPANY	9.9	5.4	84.1%

* Terminations of contracts by employees compared to average headcount (incl. inactive employees, excl. internships, excl. employees of sales companies).

Diversity is firmly embedded in AT&S's corporate culture and defined by the following four key aspects: gender, culture & ethnicity, age & generation, skills. Diverse personnel enrich collaboration in many areas. It leads to effective decision-making, can help solve problems and drives creativity and the ability to innovate in the team through different views.

AT&S currently employs people of 61 nationalities and attaches great importance to being an attractive employer for women, people of any age, people of different cultural, national or ethnic background as well as for people with disabilities.

Diversity and appreciation help raise employee satisfaction, motivation and loyalty to the company. Free of any prejudice against gender, origin, religion as well as physical and mental disabilities, AT&S endeavours to overcome barriers of any form.

AT&S supports the inclusion of physically or mentally impaired employees. For us, overcoming barriers goes far beyond creating the appropriate infrastructure with social rooms, elevator systems, automated door openers and disabled parking: AT&S fights barriers existing in people's heads, provides for equal development and income opportunities and promotes lively collaboration free of discrimination and prejudice. To this end, AT&S offers its employees intercultural training and language courses. As of March 31, 2022, AT&S employed 45 people with a disability, 82% of them in Austria. In the previous year it was 46 employees with a disability and 80% at Austrian locations.

AT&S job advertisements in Europe explicitly address all genders. All job vacancies in Europe are advertised in an inclusive way using m/f/d, thus also granting intersexual persons a right to an adequate designation in the register of persons in accordance with a ruling of the Austrian Constitutional Court of June 15, 2018. The AT&S website also clearly states that AT&S embraces and promotes diversity in all business areas.

When advertising positions, AT&S bases its decisions for new appointments on the best qualification irrespective of gender; all qualifications being equal, preference will be given to the underrepresented gender. To help reconcile work and family life, the company offers more than 100 different working hour models as well as courses and seminars to support coping with challenging situations.

DIVERSITY OF EMPLOYEES (AT YEAR-END)

in %, total Group

		2021/22		2020/21	
		WHITE COLLAR	BLUE COLLAR	WHITE COLLAR	BLUE COLLAR
GENDER	Female	24.8	39.9	23.7	39.2
	Male	75.2	60.1	76.3	60.8
AGE GROUP	< 30 years	34.4	42.1	31.3	42.3
	30-50 years	58.4	53.6	60.7	53.2
	> 50 years	7.1	4.3	8.0	4.4

DIVERSITY OF EMPLOYEES (AT YEAR-END)

in %, parent company

		2021/22		2020/21	
		WHITE COLLAR	BLUE COLLAR	WHITE COLLAR	BLUE COLLAR
GENDER	Female	34.1	48.6	34.0	47.7
	Male	65.9	51.4	66.0	52.3
AGE GROUP	< 30 years	25.8	30.3	23.3	27.0
	30-50 years	52.1	41.7	51.3	42.1
	> 50 years	22.1	28.0	25.4	30.8

TOTAL EMPLOYEES

absolute:

14,269

NUMBER OF FEMALE EMPLOYEES

absolute:

4,987

PROPORTIONALLY REPRESENTED IN THE FOLLOWING COUNTRIES

(in %)

China:	72.5
Austria:	13.8
India:	9.5
South Korea:	2.3
Malaysia:	1.3
Other:	0.6

PROPORTIONALLY REPRESENTED IN

(in %)

Total staff:	34.9
Management Board*:	25.0
Supervisory Board:	23.1
First management level:	10.3
Management positions:	19.8

* until October 2021

NUMBER OF NATIONALITIES (absolute): 61

AVERAGE AGE

(OF ALL EMPLOYEES IN YEARS)

33

AVERAGE AGE

(BY COUNTRY IN YEARS)

China:	32
Austria:	39
India:	34
South Korea:	37
Malaysia:	36

As of 31 March 2022

The share of women at AT&S increased slightly year-on-year and amounted to 34.9%. At the first management level, i.e. in the direct reporting line to the Management Board of the AT&S Group, the share of women fell from 15.4% to 10.3%. This is primarily attributable to changes in the organisational structure. As in the previous year, 19.8% of the management positions were held by women. The average length of service amounted to 5.5 years, down 9% compared to the previous year due to the high number of new employees. The average age remained nearly constant at 33.4 years. As in the financial year 2020/21, the age spread between the youngest and the oldest employee was 53 years.

Diversity in the governing bodies

When filling Supervisory Board mandates, the company aims to have at least 30% women and 30% men on the board in accordance with Section 86 para. 7 of the Austrian Stock Corporation Act (AktG). The age spread between the youngest and the oldest member should be at least 25 years. Experience in international companies is mandatory. Interdisciplinary expertise is equally important. The members' expert knowledge should comprise at least topics such as technology/research, electronics/semiconductor industry, law, business and human resource management as well as sustainable management.

At the end of the financial year 2021/22, the share of women in the Supervisory Board was 23.1%; the share of women on the Management Board amounted to 25% until October 2021. The position of the CFO is currently vacant. For further information regarding age and gender of governing bodies, please refer to the Corporate Governance Report.

PROMOTING TALENTS AND POTENTIALS

In phases of growth it is particularly important to ensure that training and education keep up with the pace of expansion. AT&S is growing in terms of size, infrastructure and the number of locations. As a result, not only the number of staff is increasing, but also the requirements in terms of professional and individual development opportunities.

AT&S strives for a long-term employment relationship with its employees, who take part in the company's journey from a high-end printed circuit board manufacturer to a high-end interconnect solution provider. We will only succeed in expanding our technology leadership if talents are systematically supported and their career development is ensured. Therefore, lifelong learning and continuous improvement are core elements of the AT&S corporate values.

AT&S Performance Management: set targets, give feedback and enable development

The AT&S corporate values are open-mindedness, commitment and responsibility. This also involves an open communication and feedback culture with annual appraisal and development interviews, which promote the dialogue with employees and serve individual development planning. The AT&S target-setting process was replaced by a modern, transparent and integrated performance management system in the financial year 2021/22.

Appraisal interviews were conducted with 95% of the salaried employees in the financial year 2021/22. The completion rate in the previous year was 97%. As in the previous year, development interviews, which take place in autumn, were conducted with 94% of the employees. Employees' development needs are derived from the results of the interviews and have a direct influence on the set-up of future training offers.

Personal and professional growth

An attractive training offer for the employees was once again created for employees in the past financial year based on the development needs previously agreed in the development interviews. The focus was on leadership training as well as specialist training in quality and production. Due to the growing internationalisation, the need for language training is also increasing.

Lifelong learning does not just involve seminars, but also has to be integrated at the workplace. This is all the more difficult when the circumstances do not allow employees to meet physically. Apart from that, there are topics that cannot be conveyed in a virtual environment. That is why flexibility is required in times of limited contact, social distancing and travel restrictions. AT&S seeks to ensure the best possible conditions for further training. Therefore, in-person training partially took place as planned and was partially conducted in virtual settings due to the highly volatile situation.

The continuously growing importance of digital media was further accelerated by the COVID-19 pandemic. This is reflected in the number of e-learning courses purchased externally or produced in-house in the financial year 2021/22. One of the focal points was IT security, with mandatory classes for all employees worldwide.

On average, every employee completed 17.0 training hours as part of online or in-person training in the financial year 2021/22. The increased need for training compared with the previous year is attributable to the company's growth strategy and the associated personnel growth. In addition to these units, familiarisation training for new employees as well as continuous training and qualification are conducted directly at the workplace. Along with in-house training, costs totalling € 1.57 million were incurred for external training and education measures in the financial year 2021/22. These costs are reported under the expense type "other" in in the consolidated statement of profit or loss in the notes to the consolidated financial statements.

We connect talents in the electronics industry

When looking for qualified employees, employers frequently compete with one another. As a result, the way companies recruit employees has also changed, especially when it comes to filling positions with top talents. This is why the AT&S Talent Network was created in cooperation with an external partner.

Members who join the AT&S Talent Network can inform the AT&S Talent Acquisition department about their background, skills and experiences without having to complete a job application. This way they become part of a growing electronics industry network, where they regularly receive industry updates, career tips, employee success stories and much more, even if they are not actively looking for a new job.

AVERAGE TRAINING HOURS

in hours per head

	2021/22	2020/21	Change in %
FEMALE	16.1	13.4	20.6%
MALE	17.4	15.1	15.0%
TOTAL	**17.0**	**14.5**	**16.7%**
WHITE COLLAR	23.5	19.2	22.6%
BLUE COLLAR	13.9	12.5	10.8%
TOTAL	**17.0**	**14.5**	**16.7%**
THEREOF ATTRIBUTABLE TO PARENT COMPANY	7.3	5.8	25.8%

EXPENDITURES ON EXTERNAL TRAINING

in € thousand

	2021/22	2020/21	Change in %
MOBILE DEVICES & SUBSTRATES SEGMENT	443	276	60.6%
AUTOMOTIVE, INDUSTRIAL, MEDICAL SEGMENT	462	242	90.7%
OTHERS	668	310	115.4%
TOTAL GROUP	**1,573**	**828**	**90.0%**
THEREOF ATTRIBUTABLE TO PARENT COMPANY	1,106	541	104.4%

Apprentices and young professionals for an economically sustainable future

Depending on interest and talent, AT&S offers different apprenticeships in the admission procedure 2021/2022, including chemistry and physics lab technician or mechatronics engineer at the Austrian locations. In Leoben, AT&S offers apprenticeships for process technicians, while AT&S Fehring trains metal technicians and production measurement technicians. In addition to apprenticeships with a school-leaving certificate ("Lehre mit Matura"), apprentices have the opportunity to spend a semester abroad. At the end of the financial year 2021/22, 38 apprentices were trained in the company, 37 of them in Austria and one in Germany.

AT&S strives to get in contact with potential young professionals as early as possible and show them the world of electrical engineering. Three schools used the opportunity to take a look behind the scenes of printed circuit board production at the Take Tech Days.

Intensive cooperation with universities in Asia

AT&S continues to count on the collaboration with universities. Thanks to the long-standing cooperation, it was possible to establish a new degree course in mechatronics at Shanghai Open University. Moreover, AT&S China and the Mechatronic Engineering & Automation School of Shanghai University are setting up a "Digital Transformation Innovation Centre".

In India, AT&S has been involved in training the skilled workers of tomorrow for a long time. In cooperation with the Vidya Vikas Institute of Engineering Technology and Educational Trust in Mysuru, the company aims to develop a curriculum for the production of printed circuit boards at Indian universities. The objective is to convey the know-how required for the future and to secure the training of skilled workers.

AT&S also works with the leading technology universities of Malaysia as part of its recruiting strategy. The goal is to attract top talents to build up the next generation of workers who meet the company's requirements. In the financial year 2021/22, AT&S employees visited the University of Science Malaysia in order to create important research and training networks for a rapid development of AT&S Malaysia. The excellent training and education opportunities at this university will become a basis for attracting and developing employees for AT&S Malaysia.

OPERATIONAL HEALTH MANAGEMENT ALL ALONG THE LINE

In addition to attractive career opportunities and promotion prospects, occupational safety and established health promotion are important criteria in today's skilled labour market – all over the world. AT&S makes every effort to identify risks and hazards at the workplace in advance and to prevent accidents and work-related illness. Only healthy employees are satisfied and motivated to deliver the best possible performance and to actively contribute to the company's further development. All health measures and the high safety standards at all locations minimise the risk of work accidents and support the long-term goal to make health and safety at work a matter of course in daily routine.

The occupational health and safety standard ISO 45001, which is established across the entire Group, and the related continuous workplace inspections and evaluations on management systems and due diligence processes are part of a functioning occupational safety management. The RBA health requirements are also part of the company's high safety standards. Employees are sensitised through preventive measures and targeted training in order to continuously protect their health and prevent occupational accidents as far as possible. At the location in Shanghai, for example, several training courses were held on safety responsibility, hazards and control of oxidising agents and dust protection.

All AT&S locations follow the hazard identification and risk assessment procedure, which provides a clear guideline for risk identification and assessment for all workplaces at AT&S. The main occupational hazards involving a risk of injuries with severe consequences are chemical, thermal, electrical, mechanical and ergonomic hazards. In this process, rules for the identification and criteria for the assessment, review, documentation and archiving of health and safety hazards and risks are defined.

More occupational accidents were reported in 2021/22 than in the previous year – the rate of occupational accidents (per 1 million working hours) increased from 1.8 in the previous year to 2.8 in the reporting period. In absolute terms this amounts to 72 occupational accidents. No fatal accident occurred across the group. The main reasons for work-related injuries are tripping, slipping and falling accidents. One accident involving an injury with severe consequences, i.e. lost time of more than six months, occurred in the reporting period. This accident was also caused by an employee's slipping at the workplace. No technical fault was found in the legally and internally required follow-up investigation. The required organisational, personal and conduct-related measures were implemented in accordance with the root cause analysis. In addition, a campaign to raise awareness of the danger of tripping, slipping and falling accidents was implemented throughout the group.

As a result of the increase in occupational accidents, the average monthly days lost (per 1,000 FTE) rose from 7.4 to 10.8. This increase is related to our growth, since the risk of occupational accidents increases with the hiring of new employees. Nevertheless, this value is low and within the natural range of variation.

The rate of absences amounted to 0.8% in the financial year 2021/22, and was therefore at a similarly low level as in the previous year. Absences related to quarantine and/or illness due to COVID-19 were evaluated separately and amounted to an additional 0.1%.

Contract workers are considered an integrated part of the occupational safety indicators. Accidents on the way to and from work are not included in occupational accidents.

Safely through the pandemic

In the past year we experienced several turning points in the pandemic. For manufacturing companies such as AT&S, a pandemic represents a major risk due to the resulting disruptions of operations. The COVID-19 task force, which was introduced in the financial year 2020/2021, continuously adapts protection measures such as mandatory PCR tests, FFP2 mask mandates, remote working regulations and so-called 3G checks (German abbreviation for vaccinated/tested/recovered), to the current occurrence of infection. Employees can find out about important news, information and measured regarding the coronavirus at the specifically set-up “Infopoint Corona” and via SMS service, newsletters, screensavers an e-mail at any time.

In addition to the health of all employees, the unrestricted continuation of operations is a top priority and can only be ensured by strict compliance with all protective measures and safety precautions taken.

At the locations in Austria, China and India, employees had the option to get vaccinated. Moreover, AT&S Nanjangud sponsored 1000 medication packages to fight the COVID-19 pandemic in the financial year 2021/22, which were distributed to patients in need in Nanjangud.

The last two years have shown that AT&S was always able to control infections in the company and to minimise the effects on the health of our employees based on the measures taken. At the same time, we managed to prevent disruptions of business operations, thus also keeping the risk for our customers low. We responded rapidly to changes in the infection situation

OCCUPATIONAL SAFETY

	Ratio of accidents (with ≥ 1 lost working day per 1 million working hours)			Ratio of average monthly lost working days (per 1,000 FTE)		
	2021/22	2020/21	Change	2021/22	2020/21	Change
MOBILE DEVICES & SUBSTRATES SEGMENT	2.1	1.0	1.0	11.2	7.5	3.7
AUTOMOTIVE, INDUSTRIAL, MEDICAL SEGMENT & OTHERS	4.9	4.0	0.9	9.8	7.1	2.6
TOTAL GROUP	**2.8**	**1.8**	**1.0**	**10.8**	**7.4**	**3.4**
ATTRIBUTABLE TO PARENT COMPANY	9,4	5,2	4,2	17,7	7,6	10,1

Fit for the daily challenges

We are aware that our growth and transformation path as well as the COVID-19 pandemic place great demands on our staff.

The AT&S plant management for Leoben and Fehring has developed a comprehensive health, fitness and leisure-time programme. Moreover, access to professional psychological online advice has been provided and can be used anonymously and free of charge.

At the Chinese locations, annual health checks at the workplace and blood donation campaigns are carried out every year. In the financial year 2021/22, the doctor's and mothers' room at the Chongqing location was renovated, enabling employees to use medical services on site. Mothers are able to comfortably nurse their children. The number of nursing cubicles has been increased from six to fourteen.

Employees engage in volunteer work

Since the establishment of AT&S Chongqing in 2011, the company has lived up to its social responsibility in many areas, for example as a mentor for disadvantaged children.

AT&S colleagues take care of pupils at different schools as volunteers, while AT&S provides in-kind donations such as learning materials, clothing, computers and electronic pianos.

We Care – AT&S and our employees help people in need

AT&S supports people in the war zone and fleeing from Ukraine with donations such as baby food and hygiene products. Organised by the works councils of the production sites in Austria, the donation packages are handed over to the city of Leoben for direct transport to Ukraine. AT&S has rented 40 residential units in Leoben, which are provided to refugee families in cooperation with Caritas. The first units are already occupied and more families arrive every day. In addition, AT&S provides people with laptops and internet connections to help them stay informed about the situation in their home country and keep in touch with their families and friends. AT&S is in permanent contact with aid organisations in order to continuously expand support and take further measures.

AT&S employees from Leoben and Fehring and the Management Board supported the "Ö3-Weihnachtswunder" ("Ö3 Christmas Miracle") and "Licht ins Dunkel" ("Light into the Dark") charities as well as the AT&S Lights Campaign with monetary donations.

Within the company, the AT&S Social Fund has been established at the Austrian locations. This fund is financed by employees and the company and helps people who find themselves in financial emergencies through no fault of their own. The type and amount of the support are defined in an anonymised decision by a committee set up specifically for this purpose.

SUSTAINABLE SUPPLY CHAIN & BUSINESS ETHICS

For a globally operating company such as AT&S, responsibility extends beyond its own system boundaries. Especially with regard to the supply chain, strong and global partnerships are essential to ensure a responsible development. Such partnerships are characterised by communication on an equal basis, sustainably justifiable business practices as well as transparent economic framework conditions. All of these are principles which AT&S has long used as guideposts along the supply chain.

The strategic field of action “Sustainable Supply Chain & Business Ethics” aims to ensure that neither human rights abuses nor corruption or discrimination occur in procurement and supply chain management. Along with the material topics “human rights” and “anti-corruption”, SDG 17 is also allocated to this field of action as the central sustainable development goal. SDG 8, 9, 10, 12 and 16 have also been classified as relevant sustainable development goals.

ZERO TOLERANCE OF CORRUPTION

AT&S is committed to strict compliance with all applicable international legal norms. In addition, our company pursues a policy of zero tolerance of any form of corruption. Well-established controlling processes prevent corruption and ensure conduct in line with compliance rules.

The AT&S anti-corruption directive was already implemented across the Group in 2016. It aims to protect our integrity and is applicable to all employees and representatives worldwide. This directive underlines the determination to counter any acceptance or provision of inappropriate gifts as well as any form of bribery or misappropriation. Infringements are punished accordingly, thus setting standards for appropriate business conduct.

The responsibility for monitoring legal and regulatory requirements lies with the Management Board in the AT&S Group. The Governance, Risk and Compliance Committee, in which the senior management including the Compliance, Internal Audit, Risk Management and Corporate Sustainability departments are represented, support the Management Board in this task and in the corresponding risk management. The committee deals with the Group-wide identification and mitigation of potentially relevant compliance and governance risks.

OUR CONTRIBUTION TO THE SDGS:

SUSTAINABLE SUPPLY CHAIN & BUSINESS ETHICS

SDG	Targets	Measures
17	17.16, 17.17	_ Global partnerships with NGOs and local authorities _ Cooperation with suppliers, customers and universities on sustainability and digitalisation _ Supplier Code of Conduct
8	8.7, 8.8	_ Supplier Code of Conduct to pursue all ethics- and labour-related aspects including human rights, working conditions, diversity and combating child and forced labour _ Supplier audits
9	9.1, 9.4	_ Cooperation with suppliers on sustainability, digitalisation and resilient infrastructure
10	10.2, 10.3	_ Supplier Code of Conduct _ Supplier audits
12	12.7	_ Supplier Code of Conduct _ Supplier audits _ Commitment to RMI
16	16.2, 16.5	_ Compliance with Austrian Code of Corporate Governance _ (Supplier) Code of Conduct _ AT&S anti-corruption guideline _ Anonymous whistleblowing platform _ Capital market compliance and anti-corruption trainings _ Governance, risk and compliance committee

The AT&S Capital Market Compliance Guideline was introduced in order to prevent the abuse of inside and other compliance-relevant information. It is applicable to all employees and corporate bodies including the Supervisory Board.

AT&S ensures that all those involved understand sensitive compliance-relevant topics and consider them in their daily activities. Awareness of this aspect is raised via a range of internal communication channels. Employees who are exposed to a higher risk due to their position and responsibilities receive training in this regard. In the financial year 2021/22, 1,315 employees attended training as part of corruption prevention, which corresponds to an increase by 8% on the previous year. 181 persons participated in capital market compliance training.

THE AT&S WHISTLEBLOWING PLATFORM AS AN ANONYMOUS REPORTING SYSTEM

Ethical principles and strict compliance with the applicable laws strengthen our company's credibility. Both are fundamental prerequisites for long-term partnerships and sustainable success. Should compliance violations nevertheless be suspected, informants can report such cases on the AT&S "We Care" whistleblowing platform. The whistleblowing platform is a secure system, which can also be used anonymously where desired. It enables employees and third parties to point out suspected irregularities such as corruption, discrimination, harassment or violations of human rights and our Code of Conduct. Only experienced and specially trained employees receive and process the information reported. All reports are treated confidentially. In the financial year 2021/22 seven reports were filed. Two of them required detailed investigation, and corrective action was taken as required.

THE AT&S CODE OF CONDUCT AS A GUARDRAIL FOR ETHICAL CONDUCT

Our employees are guided in their actions by clear ethical principles. These principles are laid down in the AT&S Code of Conduct, which was drawn up in line with the requirements of the Responsible Business Alliance (RBA). We consider the rules of conduct not only a binding guideline for our actions, but a central component of our corporate philosophy and therefore a cornerstone stabilising our company success. The code addresses sustainable, ethically correct and legally compliant behaviour with regard to business ethics, working conditions, health, safety and environment. The Code is valid for all AT&S activities worldwide.

THE SAME REQUIREMENTS FOR SUPPLIERS

We always strive to work with suppliers in the long term and to build a sustainable relationship. The AT&S Supplier Code of Conduct therefore clearly specifies that our high standards regarding ethics, working conditions, health, safety and environment must be complied with. The Code makes reference to the Responsible Business Alliance (RBA).

In the financial year 2021/22, approximately 170 suppliers were considered to be essential. They cover about 80% of AT&S's purchasing volume. 100% of them had signed the Code of Conduct at the end of the financial year. As in the previous year, the target was therefore met. In addition, the Code was signed by 99.6% of those suppliers who account for another 15% of AT&S's purchasing volume. This corresponds to a 20% increase compared with the previous year.

Proportion of Code of Conduct signed (material suppliers)

100%

(previous year: 100%)

As a supplier of electronic components, AT&S meets all legal requirements of lists of substances, not only in the EU, but also in Asia and all other regions where the company operates. Along with the General Terms and Conditions of Purchase and the AT&S Supplier Code of Conduct, Guidelines for the Regulation of Environmental Related Substance in accordance with the REACH Regulation can be accessed on the AT&S Website.

TRUST IS GOOD, AUDITS PROVIDE CERTAINTY

In order to secure our high standards regarding environmental topics and society, AT&S assesses its suppliers beyond economic criteria and derives a risk-based audit plan from the results. In accordance with the Code of Conduct the criteria comprise compliance with human rights, a ban on child labour, work safety, environmental protection and fair remuneration. This ensures that we act in an ethically correct and environmentally oriented way even beyond our system boundaries.

Number of supplier audits

45 AUDITS

(previous year: 46 audits)

Transparency along the supply chain is important to us. Reliable compliance with quality and sustainability standards, human rights and prevention of corruption is therefore a prerequisite for new suppliers. Overall, 45 supplier audits were conducted in the financial year 2021/22. 15 audits covered business ethics and compliance with human rights in addition to general social and economic topics. Twelve deviations were identified in the areas of business ethics, working conditions and human rights. The corresponding measures were defined and implemented to remedy deficiencies.

AT&S supports suppliers in the area of sustainability and regularly coordinates with them with regard to strategic orientation, product development and innovation. Once a year, the company offers training days for suppliers, which are dedicated to topics such as EHS, dangerous goods and material management as well as the AT&S Supplier Code of Conduct.

FROM HUMAN RIGHTS TO MINERALS

Special due diligence is required in the sourcing of sustainable raw materials and other materials when purchasing so-called conflict minerals such as tin, tantalum, tungsten and gold (in short: 3TG). AT&S exclusively processes valuable minerals which are not linked to any human rights abuses, money laundering or conflicts in its high-end products.

AT&S is not listed on the US stock exchange and is therefore not subject to the requirements of the Dodd-Frank Act. Nonetheless, the company adopted the requirements of the Dodd-Frank Act Section 1502 of the US congress based on its mission and vision and its ethical principles. Furthermore, AT&S meets the requirements of EU Regulation 2017/821, which is defined in the general terms and conditions.

AT&S pursues its own systematic approach to prevent human rights abuses in the supply chain and adheres to the due diligence process of RMI. The company is aware of its responsibility for a compliant supply chain and evaluates it at regular intervals using standardised questionnaires. In case of acute suspicion, the Conflict Minerals Reporting Template (CMRT) of RMI is applied.

In the financial year 2021/22, AT&S reports a 100% compliant supply chain, which means that 100% of the suppliers have committed to a compliant supply chain and source minerals exclusively from smelting plants and mines that conform to regulations and are regularly audited by RMI.

RMI compliance of our supply chain

100%

(previous year: 100%)

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE IN THE REPORT, URL OR REASON FOR OMISSION
GRI 102 (2016)	**ORGANISATIONAL PROFILE**	
102-1	Name of the organisation	p. 210
102-2	Activities, brands, products, and services	p. 5
102-3	Location of headquarters	p. 4
102-4	Location of operations	p. 116
102-5	Ownership and legal form	p. 94 and 210
102-6	Markets served	p. 5
102-7	Scale of the organisation	p. 2
102-8	Information on employees and other workers	p. 77 f.; uniform disclosure on fixed-term employment contracts not possible on an international basis
102-9	Supply chain	p. 61 ff.
102-10	Significant changes to the organisation and its supply chain	none
102-11	Precautionary Principle or approach	p. 60 f. and 123 ff.
102-12	External initiatives	p. 55
102-13	Membership of associations	p. 55
GRI 102 (2016)	**STRATEGY**	
102-14	Statement from senior decision-maker	p. 54 f.
102-15	Key impacts, risks, and opportunities	p. 60 f. and 123 ff.
GRI 102 (2016)	**ETHICS AND INTEGRITY**	
102-16	Values, principles, standards, and norms of behaviour	p. 54 f., 58, 80 and 85 ff.
102-17	Mechanisms for advice and concerns about ethics	p. 85 ff.
GRI 102 (2016)	**GOVERNANCE**	
102-18	Governance structure	p. 57
GRI 102 (2016)	**STAKEHOLDER ENGAGEMENT**	
102-40	List of stakeholder groups	p. 59
102-41	Collective bargaining agreements	p. 76
102-42	Identifying and selecting stakeholders	p. 59
102-43	Approach to stakeholder engagement	p. 59
102-44	Key topics and concerns raised	p. 59 f. and 64

GRI STANDARD	DISCLOSURE	PAGE IN THE REPORT, URL OR REASON FOR OMISSION
GRI 102 (2016)	**REPORTING PRACTICE**	
102-45	Entities included in the consolidated financial statements	p. 139 f.
102-46	Defining report content and topic Boundaries	p. 54 f. and 59
102-47	List of material topics	p. 64
102-48	Restatements of information	none
102-49	Changes in reporting	none
102-50	Reporting period	01/04/2021–31/03/2022
102-51	Date of most recent report	10/06/2021
102-52	Reporting cycle	annual
102-53	Contact point for questions regarding the report	Annual Report: Philipp Gebhardt Non-financial report: Nadja Noormofidi
102-54	Claims of reporting in accordance with the GRI Standards	p. 54
102-55	GRI content index	p. 88 ff.
102-56	External assurance	p. 47
GRI 205 (2016)	**ANTI-CORRUPTION**	
103-1; -2; -3	Management Approach	p. 85 f.
205-2	Communication and training about anti-corruption policies and procedures	p. 85 f.
205-3	Confirmed incidents of corruption and actions taken	p. 85 f.
GRI 301 (2016)	**MATERIALS**	
103-1; -2; -3	Management Approach	p. 73 f.
301-1	Materials used by weight or volume	p. 73 f.; breakdown into renewable/non-renewable not available
GRI 302 (2016)	**ENERGY**	
103-1; -2; -3	Management Approach	p. 66 ff.
302-1	Energy consumption within the organisation	p. 68 f.; for further information see CDP Climate Change Report
302-3	Energy intensity	p. 68 f.; for further information see CDP Climate Change Report
302-4	Reduction of energy consumption	p. 66, for further information see CDP Climate Change Report

GRI STANDARD	DISCLOSURE	PAGE IN THE REPORT, URL OR REASON FOR OMISSION
GRI 303 (2018)	**WATER AND EFFLUENTS**	
103-1; -2; -3	Management Approach	p. 70 f.
303-3	Water withdrawal	see CDP Water Security Report (www.cdp.net)
303-4	Water discharge	see CDP Water Security Report (www.cdp.net)
303-5	Water consumption	p. 71 and CDP Water Security Report (www.cdp.net)
GRI 305 (2016)	**EMISSIONS**	
103-1; -2; -3	Management Approach	p. 67 ff.
305-1	Direct (Scope 1) GHG emissions	p. 67 ff.; for further information see CDP Climate Change Report (www.cdp.net)
305-2	Energy indirect (Scope 2) GHG emissions	p. 67 ff.; for further information see CDP Climate Change Report (www.cdp.net)
305-3	Other indirect (Scope 3) GHG emissions	p. 67 ff.; for further information see CDP Climate Change Report (www.cdp.net)
305-4	GHG emissions intensity	p. 67 ff.; for further information see CDP Climate Change Report (www.cdp.net)
305-5	Reduction of GHG emissions	p. 66; for further information see CDP Climate Change Report (www.cdp.net)
GRI 306 (2020)	**WASTE**	
103-1; -2; -3	Management Approach	p. 72 f.
306-3	Waste generated	p. 72 f.
GRI 403 (2018)	**OCCUPATIONAL HEALTH AND SAFETY**	
103-1; -2; -3	Management Approach	p. 82 ff.
403-9	Work-related injuries	p. 83 f.
GRI 404 (2016)	**TRAINING AND EDUCATION**	
103-1; -2; -3	Management Approach	p. 80 ff.
404-1	Average hours of training per year per employee	p. 81
404-2	Programmes for upgrading employee skills and transition assistance programmes	p. 80 ff.
404-3	Percentage of employees receiving regular performance and career development reviews	p. 80

GRI STANDARD	DISCLOSURE	PAGE IN THE REPORT, URL OR REASON FOR OMISSION
GRI 405 (2016)	**DIVERSITY AND EQUAL OPPORTUNITY**	
103-1; -2; -3	Management Approach	p. 76 ff. and 50 ff.
405-1	Diversity of governance bodies and employees	p. 76 ff. and 50 ff.
GRI 406 (2016)	**NON-DISCRIMINATION**	
103-1; -2; -3	Management Approach	p. 86
406-1	Incidents of discrimination and corrective actions taken	p. 86
GRI 414 (2016)	**SUPPLIER SOCIAL ASSESSMENT**	
103-1; -2; -3	Management Approach	p. 86 f.
414-2	Negative social impacts in the supply chain and actions taken	p. 86 f.

AT&S ON THE CAPITAL MARKET

In the financial year 2021/22, the Euro STOXX 50 showed a positive trend well into the autumn and marked its high of the reporting period in November 2021. Subsequently, the index recorded no further gains and lost ground until the end of the financial year. The Dow Jones Industrial Average showed a similar pattern. Although it continued its upward trend until early January 2022 and marked a new all-time high, it was also unable to maintain this development. Overall, the Euro STOXX 50 (+/-0%) was unchanged at the end of the financial year compared the prior reporting period, while the Dow Jones Industrial Average recorded slight gains (+5%). The indices on the Vienna Stock Exchange also reported increases, with the Austrian lead index ATX and the more broadly based ATX Prime gaining +5% and +4%, respectively.

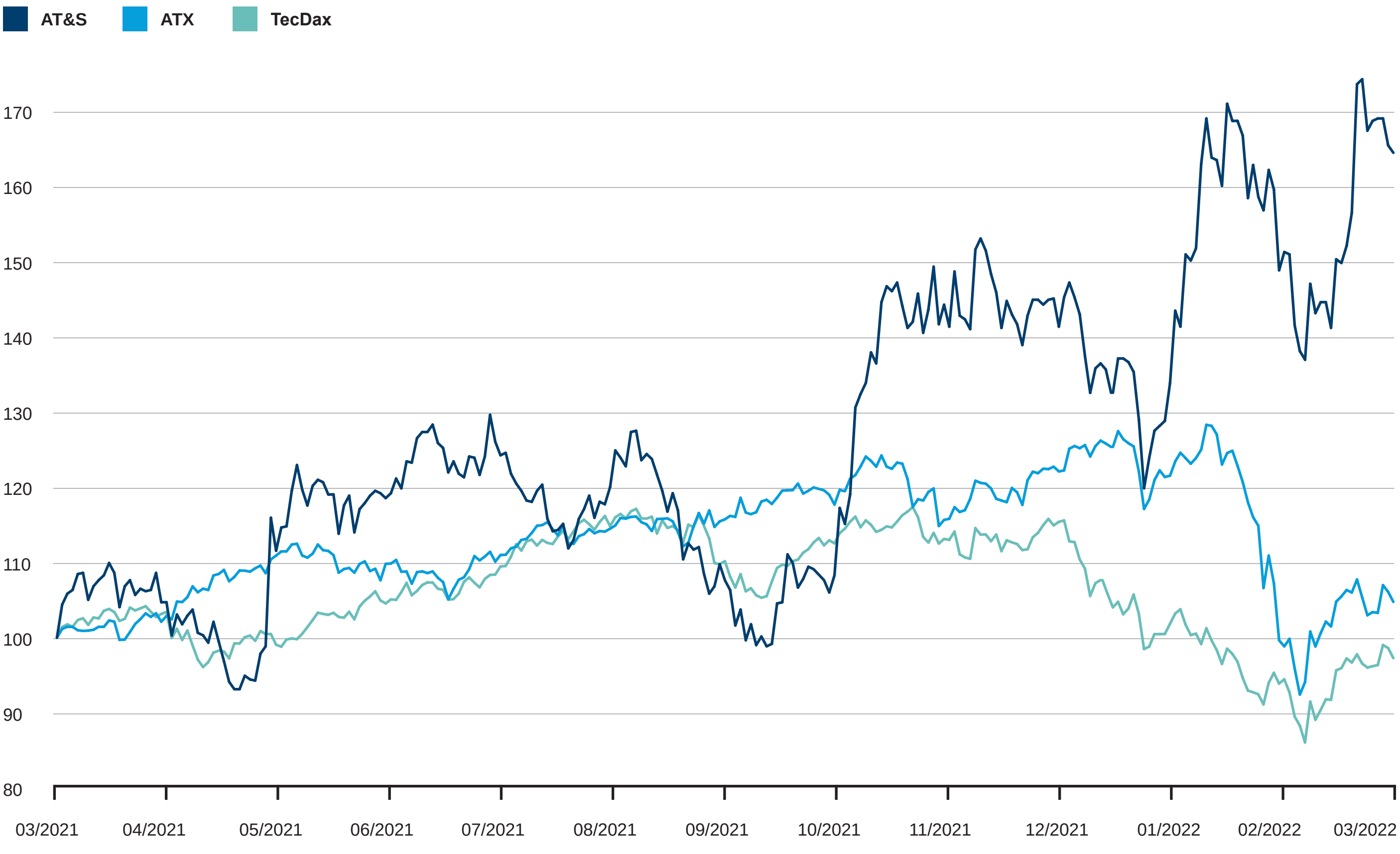
PERFORMANCE OF THE AT&S SHARE

AT&S showed strong development in the financial year 2021/22. At the end of the financial year on 31 March 2022, the share closed at € 50.40, which corresponds to an increase of roughly 65%. During the year the price climbed continuously and benefited, among other things, from the strong operating development and the upward revision of targets for the financial year and the medium term. Influencing factors such as growing interest rate concerns or the conflict between Ukraine and Russia only caused temporary setbacks.

The share marked its annual low of € 27.95 in mid-May 2021 and thus at the beginning of the financial year. In contrast, the high of € 54.00 was recorded towards the end of March 2022. Overall, AT&S significantly outperformed the most important global stock indices with its share price development.

SHARE PRICE DEVELOPMENT

AT&S compared to ATX and TecDAX (rebased to 100)



AT&S's market capitalisation increased from € 1.19 billion at 31 March 2021 to € 1.96 billion at the end of the financial year 2021/22 due to the good performance of the share.

CONVEYING THE GROWTH STORY

In the past financial year, Investor Relations focused its capital market communication on further strengthening investors' trust in the company, its growth story "More than AT&S" and in the industry. Due to the COVID-19 pandemic, the IR team's financial market communication activities still took place mostly virtually. Stifel, Aletheia Capital and Jefferies published analyses of AT&S for the first time in the past financial year, each with a "buy" rating. Seven analysts currently cover the AT&S share.

The Management Board and the IR team provided information in interactions with more than 600 groups as part of virtual road shows, investor conferences, conference calls as well as one-on-one talks about operating development and progress made in the implementation of the strategy and ongoing projects. The 27th Annual General Meeting was held completely virtually again. In its communications, the company took care to ensure transparent, equal and proactive information to all capital market participants. AT&S offers interested capital market participants regularly updated documents such as annual and quarterly reports as well as presentations on its Investor Relations page at **https://ats.net/investors** for viewing and download. The offering also comprises the online annual report, featuring exciting and interactive content.

KEY SHARE FIGURES

	UNIT	2020/21	2021/22
CLOSING PRICE ON 31 MARCH	€	30.6	50.4
HIGH	€	31.1	54.0
LOW	€	12.3	28.0
MARKET CAPITALISATION (END OF REPORTING PERIOD)	€ in millions	1,189	1,958
AVERAGE SHARE TURNOVER PER DAY	€ in thousands	1,559	3,471
AVERAGE NUMBER OF SHARES TRADED PER DAY	–	77,563	87,749
DIVIDEND PER SHARE	€	0.39	0.90*
DIVIDEND YIELD (AT THE CLOSING PRICE)	%	1.3	1.8
EARNINGS PER SHARE	€	1.01	2.39
BOOK VALUE PER SHARE	€	20.6	32.2
PRICE-EARNINGS RATIO PER SHARE	–	30.3	21.1

* 2021/22: proposal to the Annual General Meeting

AT&S BOND

	FIRST RESET DAY	COUPON	Issue size
HYBRID BOND ISIN: XS1721410725	24/11/2022	4.75%	€ 41.4 million
HYBRID BOND ISIN: XS2432941693	20/01/2027	5.00%	€ 350 million

AT&S SHARE

SECURITIES IDENTIFICATION NO./ISIN	922230/AT0000969985
TICKER SYMBOLS	Thomson Reuters: ATSV.VI Bloomberg: ATS:AV
STOCK LISTING	Vienna
INDICES	ATX, ATX GP, WBI, VÖNIX
NUMBER OF ORDINARY SHARES	38,850,000

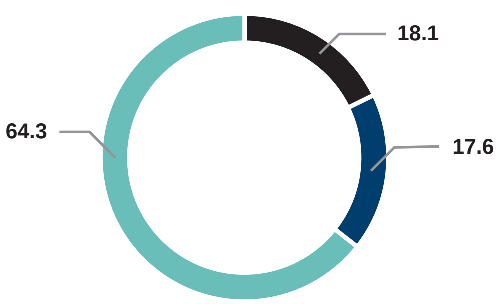
ANALYSES OF THE AT&S SHARE

	ANALYST RECOMMENDATIONS*
ALETHEIA CAPITAL	Buy
BERENBERG BANK	Hold
ERSTE GROUP	Buy
JEFFERIES	Buy
KEPLER CHEUVREUX	Buy
RAIFFEISEN BANK INTERNATIONAL	Hold
STIFEL	Buy

* As on date of publication

SHAREHOLDER STRUCTURE

in %

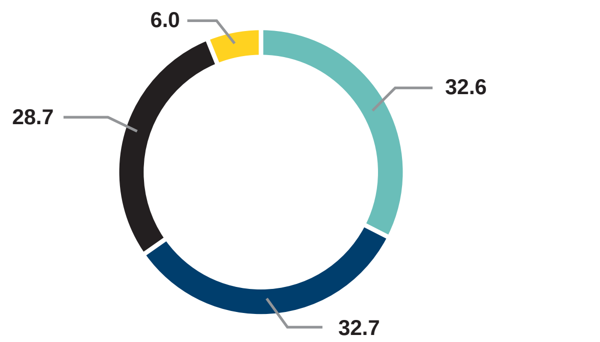


Free float Dörflinger Private foundation*
Androsch Private foundation*

* Including direct and indirect holdings

SHAREHOLDER STRUCTURE BY REGION (institutional investors)*

in %



Austria North America Continental Europe Rest of the world

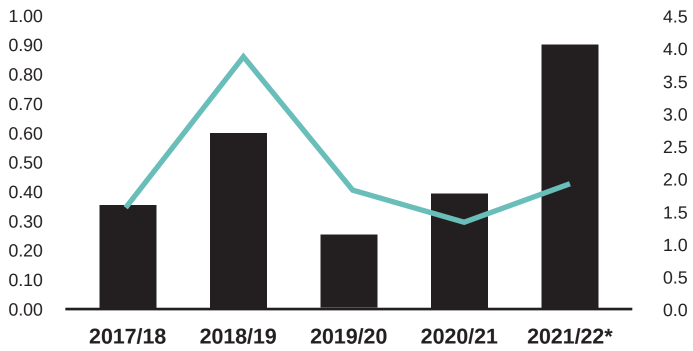
* Only includes identified investors

AT&S FINANCIAL CALENDAR

27/06/2022	Record Date Annual General Meeting
07/07/2022	28th Annual General Meeting
26/07/2022	Ex-Dividend Day
27/07/2022	Record Date Dividend
28/07/2022	Dividend Payment Day
02/08/2022	Publication of the first quarter 2022/2023
03/11/2022	Publication of the first half-year 2022/2023
02/02/2023	Publication of the first three quarters 2022/23
16/05/2023	Publication of Preliminary Annual Results 2022/23

DIVIDEND DEVELOPMENT

Dividend and dividend yield



Dividend per share (in €) Dividend yield (rhs, in %)

* Proposal to the Annual General Meeting

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GROUP MANAGEMENT REPORT

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1. MARKET AND INDUSTRY ENVIRONMENT

1.1. General economic environment

Further recovery after COVID-19

After a pandemic-induced global recession, 2021 witnessed an interrupted recovery due to supply chain disruptions and high prices. Global economic output (GDP) increased by 5.6% in 2021. GDP grew by 5.2% in the euro area, and by 8.1% in China. Projections for 2022 predicted a global GDP annual growth rate of 3.5%[1,2]. Manufacturers who had to reduce or shut down production in 2020 due to the pandemic were not able to scale back up to meet the increased demand for goods. Combined with transportation issues, this caused a shortage of raw materials and increased prices, leading to high inflation at the end of 2021[1,2]. The end of 2021 and the beginning of 2022 saw signs of easing of supply chain bottlenecks, resulting in optimism of reduced inflationary pressures.

At the beginning of 2022, the pandemic-related restrictions were eased, and this increased optimism for easing of supply chain and inflation pressures. Unfortunately, the optimism was short-lived due to geopolitical tensions. In February 2022, Russia invaded Ukraine, causing a shock to global commodity markets. The immediate impact of the invasion included spikes in energy and food prices, as Russia and Ukraine were key global suppliers of oil, gas and wheat, as well as input materials for electronics manufacturing, such as neon, palladium, copper, aluminum and nickel. In response to the invasion, countries placed sanctions and other trade restrictions on Russian goods.

The US and EU announced plans to bolster electronics manufacturing away from China, and manufacturing firms announced substantial investments in new plants. Increased pandemic-related lockdowns in China following a policy of zero tolerance for COVID cases continue to cause uncertainty and volatility. To counter geopolitical risks, one of the success factors is to diversify sourcing of raw materials. The Russian invasion into Ukraine has once again highlighted this.

1.2. Industry environment

Consumers, computing, communication

The stay-at-home trend continued in 2021 with a substantial part of the globe still affected by the pandemic. Therefore, consumers continued to invest in electronic devices at a similar pace compared to 2020. Laptops continued to grow at a high rate of 19% YoY, reaching a historical height of 257 million units[3]. Gaming consoles enjoyed very strong growth of 27% YoY on units driven by high demand for new models[4]. With consumers' interests shifting towards more advanced wearable products, both smartwatch and true wireless stereo headsets enjoyed strong unit growth of 10% and 32% YoY, respectively. Overall, wearable shipments increased by 11% YoY[5].

The augmented reality and virtual reality (AR/VR) headwear market is about to reverse the downward trend for earwear as the worldwide market for AR/VR headsets grew 92.1% YoY to 11.2 million units in 2021. The holiday quarter was a major driver for the industry as almost half of the annual volume was shipped during Q4 2021, closing out a record year[6].

The smartphone market enjoyed a 5.7% YoY growth in units despite supply and logistics challenges, riding on the wave of a 5G smartphone upgrade cycle. Demand for 5G smartphones globally grew from 256 million units in 2020 to 559 million units in 2021[7]. With robust growth in the first half of 2021, all regions finished 2021 on a positive note. Within China, a slowdown in consumer demand led to a flat market with 1% YoY growth, despite growth in 5G smartphone units of 60% YoY[8].

While there are signs that companies are gradually asking their employees to go back to office, many companies across different industries (technology, banking, etc.) are expected to adopt a "hybrid" mode – a combination of office and home days

[1] OECD, "Economic Outlook", December 2021
[2] OECD, "Economic Outlook, Interim Report", March 2022
[3] IDC, "Quarterly Personal Computing Device Tracker", March 2022
[4] IDC, "Gaming Forecast", December 2021
[5] IDC, "Wearables Tracker", March 2021
[6] Prismark, "Electronics Supply Chain Reporter Q1 2022", March 2022
[7] IDC, "Quarterly Mobile Phone Tracker", March 2022
[8] Bernstein, "Global Semiconductors: Asian Semis, QCOM – China Smartphone Tracker (jan)", February 2022

during the week. "Back to office" equipment upgrades could support the computing segment in H1 2022. The implication for a future hybrid mode means the volume of computing related hardware will stay solid, even though 2022 YoY growth will be lower than the previous two years[9].

Automotive

Two major topics have driven the automotive industry in 2021: electrification and Advanced Driver Assistance System (ADAS). Market penetration of electrical vehicles has grown significantly, with China in the lead with an increase in sales of 190% (Q3 2021 vs Q3 2020), boosted by plans to ban internal combustion cars[10]. On the other hand, new safety requirements and the race for autonomous cars are increasing sales of sensors and computing power. A major milestone in 2021 was the introduction of the first car meeting the demanding legal requirements for a level 3 ADAS system; a significant step on the way to autonomous driving.

Nevertheless, the automotive industry is increasingly dependent on the semiconductor industry and it has been strongly affected by disruption in the semiconductor and material supply chain leading to the production of only 76 million cars in 2021 compared to 75 million in 2020[11]. For 2022, a recovery to 86 million is forecast[11]. However, high inflation and the war in Ukraine put this at risk. The automotive electronics and PCB markets increased by 12% and 25%, respectively[12]. This illustrates the trend towards increasing electronics in cars as well as the industry shifting to higher value cars during the crisis.

Driven by the increasing importance of the electronics in the automotive industry, car original equipment manufacturers (OEMs) and semiconductor companies are looking into joint ventures and restructuring and relocating the whole supply chain. These joint ventures are also working together to develop software platforms for the next ADAS generation. The continual merging between the automotive industry and traditional computer/consumer companies is bringing brand new players to the Automotive market.

Medical

The medical device industry has rebounded this year from one of its worst periods ever as the COVID-19 pandemic triggered major sales losses in 2020 with surgeries and consultations being disrupted. In 2021, revenues for medical electronics and PCBs increased by 13% and 17%, respectively[12].

There are two trends in the medical device market. The first trend is the increasing interest of consumers in wellness and health, boosting the global sales of wearables. Health agencies like the FDA in the US are regulating the use of these devices, and consumer companies are increasingly releasing FDA approved functionalities to expand their offering to attract more health conscious customers. The second trend is governments trying to bring medical devices closer to more consumers by opening the over-the-counter (OTC) market, that is, medical devices without a prescription. For example, members of the US Senate are pushing to finish the new Hearing Aid OTC regulation, which is planned to be passed at the end of 2022. This new market opens the door to non-medical companies with extensive experience in the consumer market to enter this newly created market, making devices falling into this category more affordable to consumers. Likewise, medical companies are also planning to serve this market and they are partnering with consumer companies to share knowledge and capabilities.

Industrial & Infrastructure

The communication landscape is shaped by the digitalisation trend that is being adopted by a greater number of companies and consumers each year. The key driver for this is 5G technology that enables connectivity and higher data throughput which is required to collect large amounts of data. There are already more than 50 countries that have auctioned 5G sub 6GHz frequencies and more than 20 for mmWave frequencies, enabling telecom companies to start building the new infrastructure[13]. In 2021, there was growth of 66% to

[9] Prismark, "Electronics Supply Chain Reporter Q4 2021", December 2021
[10] PWC, "Electric Vehicle Sales Review Q4 2021", November 2021
[11] LMC, "Light Vehicle Forecast", January 2022
[12] Prismark, "Application Forecasts", March 2022
[13] Global Mobile Suppliers Association, "Spectrum Auction Calendar", January 2022

2 million units of 5G large cell and small cell deployment – the leader being China, followed by the USA[14]. 5G IoT connectivity demand has also seen large growth of 250% YoY to 7 million units, representing less than 2% of all IoT devices, while 4G accounts for 49%[15].

Due to companies having access to lower cost connectivity technologies, they start to implement large number of connected sensors into their processes. The majority of these sensors are image sensors used in the quality control process. Here, the YoY unit sales increased by 28.6% to 25 million units[16].

Semiconductors

With an approximate revenue increase of 26% YoY to US$ 556 billion, the year 2021 simply propelled the global semiconductor industry revenue into new heights[17]. The prevailing chip shortage issue, the bounceback of semiconductor chip demand, the continuation of the COVID-19 pandemic, and the huge capital spending were the main highlights in the industry. Throughout the whole of 2021, the industry faced high demand for semiconductor devices for different applications, including the automotive and consumer segments. This increased demand was initially seen in the automotive industry as the orders for new vehicles started to bounce back after being very low during the initial phase of the pandemic. The gradual shift in demand from the automotive sector to the other segments, complicated by the increase in consumer, telecommunication, and entertainment devices, and the recovery of demand for vehicles, characterised the difficulty of the supply-demand situation for semiconductors in 2021. The stockpiling of chips due to geopolitical tensions further increased demand amid the already saturated situation. In 2021, a record 1.15 trillion semiconductor units were shipped[17]. In December 2021 alone, an overall global sales increase of 28.3% relative to December 2020 was recorded[17].

Semiconductor companies ramped up their respective production to address as much as possible the ongoing chip shortage and high demand resulting in record high sales. The strained situation is expected to continue throughout 2022, however. In light of new technologies that are bolstering demand for several product segments such as new GPUs, crypto and edge computing, difficulties in the supply of semiconductors can be expected. Big industry players announced major investments in production facilities to enhance chip manufacturing capacity and to address the chip shortage. In 2021, a total of US$ 152 billion in global semiconductor industry capital expenditure was recorded – 30% higher than in 2020[18]. The majority of the spending was on foundries and was related to new factories and the introduction of 7/5/3nm processes.

The market for flip-chip (FC) substrates used in the packaging of high-end semiconductors grew faster than the semiconductor market at 43% YoY to US$ 10.6 billion[12]. Especially in the most advanced category of FC ball grid array (BGA) substrates using Ajinomoto Build-up Film (ABF) material, demand exceeded supply. In 2021, two trends could be observed: first, the high sales of laptops increased the demand for substrates used in the CPUs. Second, the technology in high-end computing and networking ICs, predominantly used in data centres, shifted and is requiring more complex and larger substrates. These need more production capacity per unit, increasing the shortage. This trend of larger and more complex substrates is a result of heterogeneous packaging concepts and is expected to continue and even increase[19].

1.3. Industry and technology trends

End-market trend - metaverse

The metaverse is best understood as an evolution into a more immersive 3D web viewable by AR/VR and traditional devices. Upgrades along five key vectors are expected: user hardware, infrastructure, content, community, and currency and settlement mechanism. The metaverse is developing improved use cases around gaming, entertainment, collaboration, social media, virtual worlds, education and fitness along with several industrial applications. On the hardware side, AR/VR devices are

[14] Prismark, "5G Base Station Shipments", November 2021
[15] Yole Development, "5G mMTC and IoT Platforms – Technology and Market Trends 2021", September 2021
[16] Yole Development, "Sensors for Robotic Goods Transportation 2021", May 2021
[17] Semiconductor Industry Association (SIA), "SIA Databook", February 2022
[18] IC Insights, "The McClean Report", January 2022
[19] TechSearch International, "Advanced Packaging Update: Market and Technology Trends", vol. 4, January 2022

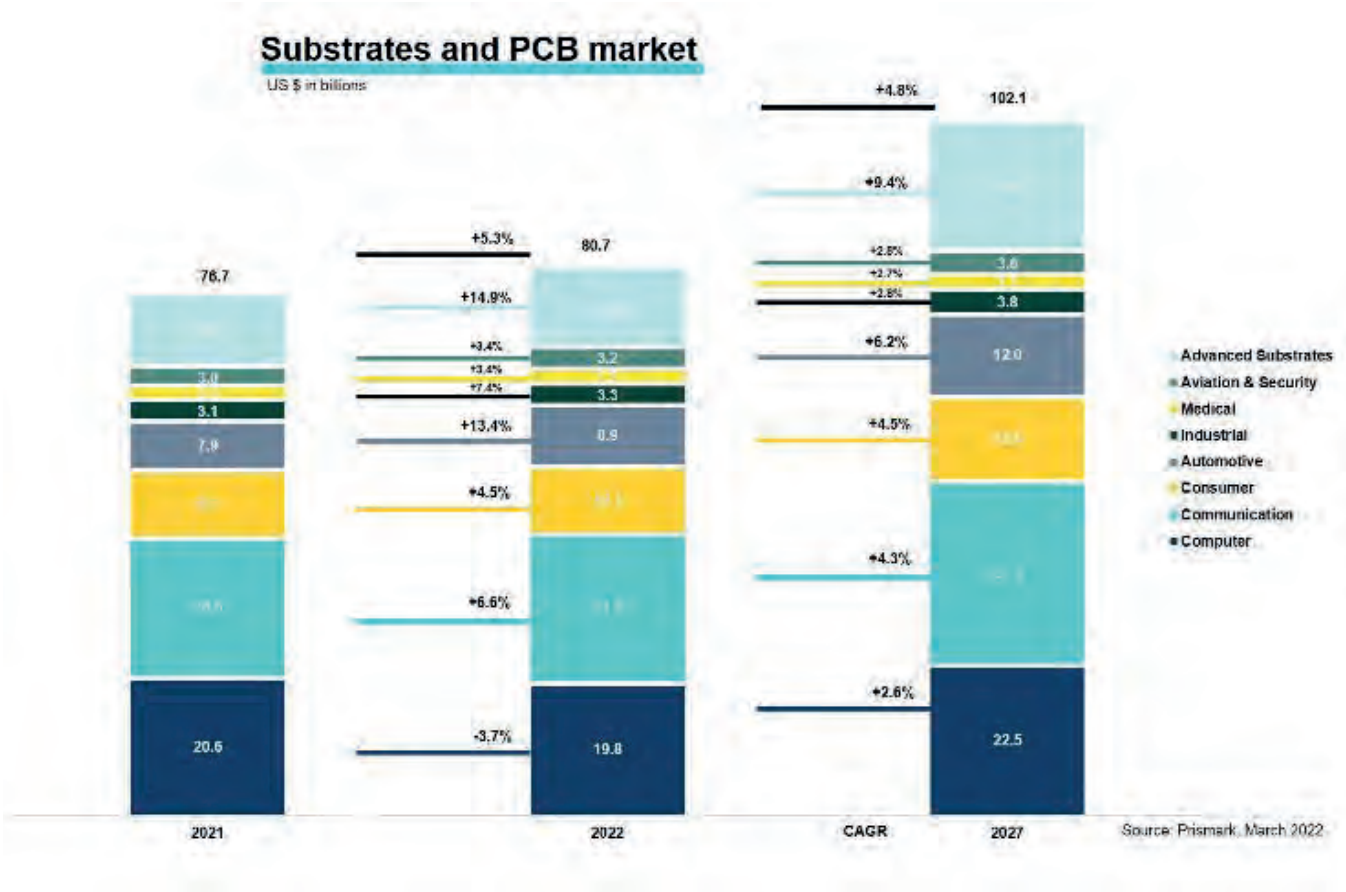
the main focus and projected to have a 48% shipment CAGR to 42 million units by 2025, although the larger traditional tech hardware categories could see upgrades to view richer content[5]. As headwear needs to be light, a strong push for modularisation and miniaturisation is to be expected. The increased data rates will require sophisticated communication modules and antenna-in-package (AIP). Alongside the roll-out of AR/VR devices, the demand for high bandwidth communication, like 5G and potential successor technologies, and data centres computing power is increasing.

Package Technology trend – heterogeneous integration and chiplets

To increase the computational performance, silicon processes have been improved to fit more functionality on the same area, requiring less energy for the same performance[20]. Additionally, the computation architecture has been improved allowing for more computational cores and improved interoperation providing ever increasing computational performance. However, a further increase in computational performance beyond Moore's Law is not possible. Further increases in computational performance can be realised through innovative packaging concepts. In contrast to the classic system-on-chip (SoC) design – with a single piece of silicon – heterogeneous packaging concepts – disaggregating the single chip to multiple chiplets – are used. This concept allows for more computational performance at, comparatively, moderate cost and increased flexibility. This does not only apply for high-performance computing ICs, as they are used in servers, but can also be used to integrate other components, like optical interfaces. Current developments in networking ICs, use heterogeneous packaging to integrate the optoelectronic engine within the package, massively improving communication performance and energy efficiency. Classically, the optical engines are separate components mounted in the system. This illustrates that heterogeneous packaging and chiplets are nothing exotic, but the new standard in high-performance ICs for computing, AI, networking, and more applications.

The technical challenge in heterogeneous packaging is arising from the connection of the chiplets[20]. While a SoC requires only a connection from the chip to the PCB underneath, heterogeneous packaging also needs to solve the interconnection of the chiplets. There are different concepts involving substrates, silicon interposers and silicon bridges which are embedded in the substrate or placed on top of the substrate. All dominant solutions involve a substrate, which is usually a FC-BGA using ABF material. The disaggregation of the chip makes it possible to build significantly larger ICs, also requiring larger substrates. At the same time, the numbers of layers are increasing to allow for all the interconnection needed. Hence, heterogeneous packaging is the main driver for the increasing value-based growth in substrates. This development marks a shifting paradigm: as chiplets are cheaper to manufacture and allow for more flexibility than a single chip solution, substrates are getting more complex and more expensive, becoming a more important part of the final IC

[20] TechSearch International, "Quantifying the Impact of Heterogeneous Integration: Chiplets and SiP", February 2021


Substrates and PCB market
US $ in billions
76.7
3.0
3.1
7.9
20.6
2021
+5.3%
+14.9%
+3.4%
+3.4%
+7.4%
+13.4%
+4.5%
+6.6%
-3.7%
80.7
3.2
3.3
8.9
19.8
2022
+4.8%
+9.4%
+2.8%
+2.7%
+2.8%
+6.2%
+4.5%
+4.3%
+2.6%
CAGR
102.1
3.6
3.8
12.0
22.5
2027
Advanced Substrates
Aviation & Security
Medical
Industrial
Automotive
Consumer
Communication
Computer
Source: Prismark, March 2022

2. ECONOMIC REPORT

2.1. Overall development of the Group

AT&S records robust growth

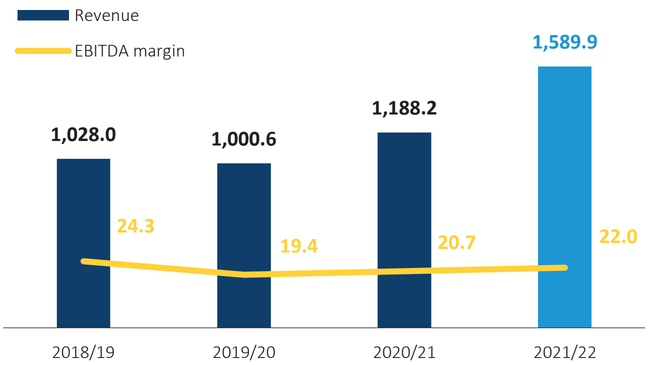
AT&S significantly increased revenue and EBITDA in a volatile market environment and reported record levels for both figures in the financial year 2021/22.

Consolidated revenue amounted to € 1,589.9 million, exceeding the revenue of € 1,188.2 million reported in the previous year by € 401.6 million.

Revenue grew on a broad basis, with the additional capacity for ABF substrates in Chongqing proving to be the main driver. In addition, the broader application portfolio for mobile devices and module printed circuit boards also contributed to revenue growth.

In the AIM business unit, all three segments supported the growth trend, with the Industrial segment recording the strongest increase. The Automotive segment also saw clearly positive revenue dynamics, although the shortage of semiconductors curbed an even better development.

Development of revenue and EBITDA margin
€ in millions/in % of revenue



2.2. Earnings development in the Group

Revenue up 33.8%

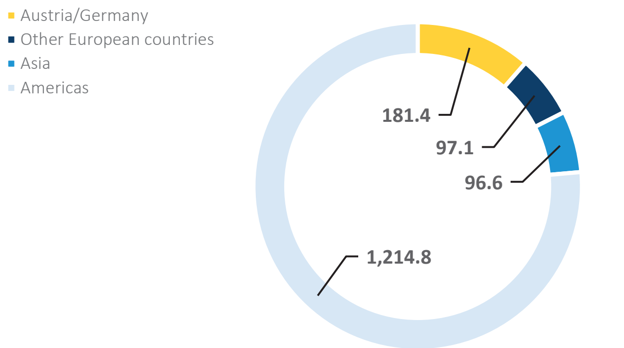
Revenue increased by 33.8% compared to the previous year and amounted to € 1,589.9 million, which was attributable in particular to capacity expansions in Chongqing. The Chongqing I plant for substrates operated at capacity throughout the year, and additional capacity was created by ramping-up the Chongqing III plant.

Foreign exchange effects had a positive impact of € 5.1 million or 0.3% on the development of revenue. 87.7% of revenue (previous year: 87.1%) was invoiced in foreign currencies (primarily US dollars).

Revenue in the second and third quarters was significantly higher than in the first quarter. In the third quarter, the Company recorded the highest quarterly revenue ever generated. Unlike in the past, revenue in the fourth quarter also exceeded that of the second quarter as in the previous year.

The regional revenue structure based on customers' headquarters shows a share of 76.4% for America, compared with 73.3% in the previous year. The share of products manufactured in Asia rose slightly from 87.7% to 88.4%.

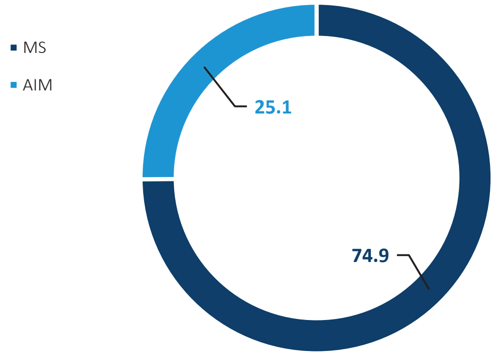
Revenue broken down by region, based on customers´ headquarters
€ in millions



The effects of recognising revenue over time, which is required for a number of customers in accordance with IFRS 15, led to an increase in reported revenue by € 74.2 million or 4.7% (effect in the previous year: increase by € 24.5 million or 2.1%). For further information please refer to the notes to the consolidated financial statements.

Revenue split by segment shows the following picture:

Revenue from external customers by segment
in %

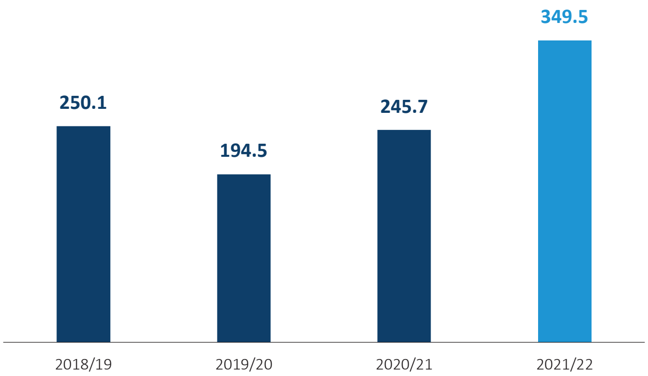


The share of the Mobile Devices & Substrates (MS) segment in revenue increased to 74.9% (previous year: 74.2%), the share of the Automotive, Industrial, Medical (AIM) segment declined to 25.1% (previous year: 25.8%). Further information on the development of the segments is provided in Section 2.3 "Earnings development in the segments".

EBITDA increases to € 349.5 million, EBITDA margin 22.0%

EBITDA, at € 349.5 million, significantly exceeded the prior-year figure of € 245.7 million. While the increase in revenue and the related rise in gross profit had a positive influence on earnings, higher selling and administrative costs reduced the operating result. Other operating income was higher than in the previous year and was positively influenced in particular by higher grants and negatively affected by higher start-up costs. Currency effects resulting primarily from the translation of international subsidiaries to the reporting currency had a negative effect of € -19.6 million on EBITDA.

Development of EBITDA
€ in millions



The EBITDA margin increased by 1.3 percentage points from 20.7% in the previous year to 22.0%.

Result key data
€ in millions (unless otherwise stated)

	2021/22	2020/21	Change in %
Revenue	1,589.9	1,188.2	33.8%
Operating result before interest, tax, depreciation and amortisation (EBITDA)	349.5	245.7	42.3%
EBITDA margin (%)	22.0%	20.7%	
Operating result (EBIT)	126.5	79.8	58.6%
EBIT margin (%)	8.0%	6.7%	
Profit for the year	103.3	47.4	>100%
Earnings per share (€)	2.39	1.01	>100%
Additions to fixed assets	734.3	552.2	33.0%
Average number of staff (incl. leased personnel)	13,046	11,349	14.9%

The higher start-up costs of € 43.5 million (previous year: € 9.8 million) resulted primarily from the capacity expansion in Chongqing and the start of construction work in Kulim. Adjusted for start-up costs, EBITDA amounted to € 378.4 million (previous year: € 255.3 million), which corresponds to growth of 48.2%.

The EBITDA margin adjusted for start-up costs rose from 21.5% in the previous year to 23.8%.

Increase in expense items

The increase in production costs by € 315.7 million to € 1,337.0 million results primarily from higher revenue, personnel costs, research and development expenses, and depreciation and amortisation. The development was intensified by negative currency effects.

In preparation for future technology generations and to pursue the modularisation strategy, AT&S increased its investment in research and development to € 181.5 million (previous year: € 118.9 million). These expenditures make the Company future-proof and significantly expand the earnings potential in the medium term.

Administrative and distribution costs exceeded the prior-year figures by € 40.1 million or 48.0% mainly due to effects from the preparation for future growth. They include the increase in provisions for stock appreciation rights by € 12.2 million resulting from the positive share price development, which was recognised as an expense in the Others segment.

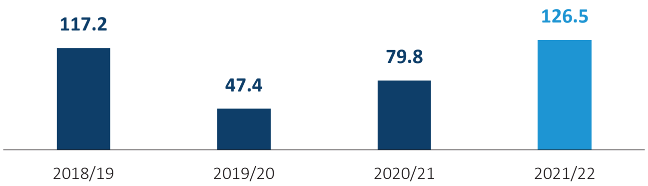
Other operating income improved from € -3.6 million to € -3.0 million. Positive effects primarily included higher grants of € 41.7 million (previous year: € 15.7 million) and an improved exchange rate result from the measurement of receivables and liabilities of € -2.0 million (previous year: € -10.4 million). Start-up losses of € 43.5 million (previous year: € 9.8 million) as a result of the production ramp-up in Chongqing and the beginning construction work in Kulim had a negative impact on other operating income.

Depreciation of property, plant and equipment and amortisation of intangible assets of € 223.1 million or 11.3% of non-current assets (previous year: € 165.4 million or 12.3% of non-current assets) reflect the high technical standard and the intensity of investment of AT&S. The increase by € 57.7 million compared with the previous year included € 53.7 million from the Mobile Devices & Substrates (MS) segment, which was predominantly attributable to higher depreciation at the plant in Chongqing. Depreciation and amortisation in the Automotive, Industrial, Medical segment (AIM) rose by € 2.7 million.

The operating result (EBIT) increased by € 46.7 million or 58.6% to € 126.5 million (previous year: € 79.8 million) due to the above-mentioned effects.

The EBIT margin rose by 1.2 percentage points to 8.0% (previous year: 6.7%).

Development of EBIT
€ in millions



Finance costs – net

Finance costs – net improved from € -20.1 million to € -4.4 million. Interest expense on bank borrowings and bonds amounted to € 15.7 million (previous year: € 11.2 million). Interest on social capital amounted to € 0.6 million and was below the prior-year level of € 1.0 million.

The hedging of the interest rate risk with hedging instruments (measurement and realised result) resulted in a gain of € 4.5 million (previous year: loss of € 1.1 million). The hedging instruments swap variable for fixed interest payments which do not meet the criteria of hedge accounting since the term and the amount do not match the hedged primary financial liabilities.

Capitalised interest on borrowings related to the acquisition of qualifying assets increased by € 0.9 million to € 2.7 million (previous year: € 1.8 million).

Due to the lower volume of time deposits and the continued unfavourable environment for investments, the return on financial investments declined by € 0.8 million to € 2.4 million (previous year: € 3.2 million).

The positive deviation in finance costs – net is attributable to currency effects. Positive exchange rate differences of € 8.8 million were recognised as income in the financial year 2021/22 (previous year: expense of € 8.1 million). The exchange rate differences resulted predominantly from liquid foreign currency funds and realised exchange rate gains from Group financing.

Finance costs – net are influenced by currency effects because investments are in part denominated in foreign currency. The main intragroup loans are long-term in nature and their repayment is neither scheduled nor probable in the foreseeable future. These loans are therefore recorded directly in equity through the statement of comprehensive income.

Profit for the year improves

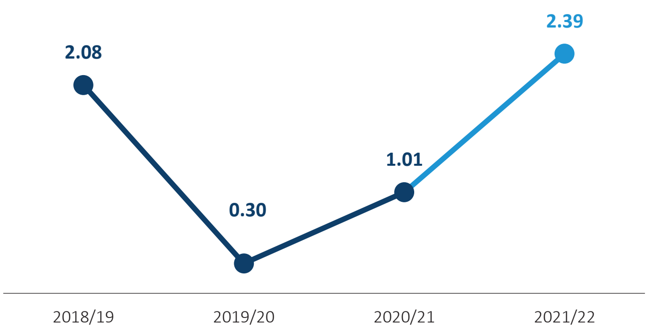
Profit for the year increased from € 47.4 million in the previous year by € 55.9 million to € 103.3 million. The Group's tax expense amounts to € 18.8 million (previous year: € 12.2 million).

Current income taxes rose to € 17.4 million (previous year: € 12.8 million). Deferred tax expenses (previous year: € -0.6 million) changed by € 2.1 million, turning into deferred tax income of € 1.4 million. The change was primarily caused by the increase in current income taxes by € 4.5 million due to higher earnings.

AT&S China reported the favourable tax status as a "high-tech company" in the calendar year 2020. This tax status commenced on 1 January 2020, is valid for three years and is dependent on achieving certain criteria each year.

Earnings per share increased from € 1.01 to € 2.39, with the number of shares outstanding remaining unchanged. In the calculation of earnings per share, interest on hybrid capital of € 10.5 million (previous year: € 8.3 million) was deducted from the profit for the year.

Earnings per share
in €

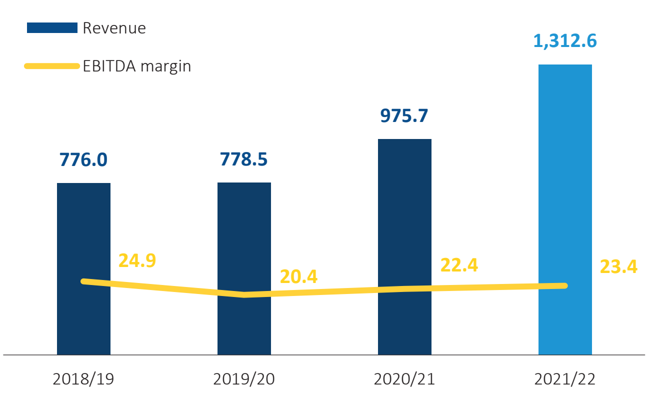


2.3. Earnings development in the segments

Mobile Devices & Substrates segment

The Mobile Devices & Substrates segment continued its positive development in the financial year 2021/22. The satisfactory performance of the segment is primarily attributable to the increased investments of the past years, which will be continued in the near future. The successful start-up of the expanded production capacities in Chongqing, which serve the growing demand for ABF substrates, contributed significantly to revenue growth. The broader customer and application portfolio of mobile devices and the demand for printed circuit boards for modules also had a positive impact. Negative currency effects had a reducing effect on earnings.

Mobile Devices & Substrates – Development of revenue, EBITDA margin
€ in millions/in % of revenue



With a revenue share of 74.9% (previous year: 74.2%), the Mobile Devices & Substrates segment is still the largest segment of the AT&S Group.

Revenue, at € 1,312.6 million, was up € 336.9 million or 34.5% on the prior-year figure of € 975.7 million. Revenue was positively influenced by the foreign exchange development, so that revenue growth was € 14.8 million higher as a result. In terms of geography, revenue with American customers continued to increase.

The segment's **EBITDA** amounted to € 306.7 million, up € 88.1 million or 40.3% on the prior-year figure of € 218.6 million. Despite start-up costs of € 41.8 million (previous year: € 6.2 million) related to the capacity expansion in Chongqing and the start of construction activities in Kulim, EBITDA increased due to the good operating performance at the Chongqing site. While currency translation effects had a positive impact on revenue, the improvement at the EBITDA level was reduced by € 19.7 million due to negative effects from currency translation.

Despite the good operating performance, the **EBITDA margin** of the Mobile Devices & Substrates segment, at 23.4%, only exceeded the prior-year value of 22.4% by 1.0 percentage points.

The segment's **depreciation and amortisation** increased by € 53.2 million or 38.9 % from € 136.8 million to € 190.0 million. The increase was primarily attributable to higher depreciation and amortisation at the Chongqing site.

Mobile Devices & Substrates segment – overview
€ in millions (unless otherwise stated)

	2021/22	2020/21	Change in %
Segment revenue	1,312.6	975.7	34.5%
Revenue from external customers	1,190.6	881.7	35.0%
Operating result before depreciation and amortisation (EBITDA)	306.7	218.6	40.3%
EBITDA margin (%)	23.4%	22.4%	
Operating result (EBIT)	116.6	81.8	42.6%
EBIT margin (%)	8.9%	8.4%	
Additions to fixed assets	619.7	497.9	24.5%
Average number of staff (incl. leased personnel)	9,695	8,264	17.3%

The operating result (**EBIT**) rose by € 34.9 million to € 116.6 million (previous year: € 81.8 million). The EBIT margin was up 0.5 percentage points to 8.9% (previous year: 8.4%) due to the increase in EBIT.

Additions to assets rose by € 121.8 million or 24.5 % to € 619.7 million (previous year: € 497.9 million). Apart from additions of € 65.5 million for ongoing expansion, replacement and technology upgrades at the Chongqing site additions to assets increased by € 72.1 million due to the beginning of construction at the Kulim plant.

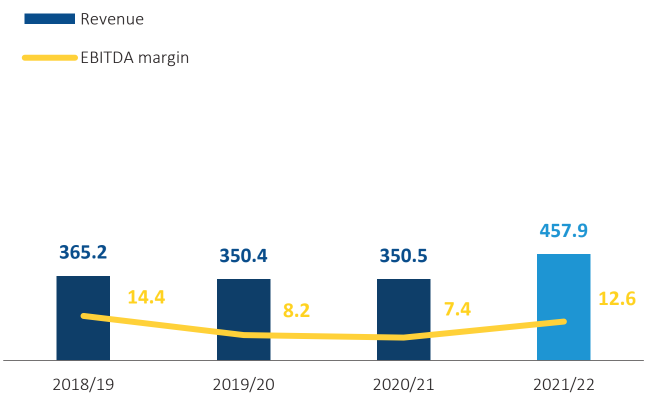
Automotive, Industrial, Medical segment: at a stable level

The segment's revenue, at € 457.9 million significantly exceeded the prior-year level of € 350.5 million. All segments recorded revenue growth in comparison with the previous year, with the Industrial segment reporting the strongest increase. In both the Automotive and the Medical & Healthcare segments, sales volume and, consequently, revenue were significantly higher than in the previous year. In addition, improvements were achieved in all three segments thanks to a more favourable product mix.

Regarding the development of the Leoben, Fehring, Ansan and Nanjangud sites, which are assigned to the Automotive, Industrial, Medical segment, please refer to Section 3.1 "Plants and branch offices" of the Management Report.

EBITDA increased by € 31.4 million or 120.4% to € 57.5 million (previous year: € 26.1 million). The increase resulted from higher revenue and the related additional contribution margins as well as higher grants for research expenses.

Automotive, Industrial, Medical – Development of revenue, EBITDA margin
€ in millions/in % of revenue



The **EBITDA margin** improved by 5.1 percentage points to 12.6% (previous year: 7.4%).

The operating result (**EBIT**) changed by € 28.7 million to € 29.2 million (previous year: € 0.5 million).

The **EBIT margin** of the Automotive, Industrial, Medical segment, at 6.4%, exceeded the prior-year value of 0.1% by 6.2 percentage points due to the above-mentioned effects.

Additions to assets rose by € 62.0 million to € 107.9 million (previous year: € 45.9 million). The additions were related to ongoing expansion, replacement and technology upgrade investments, in particular in Austria.

Automotive, Industrial, Medical segment – overview
€ in millions (unless otherwise stated)

	2021/22	2020/21	Change in %
Segment revenue	457.9	350.5	30.6%
Revenue from external customers	399.3	306.5	30.3%
Operating result before depreciation and amortisation (EBITDA)	57.5	26.1	>100%
EBITDA margin (%)	12.6%	7.4%	
Operating result (EBIT)	29.2	0.5	>100%
EBIT margin (%)	6.4%	0.1%	
Additions to fixed assets	107.9	45.9	>100%
Average number of staff (incl. leased personnel)	3,035	2,841	6.8%

Others segment

The result of the general holding activities included in the Others segment was € 15.6 million lower in EBITDA than in the previous year. The main reason for this deviation was the increase in provisions for stock appreciation rights by € 12.2 million resulting from the positive share price development in the financial year 2021/22.

Others segment – overview

€ in millions (unless otherwise stated)

	2021/22	2020/21	Change in %
Segment revenue	–	–	n.a.
Revenue from external customers	–	–	n.a.
Operating result before depreciation and amortisation (EBITDA)	(14.6)	1.0	(>100 %)
EBITDA margin (%)	–	-	
Operating result (EBIT)	(19.4)	(2.5)	(>100 %)
EBIT margin (%)	–	-	
Additions to fixed assets	6.7	8.4	(20.3%)
Average number of staff (incl. leased personnel)	316	244	29.4%

2.4. Assets and financial position

2.4.1. ASSETS

Increase in non-current assets

Total assets increased by 56.8% to € 3,746.3 million in the financial year 2021/22.

Non-current assets rose by € 645.6 million to € 2,023.0 million. While property, plant and equipment increased by € 648.8 million to € 1,950.2 million, intangible assets declined by € 11.0 million to € 31.8 million. In property, plant and equipment, additions to assets and technology upgrades of € 726.2 million were offset by depreciation totalling € 200.8 million. Property, plant and equipment as reported in the statement of financial position also includes right-of-use assets of € 89.3 million resulting from the application of IFRS 16.

The net change in non-current assets amounted to € 637.8 million or 47.4%, coming to € 1,982.0 million (previous year: € 1,344.2 million).

Current assets increased by € 710.7 million to € 1,723.3 million. Cash and cash equivalents rose to € 1,119.9 million (previous year: € 552.9 million). Financial assets declined by € 20.9 million to € 18.8 million. Overall, AT&S thus has cash and current financial assets totalling € 1,138.8 million (previous year: € 592.6 million). The increase in inventories of € 40.7 million to € 193.2 million was primarily due to the build-up of raw material inventories and unfinished products as a result of the increase in business volume. Trade receivables, other receivables and contract assets rose by € 125.0 million to € 390.3 million. Other receivables increased by € 27.6 million, contract assets by € 84.6 million and trade receivables by € 76.8 million due to the higher business volume. This increase was partially compensated for by additional factoring activities (change: € 64.2 million).

Trade payables rose by € 122.9 million or 38.5% from € 319.3 million to € 442.2 million, including an increase in liabilities from investments by € 74.0 million to € 244.0 million (previous year: € 170.1 million).

Significant decrease in net gearing

Equity rose by 56.1% from € 802.0 million to € 1,252.3 million. The positive profit for the year of € 103.3 million increased equity. Positive effects of € 158.7 million were related to currency differences from the translation of net asset positions of subsidiaries and the translation of long-term loans to subsidiaries. The issuance of a new hybrid bond and the partial repayment of the bond issued in 2017 led to an increase in equity by € 216.0 million. The measurement of hedging instruments to hedge cash flows increased equity by € 2.7 million.

Actuarial losses of € 0.6 million (previous year: gains of € 0.5 million) resulting from the parameters used for the calculation of personnel expenses decreased equity.

Net working capital
€ in millions (unless otherwise stated)

	31 Mar 2022	31 Mar 2021	Change in %
Inventories	193.2	152.5	26.7%
Trade receivables and contract assets	274.2	176.8	55.1%
Trade payables	(442.2)	(319.3)	(38.5%)
Liabilities from investments	244.0	170.1	43.5%
Working capital trade	**269.2**	**180.1**	**49.5%**
Other current assets, payables, provisions	2.3	20.8	(89.2%)
Net working capital	**271.5**	**200.9**	**35.1%**
Net working capital in % of total revenue	17.1%	16.9%	
Days outstanding (in days):			
Inventories	53	55	(3.6%)
Receivables	63	54	16.7%
Payables	76	77	(1.3%)

Interest expense for the hybrid bond of € 9.3 million as well as the dividend payment of € 15.2 million had a reducing effect on equity.

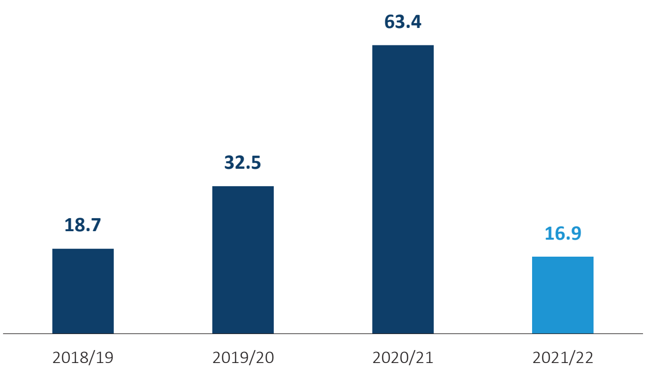
Non-current financial **liabilities** rose by € 259.4 million or 25.5% to € 1,276.6 million. In the past financial year, another promissory note loan was placed and a new loan agreement was concluded with a bank. The remaining cash was invested for the short term and is consequently recognised under cash and cash equivalents and under financial assets.

Current financial liabilities declined from € 84.1 million to € 78.4 million.

Net debt decreased by € 296.9 million or -58.4% to € 211.7 million (previous year: € 508.5 million). The reduction resulted primarily from the issuance of a hybrid bond and payments amounting to € 445.2 million as part of bilateral agreements, which are included in contract liabilities.

Net gearing declined to 16.9% and is therefore significantly below the level of the previous year of 63.4%.

Net gearing
in %



Net debt
€ in millions (unless otherwise stated)

	31 Mar 2022	31 Mar 2021	Change in %
Financial liabilities, current	78.4	84.1	(6.8%)
Financial liabilities, non-current	1,276.6	1,017.1	25.5%
Gross debt	**1,355.0**	**1,101.2**	**23.0%**
Cash and cash equivalents	(1,119.9)	(552.9)	(>100%)
Financial assets	(23.4)	(39.9)	41.3%
Net debt	**211.7**	**508.5**	**(58.4%)**
Operating result before interest, tax, depreciation and amortisation (EBITDA)	349.5	245.7	42.3%
Net debt/EBITDA ratio	0.6	2.1	
Equity	1,252.3	802.0	56.1%
Total consolidated statement of financial position	3,746.3	2,390.0	56.8%
Equity ratio (%)	33.4%	33.6%	
Net gearing (net debt/equity) (%)	16.9%	63.4%	

2.4.2. FINANCING

The focus of the financial year 2021/22 was on ensuring financial flexibility based on a solid capital structure and taking into account sufficient liquidity to carry out operating activities and the planned investments in all phases. To this end, a hybrid bond with a volume of € 350 million (XS2432941693) was successfully placed on the market in January 2022. The subordinated bond with an indefinite term and an early redemption option after 5 years will not only support the strategic growth in the coming years but also serves to strengthen the capital base of AT&S. In connection with this issuance, eligible holders of the € 175 million hybrid bond issued in 2017 (XS 1721410725) were invited to tender the bond for purchase in cash by AT&S. This offer was accepted to the extent of 76.4% of the nominal value so that a nominal value of € 41.4 million remains outstanding.

In addition to this market transaction directed at institutional investors, non-revolving bullet loans of a total volume of € 130 million were taken out and a promissory note transaction of an aggregate volume of € 40 million was successfully concluded. Furthermore, several smaller financing transactions were carried out and the financing structure was further optimised.

Focus on diversification of financing instruments

The financing of AT&S is based on a broad spread of both financing instruments and maturities. Based on the currently prevailing financial market conditions, individual areas can be expedited more strongly or, as the case may be, not used at times.

Loans which include **guarantees by governmental and supranational organisations** are a major component of the refinancing portfolio: their advantages lie in the fact that these organisations share part of the credit risk, as well as in favourable terms and conditions intended to provide incentives for investments in specific regions, for innovation and to promote the export sector. AT&S currently uses financing with guarantees by Oesterreichische Kontrollbank (OeKB).

The importance of **promissory note loans** as a key financing pillar did not change in the financial year 2021/22. The advantages of promissory note loans are their high level of predictability and their low placement costs. Due to these advantages, AT&S intends to also use this form of financing in the future.

At 31 March 2022, promissory note loans totalling € 728.8 million (previous year: € 738.5 million) were placed with national and international investors. The remaining terms range between two months and roughly eight years.

Furthermore, **bank loans** are used. As of 31 March 2022, € 532.8 million were taken out with national and international banks (previous year: € 320.2 million). They have remaining terms of between one and seven years.

Credit lines serve to cover liquidity fluctuations and as a financing reserve. At the reporting date, AT&S had unused credit lines of € 318.2 million (previous year: € 418.6 million) in the form of contracted loan commitments from banks. At 31 March 2022, AT&S had only used 79.2% (previous year: 61.7%) of its contracted financing potential and still possesses sufficient financial reserves in addition to cash and cash equivalents.

One of the most important tasks of the AT&S treasury function is to ensure sufficient liquidity reserves. Treasury also monitors the covenants defined in the credit agreements to ensure that

Instruments
€ in millions

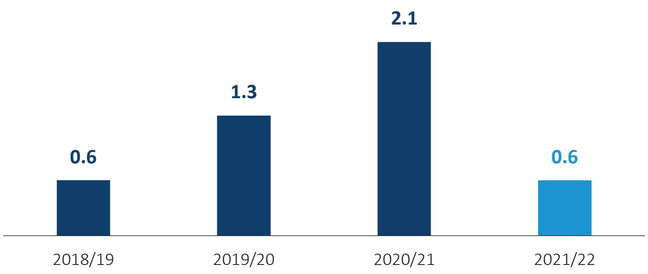
	31 Mar 2022	in %	31 Mar 2021	in %
Registered bond	15.0	0.9%	15.0	1.0%
Promissory note loans	728.8	45.7%	738.5	49.5%
Bank borrowings	532.8	33.4%	320.2	21.5%
Gross debt	**1,276.5**	**80.0%**	**1,073.7**	**72.0%**
Credit lines	318.2	20.0%	418.6	28.0%
Committed credit lines	**1,594.7**	**100.0%**	**1,492.3**	**100.0%**

these covenants are met. AT&S pursues the goal of standardising credit agreements in order to treat all lenders equally.

Low repayment period and high equity ratio

The theoretical repayment period for debts, defined as net debt/EBITDA, of 0.6 years was significantly lower than in the previous year (2.1 years) and lower than the maximum of 3.0 years defined by AT&S.

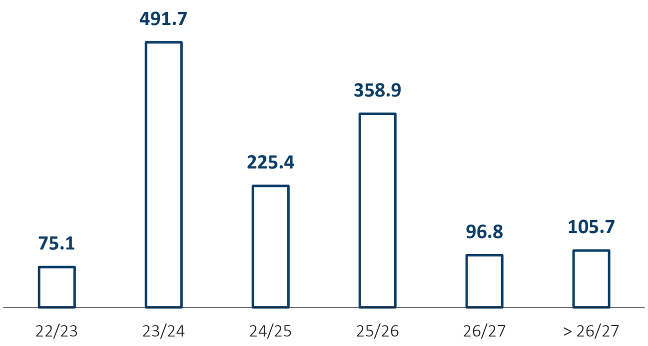
Net debt/EBITDA



The equity ratio decreased from 33.6% in the previous year to 33.4% in the reporting period and thus exceeded the medium-term target value of 30.0%. This is due in particular to the increase in total assets as a result of investments and securing the financing of the future investment programme. For further information regarding capital risk management, please refer to Note 20 “Additional disclosures on financial instruments” – subsection Capital Risk Management – in the notes to the consolidated financial statements.

AT&S pursues a balanced structure in terms of maturity. The repayment structure shows a high amount in the year 2023/24 due to the repayment of parts of the promissory note loans, bank loans and lease liabilities totalling € 491.7 million. AT&S strives to finance capital requirements early and has liquidity reserves of € 1,457.0 million at the reporting date (previous year: € 1,011.2 million), which consist of financial resources and unused credit facilities.

Redemption
€ in millions



Effective interest and currency management

Minimising interest rate risk is another important treasury objective, with a balance of variable and fixed interest rates. 43.8% (previous year: 46.3%) of financing is conducted at, or was swapped to, fixed interest rates and 56.2% (previous year: 53.8%) is based on variable interest rates.

Strategies for hedging interest rates are defined quarterly based on interest rate expectations and adapted as necessary. Compared with the previous year, the share of variable interest rates increased to benefit from negative market interest rates. Overall, AT&S is well protected against a possible turnaround or an increase in interest rates in the euro area.

AT&S also intends to invest available liquid funds **profitably but risk-sensitively.** At 31 March 2022, AT&S had financial resources totalling € 1,138.8 million (previous year: € 592.6 million). The aim is to achieve the highest possible yields in an environment that is currently very challenging from an investor perspective, and to avoid negative interest by optimising the investment periods and through early conversion of liquid funds into currencies with higher interest rates and which are also continually required by AT&S.

Early conversion into foreign currencies also serves as a natural currency hedge and a reduction of the exposure to foreign currencies. The objective of AT&S is to keep the US dollar net risk position to a minimum. At 31 March 2022, assets denominated in US dollars (trade receivables, financial assets and cash denominated in US dollars) amounting to € 386.6 million (previous year: € 236.3 million) were offset by liabilities denominated in US dollars (trade payables and financial liabilities denominated in US dollars) amounting to € 87.4 million (previous year: € 86.8 million). The resulting net risk position – at 31 March 2022 this was an active balance of € 299.2 million (previous year: € 149.5 million) – thus amounted to 8.0% (previous year: 6.3%) of the Group's total assets and liabilities.

In addition to this natural hedging and the above-mentioned instruments for interest rate hedging, AT&S occasionally hedges foreign currency transaction risks in the short term (up to one year).

Currency translation risks resulting from the conversion of subsidiaries with different local currencies are not hedged.

Further development of the financing network

Another treasury objective consists of optimised relationship management with financing partners. For AT&S, this means the selection of banks for national and international cooperation as well as setting up and maintaining the communication necessary for both sides. The aim is to create a high level of transparency regarding the opportunities and risks of AT&S in order to strengthen a long-term partnership with the financing institutions which is successful for both sides. The annual and quarterly reports serve as the basis for this.

In addition, meetings with our financing bank partners in which the opportunities for cooperation are discussed take place at least once a year.

2.4.3. CASH FLOW

Earnings situation boosts liquidity

Cash flow from operating activities before changes in working capital rose from € 232.2 million to € 776.3 million. This increase is primarily due to payments of € 446.4 million received as part of bilateral agreements, and to the increase in the operating result from € 79.8 million to € 126.5 million. Interest payments were up € 4.7 million to € 19.3 million (previous year: € 14.6 million). The interest received reflects the currently very difficult market environment for investments in euros and declined by € 0.8 million to € 2.4 million (previous year: € 3.2 million). Income taxes paid increased by € 2.2 million to € 11.7 million (previous year: € 13.9 million).

Cash flow from operating activities, at € 713.2 million (previous year: € 184.7 million), significantly exceeded the level of the previous year for the above-mentioned reasons. Higher cash flow from operating activities before changes in working capital rose further as a result of an increase of € 72.2 million in trade payables and other liabilities and an increase in cash flow from trade receivables, other receivables and contract assets by € 109.5 million, and was slightly reduced by changes in inventories of € -27.7 million.

Capital expenditures for property, plant and equipment and for intangible assets of € 605.6 million were substantially higher than in the previous year (€ 438.0 million). The main outflows resulted from investments in Chongqing and Kulim, and only to a lesser extent from expansion, replacement and technology upgrades in Shanghai and Austria.

Carrying amount of financial liabilities by maturity
€ in millions

	31 Mar 2022	in %	31 Mar 2021	in %
Remaining maturity				
Less than 1 year	78.4	5.8	84.1	7.6%
Between 1 and 5 years	1,171.1	86.4	946.3	85.9%
More than 5 years	105.5	7.8	70.9	6.4%
Total financial liabilities	**1,355.0**	**100.0**	**1,101.2**	**100.0%**

While capital expenditures for property, plant and equipment and for intangible assets increased by € 167.6 million in the financial year 2021/22, a net inflow of € 73.8 million was reported for financial assets. However, overall, **cash flow from investing activities**, at € -579.7 million, significantly exceeded the prior-year value of € -339.8 million.

Free cash flow from operating activities, i.e., cash flow from operating activities less net investments in property, plant and equipment and intangible assets, amounted to € 111.3 million in the financial year 2021/22 (previous year: € -251.1 million).

Free cash flow, i.e. cash flow from operating activities less cash flow from investing activities, amounted to € 133.5 million, exceeding the prior-year value of € -155.2 million by € 288.7 million; this is due, on the one hand, to payments received from customers (€ 446.4 million) and, on the other hand, to increased investing activities (change in net CAPEX € -166.1 million).

Cash flow from financing activities amounted to € 396.9 million and was € 93.2 million higher than the prior-year value of € 303.6 million, which was primarily due to inflows related to borrowings of € 255.5 million and investment grants of € 28.0 million, the hybrid capital transactions of € 208.7 million, the repayment of financial liabilities of € -70.9 million as well as the dividend payment of € -15.2 million and the hybrid coupon payment of € -9.3 million.

Substantial liquidity available for repaying existing financing and further investments

Despite very high investment levels, cash and cash equivalents increased from € 552.9 million to € 1,119.9 million due to a stable, high level of cash flow from operating activities and the above-mentioned financing and investment measures. Moreover, AT&S has current financial assets of € 18.8 million (previous year: € 39.7 million) at its disposal.

Overall, AT&S thus has cash and current financial assets totalling € 1,138.7 million (previous year: € 592.6 million). This currently very high amount serves to secure the financing of the future investment programme and short-term repayments.

2.4.4. Performance indicators

Indicators demonstrate strong operating performance

In addition to revenue and EBITDA, AT&S uses the indicators ROCE and Vitality Index for strategic corporate management. They reflect the operating performance vis-à-vis investors and customers.

AT&S uses the return on capital employed (ROCE) to measure its operating performance from the point of view of investors, using the ratio of the result adjusted for finance costs – net to average capital employed. This ratio serves to derive the extent to which AT&S fulfils its investors' interest requirements. Average capital costs are derived from the minimum return investors expect for providing equity or borrowings. The weighted average cost of capital (WACC) for the printed circuit

Cash flow statement (short version)
€ in millions

	2021/22	2020/21	Change in %
Cash flow from operating activities before changes in working capital	776.3	232.2	>100%
Cash flow from operating activities	713.2	184.7	>100%
Cash flow from investing activities	(579.7)	(339.8)	(70.6%)
Operating free cash flow	111.3	(251.1)	>100%
Free cash flow	133.5	(155.2)	>100%
Cash flow from financing activities	396.9	303.6	30.7%
Change in cash and cash equivalents	530.4	148.5	>100%
Currency effects on cash and cash equivalents	36.7	(13.6)	>100%
Cash and cash equivalents at the end of the year	**1,119.9**	**552.9**	**>100%**

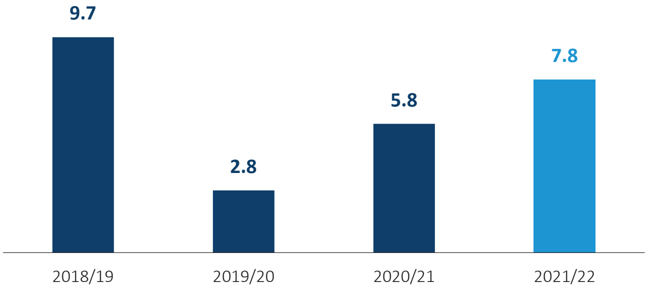
board industry was around 9.9%. With ROCE amounting to 7.8%, AT&S fell short of this level during the reporting period.

Net operating profit after tax (NOPAT) improved from € 67.6 million in the previous year to € 107.6 million due to the higher EBIT and despite higher taxes.

Capital employed rose by € 228.4 million mainly because of the higher average equity as a result of the capital measures implemented. Since the increase in NOPAT was higher than the increase in capital employed, ROCE rose from 5.8% in the previous year to 7.8%.

The second performance indicator shows the ability to implement innovations in a timely manner and in response to the market. AT&S measures this ability using the Vitality Index, which expresses the revenue share of products that feature new and innovative technologies and which have been launched on the market in the last three years. For the financial year 2021/22, the Vitality Index is 44.4% compared with 20.7% in the previous year. AT&S strives for a medium-term average Vitality Index of at least 20%. This target was exceeded in the financial year 2021/22.

ROCE
in %



Return on capital employed (ROCE)
€ in millions

	2021/22	2020/21	Change in %
Operating result (EBIT)	126.5	79.8	58.6%
Income taxes	(18.8)	(12.2)	(54.3%)
Operating result after tax (NOPAT)	**107.6**	**67.6**	**59.3%**
Equity – average	1,027.2	781.1	31.5%
Net debt – average	360.1	377.6	(4.6%)
Capital employed – average	**1,387.2**	**1,158.8**	**19.7%**
ROCE	**7.8%**	**5.8%**	

Vitality Index
€ in millions

	2021/22	2020/21	Change in %
Main revenue	1,589.8	1,188.1	33.8%
Main revenue generated by innovative products	705.2	246.0	>100%
Vitality Index	**44.4%**	**20.7%**	

2.5. Significant events after the reporting period

With regard to significant events after the reporting date, please refer to the explanations in the notes to the consolidated financial statements, note 27 "Significant events after the reporting date".

3. OTHER STATUTORY INFORMATION

3.1.Plants and branch offices

The AT&S Group currently operates six production plants, which specialise in different technologies.

Leoben and Fehring The Austrian plants primarily supply the European market. In Europe, special applications and customer proximity are particularly important. Based on production and technological diversity, flexibility in manufacturing and the broad customer spectrum, the plant in Leoben continues to pursue the path of niche and prototype production started in recent years. Among other things, production using embedding technology takes place in Leoben. In addition, investments were made in the expansion of the IC core line in order to provide the required capacities for precursor material for the production in Chongqing. With capacity utilisation at a very good level in the financial year 2021/22, the plant in Fehring serves all segments of the Business Unit AIM, Industrial, Medical and Automotive.

Shanghai The plant in Shanghai manufactures leading-edge HDI (high density interconnection) printed circuit boards in serial production for the Mobile Devices & Substrates segment for customers all over the world. The plant was able to successfully meet the demand for HDI and mSAP printed circuit boards and has established itself as a leading supplier of the latest technology generation. The plant's broad technological spectrum was very well received by customers and the plant was continuously operating at capacity during the peak season months. Strong demand for HDI printed circuit boards continued at a stable level in 2021/22, which were produced for the Automotive, Industrial, Medical segment.

Chongqing The location in Chongqing currently comprises two operating plants and one plant under construction for high-end products. The plant Chongqing I for IC substrates (Integrated Circuit Substrates) operated at capacity throughout the year. The construction of the second, new plant for IC substrates (Chongqing III) proceeded as scheduled. The first of four lines was successfully ramped up and the installation of the second and third lines took place as planned. By the end of the coming financial year all lines should be successfully installed and in full operation. High-end mSAP printed circuit boards and printed circuit boards for modules are produced for mobile applications at the Chongqing II plant. The production capacity for modules was further expanded to serve the growing customer demand in the high-end segment. The full expansion of the plant is scheduled to be completed in the coming financial year.

Kulim Due to the strong demand for IC substrates, the construction of two new plants for IC substrates was started in Kulim, Malaysia. Construction work began in October and is proceeding according to schedule. When completed, up to 10 lines can be installed in the two plants. Moreover, the location offers enough space to build up to two additional plants.

Ansan The very positive development of the site in Korea continued in the financial year 2021/22, in particular in the medical technology segment for European and American customers. The expansion of the plant was completed in the financial year 2021/22, and production was launched.

Nanjangud Capacity utilisation at the location was good throughout the year and the plant primarily served customers from the Automotive and Industrial segments. The qualification for HF and HDI products was continued, thus further pursuing the strategy towards higher-quality technologies in the product mix.

Hong Kong AT&S Asia Pacific, based in Hong Kong, is the holding company for the Mobile Devices & Substrates segment – hence, for the Chinese plants and the allocated sales companies – and the headquarters of Group-wide procurement for this segment. The proximity to the customers' CEMs and to suppliers is a locational advantage which is highly valued by business partners.

Sales support companies The sales support companies in America, Germany, Japan and Taiwan continued to ensure good and close contact with customers in the financial year 2021/22.

3.2. Shareholder structure and disclosures on capital (disclosures pursuant to § 243a UGB)

Capital share structure and disclosure of shareholder rights

As of the reporting date at 31 March 2022, the Company's ordinary shares amount to € 42,735,000 and are made up of 38,850,000 no-par value shares with a notional value of € 1.10 per share. The voting right at the Annual General Meeting is exercised according to no-par value shares, with each no-par value share equalling one voting right. All shares are bearer shares.

Significant direct and indirect shareholdings in the Group parent company AT & S Austria Technologie & Systemtechnik Aktiengesellschaft, which amount to at least 10% at the reporting date, are presented below: *see table below.*

At the reporting date of 31 March 2022, roughly 64.4% of the shares were in free float. With the exception of the shareholdings stated below, no other shareholder held more than 10% of the voting rights in AT&S. No shares with special control rights exist. The exercise of the voting right by employees who hold shares in the Company is not subject to any limitations.

No special provisions exist on the appointment and dismissal of members of the Management Board and the Supervisory Board.

The contracts of all Management Board members include a "Change of Control" clause. Such a change of control exists in the event that a shareholder of the Company has obtained control of the Company in accordance with Section 22 of the Austrian Takeover Act (ÜbG) by holding at least 30% of the voting rights (including the voting rights of third parties attributable to the shareholder pursuant to the Austrian Take-over Act), or the Company has been merged with a non-Group legal entity, unless the value of the other legal entity amounts to less than 50% of the value of the Company according to the agreed exchange ratio. In this case, the Management Board member is entitled to resign for good cause and terminate the Management Board contract at the end of each calendar month within a period of six months after the change of control takes legal effect, subject to a notice period of three months ("special termination right"). If the special termination right is exercised or the Management Board contract is terminated by mutual agreement within six months of the change of control, the Management Board member is entitled to the payment of their remuneration entitlements for the remaining term of this contract, however, for a maximum of three annual gross salaries. Other remuneration components shall not be included in the calculation of the amount of the severance payment and shall be excluded from it.

By resolution passed at the Annual General Meeting on 4 July 2019, the Management Board is authorised until 3 July 2024 to increase the Company's ordinary shares, subject to the approval of the Supervisory Board, by up to € 21,367,500 by way of issuing up to 19,425,000 new, no-par value bearer shares, for contributions in cash or in kind, in one or several tranches, also by way of indirect subscription rights, after having been taken over by one or more credit institutions in accordance with Section 153 (6) of the Austrian Stock Corporation Act (AktG). The Management Board is authorised, subject to the approval of the Supervisory Board, to exclude shareholders' subscription rights and to determine the detailed terms and conditions of issue (in particular the issue amount, subject of the contribution in kind, the content of the share rights, the exclusion of subscription rights, etc.) (approved capital). The Supervisory Board is

Significant direct and indirect shareholdings

Shares/in %	Shares	% capital	% voting rights
Dörflinger-Privatstiftung: Vienna, Austria	7,013,133	18.05%	18.05%
Androsch Privatstiftung: Vienna, Austria	6,819,337	17.55%	17.55%

authorised to adopt amendments to the Articles of Association resulting from the issuance of shares from the approved capital.

Furthermore, the Management Board was authorised by the Annual General Meeting until 3 July 2024, subject to the approval of the Supervisory Board, to issue one or several convertible bearer bonds at a total nominal amount of up to € 150,000,000 and to grant to bearers of convertible bonds conversion rights and/or subscription rights for up to 19,425,000 new no-par value bearer shares in the Company in accordance with the convertible bond terms and conditions to be defined by the Management Board. The Management Board was authorised, subject to the approval of the Supervisory Board in accordance with the provisions of the Stock Corporation Act, to determine issue and technical characteristics as well as the terms and conditions of the convertible bonds (in particular interest rate, issue amount, term and denomination, dilution protection provisions, conversion period, conversion rights and obligations, conversion ratio and conversion price). Furthermore, the Management Board was authorised to fully or partially exclude shareholders' subscription rights to the convertible bonds.

In addition, the Company's ordinary shares were conditionally increased by up to € 21,367,500 by way of issuance of up to 19,425,000 new no-par value bearer shares in accordance with Section 159 (2) No. 1 of the Austrian Stock Corporation Act (AktG). This conditional capital increase will only be carried out if the bearers of convertible bonds issued based on the authorisation resolution passed at the Annual General Meeting on 4 July 2019 claim the right to conversion and/or subscription granted to them with regard to the Company's shares. The Management Board was authorised to determine, subject to approval from the Supervisory Board, the further details of carrying out the conditional capital increase (particularly the issue amount and the content of the share rights).

The following definition of amount in accordance with the aforementioned authorisations is to be observed: the sum of (i) the number of shares currently issued or potentially to be issued from conditional capital in accordance with the convertible bond conditions and (ii) the number of shares issued from approved capital shall not exceed the total amount of 19,425,000 (limitation of authorised amount).

The Articles of Association were amended in accordance with the resolutions on approved capital and conditional capital and on the convertible bonds in § 4 (Nominal capital).

Treasury shares

At the 27th Annual General meeting of 8 July 2021, the Management Board was again authorised to purchase, within a period of 30 months from the adoption of the resolution, treasury shares to an extent of up to 10% of the nominal share capital for a minimum consideration per share being at the most 30% lower than the average, unweighted stock exchange closing price over the preceding ten trading days and a maximum consideration per share at the most 30% higher than the average, unweighted stock exchange closing price over the ten preceding trading days; such purchases may take place via the stock exchange, by means of a public offering or any other legally permitted way, and for any legally permitted purpose. The Management Board was also authorised to withdraw shares after repurchase as well as treasury shares already held by the Company without further resolution by the Annual General Meeting. The Supervisory Board was authorised to adopt amendments to the Articles of Association arising from the withdrawal of shares. The relevant authorisations granted by resolution of the 25th Annual General Meeting of 4 July 2019 under item 9 of the agenda were revoked.

Furthermore, the Management Board was authorised by the 25th Annual General Meeting on 4 July 2019, for a period of five years, i.e. up to and including 3 July 2024, subject to the approval of the Supervisory Board, to sell or use the repurchased treasury shares or treasury shares currently held by the Company other than via the stock exchange or by public offer in particular for the purposes of stock transfer programmes, convertible bonds or as a consideration for the acquisition of entities, investments or other assets or for any other legal purpose, and to exclude a general purchase opportunity for shareholders.

The Company held no treasury shares as of 31 March 2022.

Free reserves

At the 27th Annual General Meeting of 8 July 2021 the Management Board was authorised to reallocate an amount of up to € 50,000,000 of the balance sheet profit carried forward to new account – after dividend distribution – to free reserves, subject to the approval of the Supervisory Board.

There are no off-balance sheet transactions between AT&S and its subsidiaries.

AT&S has neither granted any loans nor assumed any liabilities in favour of board members.

For further information, please refer to the notes to the consolidated financial statements (Note 22 “Share capital” as well as Note 15 “Financial liabilities”.

The Company’s Corporate Governance Report pursuant to Section 243b of the Austrian Commercial Code is available at http://www.ats.net/company/corporate-governance/reports/.

3.3.Non-financial statement

In accordance with Section 243b (6) UGB (Austrian Commercial Code), the Company is exempt from the obligation to prepare a non-financial statement in the Management Report since a separate non-financial report has been drawn up. This non-financial report is included in the Annual Report 2021/22 as a separate chapter.

4. RESEARCH AND DEVELOPMENT

Structural development of technological opportunities

AT&S's research and development activities are focused on exploiting the opportunities arising from digitalisation and ecological optimisation for AT&S. The electronics industry, in particular microelectronics, plays a central role in this context. It provides systems which enable digitalisation in the first place (e.g. data centres and computers with high-performance processors). In addition, the energy consumption of these devices can be reduced dramatically based on the smart structure of the overall systems. Microelectronics also form the basis for completely new solutions for more efficient energy use in the course of electrification along the energy value chain (energy production, transportation, storage and usage of e-mobility) and its management. The ongoing projects in this context are summarised in our four key development areas:

Miniaturisation and functional integration: Not only are electronic devices continuously getting smaller and lighter, they are also increasingly powerful and fulfil more and more functions. The task of AT&S is to create the basis for this development. To do so, the Company is working on technologies which increase trace density and reduce the thickness of the systems. Another field of research covers technologies enabling the direct integration of electronic components into printed circuit boards and substrates, increasing the packaging density and efficiency of the overall system.

Fast signal transmission: As digitalisation progresses, and is driven by improved data transmission possibilities (5G and subsequently 6G or similar), the data volume to be processed will increase significantly in the years to come. Electronic systems working at higher frequencies (e.g. communication modules for 5G and in the future 6G, radar systems for cars) require new solutions for the interconnect technology. Based on development projects in this area AT&S ensures that the products transmit signals fast, precisely and with minimal losses.

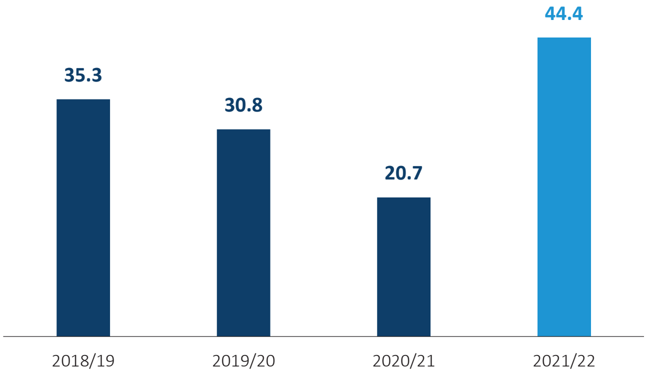
Performance and performance efficiency: In electrification, there is currently a strong trend towards carbon-neutral energy production, new energy source systems and electricity-based forms of propulsion. AT&S focuses its development activity on systems which enable optimum power supply with the lowest electrical losses from energy production to usage, and can therefore switch, control and transmit high loads.

Manufacturing of the future: Industrial production processes will change fundamentally in the decades to come. The processes will increasingly be organised using artificial intelligence (AI), and sustainability will also play a key role: the manufacturing of products must involve minimum consumption of natural resources, be highly reliable and enable the reuse of the materials employed. AT&S is working on new solutions which allow efficient and flexible manufacturing with minimum resource consumption (material, water, energy, etc.). To this end, large data volumes are being put to use via digitalisation in order to optimise and improve production processes as well as product properties and quality, and new solutions enabling the sparing use of resources in production are being developed.

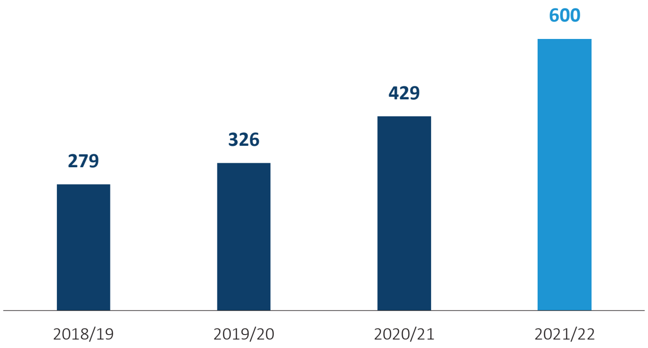
Innovation rate still high

The Vitality Index measures the impact of the innovative strength of a company. It describes the share in revenue AT&S has generated with innovative products launched on the market in the past three years. Generally speaking, the Vitality Index is higher in the years following the successful implementation of new technologies and lower in the development phase of new technologies (i.e. during the phase before their market launch). In the past financial year we see the effect of the launch of new, innovative products on the market. AT&S strives for a mean annual Vitality Index of at least 20%. In the past financial year, a Vitality Index of 44.4% was recorded.

Vitality Index
in %



Number of patents granted



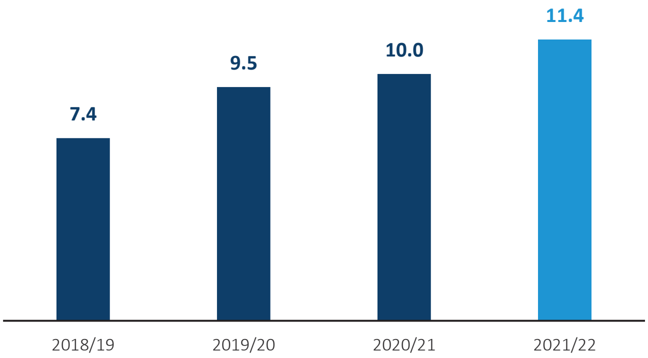
AT&S is currently concentrating on new technologies for the production of more powerful and energy-efficient substrates for computer processors. Another focus is on technologies for the production of modules (electronic units for specific tasks connecting several components with each other) and new solutions for the 5G wireless standard.

The innovative strength and long-term competitiveness of a company are also reflected in the number and quality of its patents: AT&S submitted a total of 49 new patent applications in the financial year 2021/22. At present, AT&S has 446 patent families, which result in 600 granted patents. The IP portfolio is further strengthened by externally acquired licences, in particular in the area of embedding technology.

R&D expenses: 11.4% of revenue

The costs of research and development projects totalled € 181.5 million in the financial year 2021/22. This corresponds to a research rate (i.e. ratio to revenue) of 11.4% compared with 10% in the previous year. Based on the continuously high research rate, AT&S is securing its position as the technology leader for the years to come.

Research rate
in %/ratio to revenue



Two-level development process

AT&S ensures efficiency in development among other things by closely collaborating with customers, suppliers and research institutions worldwide.

AT&S pursues a two-level innovation process. In a first step, opportunities are identified, ideas are examined for their development potential, novel concepts are developed and reviewed for their general feasibility. This level corresponds to applied research and technology evaluation.

Subsequently, it is the task of the local technology development and implementation departments at the AT&S sites to continue the experimental development of processes and products and to integrate them into the existing production process.

These development activities are accompanied by developments in the virtual world. Product properties, reliability behaviour and processes are increasingly supported by simulation. The centre for these developments is based at the location in Leoben. In the past financial year it was also decided to establish a new development centre for substrates and advanced packaging here.

Key development projects

In the past financial year, R&D activities continued to concentrate on the work on the next substrate and packaging technologies. The focus is on new technologies which allow making the patterns on printed circuit boards and substrates even smaller. Some of the required technologies are currently under development in Chongqing and Leoben. We are also working very closely with our suppliers to develop new manufacturing concepts. These technology components will be used to ensure signal transmission into the system and energy supply for future generations of computer processors. These computer processors are at the heart of nearly all electronic systems.

Intensive work continued on high-frequency-range projects for the new 5G mobile communication standard and radar systems. AT&S also won last year's "Futurezone Award" with a highly innovative technological solution from this field of research, air-filled waveguides.

In addition, a large-scale cooperative research project was launched with many European partners along the electronic value chain. The objective is to develop highly efficient electronic systems on the basis of a new class of semiconductors, so-called wide bandgap devices, which are based on silicon carbide (SiC) or gallium nitride (GaN), for applications in power electronics. They will be used in the areas of electromobility, industrial applications and energy production in the future.

In the medical technology segment, a new development step towards miniaturisation was successfully taken. Substrate-like printed circuit boards, which are extremely small and thin, were developed especially for application in hearing aids. They not only represent very robust substrates, but also have to have excellent signal transmission properties in order to ensure optimal audio quality. This development has been awarded the Innovation Prize 2022 of the Province of Styria.

Cooperation with research institutions

The national and international collaboration with research institutions was further intensified in the past financial year. The emphasis was on consolidating collaborations that had been entered into in the two preceding years. These projects have already produced the first good results. In addition, focus was placed on research institutions around the new location in Malaysia, and a strategic cooperation with Shanghai University was started.

5. OPPORTUNITIES AND RISKS

5.1. Opportunities and risk management

STRUCTURE AND INSTRUMENTS

Opportunities and risk management is a fundamental part of conducting business within the AT&S Group. The objective of increasing enterprise value involves not only opportunities but also risks. The task of Risk Management is to provide a uniform system which enables early identification and proactive management of positive or negative deviations from the corporate goals. Therefore, AT&S operates a Group-wide Risk Management (RM) system in accordance with the Austrian Code of Corporate Governance (ACCG), an Internal Control System (ICS) in accordance with COSO standards, as well as Internal Audit based on the IIA standards.

From an organisational perspective, Risk Management, Internal Control System and Internal Audit functions fall within the responsibility of the CFO. The Group Risk Manager reports quarterly to the full Management Board at a Management Board meeting. The Supervisory Board is included within the framework of the Audit Committee meetings, which take place at least twice a year. The proper functioning of the risk management system is assessed annually by the auditor in the

AT&S RISK MANAGEMENT PROCESS

_Risk strategy
defined by the Management Board and process owners.

_Risk identification
Group-wide survey with subsequent evaluation. Immediate reporting of significant new risks (≥3).

_Risk evaluation
consistent Group-wide evaluation of all risks with respect to their monetary impact, probability of occurring, and resulting risk rating of 1 (low) to 6 (critical).

_Aggregation & reporting
aggregation and regular reports on all significant risks (risk level ≥3) to the Management Board and Audit Committee by the Risk Manager.

_Risk mitigation & monitoring
in accordance with defined reporting and decision levels (based on risk level, see Figure 2).

_Risk management software
Group-wide for risks and ICS controls.

Figure 1: AT&S Risk Management Process

AT&S RISK LEVELS AND RISK CONTROLLING

_Risk exposure & risk level
The AT&S risk levels are derived from operating cash flow and the equity ratio as an indicator of the risk capacity of the Group.

_Risk mitigation
clear assignment of responsible decision levels based on risk level (see left).

_ICS & RM
management of process risk (risk level 1–2) supported by the internal control system. At Group level, relevant risks (risk level ≥ 3) are managed and reported through the risk management process.

RM: Risk Management; ICS: Internal Control System; BU: Business Unit
Figure 2: AT&S Risk Levels and Risk Controlling

course of the annual audit of the financial statements pursuant to Rule 83 ACCG.

The risk management process shown in Figure 1 is conducted at least twice a year.

Risk management is conducted based on the risk strategy and risk exposure at the hierarchy level assigned to the relevant level of risk (see Figure 2).

RISK MANAGEMENT IN 2021/22

In the financial year 2021/22, risk management focused on the implementation and further development of a software-based GRC solution alongside the management of risks arising from the operating business. The objective of this further development is to strengthen the links between governance, risk and compliance processes and to use synergies.

5.2. Explanation of individual risks

The risks, uncertainties and opportunities facing the Group are generally based on worldwide developments in the printed circuit board and substrate market and the Group's own operating performance. An overview of the AT&S risk categories, significant individual risks, risk mitigation measures and the expected trend in the coming years is shown in Figure 3 and explained in further detail in the following.

Risk category	Significant risks & opportunities	Trend	Risk mitigation & opportunity realisation
STRATEGY	· Sales price development · Capacity utilisation · Technology development · Investments		· Consistent focus on high-end technologies & target applications · Customer proximity and early customer contact · Technology development projects & technology roadmap · Market analysis, strategy review and adaption
MARKET	· Market and segment development · Development of key customers · Sales strategy and implementation		· Balanced segment portfolios and diversification of the customer portfolio · New customer acquisition & share increases with existing customers · Consistent acquisition of defined target applications
PROCUREMENT	· Development of procurement prices · Single-source Risk & Supply chain disruption		· Procurement strategy (negotiation, allocation, technical changes) · Supplier risk assessment & multi-sourcing
BUSINESS ENVIRONMENT	· Confidentiality breach · Catastrophe, fire · Political risk · Pandemic		· Increased security level based on the implementation of an information security management system (ISO 27001) · Internal & external audits, emergency practice · Business continuity management, Insurance · Containment actions (e.g. protective measures, distancing regulations, remote working)
OPERATIONS	· Quality performance · Intellectual property · Project management · Operating costs		· Black Belt programme, continuous quality improvement measures · Continuous expansion and protection of the IP portfolio · Rigorous project management · Cost reduction and efficiency enhancement programmes at all sites
ORGANISATION	· Loss of key personnel		· Employee retention, deputy regulation & succession planning
FINANCE	· Foreign exchange risk · Financing & liquidity · Tax risk · Impairment		· Natural FX hedging through long-term CF planning · Long-term planning for financing and liquidity, interest swaps · Continuous monitoring of compliance with tax laws · Project controlling, impairment tests, strategy review and adaptation

FX: Foreign Exchange; CF: Cashflow

Figure 3: AT&S Risk Categories, Significant Individual Risks, Risk Trends and Risk Mitigation Measures

STRATEGY

Investment risk

In order to use growth potential and remain competitive, AT&S undertakes substantial investments in new technologies (IC substrates) as well as in the further development and capacity expansion of existing technologies (SLP, mSap, HDI). In order to secure the high-end substrate business as a strategic cornerstone, AT&S is planning to invest a total of approximately € 1.7 billion in a production facility at the Kulim Hi-Tech Park, Kedah, Malaysia, the biggest investment in the history of the Company to date. The project is carried out in cooperation with two leading manufacturers of high-performance computing semiconductors, who also contribute to the financing of the project. Construction of the facility has begun; it is scheduled to be operational by 2024. The successful start-up of production in Chongqing also serves the growing demand for ABF substrates. Full capacity is expected to be available in the third quarter of the financial year 2023/24.

In addition, the Company is investing in a new R&D centre for substrate and packaging solutions for the global semiconductor industry at its site in Leoben-Hinterberg. A significant part of the investment volume of € 500 million will be used for a new research centre including production of small series and prototypes. Another technology upgrade of the production equipment will also be implemented.

Incorrect assessments of technological developments, changes in demand, restrictions through third-party patents, negative price developments, customer-specific technologies, shorter technology cycles or problems in the technical implementation may have severe adverse effects on the intrinsic value of such investments. These effects can generally affect all current AT&S business activities. If there are any indications of such adverse effects, impairment tests of these investments are performed as required, which may lead to high impairment requirements due to the high investments made.

Competition risk

The clear focus on the high-tech segment, coupled with the highest quality standards and consistent cost controls, has so far enabled AT&S to successfully withstand the effects of intense competition, overcapacity in the market, and persistent "commodification" with a corresponding margin reduction in the HDI (high-density interconnect) technology segment. This was complemented by the successful transfer of HDI technology from smartphone applications and other mobile devices to further applications, for example those in the automotive industry. Delays in switching over to the new technologies on the customer side and volatile market developments may pose challenges for AT&S and lead to excess supply, overcapacities and underutilisation.

The opportunities of the Austrian plants of AT&S are based on high flexibility, high quality standards and the ability to react very quickly to changing specifications and technologies. These capabilities are absolutely imperative for prevailing in the competitive environment, especially in the Industrial segment, which is subject to diverse technological requirements among a large number of customers. To safeguard this competitive edge, AT&S constantly pursues new forms of technology and projects in close cooperation with customers.

The demand for ABF substrates, which are produced at the location in Chongqing, China, continues unabated. AT&S is investing in the development of existing areas (Chongqing III) for the production of ABF substrates in Chongqing and in a production facility in Kulim, Malaysia, to meet this demand. The capacity expansion will continue to support company growth and enables AT&S to establish itself with new customers.

Competitor risks arise due to potential quality improvements and technological developments in countries with low production costs. This could lead to a loss of competitiveness at AT&S sites, especially in Austria and possibly also at other production sites such as those in South Korea and China. In addition, competitors announced substantial investments in capacities for ABF substrates in the past year. Although current demand forecasts speak against it, there is a possibility of overcapacities and, consequently, falling prices as soon as the investments are available to the market as production capacity.

In addition, a difficult market environment in the financial year 2022/23 could have an adverse effect on the Group's results. Lower demand for IC substrates, stagnating smartphone sales, weak demand in the Automotive and Industrial segments as well as unfavourable market developments in the other core segments could lead to a decline in revenue. Despite the acceleration of digitalisation caused by the pandemic and the resulting increase in demand for high-end interconnect solutions, the uncertain development of the COVID-19 pandemic may still lead to a negative business development. An aggravation of the COVID-19 pandemic, as is currently the case in China (SHA), could have a negative impact on AT&S. The pandemic is leading to different developments in the segments. In the Automotive segment, the chip shortage is still slowing down the market upturn. In addition, the Ukraine-Russia conflict is having a negative effect on the Automotive segment. The temporary shutdown of production facilities and the difficulties regarding the availability of materials are confronting car manufacturers with challenges which could also affect AT&S. Along with a direct impact on material supplies and the demand for individual products, significant secondary effects are also expected. The disruption of food and energy supply as well as transport routes are having severe implications. Depending on the duration of the conflict, the effects on the economy as whole could be immense. The broad-based positioning of AT&S in the Mobile Devices & Substrates segment and in the Automotive, Industrial, Medical segment with their different production cycles can partially cushion market risks. Along with controlling risks, crisis-proof applications are being pushed based on customer and application analyses.

MARKET

Potential loss of key customers

With the help of advanced production technologies and high quality standards, AT&S has managed to establish itself as a reliable provider to some of the world's most renowned players in the electronics industry. Due to the focus on high-end technology, the number of customers is limited to technology leaders. The revenue generated with the five largest customers accounts for 70% of total revenue. Our long-term relationships with these customers also offer excellent opportunities for the future. However, concentration of this kind also poses risks in the event that there is a significant reduction in business volume or profitability from these customers. The ongoing improvement of AT&S's competitiveness, the expansion of the customer base and the development of new products were recently successfully continued and support the rapid compensation of potential negative development among individual key customers.

PROCUREMENT

Procurement prices and availability

Price fluctuations in energy and raw materials (gold, copper and laminates) can have both a positive and a negative impact on achievable margins in the short term. The focus in the financial year 2021/22 was on the availability of raw materials as well as on price development. In particular, the Ukraine-Russia conflict and its impact on the availability of materials and subsequently on the price situation can have negative effects for AT&S. AT&S was able to reduce the procurement risk based on targeted supplier management. However, the current trend of rising raw material prices is expected to continue in the coming financial year since global production capacities of materials have declined due to the COVID-19 pandemic and the Ukraine-Russia conflict while global demand is growing again. In particular, the development of prices and the availability of raw materials such as copper can have a massive impact on the business development. Raw material shortages lead to longer lead times and uncertainties in terms of delivery dates. Increasing transport costs, in particular for air and sea freight, as well as scarce transport capacities, confront AT&S with additional challenges. The closing of Russian airspace and the bypassing of ports in the crisis regions lead to alternative transport routes which can have a negative influence on transportation costs and delivery times. Pandemic-related local lockdowns can also cause a reduction in transport capacities, for example congestion at airports and seaports. Strong demand for production equipment causes longer delivery times for machinery and can delay planned investments. Capacity shortages of production materials, components and equipment can also occur in the growth markets targeted by AT&S in the future and influence the business development of AT&S.

Suppliers

The sourcing strategy of AT&S focuses on a wide and clearly diversified base of carefully selected suppliers in order to reduce dependencies on individual suppliers. Long-standing and stable customer-supplier relations are in place with key suppliers with particular expertise and competitive standing. To avoid supply shortages, AT&S conducts rigorous supplier risk management, taking account of regional cluster risks, various supply routes, and alternative procurement options. Customer specifications may limit the raw materials used to certain suppliers, which may result in a dependency for AT&S. However, with few exceptions – for example in the IC substrates and ECP areas, where the supplier base is smaller – alternative supplier options are usually available in order to respond to supply risks.

BUSINESS ENVIRONMENT

Location-specific risks

The vast majority of AT&S's operating activities are based at sites outside of Austria, particularly in China. This means that the Group might be subject to potential legal uncertainties, state intervention, trade restrictions or political unrest. Irrespective of the above, any production site of the Group may furthermore be exposed to disruptive events such as fire, natural disasters, acts of war, shortages of supply or other elementary events. The termination of land use rights, permits or lease contracts for specific plants might also have a considerable negative impact on the production output of the Group.

To minimise the effects of such risks, the Group has instituted business continuity management. AT&S also conducts active insurance management by means of weighing the risks and associated costs. It has concluded insurance contracts to the extent customary for a company of this size wherever such contracts were available at costs which are reasonable in relation to the impending risks.

The pandemic, which has now been ongoing for two years, still confronts AT&S with challenges. Numerous protective measures have been taken aiming to optimally protect employees from the SARS-CoV-2 virus while at the same time keeping up ongoing operations and thus securing jobs. Mandatory face masks were introduced on the Company premises, remote working regulations massively extended, canteen operations limited and business travel stopped. At the Chinese production sites in particular, operations can be maintained by setting up accommodation for staff in the event of a local lockdown. Special transport permits allow carrying out urgent deliveries and procuring new materials for production in the event of a lockdown. In addition, a designated info point has been set up on the AT&S intranet to keep all employees informed and a telephone hotline for all employee questions has been installed. A task force has been established at the respective locations for the implementation, monitoring and, where necessary, adaptation of these measures.

An aggravation of the current conditions, the provision of production materials and personnel, the supply processes and demand may still influence the business development. The global effects of the pandemic can lead to weaker demand in some customer segments.

Political risks

The electronics industry is characterised by highly integrated, transnational supply chains which are based on the free trade of goods and services. Potential protectionism or growing political tensions can lead to discontinuities in the supply chain and to competitive advantages for competitors in specific countries.

The conflict between Ukraine and Russia, which has been ongoing since February 2022, has an impact on the entire global economy. In addition to the resulting humanitarian disaster, this conflict also affects the availability of materials and energy, which is also reflected in their price development. Uncertainty regarding gas supply can also have a negative effect on AT&S. In particular, the Austrian production sites would be affected by gas cut-offs. To mitigate this risk, measures have been taken enabling the Company to respond quickly if required. Far-reaching sanctions and other unexpected geopolitical developments can have negative effects on the business operations of AT&S. A crisis team, which is responsible for monitoring and mitigation, has been established to identify new developments in the conflict and the resulting effects on AT&S as quickly as possible.

A potential aggravation of the trade conflict between the USA and China could lead to an increase in punitive tariffs on imports of certain goods in both countries as well as trade restrictions for technology companies. From the current perspective, AT&S will not be significantly affected by the conflict since further processing of the products largely takes place in China. Nevertheless, ongoing monitoring of the affected goods is necessary. Moreover, an escalation of the Korea conflict or a war in East Asia (e.g. China and Taiwan) could have a negative effect on business activities. In addition, resulting macroeconomic developments may have an adverse effect on the business of AT&S.

Compliance

Any amendments to regulatory requirements, such as the prohibition of specific processes or materials, might lead to a rise in production costs. AT&S might be subject to payment of substantial damages or penalties should any breach of customer confidentiality agreements or statutory provisions occur. AT&S has implemented organisational measures aimed at preventing or minimising the occurrence of compliance risks. The extension of such measures is ongoing. As a rule, AT&S follows a zero-tolerance policy and expects 100% compliance with all applicable laws and regulations on the part of its employees. The Governance, Risk & Compliance Committee (GRC Committee) pursues the objective of identifying and mitigating potentially relevant compliance and governance risks. In addition, AT&S introduced the whistleblowing platform “We Care”, which enables employees and external third parties to report potential compliance violations.

Fraud, data security and cybercrime

To continue to successfully prevent attempted fraud, internal controls were further intensified in the past few financial years and initiatives to raise awareness among employees with regard to such fraud schemes were increased. Moreover, AT&S continually works to expand data and information security. In the financial year 2018/19, a project regarding the EU General Data Protection Regulation was implemented. Based on an analysis of internal processes regarding the use of personal data, the required measures were assessed and implemented in order to ensure the protection of sensitive data. Following the successful certification of all European locations in accordance with ISO 27001, the focus in the financial year 2020/21 was on the roll-out of the Information Security Management System (ISMS) at the locations in China and India. As a result, these locations were certified according to ISO 27001:2013. Alignment with international IT standards ensures safe handling and appropriate access to information, and the availability of reliable systems. Subsequently the roll-out is planned at the production site in Korea.

OPERATIONS

Quality and delivery performance

As in the past, the high quality of products, adherence to delivery deadlines and service quality will offer the Group an opportunity to differentiate itself from the competition and exploit growth opportunities in the future. At the same time, AT&S has to make substantial contractual commitments, especially to key customers, with respect to capacity reserves and volume guarantees, adherence to delivery deadlines and quality performance. Any technical defects, quality deficiencies, difficulties in delivering products or failure to provide volume guarantees granted may expose AT&S to warranty claims, claims for damages and contractual penalties. In the Mobile Device business, quality deficiencies may even lead to delivery stops for certain part numbers. Even if such quality deficiencies were not caused in the production process of AT&S but within the supply chain, such delivery stops may lead to significant drops in revenue. Substantial quality deficiencies could also result in product recalls and the loss of customers. AT&S has established a quality management and planning system designed to rule out or minimise deficiencies in product quality and planning mistakes and their negative consequences as far as possible. In order ensure high product quality, AT&S not only meets general international quality standards (ISO 9001) but also further standards for the automotive, aviation and medical sectors. Furthermore, the Group is insured against major risks by virtue of an (extended) product liability insurance policy taking into account exclusions of coverage and customary coverage limits.

Intellectual property

AT&S endeavours to exploit any opportunities for obtaining intellectual property as well as gaining access to promising patents through the development of its own projects, cooperation schemes with partners, and investments. Risks arise if AT&S fails to protect its intellectual property, thus enabling the competition to utilise these technologies. Legal disputes about intellectual property can prevent AT&S from using or selling disputed technologies. Furthermore, legal disputes with regard to the unauthorised use of external intellectual property can have considerable negative financial consequences.

Technology and project development

The establishment and expansion of capacity for IC substrates in Chongqing and Kulim lead to specific risks given the significant investment volume. The market for IC substrates is influenced by technological changes. The establishment of an R&D centre including prototype production in Austria is also intended to serve the development of new technologies, thus mitigating the market risk of IC substrates. However, this technological progress includes the general risk of new technology developments. Complications in advancing theses technological developments and project implementation could result in major burdens on business development and the existing financial and administrative resources. In the current year, AT&S will concentrate on the start-up of the new production capacities at plant III in Chongqing, China, continue to push the investment projects in Kulim, Malaysia, and the expansion of the site in Leoben, Austria, and implement technology upgrades at other locations.

Cost control

Continuous cost reduction and efficiency increases in all business segments are crucial to the Group's profitability. If cost reduction measures and performance increases cannot be implemented as planned (or if the costs cannot be passed on to customers), this may have a negative impact on the competitiveness of the Group.

ORGANISATION

Employees

The collective industry experience and management expertise of the employees of the AT&S Group are the foundation for using future opportunities. The business of the Group might suffer if employees in leading positions were to terminate their employment relations with AT&S or if AT&S were unable to continue to recruit highly qualified personnel in all areas of value creation and retain them long-term. The two major projects (Leoben and Kulim) require a high number of qualified personnel. AT&S is looking for approximately 6,000 new employees in Malaysia and 700 employees in Austria. Should it not be possible to hire sufficient qualified staff, this might have a negative impact on the progress of these major projects. AT&S continuously develops strategies for retaining key employees, recruiting valuable personnel and further expanding the skills of its staff.

FINANCE

Foreign exchange risk

Exchange rate fluctuations in EUR, RMB and USD – and to a lesser extent in JPY, KRW and INR – can have considerable positive or negative effects on the results of the Group. To minimise these effects, the Group employs a hedging strategy by generating opposing cash flows in the respective currencies. The high investments in China of the past few years result in significant currency risks related to the RMB and to the USD. The extent of these risks is continuously analysed. The results are incorporated in strategies to implement efficient currency management.

Financing and liquidity

The Group uses long-term financial and liquidity planning to secure the financial needs for the expansion strategy. However, negative business developments, significant deviations from assumptions in business cases, exchange rate fluctuations or valuation adjustments may cause failure to achieve the targeted equity ratio and the net debt/EBITDA ratio, and subsequently lead to additional financing requirements under more difficult terms and higher costs, or the loss of existing financing facilities. Interest rates are hedged centrally for the Group as a whole by Group Treasury, using appropriate financial instruments.

For more information on financial, liquidity, credit and foreign exchange risks, please refer to Note 20 “Additional disclosures on financial instruments” in the notes to the consolidated financial statements.

Tax risk

The Company is active on a global basis and thus subject to different tax systems. Unless the requirements for the formation of a provision or liability are met, both national and international tax risks are incorporated within financial risks and monitored accordingly. At present, the material tax risks are related to the Company in India. In order to minimise future tax risks, the Group continuously monitors compliance with national tax laws and international guidelines such as those of the OECD (in particular with a view to the BEPS action plan (Base Erosion and Profit Shifting)). Although AT&S strives to comply with all tax laws and regulations, there is a risk of different interpretations of international transactions in different countries, which may lead to double taxation and additional tax burdens.

ESG

ESG risks, i.e. risks regarding environmental, social and governance issues, have also been considered as part of corporate risk management. For further information regarding material ESG risks, please refer to the non-financial report 2021/22, section “Embedding and managing sustainability”.

5.3. Internal control and risk management system with regard to accounting

The accounting-related Internal Control and Risk Management system is an integral part of the Group-wide risk management system. According to the framework concept of COSO (the Committee of Sponsoring Organizations of the Treadway Commission), the actual risk management as well as the Internal Control System (ICS) are subsumed under the concept of company-wide risk management. The main criteria of the Risk Management, Internal Control System and Internal Audit of AT&S are specified in a Group-wide risk management and audit manual.

The documentation of the internal controls (business processes, risks, control measures and those responsible) is made principally in the form of control matrices, which are archived in a central management database. The accounting-related Internal Control System includes principles, procedures and measures to ensure the compliance of accounting in terms of the control targets described for financial reporting.

The accounting procedures are documented in separate process instructions. These processes are standardised across the Group and are presented in a standardised documentation format. Additional requirements for accounting procedures result from specific local regulations. The basic principles of accounting and reporting are documented in the process descriptions and in detailed process instructions, which are also filed in the central management manual. In addition, guidelines on measurement procedures and organisational requirements in connection with the processes of accounting and preparing the financial statements are compiled and updated on a regular basis. Schedules are set in accordance with Group requirements.

The internal financial reporting is done on a monthly basis as part of Group reporting, with the financial information being reviewed and analysed by the Corporate Accounting and Corporate Controlling department. The monthly budget/actual variance with corresponding comments on the results of the segments, of the plants as well as of the Company, is reported internally to the executives and to the members of the Supervisory Board.

The annual preparation of the budget is carried out by the Corporate Controlling department. Quarterly forecasts are drawn up during the year for the remaining financial year based on the quarterly results and current planning information. The forecasts, with comments on the budget comparison and presentations on the impact of opportunities and risks up to the end of the financial year, are reported to the Supervisory Board. In addition to regular reporting, multiple-year planning, project-related financial information or calculations on investment projects are prepared and submitted to the Supervisory Board.

6. OUTLOOK

Macroeconomic development

Prior to the outbreak of the war in Ukraine it was assumed that most of the important global macroeconomic variables would return to normal after the COVID-19 pandemic in the period of 2022-23. The OECD Economic Outlook of December 2021 projected global GDP growth of 4.5% in 2022 and 3.2% in 2023. Russia and Ukraine are major producers and exporters of important foods, minerals and energy. The developments observed for raw material prices and in the financial markets since the beginning of the war could – if they were to continue – reduce global GDP growth by more than 1 percentage point in the current year and increase global consumer price inflation by about 2.5 percentage points[21].

In contrast, demand for both the communication infrastructure required for data transmission and for processing capacity is growing. Along with the increase in mobile devices, it is above all growing usage that drives the demand. Growing data traffic and data volume have a positive impact on demand in this context. Market analyses project further growth of 4% for printed circuit boards and of 15% for IC substrates in the 2022 calendar year. For further information on industry and technology trends please refer to Section 1 “Market and industry environment” of the Management Report.

Structural trends drive growth

The global development towards a digital society will continue to progress in the 2022/23 financial year. The use of ever smarter devices and increasing interconnectedness generate exponentially growing amounts of data. With its solutions and services, AT&S is excellently positioned in all areas affected by this trend. AT&S will use the business opportunities arising as a result in order to grow profitably and faster than the market in the future. To expand our performance, we consistently invest large sums in technology development and capacity expansion. Our long-term corporate goals reflect our clear growth ambitions in profitable market segments and applications.

The positive outlook of the electronics industry is currently dampened by a shortage of semiconductors and the uncertainty regarding the effects of the COVID measures in China. The expectations for AT&S’s individual segments are currently as follows: the market conditions for IC substrates continue to offer significant growth opportunities in the medium term. The 5G mobile communication standard as well as the module printed circuit board business will remain a positive driver in the area of Mobile Devices. In the Automotive segment, the semiconductor shortage should ease somewhat and show a positive trend. In the Industrial and Medical segments, AT&S expects continued positive development for the current financial year.

Operationally, AT&S will concentrate on the start-up of the new production capacities at plant III in Chongqing, China, continue to push the investment projects in Kulim, Malaysia, and the expansion of the site in Leoben, Austria, and implement technology upgrades at other locations and of course further optimise the business performance.

Investments

The Management Board considers the market trends to be fully intact. Therefore, AT&S will continue its investment programme for new capacities and technologies unimpeded in the current financial year as previously announced.

The growing technological requirements and high investments in product capacities lead to an increase in the required basic investments (maintenance and technology upgrades). Depending on the market development, these are estimated at roughly € 150 million.

Investments of € 100 million planned for the financial year 2021/22 have been postponed to the financial year 2022/23.

As part of the strategic projects, the management is planning additional investments totalling up to € 1 billion for the financial year 2022/23 depending on the progress of projects.

Overall guidance for the financial year 2022/23

Against the backdrop of the expectations for global economic growth, available capacity and the markets relevant to AT&S as described above, the Company expects revenue of approximately € 2 billion in the financial year 2022/23, assuming a euro/US dollar exchange rate of 1.17. Taking into account effects amounting to approximately € 75 million from the start-

[21] OECD, “Economic Outlook, Interim Report”, March 2022

up of new production capacities in Kulim, Leoben and Chongqing, the adjusted EBITDA margin is expected to range between 23% and 26%. Due to the expected increase in the balance sheet total, it cannot be ruled out that the equity ratio could fall below the medium-term target of >30%.

Leoben-Hinterberg, 16 May 2022

The Management Board

Andreas Gerstenmayer m.p.
Peter Schneider m.p.
Ingolf Schröder m.p.

CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

€ in thousands	Note	2021/22	2020/21
Revenue	1	1,589,867	1,188,224
Cost of sales	2	(1,336,950)	(1,021,239)
Gross profit		**252,917**	**166,985**
Distribution costs	2	(44,743)	(36,563)
General and administrative costs	2	(78,747)	(47,106)
Other operating income	4	44,726	17,740
Other operating costs	4	(47,693)	(21,296)
Other operating result		(2,967)	(3,556)
Operating result		**126,460**	**79,760**
Finance income	5	18,257	3,937
Finance costs	5	(22,608)	(24,076)
Finance costs - net		**(4,351)**	**(20,139)**
Profit before tax		**122,109**	**59,621**
Income taxes	6	(18,819)	(12,197)
Profit for the year		**103,290**	**47,424**
Attributable to owners of hybrid capital		10,452	8,313
Attributable to owners of the parent company		92,838	39,111
Earnings per share attributable to equity holders of the parent company (in € per share):	25		
- basic		2.39	1.01
- diluted		2.39	1.01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ in thousands		2021/22	2020/21
Profit for the year		**103,290**	**47,424**
Items to be reclassified:			
Currency translation differences, net of tax		158,732	11,926
Losses from the fair value measurement of available-for-sale financial assets, net of tax		(1)	(55)
Gains from the fair value measurement of hedging instruments for cash flow hedges, net of tax		2,746	–
Items not to be reclassified:			
Remeasurement of post-employment obligations, net of tax		(647)	485
Other comprehensive income for the year		**160,830**	**12,356**
Total comprehensive income for the year		**264,120**	**59,780**
Attributable to owners of hybrid capital		10,452	8,313
Attributable to owners of the parent company		253,668	51,467

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in thousands	Note	31 Mar 2022	31 Mar 2021
ASSETS			
Property, plant and equipment	7	1,950,185	1,301,400
Intangible assets	8	31,807	42,813
Financial assets	12	4,580	117
Deferred tax assets	6	24,698	25,113
Other non-current assets	9	11,742	7,948
Non-current assets		**2,023,012**	**1,377,391**
Inventories	10	193,236	152,528
Trade and other receivables and contract assets	11	390,266	265,293
Financial assets	12	18,833	39,746
Current income tax receivables		1,056	2,154
Cash and cash equivalents	13	1,119,921	552,850
Current assets		**1,723,312**	**1,012,571**
Total assets		**3,746,324**	**2,389,962**
EQUITY			
Share capital	22	141,846	141,846
Other reserves	23	187,909	27,079
Hybrid capital	24	388,849	172,887
Retained earnings		533,689	460,201
Equity attributable to owners of the parent company		**1,252,293**	**802,013**
Total equity		**1,252,293**	**802,013**
LIABILITIES			
Financial liabilities	15	1,276,578	1,017,143
Contract liabilities	16	446,410	–
Provisions for employee benefits	17	55,232	53,331
Deferred tax liabilities	6	2,167	1,935
Other liabilities	14	69,604	41,039
Non-current liabilities		**1,849,991**	**1,113,448**
Trade and other payables	14	549,679	382,584
Financial liabilities	15	78,402	84,101
Current income tax payables		9,570	3,411
Other provisions	18	6,389	4,405
Current liabilities		**644,040**	**474,501**
Total liabilities		**2,494,031**	**1,587,949**
Total equity and liabilities		**3,746,324**	**2,389,962**

CONSOLIDATED STATEMENT OF CASH FLOWS

€ in thousands	2021/22	2020/21
Operating result	**126,460**	**79,760**
Depreciation, appreciation, amortisation and impairment of property, plant and equipment and intangible assets	223,073	165,903
Gains/losses from the sale of fixed assets	1,774	271
Changes in non-current provisions	1,267	1,971
Changes in non-current contract liabilities	446,374	–
Non-cash expense/(income), net	5,950	9,726
Interest paid	(19,331)	(14,645)
Interest received	2,432	3,187
Income taxes paid	(11,709)	(13,942)
Cash flow from operating activities before changes in working capital	**776,290**	**232,231**
Inventories	(27,661)	(43,959)
Trade and other receivables and contract assets	(109,500)	(60,636)
Trade and other payables	72,246	57,792
Other provisions	1,817	(777)
Cash flow from operating activities	**713,192**	**184,651**
Capital expenditure for property, plant and equipment and intangible assets	(605,571)	(437,972)
Proceeds from the sale of property, plant and equipment and intangible assets	3,698	2,220
Capital expenditure for financial assets	(17,481)	(53,630)
Proceeds from the sale of financial assets	39,661	149,573
Cash flow from investing activities	**(579,693)**	**(339,809)**
Proceeds from borrowings	255,484	383,889
Repayments of borrowings	(70,943)	(93,296)
Proceeds from issuing of hybrid capital	347,324	–
Repayments of hybrid capital	(138,584)	–
Proceeds from government grants	28,045	31,061
Dividends paid	(15,152)	(9,713)
Hybrid cupon paid	(9,304)	(8,313)
Cash flow from financing activities	**396,870**	**303,628**
Change in cash and cash equivalents	**530,369**	**148,470**
Cash and cash equivalents at beginning of the year	552,850	417,950
Exchange gains/(losses) on cash and cash equivalents	36,702	(13,570)
Cash and cash equivalents at the end of the year	**1,119,921**	**552,850**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ in thousands	Share capital	Other reserves	Hybrid capital	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
31 Mar 2020	**141,846**	**14,723**	**172,887**	**430,803**	**760,259**	**–**	**760,259**
Profit for the year	–	–	–	47,424	47,424	–	47,424
Other comprehensive income for the year	–	12,356	–	–	12,356	–	12,356
thereof currency translation differences, net of taxes	–	*11,926*	–	–	*11,926*	–	*11,926*
thereof remeasurement of post-employment obligations, net of tax	–	*485*	–	–	*485*	–	*485*
thereof change in available-for-sale financial assets, net of tax	–	*(55)*	–	–	*(55)*	–	*(55)*
Total comprehensive income for the year 2020/21	**–**	**12,356**	**–**	**47,424**	**59,780**	**–**	**59,780**
Dividends paid relating to 2019/20	–	–	–	(9,713)	(9,713)	–	(9,713)
Hybrid cupon paid	–	–	–	(8,313)	(8,313)	–	(8,313)
31 Mar 2021	**141,846**	**27,079**	**172,887**	**460,201**	**802,013**	**–**	**802,013**
Profit for the year	–	–	–	103,290	103,290	–	103,290
Other comprehensive income for the year	–	160,830	–	–	160,830	–	160,830
thereof currency translation differences, net of tax	–	*158,732*	–	–	*158,732*	–	*158,732*
thereof remeasurement of post-employment obligations, net of tax	–	*(647)*	–	–	*(647)*	–	*(647)*
thereof change in available-for-sale financial assets, net of tax	–	*(1)*	–	–	*(1)*	–	*(1)*
thereof change in hedging instruments for cash flow hedges, net of tax	–	*2,746*	–	–	*2,746*	–	*2,746*
Total comprehensive income for the year 2021/22	**–**	160,830	**–**	103,290	264,120	**–**	264,120
Dividends paid relating to 2020/21	–	–	–	(15,152)	(15,152)	–	(15,152)
Proceeds hybrid capital	–	–	347,955	–	347,955	–	347,955
Repayment hybrid capital	–	–	(131,993)	(6,590)	(138,583)	–	(138,583)
Hybrid cupon paid	–	–	–	(9,304)	(9,304)	–	(9,304)
Tax effect hybrid capital	–	–	–	1,244	1,244	–	1,244
31 Mar 2022	**141,846**	**187,909**	**388,849**	**533,689**	**1,252,293**	**–**	**1,252,293**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. GENERAL INFORMATION

A. General

AT & S Austria Technologie & Systemtechnik Aktiengesellschaft (hereinafter referred to as "the Company", and with its subsidiaries referred to as "the Group") was incorporated in Austria. The Company is headquartered in Austria, Fabriksgasse 13, 8700 Leoben-Hinterberg.

The Group manufactures and distributes printed circuit boards and provides related services in the segments of Mobile Devices & Substrates, Automotive, Industrial, Medical and Others. The products are manufactured in the European and Asian markets and are directly distributed to original equipment manufacturers (OEM) as well as to contract electronic manufacturers (CEM).

Since 20 May 2008, the Company has been listed in the Prime Market segment of the Vienna Stock Exchange, Austria, and, after a period of double listing on the previous exchange in Frankfurt am Main, Germany, has been traded exclusively on the Vienna Stock Exchange since 15 September 2008. Prior to changing stock exchange, the Company had been listed on the Frankfurt Stock Exchange since 16 July 1999. Since 19 March 2018, the Company's shares have been included in the Austrian ATX index. According to Section 245a of the Austrian Commercial Code (UGB), the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations (IFRIC and SIC) of the International Accounting Standards Board (IASB) as adopted by the European Union (EU).

B. Accounting and measurement policies

The consolidated financial statements have been prepared under the historical cost convention, except for securities and derivative financial instruments and the portion of trade receivables that are assigned to banks in the following month as part of factoring agreements, which are measured at their fair values.

a. Consolidation principles

The balance sheet date for all consolidated companies is 31 March 2022, with the following exceptions: due to the legal situation in China, the financial year of AT&S (China) Company Limited and AT&S (Chongqing) Company Limited corresponds to the calendar year (balance sheet date: 31 December 2021), meaning that they were consolidated on the basis of the interim financial statements as of 31 March 2022.

The consolidated financial statements were approved for issue by the Management Board on 16 May 2022. The separate financial statements of the Company, which are included in the consolidation after reconciliation to the applicable accounting standards, will be presented for approval to the Supervisory Board on 2 June 2022. The separate financial statements of the Company can be modified by the Supervisory Board and, in case of presentation to the Annual General Meeting, by the Company's shareholders in a way that might also affect the presentation of the consolidated financial statements.

Group of consolidated entities The Company controls an entity when the Group is exposed to risks or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In addition to the Company itself, the consolidated financial statements comprise the following fully consolidated subsidiaries:

- AT&S Asia Pacific Limited, Hong Kong, China (hereinafter referred to as AT&S Asia Pacific), share 100%
- AT&S (China) Company Limited, China (hereinafter referred to as AT&S China), 100% subsidiary of AT&S Asia Pacific
- AT&S (Chongqing) Company Limited, China (hereinafter referred to as AT&S Chongqing), 100% subsidiary of AT&S Asia Pacific
- AT&S Japan K.K., Japan, 100% subsidiary of AT&S Asia Pacific
- AT&S (Taiwan) Co., Ltd., Taiwan (hereinafter referred to as AT&S Taiwan), 100% subsidiary of AT&S Asia Pacific
- AT&S India Private Limited, India (hereinafter referred to as AT&S India), share 100%
- AT&S Korea Co., Ltd., South Korea (hereinafter referred to as AT&S Korea), share 100%

- AT&S Americas LLC, USA (hereinafter referred to as AT&S Americas), share 100%
- AT&S Deutschland GmbH, Germany (hereinafter referred to AT&S Deutschland), share 100%
- AT&S Austria Technologie & Systemtechnik (Malaysia) SDN. BHD. (hereinafter referred to AT&S Malaysia), share 100%

In the financial year 2021/22, a new company was acquired in Malaysia for the purpose of expanding capacity for the Substrates division. Since this was not a business combination as defined by IFRS 3 at the date of acquisition, the rules of this standard are not applicable. The effects of the initial consolidation of this company on the consolidated financial statements are immaterial.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the equity interests issued and the liabilities incurred and/or assumed at the acquisition date. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

For each business combination, the Group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets and, accordingly, recognises the full or proportional goodwill. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

When the Group ceases to have control or significant influence over a company, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the fair value determined at initial recognition of an associate, joint venture or financial asset. In addition, any amounts recognised in other comprehensive income in respect of that entity are accounted for as if the parent company had directly disposed of the related assets or liabilities.

Methods of consolidation All significant intercompany balances and transactions have been eliminated so that the consolidated financial statements present the accounting information of the Group as if it were one single company.

Capital consolidation is made in accordance with IFRS 3 "Business Combinations" and IFRS 10 "Consolidated Financial Statements". Intercompany accounts receivable and payable as well as expenses and income are eliminated. Unless immaterial, intercompany results in non-current assets and inventories are eliminated. Furthermore, uniform accounting and measurement methods are applied to all consolidated subsidiaries.

b. Segment reporting

The definition of operating segments and the presentation of segment results are based on the management approach and follow internal reports to the Management Board as the chief operating decision-maker, i.e. the body that decides on the allocation of resources to the individual segments. An operating segment is a component of an entity that engages in business activities and whose operating results are reviewed regularly by the entity's chief operating decision-maker. Business activities involve earning revenues and incurring expenses, and these may also relate to business transactions with other operating segments of the entity. Separate financial information is available for the individual operating segments.

The AT&S Group structures the operating activities into three segments:

- Mobile Devices & Substrates
- Automotive, Industrial, Medical
- Others

The business unit Mobile Devices & Substrates is responsible for the production of printed circuit boards for mobile end-user devices such as smartphones, tablets, notebooks and consumer products such as digital cameras as well as substrates for desktop PCs and servers. The printed circuit boards for these applications are largely produced at our Shanghai (AT&S China) and Chongqing (AT&S Chongqing) plants.

The business unit Automotive, Industrial, Medical supplies customers in the fields of automotive supplies, industrial applications, medical technology, aerospace, security and other sectors. Production for this business segment mainly takes place at our plants in India, South Korea and Austria.

The business unit Others covers corporate and holding activities.

c. Foreign currencies

The Group's presentation currency is the euro (€). The functional currency of the foreign subsidiaries is the respective local currency.

Foreign subsidiaries With the exception of equity positions (historical exchange rate), the balance sheets of AT&S India, AT&S China, AT&S Asia Pacific, AT&S Japan, AT&S Korea, AT&S Americas, AT&S Chongqing, AT&S Malaysia and AT&S Taiwan are translated at the exchange rates on the balance sheet date. The profit or loss statements are translated at the average exchange rates of the financial year. The effect of changes in the exchange rate with regard to the foreign subsidiaries' net assets is recognised directly in equity.

Foreign currency transactions In the financial statements of each of the Group's entities, foreign currency items are translated at the exchange rates prevailing on the day of the transaction. Monetary items are translated at the respective exchange rate ruling at the balance sheet date; non-monetary items which were recognised according to the historical cost principle are carried at the rate of their initial recognition. Translation adjustments from monetary items, with the exception of financial assets classified as "at fair value through other comprehensive income", are recognised in profit or loss.

	Closing rate			Average rate		
	31 Mar 2022	31 Mar 2021	Change in %	01 Apr 2021 - 31 Mar 2022	01 Apr 2020 - 31 Mar 2021	Change in %
Chinese yuan renminbi	7.0420	7.7106	(8.7%)	7.4579	7.9130	(5.8%)
Hong Kong dollar	8.6853	9.1214	(4.8%)	9.0419	9.0389	0.0%
Malaysian ringgit	4.6643	4.8654	(4.1%)	4.8392	4.8433	(0.1%)
Indian rupee	83.9684	85.7896	(2.1%)	86.2440	86.4192	(0.2%)
Japanese yen	134.9800	129.8600	3.9%	130.8508	123.6723	5.8%
South Korean won	1,345.7967	1,324.7169	1.6%	1,351.7529	1,353.9816	(0.2%)
Taiwan dollar	31.8146	33.4295	(4.8%)	32.4252	33.7550	(3.9%)
US dollar	1.1093	1.1734	(5.5%)	1.1613	1.1657	(0.4%)

d. Revenue recognition

Revenue comprises the fair value of considerations received in the course of the Group's ordinary activities. Revenue is recognised net of VAT, discounts and price reductions, and after elimination of intercompany sales. Revenue is realised as follows:

Revenue from product sales In accordance with IFRS 15, revenue must be recognised when control over agreed goods and services passes to the customer and the customer obtains a benefit from them. Revenue can be recognised at a point in time or over time. When products are manufactured specifically tailored to the customer's needs and there is consequently no alternative use for such products and the entity has an enforceable right to payment for performance completed to date including a margin, control of these products passes to the customer according to IFRS 15.35 c. Some of the AT&S Group's customers meet these criteria; therefore revenue is recognised over time in such cases. Progress is measured based on the cost incurred to date in relation to total cost.

In cases where customers do not meet these criteria, revenue is recognised at a point in time when control over delivery has passed to the buyer (depending on the agreed incoterms).

e. Income taxes

The income tax burden is based on the profit for the year and includes deferred income taxes.

The Group provides for deferred income taxes using the balance-sheet oriented method. Under this method, the expected tax effect of differences arising between the carrying amounts in the consolidated financial statements and the taxable carrying amounts are taken into account by recognising deferred tax assets and tax liabilities. These differences will be reversed in the future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted on the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. A future change in tax rates would also have an impact on the deferred tax assets capitalised at the current balance sheet date.

Deferred income taxes arise from the measurement of specific assets and liabilities, as well as tax loss carryforwards and amortisation of goodwill.

Deferred taxes on not yet realised profits/losses of equity instruments and on not yet realised profits/losses from hedging instruments for cash flow hedges that are recognised in equity are also directly recognised in equity.

In accordance with IFRS, deferred income tax assets on loss carryforwards have to be recognised to the extent that it is probable that they will be utilised against future taxable profits.

Deferred taxes are not recognised for temporary differences in connection with holdings in subsidiaries provided that the Group is able to control the timing of the reversal of the temporary differences and it is likely that the temporary differences will not be reversed in the foreseeable future.

f. Property, plant and equipment

Items of property, plant and equipment are measured at cost. Expenditure directly attributable to an acquisition and the subsequent expenditure is capitalised; repairs and maintenance costs, however, are expensed as incurred.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the acquisition or production costs of this asset in accordance with IAS 23.

From the time of their availability for use, the assets are depreciated on a straight-line basis over their expected useful lives. Depreciation is charged on a pro rata temporis basis. Land is not subject to depreciation.

Scheduled depreciation is based on the following useful lives applicable throughout the Group:

Plants and buildings	10–50 years
Machinery and technical equipment	4–15 years
Tools, fixtures, furniture and office equipment	3–15 years

Depreciation periods and methods are reviewed annually at the end of the financial year.

Profits or losses resulting from the closure or retirement of non-current assets, which arise from the difference between the net realisable value and the carrying amounts, are recognised in profit or loss.

g. Leases

A lease is a contract which transfers the right to use an asset (leasing asset) for and agreed period of time against a consideration. Since 1 April 2019, the Group recognises, for all leases, right-of-use assets in the statement of financial position and liabilities for the payment obligations entered into at present value. Lease payments are discounted at the rate implicit in the lease if that can be readily determined. Otherwise the incremental borrowing rate is used. Lease liabilities include fixed payments, variable index-linked payments and the exercise price of a purchase option, if the exercise is considered to be sufficiently certain.

The subsequent measurement is made at amortised cost. Right-of-use assets are depreciated on a straight-line basis over the period of the contract.

For leases in which the underlying asset is of low value (€ 5 thousand) and for short-term leases (up to 12 months or less) the practical expedients are used and payments are recognised on a straight-line basis as an expense in the statement of profit or loss. In addition, the provisions are not applied to leases of intangible assets.

In particular, leases of real estate include extension and termination options. When determining the term of the contract, all facts and circumstances offering an economic incentive to exercise extension options or not to exercise termination options are taken into account. Changes in the term resulting from the exercise or non-exercise of such options are only considered if they are sufficiently certain.

The Group only acts as a lessee. Transactions in which the Group is the lessor do not take place.

h. Intangible assets

Patents, trademarks and licenses Expenditure on acquired patents, trademarks and licenses is capitalised at cost, including incidental acquisition expenses, and amortised on a straight-line basis over the asset's useful life, generally between two and ten years. Amortisation terms and methods are reviewed annually at the end of the financial year.

Research and development costs Research costs are expensed as incurred and charged to cost of sales. Development costs are also expensed as incurred. An intangible asset arising from development is recognised if, and only if, an entity can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the intangible asset and use or sell it.
- Its ability to use or sell the intangible asset.

- How the intangible asset will generate probable future economic benefits is verifiable.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- Its ability to reliably measure the expenditure attributable to the intangible asset during its development.

Capitalised development projects include all the directly attributable costs incurred as a result of development processes. Borrowing costs are capitalised if the development project is a qualifying asset in accordance with IAS 23. Development costs are amortised on a straight-line basis over a useful life from six to seven years, which is derived from the expected sales periods.

i. Impairment losses and appreciation of property, plant and equipment and intangible assets

The Group regularly reviews property, plant and equipment and intangible assets for possible impairment. If evidence for impairment exists, an impairment test is carried out without delay. Intangible assets in the development phase are tested annually for impairment. If the recoverable amount of the respective asset is below its carrying amount, an impairment loss amounting to the difference is recognised. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The value in use corresponds to the estimated future cash flows expected from the continued use of the asset and its disposal at the end of its useful life. The discount rates applied correspond to the weighted cost of capital based on externally available capital market data that are typical in the industry and have been adapted to the specific risks.

If the reason for the impairment recognised in the past no longer exists, with the exception of goodwill, an appreciation up to amortised cost is made.

j. Inventories

Inventories are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less variable costs necessary to make the sale. Cost is determined by the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Interest on borrowed capital is not recognised.

k. Trade and other receivables and contract assets

Receivables not including a material financing component are initially measured at the transaction price in accordance with IFRS 15 and subsequently recognised at amortised cost, if necessary less impairment for expected and actual credit losses. The receivables are measured in accordance with the simplified model (lifetime expected credit losses). For this purpose, the required impairment is determined within the scope of a provision matrix by analysing historical data and estimating future developments. All receivables are due within less than one year and therefore do not include a financing component in the form of interest.

l. Financial assets

Financial assets are recognised and derecognised using settlement date accounting. The fair values recognised in the statement of financial position generally correspond to market prices of financial assets. Except for financial assets at fair value through profit or loss, they are initially recognised including transaction costs.

Financial assets are divided into two categories in accordance with IFRS 9, those which are valued at amortised cost and those valued at fair value. When financial assets are valued at fair value, expenses and income are recognised through profit or loss or other comprehensive income.

At amortised cost This category includes all financial assets held as part of a business model whose objective is the collection of contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At the time of acquisition, the financial asset is measured at fair value in accordance with IFRS 15 (contract assets and trade receivables). The financial asset is subsequently measured at amortised cost less any impairment. Impairments are recognised through profit or loss.

AT&S applies the simplified impairment model for trade receivables and contract assets from contracts with customers, which takes into account expected credit losses during the full lifetime. Credit loss is determined on the basis of a provision matrix created based on a rating of the customers and past due receivables.

Financial assets at fair value through other comprehensive income This category includes those financial assets held as part of a business model whose objective is the collection of contractual cash flows and the sale of financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In the AT&S Group, trade receivables are in part sold to banks as part of factoring agreements. The part of receivables as of 31 March which is sold to banks at nominal value after this date is measured at fair value through other comprehensive income. The measurement at fair value has no significant impact on the consolidated financial statements. Therefore it is assumed that the fair value corresponds to the previous measurement standard of amortised cost.

All equity instruments for which IFRS 9 has to be applied are recognised at fair value; value changes are recognised through profit or loss. If an equity instrument is not held for trading, an entity can make the irrevocable decision at initial recognition to recognise value changes through OCI. Then, only income from dividends is recognised through profit or loss, insofar as they do not represent a capital repayment.

In accordance with IFRS 9 the irrevocable option of measurement through other comprehensive income was used. Value changes will consequently continue to be recognised in other comprehensive income.

Financial assets at fair value through profit or loss This category includes financial assets which were classified neither at amortised cost nor at fair value through other comprehensive income. At the time of their acquisition, they are stated at fair value, excluding transaction costs, and, in subsequent periods, at their respective fair values. Realised and unrealised gains and losses are recognised in profit or loss in “Finance costs - net”. This relates primarily to securities held for trading. Derivative financial instruments also fall into this category, unless hedge accounting is applied (refer to “Derivative financial instruments”).

Derivative financial instruments Where possible, the Group uses derivative financial instruments to hedge against interest fluctuations. These instruments mainly include interest rate swaps. They are entered into in order to protect the Group against interest rate fluctuations. The Group does not hold any financial instruments for speculative purposes.

The first-time recognition at the conclusion of the contract and the subsequent measurement of derivative financial instruments are made at their fair values. AT&S continues to apply the provisions of IAS 39 with respect to hedge accounting. “Hedge accounting” in accordance with IAS 39 “Financial Instruments: Recognition and Measurement”, according to which changes in fair values of hedging instruments are recognised in equity, is applied when there is an effective hedging relationship pursuant to IAS 39 for hedging instruments for cash flow hedges. The assessment of whether the derivative financial instruments used in the hedging relationship are highly effective in offsetting the changes in cash flows of the hedged item is documented at the inception of the hedging relationship and on an ongoing basis. When "hedge accounting" in equity is not applicable, unrealised gains and losses from derivative financial instruments are recognised in profit or loss in "Finance costs - net".

Interest and dividend income Interest income is recognised on a pro rata temporis basis, taking into account the effective interest rate of the asset. Dividend income from financial assets is recognised in profit or loss when the Group's right to receive payments is established.

Impairment of financial assets The new impairment expected credit loss (ECL) model according to IFRS 9 has to be applied for financial assets which are measured at amortised cost, for contract assets and debt instruments measured at fair value through OCI.

In accordance with IFRS 9, impairment must be determined using either the twelve-month model, which takes into account expected credit losses within the next twelve months, or the lifetime expected credit loss model which takes into account expected credit losses that result from possible default events within the whole lifetime.

AT&S applies the simplified impairment model for trade receivables and contract assets from contracts with customers, which takes into account expected credit losses during the full lifetime of the asset. The credit loss is determined on the basis of a provision matrix created based on a rating of the customers and overdue of the receivables.

m. Cash and cash equivalents

Cash and cash equivalents comprise cash, time deposits, deposits held at call with banks and short-term, highly liquid investments with an original maturity of up to three months (commercial papers and money market funds).

n. Non-controlling interests

The Company does not have any non-controlling interests. The profit for the year and other comprehensive income are attributed to the owners of the parent company and the holders of the hybrid capital.

o. Provisions

Provisions are recognised if the Group has a legal or de facto obligation to third parties, which is based on past events, where it is probable that this will result in an outflow of resources and the amount can be estimated reliably. The provisions are remeasured at each balance sheet date and their amounts adjusted accordingly.

Non-current provisions are reported at the discounted amount to be paid at each balance sheet date if the interest effect resulting from the discounting is material.

p. Provisions for employee benefits

Pension obligations The Group operates various defined contribution and defined benefit pension schemes.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a special purpose entity (fund). These contributions are charged to staff costs. No provision has to be set up, as there are no additional obligations beyond the fixed amounts.

For individual members of the Management Board and certain executive employees, the Group has defined benefit plans that are valued by qualified and independent actuaries at each balance sheet date. The Group's obligation is to meet the benefits committed to current and former members of the Management Board and executive employees as well as their dependents. The pension obligation calculated according to the projected unit credit method is reduced by the plan assets of the fund in the case of a funded pension scheme. The present value of the future pension benefit is determined on the basis of years of service, expected remuneration and pension adjustments.

To the extent that the plan assets of the fund do not cover the obligation, the net liability is accrued under pension provisions. If the net assets exceed the pension obligation, the exceeding amount is capitalised under "Overfunded pension benefits".

Staff costs recognised in the respective financial year are based on expected values and include the service costs. Net interest on net liabilities is recognised in "Finance costs - net". Remeasurements of the net liability are recognised in other comprehensive income and comprise gains and losses arising from the remeasurement of post-employment obligations.

Provisions for severance payments Pursuant to Austrian labour regulations, severance payments have to be paid primarily on termination of employment by the employer or on the retirement of an employee. The liabilities are measured by qualified and independent actuaries at each balance sheet date.

For employees who joined Austrian companies up to and including 2002, the Company has direct obligations that account for the major part of the Group's severance payment obligations. In accordance with IAS 19, these liabilities are calculated using the projected unit credit method as described above and represent severance payment obligations not covered by plan assets. For employees who joined the Company as of or after 1 January 2003, the severance payment obligation is met by regular contributions to a staff provision fund ("Mitarbeitervorsorgekasse"). These contributions are included in staff costs. The Company has no further payment obligations once the contributions have been paid.

For employees of the Company in India, obligations for severance payments are covered by life insurance policies. Furthermore, severance payment obligations exist for employees in South Korea and China. These obligations are measured in accordance with IAS 19 using the projected unit credit method as described above and represent severance payment obligations not covered by plan assets.

Other employee benefits Other employee benefits include provisions for anniversary bonuses and relate to employees in Austria and China.

Anniversary bonuses are special one-off payments stipulated in the Collective Agreement which are dependent on remuneration and duration of service. Eligibility is determined by a certain minimum length of employment. The respective liability is calculated in accordance with the projected unit credit method based on the same parameters used for severance payments.

Staff costs recognised in the respective financial year include entitlements acquired and the actuarial results. The interest component is recognised in "Finance costs - net". The liabilities are measured by qualified and independent actuaries at each balance sheet date.

q. Stock appreciation rights

The Group introduced a long-term incentive programme based on stock appreciation rights SARs. Stock appreciation rights relate to value increases in share prices based on the performance of the share price. These rights are accounted for in accordance with IFRS 2 "Share-based Payment".

The fair value of the employee services rendered as consideration for the granting of SARs is recognised as an expense. Upon initial recognition and at every balance sheet date until the liabilities are settled, SAR liabilities are measured at fair value through profit or loss, applying the option price model. Reference is made to Note 14 "Trade and other payables".

r. Liabilities

Financial liabilities are initially measured at fair value less transaction cost and, in subsequent periods, at amortised cost using the effective interest rate method. Foreign currency liabilities are translated at the average exchange rate prevailing at the balance sheet date.

s. Contract liabilities

Contract liabilities are initially recognised at fair value less transaction costs and measured at amortised cost in subsequent periods. Contract liabilities in foreign currencies are measured at the average exchange rate at the time of initial recognition as they are not a monetary item. If a significant financing component exists, interest is accrued on the liability.

t. Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to investments in property, plant and equipment are included in liabilities as deferred government grants; they are recognised in profit or loss on a straight-line basis over the expected useful life of the related assets. Government grants relating to costs and property, plant and equipment are recognised in profit or loss under other operating result.

u. Contingent liabilities, contingent assets and other financial obligations

Contingent liabilities are not recognised in the statement of financial position, but disclosed in Note 21 “Contingent liabilities and other financial commitments”. They are not disclosed if an outflow of resources with economic benefit is unlikely.

A contingent asset is not recognised in the consolidated financial statements, but disclosed if the inflow of an economic benefit is likely.

v. First-time adoption of accounting standards

The following new and/or amended standards and interpretations were applied for the first time in the financial year 2021/22 and pertain to the International Financial Reporting Standards (IFRS) as adopted by the EU.

- IFRS 4: Amendments to insurancew contracts
- IFRS 16: Changes COVID-19 related
- IAS 39, IFRS 9, IFRS 7: Interest Rate Benchmark Reform (Phase 2)

No material effects resulted from the amended standards.

w. Future amendments to accounting standards and impact of first-time adoption

The IASB and IFRIC issued additional standards and interpretations not yet effective in the financial year 2021/22.

These have already been adopted in part by the European Union. The following standards and interpretations had already been published by the time these consolidated financial statements were prepared and are not yet effective; they have not been adopted early in the preparation of these consolidated financial statements:

	Standard/Interpretation (Content of the regulation)	Effective date [1]	EU [2]	Expected impacts on the consolidated financial statements
IFRS 14	Regulatory Deferral Accounts	Waiting for final standard	No	No major changes are expected
IFRS 17	Insurance Contracts	01/01/2023	Yes	No major changes are expected
IAS 1	Classification of Liabilities as Current or Non-current	01/01/2023	No	No major changes are expected
IAS 16, IAS 37	Proceeds before intended Use, Costs of fulfilling a contract	01/01/2022	Yes	No major changes are expected
IAS 12	Deferred tax related to leases and decommissioning obligations	01/01/2023	Yes	No major changes are expected
IAS 28, IFRS 10	Investments in Associates: Sales or contributions of assets between an investor and its associate/joint venture	Postponed indefinitely	No	No major changes are expected
IAS 1, IAS 8	Disclosure of Accounting policies and Accounting Estimates	01/01/2023	Yes	No major changes are expected
	Annual Improvements to IFRS Standards 2018 - 2020	01/01/2022	No	No major changes are expected

[1] The Group intends to apply the new regulations for the first time in the fiscal year beginning subsequent to the effective date.
[2] Status of adoption by the EU.

C. Critical accounting estimates and assumptions used in accounting and measurement

The Group uses estimates and assumptions to determine the reported amounts of assets, liabilities, revenue and expenses, as well as other financial liabilities, and contingent assets and liabilities. All estimates and assumptions are reviewed on a regular basis and are based on past experiences and additional factors, including expectations regarding future events that seem reasonable under the given circumstances. As part of strategic business planning, the current overall economic conditions, the economic environment and the most recent estimates regarding market developments are considered. The effects of COVID-19 (especially the lockdown in Shanghai) and regarding the Russia/Ukraine crisis were not considered in business planning due to a lack of predictability, which may have an impact on the estimates made in this connection. Actual results may differ from these estimates in the future. Management believes that the estimates are reasonable.

Development costs On the one hand, capitalised development costs largely relate to the development of a new technology for the production of substrates for silicon semiconductor chips for the Chongqing project. This technology has been available for use from March 2016 onwards and amortisation has begun. In the financial year 2021/22 costs of € 5,539 thousand were capitalised for the development of the new substrate generation started in 2020/21. The use of this new production method began in the first half of the financial year 2021/22.

Calculation of the present values of projected employee benefit obligations The present value of non-current employee benefit obligations depends on various factors that are based on actuarial assumptions (refer to I.B.o. “Provisions for employee benefits”).

These actuarial assumptions used to calculate the pension expenses and the expected defined benefit obligations were subjected to stress tests using the following parameters: an increase in the interest rate, in the expected remuneration and/or in future pensions for the Austrian entities by the percentage points stated in the table below would affect the present values of the projected pension and severance payment obligations as follows as at 31 March 2022:

€ in thousands	Interest rate +0.50%	Increase in remuneration +0.25%	Increase in pensions +0.25%
Pension obligation	(1,305)	59	645
Severance payments	(1,259)	634	–

A decrease in the same parameters for the Austrian companies would have the following effects on the present value of pension and severance payment obligations as at 31 March 2022:

€ in thousands	Interest rate -0.50%	Increase in remuneration -0.25%	Increase in pensions -0.25%
Pension obligation	1,460	(58)	(615)
Severance payments	1,363	(613)	–

Reference is made to Note 17 “Provisions for employee benefits”.

Measurement of deferred income tax and current tax liabilities Deferred income tax assets and liabilities are determined using the tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. A future change in tax rates would also have an impact on the deferred tax capitalised at the balance sheet date.

Deferred income tax assets in the amount of € 53,689 thousand were not recognised for income tax loss carryforwards in the Group of € 357,924 thousand. If the tax losses were subsequently expected to be realised, these deferred income tax assets would have to be recognised and a related tax income reported. Reference is made to Note 6 “Income taxes”.

Moreover, a different interpretation of tax laws by fiscal authorities could also lead to a change in income tax liabilities.

Other estimates and assumptions Further estimates, if necessary, relate to impairments of non-current assets and provisions, as well as the measurement of derivative financial instruments, allowances for doubtful accounts receivable and measurements of inventory. Reference is particularly made to Note 4 “Other operating result”, Note 7 “Property, plant and equipment”, Note 8 “Intangible assets” and Note 18 “Other provisions”.

D. Effects of COVID-19

The global spread of the coronavirus (SARS-COV-2) since January 2020 caused governments worldwide to take measures to contain the pandemic. There are no uncertainties about the AT&S Group's continuance as a going concern. No significant change has occurred with respect to financial risks. The effects are listed below:

- Revenue increased compared with the previous year despite adverse macroeconomic conditions. Revenue increased in both the Mobile Devices & Substrates segment and in the Automotive, Industrial, Medical segment.
- Use was made of government support measures for the locations in Austria in the financial year 2021/22.
- Recoverable amount of trade receivables: Due to the pandemic, trade receivables were subjected to an impairment test in the previous year. In particular, the analysis focused on the question of whether the previously assumed probabilities of default based on the customers' rating and taking into account overdue receivables as well as the assessment of future development would have to be adjusted. It was analysed whether terms of payment or customer ratings changed significantly and if there was an increase in impairment requirements over the past months. No higher impairment requirements resulted for the financial year 2021/22, so it was not necessary to further adjust the probabilities of default of the impairment matrix for the Automotive, Industrial, Medical segment.
- Lockdown in Shanghai: A strict lockdown was imposed in Shanghai at the end of March 2022. To maintain supply of the materials required for production, warehouse management is planned in such a way that short-term bottlenecks can be bridged, and alternative suppliers of the required materials are kept as a back-up. The close collaboration with suppliers and other AT&S plants in China, as well as the stable network of alternative suppliers ensure that production can be continued even under these circumstances. In addition, the staff required to maintain production is accommodated on the premises of the plant. A crisis team, which is responsible for monitoring, was established to identify new developments and the resulting effects on AT&S as fast as possible. As further developments are subject to uncertainty, the financial effects cannot be estimated at present.

E. Effect of the Ukraine crisis

The conflict between Ukraine and Russia, which has been ongoing since February 2022, has an impact on the entire global economy. This conflict affects the availability of materials and energy, which is also reflected in their price development. Uncertainty regarding gas supply may also have a negative effect on AT&S. In particular, the Austrian production sites would be affected by gas cut-offs from Russia. To mitigate this risk, measures have been taken with the objective to enable the Company to respond quickly if required.

In addition, the Ukraine-Russia conflict has a negative impact on the development of the Automotive segment. The temporary shutdown of production facilities and the difficulties regarding the availability of materials confronts car manufacturers with challenges which could also affect AT&S. Along with a direct impact on material supplies and the demand by individual markets, significant secondary effects are also expected. The disruption of food and energy supply as well as transport routes has severe implications. Depending on the duration of the conflict, the effects on the economy as whole could be immense. The financial impact of the conflict on the Group cannot be assessed at this point in time. The situation is continuously evaluated by a crisis team set up specifically for this purpose to react to the current developments as fast as possible and optimally mitigate any negative effects.

F. Effects of the climate crisis

Climate risks are now assessed within the framework of risk management. The risk of global warming is considered to be material. To counter this risk, AT&S has chosen a climate-resilient business model and obtains the energy required for production processes from renewable sources where possible. The AT&S energy strategy and the associated decarbonisation goals are effective measures to mitigate climate risks. This energy strategy pursues the target to cover at least 80% of the Group's energy consumption by using renewable energy sources by 2025. Another target is to replace all fossil fuels within the Company's own production sites by 2030 in order to prevent the direct emission of environmentally harmful gases in the Company. Moreover, AT&S focuses on efficient energy management and on increasing the share of green energy when purchasing energy. In addition to the annual definition of energy targets for the individual production sites, efforts are made to increase the share of renewable energy through different measures and to reduce energy consumption. Based on all of these measures, the effects of the climate crisis on the AT&S Group are kept to a minimum.

In April 2020, the European Commission published detailed definitions for economic activities intended to contribute to climate protection and adaptation to climate change. However, the provisions and standards with respect to the EU Taxonomy not only create uncertainty and increase costs for compliance with them in general, but also cause high costs for the actual implementation of measures necessary to comply with minimum standards. It cannot be predicted how the provisions will develop in the future. Strict rules will tend to lead to higher costs and therefore have an increased negative influence on profitability.

II. SEGMENT REPORTING

The segment information presented below is prepared in accordance with the management approach concept as depicted in the Group's internal reporting (refer to Section I.B.b. "Segment Reporting").

The reportable segments consist of the business units Mobile Devices & Substrates, Automotive, Industrial, Medical and Others. The Others segment further includes the general holding activities of the Group. The central operating result performance indicator is the operating result before depreciation and amortisation. The respective reconciliation to Group figures also includes the corresponding consolidation.

Transfers and transactions between the segments are executed at arm's length, as with independent third parties. Segment reporting is prepared in accordance with the principles set out in I.B. "Accounting and measurement policies".

	Mobile Devices & Substrates		Automotive, Industrial, Medical		Others		Elimination/ Consolidation		Group	
€ in thousands	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Segment revenue	1,312,580	975,657	457,864	350,453	–	–	(180,577)	(137,886)	1,589,867	1,188,224
Internal revenue	(122,015)	(93,936)	(58,562)	(43,950)	–	–	180,577	137,886	–	–
External revenue	1,190,565	881,721	399,302	306,503	–	–	–	–	1,589,867	1,188,224
Operating result before depreciation/amortisation	**306,667**	**218,597**	**57,473**	**26,074**	**(14,606)**	**992**	**–**	**–**	**349,534**	**245,663**
Depreciation/amortisation incl. appreciation	(190,045)	(136,825)	(28,253)	(25,570)	(4,775)	(3,508)	–	–	(223,073)	(165,903)
Operating result	**116,622**	**81,772**	**29,219**	**504**	**(19,381)**	**(2,516)**	**–**	**–**	**126,460**	**79,760**
Finance costs - net									(4,351)	(20,139)
Profit before tax									**122,109**	**59,621**
Income taxes									(18,819)	(12,197)
Profit for the year									**103,290**	**47,424**
Property, plant and equipment and intangible assets	1,721,795	1,161,891	246,492	170,629	13,705	11,693	–	–	1,981,992	1,344,213
Additions to property, plant and equipment and intangible assets	619,678	497,859	107,919	45,937	6,665	8,370	–	–	734,262	552,166

Information by geographic region

Revenue broken down by region, based on customers' headquarters:

€ in thousands	2021/22	2020/21
Austria	21,612	16,644
Germany	159,793	135,918
Other European countries	97,115	67,967
China	9,513	36,242
Other Asian countries	87,037	60,608
Americas	1,214,797	870,845
Revenue	**1,589,867**	**1,188,224**

70.2% of total revenue (previous year: 70.4%) is attributable to the five largest customers in terms of revenue, where the range is between 1% and 41% (previous year: 2% and 40%).

Property, plant and equipment and intangible assets broken down by domicile:

€ in thousands	31 Mar 2022	31 Mar 2021
Austria	186,579	116,733
China	1,646,725	1,160,930
Others	148,688	66,550
Total	**1,981,992**	**1,344,213**

III. NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

1. Revenue

€ in thousands	2021/22	2020/21
Main revenue	1,589,836	1,188,073
Incidental revenue	31	151
Revenue	**1,589,867**	**1,188,224**

The main revenue is achieved by selling printed circuits boards, which are produced by AT&S.

The following table shows the distribution of revenue recognised at a point in time and over time by segment:

	Mobile Devices & Substrates		Automotive, Industrial, Medical		Group	
€ in thousands	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Segment revenue	1,190,565	881,721	399,302	306,503	1,589,867	1,188,224
Type of revenue recognition						
Point in time	451,858	379,669	52,974	–	504,832	379,669
Over time	738,707	502,052	346,328	306,503	1,085,035	808,555

2. Types of expenses

The expense types of cost of sales, distribution costs and general and administrative costs are as follows:

€ in thousands	2021/22	2020/21
Cost of materials	670,963	505,093
Staff costs	370,876	289,702
Depreciation/amortisation	199,826	165,341
Purchased services incl. leased personnel	22,639	16,706
Energy	66,362	51,059
Maintenance (incl. spare parts)	92,683	82,673
Transportation costs	24,916	19,215
Rental and leasing expenses	10,795	8,007
Change in inventories	(66,774)	(59,075)
Legal and consulting fees	12,517	6,751
IT service, third parties	10,951	8,195
Administration services third parties	17,784	9,896
Other	26,902	1,345
Total	**1,460,440**	**1,104,908**

In the financial years 2021/22 and 2020/21, the item “Other” mainly relates to insurance expenses, cleaning costs and waste disposal with corresponding recycling revenues.

3. Research and development costs

In the financial year 2021/22, the Group incurred research and development costs in the amount of € 181,464 thousand (previous year: € 118,887 thousand). The stated amounts represent only costs which can be directly allocated and which are recognised in the profit or loss under cost of sales. In these consolidated financial statements, development costs of € 5,539 thousand (previous year: € 13,112 thousand) were capitalised. Reference is made to Note 8 “Intangible assets”.

4. Other operating result

€ in thousands	2021/22	2020/21
Income from the reversal of government grants	6,037	2,176
Government grants for expenses	35,629	13,491
Income from reversal of accruals/provision	–	193
Miscellaneous other income	3,060	1,880
Other operating income	**44,726**	**17,740**
Impairments of property, plant and equipment	–	(472)
Expenses from exchange differences	(1,961)	(10,408)
Start-up losses	(43,479)	(9,753)
Losses from the disposal of non-current assets	(1,740)	(253)
Other costs	(513)	(410)
Other operating costs	**(47,693)**	**(21,296)**
Other operating result	**(2,967)**	**(3,556)**

In the financial years 2021/22 and 2020/21, government grants for expenses mainly relate to export refunds, research and development grants as well as funding for industry and employment development. In the financial year 2021/22, start-up losses resulted from the expansion at the plant in Leoben, Austria, at the plants in Chongqing, China and in Kulim, Malaysia. In the financial year 2020/21, start-up losses resulted from the expansions at a production line in Leoben, Austria and at the plants in Chongqing, China. In the financial year 2021/22, the item “Miscellaneous other income” mainly relates to received penalty rewards, grants for COVID-19 testing expenses, and similarly to last year, to grants for employees, and services in kind for miscellaneous projects.

5. Finance costs - net

€ in thousands	2021/22	2020/21
Interest income from financial assets at fair value through profit or loss and financial assets at amortised cost	16	5
Other interest income	2,416	3,182
Gains from the measurement of derivative financial instruments at fair value, net	6,987	750
Foreign exchange gains, net	8,838	–
Finance income	**18,257**	**3,937**
Interest expense on bank borrowings and bonds	(15,690)	(11,182)
Net interest expense on personnel-related liabilities	(567)	(956)
Realised losses from derivative financial instruments, net	(2,503)	(1,837)
Losses from the measurement of derivative financial instruments at fair value, net	–	–
Foreign exchange losses, net	–	(8,034)
Other financial expenses	(3,848)	(2,067)
Finance costs	**(22,608)**	**(24,076)**
Finance costs - net	**(4,351)**	**(20,139)**

In accordance with IAS 23, the item “Interest expense on bank borrowings and bonds” includes capitalised borrowing costs in the amount of € 2,694 thousand (previous year: € 1,803 thousand), net.

6. Income taxes

Income tax expenses are broken down as follows:

€ in thousands	2021/22	2020/21
Current income taxes	17,385	12,836
Deferred taxes	1,434	(639)
Total tax expense	**18,819**	**12,197**

The difference between the Group's actual tax expense and the theoretical amount that would arise using the Austrian corporate income tax rate is as follows:

€ in thousands	2021/22	2020/21
Expected tax expense at Austrian tax rate	30,527	14,905
Effect of different tax rates in foreign countries	(3,763)	1,704
Non-creditable foreign withholding taxes	3,615	2,929
Effect of change in valuation allowance of deferred income tax assets	(4,140)	(1,751)
Effect of the change in tax rate	2,247	682
Effect of permanent differences	(9,453)	(5,957)
Effect of taxes from prior periods	(214)	(315)
Total tax expense	**18,819**	**12,197**

The effect of the change in tax rates mainly results from the gradual reduction of the Austrian corporate tax rate to 23%, which was recognised on non-current deferred tax assets, and from the reduced tax rate of 15% in the subsidiary AT&S China (compared to the regular tax rate of 25%), which is applicable again.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes and liabilities relate to taxes levied by the same taxation authority. The amounts after setting off deferred income tax assets against deferred liabilities are as follows:

	31 Mar 2022		31 Mar 2021	
€ in thousands	Assets	Liabilities	Assets	Liabilities
Non-current assets	1,712	(15,485)	5,798	(12,712)
Provisions for employee benefits	7,683	–	7,908	–
Financial liabilities	12,060	–	6,605	–
Income tax loss carryforwards	79,837	–	76,512	–
Deferred income tax from long-term assets/liabilities	**101,292**	**(15,485)**	**96,823**	**(12,712)**
Inventories	26,518	–	16,699	–
Trade and other receivables and contract assets	15	(29,941)	165	(16,787)
Trade and other payables	13,156	–	7,517	–
Others	926	(1,205)	216	(416)
Contract liabilities	–	(2,267)	–	–
Temporary differences arising from shares in subsidiaries	–	(2,167)	–	(1,935)
Deferred income tax from short-term assets/liabilities	**40,615**	**(35,580)**	**24,597**	**(19,138)**
Deferred income tax assets/liabilities	**141,907**	**(51,065)**	**121,420**	**(31,850)**
Unrecognised deferred taxes	(68,311)	–	(66,392)	–
Deferred income tax assets/liabilities, offsetting against the same taxation authority	(48,898)	48,898	(29,915)	29,915
Deferred income tax assets/liabilities, net	**24,698**	**(2,167)**	**25,113**	**(1,935)**

As of 31 March 2022, the Group has income tax loss carryforwards and tax-deductible amortisation of goodwill amounting to a total of € 471,178 thousand (previous year: € 450,010 thousand). For loss carryforwards amounting to € 357,924 thousand (previous year: € 359,903 thousand) included in this figure, deferred income tax assets in the amount of € 53,689 thousand (previous year: € 53,985 thousand) were not recognised since it is unlikely that they will be realised in the foreseeable future. In addition, for temporary differences amounting to € 97,480 thousand (previous year: € 82,713 thousand) included in this figure, deferred income tax assets in the amount of € 14,622 thousand (previous year: € 12,407 thousand) were not recognised since it is likewise unlikely that they will be realised in the foreseeable future.

Deferred taxes on temporary differences and tax loss carryforwards amounting to € 21,883 thousand (previous year: € 22,583 thousand) are capitalised although the companies concerned reported losses in the current financial year or in the previous year. Based on present tax plannings, AT&S assumes the future taxable income of the companies will be sufficient to realise these deferred tax assets.

The tax loss carryforwards, which were not recognised, can be carried forward as follows:

€ in thousands	2021/22	2020/21
Carried forward up to 5 years	127,624	–
Carried forward between 6 and 10 years	221,202	331,335
Carried forward more than 10 years	9,098	28,568
Total unrecognised tax loss carryforwards	**357,924**	**359,903**

Deferred income taxes (net) changed as follows:

€ in thousands	2021/22	2020/21
Carrying amount at the beginning of the financial year	23,178	22,818
Currency translation differences	(160)	(167)
Expense recognised in profit or loss	(1,434)	639
Income taxes recognised in equity	947	(112)
Carrying amount at the end of the financial year	**22,531**	**23,178**

Income taxes in connection with the components of other comprehensive income are as follows:

	2021/22			2020/21		
€ in thousands	Income/ (expense) before taxes	Tax income/ (expense)	Income/ (expense) after taxes	Income/ (expense) before taxes	Tax income/ (expense)	Income/ (expense) after taxes
Currency translation differences	158,732	–	158,732	11,926	–	11,926
Gains/(losses) from the fair value measurement of available-for-sale financial assets	–	(1)	(1)	(75)	19	(56)
Gains/(losses) on the measurement of hedging instruments for cash flow hedges	3,566	(820)	2,746	–	–	–
Remeasurements of post-employment obligations	(537)	(110)	(647)	616	(131)	485
Other comprehensive income	**161,761**	**(931)**	**160,830**	**12,467**	**(112)**	**12,355**

IV. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

7. Property, plant and equipment

€ in thousands	Land, plants and buildings	Machinery and technical equipment	Tools, fixtures, furniture and office equipment	Prepayments and construction in progress	Total
Carrying amount 31 Mar 2020	107,279	612,529	10,863	172,838	903,509
Adjustment IFRS 16	–	–	–	–	–
Carrying amount 1 Apr 2020	**107,279**	**612,529**	**10,863**	**172,838**	**903,509**
Exchange differences	680	4,656	33	7,524	12,893
Additions	20,964	149,187	9,802	354,705	534,658
Disposals	(386)	(1,103)	(151)	(2,088)	(3,728)
Transfers	5,599	96,219	125	(102,144)	(201)
Impairment	–	(472)	–	–	(472)
Depreciation, current	(11,407)	(128,548)	(5,304)	–	(145,259)
Carrying amount 31 Mar 2021	**122,729**	**732,468**	**15,368**	**430,835**	**1,301,400**
Thereof					
Acquisition cost	*205,016*	*1,830,618*	*42,180*	*430,835*	*2,508,649*
Accumulated depreciation	*(82,287)*	*(1,098,150)*	*(26,813)*	–	*(1,207,250)*
Exchange differences	15,186	81,276	645	34,493	131,600
Additions	93,670	280,594	8,267	343,664	726,195
Disposals	(3,567)	(4,065)	(91)	43	(7,680)
Transfers	66,297	296,963	(7)	(363,785)	(532)
Depreciation, current	(20,639)	(173,051)	(7,108)	–	(200,798)
Carrying amount 31 Mar 2022	**273,676**	**1,214,185**	**17,074**	**445,250**	**1,950,185**
Thereof					
Acquisition cost	*383,338*	*2,544,226*	*48,593*	*445,250*	*3,421,407*
Accumulated depreciation	*(109,662)*	*(1,330,041)*	*(31,519)*	–	*(1,471,222)*

The value of the land included in “Land, plants and buildings” amounts to € 5,976 thousand (previous year: € 6,064 thousand).

The following table shows the usage rights reported separately in accordance with IFRS 16, which are included in property, plant and equipment as of 31 March 2022:

€ in thousands	Land, plants and buildings	Machinery and technical equipment	Tools, fixtures, furniture and office equipment	Prepayments and construction in progress	Total
Acquisition cost	96,971	264	6,205	–	103,440
Thereof additions	*67,597*	*163*	*1,347*	–	*69,107*
Accumulated depreciation	(10,539)	(108)	(3,526)	–	(14,173)
Carrying amount 31 Mar 2022	**86,432**	**156**	**2,679**	**–**	**89,267**

In the 2021/22 financial year, the following lease expenses were shown in the income statement:

€ in thousands	2021/22	2020/21
Lease expenses from short-term lease agreements	1,943	1,385
Lease expenses from low-value lease agreements	316	220
Depreciation of rights of use	7,397	4,447
Interest expenses from lease liabilities	1,622	365

Depreciation in the current financial year is recognised mainly in cost of sales, as well as in distribution costs, general and administrative costs, and in start-up losses recognised under other operating result.

In the financial year 2021/22, borrowing costs on qualifying assets of € 2,694 thousand were capitalised (previous year: € 1,803 thousand). Interest rates between 1.00% and 3.44% were applied (previous year: 1.45% and 3.44%).

There is no restraint on disposal for the recognised fixed assets.

Impairment/Reversal of impairment Impairment of machinery and technical equipment amounted to € 0 thousand (previous year: € 912 thousand) in the financial year 2020/21. This impairment resulted from machines that are no longer usable in the segment Mobile Devices & Substrates.

The triggering events analysis did not result in a requirement to conduct an impairment test in the financial year 2021/22. The COVID-19 pandemic and the furlough applied for at the Fehring plant – due to a temporary lack of capacity – represented an event in accordance with IAS 36 that required an impairment test to be carried out in the previous year. This impairment test for the cash-generating unit "Fehring" was based on calculations of the value in use. The value in use is determined using a DCF method. The main valuation assumptions are:

- Long-term growth rate: 0%
- (Pre-tax) discount rate: 10.64%

The calculation of the value in use was based on the expected cash flows for the next 5 years. For the period thereafter, the present value of a perpetual annuity was used. The calculations did not reveal any need for impairment.

Sale-and-leaseback transaction As part of a sale-and-leaseback transaction in the financial year 2006/07, properties in Leoben were sold to a lease company and leased back. The term of this lease (waiver of termination period) was extended by another 10 years during the reporting year, and a waiver of termination is thus in place until 2032. The intention is to subsequently acquire the properties at the residual value.

8. Intangible assets

€ in thousands	Industrial property and similar rights and assets, and licenses in such rights and assets	Capitalised development costs	Goodwill	Prepayments	Other intangible assets	Total
Carrying amount 31 Mar 2020	9,050	36,003	–	22	–	45,075
Exchange differences	33	168	–	(1)	–	200
Additions	4,080	13,112	–	7	310	17,509
Transfers	222	–	–	(21)	–	201
Amortisation, current	(4,310)	(15,552)	–	–	(310)	(20,172)
Carrying amount 31 Mar 2021	**9,075**	**33,731**	**–**	**7**	**–**	**42,813**
Thereof						
Acquisition cost	*41,050*	*111,975*	*6,987*	*7*	*–*	*160,019*
Accumulated amortisation	*(31,975)*	*(78,244)*	*(6,987)*	*–*	*–*	*(117,206)*
Exchange differences	199	2,472	–	–	–	2,671
Additions	2,425	5,539	–	54	49	8,067
Transfers	592	–	–	(61)	–	531
Amortisation, current	(4,832)	(17,394)	–	–	(49)	(22,275)
Carrying amount 31 Mar 2022	**7,459**	**24,348**	**–**	**–**	**–**	**31,807**
Thereof						
Acquisition cost	*44,303*	*127,947*	*6,877*	*–*	*–*	*179,127*
Accumulated amortisation	*(36,844)*	*(103,599)*	*(6,877)*	*–*	*–*	*(147,320)*

Amortisation for the current financial year is charged to cost of sales, distribution costs, general and administrative costs and other operating result.

Development costs of € 5,539 thousand (previous year: € 13,112 thousand) were capitalised in the financial year 2021/22.

Impairment The development project for the next substrate generation was completed in the financial year 2021/22. In the previous year, an impairment test was conducted for the cash-generating unit Substrates for the not yet completed development of the next substrate generation, which was based on calculations of the value in use. The value in use was determined using a DCF method. The main measurement assumptions were:

- Long-term growth rate: 0%
- (Pre-tax) discount rate: 13.65%

The calculation of the value in use was based on the expected cash flows for the next 5 years. The present value of a perpetual annuity was used for the subsequent period.

9. Other non-current assets

€ in thousands	31 Mar 2022	31 Mar 2021
Prepayments	5,424	5,094
Deposits made	733	783
Other prepaid expenses	1,425	1,370
Other non-current receivables	4,160	701
Carrying amount	**11,742**	**7,948**

Prepayments relate to factory premises in China. Other prepaid expenses are mainly related to accrued insurance premiums. Other non-current receivables include COVID-19 investment premiums for the Austrian locations.

10. Inventories

€ in thousands	31 Mar 2022	31 Mar 2021
Raw materials and supplies	108,225	88,792
Work in progress	48,343	28,338
Finished goods	36,668	35,398
Carrying amount	**193,236**	**152,528**

The balance of inventory write-downs recognised as an expense amounts to € 54,451 thousand as of 31 March 2022 (previous year: € 28,287 thousand). The immaterial write-downs amounting to € 1,336 thousand (previous year: € 715 thousand) resulted from the measurement of inventories at net realisable value in the financial year 2021/22. The write-downs are recognised in the cost of sales in the statement of profit or loss.

11. Trade and other receivables and contract assets

The carrying amounts of trade and other receivables and contract assets are as follows:

€ in thousands	31 Mar 2022	31 Mar 2021
Trade receivables	97,569	85,020
Impairments of trade receivables	(737)	(977)
Contract assets	177,605	93,113
Impairments of contract assets	(277)	(346)
VAT receivables	78,530	57,664
Other receivables from authorities	11,655	10,184
Prepayments	13,297	7,008
Energy tax refunds	2,633	2,413
Deposits	2,222	9,406
Insurance reimbursements	888	223
Other receivables	6,881	1,585
Total	**390,266**	**265,293**

As at 31 March 2022 and 31 March 2021, other receivables mainly include receivables resulting from prepaid expenses and accrued charges.

Trade receivables amounting to € 10,000 thousand (previous year: € 10,000 thousand) act as collateral in connection with various financing agreements. Reference is made to Note 15 “Financial liabilities”.

Taking impairment into account, the carrying amounts of trade and other receivables and contract assets approximate their fair values.

Remaining maturities of receivables All receivables as at 31 March 2022 and 31 March 2021 have remaining maturities of less than one year.

Factoring As of 31 March 2022, trade receivables totalling € 193,267 thousand (previous year: € 129,055 thousand) were assigned to banks to the amount of 100% of the nominal value and are fully derecognised in accordance with the regulations of IFRS 9 as both opportunities and risks and control have been transferred to the acquiring party. The default risk was assigned to the purchaser. AT&S assumes a liability for default to the amount of the retention level from the credit insurance. The maximum risk associated with liability for default was € 19,237 thousand as of 31 March 2022 (previous year: € 12,906 thousand) less coverage of the credit insurance applied. Claims of existing credit insurances were transferred to the purchaser. The part of the purchasing price not yet paid by the acquiring party is shown under the item “Financial assets”. Payments from customers of assigned trade receivables are presented in the current financial liabilities.

Contract assets have developed as follows:

€ in thousands	2021/22	2020/21
Contract assets at the beginning of the financial year	93,113	67,882
Utilisation	(93,113)	(67,882)
Addition	177,605	93,113
Impairment according to IFRS 9	(277)	(346)
Contract assets at the end of the financial year	**177,328**	**92,767**

Development of past due receivables and impairments of trade receivables The age structure of trade receivables and impairment is shown in the table below:

	31 Mar 2022		
€ in thousands	Gross receivables	Impairments	Carrying amount
not due	93,709	(454)	93,255
1 - 15 days overdue	3,117	(86)	3,031
16 - 30 days overdue	181	(25)	156
31 - 60 days overdue	184	(39)	145
61 - 90 days overdue	36	(15)	21
more than 90 days overdue	342	(118)	224
Trade receivables	**97,569**	**(737)**	**96,832**

€ in thousands	31 Mar 2021 Gross receivables	Impairments	Carrying amount
not due	81,651	(728)	80,923
1 - 15 days overdue	2,257	(26)	2,232
16 - 30 days overdue	300	(8)	293
31 - 60 days overdue	491	(15)	475
61 - 90 days overdue	66	(4)	61
more than 90 days overdue	255	(196)	59
Trade receivables	**85,020**	**(977)**	**84,043**

There were no indications at the balance sheet date that overdue trade receivables not impaired would not be paid.

Impairments of trade receivables are recognised if there are indications (past due, insolvency) that it is unlikely that the total amount can be collected. Receivables are derecognised if, on a legal basis, it can be assumed that no payment is to be expected anymore. There was a write-off of trade receivables in the amount of € 46 thousand in the financial year 2021/22.

Impairments of trade receivables have developed as follows:

€ in thousands	2021/22	2020/21
Impairments at the beginning of the financial year	977	653
Impairments after adjustment IFRS 9	**977**	**653**
Utilisation	(46)	(119)
Reversal	(597)	(264)
Addition	389	729
Currency translation differences	14	(22)
Impairments at the end of the financial year	**737**	**977**

Expected credit losses in accordance with the expected credit loss model according to IFRS 9 account for € 672 thousand of the impairments of the financial year (previous year: € 788 thousand).

12. Financial assets

The carrying amounts of the financial assets are as follows:

€ in thousands	31 Mar 2022	thereof non-current	thereof current
Financial assets at fair value through profit or loss	849	–	849
Financial assets at fair value through OCI	117	117	–
Financial assets at amortised cost	17,984	–	17,984
Derivatives	4,463	4,463	–
Total	**23,413**	**4,580**	**18,833**

€ in thousands	31 Mar 2021	thereof non-current	thereof current
Financial assets at fair value through profit or loss	986	–	986
Financial assets at fair value through OCI	117	117	–
Financial assets at amortised cost	38,760	–	38,760
Total	**39,863**	**117**	**39,746**

Financial assets at fair value through profit or loss

€ in thousands	31 Mar 2022	31 Mar 2021
Bonds	849	986
Total	**849**	**986**

All bonds are denominated in euros (nominal currency).

Financial assets at fair value through OCI

€ in thousands	2021/22	2020/21
Carrying amount at the beginning of the year	117	193
Additions/(Disposals)	–	–
Unrealised gains/(losses) from the current period, recognised in equity	–	(76)
Realised gains/(losses) from the current period, removed from equity	–	–
Exchange differences	–	–
Carrying amount at the end of the year	**117**	**117**

All financial assets at fair value through OCI are denominated in euros (nominal currency).

Financial assets at amortised cost Financial assets at amortised cost are denominated in euros, US dollars and Chinese yuan renminbi (nominal currencies). They mainly consist of notice deposits with a maturity of more than three months and factored receivables against banks.

Derivative financial instruments

€ in thousands	31 Mar 2022	31 Mar 2021
Derivative financial instruments	4,463	–
Total	4,463	–

13. Cash and cash equivalents

€ in thousands	31 Mar 2022	31 Mar 2021
Bank balances and cash on hand	1,119,921	552,850
Carrying amount	**1,119,921**	**552,850**

The reported carrying amounts correspond to the respective fair values.

14. Trade and other payables

€ in thousands	31 Mar 2022	Remaining maturity Less than 1 year	Between 1 and 5 years	More than 5 years
Trade payables	442,205	442,205	–	–
Government grants	67,956	6,630	30,053	31,273
Liabilities to fiscal authorities and other state authorities	8,046	8,046	–	–
Liabilities to social security authorities	10,976	10,976	–	–
Liabilities from unconsumed leave	9,370	9,370	–	–
Liabilities from stock appreciation rights	16,938	8,664	8,274	–
Liabilities to employees	49,435	49,435	–	–
Other liabilities	14,357	14,353	4	–
Carrying amount	**619,283**	**549,679**	**38,331**	**31,273**

€ in thousands	31 Mar 2021	Remaining maturity Less than 1 year	Between 1 and 5 years	More than 5 years
Trade payables	319,300	319,300	–	–
Government grants	42,277	3,287	13,810	25,180
Liabilities to fiscal authorities and other state authorities	6,025	6,025	–	–
Liabilities to social security authorities	7,192	7,192	–	–
Liabilities from unconsumed leave	7,556	7,556	–	–
Liabilities from stock appreciation rights	3,587	1,558	2,029	–
Liabilities to employees	31,213	31,213	–	–
Other liabilities	6,473	6,453	20	–
Carrying amount	**423,623**	**382,584**	**15,859**	**25,180**

The carrying amounts of the reported liabilities approximate the respective fair values.

Government grants Government grants mainly relate to grants for land-use rights and property, plant and equipment and are released to profit or loss according to the useful life of the related property, plant and equipment.

Furthermore, the Group received grants for project costs for several research projects which are recognised in income on a pro rata basis according to the costs incurred and the grant ratio. Associated deferred amounts are included in government grants.

Liabilities from stock appreciation rights Due to the expiry of the stock option plan (2009 to 2012), the 81st Supervisory Board meeting on 3 July 2014 passed a resolution to introduce a long-term incentive programme based on stock appreciation rights (SARs). SARs relate to the value increase in share prices based on the development of the share price. SARs were granted in the period between 1 April 2014 and 1 April 2016. Due to the expiry of the stock appreciation rights plan (2014 to 2016), the 91st Supervisory Board meeting on 6 June 2016 extended the resolution to introduce a long-term incentive programme based on stock appreciation rights (SAR plan 2017) to run for three years. The stock appreciation rights were granted between 1 April 2017 and 1 April 2019. Due to the expiry of the stock appreciation rights plan (2017 to 2018), the 112th Supervisory Board meeting on 12 March 2020 extended the resolution to introduce a long-term incentive programme based on stock appreciation rights (SAR plan 2020) to run for three years. They have been or will be assigned in the period between 1 April 2020 and 1 April 2022.

Each SAR entitles the holder the right to a cash settlement at the remaining amount between the exercise price and the closing price of the AT&S share on the main stock exchange on which it is listed (currently the Vienna Stock Exchange) at the date the subscription right is exercised. The difference amount is limited to 200% of the exercise price.

The exercise price of SARs is determined at the respective date of grant, corresponding to the average closing price of the AT&S share on the Vienna Stock Exchange or at the main stock exchange on which the AT&S share is listed over a period of six calendar months immediately preceding the date of grant.

SARs may be exercised in full or in part after the respective completion of a three-year period following the date of grant, but not during a restricted period. Granted stock appreciation rights not exercised within five years after the grant date become invalid and forfeit without compensation.

SARs may only be exercised by the beneficiaries if the following requirements are met at the date of exercise:

- The beneficiary's employment contract with a company in the AT&S Group remains valid. Subject to certain conditions, rights may also be exercised within a year after termination of the employment contract.
- The required personal investment in the amount of 20% of the first amount granted (in SARs) in AT&S shares is held. If the personal investment is not fully established by the end of the three-year waiting period, all previously granted SARs become forfeited in full. The established personal investment must be held over the complete period of participation in the programme and also applies to the grant in subsequent years. The personal investment may only be wound down when exercise is no longer possible.
- The earnings per share (EPS) performance target was met. The level of attainment of the earnings per share performance indicator determines how many of the granted SARs may actually be exercised. The target value is the EPS value determined in the mid-term plan for the balance sheet date of the third year after the grant date. If the EPS target is attained at 100% or surpassed, the granted SARs may be exercised in full. If attainment is between 50% and 100%, the granted SARs may be exercised on a pro rata basis. If the EPS value attained is below 50%, the granted SARs become forfeited in full.

Number and allocation of granted SARs:

	Date of grant				
	1 April 2021	1 April 2020	1 April 2019	1 April 2018	1 April 2017
Exercise price (in €)	22.92	17.56	17.25	21.94	9.96
31 Mar 2020	–	290,000	235,000	222,500	227,500
Number of stock appreciation rights expired	–	12,500	25,000	25,000	227,500
31 Mar 2021	**–**	**277,500**	**210,000**	**197,500**	**–**
Number of stock appreciation rights granted	342,500	–	–	–	–
Number of stock appreciation rights exercised	–	–	–	125,598	–
Number of stock appreciation rights expired	30,000	7,500	5,000	27,014	–
31 Mar 2022	**312,500**	**270,000**	**205,000**	**44,888**	**–**
Remaining contract period of stock appreciation rights granted	4 years	3 years	2 years	–	–
Fair value of granted stock appreciation rights as at the balance sheet date (in € thousands)					
31 Mar 2021	**–**	**3,399**	**1,140**	**1,452**	**–**
31 Mar 2022	**8,297**	**7,431**	**6,796**	**1,278**	**–**

SARs are measured at fair value at the respective balance sheet date using the Monte Carlo method and based on the model assumptions and valuation parameters stated below. The values determined for calculation of the liabilities may differ from the values later realised on the market.

Risk-free interest rate	-0.05 to 0.31%
Volatility	45.00 to 46.00%

Volatility is calculated based on the daily share prices from 1 April 2019 until the balance sheet date.

The expenses for the stock appreciation rights are included in the administration costs.

The fair value of the SARs granted is recognised as an expense over their term.

Other liabilities Other liabilities mainly include debtors with credit balances, accrued legal, audit and consulting fees, as well as other accruals.

15. Financial liabilities

€ in thousands	31 Mar 2022	Remaining maturity: Less than 1 year	Remaining maturity: Between 1 and 5 years	Remaining maturity: More than 5 years	Nominal interest rate in %	
Registered bonds	14,991	16	–	14,975		1.80
Export loans	10,000	10,000	–	–		0.48
Loans from state authorities	2,477	–	2,477	–		0.75
Other bank borrowings	1,248,546	50,250	1,144,897	53,399	1.00 –	4.75
Liabilities from finance leases IFRS 16	78,458	18,136	23,177	37,145		
Derivative financial instruments[1]	508	–	508	–		
Carrying amount	**1,354,980**	**78,402**	**1,171,059**	**105,519**		

€ in thousands	31 Mar 2021	Remaining maturity: Less than 1 year	Remaining maturity: Between 1 and 5 years	Remaining maturity: More than 5 years	Nominal interest rate in %	
Registered bonds	14,986	16	–	14,970		1.80
Export loans	10,000	10,000	–	–		0.48
Loans from state authorities	3,131	1,130	2,001	–	0.75 –	1.00
Other bank borrowings	1,039,026	66,010	930,235	42,781	0.76 –	4.75
Liabilities from finance leases IFRS 16	27,502	6,945	7,425	13,132		
Derivative financial instruments[1]	6,599	–	6,599	–		
Carrying amount	**1,101,244**	**84,101**	**946,260**	**70,883**		

[1] Reference is made to Note 19 “Derivative financial instruments”

Other bank borrowings mainly include long-term investment financing in addition to the current liquidity needs.

Other bank borrowings mainly include the following contracts:

- Promissory note loan in FY 2013/14
- Promissory note loan in FY 2015/16
- Promissory note loan in FY 2016/17
- OeKB equity financing programme in FY 2016/17
- OeKB equity financing programme in FY 2018/19
- Promissory note loan in FY 2018/19
- Promissory note loan in FY 2019/20
- OeKB equity financing programme in FY 2019/20
- Promissory note loan and registered bonds in FY 2019/20
- Term loans in FY 2020/21

Financial contracts in FY 2021/22:

- Promissory note loan of € 40 million with a term to maturity of five years
- Term loan of € 100 million with a term to maturity of three and four years

The contractually agreed (undiscounted) interest and redemption payments of the financial liabilities as at 31 March 2022, including interest rate hedging, are as follows in the coming financial years:

€ in thousands		Registered bonds	Export loans	Loans from state authorities	Other bank borrowings	Liabilities from finance lease IFRS 16	Derivative financial instruments
2022/23							
	Redemption	16	10,000	–	46,977	18,137	–
	Fixed interest	270	–	19	2,924	–	–
	Variable interest	–	48	–	13,686	2,394	–
2023/24							
	Redemption	–	–	788	483,856	6,491	508
	Fixed interest	270	–	16	1,995	–	–
	Variable interest	–	–	–	14,476	1,990	–
2024/25							
	Redemption	–	–	913	218,606	5,860	–
	Fixed interest	270	–	8	1,122	–	–
	Variable interest	–	–	–	10,858	1,753	–
2025/26							
	Redemption	–	–	777	352,606	5,529	–
	Fixed interest	270	–	1	1,009	–	–
	Variable interest	–	–	–	6,285	1,528	–
2026/27							
	Redemption	–	–	–	91,502	5,296	–
	Fixed interest	270	–	–	302	–	–
	Variable interest	–	–	–	1,853	1,314	–
after 2026/27							
	Redemption	15,000	–	–	53,500	37,145	–
	Fixed interest	270	–	–	545	–	–
	Variable interest	–	–	–	1,294	3,327	–

No significant deviations from the agreed interest and redemption payments are expected regarding term or amount.

At the previous year's balance sheet date of 31 March 2021, the contractually agreed (undiscounted) interest and redemption payments of the financial liabilities, including interest rate hedging, were as follows for the coming financial years:

€ in thousands		Registered bonds	Export loans	Loans from state authorities	Other bank borrowings	Liabilities from finance leases IFRS 16	Derivative financial instruments
2021/22							
	Redemption	16	10,000	1,138	62,889	7,099	–
	Fixed interest	270	–	18	2,816	–	–
	Variable interest	–	48	–	8,425	389	–
2022/23							
	Redemption	–	–	–	44,857	3,136	–
	Fixed interest	270	–	15	2,687	–	–
	Variable interest	–	–	–	8,137	355	–
2023/24							
	Redemption	–	–	745	461,000	1,528	2,865
	Fixed interest	270	–	12	1,838	–	–
	Variable interest	–	–	–	6,470	282	–
2024/25							
	Redemption	–	–	459	145,750	1,012	–
	Fixed interest	270	–	7	1,027	–	–
	Variable interest	–	–	–	4,228	242	–
2025/26							
	Redemption	–	–	797	279,750	596	3,734
	Fixed interest	270	–	1	948	–	–
	Variable interest	–	–	–	1,996	215	–
after 2025/26							
	Redemption	15,000	–	–	43,572	13,085	–
	Fixed interest	540	–	–	837	–	–
	Variable interest	–	–	–	487	1,229	–

Some of the financial liabilities have interest rates that deviate from the market interest rates. For this reason, differences may arise between their fair values and carrying amounts.

		Carrying amounts		Fair values
€ in thousands	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
Registered bonds	14,990	14,986	15,000	15,000
Export loans	10,000	10,000	10,000	10,000
Loans from state authorities	2,477	3,131	2,482	3,143
Other bank borrowings	1,248,547	1,039,026	1,250,345	1,044,516
Liabilities from finance leases IFRS 16	78,458	27,502	78,459	27,501
Derivative financial instruments	508	6,599	508	6,599
Total	**1,354,980**	**1,101,244**	**1,356,794**	**1,106,759**

The calculation of the fair values is based on the discounted value of future payments using current market interest rates, or the fair values are determined on the basis of quoted prices.

The carrying amounts of financial liabilities by currency are as follows:

€ in thousands	31 Mar 2022	31 Mar 2021
Euros	1,354,980	1,101,244
US dollars	–	–
Total	**1,354,980**	**1,101,244**

The Group's unused credit lines are as follows:

€ in thousands	31 Mar 2022	31 Mar 2021
Export credit	22,000	22,000
Other credit	296,172	396,592
Total	**318,172**	**418,592**

16. Contract liabilities

In the financial year 2021/22, the Group received payments of € 445,201 thousand (US$ 487,000 thousand) as part of bilateral agreements for the financing of new production facilities. Due to a significant financing component, interest of € 1,209 thousand was recognised as a liability in the financial year 2021/22.

17. Provisions for employee benefits

Provisions for employee benefits relate to pension commitments, severance payments and other employee benefits.

Defined contribution plans The majority of the Group's employees in Austria and some of its employees in India are covered by defined contribution pension plans that have been outsourced to a pension fund. For employees in Austria, the pension plans are supplemented by death and endowment insurance policies. Employer contributions are determined on the basis of a certain percentage of current remuneration. Employer contributions under these plans amounted to € 739 thousand in the financial year 2021/22 and to € 672 thousand in the financial year 2020/21.

Defined benefit plans The Group operates defined benefit plans for several current and former members of the Management Board and former executive employees with no employee contribution required. The board members' and other executive employees' plans are partially funded through assets in pension funds and partially unfunded. Pension benefits of board members and executive employees are based on their salaries and years of service. Essentially, these obligations expose the Group to life expectancy and inflation risks due to future increases in pay and pensions, and, in the case of funded pension plans, to deviations in income.

Funded severance payments The employees in India are entitled to severance payments upon retirement or, under certain circumstances, upon leaving the Company prematurely, the amount of which depends on years of service and the remuneration received by the respective member of staff. Severance payments range between half the monthly remuneration per year of service and a fixed maximum. Severance payment obligations are covered by a life insurance policy. The main risk to which the Group is exposed from these obligations is the risk of inflation due to future pay increases.

Unfunded severance payments Employees in Austria, South Korea and China are entitled to receive severance payments, which are based upon years of service and remuneration received by the respective member of staff and are generally payable upon retirement and, under certain circumstances, upon leaving the Company. For staff members who joined the Company before 1 January 2003, the severance payments in Austria range from two to twelve months of monthly salary, with staff members in South Korea and China also entitled to a fixed amount depending on years of service and salary. The main risk to which the Group is exposed from these obligations is the risk of inflation due to future pay increases.

For employees in Austria who joined on or after 1 January 2003, regular contributions are paid to a staff provision fund ("Mitarbeitervorsorgekasse") without any further obligations on the part of the Group. The contributions for the financial year 2021/22 amounted to € 894 thousand and for the financial year 2020/21 to € 413 thousand.

Other employee benefits The employees of the companies in Austria and China are entitled to anniversary bonuses for long-term service, the eligibility to and amount of which in Austria are stipulated in the Collective Agreement.

Expenses for (defined benefit) pension obligations, severance payments and other employee benefits consist of the following:

	Retirement benefits		Severance payments		Other employee benefits	
€ in thousands	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Current service cost	53	147	2,300	2,346	3,342	2,394
Interest expense	115	145	480	589	223	184
Remeasurement of obligations from other employee benefits	–	–	–	–	474	1,464
Expenses recognised in profit for the period	**168**	**292**	**2,780**	**2,935**	**4,039**	**4,042**
Remeasurement of obligations from post-employment benefits	1,299	529	(762)	(1,144)	–	–
Expenses/(Income) recognised in other comprehensive income	**1,299**	**529**	**(762)**	**(1,144)**	**–**	**–**
Total	**1,467**	**821**	**2,018**	**1,791**	**4,039**	**4,042**

Expenses for retirement, severance payments and other employee benefits are recognised in profit or loss under cost of sales, distribution costs, general and administrative costs and in other comprehensive income. Net interest expense on personnel-related liabilities is presented in "Finance costs - net".

Amounts accrued in the *statement of financial position* are:

€ in thousands	31 Mar 2022	31 Mar 2021
Funded pension benefits	8,894	7,474
Unfunded pension benefits	1,323	1,346
Total pension benefits	**10,217**	**8,820**
Unfunded severance payments	30,557	31,313
Funded severance payments	143	389
Total severance payments	**30,700**	**31,702**
Other employee benefits	14,315	12,809
Provisions for employee benefits	**55,232**	**53,331**

Pension obligations and severance payments are as follows:

	Retirement benefits		Severance payments	
€ in thousands	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
Present value of funded obligations	17,807	17,568	2,056	1,879
Fair value of plan assets	(8,913)	(10,094)	(1,913)	(1,490)
Funded status of funded obligations	**8,894**	**7,474**	**143**	**389**
Present value of unfunded obligations	1,323	1,346	30,557	31,313
Provisions recognised in the statement of financial position	**10,217**	**8,820**	**30,700**	**31,702**

The present value of projected pension benefits, the movement in plan assets (held to cover the pension benefits) and funded status are as follows:

	Funded retirement benefits		Unfunded retirement benefits	
€ in thousands	2021/22	2020/21	2021/22	2020/21
Present value of pension obligation				
Present value at the beginning of the financial year	17,568	16,840	1,346	1,353
Current service cost	53	147	–	–
Interest expense	228	303	17	24
Remeasurement from the change in demographic assumptions	–	–	–	–
Remeasurement from the change in financial assumptions	3	531	–	30
Remeasurement from adjustments based on past experience	575	246	29	7
Benefits paid	(620)	(499)	(69)	(68)
Present value at the end of the financial year	**17,807**	**17,568**	**1,323**	**1,346**
Fair value of plan assets				
Fair value at the beginning of the financial year	10,094	10,126		
Investment result	(692)	285		
Interest income	131	182		
Benefits paid	(620)	(499)		
Fair value at the end of the financial year	**8,913**	**10,094**		
Funded status of funded pension benefits	**8,894**	**7,474**		

As at 31 March 2022, the average maturity of funded pension benefits is 15 years and unfunded pension benefits eleven years.

Plan assets held to cover the pension obligations have been transferred to pension funds. The diversification of the portfolio is as follows:

in %	31 Mar 2022	31 Mar 2021
Debt securities	30%	32%
Equity securities	57%	52%
Real estate	7%	5%
Cash and cash equivalents	6%	11%
Total	**100%**	**100%**

A significant portion of plan assets is traded in an active market.

The aggregate movement in funded and unfunded severance payments is as follows:

	Funded severance payments		Unfunded severance payments	
€ in thousands	2021/22	2020/21	2021/22	2020/21
Present value of severance payment obligation				
Present value at the beginning of the financial year	1,879	1,766	31,313	31,378
Exchange differences	44	(65)	(86)	73
Service cost	129	118	2,171	2,228
Interest cost	120	116	457	556
Remeasurement from the change in demographic assumptions	–	–	(184)	43
Remeasurement from the change in financial assumptions	(87)	43	(1,940)	(532)
Remeasurement from adjustments based on past experience	22	(44)	1,449	(646)
Benefits paid	(51)	(55)	(2,623)	(1,787)
Present value at the end of the financial year	**2,056**	**1,879**	**30,557**	**31,313**
Fair value of plan assets				
Fair value at the beginning of the financial year	1,490	1,237		
Exchange differences	43	(45)		
Contributions	313	261		
Investment result	22	9		
Interest income	96	83		
Benefits paid	(51)	(55)		
Fair value at the end of the financial year	**1,913**	**1,490**		
Funded status of funded severance payments	**143**	**389**		

As at 31 March 2022, the average maturity of unfunded severance payments is eleven years.

The aggregate movement in other employee benefits (anniversary bonuses) is as follows:

€ in thousands	2021/22	2020/21
Present value at the beginning of the financial year	12,809	11,270
Exchange differences	719	63
Service cost	3,342	2,394
Interest expense	223	184
Remeasurement from the change in demographic assumptions	(218)	366
Remeasurement from the change in financial assumptions	(251)	90
Remeasurement from adjustments based on past experience	944	1,008
Benefits paid	(3,253)	(2,566)
Present value at the end of the financial year	**14,315**	**12,809**

At 31 March 2022, the average maturity of other employee benefits is ten years.

The following weighted actuarial parameters were used for the measurement at the balance sheet date:

	Retirement benefits		Severance payments		Other employee benefits (anniversary bonuses)	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
Discount rate	1.90 %	1.30 %	2.21 %	1.60 %	2.06 %	2.02 %
Expected rate of remuneration increase	–	2.25 %	3.35 %	3.21 %	5.40 %	4.96 %
Expected rate of pension increase	2.10 %	1.50 %	–	–	–	–
Retirement age	65	65	[1]	[1]	–	–

[1] Individual according to respective local legislation

Attrition rates and biometric data are included in the calculation of the provisions.

18. Other provisions

€ in thousands	Total	Warranty	Others
Carrying amount 31 Mar 2021	4,405	2,131	2,274
Utilisation	(1,184)	(495)	(689)
Reversal	(1,318)	(1,221)	(97)
Addition	4,319	1,697	2,622
Exchange differences	167	57	110
Carrying amount 31 Mar 2022	**6,389**	**2,169**	**4,220**

€ in thousands	Total	Warranty	Others
Carrying amount 31 Mar 2020	5,237	3,053	2,184
Utilisation	(1,711)	(1,091)	(620)
Reversal	(916)	(878)	(38)
Addition	1,849	1,119	730
Exchange differences	(54)	(72)	18
Carrying amount 31 Mar 2021	**4,405**	**2,131**	**2,274**

€ in thousands	31 Mar 2022	31 Mar 2021
thereof non-current	–	–
thereof current	6,389	4,405
Carrying amount	**6,389**	**4,405**

Warranty provision This item relates to the costs of existing and expected complaints about products still under warranty. The accrued amount is the best estimate of these costs based on past experience and actual facts, and is not yet recognised as a liability due to the uncertainty as to amount and timing. The amount of expected costs includes amounts assumed from product liability insurance.

Others This item relates substantially to provisions for risks from pending losses on onerous contracts and to provisions for the risks associated with pension scheme contributions in Asia resulting from the uncertain legal situation there.

19. Derivative financial instruments

Derivative financial instruments of the reporting year relate to interest rate swaps in their entirety. Payments related to loans are hedged.

The carrying amounts of the Group's derivative financial instruments correspond to their fair values. The fair value corresponds to the amount that would be incurred or earned if the transaction had been settled at the balance sheet date.

The fair values of the derivative financial instruments are as follows at the balance sheet date:

	31 Mar 2022		31 Mar 2021	
€ in thousands	Assets	Liabilities	Assets	Liabilities
Interest rate swaps at fair value	4,463	508	–	6,599
Total market values	**4,463**	**508**	**–**	**6,599**
Non-current portion	**4,463**	**508**	**–**	**6,599**

As of 31 March 2022, the fixed interest rates for interest rate swaps range between -0.03% and 0.5450%.The variable interest rate is based on the six-month EURIBOR.

Based on the various scenarios, the Group hedges its cash flow interest rate risk using interest rate swaps. Such interest rate swaps have the economic effect of converting loans from floating rates to fixed rates. If the Group takes out loans at floating rates, it uses swaps to convert such loans into fixed rate loans. Under these interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between the fixed and variable interest rates calculated by reference to the agreed nominal amounts.

All significant contractual terms and conditions (such as term, volume, market interest rate, etc.) of the interest rate swaps matched those of the underlying transaction, and a hedging relationship can thus be assumed, especially since the change in value of the hedging instrument fully balances out the changes in future cash flows.

In the past, differing contract terms led to ineffectiveness of some interest rate swaps, which is included in finance costs – net in the statement of profit or loss.

The terms of the interest rate swaps employed as hedging instruments are as follows:

€ in thousands, in months, in %	Nominal volume	Maturity	Average hedged interest rate during the period
Interest rate swaps	408,000	13 - 48 months	0.1719 % - 0.5450 %

The value of the interest rate swaps employed as hedging instruments developed as follows:

	Carrying amount of the hedging instrument[1)]			
€ in thousands	Assets	Liabilities	Change in fair value of the hedging instrument on which the calculation of ineffectiveness is based	Change in fair value of the hedging instrument recognised in the cash flow hedge reserve
as per 31 Mar 2022	4,463	508	6,987	3,566
as per 31 Mar 2021	–	6,599	–	–

[1)] Interest rate swaps are reported under financial receivables and financial liabilities.

20. Additional disclosures on financial instruments

Carrying amounts and fair values by measurement category The carrying amounts and fair values of financial instruments included in several items in the statement of financial position by measurement category are as follows at the balance sheet date. Unless otherwise stated, carrying amounts correspond approximately to the fair values:

	31 Mar 2022			
€ in thousands	Measurement categories in accordance with IFRS 9 or measurement in accord. with other IFRSs[1)]	Level	Carrying amount	Fair value
Assets				
Non-current assets				
Derivative financial instruments	DHI	2	4,463	4,463
Other financial assets	FAAFVOCI	2	117	117
Financial assets			**4,580**	**4,580**
Current assets				
Trade receivables less impairments	FAAC		91,155	
Trade receivables	FAAFVOCI	3	5,677	
Contract assets less impairments	-		177,328	
Other receivables	FAAC		7,769	
Other receivables	-		108,337	
Trade and other receivables			**390,266**	
Financial assets	FAAFVPL	1	849	849
Financial assets	FAAC		17,984	
Financial assets			**18,833**	**849**
Cash and cash equivalents	FAAC		1,119,921	
Cash and cash equivalents			**1,119,921**	**1,119,921**
Liabilities				
Other financial liabilities	FLAAC	2	1,354,472	1,356,286
Derivative financial instruments	DHI	2	508	508
Non-current and current financial liabilities			**1,354,980**	**1,356,794**
Trade payables	FLAAC		442,205	
Other payables	FLAAC		49,435	
Other payables	-		127,643	
Trade and other non-current and current payables			**619,283**	
Aggregated by measurement categories				
Assets				
At amortised cost	FAAC		1,236,829	–
Financial assets at fair value through OCI	FAAFVOCI		5,794	–
Financial assets at fair value through profit or loss	FAAFVPL		849	–
Derivatives as hedging instruments	DHI		4,463	–
Liabilities				
Financial liabilities at amortised cost	FLAAC		1,846,112	–
Derivatives as hedging instruments	DHI		508	–

[1)] FAAC: Financial assets at amortised cost
FAAFVOCI: Financial assets at fair value through OCI
FAAFVPL: Financial assets at fair value through profit or loss
DHI: Derivatives as hedging instruments
FLAAC: Financial liabilities at amortised cost

€ in thousands	31 Mar 2021 Measurement categories in accordance with IAS 39 or measurement in accord. with other IFRSs[1]	Level	Carrying amount	Fair value
Assets				
Non-current assets				
Other financial assets	FAAFVOCI	2	117	117
Financial assets			**117**	**117**
Current assets				
Trade receivables less impairments	FAAC		77,919	
Trade receivables	FAAFVOCI	3	6,124	
Contract assets less impairments	-		92,767	
Other receivables	FAAC		1,809	
Other receivables	-		86,674	
Trade and other receivables			**265,293**	
Financial assets	FAAFVPL	1	986	986
Financial assets	FAAC		38,760	38,760
Financial assets			**39,746**	**986**
Cash and cash equivalents	FAAC		552,850	
Cash and cash equivalents			**552,850**	
Liabilities				
Other financial liabilities	FLAAC	2	1,094,645	1,100,160
Derivative financial instruments	DHI	2	6,599	6,599
Non-current and current financial liabilities			**1,101,244**	**1,106,759**
Trade payables	FLAAC		319,300	
Other payables	FLAAC		31,213	
Other payables	-		73,110	
Trade and other non-current and current payables			**423,623**	
Aggregated by measurement categories				
Assets				
At amortised cost	FAAC		671,338	–
Financial assets at fair value through OCI	FAAFVOCI		6,241	–
Financial assets at fair value through profit or loss	FAAFVPL		986	–
Derivatives as hedging instruments	DHI		–	–
Liabilities				
Financial liabilities at amortised cost	FLAAC		1,445,158	–
Derivatives as hedging instruments	DHI		6,599	–

[1] FAAC: Financial assets at amortised cost
FAAFVOCI: Financial assets at fair value through OCI
FAAFVPL: Financial assets at fair value through profit or loss
DHI: Derivatives as hedging instruments
FLAAC: Financial liabilities at amortised cost

When measuring fair value, a distinction needs to be made between three valuation hierarchies:

- Level 1: The fair values are determined based on quoted market prices in an active market for identical financial instruments.
- Level 2: If quoted market prices in active markets are not available, the fair values are determined based on the results of a measurement method that is based to the greatest possible extent on market prices.
- Level 3: In this case, the fair values are determined using measurement models which are not based on observable market data.

Net results relating to financial instruments by measurement category Net gains or net losses relating to financial assets and liabilities by measurement category are as follows:

€ in thousands	2021/22	2020/21
Amortised cost	1,992	(16,675)
Fair value through other comprehensive income	9	–
Fair value through profit or loss	4,353	(1,460)
Financial liabilities at amortised cost	(8,861)	(10,395)
Total	**(2,507)**	**(28,530)**

The net results relating to financial instruments include dividend income, interest income and expenses, foreign exchange gains and losses, realised gains and losses on the disposal and sale, as well as income and expenses recognised in profit or loss from the measurement of financial instruments.

€ 1,921 thousand in net expenses (previous year: € 10,631 thousand in net expenses) of the total net result from financial instruments is included in the operating result and contains mainly foreign exchange effects, and € 586 thousand in net expenses (previous year: € 17,899 thousand in net expenses) in "Finance costs – net".

Financial risks

In the following, the financial risks, which comprise the financing risk, the liquidity risk, the credit risk, and the foreign exchange risk, are addressed. In the Group Management Report, further risk categories and the related processes and measures are outlined.

Risk management of financial risks is carried out by the central treasury department (Group Treasury) under policies approved by the Management Board. Responsibilities, authorisations and limits are governed by these internal guidelines. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

Financing risk The financing risk relates to securing the long-term funding of the Group and to fluctuations in the value of financial instruments.

On the assets side, the Group is exposed to low interest rate risks with regard to its securities portfolio. Other liquid funds are mainly invested short-term. Reference is made to Note 12 "Financial assets" and Note 13 "Cash and cash equivalents".

On the liabilities side, 43.8% (previous year: 46.3%) of the total bonds and bank borrowings are subject to fixed interest rates, taking into account interest rate hedging instruments. Reference is made to Note 15 "Financial liabilities".

The financial liabilities of the Group are linked to loan commitments that are customary in the market. These commitments are reviewed on a quarterly or an annual basis. In the event of non-compliance with these commitments, the lenders have a right of notice.

Liquidity risk In the Group, liquidity risk refers to the circumstance of insolvency. Therefore, sufficient liquidity shall be available at all times to be able to meet the current payment obligations on time.

As of 31 March 2022, the Group has liquidity reserves of € 1,457.0 million (previous year: € 1,011.3 million). This comprises € 1,138.8 million (previous year: € 592.7 million) in cash and cash equivalents, held-to-maturity investments, securities held for trading and available-for-sale, and € 318.2 million (previous year: € 418.6 million) in available unused credit facilities. Thus, the liquidity reserves increased by € 445.8 million year-on-year and include € 21.6 million (previous year: € 19.7 million) in current reserves, which relate to AT&S in China and are subject to specific liquidity requirements.

Credit risk In the Group, credit risk refers to the potential for payment default by customers.

The credit risk is kept to a minimum by means of a comprehensive process. Customers are subject to regular credit assessments and their receivables are covered by insurance to a large extent. Non-insured receivables are continuously monitored and, if any risks are identified, the deliveries are made only against advance payments or bank guarantees. In the financial year 2021/22, € 0.7 million (previous year: € 1.0 million) or 0.8% (previous year: 1.1%) of receivables were impaired.

Reference is made to the detailed disclosures in Note 11 “Trade and other receivables”.

Foreign exchange risk As a globally operating entity, the AT&S Group is exposed to foreign exchange risk. “Natural hedges” exist in part through local added value created at the various sites. Within the Group, transaction risks are initially managed by closing positions (netting). Open positions are continuously analysed and hedged using different hedging instruments such as forward contracts, currency options and currency swaps. No such instruments exist on the balance sheet date.

Sensitivity analyses are performed to assess the foreign exchange risk, with – all else being equal – the effects of percentage changes in foreign exchange rates being simulated against each other.

Financial market risks Detailed information on financial market risks and derivative financial instruments is contained in Section I.B.I. “Accounting and measurement policies: Derivative financial instruments” and in Note 18 “Derivative financial instruments”. The Group uses derivative financial instruments, such as forward contracts, options and swaps, exclusively for hedging purposes.

Evaluation of financial market risks using sensitivity analyses The Group applies sensitivity analyses to quantify the interest rate and currency risks. In gap analyses, the potential change in profit/loss resulting from a 1% change in price (exchange rate or interest rate) of the foreign currency or net interest position is determined. Correlations between different risk elements are not included in these analyses. The impact on profit/loss is determined taking into account income tax effects on the profit for the year after tax.

Risks concerning changes in interest rates emerge from positions with variable interest rates, mainly deriving from refinancing activities. Basis and option risks play a subordinated role. The risk of the interest ledger is managed by conducting businesses with fixed interest rates as well as using derivative financial instruments. The table below shows the effect on financial liabilities:

	31 Mar 2022				
€ in thousands	EUR	USD	Others	**Total**	In %
Before Hedging					
Fixed interest rate	184,674	–	–	**184,674**	13.6%
Variable interest rate	1,169,798	–	–	**1,169,798**	86.4%
Total	**1,354,472**	**–**	**–**	**1,354,472**	100.0%
In %	100.0%	–	–	100.0%	
After Hedging					
Fixed interest rate	592,674	–	–	**592,674**	43.8%
Variable interest rate	761,798	–	–	**761,798**	56.2%
Total	**1,354,472**	**–**	**–**	**1,354,472**	100.0%
In %	100.0%	–	–	100.0%	

	31 Mar 2021				
€ in thousands	EUR	USD	Others	**Total**	In %
Before Hedging					
Fixed interest rate	236,447	–	–	**236,447**	22.2%
Variable interest rate	830,696	–	–	**830,696**	77.8%
Total	**1,067,143**	**–**	**–**	**1,067,143**	100.0%
In %	100.0%	–	–	100.0%	
After Hedging					
Fixed interest rate	494,447	–	–	**494,447**	46.3%
Variable interest rate	572,696	–	–	**572,696**	53.7%
Total	**1,067,143**	**–**	**–**	**1,067,143**	100.0%
In %	100.0%	–	–	100.0%	

If the EUR interest rates at the balance sheet date had been 100 basis points higher resp. lower, based on the financing structure at the balance sheet date, the profit for the year would have been € 3.6 million lower (previous year: € 2.1 million) resp. € 1.4 million higher (previous year: € 0.0 million), provided all other variables remained constant. A decline in the EUR interest rates would not have had any impact on the profit for the year. If the USD interest rates at the balance sheet date had been 100 basis points higher (or lower), based on the financing structure at the balance sheet date, the profit for the year would have been € 0.0 million lower (previous year: € 0.0 million) or € 0.0 million higher (previous year: € 0.0 million), provided all other variables remained constant.

The effect of this interest rate sensitivity analysis is based on the assumption that the interest rates would deviate by 100 basis points during an entire financial year and the new interest rates would have to be applied to the amount of equity and liabilities at the balance sheet date.

According to IFRS 7, the impact of hypothetical changes in exchange rates on the profit for the year results from monetary financial instruments which are not denominated by the functional currency of the reporting company. Hence, the effect on profit/loss is calculated based on receivables, payables and financial balances or, if applicable, foreign currency derivatives. At AT&S, the risk primarily contains USD balances. Therefore, a sensitivity analysis is only carried out for this currency. The average changes in USD/EUR closing rates in the last 5 years amount to 7.0% (previous year: 7.0%). An increase in the US dollar exchange rate of 7.0% against the euro would have had a positive impact on the profit for the year in the amount of € 20.9 million (previous year: € 10.5 million). Devaluation of the US dollar exchange rate against the euro would have reduced the profit for the year by € 20.9 million (previous year: € 10.5 million). A decrease in the US dollar exchange rate against the euro by the same percentage would have reduced the profit for the year by € 20.9 million (previous year: € 10.5 million). On a closing date basis, the USD depreciated by 5.5% against the EUR.

Capital risk management The objectives of the Group in respect of capital management include, firstly, securing the Company as a going concern in order to be able to continue providing the shareholders with dividends and the other stakeholders with their due services and, secondly, maintaining an appropriate capital structure in order to optimise capital costs. Therefore, the amount of the dividend payments is adjusted to the respective requirements, capital is repaid to shareholders (withdrawal of treasury shares), new shares are issued or the portfolio of other assets is changed.

Based on the covenants defined in the credit agreements, the Group monitors its capital based on the ratio of net debt to EBITDA (theoretical payback period for debts).

The Group's strategy is not to sustain an equity ratio above 30% and not to exceed a theoretical payback period for debts of 3.0 years, creating sufficient leeway to cushion the effects of adverse business developments and to secure the Company as a going concern even in times of crisis. Temporary deviations from the values are acceptable.

At the balance sheet date, the equity ratio was 33.4% and thus below the previous year's figure of 33.6%, but above the target of more than 30.0%. This is mainly due to the increase in total assets as a result of investments and securing the financing of the future investment programme. At 0.6 years, the theoretical payback period for debts was below the previous year's figure of 2.1 years.

21. Contingent liabilities and other financial commitments

As of 31 March 2022, the Group has other financial commitments amounting to € 498,942 thousand (previous year: € 251,528 thousand) in connection with contractually binding investment projects. As of 31 March 2022, the maximum risk associated with liability for default was € 19,327 thousand (previous year: € 12,906 thousand) less coverage of the credit insurance applied. The liability for default corresponds to the theoretical maximum loss if a default of all transferred receivables incurs. The probability of needing to fall back on this liability is extremely low. The fair value of this risk is not material. At the balance sheet date, the Group has contingent liabilities from bank guarantees in an amount of € 151 thousand (previous year: € 148 thousand). There were no contingent liabilities from guarantees at the balance sheet date (previous year: € 0 thousand).

22. Share capital

	Outstanding shares in thousand shares	Ordinary shares € in thousands	Share premium € in thousands	Share capital € in thousands
31 Mar 2020	38,850	42,735	99,111	141,846
31 Mar 2021	**38,850**	**42,735**	**99,111**	**141,846**
31 Mar 2022	**38,850**	**42,735**	**99,111**	**141,846**

Ordinary shares The ordinary shares of the Company as of 31 March 2022 amounting to € 42,735 thousand are fully paid in (previous year: € 42,735 thousand) and are made up of 38,850,000 (previous year: 38,850,000) no-par value bearer shares with a notional value of € 1.10 each.

Approved capital and conditional capital increase By way of a resolution passed at the 25th Annual General Meeting on 4 July 2019, the Management Board was authorised until 3 July 2024 to increase the Company's ordinary shares, subject to the approval of the Supervisory Board, by up to € 21,367,500 by way of issuing up to 19,425,000 no-par value bearer shares, for contributions in cash or kind, in one or several tranches, also by way of indirect subscription rights, after having been taken over by one or more credit institutions in accordance with Section 153 (6) of the Austrian Stock Corporation Act (AktG). The Management Board was authorised, subject to the approval of the Supervisory Board, to determine the detailed terms and conditions of issue (in particular the issue amount, what the contribution in kind entails, the content of the share rights, the exclusion of subscription rights, etc.) (approved capital). The Supervisory Board was authorised to adopt amendments to the Articles of Association resulting from the issuance of shares from the approved capital.

Furthermore, by resolution of the 25th Annual General Meeting of 4 July 2019, the Management Board was authorised until 3 July 2024, subject to the approval of the Supervisory Board, to issue one or several convertible bearer bonds at a total nominal amount of up to € 150,000,000 and to grant to bearers of convertible bonds conversion rights and/or subscription rights for up to 19,425,000 new no-par value bearer shares in the Company in accordance with the convertible bond conditions to be defined by the Management Board. The Management Board was also authorised to completely or partially exclude shareholders' subscription rights to the convertible bonds. Furthermore, in doing so, the Company's ordinary shares were conditionally increased by up to € 21,367,500 by way of issuance of up to 19,425,000 new no-par value bearer shares in accordance with Section 159 (2) No. 1 of the Austrian Stock Corporation Act (AktG). This conditional capital increase will only be carried out if the bearers of convertible bonds issued based on the authorisation resolution passed at the Annual General Meeting on 4 July 2019 claim the right to conversion and/or subscription granted to them with regard to the Company's shares. Furthermore, the Management Board was authorised to determine, subject to approval from the Supervisory Board, the further details of carrying out the conditional capital increase (particularly the issue amount and the content of the share rights). The Supervisory Board was authorised to adopt amendments to the Articles of Association resulting from the issuance of shares from the conditional capital. The same applies in case the authorisation to issue convertible bonds is not exercised or the conditional capital is not used.

With regard to the approved capital and the conditional capital, the following definition of the amount in accordance with the resolutions passed at the 25th Annual General Meeting on 4 July 2019, is to be observed: the sum of (i) the number of shares currently issued or potentially to be issued from conditional capital in accordance with the convertible bond conditions and (ii) the number of shares issued from approved capital shall not exceed the total amount of 19,425,000 (limitation of authorised amount).

The Annual General Meeting also resolved to amend the Articles of Association in § 4 (Nominal capital) to reflect these changes.

Free reserves At the 27th Annual General Meeting on 8 July 2021 the Management Board was authorised to reallocate an amount of up to € 50,000,000 of the balance sheet profit carried forward to new account – after dividend distribution – to free reserves, subject to the approval of the Supervisory Board.

Outstanding shares The number of shares issued amounts to 38,850,000 at 31 March 2022 (previous year: 38,850,000).

Treasury shares By a resolution passed at the 27th Annual General Meeting on 8 July 2021, the Management Board was again authorised to purchase, within a period of 30 months from the adoption of the resolution by the General Meeting, treasury shares of up to 10% of the nominal share capital of the Company for a minimum consideration per share at the most 30% lower than the average, unweighted stock exchange closing price over the preceding ten trading days and a maximum consideration per share at the most 30% higher than the average, unweighted stock exchange closing price over the preceding ten trading days. The treasury shares may be purchased via the stock exchange, by means of a public offering or any other legally permitted way and for any legally permitted purpose. The Management Board was also authorised to withdraw repurchased treasury shares and treasury shares already held by the Company without any further resolution by the Annual General Meeting. The Supervisory Board was authorised to adopt amendments to the Articles of Association resulting from the withdrawal of the shares. The authorisations granted by the resolution of the 25th Annual General Meeting on 4 July 2019 on agenda item 9 were revoked.

Furthermore, the Management Board was authorised by the 25th Annual General Meeting on 4 July 2019, for a period of five years, i.e. up to and including 3 July 2024, subject to the approval of the Supervisory Board, to sell or use the repurchased treasury shares or treasury shares currently held by the Company other than via the stock exchange or by public offer in particular for the purposes of stock transfer programmes, convertible bonds or as a consideration for the acquisition of entities, investments or other assets or for any other legal purpose, and to exclude a general purchase opportunity for shareholders.

As at 31 March 2022, the Group held no treasury shares.

Dividend per share In the financial year 2021/22, a dividend of € 0.39 was paid per share (previous year: € 0.25).

23. Other reserves

The reclassification adjustments of the other comprehensive income realised in the profit for the year and the movement in other reserves are as follows:

€ in thousands	Currency translation differences	Financial assets at fair value through OCI	Hedging instruments for cash flow hedges	Remeasurement of obligations from post-employment benefits	Other reserves
Carrying amount 31 Mar 2020	**24,593**	**17**	**–**	**(9,887)**	**14,723**
Balance of unrealised changes before reclassification, net of tax	11,926	–	–	–	11,926
Transfer of realised changes recognised in the profit for the year, net of tax	–	–	–	–	–
Remeasurement of obligations from post-employment benefits	–	–	–	485	485
Available for sale financial assets, net of tax	–	(55)	–	–	(55)
Carrying amount 31 Mar 2021	**36,519**	**(38)**	**–**	**(9,402)**	**27,079**
Carrying amount 1 Apr 2021	36,519	(38)	–	(9,402)	27,079
Balance of unrealised changes before reclassification, net of tax	158,732	–	2,746	–	161,478
Transfer of realised changes recognised in the profit for the year, net of tax	–	–	–	–	–
Remeasurement of obligations from post-employment benefits, net of tax	–	–	–	(647)	(647)
Unrealised gains/losses on available-for-sale financial assets, net of tax	–	(1)	–	–	(1)
Carrying amount 31 Mar 2022	**195,251**	**(39)**	**2,746**	**(10,049)**	**187,909**

With regard to the presentation of income taxes attributable to the individual components of the other comprehensive income, including reclassification adjustments, reference is made to Note 6 “Income taxes”.

24. Hybrid capital

On 17 November 2017, a hybrid bond was issued at a nominal amount of € 175,000 thousand and with an annual coupon of 4.75% which was paid out on 24 November 2017. The subordinated bond has a perpetual maturity and can be first called in and redeemed by AT & S Austria Technologie & Systemtechnik Aktiengesellschaft, but not by the creditors, after five years. If the bond is not called in and redeemed after five years, the mark-up increases by 5.0 percentage points on the actual coupon.

As the hybrid bond satisfies the IAS 32 criteria for equity, the proceeds from the bond issue are recognised as part of equity. Accordingly, coupon payments are also presented as part of the appropriation of profit. The issue costs of the hybrid bond amounted to € 2,113 thousand.

In January 2022, part of this hybrid bond with a nominal value of € 133,607 thousand was repurchased following an invitation to holders of the hybrid bond 2017 to tender the bond for purchase in cash. The purchase price amounted to 103.7% of the nominal value. The remaining hybrid bond 2017 has a perpetual maturity and can only be called and redeemed by AT & S Austria Technologie & Systemtechnik Aktiengesellschaft, but not by the creditors, and will continue to be recognised as equity.

Another hybrid bond with an issue volume of € 350,000 thousand and a coupon of 5.0% was placed in January 2022. This hybrid bond has a perpetual maturity and can be called and redeemed after five years by AT & S Austria Technologie & Systemtechnik Aktiengesellschaft, but not by the creditors. The proceeds of this hybrid bond will be reported as part of equity as this instrument satisfies the IAS 32 criteria for equity. Accordingly, coupon payments are also presented as part of the appropriation of profit. The issue costs of the hybrid bond amounted to € 2,676 thousand.

25. Cash flow

In accordance with IAS 7, cash and cash equivalents comprise cash on hand and demand, deposits and current, liquid investments that can be converted into known cash amounts at any time and which are only subject to an insignificant risk of changes in value. The indirect method was used to prepare the Consolidated Statement of Cash Flows.

Cash flow from operating activities before changes in working capital in the financial year 2021/22 was € 776,290 thousand (previous year: € 232,231 thousand), cash flow from operating activities was € 713,192 thousand (previous year: € 184,651 thousand). In addition to the significant improvement in earnings compared with the same period of the previous year, the main reason for this increase was the cash inflow from contract liabilities entered into (reference is made to Note 16 “Contract liabilities”).

Cash flow from investing activities in the financial year 2021/22 amounts to € -579,693 thousand (previous year: € -339,809 thousand) and comprises predominantly investments in the new plants in Chongqing and Kulim and technology upgrades in the other plants (€ -605,571 thousand) as well as investments of or return of liquid funds (€ 22,180 thousand). As of 31 March 2022, there are existing liabilities due to investments in the amount of € 244,026 thousand (previous year: € 170,050 thousand).

Cash flow from financing activities in the financial year 2021/22 amounts to € 396,870 thousand. The increase compared to the previous year’s figure of € 303,628 thousand is mainly attributable to the cash inflow from the raising of additional loans and promissory note loans.

€ in thousands	2021/22	2020/21
Cash flow from operating activities before changes in working capital	776,290	232,231
Cash flow from operating activities	713,192	184,651
Cash flow from investing activities	(579,693)	(339,809)
Free cash flow	133,499	(155,158)
Cash flow from financing activities	396,870	303,628
Change in cash and cash equivalents	530,369	148,470
Currency effects on cash and cash equivalents	36,702	(13,570)
Cash and cash equivalents at the end of the year	**1,119,921**	**552,850**

The balance of cash and cash equivalents at the end of the financial year 2021/22 was € 1,119,921 thousand (previous year: € 552,850 thousand). These are mainly used to ensure further investment.

The non-cash expense/income is as follows:

€ in thousands	2021/22	2020/21
Release of government grants	(7,118)	(3,896)
Other non-cash expense/(income), net	13,068	13,622
Non-cash expense/(income), net	**5,950**	**9,726**

Net debt reconciliation:

€ in thousands	2021/22	2020/21
Cash and cash equivalents	1,119,921	552,850
Financial assets	23,413	39,863
Financial liabilities, current	(78,402)	(84,101)
Financial liabilities, non-current	(1,276,579)	(1,017,143)
Net debt	**(211,647)**	**(508,531)**

	Other assets			
€ in thousands	Cash	Financial assets	Financial liabilities	Total
Net debt 31 Mar 2020	417,950	136,435	(801,133)	(246,748)
Cash flows	148,470	(95,557)	(300,959)	(248,046)
Foreign exchange adjustments	(13,570)	(960)	24	(14,506)
Other non-cash movements	–	(55)	824	769
Net debt 31 Mar 2021	**552,850**	**39,863**	**(1,101,244)**	**(508,531)**
Cash flows	530,369	(21,538)	(256,502)	252,329
Foreign exchange adjustments	36,702	763	(3,326)	34,139
Other non-cash movements	–	4,325	6,090	10,415
Net debt 31 Mar 2022	**1,119,921**	**23,413**	**(1,354,981)**	**(211,647)**

V. OTHER DISCLOSURES

26. Earnings per share

Earnings per share is calculated in accordance with IAS 33 "Earnings per Share".

Weighted average of outstanding shares The number of shares issued is 38,850,000. As of 31 March 2022, no treasury shares are held, which would have had to be deducted in the calculation of earnings per share.

The weighted average number of outstanding shares for the basic earnings per share calculation amounts to 38,850 thousand in the financial year 2021/22 and to 38,850 thousand in the financial year 2020/21.

The following table shows the composition of the diluted weighted average number of outstanding shares in the respective periods:

in thousands	2021/22	2020/21
Weighted average number of shares outstanding – basic	38,850	38,850
Diluting effect	–	–
Weighted average number of shares outstanding – diluted	**38,850**	**38,850**

Basic earnings per share Basic earnings per share are calculated by dividing the profit for the period attributed to the shareholders of the Company by the weighted average number of outstanding ordinary shares in the same period.

	2021/22	2020/21
Profit for the year attributable to owners of the parent company (€ in thousands)	92,838	39,111
Weighted average number of shares outstanding – basic (in thousands)	38,850	38,850
Basic earnings per share (in €)	**2.39**	**1.01**

Diluted earnings per share Diluted earnings per share are calculated by dividing the profit for the period attributed to the shareholders of the Company by the weighted average number of outstanding shares including the number of potentially outstanding ordinary shares in the same period. The potentially outstanding ordinary shares comprise the additional shares to be issued for exercisable options or subscription rights and are included in diluted earnings per share.

	2021/22	2020/21
Profit for the year attributable to owners of the parent company (€ in thousands)	92,838	39,111
Weighted average number of shares outstanding – diluted (in thousands)	38,850	38,850
Diluted earnings per share (in €)	**2.39**	**1.01**

27. Material events after the balance sheet date

No material events occurred after the balance sheet date.

28. Related party transactions

In connection with various projects, the Group received consulting services from companies in which Supervisory Board chairman Mr Androsch (AIC Androsch International Management Consulting GmbH) is active:

€ in thousands	2021/22	2020/21
AIC Androsch International Management Consulting GmbH	363	365
Total	**363**	**365**

Members of the Management Board and the Supervisory Board

In the financial year 2021/22 and until the issue date of these consolidated financial statements, the following persons served on the *Management Board*:

- Andreas Gerstenmayer (Chairman)
- Ingolf Schröder
- Peter Schneider (since 1 June 2021)
- Simone Faath (until 25 October 2021
- Heinz Moitzi (until 31 May 2021)

In the financial year 2021/22, the following persons were appointed members of the *Supervisory Board*:

- Hannes Androsch (Chairman)
- Regina Prehofer (First Deputy Chairwoman)
- Georg Riedl (Second Deputy Chairman)
- Hermann Eul
- Georg Hansis
- Robert Lasshofer
- Lars Reger
- Karin Schaupp
- Gertrude Tumpel-Gugerell

Delegated by the Works Council:

- Wolfgang Fleck
- Siegfried Trauch
- Günter Pint
- Günther Wölfler

The number of outstanding stock appreciation rights and staff costs from stock appreciation rights granted are as follows:

	Number of outstanding stock appreciation rights		Staff costs (€ in thousands)	
	31 Mar 2022	31 Mar 2021	2021/22	2020/21
Andreas Gerstenmayer	150,000	150,000	3,410	781
Peter Schneider	30,000	–	293	–
Ingolf Schröder	30,000	–	293	–
Heinz Moitzi[1)]	77,949	90,000	1,993	462
Monika Stoisser-Göhring[2)]	–	90,000	–	468
Total Management Board members	**287,949**	**330,000**	**5,989**	**1,711**
Monika Stoisser-Göhring[2)]	60,000	–	1,607	–
Total other executive employees	484,439	355,000	8,134	1,816
Total	**832,388**	**685,000**	**15,730**	**3,527**

[1)] Termination of Management Board mandate as of 31 May 2021
[2)] Former member of the Management Board

Reference is made to the comments on the stock option plans under Note 14 “Trade and other payables”.

Total compensation to the members of the Management Board and to executive employees in the financial year in accordance with IAS 24:

	2021/22			2020/21		
€ in thousands	Fixed	Variable	Total	Fixed	Variable	Total
Andreas Gerstenmayer	585	1,552	2,137	562	331	893
Peter Schneider	327	330	657	–	–	–
Ingolf Schröder	409	344	753	329	116	445
Simone Faath[1)]	238	178	416	196	83	279
Heinz Moitzi[2)]	256	72	328	456	240	696
Monika Stoisser-Göhring[3)]	–	–	–	54	26	80
Total Management Board members	**1,815**	**2,476**	**4,291**	**1,597**	**796**	**2,393**
Simone Faath[1)]	599	125	724	–	–	–
Heinz Moitzi[2)]	–	308	308	–	–	–
Monika Stoisser-Göhring[3)]	87	436	523	378	184	562
Total former Management Board members	**686**	**869**	**1,555**	**378**	**184**	**562**
Executive employees	7,339	5,191	12,530	7,813	1,781	9,594
Total	**9,840**	**8,536**	**18,376**	**9,788**	**2,761**	**12,549**

1) Termination of Management Board mandate as of 25 October 2021
2) Termination of Management Board mandate as of 31 May 2021
3) Former member of the Management Board

The variable compensation of Andreas Gerstenmayer includes remuneration from stock appreciation rights amounting to € 848 thousand (previous year: € 0 thousand). The variable compensation of Heinz Moitzi includes remuneration from stock appreciation rights amounting to € 308 thousand (previous year: € 0 thousand). The variable compensation of Monika Stoisser-Göhring includes remuneration from stock appreciation rights amounting to € 376 thousand (previous year: € 0 thousand).

Fixed remuneration of “Total former Management Board members” includes the severance payment and other claims in connection with the termination of the Management Board contract of Simone Faath.

Besides the above-mentioned compensation, € 58 thousand (previous year: € 55 thousand) were paid into a pension fund for Andreas Gerstenmayer, € 40 thousand (previous year: € 15 thousand) for Simone Faath, € 40 thousand (previous year: € 22 thousand) for Ingolf Schröder and € 33 thousand (previous year: € 0 thousand) for Peter Schneider.

In accordance with IAS 24, these are key management personnel who have direct or indirect authority and responsibility for planning, directing and controlling the activities of the entity; this includes managing directors of that entity.

Expenses for severance payments and retirement benefits for current and former members of the Management Board, executive employees and their surviving dependants are as follows:

	Severance payments		Retirement benefits	
€ in thousands	2021/22	2020/21	2021/22	2020/21
Expenses recognised in profit for the period	213	204	393	492
Remeasurement recognised in other comprehensive income	141	(77)	1,299	529

Total remuneration for services rendered personally by members of the Supervisory Board attributable to the financial year and proposed to the Annual General Meeting:

	2021/22			2020/21		
€ in thousands	Fixed	Variable	Total	Fixed	Variable	Total
Hannes Androsch	162	–	162	65	15	80
Willibald Dörflinger	–	–	–	14	3	17
Regina Prehofer	110	–	110	55	10	65
Georg Riedl	113	–	113	53	9	62
Hermann Eul	77	–	77	25	5	30
Karl Fink	–	–	–	8	2	10
Georg Hansis	77	–	77	23	5	28
Albert Hochleitner	–	–	–	8	2	10
Robert Lasshofer	74	–	74	27	5	32
Gerhard Pichler	–	–	–	–	–	–
Lars Reger	75	–	75	22	6	28
Karin Schaupp	77	–	77	30	7	37
Gertrude Tumpel-Gugerell	76	–	76	33	8	41
Total	**841**	**–**	**841**	**363**	**77**	**440**

29. Expenses for the Group auditor

The expenses for the financial year for the Group auditor are as follows:

€ in thousands	2021/22	2020/21
Audit of consolidated and separate financial statements	512	424
Other assurance services	512	25
Other services	170	17
Total	**1,194**	**466**

This item also includes expenses for other network members of the Group auditor, e.g. for the audit of financial statements of subsidiaries or tax consulting services.

30. Number of staff

The average numbers of staff in the financial year are as follows:

	2021/22	2020/21
Waged workers	8,925	7,980
Salaried employees	4,121	3,369
Total	**13,046**	**11,349**

The calculation of the number of staff includes an average of 317 leased personnel for the financial year 2021/22 and an average of 252 for the financial year 2020/21.

Leoben-Hinterberg, 16 May 2022

The Management Board

Andreas Gerstenmayer m.p   Peter Schneider m.p.   Ingolf Schröder m.p.

STATEMENT OF ALL LEGAL REPRESENTATIVES

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

Leoben-Hinterberg, 16 May 2022

The Management Board

Andreas Gerstenmayer m.p.	Peter Schneider m.p.	Ingolf Schröder m.p.
Chief Executive Officer	Chief Sales Officer	Chief Operations Officer

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS 2021/22

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

Auditor's report

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft, Leoben (the Group), which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of profit or loss, 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 31 March 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.

1. Deferred tax assets from tax loss carryforwards and other deductible temporary differences

- Description and Issue

According to IAS 12.34 a deferred tax asset shall be recognised for unused tax losses carried forward to the extent that it is probable that future taxable profit will be available, against which these unused tax losses can be utilised. In addition, when the entity has incurred losses in recent years, convincing other evidence is necessary, that sufficient taxable profits will be available.

The recognition of deferred tax assets is based on the assumption that within a planning period of at least 5 years enough taxable income will be generated against which the tax loss carried forward and other deductible temporary differences can be utilised. These assumptions are based on estimates of the current as well as the planned taxable results and the taxable impact of any future measures implemented by the companies concerned.

The Group has recognised deferred tax assets in the amount of TEUR 24,698 (prior year: TEUR 25,113). Therein included are deferred tax assets from tax loss carryforwards and taxable goodwill amortization amounting to TEUR 26,148 (prior year: TEUR 22,527) as well as taxable respectively deductible temporary differences amounting to TEUR -1,450 (prior year: 2,586).

For further information we refer to the notes to the consolidated financial statements

- Section I.B.e on accounting and measurement policies in respect of income taxes
- Section I.C. on critical accounting estimates and assumptions concerning recognition and measurement of deferred income tax and current tax liabilities
- Section III.6. note on income taxes.

The valuation of deferred tax assets requires judgement and involves significant estimation uncertainties, and therefore, constitutes a risk of material misstatement in the consolidated financial statements. Estimation uncertainties exist in particular in relation to the assumptions made in the business plan and their effect on taxable results. For this reason, we identified this issue as a key audit matter.

- Our Response

For all material consolidated companies we have

- evaluated the process relating to the calculation of future taxable income as basis for the recognized deferred tax assets,
- retraced the changes in tax loss carryforwards on basis of the preliminary tax calculation,
- ensured that planned taxable results on which the calculation is based are in line with the business plan of the entity,
- analyzed the assumptions made concerning the usability of the loss carryforwards and the temporary differences as well as critically assessed the underlying planning assumptions, and
- audited the presentation and explanations in the notes to the consolidated financial statement.

2. Revenue Recognition over time according to IFRS 15

- Description and Issue

Pursuant to IFRS 15 Revenue from Contracts with Customers, the Group recognises revenue over time for a part of the customers. According to IFRS 15.35c revenue must be recognised over time when products specifically tailored to the needs of the customers are produced and thus have no alternative use and the entity has the enforceable right to payment for performance of the service completed to date, including a margin.

Performance obligations that in accordance with over time revenue recognition criteria are already satisfied but the payment is still outstanding, shall be recognized as contract assets in accordance with IFRS 15. As of 31 March 2022, the group states contract assets in the amount of TEUR 177,328 (prior year: TEUR 92,767) after considering impairment according to IFRS 9. The revenue recognized over time in the financial year 2021/22 amounts to TEUR 1 085,035 (prior year: TEUR 808,555).

For further information we refer to the notes to the consolidated financial statements section I.B.d on the accounting and measurement policies in respect of revenues from contracts with customers. In addition, we refer to the disclosures on revenue in the notes to the consolidated financial statements in section III.1. as well as to those on contract assets in section IV.11.

For the group wide analysis of the contractual and legal basis regarding the relevant accounting criteria for the identification of revenues that need to be recognized over time significant judgment from the management is involved, especially with regard to the evaluation if the enforceable right to payment for performance of the completed service exists. Furthermore because of the multitude of different types of contracts with customers, the group wide calculation of the contract assets to be recognized as of the reporting date can be considered complex. For this reason, we identified this issue as a key audit matter.

- Our Response

We have

- assessed the group´s accounting policies regarding revenue recognition, taking into consideration industry-specific circumstances, our understanding of the business as well as the analysis of a sample of contract assessments done by the management to verify that IFRS 15 was implemented properly,
- audited accuracy and completeness of the automatically generated reports for the calculation of the contract assets involving internal specialists and
- audited, based on samples, that revenue was actually recognised in line with the Group accounting policies on over time revenue recognition

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the consolidated management report and our auditor's report thereon. The annual report, except for the consolidated non-financial report, is expected to be made available to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. With respect to 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 identified above when it becomes available 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 we, based on the work we did before the date of this report on the other information, conclude that the other information is materially misstated, we have to report it. In that respect, we have nothing to report.

Responsibilities of Management 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 and 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 of 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 8 July 2021 and commissioned by the supervisory board on 21 December 2021 to audit the consolidated financial statements for the financial year ending on 31 March 2022. We have been auditing the Group uninterrupted since the financial year ending 31 March 2021.

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.

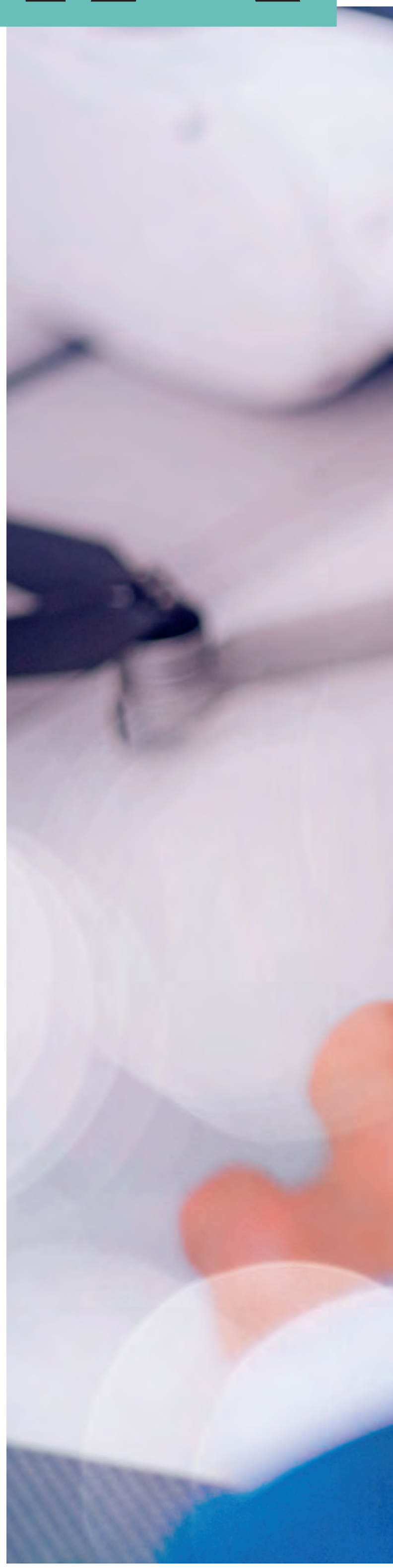
Vienna, 16 May 2022

Deloitte Audit Wirtschaftsprüfungs GmbH

Gerhard Marterbauer m.p.
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.

INFORMATION



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KEYDATA 10-YEARS TIMELINE

IFRS	Unit	2012/13[1)]	2013/14	2014/15
EARNINGS DATA AND GENERAL INFORMATION				
Revenue	€ in millions	541.7	589.9	667.0
thereof produced in Asia	%	74%	76%	79%
thereof produced in Europe	%	26%	24%	21%
Cost of sales	€ in millions	464.6	471.1	511.6
Gross profit	€ in millions	77.1	118.8	155.4
Gross profit margin	%	14.2%	20.1%	23.3%
EBITDA	€ in millions	102.4	127.2	167.6
EBITDA margin	%	18.9%	21.6%	25.1%
EBIT	€ in millions	31.4	53.9	90.1
EBIT margin	%	5.8%	9.1%	13.5%
Profit for the period[6)]	€ in millions	14.6	38.2	69.3
Profit for the period attributable to owners of the parent company[2), 6)]	€ in millions	14.6	38.2	69.3
Cash earnings[6)]	€ in millions	85.6	111.4	146.8
ROE (Return on equity)[3)]	%	5.0%	11.0%	13.9%
ROCE (Return on capital employed)[2), 3)]	%	5.6%	9.6%	12.0%
ROS (Return on sales)	%	2.7%	6.5%	10.4%
Vitality Index	%	19.2%	26.5%	29.2%
Cash flow from operating activities (OCF)	€ in millions	71.7	104.8	143.9
Net CAPEX	€ in millions	40.5	90.3	164.8
Operating free cash flow	€ in millions	31.2	14.5	(20.9)
Free cash flow	€ in millions	31.1	14.5	(20.9)
Employees (incl. leased personnel), end of reporting period	–	7,011	7,129	8,120
Employees (incl. leased personnel), average	–	7,321	7,027	7,638
BALANCE SHEET DATA				
Total assets	€ in millions	726.7	916.1	1,220.8
Total equity	€ in millions	304.8	390.7	604.4
Equity attributable to owners of the parent company	€ in millions	304.9	390.7	604.3
Equity ratio	%	42.0%	42.7%	49.5%
Net debt	€ in millions	217.4	110.9	130.5
Net gearing	%	71.3%	28.4%	21.6%
Net working capital	€ in millions	102.7	91.7	95.3
Net working capital per revenue	%	19.0%	15.6%	14.3%
STOCK EXCHANGE DATA				
Shares outstanding end of reporting period	–	23,322,588	38,850,000	38,850,000
Weighted average number of shares outstanding	–	23,322,588	30,820,545	38,850,000
Earnings per shares outstanding end of reporting period[6)]	€	0.62	0.98	1.78
Earnings per average number of shares outstanding[6)]	€	0.62	1.24	1.78
Cash earnings per average number of shares[6)]	€	3.67	3.61	3.78
Dividend per share[4)]	€	0.20	0.20	0.36
Closing price	€	6.79	8.75	14.62
Dividend yield (at the closing price)[4)]	%	2.9%	2.3%	2.5%
Market capitalisation, end of reporting period	€ in millions	158.4	339.9	568.0
Market capitalisation per equity[5)]	%	51.9%	87.0%	94.0%

1) Adjusted in application of IAS 19 revised.
2) 2018/19: Adjusted taking into account IAS 12 revised.
3) Calculated on the basis of average values.
4) 2021/22: Proposal for the Annual General Meeting.
5) Equity attributable to owners of the parent company.
6) 2019/20: Adjustment Hedge Accounting previous years.

2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Change prior year in %	Compound Annual Growth Rate 10 years in %
762.9	814.9	991.8	1,028.0	1,000.6	1,188.2	1,589.9	33.8%	11.4%
81%	82%	84%	85%	87%	88%	88%	–	–
19%	18%	16%	15%	13%	12%	12%	–	–
611.2	760.2	829.5	860.8	897.7	1,021.2	1,337.0	30.9%	11.1%
151.6	54.7	162.3	167.2	102.9	167.0	252.9	51.5%	12.6%
19.9%	6.7%	16.4%	16.3%	10.3%	14.1%	15.9%	–	–
167.5	130.9	226.0	250.1	194.5	245.7	349.5	42.3%	13.1%
22.0%	16.1%	22.8%	24.3%	19.4%	20.7%	22.0%	–	–
77.0	6.6	90.3	117.2	47.4	79.8	126.5	58.6%	15.0%
10.1%	0.8%	9.1%	11.4%	4.7%	6.7%	8.0%	–	–
56.0	(22.9)	56.5	89.0	19.8	47.4	103.3	>100%	21.6%
56.0	(22.9)	53.6	80.7	11.5	39.1	92.8	>100%	20.3%
146.5	101.8	189.3	213.6	158.6	205.0	318.3	55.3%	14.0%
9.5%	(4.1%)	9.0%	11.5%	2.7%	6.1%	10.1%	–	–
8.2%	(0.6%)	7.7%	9.7%	2.8%	5.8%	7.8%	–	–
7.3%	(2.8%)	5.7%	8.5%	2.1%	4.0%	6.5%	–	–
19.6%	21.8%	40.4%	35.3%	30.8%	20.7%	44.4%	–	–
136.9	136.4	143.2	170.5	185.1	184.7	713.2	>100%	25.8%
254.3	240.7	141.7	100.8	218.5	435.8	601.9	38.1%	31.0%
(117.3)	(104.3)	1.5	69.7	(33.4)	(251.1)	111.3	–	13.6%
(205.3)	(24.7)	(50.2)	(106.0)	68.5	(155.2)	133.5	–	15.7%
9,116	9,778	9,734	9,624	10,319	11,868	14,082	18.7%	7.2%
8,759	9,526	9,981	9,811	10,239	11,349	13,046	14.9%	5.9%
1,344.7	1,436.7	1,530.4	1,784.1	1,853.5	2,390.0	3,746.3	56.8%	17.8%
568.9	540.1	711.4	803.5	760.3	802.0	1,252.3	56.1%	15.2%
568.9	540.1	711.4	803.5	760.3	802.0	1,252.3	56.1%	15.2%
42.3%	37.6%	46.5%	45.0%	41.0%	33.6%	33.4%	–	–
263.2	380.5	209.2	150.3	246.7	508.5	211.6	(58.4%)	(0.3%)
46.3%	70.5%	29.4%	18.7%	32.5%	63.4%	16.9%	–	–
88.4	24.4	72.4	160.5	144.4	200.9	271.5	35.1%	10.2%
11.6%	3.0%	7.3%	15.6%	14.4%	16.9%	17.1%	–	–
38,850,000	38,850,000	38,850,000	38,850,000	38,850,000	38,850,000	38,850,000	–	5.2%
38,850,000	38,850,000	38,850,000	38,850,000	38,850,000	38,850,000	38,850,000	–	5.2%
1.44	(0.59)	1.38	2.08	0.30	1.01	2.39	>100%	14.4%
1.44	(0.59)	1.38	2.08	0.30	1.01	2.39	>100%	14.4%
3.77	2.62	4.87	5.50	4.08	5.28	8.19	55.1%	8.4%
0.36	0.10	0.36	0.60	0.25	0.39	0.90	>100%	16.2%
12.90	10.29	22.00	15.30	13.41	30.60	50.40	64.7%	22.2%
2.8%	1.0%	1.6%	3.9%	1.9%	1.3%	1.8%	–	–
501.2	399.8	854.7	594.4	521.0	1,188.8	1,958.0	64.7%	28.6%
88.1%	74.0%	120.1%	74.0%	68.5%	148.2%	156.4%	–	–

GLOSSARY

AT&S Toolbox
Combination of existing and new technologies which enables new interconnect solutions and the functional integration at all connection levels.

CMRT
Conflict Minerals Reporting Template – Questionnaire to collect information on conflict minerals.

COSO-Standard
Internationally recognised standard for Internal Control Systems (ICS) and risk management published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Embedding
Integrating active and/or passive electronic components inside printed circuit boards.

ESG
Environment, Social, Governance – another term for sustainability or corporate social responsibility.

Foundry
Contract manufacturer in the microelectronics sector which manufactures products for other semiconductor companies at its own semiconductor plants.

Functional integration
Refers to the integration of several functions of an electronic system in a module.

GRI
Global Reporting Initiative – a non-profit institution, which provides a global framework for sustainability reporting.

IIA Standard
Standards for measures and the assessment of the quality of internal auditing specified by the Institute of Internal Auditors (IIA).

ILO
International Labour Organization.

Intellectual property
In contrast to tangible property, intellectual property is the right to intangible property such as a technical invention.

LCA
Life Cycle Assessment.

mSAP
Modified semi-additive process.

NaDiVeG
Sustainability and Diversity Improvement Act – Austrian implementation of EU Regulation 2014/95/EU.

Net CAPEX
Capital expenditure net of receipts from the disposal of property, plant and equipment and intangible assets.

NOPAT
Net operating profit after tax represents annual profit adjusted to exclude net finance costs. For calculation, please refer to the Group Management Report.t.

OPEX
Operational expenditures: recurring expenses which are usually paid on a monthly or yearly basis. They are allocated to the accounting period in which the costs are incurred and the full amount isrecognised in this period.

RBA
Responsible Business Alliance – Code of Conduct (formerly Electronic Industry Citizenship Coalition (EICC)) for working conditions in the supply chain of the electronics industry.

REACH
European Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals.

RMI
Responsible Minerals Initiative – Principles for the responsible sourcing of conflict minerals.

RoHS
Restriction of Hazardous Substances in electrical and electronic Equipment.

SDGs
Sustainable Development Goals of the United Nations.

TCFD
Task Force on Climate-related Financial Disclosure – Initiative for corporate reporting on climate-related financial opportunities and risks.

Vitality Index
The Vitality Index represents the share of total revenue generated from products that feature new, innovative technologies and have been introduced in the past three years.

WACC
Weighted Average Cost of Capital represents the average cost that a company has to pay to obtain equity or debt capital.

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Percentages and individual items presented in this report are rounded, which may result in rounding differences.

This report in no way represents an invitation or recommendation to buy or sell shares in AT&S.

The report is published in German and English. In case of doubt, the German version is binding.

No responsibility accepted for errors or omissions.
Published on 9 June 2022