



RWA

Values connect us

Approaches

Annual Report 2021

Agriculture



Machinery



Building Materials



Home & Garden



Energy





EXECUTIVE SUMMARY

The continuing effects of the Covid-19 pandemic strongly shaped the financial year 2021. Disrupted supply chains and huge price fluctuations also ensured a challenging business environment. Despite this, however, RWA Raiffeisen Ware Austria succeeded in surpassing its targets and, with pre-tax earnings of 28.5 million euros, recording another very satisfactory result. Once again, the huge commitment of the employees and the fundamental strategic orientation of the Group have shown themselves to be guarantors of security and stability.



AGRICULTURE

Highly volatile prices dominated the agricultural sector in 2021. The harvest was somewhat poorer than in previous years. High grain prices led to improved earnings from arable crops, but also to higher feed costs. The sharp increase in the prices of agricultural inputs was a major challenge for all farmers. However, RWA and the Lagerhaus Cooperatives were able to safeguard the supply of inputs, feed and machinery at all times. Traditional large customers were also able to depend upon prompt deliveries – even during difficult periods. In the second year of the pandemic, RWA and the Lagerhaus Cooperatives once again played their part in ensuring the security of supply to the population.



MACHINERY

2021 developed into an absolute record year for the machinery sector. The government's investment premium and favourable price conditions led to a huge surge in demand, which is unlikely ever to be repeated in this form. But the reorganisation and further professionalisation of the machinery segment also had a positive effect. The ongoing trend towards larger machines with state-of-the-art features is a reflection of the structural change in agriculture – towards fewer farms with ever larger areas.



BUILDING MATERIALS

The building materials sector also enjoyed a good rate of growth in the last financial year. It benefited from high levels of building activity that were also driven by subsidies and by the efforts of the financial markets to circumvent low interest rates by investing in concrete assets. As key Lagerhaus customers, private homebuilders and medium-sized construction companies enabled the cooperatives to enjoy a healthy growth in revenues.



HOME & GARDEN

Despite difficult corona conditions and further lockdowns, the home & garden sector was able to grow strongly for a fourth consecutive year. Its strategic positioning as a specialist for gardens and attractive homes has proved to be the right one. During the pandemic, many people have done without holidays and invested in their immediate surroundings instead.



ENERGY

Since the low levels recorded at the beginning of the pandemic, the energy sector has experienced dramatic price increases. The demand for heating oil fell in 2021 as a result of strong advanced purchasing in the previous year, while demand for diesel stabilised. RWA was able to substantially strengthen its leading position in the area of wooden pellets. An increasingly important role is being played by RWA Solar Solutions, which was able to realise major photovoltaic plants for Garant in Pöchlarn and several other industrial companies. With the backing of BayWa r.e., the leading global developer, service provider and wholesaler in the photovoltaic field, RWA Solar Solutions has access to state-of-the-art technology and corresponding stocks of components. This makes it a reliable supplier of large-scale photovoltaic systems.

The excellent financial year 2021 provides the basis for further projects designed to ensure the growth of RWA.

KEY NUMBERS for the RWA Group

Turnover for Each Business Segment (TEUR)	2021	2020
Total	2,951,312	2,375,416
Agriculture	1,690,176	1,410,536
Machinery	326,450	239,406
Building Materials	56,067	39,140
Home & Garden	175,028	131,751
Energy	693,116	550,092
Digital Farming	128	114
Others	10,347	4,377

Turnover for Each Region (TEUR)	2021	2020
Total	2,951,312	2,375,416
Austria	1,926,280	1,505,999
Germany	101,421	90,330
Other EU Countries	758,837	621,139
Non EU Countries	164,774	157,948

Other Key Numbers in TEUR	2021	2020
Pre-tax earnings (TEUR)	28,500	22,377
Employees (average)	2,614	2,312

Your Link to the Consolidated Financial Statement

In order to keep this annual report streamlined and compact, we've made it possible for you to find the complete consolidated accounts with all tables on the RWA website at www.rwa.at/geschaeftsbericht-2021 or by simply scanning this QR Code.





FOREWORD from the Supervisory Board

In the second year of the pandemic, RWA Raiffeisen Ware Austria and the Lagerhaus Cooperatives once again offered impressive proof of their ability to withstand a crisis. Despite the difficult environment, we were able to reliably supply all our customers while also ensuring that Austria's farmers had access to all essential agricultural inputs.

Thanks to the extraordinary discipline of our employees and the foresighted leadership demonstrated by the Executive Board, all our segments have coped well with this lengthy crisis. At the same time, a new strategy for the years between now and 2030 is paving the way for the further development of the company. For example, the latest acquisition in Serbia will sustainably strengthen our position in the important feed sector.

The structural transformation of farming and the need to fight climate change, to operate ever more sustainably and to make intelligent use of digital solutions are the challenges that we will face in the next few years. Due to the proven track record of cooperation between RWA and the Lagerhaus Cooperatives, these are challenges that we are well prepared to meet.

I would like to offer my thanks to the Executive Board, to all employees and to my colleagues on the Supervisory Board for their excellent work in 2021.

ÖR DI Dr. Johann Lang



Foreword from the EXECUTIVE BOARD

Well-organised companies are characterised by their dynamism and their creative energy. But they are also in a position to react rapidly to unexpected external influences. They find the right **approaches** to every situation, as hinted at in the title of this year's annual report.

Crises enable an organisation to demonstrate its quality. The pandemic, which is now accompanying us for a third year, has made many things clear to us at RWA Raiffeisen Ware Austria:

- RWA, its subsidiaries and the Lagerhaus Cooperatives have excellent employees, who approach every task and face up to every challenge with commitment, creativity, loyalty and a lot of common sense. Hence, despite lockdowns, complex safety rules and some lengthy periods working in our home offices, we have collectively navigated the crisis successfully. We would like to express our heartfelt thanks to all those involved.
- This difficult period has enabled us to grow even closer together as a Group. Despite the headwind, RWA has shown itself to be a reliable partner of the Lagerhaus Cooperatives and, together, we have ensured the security of supply to Austria's farmers at all times, further demonstrating the effectiveness and importance of the cooperatives for our nation. We would like to thank all members and officials of the cooperatives, all chairpersons and managing directors, for their trust and for the close cooperation. And thanks are also due to the members of the Supervisory Board and our partners at BayWa for the mutual respect that we enjoy.

- As the RWA Group we are so well positioned strategically that, even in difficult conditions, we can successfully operate, grow and make a profit. And even if we have not been completely immune to supply chain problems, we are less dependent than other companies. We have been able to develop, launch and drive ahead with many projects. For example, all areas of the Group are being examined from the perspective of **sustainability**, in order to identify potential for improvement. This is economically logical and socially responsible. And we have also completed some important acquisitions.
- As an indispensable tool of modern business, digitalisation is finding its way into ever more areas of work and leading to ever more practical types of application. The combination of bricks-and-mortar retail and an online offering is now well-established.

One example for the internal development of the Group is the revision of our **set of values**. In numerous intense discussion sessions we reworked and precisely formulated RWA's vision, mission, values and leadership principles. Following the relocation of the RWA headquarters to Korneuburg, this is a further step in the sharpening of our profile both internally and externally. All employees, and also our business partners, should become acquainted with the fundamental values and the position of the Group and, hence, **find the perfect approach to us**.

DI Reinhard Wolf, CEO

DI Christoph Metzker,
Executive Board Member
DI Reinhard Wolf, CEO
Stefan Mayerhofer,
Executive Board Member

How RWA embraces sustainability

Austria wants to be climate neutral by 2040 and to meet 100 per cent of its electricity needs from renewable sources of energy by 2030. If we are to reach these ambitious targets, our lifestyles and the entire economic system will have to change significantly. Sustainability and the cautious use of resources are an inherent part of RWA's corporate philosophy. Two examples from the energy sector show that, for us, the Government's current objectives are far from uncharted territory.

Green electricity and agriculture

Our subsidiary **RWA Solar Solutions** specialises in the construction of large solar power plants on roofs and open spaces. These are bought or leased and then RWA Solar Solutions assumes responsibility for the planning, financing, realisation and operation of the photovoltaic plant as well as selling the surplus electricity. A further variant is that the customer acquires the completed PV plant and only outsources the operation and marketing.

Thanks to its close cooperation with the market leader BayWa r.e. in the areas of engineering, component dealing, plant operation and electricity trading, RWA Solar Solutions has been able to establish itself as an efficient and reliable partner for industrial and commercial customers. All RWA locations, several Lagerhaus Cooperatives, Privatbrauerei Zwettl and the Agrana facility in Gmünd have already been equipped with PV plants. Further major projects are in the pipeline.

The **Öko-Solar-Biotop Pöchlarn** is a pilot project for solar electricity that involves no soil sealing. Since autumn 2021, various options for the practical application of agricultural photovoltaics have been tested in partnership with scientists on a five-hectare site on the River Danube. Special solar panels permit green electricity to be generated for the neighbouring Garant feed production plant while the land below them continues to be used for agricultural purposes.

The "Powerkultur" model is a system based on raised, semi-transparent modules, below which fruit, berries and wine can grow, protected from hail, frost and storms. The modules of the "Wanderfrucht" model follow the position of the sun from east to west. However, farmers can also easily fold them back by remote control so that they can effortlessly work the ground with their tractors. This enables 80 % of the area to be put to agricultural use, while a further 15 % can increase biodiversity by becoming flower strips and just 5 % are occupied by the PV plant. The "Südernte" model is a rigidly fixed, south-facing system. However, the distance between the supports permits classic agriculture to be carried out, while enough room for flower strips is retained below the modules.

Renewable supplier of heat

The sought-after phasing out of natural gas and oil is fuelling demand for pellets heating systems. RWA Raiffeisen Austria was already a pioneer in this area over 20 years ago and, together with the Lagerhaus Cooperatives, is now a market leader in pellets and wood briquettes.

Pellets are manufactured from waste produced by the sawmill industry – such as sawdust and woodchips. No tree is specially cut down in order to make them. Wood pellets offer a high calorific value, are compact and easy to store and produce little ash.

The use of wood as a renewable raw material is environmentally-friendly and reduces our dependence on imports, which are often subject to political influences. The burning of wood pellets is CO₂-neutral, due to the fact that only that quantity of carbon dioxide is released, which the tree previously absorbed while it grew.



01
02
03

01 "Wanderfrucht" is the name of one of these agricultural PV models: The modules follow the position of the sun from east to west and can be tilted by remote control.

02 The scale of the facility in Pöchlarn only becomes clear when it is seen from above.

03 Pellets are manufactured from residual wood by the sawmill industry. The burning of wood pellets is CO₂-neutral.



Values connect us



The Lagerhaus Cooperatives

In Austria, there are around **80 Lagerhaus Cooperatives** with over **1,000 outlets**. These cooperatives are independent, regionally anchored and democratically organised companies that are owned by farmers. They supply farmers and the entire rural population with products and services from the business segments agriculture, machinery, energy, home & garden and building materials & building services.

Vision

RWA, together with the Lagerhaus Cooperatives, is the leading force for the countryside.

Mission

We are shaping the future of the rural environment and economy – in Austria and in Central and Southeastern Europe.

We are engaged in the areas of agriculture, building materials, home & garden, energy and machinery and offer innovative products and services.

We are closely connected with the BayWa Group in the form of a strategic alliance.

The Company RWA Raiffeisen Ware Austria AG

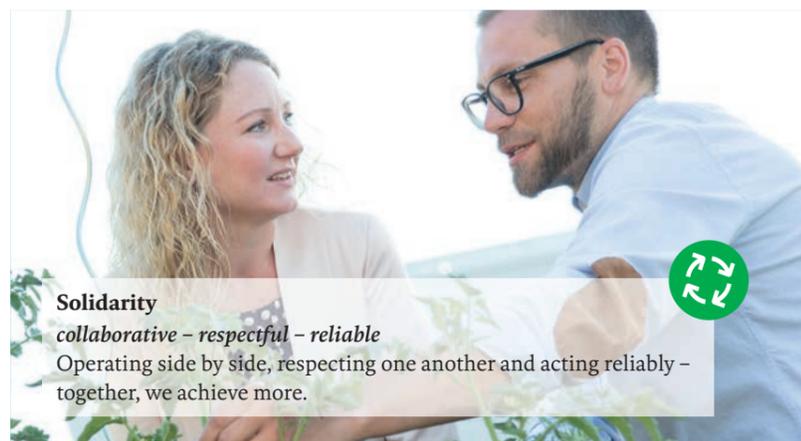
RWA Raiffeisen Ware Austria is a company with agricultural roots that is also now a major player in the machinery, energy, building materials and home & garden sectors in Austria and Central Europe. As a producer, service provider and trader (wholesale and retail), RWA and its 2,614 employees generated a turnover of around 2.95 billion euros in 2021. RWA is owned by Austria's Lagerhaus Cooperatives and BayWa AG. This means that it is both solidly rooted in the countryside and fully connected with the global market.

The company was established in order to support the Lagerhaus Cooperatives across Austria as a wholesaler and service provider. While the cooperatives supply their end customers as independent companies, RWA is responsible for the professional marketing of their agricultural produce and joint purchasing, as well as leveraging synergies and stimulating development.

The spectrum of services provided by RWA to the Lagerhaus Cooperatives also includes such areas as the ongoing development of the Lagerhaus Group, modern corporate organisation and IT, support in areas such as marketing and personnel, logistics and construction and advice regarding business management, accountancy and legal issues. RWA's portfolio is enhanced by more than 40 subsidiaries or shareholdings in Austria and Central and Eastern Europe.

RWA was able to complete the financial year 2021 successfully, despite the difficult business environment. Important projects such as the promotion of sustainability in all business segments, efficiency improvements through digitalisation and the strengthening of the Group were driven forward and valuable acquisitions carried out.

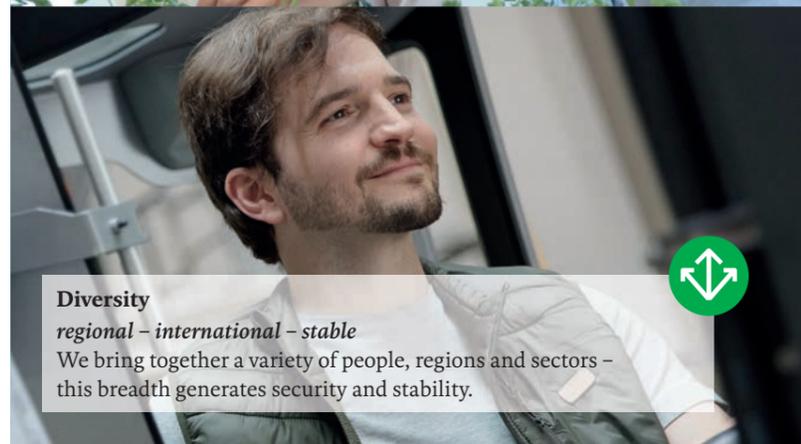
Values



Solidarity

collaborative – respectful – reliable

Operating side by side, respecting one another and acting reliably – together, we achieve more.



Diversity

regional – international – stable

We bring together a variety of people, regions and sectors – this breadth generates security and stability.



Rootedness

sustainable – human – committed

We think long term and sustainably – we are committed to people and to the land.



Future Strength

experienced – courageous – innovative

We are experienced and courageous – innovatively shaping the rural regions of tomorrow.

Management

DI Reinhard Wolf, CEO

Seeds/Timber, Agricultural Products, CEE Shareholdings, Legal Affairs/Office of the Executive Board, Human Resources, Communication, Real Estate and Facility Management, Group and Corporate Development

Stefan Mayerhofer, Member of the Executive Board

Home & Garden, Building Materials, Logistics, Organisation/IT, Finance/Controlling, BayWa Vorarlberg, RLG

DI Christoph Metzker, Member of the Executive Board

Agricultural Inputs/Farming Innovations/Agricultural Marketing, Energy, Machinery, Marketing

Ownership Structure RWA AG



* 37 Lagerhaus Cooperatives (Lower Austria, Upper Austria, Styria, Burgenland)

Supervisory Board RWA AG

(as of 31.12.2021)

ÖR DI Dr. Johann Lang (RWA Gen.), Chairman

VV Prof. Klaus Josef Lutz (BayWa AG), 1st Deputy Chairman

ÖR Ing. Ludwig Hubauer (RWA Gen.), 2nd Deputy Chairman

Andreas Helber (BayWa AG), 3rd Deputy Chairman

ÖR Alois Hausleitner (RWA Gen.), 4th Deputy Chairman

DI Manfred Nüssel (BayWa AG), 5th Deputy Chairman

Further Members

Mag. Erwin Hameseder (RWA Gen.)

Marcus Pöllinger (BayWa AG)

Christopher Cech (nominated by the RWA AG Works Council)

Andreas Habith (nominated by the RWA AG Works Council)

Wolfgang Schröfl (nominated by the RWA AG Works Council)

Johannes Weinrichter (nominated by the RWA AG Works Council)

Development

- **1993** Founding of the RWA-Genossenschaft (through the merger of the cooperative goods associations of Lower Austria, Upper Austria and Styria with the Österreichische Raiffeisen Warenzentrale)
- **1997** Establishment of RWA Raiffeisen Ware Austria AG, which takes over day-to-day operations in the following year, 1998.
- **1999** Strategic alliance with BayWa AG
- **2020** Relocation of the company headquarters to Korneuburg

Selected Group Companies



- Agro Innovation Lab
- Garant-Tiernahrung
- RLG
- RWA Czechia
- RWA Hrvatska
- RWA Magyarország
- RWA Raiffeisen Agro Romania
- RWA Slovakia
- RWA Slovenija
- RWA Srbija
- RWA Ukrajina



- Lagerhaus Technik-Center



- Lagerhaus Franchise
- Citygreen
- Parga

Our Business Segments

Agriculture

RWA works with the Lagerhaus Cooperatives to support Austria's farmers as their wholesale partner throughout the production process, from supplying seeds to ensuring the optimal marketing of their products. Its international subsidiaries guarantee access to additional purchasing and sales markets. The company is constantly on the lookout for logical and practical innovations that it can offer to the market via the Lagerhaus Cooperatives.

In 2021, the Lagerhaus online portal Onfarming was upgraded and relaunched. Even more digital agricultural services were added to the broad range that Lagerhaus offers via the portal, which is a central point of contact for farmers on the internet. In a successful pilot project in the area of CO₂ reduction, two shiploads of almost 1,000 tons of Lower Austrian wet corn were transported to RWA's large dryer in Aschach an der Donau. And by upgrading its Rumenka facility, RWA Srbija was able to significantly expand its silo and storage capacities.

Machinery

RWA is a franchisor for agricultural machinery and, via the Lagerhaus Cooperatives, supplies customers with a comprehensive range of spare parts, tyres and services. Its subsidiary LTC Lagerhaus Technik-Center is the national dealer for John Deere in Austria and the general importer of such key brands as Gehl, Manitou and Rauch. A network of competence centres reflects the trend towards digital solutions in the machinery sector.

In 2021, a modern exhibition and sales facility for tractors and other agricultural machinery was opened in Korneuburg. The new generation of 6R series tractors from John Deere offers even more comfort, improved ergonomics and innovative, labour-saving solutions. Several Lagerhaus Technik-Centers now offer electric commercial vehicles produced by the Styrian e-mobility company Graf Carello for the use of farms, other businesses and municipalities.

Building Materials

RWA is a franchisor and system provider for the Lagerhaus Cooperatives. In this role, it develops appropriate concepts, assumes responsibility for purchasing and for determining the product range and manages the Lagerhaus' own brands.

In 2021, the high levels of demand for building materials and problems of product availability were successfully cushioned by the expansion of the supplier base and the regional and trans-regional pooling of purchasing processes. This enabled the Lagerhaus Cooperatives to record high increases in turnover.

Home & Garden

In its role as a franchisor, RWA supports the Lagerhaus Cooperatives in the constant development of their home & garden centres and of the range that these offer. More than 20 own brands have been created in this area. The RWA/Lagerhaus Group is the leading Austria-based company in the home & garden sector.

In 2021, the Agro Innovation Lab (AIL) and Lagerhaus Franchise GmbH jointly realised the "Green Lagerhaus Challenge". The aim of this was to identify innovative and sustainable products in the home & garden, energy and building materials sectors that now carry the "Grün gedacht" label and have been enhancing the range offered by the Lagerhaus Cooperatives since March 2022. In order to support the booming Lagerhaus markets with an appropriate logistics infrastructure, RWA has started the construction of an additional store at its Traun facility, which will be operated by fully automatic robots.

Energy

RWA covers a comprehensive range in the energy sector – from photovoltaic plants, via pellets and solid combustibles to fuels, lubricants and heating oil. It supplies not only the Lagerhaus Cooperatives but also corporate clients and private households.

In 2021, RWA Solar Solutions began operating a five-hectare photovoltaic plant in Pöchlarn that supplies electricity to the neighbouring Garant mixed feed facility. In addition to this, the plant is also testing agricultural PV modules, which permit electricity to be generated on land that is also still being used for agricultural purposes. In a pilot project at two filling stations, Genol is offering windscreen cleaner from dispensers that operate like petrol pumps. The advantage for drivers: precise, spillage-free filling and a reduction in plastic waste.



- BayWa Vorarlberg



- Genol
- RWA Solar Solutions
- WAV Wärme Austria



Building Materials

We expect the building materials sector to benefit from the sustained building boom. The range offered by the Lagerhaus Cooperatives, which are comprehensively supported by experts from RWA, is notable for its wide selection of regional materials, reliable logistics and professional construction services.

Home & Garden

In times of uncertainty, our homes and gardens become places of refuge, in which we are happy to invest. These are precisely the areas in which our home & garden centres specialise. They invest in modern and attractive locations with an integrated omnichannel offering. Products developed by Austrian startups enhance this range. All of this leads us to expect that this area of business will develop positively.

Energy

The transformation of the energy supply means that this sector offers enormous development opportunities. As market leader, RWA is benefiting from the growing demand for pellets and wood briquettes as sources of space heating. In the field of photovoltaics, RWA Solar Solutions has realised major industrial reference projects and established itself as a reliable partner with enormous knowhow. This is decisive in a booming sector with countless players, many of whom are little known. Further large PV plants are in the pipeline.

During the course of these past two crisis-ridden years, the RWA Group has demonstrated strength and stability. Even in such difficult circumstances, we have been able to develop successfully in every business segment. This is why we – together with the Lagerhaus Cooperatives – are also looking forward to the challenges of the financial year 2022 with confidence.

DI Reinhard Wolf, CEO

Stefan Mayerhofer, Member of the Executive Board

DI Christoph Metzker, Member of the Executive Board

Korneuburg, 6th April 2022

OUTLOOK

As a corporate group with an extremely diversified range of products and services, RWA Raiffeisen Ware Austria pays very close attention to the general business environment. A number of current trends could have a significant impact on our commercial activities:

Russia's war against Ukraine and all its repercussions demonstrate the vulnerability of Europe's energy and raw materials supplies. Autonomous decisions taken by individual heads of government can lead to swift and uncontrollable increases in the prices of essential goods.

Last year's supply chain problems showed that the combination of close economic integration and optimised processes, which largely eliminate reserves and storage, is susceptible to disruption. A delay in deliveries from just a few players could trigger a domino effect and hit entire sectors, as demonstrated by, for example, semiconductors and computer chips. This problem will accompany us in the coming years.

A sense of insecurity has triggered a debate about shifting away from zero- or low-interest rate policies. This would increase the interest burden

on already heavily indebted public finances and, in turn, lead to political tensions.

Even if, from the medical perspective, the peak of the Covid-19 pandemic is behind us, its consequences will continue to occupy our attention for some time – in terms of not only social division but also the high costs of fighting the pandemic.

The sought-after phasing out of fossil energies and the transition of our entire economic system to one based on emission-free production is a project that will affect every sector in the medium-term and keep us busy for generations. The measures in the fight against climate change demand huge efforts as well as enormous creativity and innovative energy.

Agriculture

We believe that the agricultural sector will generally develop positively, although we expect the market to remain extremely dynamic and volatile. This makes it even more important that we, as the RWA/Lagerhaus Group, safeguard the supply of all agricultural inputs to Austria's farmers, ensure that their products are well marketed and adapt key agricultural innovations for practical use. Through the development of climate-fit seed, a wide range

of organic products and services and numerous digital tools, we support all forms of agricultural production. RWA's takeover at the beginning of this year of Patent Co., the major mixed feed company, which is based in Mišićevo in Serbia, represents a decisive step towards further growth in the core feed and feed additive segments.

Machinery

Following the record year of 2021, business activity is expected to return to more normal levels. Our objective – to optimally meet the agricultural sector's evolving need for large high-performance machines and digital solutions that facilitate the cultivation of ever larger areas – remains unchanged. To achieve this, we pool our knowhow in competence centres. A new area of activity is being opened up by our cooperation with Steyr Automotive. In future, the trucks and transporters of the Upper Austrian manufacturer should be traded, serviced and supplied with spare parts via the Lagerhaus Cooperatives. However, due to the war in Ukraine, the project has been provisionally postponed for six months.



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