Lenzing Aktiengesellschaft

(a stock corporation incorporated under the laws of Austria, registered with the companies register of the regional court of Wels under FN 96499 k)

Offering of 34,756,362 no-par value bearer shares
Offer Price: EUR 8.65 per Offered Share

This prospectus (together with any supplements hereto, the "**Prospectus**") relates to the offering of 34,756,362 no-par value bearer shares (the "**Offered Shares**") of Lenzing Aktiengesellschaft (the "**Company**," together with its consolidated subsidiaries, the "**Group**" or the "**Lenzing Group**") and each such share with full dividend rights as of January 1, 2026. The Offered Shares will be offered for subscription at an offer price of EUR 8.65 per Offered Share (the "**Offer Price**"). The Offered Shares, together with all existing issued no-par value bearer shares of the Company (the "**Existing Shares**"), are referred to in this Prospectus as the "**Shares**" and each, a "**Share**."

The offering (the "**Offering**") consists of (i) a rights offering (the "**Rights Offering**") in which the existing shareholders of the Company (the "**Shareholders**" and each, a "**Shareholder**") who hold Existing Shares, as of 11:59 p.m. Central European Summer Time ("**CEST**") on October 1, 2026, will receive one subscription right (the "**Rights**") for each Existing Share to subscribe on a *pro rata* basis for Offered Shares (each existing Shareholder and holder of Rights will be entitled to subscribe at the Offer Price for 9 Offered Shares for every 10 Rights held (the "**Subscription Ratio**")), and (ii) a subsequent international offering in which Offered Shares in respect of which Rights have not been validly exercised between October 6, 2026 and October 20, 2026 may be offered to institutional investors in private placements (the "**Share Placement**"). The Share Placement is expected to take place on October 20, 2026.

The Offering comprises (a) in respect of the Rights Offering, a public offering in Austria (the "**Public Offering in Austria**"), (b) in respect of the Rights Offering and the Share Placement, private placements in certain jurisdictions outside the United States of America (the "**United States**" or the "**U.S.**"), and Austria in accordance with applicable securities laws and in reliance on Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933 ("**Securities Act**"), and on the basis of exemptions provided by Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended ("**Prospectus Regulation**") in accordance with applicable securities laws, (c) in respect of the Rights Offering and the Share Placement, private placements within the United States to qualified institutional buyers as defined in the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act ("**Rule 144A**"), (d) in respect of the Rights Offering, a private placement in Canada exempt from the requirement that the Company prepare and file a prospectus with the relevant Canadian securities regulatory authorities, and (e) in respect of the Share Placement, private placements in Canada to accredited investors that are permitted clients in the provinces of Alberta, British Columbia, Ontario and Quebec. No action has been or will be taken by the Company that would permit a public offering in any jurisdiction other than Austria or the possession, circulation or distribution of this Prospectus or any other material relating to the Company, the Rights and Offered Shares in any jurisdiction, where action for that purpose is required. The Rights and the Offered Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, resold, delivered, allotted, taken up, transferred or renounced, directly or indirectly, in or into the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, or any other jurisdiction in which it would not be permissible to make an offer of the Rights or the Offered Shares.

This Prospectus also relates to (x) the admission to trading of the Rights and (y) the listing and admission to trading of the Offered Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (the "**Admission to Trading**"). The Offered Shares subscribed for or placed in the Offering will be credited on or about October 23, 2026, against payment of the Offer Price to the accounts of investors through the book-entry facilities of OeKB CSD GmbH, Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme. The Offered Shares will bear the same ISIN as the Existing Shares, which is AT0000644505. The Rights, which bear the ISIN AT0000A3XCR6, will be traded on the Vienna Stock Exchange in the period from (and including) October 6, 2026 to (and including) October 14, 2026.

For a discussion of certain considerations that should be taken into account in deciding whether to purchase or exercise Rights or whether to subscribe for or purchase Offered Shares in the Offering, prospective investors should read the entire document and, in particular, the section headed "*3 Risk Factors*" beginning on page 1. For a description of certain restrictions regarding the exercise of Rights for, and the offering and sale of, Offered Shares, see "19*.2 Selling and Transfer Restrictions*."

For the purpose of the Public Offering in Austria and the Admission to Trading, this Prospectus constitutes a prospectus for the purposes of Article 3 of the Prospectus Regulation. This Prospectus has been prepared in accordance with Annex 15 of the Commission Delegated Regulation (EU) 2019/980 (as amended), the Austrian Capital Markets Act 2019 (as amended) (*Kapitalmarktgesetz 2019*), and the Austrian Stock Exchange Act 2018, as amended (*Börsegesetz 2018*). The key financial information in the summary has been prepared in accordance with the Commission Delegated Regulation (EU) 2019/979. For the purpose of the Public Offering in Austria and the Admission to Trading, this Prospectus has been filed with and approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, "FMA") as a competent authority under the Prospectus Regulation. FMA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. FMA approval should not be considered as an endorsement of Lenzing Aktiengesellschaft as the issuer and the quality of the Offered Shares that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

Joint Global Coordinators

BNP PARIBAS **UniCredit** **COMMERZBANK** **Erste Group**

Joint Bookrunner

Raiffeisen Bank International

The Joint Global Coordinators and the Joint Bookrunner together, the "**Managers**," and each, a "**Manager**."

The date of this Prospectus is October 1, 2026.

The validity of this Prospectus will expire with the beginning of the trading of the Offered Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange, which is expected to occur on or about October 23, 2026, and no obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will apply when this Prospectus is no longer valid.

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1 SUMMARY OF THE PROSPECTUS

1.1 Introduction and warnings

This prospectus (together with any supplements hereto, the "**Prospectus**") relates to the offering (the "**Offering**") of 34,756,362 no-par value bearer shares (the "**Offered Shares**") of Lenzing Aktiengesellschaft (the "**Company**," together with its consolidated subsidiaries, the "**Group**" or the "**Lenzing Group**"), Werkstraße 2, 4860 Lenzing an der Ager, Austria (tel.: +43 7672 701 0; website: www.lenzing.com), legal entity identifier ("**LEI**") 529900BKFJBI0QRDJH63, and each such share with full dividend rights as of January 1, 2026. The Offered Shares, together with all existing issued no-par value bearer shares of the Company (the "**Existing Shares**"), are referred to in this Prospectus as the "**Shares**" and each, a "**Share**."

The International Securities Identification Number ("**ISIN**") of the Offered Shares is AT0000644505.

On October 1, 2026, the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the "**FMA**"), Otto-Wagner-Platz 5, 1090 Vienna, Austria (tel.: +43 1249 59 0; website: www.fma.gv.at), approved this Prospectus as competent authority under Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**"). The FMA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

This summary should be read as an introduction to this Prospectus. Any decision to invest in the Offered Shares or subscription rights (the "**Rights**") should be based on consideration of this Prospectus as a whole by the investor. Investors could lose all or part of their capital invested in the Offered Shares or Rights. The Company assumes sole responsibility for the information contained in this summary and its German translation. The Company has identified environmental issues as a material risk factor in accordance with Article 16 of the Prospectus Regulation. The Company can be held liable only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities. In the event that a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area, be required to bear the costs of translating this Prospectus prior to the commencement of any legal proceedings.

1.2 Information on the issuer

1.2.1 *Who is the Issuer of the Securities?*

Issuer Information

The Company's legal name is "Lenzing Aktiengesellschaft." The Company's commercial name is "Lenzing." The Company is organized as a stock corporation (*Aktiengesellschaft*) under Austrian law. The Company's registered seat is Lenzing an der Ager, Austria. It is registered with the Austrian companies register (*Firmenbuch*), competent court for civil matters Wels (*Landesgericht für Zivilrechtssachen Wels*) (the "**Companies Register**") under FN 96499 k. The Company may be reached at its business address: Werkstraße 2, 4860 Lenzing an der Ager, Austria, by telephone: +43 7672 701 0 or by e-mail under office@lenzing.com. The Company's LEI is 529900BKFJBI0QRDJH63.

Principal Activities

Overview of Lenzing Group's Principal Activities

The Group is one of the leading producers of lyocell and modal fibers and one of the top five producers of viscose fibers (which comprise the three generations of wood-based fibers ("**WBF**")), as measured by both production capacity and volume produced in 2025. The Group is also one of the three leading global producers of WBF overall as measured by both production capacity and volume produced in 2023, 2024 and 2025 (source: the Group's analysis and aggregation of local management feedback on market position and ongoing market developments, adjusted and supplemented where necessary by a combination of publicly available and non-public data). Moreover, with its backward-integrated value chain, the Group produces and sells dissolving wood pulp ("**DWP**"), which is mainly used in the manufacture of WBF, and biorefinery and co-products as well as bio-based energy. Headquartered in Lenzing an der Ager, Austria, the Group has nine production sites in Austria, Brazil, China, the Czech Republic, Indonesia, Thailand, the United Kingdom, and the United States of America (the "**United States**" or the "**U.S.**"), and a global network of sales and planning offices. The Group markets its WBF for the textile and nonwoven industry under its TENCEL™, VEOCEL™, LENZING™ and LENZING™ ECOVERO™ brands.

WBF are used in a wide range of textile and nonwoven products, from casual wear to haute couture, from sportswear as quick-drying, breathable T-shirts with reduced odor based on good moisture management, fleece jackets and shoes to the household in mattresses, pajamas, bed linens, towels, beauty masks and hygienic wipes for babies and skin cleansing, tea bags, coffee pads and other filtering purposes. The Group's offering includes all three WBF generations on the market, namely viscose, modal and lyocell, with products ranging from standard viscose fibers to modal fibers, such as TENCEL™ Modal, and lyocell fibers such as TENCEL™ Lyocell. The DWP required for the Group's production is manufactured primarily in the Group's own plants and supplemented by external purchases.

Combining consistent customer orientation with high standards in quality, innovation and technology, the Group focuses on specialty products and cost-efficient production. In July 2026, the Group announced a fundamental strategic realignment under the priorities "Grow Nonwovens, Reset Textiles", reflecting the Group's assessment that the WBF market has undergone structural, not merely cyclical, change. The Group's strategic realignment rests on four building blocks: (i) transitioning the fiber product portfolio within the Group's segment that produces textile fibers as well as toward less cyclical nonwoven fibers and pulp markets; (ii) reducing the cost base through a sharpened performance program; (iii) reducing capital employed through production footprint optimization and reduction (targeting a reduction from nine global production sites in 2026 to six by 2028); and (iv) investing selectively in key innovations as long-term growth drivers. These four pillars are designed to deliver a more focused, profitable and resilient Group.

The Group recorded revenue of EUR 2,521.2 million, EUR 2,663.9 million and EUR 2,602.4 million in 2023, 2024 and 2025, respectively, and EUR 1,341.1 million and EUR 1,267.5 million in the six months ended June 30, 2025 ("**H1 2025**") and the six

months ended June 30, 2026 ("**H1 2026**"), respectively. The Group recorded net loss of EUR 593.0 million, EUR 138.3 million and EUR 135.2 million in 2023, 2024 and 2025, respectively, and net profit of EUR 15.2 million and EUR 35.6 million in H1 2025 and H1 2026, respectively. The Group's operating result before interest and tax ("**EBIT**") was EUR -476.4 million, EUR 88.5 million and EUR 17.6 million in 2023, 2024 and 2025, respectively, and EUR 109.0 million and EUR 83.7 million in H1 2025 and H1 2026, respectively. The Group's operating result before interest and tax, plus amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets, and depletion of biological assets, impairment charges and before income from the reversal of investment grants ("**EBITDA**") increased 30.4% in 2024, from EUR 303.3 million in 2023 to EUR 395.4 million in 2024, and increased 4.5% to EUR 413.0 million in 2025, and decreased 10.9% in H1 2026, from EUR 268.6 million in H1 2025 to EUR 239.2 million in H1 2026. EBITDA margin was 12.0%, 14.8% and 15.9% in 2023, 2024 and 2025, respectively, and 20.0% and 18.9% in H1 2025 and H1 2026, respectively.

Major Shareholders

As of the date of this Prospectus, B&C Privatstiftung (the "**B&C Private Foundation**") directly and indirectly through its wholly-owned subsidiaries (together, the "**B&C Group**"), holds an aggregate investment of approximately 37.25% in the share capital of the Company. The direct major shareholders of the Company are B&C KB Holding GmbH, B&C Private Foundation and B&C Ares Holding GmbH, which respectively hold investments of 25.00% plus two Shares, 10.00% and approximately 2.25%. The indirect largest shareholder of the Company, which prepares and publishes consolidated financial statements that include the Group, is B&C Holding Österreich GmbH. The ultimate shareholder of the B&C Group, and therefore also of the Company, is the B&C Private Foundation, located in Vienna, Austria. Suzano S.A. holds approximately 15.00% of the share capital of the Company. In August 2024, Suzano S.A. acquired a 15.00% minority stake through its 100% subsidiary Suzano International Trade GmbH ("**Suzano International Trade**") in the Company and entered into a shareholders' agreement providing for board representation and the optional right to acquire an additional stake of up to 15.00% by the end of 2028, subject to the Austrian Takeover Act. B&C Private Foundation, B&C KB Holding GmbH, B&C Ares Holding GmbH and B&C Zeta Zweite Holding GmbH ("**B&C Zeta**"), a direct wholly owned subsidiary of B&C Privatstiftung (B&C Zeta together with the other B&C entities, the "**B&C Entities**"), as well as Suzano S.A. through Suzano International Trade (the B&C Entities and Suzano International Trade together, the "**Syndicate**") have undertaken to subscribe for Offered Shares by exercising all of the Rights granted to the Syndicate in the rights offering (the "**Rights Offering**"), whereby Suzano S.A. through Suzano International Trade has agreed to sell to B&C Zeta Rights to subscribe for 1,757,754 Offered Shares, equivalent to 2.40% of the share capital in the Company after completion of the Offering (the "**Partial Suzano Subscription Rights Transfer**") and B&C Zeta has undertaken to exercise such Rights. Suzano S.A. through Suzano International Trade will invest a total of approximately EUR 22.5 million of new capital in the Rights Offering. Additionally, Oberbank AG has undertaken to subscribe for Offered Shares by exercising all of the Rights granted to it in the Rights Offering. The subscriptions by the Syndicate and Oberbank AG shall be made on identical terms and conditions as other investors in the Rights Offering. Following completion of the Offering, B&C Private Foundation will indirectly hold approximately 39.64% and Suzano S.A. will indirectly hold approximately 12.60% in the share capital of the Company. Accordingly, B&C Private Foundation and Suzano S.A. will continue to indirectly be the major shareholders of the Company. Furthermore, the Syndicate and Oberbank AG, respectively, have entered into a customary six-month lock-up with respect to the shares of the Company held by them, including Offered Shares subscribed by them in the Offering, subject to customary exceptions and with an exception for any transfers by the B&C Entities of up to 1,757,754 shares in the Company in the aggregate (equivalent to the number of shares subscribed for by B&C Zeta based on the exercise of Rights acquired in connection with the Partial Suzano Subscription Rights Transfer), provided that the combined shareholding of Suzano International Trade and the B&C Entities does not fall below 50.00% of the share capital of the Company plus one share.

As of the date of this Prospectus, Nationale-Nederlanden Levensverzekering Maatschappij N.V, Nationale-Nederlanden Schadeverzekering Maatschappij N.V, and NN Re (Netherlands) N.V. (together, the "**NN Shareholders**") (represented by Goldman Sachs Asset Management B.V. as investment manager) hold 6.20% of the shares of the Company. The Company has been informed that, prior to the start of the Rights Exercise Period, Existing Shares of the Company currently held by the NN Shareholders are intended to be sold in a private placement on an ex-rights basis with the Joint Global Coordinators acting as placement agents with a view to generating aggregate net proceeds of approximately EUR 18 million. According to information the Company has received, the take-up of the Rights to be granted to the NN Shareholders is conditional upon a successful completion of the private placement. Launch and pricing of the private placement will be determined at the sole discretion of the NN Shareholders. The net proceeds from this private placement will be used to fund the take-up of the Rights to be granted to the NN Shareholders. This Prospectus relates solely to the Rights Offering described herein, the intended private placement by the NN Shareholders described in this paragraph does not form part of its subject matter.

Key Managing Directors

The Company's management board (*Vorstand*, "**Management Board**") consists of Georg Kasperkovitz as chief executive officer (CEO, *Vorstandsvorsitzender*), Mathias Breuer as chief financial officer (CFO) and Christian Skilich as Chief Pulp Officer (CPO) and Chief Technology Officer (CTO).

Statutory Auditors

For the financial years ended December 31, 2023, 2024 and 2025, KPMG Austria GmbH Wirtschaftsprüfungs und Steuerberatungsgesellschaft, Linz, Austria, was appointed as auditor of the Company.

EU Taxonomy Regulation

The information on Taxonomy-eligible activities under Articles 3 and 9 of Regulation (EU) 2020/852 for the financial years 2023, 2024 and 2025 covers only a very small portion of the Company's activities.

1.2.2 *What is the key financial information regarding the issuer?*

Where financial information in the tables in this summary is labeled "audited", this means that it has been taken from the Group's audited consolidated financial statements as of and for the years ended December 31, 2025 and 2024. The label "unaudited" is used

in the tables in this summary to indicate financial information that has not been taken but derived from the Group's audited consolidated financial statements as of and for the years ended December 31, 2025 and 2024, or has been taken or derived either from the Group's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2026 or the accounting records or the internal management reporting systems of the Company or has been calculated based on figures from the aforementioned sources.

Summary Key Financial Information from the Consolidated Income Statements of Lenzing Group

	For the six months ended June 30,		For the years ended December 31,		
	2026	2025	2025	2024	2023
	(unaudited)		*(audited, unless otherwise indicated)*		
	(in EUR millions, unless otherwise indicated)				
Revenue	1,267.5	1,341.1	2,602.4	2,663.9	2,521.2
EBIT	83.7	109.0	17.6	88.5	(476.4)
Net profit/loss for the year/period	35.6	15.2	(135.2)	(138.3)	(593.0)
Period-on-period revenue growth in %[1]	(5.5)	2.3	(2.3)	5.7	(1.7)
Earnings per share in EUR	(0.09)	(0.90)	(5.45)	(4.06)	(20.02)

(1) Unaudited.

Summary Key Financial Information from the Consolidated Balance Sheet of Lenzing Group

	As of June 30,	As of December 31,		
	2026	2025	2024	2023
	(unaudited)	*(audited)*		
	(in EUR millions)			
Total assets	4,612.7	4,609.4	4,976.8	5,214.6
Total equity	1,323.9	1,305.3	1,652.0	1,742.2

Summary Key Financial Information from the Consolidated Statement of Cash Flows of Lenzing Group

	For the six months ended June 30,		For the years ended December 31,		
	2026	2025	2025	2024[1] (adjusted)	2023[2]
	(unaudited)			*(audited)*	
	(in EUR millions)				
Cash flows from operating activities	160.4	150.1	419.7	395.0	160.3
Cash flows from investing activities	(61.0)	(65.5)	(146.9)	(152.1)	(291.5)
Cash flows from financing activities	(193.6)	247.9	(16.4)	(535.4)	421.1
Cash and cash equivalents at end of period	592.4	750.5	675.0	442.3	725.6

(1) In order to enhance the transparency of information on the Group's financial position, the consolidated statement of cash flows has been presented in a new format since the second quarter of 2025. The comparative information was adjusted retroactively in accordance with IAS 8. See Note 2 to the Group's audited consolidated financial statements as of and for the year ended December 31, 2025. The Group's consolidated statement of cash flows for 2024 has been derived from the restated prior year figures included in the Group's audited consolidated financial statements as of and for the year ended December 31, 2025.

(2) The Group's consolidated statement of cash flows for 2023 has been derived from the prior year figures included in the Group's audited consolidated financial statements as of and for the year ended December 31, 2024 and therefore does not reflect the new format adopted by the Group since the second quarter of 2025. The information on the Group's consolidated statement of cash flows for 2023 is therefore not directly comparable to the other indicated periods.

Summary Key Alternative Performance Measures[1]

	As of and for the six months ended June 30,		As of and for the years ended December 31,		
	2026	2025	2025	2024	2023
	(unaudited)		*(audited, unless otherwise indicated)*		
	(in EUR millions, unless otherwise indicated)				
EBITDA[2]	239.2	268.6	413.0	395.4	303.3
Free cash flow[3][4]	45.8	43.1	173.9	169.4[7]	(122.8)[8]
Net financial debt[5]	1,363.3	—	1,350.1	1,532.5	1,562.6
Trading working capital[4][6]	460.0	—	453.4	578.0	551.1

(1) The financial measures in this section 1.2.2 are Alternative Performance Measures and should not be viewed as an alternative to the equivalent financial measure under IFRS Accounting Standards ("**IFRS**"), as adopted by the European Union.

(2) EBITDA is defined as the Group's EBIT, plus amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets, and depletion of biological assets, impairment charges and before income from the reversal of investment grants.

(3) For H1 2026, H1 2025, 2025 and 2024 (adjusted), free cash flow is defined as the Group's cash flow from operating activities less acquisition of intangible assets, property, plant and equipment, and biological assets plus proceeds from the sale of intangible assets, property, plant and equipment, and biological assets plus investment grants plus distributions received from investments accounted for using the equity method plus interest received less interest paid (adjusted for interest expense for leases in accordance with IFRS 16). For 2023, free cash flow is defined as the Group's cash flow from operating activities less cash flow from investing activities and net cash inflow from the sale and disposal of subsidiaries and other business areas plus acquisition of financial assets and investments accounted for using the equity method less proceeds from the sale/repayment of financial assets.

(4) Unaudited.

(5) Net financial debt is defined as the Group's interest-bearing financial liabilities (*i.e.*, non-current and current loans and borrowings) less lease liabilities less liquid assets (*i.e.*, cash and cash equivalents plus liquid bills of exchange).

(6) Trading working capital is defined as the Group's inventories plus trade receivables less trade payables.

(7) Since the second quarter of 2025, investment grants previously reported in cash flow from financing activities have been allocated to cash flow from investing activities. As a result, investment grants are included in the calculation of free cash flow, which has led to a retroactive adjustment of EUR 2.4 million for the comparative period. The Group's free cash flow for 2024 has been derived from the restated prior year figure included in the Group's audited consolidated financial statements as of and for the year ended December 31, 2025.

(8) The Group's free cash flow for 2023 has been derived from the prior year figure included in the Group's audited consolidated financial statements as of and for the year ended December 31, 2024 and therefore does not reflect the new free cash flow format adopted by the Group since the second quarter of 2025. The Group's free cash flow for 2023 is therefore not directly comparable to the Group's free cash flow for the other indicated periods.

1.2.3 *What are the key risks that are specific to the issuer?*

An investment in the Offered Shares or Rights is subject to a number of risks, some of which are presented in this section and under section "*1.3.3 What are the Key Risks that are specific to the Securities?*" of this summary. The occurrence of any of the following or other risks, individually or together with other circumstances and uncertainties currently unknown to the Company or that the Company might currently deem immaterial, could materially adversely affect the Group's business, financial position, results of operations and prospects. If any of these risks were to materialize, investors could lose all or part of their investments.

The following risks are key risks specific to the Company:

- The Group's industry is characterized by fluctuations in demand for, and prices of, wood-based as well as cotton and synthetic fibers, and a sustained period of weak demand or excess supply could adversely affect prices for the Group's products, which in turn could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.
- Geopolitical conflicts, including the Russia-Ukraine conflict, conflicts in the Middle East, including the Iran conflict, escalating protectionist trade measures including U.S. tariff policy, and other macro developments have had, and may continue to have, adverse impacts on the global economy, the global capital markets, international trade, supply chains, energy prices and supplies and the price and availability of raw materials, any of which could materially negatively impact the Group's operations.
- The Group's business, which depends on the timely availability of raw materials and energy at reasonable prices is currently facing, and may continue to face, delays, shortages and price volatility as a result of global supply chain disruptions (especially caused by the Russia-Ukraine conflict and conflicts in the Middle East, including the Iran conflict) which could materially negatively impact the Group's operations.
- The Group has a high level of financial debt due to significant borrowings and other financial liabilities, the amount and terms of which limit its financial and operational flexibility, including its ability to refinance indebtedness and pay dividends. If the Group is unable to comply with the financial and other restrictive covenants in its financing agreements, or does not complete or receive the proceeds from the Offering and/or is unable to obtain adequate financing in the future for the purpose of refinancing its existing indebtedness, there could be a default or event of default under such financing agreements.
- The Group's future success is dependent on the successful execution of its business strategy, including its strategic realignment announced in July 2026 under the priorities "Grow Nonwovens, Reset Textiles". This strategic realignment represents a fundamental repositioning of the Group's business and is subject to numerous execution risks. The market assumptions underlying the strategic realignment may also fail to materialize. Any failure by the Group to successfully execute its business strategy could have a material adverse effect on its business, results of operations, financial condition and prospects.
- The Group may fail to achieve the targeted benefits from current or future operational performance improvements, including cost-saving measures. These operational performance and cost-saving measures, or components thereof, may not deliver the intended benefits within the time frame that the Group targets, or may deliver them only partly or with a delay. If the targeted operational performance and cost-saving measures are not fully realized or achieved within the intended time frames, this could have a material adverse effect on the Group's profit margins and more generally on its business, results of operations, financial condition and prospects.
- The so-called "cellulose gap" that assumes an increase in the global demand for fibers in the future and the growth of the wood-based fibers industry expected as a result thereof may not materialize to the extent and in the timeframe that the Group expects it to materialize, or at all, and the predicted growth of the fibers industry that the Group operates in may also not materialize.
- General inflationary pressures, including on labor costs, and the effects of rising interest rates, have negatively impacted, and could continue to negatively impact, the Group's business and results of operations, including through their effect on consumer demand.
- The Group's production facilities are exposed to weather, operational and accident risks which may result from factors beyond the Group's control, including for example climate change, natural disasters, meteorological events, explosions, the release of toxic or hazardous substances or equipment malfunctions, and such events could delay or disrupt the Group's operations, result in substantial property damage, business interruption losses, environmental liabilities, personal injury claims, regulatory actions or civil and criminal penalties.
- The Group relies on medium- to long-term requirement contracts for a material amount of the dissolving wood pulp it needs to manufacture its products and the Group may be unable to modify price, quantity or other terms of its contracts to reflect changing business conditions, which in turn could make the contracts commercially unattractive for the Group under then-current business conditions.
- The raw materials and services that the Group requires to produce wood-based fibers may be difficult to obtain and the Group relies on a limited number of key suppliers, some of which are struggling to meet demand due to supply chain disruptions, and any resulting consequences could materially negatively impact the Group's ability to operate.
- The Group is subject to risks related to its international operations and sales markets, including political and economic instability, local legal and tax requirements, foreign exchange rate fluctuations and measures restricting market access, including tariffs and logistical challenges, any of which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.
- The Group is exposed to risks related to laws and regulations applicable to its manufacturing operations, including environmental, health and safety laws and regulations. Non-compliance with such regulations could result in regulatory proceedings, substantial fines and significant damage to the Group's reputation.

1.3 Information on the securities

1.3.1 *What are the main features of the securities?*

Type, Class

The Offered Shares will be newly issued no-par value bearer shares with full dividend rights as from January 1, 2026, with the ISIN: AT0000644505; Stock Exchange Symbol: LNZ. The Rights have the ISIN: AT0000A3XCR6; Stock Exchange Symbol:

LNZB. The Offered Shares will be issued based on a capital increase resolved on by the extraordinary general meeting of August 25, 2026 to increase the Company's share capital by up to EUR 300,000,000 by issuing up to 288,739,172 no-par value bearer shares with indirect subscription rights by the existing shareholders of the Company (the "**Shareholders**" and each, a "**Shareholder**") against cash contribution (the "**Capital Increase**").

Number of Securities/Par Value/Currency

As of the date of this Prospectus, the share capital of the Company amounts to EUR 40,107,738.37 divided into 38,618,180 Existing Shares issued as no-par value bearer shares. All Shares of the Company are fully paid. The Offered Shares are offered in EUR. The Existing Shares are traded in EUR on the Vienna Stock Exchange.

Rights attached/Seniority/Free Transferability

Each Share carries one vote at the Company's shareholders' meetings (the "**Shareholders' Meeting**"). There are no restrictions on voting rights. In the event of the Company's liquidation, Shareholders are entitled to any remaining liquidation surplus in proportion to their shareholding after deduction of the Company's liabilities. The Shares are freely transferable in accordance with the legal requirements for bearer shares (*Inhaberaktien*) under the Austrian Stock Corporation Act (*Aktiengesetz*) and the Company's articles of association (*Satzung*). There are no restrictions on the transferability of the Shares other than certain lock-up agreements entered into between the Company, the Syndicate, Oberbank AG and the Managers (as defined under section "*1.4.3 Why is this Prospectus being produced?*" of this summary).

Dividend Policy

On April 11, 2024, the Management Board announced the suspension of the dividend policy to pay a yearly dividend of at least EUR 4.50 for an unlimited period of time. The dividend policy is still suspended. Past dividends are not an indication of future dividends to be paid by the Company. Going forward, dividends may not be paid or, if paid, they may not correspond to the Company's relevant dividend policy.

The amount of any future dividends on the Company's shares will be proposed by the Management Board and the Supervisory Board (the "**Supervisory Board**") and resolved on by the Shareholders' Meeting, without the Shareholders' Meeting being bound by the proposal of the Supervisory Board and the Management Board. A dividend distribution decided upon by the Shareholders' Meeting will fall due five banking days after the decision is made by the Shareholders' Meeting, unless it makes a decision to the contrary. Any future determination to pay dividends will be made in accordance with applicable laws, and will depend upon, among other factors, the Company's results of operations, financial condition, contractual restrictions and capital requirements. The Company's ability to pay dividends is currently, and may continue to be, limited by the terms of any existing and future debt or preferred instruments or securities.

1.3.2 *Where will the securities be traded?*

The Rights and Offered Shares are expected to be traded on the Official Market *(Amtlicher Handel)* of the Vienna Stock Exchange, which is a regulated market pursuant to EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**").

1.3.3 *What are the key risks that are specific to the Securities?*

The following are key risks specific to the Offered Shares:

- The Company's major shareholders may exercise significant influence over the Group and their interests may be inconsistent with the interests of other shareholders.
- A trading market for the Rights may not develop and, if a market does develop, the Rights may be subject to greater volatility than the Shares.

1.4 Information on the Offer of Securities to the Public and the Admission to Trading on a Regulated Market

1.4.1 *Under which conditions and timetable can I invest in this security?*

Offer Conditions

The Offered Shares will be offered for subscription at an offer price of EUR 8.65 per Offered Share (the "**Offer Price**").

The Offering consists of (i) the Rights Offering in which the Shareholders who hold Existing Shares, as of 11:59 p.m. Central European Summer Time ("**CEST**") on October 1, 2026, will receive one Right for each Existing Share to subscribe on a *pro rata* basis for Offered Shares (each existing Shareholder and holder of Rights will be entitled to subscribe at the Offer Price for 9 Offered Shares for every 10 Rights held (the "**Subscription Ratio**")), and (ii) a subsequent international offering in which Offered Shares in respect of which Rights have not been validly exercised between October 6, 2026 and October 20, 2026 (the "**Rights Exercise Period**") may be offered to institutional investors in private placements (the "**Share Placement**"). The Share Placement is expected to take place on October 20, 2026. The Offered Shares subscribed for or placed in the Offering will be credited on or about October 23, 2026, against payment of the Offer Price to the accounts of investors through the book-entry facilities of OeKB CSD GmbH, Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme. All Offered Shares will bear the same ISIN as the Existing Shares, which is AT0000644505. The Rights, which bear the ISIN AT0000A3XCR6, will be traded on the Vienna Stock Exchange in the period from (and including) October 6, 2026 to (and including) October 14, 2026.

The Management Board determined the Offer Price and the Subscription Ratio. The Rights Offering will grant the Shareholders the right to purchase the Offered Shares from (and including) October 6, 2026 to (and including) October 20, 2026 at the Offer Price, subject to the terms and conditions set out in this Prospectus. Rights which have not been validly exercised during the Rights Exercise Period (including exercised Rights in excess of the nearest integral multiple of the Subscription Ratio) will expire and become null and void without compensation. Each exercise of Rights will be effective at the Offer Price and is irrevocable and may not be canceled, modified, rescinded or withdrawn. Offered Shares for which Rights have not been validly exercised during the Rights Exercise Period ("**Rump Shares**") will be available for sale in the Share Placement. If the number of Rump Shares is too small for a Share Placement, the Joint Global Coordinators (as defined under section "*1.4.3 Why is this Prospectus being produced?*" of this summary) may decide, in their sole discretion, not to conduct a Share Placement and instead opt to sell any

remaining Offered Shares over a stock exchange or over the counter (OTC, *i.e.*, outside stock exchange trading). The Management Board with approval of a special committee appointed by the Supervisory Board (the "**Special Committee**") determined the placement price of the Rump Shares in the Share Placement to be at least the Offer Price. Holders of Rights must exercise their Rights according to the instructions of their depositary banks, custodians or other financial intermediaries. Holders of Rights are advised to inform themselves about the deadline for exercising their Rights imposed by the subscription agent, Erste Group Bank AG, as well as their depositary bank, custodian or other financial intermediary through which they hold their Rights. In connection with the Rights Offering, the subscription rights of Shareholders for the Offered Shares are expected to be traded on the Vienna Stock Exchange in a daily auction during the period from (and including) October 6, 2026 up to (and including) October 14, 2026 (the "**Rights Trading Period**"). The Company, together with the Managers (as defined under section "*1.4.3 Why is this Prospectus being produced?*" of this summary), reserves the right to extend the Rights Exercise Period or terminate the Rights Offering under certain circumstances. The market price of the Rights takes into account the Subscription Ratio and is determined by the development of the price of the Shares but may be subject to stronger fluctuation than the Share price and may deviate substantially from the theoretical price of Rights based on the price of the Shares based on the market demand for Rights. The final price of the Rump Shares is expected to be determined by the Management Board with the approval of the Special Committee on or about October 21, 2026 upon completion of the Share Placement. The trading of the Offered Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange is expected to commence on or about October 23, 2026.

Scope of the Offering

The Offering comprises (a) in respect of the Rights Offering, a public offering in Austria (the "**Public Offering in Austria**"), (b) in respect of the Rights Offering and the Share Placement, private placements in certain jurisdictions outside the United States and Austria in accordance with applicable securities laws and in reliance on Regulation S under the U.S. Securities Act of 1933 (the "**Securities Act**"), and on the basis of exemptions provided by the Prospectus Regulation in accordance with applicable securities laws, (c) in respect of the Rights Offering and the Share Placement, private placements within the United States to qualified institutional buyers as defined in the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act, (d) in respect of the Rights Offering, a private placement in Canada exempt from the requirement that the Company prepare and file a prospectus with the relevant Canadian securities regulatory authorities, and (e) in respect of the Share Placement, private placements in Canada to accredited investors that are permitted clients in the provinces of Alberta, British Columbia, Ontario and Quebec. This Prospectus also relates to (x) the admission to trading of the Rights and (y) the listing and admission to trading of the Offered Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (the "**Admission to Trading**"). The Rights and the Offered Shares have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

Timetable of the Offering

The following is the expected timetable of the Offering, which may be subject to changes:

October 1, 2026	Approval of this Prospectus by FMA Publication of this Prospectus on the Company's website
October 1, 2026, 11:59 p.m. CEST.....	Record time at which Shareholders must hold Existing Shares to be entitled to receive Rights
October 2, 2026	Publication of the Rights Offering in the electronic announcement and information platform of the federal government (*evi.gv.at – elektronische Verlautbarungs- und Informationsplattform des Bundes*)
October 2, 2026	"Ex-Rights" trading of Shares
October 6, 2026	Rights booked onto existing Shareholders' accounts Commencement of the Rights Exercise Period Commencement of the Rights Trading Period
October 13, 2026	Guaranteed Participation Day
October 14, 2026	End of the Rights Trading Period
October 15, 2026	Buyer Protection Deadline
October 20, 2026	End of the Rights Exercise Period
On or about October 20, 2026	Announcement of the preliminary final results of the Rights Offering Share Placement
October 21, 2026	Allocation of the Offered Shares in the Share Placement Trade date
On or about October 22, 2026	Registration of the consummation (*Durchführung*) of the Capital Increase in the Companies Register
On or about October 23, 2026	Commencement of trading of the Offered Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange Book-entry delivery of the Offered Shares subscribed for during the Rights Exercise Period pursuant to the Rights Offering or purchased within the Share Placement

Dilution

If a Shareholder does not exercise any of its Rights, such Shareholder's percentage ownership in the Company's share capital and its voting rights will be diluted by approximately 47.37%. As a result of the Offering, the net book value of the shareholders' equity per Share will decrease by EUR 12.87 or 36.27% for an Existing Share as the adjusted net book value of the shareholders' equity

per Share (taking the Capital Increase into account) will fall short of the net book value of the shareholders' equity per Share prior to the Capital Increase by this amount or this percentage.

Total Expenses/Expenses Charged to Investors

The Company expects to incur estimated total expenses in connection with the Offering (including management, underwriting and selling commissions as well as other Offering-related expenses) in an aggregate amount of approximately EUR 11.6 million.

None of the expenses incurred by the Company or the Managers (as defined under section "*1.4.3 Why is this Prospectus being produced?*" of this summary) will be charged to investors; however, investors will themselves be required to bear the fees charged by their depositary bank for the purchase and holding of securities.

1.4.2 *Who is the offeror and/or the person asking for admission to trading?*

The Public Offering in Austria will be made by the Company. The Company will apply for the listing and admission to trading of the Offered Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange.

1.4.3 *Why is this Prospectus being produced?*

Reasons for the Offering and the Admission to Trading/total Net Amounts of the Proceeds

The Company intends to use the net proceeds totaling approximately EUR 289.0 million to:

(1) Provide the Group with additional financial flexibility to execute its "Grow Nonwovens, Reset Textiles" strategic realignment, including expanding its nonwovens production capacity to better serve its customers (*inter alia* through aggregate investments of approximately EUR 60 million related to production volume relocations and optimizations), while growing premium niche segments such as modal and flame-retardant fibers within its textiles business. The Offering is further intended to support the Group's planned consolidation of its production footprint, including the phase-out of production at its Heiligenkreuz, Austria site by the end of the first quarter of 2027 and its Grimsby, United Kingdom site by the end of 2027, and to strengthen the Group's core manufacturing network, including its main production site in Lenzing, Austria. The Group estimates it will utilize approximately EUR 65 million of the net proceeds for one-off costs associated with this consolidation and strategy implementation. The net proceeds are also intended to provide the Group with additional headroom to continue investing in its innovation pipeline.

(2) Strengthen the Group's financial structure and extend the maturity profile of significant portions of the Group's indebtedness to 2030. The Group intends to use less than half of the net proceeds for the repayment of existing debt maturing within the next 12 months.

(3) Fund general corporate purposes.

Placement Agreement

The Offering is based on the placement agreement between the Company and BNP PARIBAS, with its registered office at 16, boulevard des Italiens, 75009 Paris, France, LEI: R0MUWSFPU8MPRO8K5P83 ("**BNP PARIBAS**"), UniCredit Bank GmbH, with its registered office at Arabellastraße 12, 81925 Munich, Germany, LEI: 2ZCNRR8UK83OBTEK2170 ("**UniCredit Bank GmbH**"), COMMERZBANK Aktiengesellschaft, with its registered office at Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Germany, LEI: 851WYGNLUQLFZBSYGB56 ("**COMMERZBANK**"), Erste Group Bank AG, with its registered office at Am Belvedere 1, 1100 Vienna, Austria, LEI: PQOH26KWDF7CG10L6792 ("**Erste Group**" and together with BNP PARIBAS, UniCredit Bank GmbH and COMMERZBANK, the "**Joint Global Coordinators**"), Raiffeisen Bank International AG, with its registered office at Am Stadtpark 9, 1030 Vienna, Austria, LEI: 9ZHRYM6F437SQJ6OUG95 ("**Raiffeisen Bank International**" or the "**Joint Bookrunner**" and together with the Joint Global Coordinators, the "**Managers**"), dated October 1, 2026 (the "**Placement Agreement**") in which the Managers agreed, severally and not jointly, to underwrite the Offered Shares subject to the terms and conditions of the Placement Agreement in proportion to each Manager's respective underwriting commitment. The Offering is subject to, among other things, registration of the consummation (*Durchführung*) of the Capital Increase in the Companies Register, which is expected to occur on or about October 22, 2026.

Material Conflicts of Interest pertaining to the Offer

The Managers entered into the Placement Agreement with the Company in connection with the Offering and Admission to Trading. Upon completion of the Offering and Admission to Trading, the Managers will receive a commission, the amount of which depends on the success of the Offering.

The Managers or their affiliates or persons acting on their behalf are engaged in securities trading and brokerage activities, as well as providing investment banking, asset management, financing, and financial advisory services and other commercial and investment banking products and services to a wide range of corporations and individuals. Accordingly, the Managers and their affiliates or persons acting on their behalf may in the future face conflicts of interest with the Shareholders. In connection with the Offering of the Shares, each of the Managers and any of their respective affiliates or persons acting on their behalf may take up a portion of the Shares in the Offering as a principal position and in that capacity may retain, purchase or sell for its own account such securities and any Shares or related investments and may offer or sell such Shares or other investments otherwise than in connection with the Offering.

The Managers or their affiliates or persons acting on their behalf currently have, and may from time to time enter into, business relationships with companies of the Group or perform services on their behalf as part of their normal course of business, including such relating to the execution of hedging strategies, cash management services, foreign exchange facilities, as well as lending activities and other ordinary course banking activities.

Certain of the Managers and/or their affiliates also act in various capacities under certain of the Group's financing arrangements, including, among others, as mandated lead arrangers, bookrunners, coordinators, agent, security agent and documentation agent in connection with the amendment and restatement of the senior facilities agreement of May 2025 which was signed on September 14, 2026.

Several members of the Management Board and the Supervisory Board of the Company hold Existing Shares of the Company and therefore have a personal interest in the performance of the price of the Shares.

2 ZUSAMMENFASSUNG DES PROSPEKTS (GERMAN TRANSLATION OF THE SUMMARY OF THE PROSPECTUS)

2.1 Einleitung und Warnhinweise

Dieser Prospekt (zusammen mit etwaigen Nachträgen hierzu, der „**Prospekt**“) bezieht sich auf das Angebot (das „**Angebot**“) von 34.756.362 auf den Inhaber lautenden Stückaktien (die „**Angebotenen Aktien**“) der Lenzing Aktiengesellschaft (die „**Gesellschaft**“, gemeinsam mit ihren konsolidierten Tochterunternehmen die „**Gruppe**“ oder der „**Lenzing-Konzern**“), Werkstraße 2, 4860 Lenzing an der Ager, Österreich (Tel.: +43 7672 701 0; Webseite: www.lenzing.com), Rechtsträgerkennung (*Legal Entity Identifier*—„**LEI**“) 529900BKFJBI0QRDJH63, wobei jede Angebotene Aktie ab dem 1. Januar 2026 voll gewinnberechtigt ist. Die Angebotenen Aktien werden zusammen mit sämtlichen bereits ausgegebenen auf den Inhaber lautenden Stückaktien der Gesellschaft (die „**Altaktien**“) in diesem Prospekt als die „**Aktien**“ und jeweils einzeln als eine „**Aktie**“ bezeichnet.

Die internationale Wertpapierkennnummer (*International Securities Identification Number*, „**ISIN**“) der Angebotenen Aktien lautet AT0000644505.

Am 1. Oktober 2026 wurde dieser Prospekt von der österreichischen Finanzmarktaufsichtsbehörde (die „**FMA**“), Otto-Wagner-Platz 5, 1090 Wien, Österreich (Tel.: +43 1249 59 0; Webseite: www.fma.gv.at), als zuständiger Behörde im Sinne der Verordnung (EU) 2017/1129 über den Prospekt, der beim öffentlichen Angebot von Wertpapieren oder bei deren Zulassung zum Handel an einem geregelten Markt zu veröffentlichen ist und zur Aufhebung der Richtlinie 2003/71/EG in der geltenden Fassung („**Prospektverordnung**“) gebilligt. Die FMA billigt diesen Prospekt nur dahingehend, dass er den von der Prospektverordnung vorgesehenen Standards der Vollständigkeit, Verständlichkeit und Kohärenz entspricht.

Diese Zusammenfassung sollte als Einführung zu diesem Prospekt gelesen werden. Jede Entscheidung, in die Angebotenen Aktien oder Bezugsrechte (die „**Bezugsrechte**“) zu investieren, sollte durch den Anleger auf Basis des gesamten Prospekts gefällt werden. Investoren könnten in die Angebotenen Aktien oder Bezugsrechte investiertes Kapital ganz oder teilweise verlieren. Die Gesellschaft übernimmt die alleinige Verantwortung für die in dieser Zusammenfassung enthaltenen Informationen einschließlich der deutschen Übersetzung. Die Gesellschaft hat Umweltfragen gemäß Artikel 16 der Prospektverordnung als wesentlichen Risikofaktor identifiziert. Die Gesellschaft kann nur haftbar gemacht werden, falls die Zusammenfassung, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist, oder falls sie, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, nicht die wesentlichen Informationen enthält, die für Anleger bei einer Anlage in die Wertpapiere eine Entscheidungshilfe darstellen würden. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der klagende Anleger nach dem nationalen Recht der Staaten des Europäischen Wirtschaftsraums die Kosten für die Übersetzung dieses Prospekts vor Prozessbeginn zu tragen haben.

2.2 Informationen über die Emittentin

2.2.1 *Wer ist die Emittentin der Wertpapiere?*

Emittentenbezogene Informationen

Die juristische Bezeichnung der Gesellschaft lautet „Lenzing Aktiengesellschaft“. Die kommerzielle Bezeichnung der Gesellschaft ist „Lenzing“. Die Gesellschaft ist eine nach österreichischem Recht bestehende Aktiengesellschaft. Die Gesellschaft hat ihren eingetragenen Sitz in Lenzing an der Ager, Österreich. Sie ist im Firmenbuch, zuständiges Landesgericht für Zivilrechtssachen Wels, (das „**Firmenbuch**“) unter FN 96499 k eingetragen. Die Gesellschaft ist unter ihrer Geschäftsadresse Werkstraße 2, 4860 Lenzing an der Ager, Österreich, telefonisch unter +43 7672 701 0 oder per E-Mail unter office@lenzing.com erreichbar. Die LEI der Gesellschaft lautet 529900BKFJBI0QRDJH63.

Haupttätigkeiten

Überblick über die Haupttätigkeiten des Lenzing-Konzerns

Die Gruppe ist einer der führenden Hersteller von Lyocell- und Modalfasern und einer der fünf führenden Hersteller von Viskosefasern (die die drei Generationen der holzbasierten Fasern („**WBF**“) umfassen), gemessen sowohl an der Produktionskapazität als auch an der Produktionsmenge im Jahr 2025. Die Gruppe ist auch einer der drei weltweit führenden Hersteller von WBF, gemessen an Produktionskapazität und Produktionsmenge in den Jahren 2023, 2024 und 2025 (Quelle: Analyse der Gruppe und Zusammenfassung der Rückmeldungen des lokalen Managements über die Marktposition und die laufenden Marktentwicklungen, gegebenenfalls angepasst und ergänzt durch eine Kombination aus öffentlich zugänglichen und nicht-öffentlichen Daten). Darüber hinaus produziert und verkauft die Gruppe mit ihrer rückwärtsintegrierten Wertschöpfungskette auch Zellstoff aus Holz („**DWP**“), der hauptsächlich für die Herstellung von WBF verwendet wird, sowie Bioraffinerie- und Kuppelprodukte und biobasierte Energie. Die Gruppe hat ihren Hauptsitz in Lenzing an der Ager, Österreich, und verfügt über neun Produktionsstätten in Österreich, Brasilien, China, in der Tschechischen Republik, Indonesien, Thailand, in dem Vereinigten Königreich, und in den Vereinigten Staaten von Amerika (die „**Vereinigten Staaten**“ bzw. die „**U.S.A.**“) und ein globales Netzwerk von Vertriebs- und Planungsbüros. Die Gruppe vertreibt ihre WBF für die Textil- und Vliesstoffindustrie unter den Marken TENCEL™, VEOCEL™, LENZING™ und LENZING™ ECOVERO™.

WBF werden in einer breiten Palette von Textil- und Vliesstoffprodukten eingesetzt, von Freizeitkleidung bis Haute Couture, von Sportbekleidung als schnell trocknende, atmungsaktive T-Shirts mit reduzierter Geruchsbildung aufgrund des guten Feuchtigkeitsmanagements, Fleecejacken und Schuhen bis hin zum Haushalt in Matratzen, Schlafanzügen, Bettwäsche, Handtüchern, Schönheitsmasken und Hygienetüchern für Babys und Hautreinigung, Teebeuteln, Kaffeepads und anderen Filtrationsanwendungen. Das Angebot der Gruppe umfasst alle drei WBF-Generationen auf dem Markt, nämlich Viskose, Modal und Lyocell, wobei die Produkte von Standard-Viskosefasern bis hin zu Modalfasern wie TENCEL™ Modal und Lyocellfasern wie TENCEL™ Lyocell reichen. Das für die Produktion der Gruppe benötigte DWP wird zum überwiegenden Anteil in den eigenen Werken hergestellt und durch externe Zukäufe ergänzt.

Durch die Kombination von konsequenter Kundenorientierung mit hohen Standards hinsichtlich der Qualität, Innovation und Technologie konzentriert sich die Gruppe auf Spezialprodukte und eine kosteneffiziente Produktion. Im Juli 2026 kündigte die Gruppe eine grundlegende strategische Neuausrichtung mit den Schwerpunkten „Grow Nonwovens, Reset Textiles“ an, die die Einschätzung der Gruppe widerspiegelt, dass der Markt für WBF einen strukturellen und nicht nur zyklischen Wandel durchlaufen hat. Die strategische Neuausrichtung des Lenzing-Konzerns stützt sich auf vier Säulen: (i) die Umstellung des Faserproduktportfolios sowohl innerhalb des Gruppensegments, das Textilfasern herstellt, als auch auf die weniger konjunkturabhängigen Märkte für Fasern für Vliesstoffe und Zellstoff; (ii) die Senkung der Kostenbasis durch ein nachgeschärftes Performance-Programm; (iii) die Reduzierung des eingesetzten Kapitals durch die Optimierung und Reduktion der Produktionsstandorte (mit dem Ziel, die Zahl der globalen Produktionsstandorte von neun im Jahr 2026 auf sechs bis 2028 zu reduzieren); und (iv) selektive Investitionen in Schlüsselinnovationen als langfristige Wachstumstreiber. Diese vier Säulen sollen zu einer stärker fokussierten, profitableren und widerstandsfähigeren Gruppe führen.

Die Gruppe erzielte Umsatzerlöse in Höhe von EUR 2.521,2 Mio., EUR 2.663,9 Mio. und EUR 2.602,4 Mio. in den Jahren 2023, 2024 und 2025, und in Höhe von EUR 1.341,1 Mio. und EUR 1.267,5 Mio. in den sechs Monaten bis zum 30. Juni 2025 („**H1 2025**“) und in den sechs Monaten bis zum 30. Juni 2026 („**H1 2026**“). Die Gruppe verzeichnete in den Jahren 2023, 2024 und 2025 einen Nettoverlust von EUR 593,0 Mio., EUR 138,3 Mio. bzw. EUR 135,2 Mio. sowie im H1 2025 und im H1 2026 einen Nettogewinn von EUR 15,2 Mio. bzw. EUR 35,6 Mio. Das Betriebsergebnis der Gruppe vor Zinsen und Steuern („**EBIT**“) betrug EUR -476,4 Mio., EUR 88,5 Mio. und EUR 17,6 Mio. in den Jahren 2023, 2024 und 2025, und EUR 109,0 Mio. und EUR 83,7 Mio. im H1 2025 und im H1 2026. Das Betriebsergebnis der Gruppe vor Zinsen und Steuern, plus Abschreibungen auf immaterielle Anlagen, Sachanlagen, Nutzungsrechte Leasing und biologische Vermögenswerte, Wertminderungen sowie vor Erträgen aus der Auflösung von Investitionszuschüssen („**EBITDA**“) stieg im Jahr 2024 um 30,4%, von EUR 303,3 Mio. im Jahr 2023 auf EUR 395,4 Mio. im Jahr 2024, sowie um 4,5% im Jahr 2025 auf EUR 413,0 Mio. und sank im H1 2026 um 10,9% von EUR 268,6 Mio. im H1 2025 auf EUR 239,2 Mio. im H1 2026. Die EBITDA-Marge betrug 12,0%, 14,8% und 15,9% in den Jahren 2023, 2024 und 2025, und 20,0% und 18,9% in H1 2025 bzw. H1 2026.

Hauptaktionäre

Zum Datum dieses Prospekts hält die B&C Privatstiftung (die „**B&C Privatstiftung**“) direkt und indirekt mit ihren Tochtergesellschaften (zusammen, die „B&C-Gruppe“) insgesamt rund 37,25% des Grundkapitals der Gesellschaft. Die unmittelbaren Hauptaktionäre der Gesellschaft sind die B&C KB Holding GmbH, die B&C Privatstiftung und die B&C Ares Holding GmbH mit Beteiligungen von 25,00% plus zwei Aktien, 10,00% bzw. rund 2,25%. Die mittelbare Hauptaktionärin der Gesellschaft, die einen Konzernabschluss unter Einbeziehung der Gruppe erstellt und veröffentlicht, ist die B&C Holding Österreich GmbH. Oberste Anteilseignerin der B&C-Gruppe und damit auch der Gesellschaft ist die B&C Privatstiftung mit Sitz in Wien, Österreich. Suzano S.A. hält rund 15,00% des Grundkapitals der Gesellschaft. Im August 2024 erwarb Suzano S.A. eine 15,00%ige Minderheitsbeteiligung an der Gesellschaft durch ihre 100%ige Tochtergesellschaft Suzano International Trade GmbH („**Suzano International Trade**“) und schloss eine Aktionärsvereinbarung ab, die eine Vertretung im Aufsichtsrat und das Recht vorsieht, optional einen zusätzlichen Anteil von bis zu 15,00% bis Ende 2028 gemäß dem österreichischen Übernahmegesetz zu erwerben. Die B&C Privatstiftung, die B&C KB Holding GmbH, die B&C Ares Holding GmbH und B&C Zeta Zweite Holding GmbH („**B&C Zeta**“), eine direkte 100% Tochtergesellschaft der B&C Privatstiftung (B&C Zeta zusammen mit den anderen B&C Gesellschaften, die „**B&C-Gesellschaften**“) sowie die Suzano S.A. über Suzano International Trade (die B&C-Gesellschaften und Suzano International Trade zusammen, das „**Syndikat**“) haben sich verpflichtet, sämtliche dem Syndikat im Bezugsangebot (das „**Bezugsangebot**“) gewährten Bezugsrechte auszuüben und die entsprechenden Angebotenen Aktien zu zeichnen, wobei sich die Suzano S.A. über Suzano International Trade bereit erklärt hat, Bezugsrechte zur Zeichnung von 1.757.754 Angebotenen Aktien, entsprechend 2,40% des Grundkapitals der Gesellschaft nach Abschluss des Angebots, an B&C Zeta zu veräußern (die „**Teilweise Übertragung der Suzano-Bezugsrechte**“), und B&C Zeta sich verpflichtet hat, diese Bezugsrechte auszuüben. Suzano S.A. wird im Rahmen des Bezugsangebots insgesamt rund EUR 22,5 Mio. neues Kapital investieren. Zusätzlich hat sich die Oberbank AG verpflichtet, sämtliche ihr im Bezugsangebot gewährten Bezugsrechte auszuüben und die entsprechenden Angebotenen Aktien zu zeichnen. Die Zeichnungen durch das Syndikat und die Oberbank AG erfolgen zu den gleichen Bedingungen wie die Zeichnung anderer Investoren im Rahmen des Bezugsangebots. Nach Vollzug des Angebots wird die B&C Privatstiftung indirekt ca. 39,64% und Suzano S.A. indirekt ca. 12,60% des Grundkapitals der Gesellschaft halten. Daher bleiben die B&C Privatstiftung und Suzano S.A. indirekt weiterhin Hauptaktionäre der Gesellschaft. Weiterhin haben das Syndikat und die Oberbank AG jeweils einen marktüblichen sechsmonatigen Lock-up in Bezug auf die von ihnen an der Gesellschaft gehaltenen Aktien abgeschlossen, inklusive Angebotener Aktien, die im Angebot von ihnen gezeichnet wurden, mit marktüblichen Ausnahmen und mit einer Ausnahme von Übertragungen der B&C-Gesellschaften von insgesamt bis zu 1.757.754 Aktien der Gesellschaft (entsprechend der Anzahl der von B&C Zeta gezeichneten Aktien auf Grundlage der Ausübung der im Zusammenhang mit der Teilweisen Übertragung der Suzano-Bezugsrechte erworbenen Bezugsrechte), vorausgesetzt, dass der gemeinsam durch Suzano International Trade und den B&C-Gesellschaften gehaltene Anteil am Grundkapital der Gesellschaft nicht unter 50,00% plus eine Aktie fällt.

Zum Zeitpunkt dieses Prospekts halten Nationale-Nederlanden Levensverzekering Maatschappij N.V., Nationale-Nederlanden Schadeverzekering Maatschappij N.V und NN Re (Niederlande) N.V. (zusammen die “**NN Aktionäre**”) (vertreten durch Goldman Sachs Asset Management B.V. als Investmentmanager) 6,20 % der Aktien der Gesellschaft. Der Gesellschaft wurde mitgeteilt, dass vor Beginn der Bezugsfrist (wie im Abschnitt „*2.4.1 Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?*“ dieser Zusammenfassung definiert) Altaktien der Gesellschaft, die derzeit von den NN Aktionären gehalten werden, in einer Privatplatzierung auf Ex-Rights-Basis verkauft werden sollen, wobei die Joint Global Coordinators als Platzierungsagenten fungieren, mit dem Ziel, einen Gesamtnettoerlös von etwa 18 Millionen Euro zu erzielen. Nach den von der Gesellschaft erhaltenen Informationen ist die Ausübung der den NN Aktionären zu gewährenden Bezugrechte an den erfolgreichen Abschluss der Privatplatzierung gebunden. Start und Preisgestaltung der Privatplatzierung erfolgen ausschließlich nach Ermessen der NN Aktionäre. Der Nettoerlös aus dieser Privatplatzierung wird zur Finanzierung der Ausübung der den NN Aktionären

gewährten Bezugsrechte verwendet. Dieser Prospekt bezieht sich ausschließlich auf das hierin beschriebene Bezugsangebot; die in diesem Absatz beschriebene beabsichtigte Privatplatzierung durch die NN Aktionäre ist nicht Gegenstand dieses Prospekts.

Wichtige Geschäftsleiter

Der Vorstand der Gesellschaft („**Vorstand**“) setzt sich aus Georg Kasperkovitz als Vorstandsvorsitzender (CEO), Mathias Breuer als Chief Financial Officer (CFO) und Christian Skilich (Chief Pulp Officer (CPO) und Chief Technology Officer (CTO)) zusammen.

Abschlussprüfer

Für die zum 31. Dezember 2023, 2024 und 2025 endenden Geschäftsjahre wurde die KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, Österreich, zur Abschlussprüferin der Gesellschaft bestellt.

EU-Taxonomie-Verordnung

Lediglich ein sehr geringer Teil der Tätigkeiten der Emittentin fällt in den Geschäftsjahren 2023, 2024 und 2025 unter die taxonomiefähigen Wirtschaftstätigkeiten gemäß den Artikeln 3 und 9 der Verordnung (EU) 2020/852.

2.2.2 *Was sind die wesentlichen Finanzinformationen über die Emittentin?*

Sofern in Tabellen dieser Zusammenfassung dargestellte Finanzinformationen als “geprüft” gekennzeichnet sind, bedeutet dies, dass sie den geprüften Konzernabschlüssen der Gruppe für die zum 31. Dezember 2025 und 2024 endenden Geschäftsjahre entnommen wurden. Durch die Kennzeichnung “ungeprüft” wird in den Tabellen dieser Zusammenfassung darauf hingewiesen, dass Finanzinformationen nicht entnommen, sondern aus den geprüften Konzernabschlüssen der Gruppe für die zum 31. Dezember 2025 und 2024 endenden Geschäftsjahre abgeleitet wurden, oder dass sie dem ungeprüften verkürzten Konzern-Zwischenabschluss der Gruppe für das zum 30. Juni 2026 endende Halbjahr, den Buchhaltungsunterlagen oder den internen Berichterstattungssystemen der Gesellschaft entnommen oder auf Grundlage von Zahlen aus den vorstehenden Quellen berechnet wurden.

Zusammenfassung der wesentlichen Finanzinformationen aus der Konzern-Gewinn- und Verlustrechnung des Lenzing-Konzerns

	Für die sechs Monate bis zum 30. Juni		Für die Geschäftsjahre bis zum 31. Dezember		
	2026	**2025**	**2025**	**2024**	**2023**
	(ungeprüft)		*(geprüft, sofern nicht anders angegeben)*		
	(in EUR Millionen, sofern nicht anders angegeben)				
Umsatz	1.267,5	1.341,1	2.602,4	2.663,9	2.521,2
EBIT	83,7	109,0	17,6	88,5	(476,4)
Nettogewinn/-verlust für das Jahr/die Periode	35,6	15,2	(135,2)	(138,3)	(593,0)
Umsatzwachstum im Periodenvergleich %[(1)]	(5,5)	2,3	(2,3)	5,7	(1,7)
Ergebnis je Aktie (EUR)	(0,09)	(0,90)	(5,45)	(4,06)	(20,02)

(1) Ungeprüft.

Zusammenfassung der wesentlichen Finanzinformationen aus der Konzernbilanz des Lenzing-Konzerns

	Zum 30. Juni	Zum 31. Dezember		
	2026	**2025**	**2024**	**2023**
	(ungeprüft)	*(geprüft)*		
	(in EUR Millionen)			
Summe Vermögenswerte	4.612,7	4.609,4	4.976,8	5.214,6
Summe Eigenkapital	1.323,9	1.305,3	1.652,0	1.742,2

Zusammenfassung der wesentlichen Finanzinformationen aus der Konzern-Kapitalflussrechnung des Lenzing-Konzerns

	Für die sechs Monate bis zum 30. Juni		Für die Geschäftsjahre bis zum 31. Dezember		
	2026	**2025**	**2025**	**2024[(1) (bereinigt)]**	**2023[(2)]**
	(ungeprüft)			*(geprüft)*	
	(in EUR Millionen)				
Cashflows aus der betrieblichen Tätigkeit	160,4	150,1	419,7	395,0	160,3
Cashflows aus der Investitionstätigkeit	(61,0)	(65,5)	(146,9)	(152,1)	(291,5)
Cashflows aus der Finanzierungstätigkeit	(193,6)	247,9	(16,4)	(535,4)	421,1
Zahlungsmittel und Zahlungsmitteläquivalente zum Ende des Berichtszeitraums	592,4	750,5	675,0	442,3	725,6

(1) Um die Transparenz der Informationen zur Finanzlage des Lenzing-Konzerns zu erhöhen, wird seit dem zweiten Quartal des Geschäftsjahres 2025 die Konzern-Kapitalflussrechnung neu dargestellt. Die Vergleichsinformationen wurden rückwirkend gemäß IAS 8 angepasst. Siehe Note 2 zu dem geprüften Konzernabschluss der Gruppe zum 31. Dezember 2025 und für das an diesem Stichtag endende Geschäftsjahr. Die konsolidierte Kapitalflussrechnung des Lenzing-Konzerns für das Jahr 2024 wurde auf der Grundlage der angepassten Vorjahreszahlen erstellt, die im geprüften Konzernabschluss der Gruppe zum 31. Dezember 2025 und für das an diesem Stichtag endende Geschäftsjahr enthalten sind.

(2) Die Konzern-Kapitalflussrechnung des Lenzing-Konzerns für das Jahr 2023 wurde auf der Grundlage der Vorjahreszahlen erstellt, die im geprüften Konzernabschluss der Gruppe zum 31. Dezember 2024 und für das an diesem Stichtag endende Geschäftsjahr enthalten sind und spiegelt daher nicht das neue Format wider, das die Gruppe seit dem zweiten Quartal 2025 anwendet. Die konsolidierte Kapitalflussrechnung des Lenzing-Konzerns für das Jahr 2023 ist daher nicht direkt mit der konsolidierten Kapitalflussrechnung des Lenzing-Konzerns für die anderen angegebenen Zeiträume vergleichbar.

Zusammenfassung der wesentlichen Alternativen Leistungskennzahlen[(1)]

	Zum und für die sechs Monate bis zum 30. Juni		Zum und für die Geschäftsjahre bis zum 31. Dezember		
	2026	**2025**	**2025**	**2024**	**2023**
	(ungeprüft)		*(geprüft, sofern nicht anders angegeben)*		
	(in EUR Millionen, sofern nicht anders angegeben)				
EBITDA[(2)]	239,2	268,6	413,0	395,4	303,3
Free Cashflow[(3)(4)]	45,8	43,1	173,9	169,4[(7)]	(122,8)[(8)]
Nettofinanzverschuldung[(5)]	1.363,3	—	1.350,1	1.532,5	1.562,6
Trading Working Capital[(4)(6)]	460,0	—	453,4	578,0	551,1

(1) Die Finanzkennzahlen in diesem Abschnitt 2.2.2 sind alternative Leistungskennzahlen und sollten nicht als Alternative zur entsprechenden Finanzkennzahl nach den IFRS Accounting Standards („**IFRS**"), wie sie in der Europäischen Union anzuwenden sind betrachtet werden.

(2) Das EBITDA ist definiert als EBIT, plus Abschreibungen auf immaterielle Anlagen, Sachanlagen, Nutzungsrechte Leasing und biologische Vermögenswerte, Wertminderungen und vor Erträgen aus der Auflösung von Investitionszuschüssen.

(3) Der Free Cashflow für H1 2026, H1 2025, 2025 und 2024 (bereinigt) ist definiert als Cashflow aus der Betriebstätigkeit abzüglich Erwerb von immateriellen Anlagen, Sachanlagen und biologischen Vermögenswerten zuzüglich Erlöse aus der Veräußerung von immateriellen Anlagen, Sachanlagen und biologischen Vermögenswerten zuzüglich Investitionszuschüsse zuzüglich erhaltene Ausschüttungen von Beteiligungen, die nach der Equity-Methode bilanziert werden zuzüglich Zinseinzahlungen abzüglich Zinsauszahlungen (bereinigt um den Zinsaufwand für Leasing nach IFRS 16). Der Free Cashflow für 2023 ist definiert als Cashflow aus der Betriebstätigkeit abzüglich Cashflow aus der Investitionstätigkeit abzüglich Netto-Zufluss aus der Veräußerung und dem Abgang von Tochterunternehmen und sonstigen Unternehmenseinheiten zuzüglich Erwerb von finanziellen Vermögenswerten und Beteiligungen, die nach der Equity-Methode bilanziert werden abzüglich Erlöse aus der Veräußerung/Tilgung von finanziellen Vermögenswerten.

(4) Ungeprüft.

(5) Die Nettofinanzverschuldung ist definiert als zinstragende Finanzverbindlichkeiten (d. h. lang- und kurzfristige Finanzverbindlichkeiten) abzüglich Leasingverbindlichkeiten abzüglich Liquiditätsbestand (d.h. Zahlungsmittel und Zahlungsmitteläquivalente sowie liquide Wechsel).

(6) Das Trading Working Capital ist definiert als Vorräte zuzüglich Forderungen aus Lieferungen und Leistungen abzüglich Verbindlichkeiten aus Lieferungen und Leistungen.

(7) Seit dem zweiten Quartal des Geschäftsjahres 2025 werden die bisher im Cashflow aus der Finanzierungstätigkeit ausgewiesenen Investitionszuschüsse dem Cashflow aus der Investitionstätigkeit zugeordnet. Dadurch werden die Investitionszuschüsse in der Berechnung des Free Cashflows berücksichtigt, wodurch die Vergleichsperiode um EUR 2,4 Mio. rückwirkend angepasst wurde. Der Free Cashflow des Lenzing-Konzerns für das Jahr 2024 wurde auf der Grundlage der angepassten Vorjahreszahlen erstellt, die im geprüften Konzernabschluss der Gruppe zum 31. Dezember 2025 und für das an diesem Stichtag endende Geschäftsjahr enthalten sind.

(8) Der Free Cashflow des Lenzing-Konzerns für das Jahr 2023 wurde auf der Grundlage der Vorjahreszahlen erstellt, die im geprüften Konzernabschluss der Gruppe zum 31. Dezember 2024 und für das an diesem Stichtag endende Geschäftsjahr enthalten sind und spiegelt daher nicht das neue Free Cashflow-Format wider, das die Gruppe seit dem zweiten Quartal 2025 anwendet. Der Free Cashflow des Lenzing-Konzerns für das Jahr 2023 ist daher nicht direkt mit dem Free Cashflow des Lenzing-Konzerns für die anderen angegebenen Zeiträume vergleichbar.

2.2.3 *Was sind die wesentlichen Risiken, die für die Emittentin spezifisch sind?*

Eine Anlage in die Angebotenen Aktien oder Bezugsrechte unterliegt einer Reihe von Risiken, von denen einige in diesem Abschnitt und im Abschnitt „*2.3.3 Was sind die wesentlichen Risiken, die für die Wertpapiere spezifisch sind?*" dieser Zusammenfassung dargestellt werden. Der Eintritt eines der folgenden Risiken oder anderer Risiken könnte allein oder zusammen mit weiteren Umständen und Unwägbarkeiten, die der Gesellschaft derzeit nicht bekannt sind oder die sie derzeit möglicherweise als unwesentlich erachtet, wesentliche nachteilige Auswirkungen auf das Geschäft, die Finanz- und Ertragslage sowie die Aussichten des Lenzing-Konzerns haben. Sollte eines dieser Risiken eintreten, könnten Anleger ihre Investition ganz oder teilweise verlieren.

Die folgenden Risiken sind wesentliche Risiken, die für die Gesellschaft spezifisch sind:

- Die Branche, in der die Gruppe tätig ist, ist durch Schwankungen bei der Nachfrage und den Preisen für holzbasierte sowie Baumwoll- und Synthetikfasern gekennzeichnet, und eine anhaltend schwache Nachfrage oder ein Überangebot könnte sich negativ auf die Preise für die Produkte der Gruppe auswirken, was wiederum erhebliche nachteilige Auswirkungen auf die Geschäftstätigkeit, die Ertragslage, die Finanzlage und die Aussichten der Gruppe haben könnte.
- Geopolitische Konflikte, darunter der Russland-Ukraine-Konflikt, Konflikte im Nahen Osten, einschließlich des Konflikts mit Iran, eskalierende protektionistische Handelsmaßnahmen, einschließlich der US-Zollpolitik, sowie andere makroökonomische Entwicklungen haben sich nachteilig auf die globale Wirtschaft, die globalen Kapitalmärkte, den internationalen Handel, die Lieferketten, die Energiepreise und die Energieversorgung sowie die Preise und die Verfügbarkeit von Rohstoffen ausgewirkt und könnten dies auch weiterhin tun, wobei jeder dieser Umstände die Geschäftstätigkeit der Gruppe erheblich negativ beeinträchtigen könnte.
- Das Geschäft der Gruppe, das von der rechtzeitigen Verfügbarkeit von Rohstoffen und Energie zu angemessenen Preisen abhängt, ist gegenwärtig und möglicherweise auch in Zukunft mit Verzögerungen, Engpässen und Preisschwankungen aufgrund von Unterbrechungen der globalen Lieferkette (insbesondere infolge des Russland-Ukraine-Konflikts und von Konflikten im Nahen Osten, einschließlich des Konflikts mit Iran) konfrontiert, die sich erheblich negativ auf die Geschäftstätigkeit der Gruppe auswirken könnten.
- Die Gruppe hat aufgrund erheblicher Kreditaufnahmen und sonstiger finanzieller Verbindlichkeiten einen hohen Verschuldungsgrad, deren Höhe und Bedingungen ihre finanzielle und operative Flexibilität einschränken, einschließlich ihrer Fähigkeit, Verschuldung zu refinanzieren und Dividenden zu zahlen. Wenn die Gruppe nicht in der Lage ist, die finanziellen und anderen beschränkenden Auflagen in ihren Finanzierungsverträgen einzuhalten, oder das Angebot nicht vollzieht oder die Erlöse aus dem Angebot nicht erhält und/oder nicht in der Lage ist, in Zukunft eine angemessene Finanzierung zum Zwecke der Refinanzierung ihrer bestehenden Verschuldung zu erhalten, könnte dies zu einer Nichterfüllung oder einem Verzugsfall unter solchen Finanzierungsverträgen führen.
- Der künftige Erfolg der Gruppe hängt von der erfolgreichen Umsetzung ihrer Geschäftsstrategie ab, einschließlich ihrer im Juli 2026 angekündigten strategischen Neuausrichtung unter den Prioritäten „Grow Nonwovens, Reset Textiles". Diese strategische Neuausrichtung stellt eine grundlegende Neupositionierung der Geschäftstätigkeit der Gruppe dar und unterliegt zahlreichen Umsetzungsrisiken. Auch die der strategischen Neuausrichtung zugrunde liegenden Marktannahmen könnten sich als unzutreffend erweisen. Ein Scheitern der Gruppe bei der erfolgreichen Umsetzung ihrer Geschäftsstrategie könnte wesentliche nachteilige Auswirkungen auf ihre Geschäftstätigkeit, ihre Ertragslage, ihre Finanzlage und ihre Aussichten haben.

- Die Gruppe könnte die angestrebten Vorteile aus gegenwärtigen oder künftigen Verbesserungen der operativen Leistung, einschließlich Kosteneinsparungsmaßnahmen, nicht erreichen. Diese Maßnahmen zur Verbesserung der operativen Leistung und zur Kosteneinsparung oder einzelne Bestandteile davon könnten die beabsichtigten Vorteile innerhalb des von der Gruppe angestrebten Zeitrahmens nicht, nur teilweise, oder zeitlich verzögert erzielen. Wenn die angestrebten Verbesserungen der operativen Leistung und Kosteneinsparungsmaßnahmen nicht vollständig verwirklicht oder nicht innerhalb der vorgesehenen Zeiträume erreicht werden, könnte dies wesentliche nachteilige Auswirkungen auf die Gewinnmargen der Gruppe und allgemeiner auf ihre Geschäftstätigkeit, ihre Ertragslage, ihre Finanzlage und ihre Aussichten haben.
- Die sogenannte "Zelluloselücke", die von einem Anstieg der weltweiten Nachfrage nach Fasern in der Zukunft und dem daraus erwarteten Wachstum der holzbasierten Faserindustrie ausgeht, könnte nicht in dem Ausmaß und in dem Zeitrahmen eintreten, wie es die Gruppe erwartet, oder überhaupt nicht, und das vorhergesagte Wachstum der Faserindustrie, in der die Gruppe tätig ist, könnte ebenfalls nicht eintreten.
- Der allgemeine Inflationsdruck, einschließlich des Drucks auf die Arbeitskosten, sowie die Auswirkungen steigender Zinssätze haben sich negativ auf die Geschäftstätigkeit und die Ertragslage der Gruppe ausgewirkt und könnten dies auch weiterhin erheblich tun, unter anderem durch ihre Auswirkungen auf die Verbrauchernachfrage.
- Die Produktionsstätten der Gruppe sind Wetter-, Betriebs- und Unfallrisiken ausgesetzt, die sich aus Faktoren ergeben können, die außerhalb der Kontrolle der Gruppe liegen, darunter beispielsweise Klimawandel, Naturkatastrophen, meteorologische Ereignisse, Explosionen, das Freisetzen giftiger oder gefährlicher Stoffe oder Betriebsstörungen; solche Ereignisse könnten den Betrieb der Gruppe verzögern oder stören und zu erheblichen Sachschäden, Betriebsausfallschäden, Umwelthaftungsansprüchen, Schadensersatzansprüchen wegen Personenschäden, behördlichen Maßnahmen oder zivil- und strafrechtlichen Sanktionen führen.
- Die Gruppe ist für einen wesentlichen Teil des Zellstoffs, den sie für die Herstellung ihrer Produkte benötigt, auf mittel- bis langfristige Lieferverträge angewiesen. Die Gruppe könnte daher nicht in der Lage sein, den Preis, die Menge oder andere Vertragsbedingungen an veränderte Geschäftsbedingungen anzupassen, was wiederum dazu führen könnte, dass die Verträge unter den aktuellen Geschäftsbedingungen für die Gruppe wirtschaftlich unattraktiv werden.
- Die Rohstoffe und Dienstleistungen, die die Gruppe für die Herstellung von holzbasierten Fasern benötigt, könnten schwer zu beschaffen sein. Die Gruppe ist auf eine begrenzte Anzahl von Hauptlieferanten angewiesen, von denen einige aufgrund von Unterbrechungen der Lieferkette Schwierigkeiten haben, die Nachfrage zu befriedigen, und die daraus resultierenden Folgen könnten sich erheblich negativ auf die Handlungsfähigkeit der Gruppe auswirken.
- Die Gruppe unterliegt Risiken im Zusammenhang mit ihrer internationalen Geschäftstätigkeit und ihren Absatzmärkten, einschließlich politischer und wirtschaftlicher Instabilität, lokaler rechtlicher und steuerlicher Anforderungen, Wechselkursschwankungen und Maßnahmen, die den Marktzugang einschränken, einschließlich Zöllen und logistischer Herausforderungen, von denen jedes eine wesentliche nachteilige Auswirkung auf die Geschäftstätigkeit, das Betriebsergebnis, die Finanzlage und die Aussichten der Gruppe haben könnte.
- Die Gruppe ist Risiken im Zusammenhang mit Gesetzen und Vorschriften ausgesetzt, die für ihre Produktionstätigkeit gelten, einschließlich Umwelt-, Gesundheits- und Sicherheitsgesetzen und -vorschriften. Die Nichteinhaltung solcher Vorschriften könnte zu aufsichtsrechtlichen Verfahren, erheblichen Geldstrafen und einer signifikanten Schädigung des Rufs der Gruppe führen.

2.3 Informationen über die Wertpapiere

2.3.1 *Was sind die wichtigsten Merkmale der Wertpapiere?*

Art, Gattung

Die Angebotenen Aktien sind neu ausgegebene, auf den Inhaber lautende Stückaktien mit voller Gewinnberechtigung ab dem 1. Januar 2026 mit der ISIN AT0000644505 und dem Börsenkürzel LNZ. Die Bezugsrechte haben die ISIN AT0000A3XCR6 und das Börsenkürzel LNZB. Die Angebotenen Aktien resultieren aus dem Beschluss der außerordentlichen Hauptversammlung vom 25. August 2026 das Grundkapital der Gesellschaft um bis zu EUR 300.000.000 durch Ausgabe von bis zu 288.739.172 neuen auf Inhaber lautenden Stückaktien mit mittelbaren Bezugsrechten der bestehenden Aktionäre der Gesellschaft (die „**Aktionäre**" und jeder ein „**Aktionär**") gegen Bareinlage zu erhöhen (die „**Kapitalerhöhung**").

Anzahl der Wertpapiere/Nennwert/Währung

Zum Datum dieses Prospekts beträgt das Grundkapital der Gesellschaft EUR 40.107.738,37 und ist unterteilt in 38.618.180 Altaktien, die als nennwertlose Inhaberaktien ausgegeben werden. Sämtliche Aktien der Gesellschaft sind voll eingezahlt. Das Angebot der Angebotenen Aktien erfolgt in EUR. Der Handel der Altaktien erfolgt in EUR im Amtlichen Handel der Wiener Börse.

Verbundene Rechte/Rang/freie Übertragbarkeit

Jede Aktie gewährt eine Stimme in der Hauptversammlung der Gesellschaft (die „**Hauptversammlung**"). Es bestehen keine Beschränkungen des Stimmrechts. Im Falle der Liquidation der Gesellschaft haben die Aktionäre im Verhältnis zu ihrer Beteiligung Anspruch auf den möglicherweise verbleibenden Liquidationsüberschuss nach Abzug der Verbindlichkeiten der Gesellschaft. Die Aktien sind gemäß den gesetzlichen Vorgaben für Inhaberaktien, die sich aus dem österreichischen Aktiengesetz und der Satzung der Gesellschaft ergeben, frei übertragbar. Mit Ausnahme bestimmter Lock-up-Vereinbarungen zwischen der Gesellschaft, dem Syndikat, Oberbank AG und den Konsortialbanken (wie im Abschnitt „*2.4.3 Weshalb wird dieser Prospekt erstellt?*" dieser Zusammenfassung definiert) bestehen keine Beschränkungen im Hinblick auf die Übertragbarkeit der Aktien.

Dividendenpolitik

Am 11. April 2024 gab der Vorstand bekannt, die Dividendenpolitik, wonach eine jährliche Dividende von mindestens EUR 4,50 je Aktie gezahlt werden sollte, auf unbestimmte Zeit auszusetzen. Die Dividendenpolitik ist weiterhin ausgesetzt. Die in der Vergangenheit gezahlten Dividenden sind kein Hinweis auf zukünftige Dividendenzahlungen der Gesellschaft. Es kann sein, dass in Zukunft keine Dividenden gezahlt werden oder dass sie, wenn sie gezahlt werden, nicht mit der entsprechenden Dividendenpolitik der Gesellschaft übereinstimmen.

Die Höhe einer künftigen Dividende auf die Aktien der Gesellschaft wird vom Vorstand und vom Aufsichtsrat (der „**Aufsichtsrat**“) vorgeschlagen und von der Hauptversammlung beschlossen, ohne dass die Hauptversammlung an den Vorschlag des Aufsichtsrats und des Vorstands gebunden ist. Eine von der Hauptversammlung beschlossene Dividendenausschüttung wird fünf Bankarbeitstage nach der Beschlussfassung durch die Hauptversammlung fällig, es sei denn, die Hauptversammlung trifft eine andere Entscheidung. Jede künftige Entscheidung über die Zahlung von Dividenden wird in Übereinstimmung mit geltendem Recht getroffen und hängt unter anderem von der Ertragslage der Gesellschaft, der Finanzlage, vertraglichen Beschränkungen und dem Kapitalbedarf ab. Die Fähigkeit der Gesellschaft, Dividenden zu zahlen, ist derzeit und kann weiterhin durch die Bedingungen aller bestehenden und zukünftigen Schuldverschreibungen oder Vorzugsinstrumente oder Wertpapiere eingeschränkt sein.

2.3.2 *Wo werden die Wertpapiere gehandelt?*

Die Bezugsrechte und Angebotenen Aktien werden voraussichtlich im Amtlichen Handel an der Wiener Börse gehandelt, der ein regulierter Markt im Sinne der EU-Richtlinie 2014/65/EU über Märkte für Finanzinstrumente, in der geltenden Fassung („**MiFID II**“) ist.

2.3.3 *Was sind die wesentlichen Risiken, die für die Wertpapiere spezifisch sind?*

Die folgenden Risiken sind wesentliche Risiken, die für die Angebotenen Aktien spezifisch sind:

- Die Hauptaktionäre der Gesellschaft können einen erheblichen Einfluss auf die Gruppe ausüben und ihre Interessen können im Widerspruch zu den Interessen der anderen Aktionäre stehen.
- Es ist möglich, dass sich kein Markt für den Handel mit den Bezugsrechten entwickelt, und falls sich ein Markt entwickelt, können die Bezugsrechte einer größeren Volatilität unterliegen als die Aktien.

2.4 Informationen über das öffentliche Angebot von Wertpapieren und die Zulassung zum Handel an einem geregelten Markt

2.4.1 *Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?*

Angebotsbedingungen

Die Angebotenen Aktien werden zu einem Angebotspreis von EUR 8,65 je Angebotener Aktie (der „**Angebotspreis**“) zur Zeichnung angeboten.

Das Angebot (das „**Angebot**“) besteht aus (i) dem Bezugsangebot, bei dem die Aktionäre, die am 1. Oktober 2026 um 23:59 Uhr Mitteleuropäische Sommerzeit („**MESZ**“) Altaktien halten, für jede Altaktie ein Bezugsrecht erhalten, um anteilig Angebotene Aktien zu beziehen (jeder Aktionär und Inhaber von Bezugsrechten ist berechtigt, zum Angebotspreis 9 Angebotene Aktien für je 10 gehaltene Bezugsrechte zu zeichnen (das „**Bezugsverhältnis**“)), und (ii) einem anschließenden internationalen Angebot, bei dem Angebotene Aktien, für die Bezugsrechte zwischen dem 6. Oktober 2026 und dem 20. Oktober 2026 (die „**Bezugsfrist**“) nicht wirksam ausgeübt wurden, institutionellen Anlegern im Rahmen einer Privatplatzierung angeboten werden können (die „**Aktienplatzierung**“). Die Aktienplatzierung wird voraussichtlich am 20. Oktober 2026 stattfinden. Die im Rahmen des Angebots bezogenen oder platzierten Angebotenen Aktien werden voraussichtlich am oder um den 23. Oktober 2026 gegen Zahlung des Angebotspreises den Depotkonten der Anleger über die Buchungssysteme der OeKB CSD GmbH, der Euroclear Bank S.A./N.V. als Betreiber des Euroclear Systems und der Clearstream Banking, société anonyme gutgeschrieben. Alle Angebotenen Aktien werden die gleiche ISIN wie die Altaktien tragen, nämlich AT0000644505. Die Bezugsrechte, die die ISIN AT0000A3XCR6 tragen, werden in der Zeit vom 6. Oktober 2026 (einschließlich) bis zum 14. Oktober 2026 (einschließlich) an der Wiener Börse gehandelt werden.

Der Vorstand hat den Angebotspreis und das Bezugsverhältnis festgelegt. Im Rahmen des Bezugsangebots wird den Aktionären das Recht gewährt, die Angebotenen Aktien vom 6. Oktober 2026 (einschließlich) bis zum 20. Oktober 2026 (einschließlich) zum Angebotspreis nach Maßgabe der in diesem Prospekt dargelegten Bedingungen zu kaufen. Bezugsrechte, die während der Bezugsfrist nicht wirksam ausgeübt wurden (einschließlich der ausgeübten Bezugsrechte, die über dem nächsten ganzzahligen Vielfachen des Bezugsverhältnisses liegen), verfallen und werden entschädigungslos ungültig. Jede Ausübung von Bezugsrechten wird zum Angebotspreis wirksam und ist unwiderruflich und kann nicht storniert, geändert, widerrufen oder zurückgezogen werden. Angebotene Aktien, für die Bezugsrechte während der Bezugsfrist nicht gültig ausgeübt wurden („**Rump-Aktien**“), stehen im Rahmen der Aktienplatzierung zum Verkauf. Falls die Anzahl der Rump-Aktien für eine Aktienplatzierung zu gering ist, können die Joint Global Coordinators (wie im Abschnitt „*2.4.3 Weshalb wird dieser Prospekt erstellt?*“ dieser Zusammenfassung definiert) in alleinigem Ermessen entscheiden, keine Aktienplatzierung durchzuführen und stattdessen alle restlichen Angebotenen Aktien börslich oder im OTC-Handel (d.h. außerbörslich) zu verkaufen. Der Vorstand hat mit Zustimmung eines durch den Aufsichtsrat errichteten Ausschusses (der „**Ausschuss**“) den Platzierungspreis für die Rump-Aktien in der Aktienplatzierung mit mindestens dem Angebotspreis festgelegt. Die Inhaber von Bezugsrechten müssen ihre Bezugsrechte gemäß den Anweisungen ihrer Depotbanken, Verwahrer oder sonstigen Finanzintermediäre ausüben. Den Inhabern von Bezugsrechten wird empfohlen, sich über die von der Bezugsstelle, Erste Group Bank AG, sowie von ihrer Depotbank, ihrem Verwahrer oder einem anderen Finanzintermediär, über den sie ihre Bezugsrechte halten, gesetzte Frist für die Ausübung ihrer Bezugsrechte zu informieren. Im Zusammenhang mit dem Bezugsangebot werden die Bezugsrechte von Aktionären an den Angebotenen Aktien voraussichtlich während des Zeitraums in einer täglichen Auktion vom 6. Oktober 2026 (einschließlich) bis zum 14. Oktober 2026 (einschließlich) (der „**Handelszeitraum**“) am Amtlichen Handel an der Wiener Börse gehandelt. Die Gesellschaft behält sich gemeinsam mit den Konsortialbanken (wie im Abschnitt „*2.4.3 Weshalb wird dieser Prospekt erstellt?*“ dieser Zusammenfassung definiert) das Recht vor, unter bestimmten Umständen die Bezugsfrist zu verlängern oder das Bezugsangebot zu beenden. Der Marktpreis der Bezugsrechte berücksichtigt das Bezugsverhältnis und wird durch die Kursentwicklung der Aktien bestimmt, kann jedoch stärkeren Schwankungen als der Aktienkurs unterliegen und wesentlich vom theoretischen Wert der Bezugsrechte auf Grundlage des Marktpreises der Aktien abweichen. Der endgültige Platzierungspreis der Rump-Aktien wird voraussichtlich um den 21. Oktober 2026 nach Ende der Aktienplatzierung durch den Vorstand mit Genehmigung des Ausschusses festgelegt. Der Handel der Angebotenen Aktien im Amtlichen Handel der Wiener Börse beginnt voraussichtlich am oder um den 23. Oktober 2026.

Umfang des Angebots

Das Angebot besteht aus (a) einem Öffentlichen Angebot in Österreich hinsichtlich des Bezugsangebots („**Öffentliches Angebot in Österreich**"), (b) Privatplatzierungen in bestimmten Rechtsordnungen außerhalb der Vereinigten Staaten und Österreichs nach den anwendbaren wertpapierrechtlichen Vorschriften auf der Grundlage von *Regulation S* des US-amerikanischen *Securities Act of 1933* der Vereinigten Staaten (der „**Securities Act**") sowie auf Grundlage von Ausnahmen im Rahmen der Prospektverordnung nach den anwendbaren wertpapierrechtlichen Vorschriften hinsichtlich des Bezugsangebots und der Aktienplatzierung, (c) Privatplatzierungen innerhalb der Vereinigten Staaten bei qualifizierten institutionellen Käufern (*qualified institutional buyers*) im Sinne der Befreiung von den in *Rule 144A* des *Securities Act* vorgesehenen Registrierungsanforderungen des *Securities Act* hinsichtlich des Bezugsangebots und der Aktienplatzierung, (d) in Bezug auf das Bezugsangebot eine Privatplatzierung in Kanada, die von der Anforderung befreit ist, dass die Gesellschaft einen Prospekt erstellen und bei den zuständigen kanadischen Wertpapieraufsichtsbehörden einreichen muss, und (e) in Bezug auf die Aktienplatzierung Privatplatzierungen in Kanada bei akkreditierten Investoren (*accredited investors*), die in den Provinzen Alberta, British Columbia, Ontario und Quebec zugelassene Anleger (*permitted* clients) sind. Dieser Prospekt bezieht sich weiter auf (x) die Zulassung der Bezugsrechte zum Handel und (y) die Notierung und Zulassung der Angebotenen Aktien zum Amtlichen Handel der Wiener Börse (die „**Zulassung zum Handel**"). Die Bezugsrechte und die Angebotenen Aktien wurden und werden nicht gemäß dem *Securities Act* registriert und dürfen vorbehaltlich bestimmter Ausnahmen nicht in den Vereinigten Staaten angeboten oder verkauft werden.

Zeitplan für das Angebot

Der voraussichtliche Zeitplan für das Angebot, der Änderungen unterliegen kann, ist der folgende:

1. Oktober 2026	Billigung dieses Prospekts durch die FMA
	Veröffentlichung dieses Prospekts auf der Website der Gesellschaft
1. Oktober 2026, 23:59 Uhr MESZ	Stichtag, zu dem Aktionäre Altaktien halten müssen, um zum Erhalt von Bezugsrechten berechtigt zu sein.
2. Oktober 2026	Veröffentlichung des Bezugsangebots in der Elektronischen Verlautbarungs- und Informationsplattform des Bundes (*evi.gv.at*)
2. Oktober 2026	Handel der Aktien „Ex-Bezugsrechte"
6. Oktober 2026	Buchung der Bezugsrechte auf Depots der Aktionäre
	Beginn der Bezugsfrist
	Beginn des Bezugsrechtshandels
13. Oktober 2026	Garantierter Teilnahmetag
14. Oktober 2026	Ende des Bezugsrechtshandels
15. Oktober 2026	Ende der Käuferschutzfrist
20. Oktober 2026	Ende der Bezugsfrist
Am oder um den 20. Oktober 2026	Bekanntgabe des vorläufigen endgültigen Ergebnisses des Bezugsangebots Aktienplatzierung
21. Oktober 2026	Allokation der Angebotenen Aktien in der Aktienplatzierung
	Schlusstag
Am oder um den 22. Oktober 2026	Eintragung der Durchführung der Kapitalerhöhung im Firmenbuch
Am oder um den 23. Oktober 2026	Beginn des Handels der Angebotenen Aktien am Amtlichen Handel an der Wiener Börse
	Buchmäßige Lieferung der während der Bezugsfrist bezogenen Angebotenen Aktien oder im Rahmen der Aktienplatzierung erworbenen Angebotenen Aktien

Verwässerung

Übt ein Aktionär keines seiner Bezugsrechte aus, werden die prozentuale Beteiligung des Aktionärs am Grundkapital der Gesellschaft und seine Stimmrechte um ca. 47,37% verwässert. Infolge des Angebots verringert sich der Nettobuchwert des Eigenkapitals pro Aktie um EUR 12,87 oder 36,27% für jede Altaktie, da der angepasste Nettobuchwert des Eigenkapitals pro Aktie (unter Berücksichtigung der Kapitalerhöhung) den Nettobuchwert des Eigenkapitals pro Aktie vor der Kapitalerhöhung um diesen Betrag oder diesen Prozentsatz unterschreitet.

Gesamtaufwendungen/Anlegern in Rechnung gestellte Auslagen

Die Gesellschaft rechnet mit geschätzten Gesamtkosten im Zusammenhang mit dem Angebot (einschließlich Management-, Übernahme- und Verkaufsprovisionen sowie sonstigen Kosten im Zusammenhang mit dem Angebot) in einem Gesamtbetrag in Höhe von ca. EUR 11,6 Mio.

Anlegern werden von der Gesellschaft und den Konsortialbanken (wie im Abschnitt „*2.4.3 Weshalb wird dieser Prospekt erstellt?*" dieser Zusammenfassung definiert) keine Auslagen in Rechnung gestellt. Anleger müssen jedoch selbst die Gebühren zahlen, die ihnen von ihren depotführenden Banken für den Kauf und das Halten von Wertpapieren in Rechnung gestellt werden.

2.4.2 *Wer ist der Anbietende und/oder die Person, die die Zulassung zum Handel beantragt?*

Das Öffentliche Angebot in Österreich wird von der Gesellschaft abgegeben. Die Gesellschaft wird die Notierung und Zulassung der Angebotenen Aktien zum Amtlichen Handel an der Wiener Börse beantragen.

2.4.3 *Weshalb wird dieser Prospekt erstellt?*

Gründe für das Angebot und die Zulassung zum Handel/Gesamtnettoerlös

Die Gesellschaft beabsichtigt, den Nettoerlös in Höhe von insgesamt ca. EUR 289,0 Mio. zu verwenden, um:
(1) Der Gruppe zusätzliche finanzielle Flexibilität zur Umsetzung ihrer strategischen Neuausrichtung „Grow Nonwovens, Reset Textiles“ zu verschaffen, einschließlich des Ausbaus ihrer Produktionskapazität im Bereich Vliesstoffe, um ihre Kunden besser bedienen zu können (unter anderem durch Investitionen in Höhe von insgesamt rund EUR 60 Mio. im Zusammenhang mit Verlagerungen und Optimierungen von Produktionsvolumina), während gleichzeitig Premium-Nischensegmente wie Modalfasern und flammhemmende Fasern innerhalb ihres Textilgeschäfts ausgebaut werden. Das Angebot soll auch die geplante Konsolidierung der Produktionsstandorte der Gruppe unterstützen, einschließlich der schrittweisen Einstellung der Produktion am Standort Heiligenkreuz (Österreich) bis zum Ende des ersten Quartals 2027 und am Standort Grimsby (Vereinigtes Königreich) bis Ende 2027, sowie das zentrale Produktionsnetzwerk der Gruppe stärken, einschließlich ihres Hauptproduktionsstandorts in Lenzing (Österreich). Die Gruppe schätzt, dass sie rund EUR 65 Mio. des Nettoerlöses für einmalige Kosten im Zusammenhang mit dieser Konsolidierung und der Umsetzung der Strategie verwenden wird. Der Nettoerlös soll der Gruppe zudem zusätzlichen Spielraum verschaffen, um weiterhin in ihre Innovationspipeline zu investieren. (2) Die Finanzierungsstruktur der Gruppe zu stärken und das Fälligkeitsprofil wesentlicher Teile der Verschuldung der Gruppe bis 2030 zu verlängern. Die Gruppe beabsichtigt, weniger als die Hälfte des Nettoerlöses für die Rückzahlung bestehender Verbindlichkeiten zu verwenden, die innerhalb der nächsten 12 Monate fällig werden.
(3) Allgemeine Unternehmenszwecke zu finanzieren.

Übernahmevertrag

Das Angebot erfolgt auf der Grundlage des Übernahmevertrags zwischen der Gesellschaft und BNP PARIBAS mit Sitz in 16, boulevard des Italiens, 75009 Paris, Frankreich, LEI: R0MUWSFPU8MPRO8K5P83 („**BNP PARIBAS**“), UniCredit Bank GmbH mit Sitz in Arabellastraße 12, 81925 München, Deutschland, LEI: 2ZCNRR8UK83OBTEK2170 („**UniCredit Bank GmbH**“), COMMERZBANK Aktiengesellschaft mit Sitz in Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Deutschland, LEI: 851WYGNLUQLFZBSYGB56 („**COMMERZBANK**“), Erste Group Bank AG mit Sitz in Am Belvedere 1, 1100 Wien, Österreich, LEI: PQOH26KWDF7CG10L6792 („**Erste Group**“ und gemeinsam mit BNP PARIBAS, UniCredit Bank GmbH und COMMERZBANK die „**Joint Global Coordinators**“), sowie Raiffeisen Bank International AG mit Sitz in Am Stadtpark 9, 1030 Vienna, Austria, LEI: 9ZHRYM6F437SQJ6OUG95 („**Raiffeisen Bank International**“ oder der „**Joint Bookrunner**“ und gemeinsam mit den Joint Global Coordinators, die „**Konsortialbanken**“) vom 1. Oktober 2026 (der „**Übernahmevertrag**“), in dem die Konsortialbanken vereinbart haben, einzeln und nicht gesamtschuldnerisch, die Angebotenen Aktien im Verhältnis der entsprechenden Übernahmeverpflichtungen der jeweiligen Konsortialbanken zu bestimmten im Übernahmevertrag festgelegten Bedingungen zu übernehmen. Das Angebot erfolgt unter anderem vorbehaltlich der Eintragung der Durchführung der Kapitalerhöhung im Firmenbuch, die voraussichtlich am oder um den 22. Oktober 2026 erfolgen wird.

Wesentliche Interessenkonflikte in Bezug auf das Angebot

Die Konsortialbanken haben in Zusammenhang mit dem Angebot und der Zulassung zum Handel den Übernahmevertrag mit der Gesellschaft geschlossen. Bei Vollzug des Angebots und der Zulassung zum Handel erhalten die Konsortialbanken eine Provision, deren Betrag vom Erfolg des Angebots abhängt.
Die Konsortialbanken oder ihre verbundenen Unternehmen oder für sie handelnde Dritte beteiligen sich an Wertpapierhandels- und Brokerage-Aktivitäten und erbringen gegenüber einem breiten Spektrum von Unternehmen und natürlichen Personen Dienstleistungen in den Bereichen Investment-Banking, Vermögensverwaltung, Finanzierung und Finanzberatung und bieten dabei auch sonstige Produkte und Dienstleistungen von Geschäfts- und Investmentbanken an. Dementsprechend ist es möglich, dass sich die Konsortialbanken und ihre verbundenen Unternehmen oder für sie handelnde Dritte künftig Interessenkonflikten mit den Aktionären gegenübersehen. Im Zusammenhang mit dem Angebot der Aktien kann jede der Konsortialbanken und jedes ihrer verbundenen Unternehmen oder für sie handelnde Dritte einen Teil der Aktien des Angebots als Eigenposition übernehmen und in dieser Eigenschaft solche Wertpapiere und jegliche Aktien oder damit verbundene Anlagen auf eigene Rechnung behalten, kaufen oder verkaufen und solche Aktien oder andere Anlagen, die nicht im Zusammenhang mit dem Angebot stehen, anbieten oder verkaufen.
Die Konsortialbanken oder ihre verbundenen Unternehmen oder für sie handelnde Dritte unterhalten derzeit und können von Zeit zu Zeit in der Zukunft Geschäftsbeziehungen mit Unternehmen der Gruppe eingehen oder im Rahmen ihrer normalen Geschäftstätigkeit Dienstleistungen in deren Namen erbringen, einschließlich solcher, die sich auf die Durchführung von Hedging-Strategien, Cash-Management-Dienstleistungen, Devisenfazilitäten sowie Darlehensgeschäfte und andere gewöhnliche Bankgeschäfte beziehen.
Bestimmte Konsortialbanken und/oder ihre verbundenen Unternehmen agieren auch in verschiedenen Funktionen im Rahmen bestimmter Finanzierungsvereinbarungen der Gruppe, darunter unter anderem als beauftragte Hauptarrangeure, Bookrunner, Koordinatoren, Agenten, Sicherheitsagenten und Dokumentationsagenten im Zusammenhang mit der Änderung und Neuformulierung der vorrangigen Kreditvereinbarung vom Mai 2025 , die am 14. September 2026 unterzeichnet wurde.
Mehrere Mitglieder des Vorstands und des Aufsichtsrats der Gesellschaft halten Altaktien der Gesellschaft und haben daher ein persönliches Interesse an der Kursentwicklung der Aktien.

3 RISK FACTORS

*Investing in the shares of Lenzing Aktiengesellschaft (hereinafter referred to as the "**Company**" and, together with its consolidated subsidiaries, the "**Group**," or the "**Lenzing Group**") involves risks, including risks relating to the Group, the global economy, the financial markets, the industries in which the Group is active, regulatory and political matters, legal and administrative proceedings and the subscription offer. Prospective investors in the Offered Shares should read this prospectus (together with any supplements hereto, the "**Prospectus**") in its entirety, and carefully consider the risks and considerations relevant to an investment in the Offered Shares. However, the risk warnings set out below cannot serve as a substitute for individual advice and information which is tailored to the requirements, objectives, experience, knowledge and circumstances of each prospective investor individually. Investment decisions should not be made solely on the basis of the risk factors set out below, since there may be additional risks associated with an investment in the Rights or Offered Shares of which the Company is not currently aware or that have not yet materialized. The combined management reports for the years ended December 31, 2024 and December 31, 2025, incorporated by reference into this Prospectus contain "Risk Reports" which were prepared at their respective preparation dates which date prior to this Prospectus. Furthermore, these "Risk Reports" have not been prepared in accordance with the ESMA Guidelines on Risk Factors under the Prospectus Regulation, applicable to prospectus disclosure. Accordingly, these risk factors supersede the Risk Reports.*

The Group is constantly exposed to a wide range of internal or external developments or events that could significantly impact the achievement of its financial and non-financial objectives. The Group is exposed, and will be exposed, to some or all of the risks described below.

Any of the risk factors described below, as well as additional risks of which the Group is not currently aware, could have a material adverse effect on the business, financial condition, results of operations and prospects of the Group. Materialization of any such risks may cause the value of the Company's Shares to decline, and investors could lose all or part of their investment. The additional risks that currently are unknown or deemed immaterial may also impair the Group's business, financial condition, results of operations and prospects. Moreover, if and to the extent that any of the risks described below materialize, they may occur in combination with other risks, which would compound the adverse effect of such risks on the business, financial condition, results of operations and prospects of the Group. The risks described in "3.1 Risks Related to the Group's Business and Industry" apply to all business segments of the Group unless otherwise indicated.

The following risk factors are organized into categories. In each category the most material risk factors, in the assessment undertaken by the Company, taking into account the expected magnitude of their negative impact on the Group and the probability of their occurrence, are set out first, with the most material risk factor mentioned at the beginning of each category. The risks mentioned may materialize individually or cumulatively.

3.1 Risks Related to the Group's Business and Industry

3.1.1 The Group's industry is characterized by fluctuations in demand for, and prices of, wood-based as well as cotton and synthetic fibers.

As an internationally active business, the Group's sales depend significantly on economic and political conditions globally and in its key markets, especially Asia. In particular, the Group's sales are subject to global market demand for and supply of wood-based fibers ("**WBF**"). Demand for WBF is driven by the needs of the textile and nonwovens industry, which relies on these fibers for a wide range of applications, including clothing, medical and hygiene products. In 2025, sales of the Group's segment that produces all three generations of WBF and markets them under the product brands TENCEL™, VEOCEL™, LENZING™ ECOVERO™ and LENZING™ (the "**Division Fiber**") accounted for 72.9% of the Group's total external sales to customers and, in significant part due to subdued demand and falling fiber prices, contributed a loss of EUR 184.4 million to the Group's EBIT. Price movements in these fibers can therefore have a substantial impact on the Group's revenues. Although the Group also sells dissolving wood pulp ("**DWP**") and biorefinery products, such sales are significantly smaller than its WBF sales. In addition, such pulp is used, both by the Group and its external pulp customers, mainly for the production of WBF. Therefore, demand for DWP is also dependent on demand for WBF. The Group's segment that mainly produces and procures DWP (the "**Division Pulp**") contributed 27.0% of the Group's total external sales to customers in 2025 and EUR 249.6 million to the Group's EBIT in 2025, which, despite the Group's expanded capacity and external market sales, was partly offset by lower DWP prices.

Demand for the Group's fibers and other products is tied to the performance of downstream textile and nonwovens industries. Factors that affect demand for the Group's products include:

- population and disposable income per capita;

- changing demographics;
- fashion trends;
- the availability and price of other fibers used in the textile and nonwoven industries, such as cotton or synthetic fibers;
- changing consumer preferences, in particular the growing focus of consumers on issues related to climate change and sustainability and related regulatory initiatives; and
- economic crises.

On an industry level, the development of the prices for textile WBF and, to a lesser extent also for nonwoven WBF has historically been cyclical due to macroeconomic effects. In 2025, the global economy reflected a robust but subdued recovery but was weighed down by multiple geopolitical crises, disruptions to global trade and limited fiscal scope for manoeuvre. Ongoing geopolitical conflicts, including the Russia-Ukraine conflict, the Iran conflict and the Israel-Gaza conflict, continued to create uncertainty across global markets. A significant new source of volatility in 2025 was the emergence of country-specific tariff measures, in particular U.S. tariff policy, which created material uncertainty across the global textile value chain. Whereas manufacturers, particularly in the USA, accumulated stocks in the first half of 2025 in anticipation of potential tariffs, they responded with more cautious ordering in the second half of the year, exacerbating the weakness in demand already observed in global textile markets.

The market environment for textile fibers was thus characterized by weak demand and declining new order intake throughout 2025, with capacity utilization at low levels. Staple fiber prices were under pressure due to subdued demand, with global economic uncertainty and the consequences of inflation reinforcing the trend towards low-priced synthetic fibers. Prices for viscose fibers in China followed a downtrend in 2025 and ended the year approximately 7% below their level at the start of the year (source: CCF Group). The Chinese import price for DWP, the key raw material for the production of WBF, fell by approximately 19% over the course of 2025, driven by rising supply from capacity expansions in South America.

The Group's fibers are a blending partner and also a potential substitute for cotton and synthetic fibers on many submarkets. Consequently, price trends for cotton and to a lesser extent polyester also influence the prices of the Group's fibers. At the end of 2025, the Cotlook A index stood at 74 U.S. cents per pound, representing a decrease of 6% over the course of 2025, due in part to record yields and the trade conflict between the United States and China. The price of polyester staple fiber in China also decreased over the course of 2025, falling by 6%, with Chinese producers operating at high capacity utilization rates, resulting in ample supply and sustained downward pressure on prices. High supply of and low prices for Chinese polyester staple fibers also led to a rise in Chinese exports, which increased competitive pressure on other fiber types, including the Group's fibers.

Moreover, continued high costs for raw materials, energy and logistics, further weighed on the Group's business performance in 2025. See also "*3.1.3 The Group's business, which depends on the timely availability of raw materials and energy at reasonable prices, is currently facing, and may continue to face, delays, shortages and price volatility as a result of global supply chain disruptions.*"

Challenges in the global fiber market persisted in the first half of 2026. The Iran conflict resulted in higher energy costs, which drove business input costs as well as inflation, as well as slower global trade given disruptions to maritime shipping routes, accompanied by continuing tariff effects. Global cotton production was again rising in the 2025/26 season, with both cotton growing area and yield higher than in the previous season. Despite consumption also increasing, global cotton stocks are expected to increase for the second season in a row. For the coming 2026/27 season, cotton production is projected to decline following rising input costs and a long period of low market prices that weigh on cotton farm profitability (source: Cotlook).

Reduced fertilizer availability and higher fertilizer prices because of the Iran conflict drove international cotton prices to a two-year high in May 2026. Easing tensions then led to softer prices. However, they remained elevated by the end of the second quarter 2026. The Cotlook A Index ended the reporting period at 85 U.S. cents per pound, 15% higher than at the beginning of the year (source: Cotlook). The polyester staple fiber price increase in the first quarter triggered by the crude oil price rally was followed by strong volatility, as oil prices fluctuated downwards to pre-conflict levels. Nevertheless, polyester staple fiber prices closed the first half of 2026 10% higher at RMB 7,250 per ton (source: CCF Group).

Prices for viscose fibers in China benefited from higher price levels of competitive fibers and stepped up to RMB 14,220 per ton, an increase of around 12 percent. Support was also provided from cost side as dissolving pulp and sulfur-based chemicals (which the Group must also purchase) became more expensive. The

Chinese viscose market was well-balanced indicated by historically low inventory levels despite a constant high level of production capacity utilization (source: CCF Group).

The Chinese import price for DWP – which the Group also produces and which serves as a key raw material for the production of WBF – was firm in the first half of 2026. However, towards the end of the second quarter of 2026, buyers increasingly resisted further price increases because of rising chemical costs and limited room for additional downstream price hikes.

As a result of demand and price volatility in its industry, prices for the Group's products may not remain at current levels or may again decrease significantly in the future. Furthermore, there may not be sufficient demand for the Group's WBF, which could result in increased pressure on their prices. A sustained period of weak demand for or excess supply of WBF would adversely affect prices for the Group's products. The developments described above could have material adverse effects on the Group's business, results of operations, financial condition and prospects.

3.1.2 Geopolitical conflicts, including the Russia-Ukraine conflict, conflicts in the Middle East, including the Iran conflict, escalating protectionist trade measures including U.S. tariff policy, and other macro developments have had, and may continue to have, adverse impacts on the global economy, the global capital markets, international trade, supply chains, energy prices and supplies and the price and availability of raw materials, any of which could negatively impact the Group's operations.

The global risk environment continues to be characterized by a combination of structural, geopolitical and economic uncertainties. Increasing strategic competition between major powers and the dismantling of multilateral cooperation mechanisms are weakening international stability, while ongoing trade conflicts, protectionist measures and a fragmented global economy continue to weigh on supply chains, investment and growth prospects.

The Russia-Ukraine conflict, the tensions in the Middle East, including the Iran conflict have created significant global economic uncertainty and have threatened to exacerbate pre-existing global economic challenges. The IMF forecasts global economic growth of 3.0% for 2026, with global headline inflation expected to increase to 4.7% in 2026 before declining to 3.9% in 2027 (source: IMF World Economic Outlook, July 2026). Such developments may lead to a decline in the willingness or ability of the Group's customers to purchase its products for use in their downstream industries such as textiles and nonwovens.

Armed conflict in the Middle East between Israel and Palestine, involving other regional powers, which broke out in October 2023, has continued. In February 2026, hostilities between the United States, Israel, and Iran escalated into a broader armed conflict, following the outbreak of Israel-Iran hostilities in June 2025. Although the United States and Iran have entered into an agreement with the intent to end hostilities, the durability of such agreement is unclear and armed conflict in the region has resumed numerous times since the agreement was signed. The Iran conflict has disrupted critical supply routes through the Strait of Hormuz, which are important for the Group's global supply chains, and has contributed to inflationary pressures on energy, raw materials and logistics costs. The longer-term effects of the Iran conflict on global supply chains and commodities markets could have spillover effects on global economic activity, and on the prices and availability of raw materials and energy on which the Group depends, even if active military conflict in the region subsides.

Since the beginning of the Russia-Ukraine conflict, the European Union has progressively restricted energy imports from Russia, including seaborne crude oil and refined petroleum products, all forms of Russian coal, and has issued import bans for liquified petroleum gas and banned future investment in and exports to liquified natural gas projects under construction in Russia. These developments have caused and may continue to cause increases in energy prices and potential energy shortages throughout Europe, adversely impacting European economies and manufacturers such as the Group and its Europe-based suppliers.

The conflicts and the related sanctions have caused and may continue to cause volatility in oil and natural gas prices, which is further exacerbated by the Iran conflict given Iran's role as a significant oil and gas producer and the strategic importance of the Strait of Hormuz to global energy flows. In Austria, where the Group maintains significant production facilities, the public electricity grid and the Group's Heiligenkreuz, Austria site in particular still rely to some extent on natural gas, although the Group has implemented measures to reduce this exposure, including the advancement of transition to biogenic fuels at the Heiligenkreuz site. Following the cancellation of the transit agreement by Ukraine and the termination of long-term gas supply contracts by one of Austria's major importers, Austria no longer imports natural gas from Russia over Ukraine. While timber markets in Europe were essentially stable in 2025, supported by weaker industrial demand for wood and partially lower energy prices reducing biomass consumption, the Iran conflict created significant disruption in the European timber markets in H1 2026. Sawmill operators were forced to curtail cutting activity

following the effective closure of a key export market (Middle East) for sawn goods, which in turn substantially reduced sawmill chip availability and depressed broader wood harvesting activity. As a consequence, pulpwood markets in Europe experienced constrained supply and upward price pressure during the period, adversely affecting the cost and availability of industrial wood, which is an essential input for the Group's products. Furthermore, should energy prices remain elevated as a result of the Iran conflict or other geopolitical developments, increased use of wood for biomass energy generation and further stockpiling of firewood could limit the availability and increase the cost of industrial wood, which is an essential input for the Group's products. For more detail on the potential impacts these risks could have on the Group and its suppliers, see "*3.1.3 The Group's business, which depends on the timely availability of raw materials and energy at reasonable prices, is currently facing, and may continue to face, delays, shortages and price volatility as a result of global supply chain disruptions.*"

Other consequences of the regional conflicts and related sanctions which have adversely impacted, and may continue to adversely impact, manufacturers including the Group, as well as the suppliers they rely on, include increased bottlenecks in global supply chains, higher outbound logistics costs including freight premiums in certain cases and additional storage costs arising from supply route disruptions, and price volatility for raw materials (including chemicals which require natural gas or significant amounts of energy to produce). Although the Group has implemented strategies to manage the impact of these shortages and price volatility, such measures can be costly and may not always succeed. In early 2023, the Group began implementing a hedging strategy encompassing a mixture of financial and physical hedging strategies in Europe and North America, focusing mainly on gas but also in limited cases on electricity. For 2025, the Group hedged approximately 42% of its expected electricity demand in Austria via long-term power purchase agreements (solar photovoltaic and wind). Furthermore, 9% of the electricity demand was covered by own production (solar PV and hydropower). The Group hedged between 32% and 74% of the expected natural gas demand of its relevant sites in the United States, the United Kingdom and Austria via physical and financial hedges. However, hedging measures may not always fully protect the Group from volatility in energy prices and the impact it can have on the Group's profitability. Such measures could even have a negative effect on the Group's costs, for instance, by leading to comparatively higher costs for the hedged positions during an otherwise downward trend in market prices.

Since January 2025, a series of new tariff measures by the United States and countermeasures by its trading partners has been announced and implemented, creating significant uncertainty across global trade. In February 2026, the United States Supreme Court held that the International Emergency Economic Powers Act ("**IEEPA**") does not grant the President authority to impose tariffs, following which the United States government introduced new global tariffs under Section 122 of the Trade Act of 1974. On May 7, 2026, the United States Court of International Trade issued a ruling finding the administration's use of the Trade Act of 1974 for these global tariffs to be unlawful. The Group cannot predict the duration, scope or extent of any future changes to the United States tariff regime, or the outcome of ongoing legal challenges thereto, and additional tariffs may be introduced in the future. On July 24, 2026, the U.S. imposed new tariffs of 10% and 12.5% on goods from 60 trading partners, including the EU and China, alleging those countries failed to curb imports made by forced labor, just as a temporary 10% global tariff expired. In view of geopolitical tensions, global trade conflicts lead to an increased risk of additional trade restrictions with potential negative effects on supply chains and sales markets relevant to the Group. As a globally active company, such tariff measures have had and can continue to have a direct impact on the Group, including by making imports of raw materials for its manufacturing site in Mobile, Alabama more expensive, and through secondary effects on global demand for the Group's fibers resulting from deteriorating economic conditions. Furthermore, the Company is the importer of record in the United States for sales to U.S. customers from some of its non-US sites, which resulted in the Company paying significant IEEPA tariffs in the period under review.

Ongoing political disputes and trade tensions between the United States and China, which is among the most important sales markets for the Group's textile fibers, may further compound these effects. The deterioration of the market environment, primarily influenced by the effects of country-specific U.S. tariff policy, led to substantial losses for the Group's Indonesian fiber production site and triggered a strategic review of that site, including a possible sale, resulting in the recognition of impairment losses of EUR 82 million in the financial year 2025. The recognition of these impairment losses was a primary driver for the Group's significant decrease in return on capital employed from 2024 to 2025.

Intensifying downside risks, including greater market volatility, reduced predictability of political and economic decisions and growing conflict potential, an escalation in regional conflicts, monetary policy remaining tight for too long, possible financial market volatility, and a deeper growth slowdown in China may further reduce near- and long-term growth. The tightening of global trade sanctions could increase import restrictions or other logistical or sales-related implications in the markets relevant to the Group.

If any of the foregoing risks were to materialize, the Group's business, results of operations, financial condition and prospects could be materially and adversely affected. Such risks may also have the effect of heightening many of the other risks described in this section, such as those relating to supply chain problems, inflation and volatility in prices of goods and materials, cybersecurity, capital markets volatility and the Group's ability to access additional capital, any of which could materially and adversely affect its business, results of operations, financial condition and prospects.

3.1.3 The Group's business, which depends on the timely availability of raw materials and energy at reasonable prices, is currently facing, and may continue to face, delays, shortages and price volatility as a result of global supply chain disruptions.

Like most manufacturers, the Group and its suppliers require access to reliable sources of affordable raw materials and energy to carry out their commercial activities. Key components in the Group's production of WBF are chemicals such as caustic soda, carbon disulfide and N-methyl-morpholine-N-oxide ("**NMMO**"), and wood for its dissolving pulp mills and externally sourced DWP. In addition, as the production of WBF is an energy-intensive process, the Group relies on various sources of energy, including natural gas, biomass and electricity (*e.g.*, from photovoltaic sources), as well as coal and fuel oil, for its operations.

Raw materials and energy constitute a large proportion of the Group's total costs. Material costs (comprised primarily of pulp and wood for the internal production of pulp, key chemicals and merchandise) were equal to 44.6% of Group revenue in 2025 (2024: 43.5%, 2023: 47.2%) and other purchased services (related mainly to energy) comprised 8.1% in 2025 (2024: 8.3%, 2023: 8.9%). Consequently, the Group's exposure to fluctuations in the prices of raw materials and energy is significant and may increase going forward.

Following at times severe price increases in the past years, raw material and energy prices remained elevated in the six months ended June 30, 2026 ("**H1 2026**"), with renewed increases beginning in the second quarter of 2026, driven mainly by geopolitical tensions in the Middle East and the Iran conflict, which increased uncertainty across global commodity and logistics markets, exerted pressure on chemical value chains, and led to significant price increases for sulfur and sulfur-related products (up to threefold in H1 2026 in certain cases, having already increased significantly over the course of 2025); the caustic soda market also experienced a tighter supply situation at the beginning of the second quarter, with prices increasing due to higher energy costs and temporary feedstock constraints in certain regions before some easing towards period-end. See "*3.1.2 Geopolitical conflicts, including the Russia-Ukraine conflict, conflicts in the Middle East, including the Iran conflict, escalating protectionist trade measures including U.S. tariff policy, and other macro developments have had, and may continue to have, adverse impacts on the global economy, the global capital markets, international trade, supply chains, energy prices and supplies and the price and availability of raw materials, any of which could negatively impact the Group's operations.*"

The sharp rise in energy prices due to the Iran conflict and the Russia-Ukraine conflict have also led to supply shortages alongside significant price increases on global commodity markets. Given the Group's dependence on certain key suppliers, these circumstances have presented and continue to present a significant risk to the Group. See also "*3.1.11 The raw materials and services that the Group requires to produce wood-based fibers may be difficult to obtain, and the Group relies on a limited number of key suppliers, some of which are struggling to meet demand due to supply chain disruptions.*"

Although the Group has nominal capacity at the plantation and pulp mill in Brazil of approximately 600,000 tons of DWP per year, as well as 605,000 tons at its pulp mills in Europe, it still sources some DWP from external suppliers to acquire certain special grades of DWP which it needs to achieve optimal process and product performance (while selling its own excess DWP). Therefore, a substantial portion of the Group's remaining demand for wood, and in certain cases DWP, is still being met via external suppliers. Wood prices are at risk of increasing due to climate change, growing global biomass demand, and alternative land use. Growing competition for land use and natural resources is affecting long-term structural biomass prices.

When the Group is unable to pass on higher raw material and energy costs to its customers, to increase sales or otherwise lower its average operating costs sufficiently to offset higher costs, this can have a significant effect on the Group's results of operations. Even if the Group is able to pass on raw material and energy price increases to customers, the increase in selling prices may result in decreased demand and lower sales volume as customers reduce their purchases or shift to substitute products.

Due to the existing uncertainties with regard to the occurrence, volume and duration of possible raw material and energy shortages, potential gas stoppages, rationing or other disruptions and volatilities, it is currently not possible to make reliable statements with regard to the probability of such occurrences or their exact impact on the Group. A further escalation of geopolitical conflicts, particularly in the Middle East, could disrupt global supply chains, reduce the availability of key chemicals, raw materials, and energy, and lead to higher procurement and logistics costs, adversely affecting the Group's operating and financial performance in the second half of 2026 and beyond. Any of

the foregoing risks, if they materialize, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.1.4 The Group has a high level of financial debt due to significant borrowings and other financial liabilities, the amount and terms of which limit its financial and operational flexibility, including its ability to refinance indebtedness and pay dividends. If the Group is unable to comply with the financial and other restrictive covenants in its financing agreements, or does not complete or receive the proceeds from the Offering and/or is unable to obtain adequate financing in the future for the purpose of refinancing its existing indebtedness, there could be a default or event of default under such financing agreements.

The Group requires significant financial resources to implement its business plan and strategy. The Group is currently party to a range of financing agreements with various financial institutions pursuant to which it has significant borrowings and other financial liabilities. As of June 30, 2026, the Group's net financial debt (defined as the Group's interest-bearing financial liabilities (*i.e.*, non-current and current loans and borrowings) less lease liabilities (*i.e.*, non-current and current lease liabilities) less liquid assets (*i.e.*, cash and cash equivalents plus liquid bills of exchange)) amounted to EUR 1,363.3 million. As of June 30, 2026, the Group's non-current loans and borrowings amounted to EUR 1,620.7 million and its current loans and borrowings (loans and borrowings due within one year) amounted to EUR 528.5 million. As of December 31, 2025, the Group had contractually agreed (undiscounted) interest and principal payments for certain primary loans and borrowings (consisting of bond, private placements, bank loans, loans from other lenders and lease liabilities) which comprised expected cash outflows of EUR 630.5 million in 2026 and EUR 1,346.8 million from 2027 to 2030. The timing of the Group's cash outflows for contractually agreed (undiscounted) interest and principal payments may be subject to change as a consequence of amendments to its financing agreements.

In May 2025, the Group entered into a senior facilities agreement, which was amended, restated and increased pursuant to an amendment and restatement agreement dated September 14, 2026 (the "**Amendment and Restatement**"). Effectiveness of, and the ability to make draw-downs under, the Amendment and Restatement is subject to the condition that the Offering is successfully completed. The amended and restated facilities agreement comprises (i) a EUR 355.0 million term loan facility and a new EUR 145.0 million term loan facility, each with a bullet repayment on the final maturity date, and (ii) a EUR 195.0 million revolving credit facility maturing four years after the effective date of the amendment and restatement agreement. The Company may twice request a one-year extension of the revolving credit facility, which may be granted in the sole discretion of the lenders. Assuming such extension requests are granted, the revolving credit facility would have a remaining term until the earlier of (y) the sixth anniversary of the effective date of its amendment and restatement and (z) October 31, 2032. Proceeds from the initial term loan of EUR 355.0 million have been used to refinance existing indebtedness and related expenses. Proceeds from the new term loan of EUR 145.0 million agreed in connection with the Amendment and Restatement will be used for general corporate purposes and to finance exceptional, one-off and extraordinary costs related to the implementation of the Group's new strategy and other transformation initiatives. Proceeds from the revolving facility, which was increased by EUR 5.0 million in connection with the Amendment and Restatement, have been and will be utilized for general corporate purposes, including working capital requirements. The amended and restated senior facilities agreement includes customary terms, conditions, and covenants as agreed with the lenders. In order to finalize an overall financing package of up to approximately EUR 300 million, the Company is also in discussions on an additional *OeKB Vorratsinvest* loan agreement in a planned amount of EUR 150.0 million expected to be entered into at market interest rates with a term of four years, subject to the settlement of the issuance of the Offered Shares. Any failure by the Company to comply with the terms, conditions, and covenants of the amended and restated senior facilities agreement or to enter into the additional *OeKB Vorratsinvest* loan agreement or any similar loan in a timely manner and on commercially reasonable terms could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's other financing agreements include a subordinated perpetual bond (hybrid capital), which technically qualifies as equity under IFRS, with a total volume of EUR 500.0 million and a coupon of 9.00% (the "**Hybrid Securities**"), several German law *Schuldscheindarlehen* (unrated, senior unsecured private placements) with outstanding nominal values of EUR 266.0 million as of June 30, 2026, as well as several loan agreements backed by Oesterreichische Kontrollbank AG, the Austrian export credit agency acting on behalf of the Republic of Austria, with outstanding nominal values of EUR 464.9 million as of June 30, 2026 (the "**OeKB Loan Agreements**"). Certain of these financing agreements contain a number of covenants, including financial covenants, which limit the Group's financial and operational flexibility.

The Group's financing agreements include a financing agreement between two of the Company's Brazilian joint ventures, LD Celulose S.A. ("**LD Celulose**"), including its wholly-owned Austrian subsidiary

LD Celulose International GmbH ("**LDI**"), and LD Florestal S.A. ("**LD Florestal**") and various financial institutions concerning an aggregate financing of USD 1 billion (the "**LD Celulose Financing 2024**") available for the refinancing of an export term loan facility agreement which in turn was made available to finance exports of goods by LD Celulose. The LD Celulose Financing 2024 includes covenants such as restrictions on the incurrence of additional financial indebtedness by any of these joint ventures and their subsidiaries as well as other financial covenants, prepayment provisions, and events of default. The LD Celulose Financing 2024 is secured by pledges of shares, property, plant and equipment including biological assets as well as pledges of off-shore bank accounts.

The LD Celulose Financing 2024 comprises USD 650.0 million green senior secured notes due 2032 with an interest coupon of 7.950% by LDI, the proceeds of which were upstreamed and used for the repayment of indebtedness of LD Celulose. Although the Company is of the opinion that the upstreaming and the use of the proceeds by LDI for the repayment of indebtedness of LD Celulose does not constitute a repayment of capital contributions, a violation would result in the invalidity of the underlying contract. As a result, LD Celulose could be required to return any amounts received in violation of these restrictions. This could have an adverse impact on the Company's financial position.

Although the Company is of the opinion that the Group is in a position to meet its payment obligations that become due within at least the next 12 months from the date of this Prospectus, including its financial liabilities that come due during that period, over the longer term the Group will likely need to further reduce its leverage and obtain new financing in order to refinance its existing financial obligations as they come due. To do so, it will need to satisfy the financial requirements and other conditions contained in its existing financing agreements including those described above, which it may fail to do. Even where it satisfies such conditions and requirements, it is not clear that the Group will be able to secure the necessary financing from financial institutions on acceptable terms or at all. The Group's ability to obtain financing will depend on conditions in credit markets generally, the Group's creditworthiness at the time it seeks to refinance existing debt and its relationships with lending institutions. Should the Group fail to obtain such financing as and when needed, it will be unable to refinance its financial obligations when they come due. Furthermore, if the Group is unable to call or redeem the Hybrid Securities in the period from April 9, 2028 to July 9, 2028, the hybrid capital will be subject to a coupon from July 9, 2028, at a revised interest rate, calculated as the then applicable three-year swap rate plus a margin increased by 500 basis points. The inability to call or redeem the Hybrid Securities presents a substantial refinancing risk to the Group and a resulting increase in the applicable coupon payments may pose a risk to the Group's ability to repay its financial liabilities.

The breach of a financial or other covenant or the failure to meet any of the obligations under the financing agreements governing the Group's debt would result in a default or event of default under such agreements, which in turn could result in a number of adverse consequences including the acceleration of the outstanding amounts requiring immediate repayment of the related debt in part or in whole, prohibiting the Group from rolling over the loans under the existing credit facilities or drawing additional funds, significant increases in interest rates and other financing costs. If the debt under the Group's material financing arrangements, *i.e.* the Amendment and Restatement, the LD Celulose Financing 2024, the Hybrid Securities and the OeKB Loan Agreements were to be accelerated, the Group's assets, *e.g.*, cash resulting from the sale of certain subsidiaries may be insufficient to service the Group's debt and it may become insolvent.

In addition, the Group must continue to make amortization payments on its term loan facilities and be subject to affirmative and negative covenants in its existing financing documents in addition to its financial covenants, such as limitations on the granting of security, sale of assets and incurrence of debt, all of which limit the flexibility of the Group in running its business and may have other operational impacts on the Group, including:

- requiring the Group to use available cash flow to service its debt obligations, thereby restricting the Group's ability to pay dividends or other distributions to shareholders and limiting the Group's ability to make acquisitions as well as capital expenditure or other investments in the Group's business; and
- placing the Group at a disadvantage compared to its competitors that may be less leveraged or restricted by financial or other covenants.

Any of the above could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.1.5 The Group's future success is dependent on the successful execution of its business strategy.

The Group's future success is dependent on the successful execution of its strategic realignment announced in July 2026 under the priorities "Grow Nonwovens, Reset Textiles". This strategic realignment represents a fundamental repositioning of the Group's business in response to structural shifts in the WBF market, including persistent overcapacity in textile fibers, a slower-than-anticipated recovery in textile market pricing, narrowing premium value capture and the continued advancement of Asian fiber producers in terms of scale, cost and quality. The Group's strategic realignment is designed to improve the Group's competitiveness, profitability and return on invested capital by rebalancing its revenue mix toward less cyclical markets, reducing its cost base, optimizing its capital employed and investing selectively in key next-generation fiber technologies.

The strategic realignment of the Group rests on four principal pillars, each of which is subject to a number of risks. First, the Group intends to grow its nonwovens business by expanding cellulosic fiber adoption in the hygiene segment, growing its tampon fiber business, upgrading its Mobile, Alabama, United States production facility to a state-of-the-art specialty nonwovens facility, and advancing the commercialization of its proprietary LENZING™ Nonwoven Technology in collaboration with strategic partners. However, the nonwovens market may not grow at the rate the Group anticipates, demand for sustainable cellulosic fiber solutions in hygiene applications may not materialize to the extent expected. Long-term contracts with leading consumer goods companies that are intended to underpin the Group's nonwovens growth may prove difficult to secure or retain, or the terms of such contracts may prove less favorable than anticipated. The Group may also not be able to maintain a position of technological leadership in nonwovens which it believes it currently possesses versus competitors, which could endanger its relationships with important customers such as fast-moving consumer goods brand players.

Second, the Group intends to reset its textiles business by exiting loss-making generic viscose volumes, harvesting its existing lyocell and viscose production, and growing premium niche segments, principally modal fibers and next-generation flame-retardant specialty fibers, supported by planned additional modal production capacity in China and Austria. The Group's ability to grow and defend its position in these premium niches is subject to a number of risks, including the degree of customer acceptance of its premium fiber products, intensifying competition from Asian producers who are closing the gap in terms of scale, cost and quality (see also "*3.1.12 The Group may not be able to compete in the highly competitive specialty WBF industry or may materially lose market share and may be affected by the availability of alternative products or new technologies.*"), persistent overcapacity in the broader textile fiber market that may continue to depress pricing and utilization, and the risk that differentiation based on sustainability or innovation characteristics is eroded over time or that end-consumers remain unwilling to pay a premium for such characteristics.

Third, the strategic realignment contemplates that the Group's Pulp division will remain a core earnings pillar, with capacity debottlenecking at its LD Celulose joint venture in Brazil and at its Lenzing an der Ager, Austria facility intended to further strengthen external pulp sales as textile fiber capacity is reduced. This pillar is subject to the risks inherent in the Group's pulp business, including the availability of wood and other raw materials, operational reliability of the relevant production facilities and developments in global DWP markets and pricing. See also "*3.1.3 The Group's business, which depends on the timely availability of raw materials and energy at reasonable prices, is currently facing, and may continue to face, delays, shortages and price volatility as a result of global supply chain disruptions*" and "*3.1.11 The raw materials and services that the Group requires to produce wood-based fibers may be difficult to obtain, and the Group relies on a limited number of key suppliers, some of which are struggling to meet demand due to supply chain disruptions*."

Fourth, the strategic realignment contemplates continued selective investment in key innovations as long-term growth drivers, including LENZING™ Nonwoven Technology, TreeToTextile (a next-generation cellulosic fiber technology in which the Group holds a controlling stake), specialty filament yarns, biodegradable filtration fibers co-developed with Philip Morris International and British American Tobacco, and next-generation flame-retardant fibers for the personal protective equipment market. The development of the Group's innovation pipeline is uncertain due to a number of factors, including the degree of customer and market acceptance, technical and manufacturing hurdles, the availability of development capital, the timing of commercial scale-up decisions and the activities of competitors pursuing similar or alternative technologies. There can be no assurance that any of these technologies will reach commercial scale within the expected timeframe, or at all, or that they will generate the revenue or margin contribution the Group anticipates.

The Group's medium-term financial targets are premised in large part on the successful and timely execution of all four pillars of its strategic realignment, as well as on assumptions regarding the market environment, including fiber pricing, demand levels and input costs, that may prove incorrect. The market assumptions underlying the strategic realignment, including the expected rebalancing of the Group's revenue

mix, the anticipated growth of the nonwovens business and the recovery of fiber pricing, may not materialize within the expected timeframe or to the expected extent or even not at all. If global textile fiber markets remain depressed for longer than anticipated, if the nonwovens market develops more slowly than expected, or if competitive or macroeconomic conditions deteriorate further, the Group may be unable to achieve its targets, or the timeline for reaching such targets may be extended. The Group's medium-term targets also assume the successful delivery of the Group's separate operational performance and cost-saving initiatives. See "*3.1.6 The Group may fail to achieve the targeted benefits from current or future operational performance improvements, including cost-saving measures.*"

Any failure by the Group to successfully execute its business strategy could have a material adverse effect on its business, results of operations, financial condition and prospects.

3.1.6 The Group may fail to achieve the targeted benefits from current or future operational performance improvements, including cost-saving measures.

The Group's ability to realize the operational benefits of its strategic initiatives, including its cost-saving and efficiency programs, production footprint consolidation, and capacity investment and site upgrade projects, depends on successful and timely execution, which is subject to implementation risks distinct from commercial and market risks. As a consequence of the difficult market environment over the past years, the Group has implemented a series of successive performance and cost reduction programs with the overriding objective of achieving significantly enhanced long-term resilience to crises and greater agility in the face of market changes.

The Group is continuously working to implement measures to optimize structural, process and personnel costs. In July 2026, in connection with the announcement of its "Grow Nonwovens, Reset Textiles" strategic realignment, the Group announced a further performance program targeting EUR 120 million in savings versus its 2025 reported results, expected to reach full run-rate effect by the end of 2027 (the "**2026 Performance Program**"). The 2026 Performance Program comprises the following targets: (i) personnel cost savings of approximately EUR 45 million through a reduction of up to approximately 600 full-time equivalents, predominantly in administrative functions across the Group; (ii) approximately EUR 40 million of additional selling, general and administrative cost savings through organizational rightsizing; and (iii) approximately EUR 35 million of operational savings from improving site competitiveness and energy cost optimization. The 2026 Performance Program is accompanied by the planned consolidation of the Group's global fiber production footprint from nine sites to six by 2028, including the planned phase-out of fiber production at its sites in Heiligenkreuz, Austria by the end of the first quarter of 2027 and Grimsby, United Kingdom by the end of 2027, and the ongoing sale process for PT. South Pacific Viscose in Indonesia.

Implementation of these or future operational performance and cost-saving measures is a complex exercise involving multiple jurisdictions across Asia, America and Europe, and is subject to a number of interdependencies and uncertainties. For example, changes in the personnel or operating structure, increased use of service centers and reductions in headcount for purposes of personnel cost reductions could negatively affect morale within the Group's workforce, damage the image of the Group as a preferred employer, undermine its ability to attract and retain talent, as well as disrupt internal processes. The planned consolidation of the Group's production footprint, including the phase-out of production at certain sites and the associated transfer of product lines to core manufacturing sites, presents additional execution risk, including the risk of production disruption or the inability to otherwise fully transfer production for certain product lines, customer attrition during the transition period, delays in site wind-down or divestment processes, previously unanticipated environmental liabilities and the possibility that impairment charges and restructuring costs exceed current estimates or that no viable divestment outcome is achieved in respect of the affected sites. Initiatives to reach cost reduction targets in the procurement and supply chain structure could also face logistical hurdles. Furthermore, performance initiatives of the scale and breadth targeted by the Group require significant management time and attention, which could disrupt or otherwise negatively affect ongoing business operations. The failure to provide sufficient management capacity to implement the Group's operational performance and cost-saving measures could both impede the success of the initiatives and adversely affect the Group's business.

The Group's ability to achieve the targeted benefits of its operational performance and cost-saving programs is also dependent on assumptions relating to a number of external factors, including labor law and regulations, other regulatory developments, relations with trade unions and works councils, collective bargaining outcomes and tariff and wage increases, all of which are difficult to predict and are largely beyond the Group's control. These assumptions may prove to be inaccurate.

As a result of any of the factors above, these operational performance and cost-saving measures, or components thereof, may not deliver the intended benefits within the time frame that the Group targets, or may

deliver them only partly or with a delay. This may result in implementation costs in excess of those originally planned by the Group and the actual results of the initiatives may differ materially from the targets or these initiatives may even fail to be successful at all. If the targeted operational performance and cost-saving measures are not fully realized or achieved within the intended time frames, this could have a material adverse effect on the Group's profit margins and more generally on its business, results of operations, financial condition and prospects.

3.1.7 The so-called "cellulose gap" and the growth of the wood-based fibers industry expected as a result thereof may not materialize.

The concept of the "cellulose gap" is based on the assumption that global demand for fibers is expected to increase between roughly 2% and 3% per year as a result of, among other matters, increasing population, rising wages and increasing disposable income in emerging markets (source: TFY, "The Fiber Year 2026" dated July 2026; Company's management estimates). In addition, arable land for the cotton industry may not be sufficient to service the increasing demand for fibers due to competition for land uses, such as to grow food or crops that they believe will be more profitable and can be used as alternative energy sources. Climate change and the expected increase in flooding may further reduce existing arable land for cotton. However, if cotton prices continue to increase as they have increased during periods in the recent past, farmers may choose to switch from planting crops used as alternative energy sources back to planting cotton. Furthermore, other fibers such as polyester or polypropylene may benefit from factors such as potentially decreasing oil prices or continued price advantages compared to the Group's WBF, including specialty fibers, or new fiber types may be developed that are better substitutes for cotton than the Group's fibers. In any of these cases, the so-called "cellulose gap" may not materialize to the extent and in the timeframe that the Group expects it to materialize, or at all. Consequently, the growth of the fibers industry predicted by studies may also not materialize.

Any of the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.1.8 General inflationary pressures, including on labor costs, and the effects of rising interest rates, have negatively impacted, and could continue to negatively impact, the Group's business and results of operations, including through their effect on consumer demand.

The Group's operating environment has been impacted by broader inflationary pressures, including rising labor and wage costs and increases in general interest rates, in addition to the raw material and energy cost pressures described in "*3.1.3 The Group's business, which depends on the timely availability of raw materials and energy at reasonable prices, is currently facing, and may continue to face, delays, shortages and price volatility as a result of global supply chain disruptions.*" These broader inflationary pressures have contributed to higher operating costs across the Group's business and may continue to negatively impact the Group's operating results and future profitability. General inflation, including rising energy prices, interest rates and wages, currency volatility and monetary, fiscal and policy interventions by national or regional governments in reaction to such events have had and could continue to have negative impacts on the Group's business by increasing the Group's operating costs and its borrowing costs, as well as decreasing the capital available for the Group's customers to purchase its products. For instance, the Group is exposed to increases in market interest rates (including EURIBOR and other relevant reference rates) on its floating rate debt instruments, which comprise a significant share of the Group's total loans and borrowings.

Global headline inflation is expected to increase to 4.7% in 2026 before declining to 3.9% in 2027 (source: IMF World Economic Outlook, July 2026). The impact of inflation could also reduce consumer confidence and decrease consumer discretionary spending, including spending on textiles and nonwoven products which the Group supplies to these industries, and negatively affect trends in consumer purchasing patterns due to changes in consumers' disposable income, credit availability and debt levels. The impact of high inflation and the Group's premium pricing for certain of its products relative to more conventional fiber solutions have caused and could continue to cause the Group's customers to trade down into cheaper fiber products. A decline in demand for WBF would also eventually reduce demand for DWP.

Any of these developments could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.1.9 The Group's production facilities are exposed to weather, operational and accident risks.

Although the Group employs risk mitigation measures of different kinds (including insurance coverage), the Group cannot eliminate residual risks of operational disruptions in production facilities, which might lead to substantial losses. Operational disruptions may result from factors beyond the Group's control, for example climate change, natural disasters such as flooding, cyclones, windstorms, heatwaves, landslides or earthquakes,

forest fires, or other types of fires resulting from dry and excessively hot temperatures, tree diseases, pest infestation or excessive rain in Brazil, hurricanes in the United States, or acts of terrorism, or from internal accidents or other failures in the course of operations, for example explosions, the release of toxic or hazardous substances or equipment malfunctions. In particular, the Group's production sites require access to significant amounts of water and such access can be affected by meteorological events such as heatwaves. The Group's Lenzing an der Ager, Austria production site for instance depends on water drawn from the Ager River, which is in turn fed by Lake Attersee. As recently as August 2026, the Group experienced drought conditions resulting in reduced water levels in Lake Attersee and the Ager River, which threatened to limit the volume of water available to the Group for its production processes and, if such conditions had continued, could have required the Group to reduce output at its pulp mill and/or fiber production lines at the site. See also "*3.3.1 The Group is exposed to risks related to laws and regulations applicable to its manufacturing operations, including environmental, health and safety laws and regulations.*"

Moreover, the Group uses flammable and combustible substances in its WBF production processes which can cause exothermal reactions at the Group's sites. In such cases, there is also a risk of personal injury, damage to third-party property and damage to the environment, which may lead to considerable financial loss and even criminal liability.

Such events could delay or disrupt the Group's operations, result in substantial property damage, business interruption losses, environmental liabilities, personal injury claims, regulatory actions or civil and criminal penalties. While the Group maintains insurance coverage for a number of operational risks, insurance recoveries may not fully compensate for all losses incurred, may be subject to policy limits, deductibles, exclusions or other coverage restrictions, and certain consequences of such events may not be insurable at all.

In line with its strategy of operating an efficient integrated production environment, the Group has concentrated its production capacity at several locations. As a result, operational delays, disruptions and shutdowns at any one of the production locations including Austria, Indonesia, Brazil, Thailand, the United States, United Kingdom, and Czech Republic, could materially affect the Group's operations. Certain production facilities have been in operation for several decades resulting in site equipment and parts of infrastructure approaching the end of their useful life or exposed to corrosion. These may increase maintenance requirements and the need for spare parts that might be difficult to source or no longer available on the market. There is a risk of equipment failure and unexpected shutdowns.

Any resulting production loss, operational disruption or liability for damages, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. While the Group maintains insurance coverage for various operational risks, insurance recoveries may not fully compensate for all losses incurred, and certain consequences of such events may not be insurable or recoverable in full.

3.1.10 The Group relies on medium- to long-term requirement contracts for a material amount of the dissolving wood pulp it needs to manufacture its products.

The Group has entered into medium- to long-term contracts with a number of its suppliers for DWP, the key input for the production of WBF that make up the large majority of the Group's revenues. These include agreements with suppliers for special types of DWP required for production of the Group's specialty fibers.

Although the Group has nominal capacity at the plantation and pulp mill in Brazil of approximately 600,000 tons per year, as well as 605,000 tons at its pulp mills in Europe, it still sources some DWP from external suppliers in order to acquire certain special grades of DWP which it needs to achieve optimal process and product performance (while selling its own excess DWP). Therefore, if one of these suppliers fails to deliver DWP, for example as a result of production disruptions, temporary plant closures, civil unrest or otherwise, the Group could be forced to seek alternative, more expensive sources for its DWP. The Group may not be able to identify such alternative sources at acceptable prices, or at all. Medium- to long-term shortages or other interruptions in the supply of DWP could limit its ability to produce WBF. In addition, the Group may be unable to extend certain supply agreements or may only be able to do so at higher prices that the Group might not be able to pass on to its customers.

Moreover, the Group's contracts with these suppliers require it to buy set or minimum quantities on pre-agreed terms that often contain index-based price adjustment clauses. The Group may not be able to modify price, quantity or other terms of its contracts to reflect changing business conditions. Even if its counterparties agree to modified terms, this flexibility may not be sufficient to make the contracts commercially acceptable under then-current business conditions. This risk is exacerbated because most of the Group's fiber sales are on a quarterly, monthly or short-term basis rather than under long-term contracts. Demand for the Group's products is also subject to significant volatility, which is driven in turn by the needs of the textile and nonwovens industry.

As a result of these risks, the Group could be required to purchase, or pay for, raw materials or services that it does not need or at unfavorable prices.

Any of these developments could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.1.11 The raw materials and services that the Group requires to produce wood-based fibers may be difficult to obtain, and the Group relies on a limited number of key suppliers, some of which are struggling to meet demand due to supply chain disruptions.

The Group relies on third-party suppliers for the timely delivery of raw materials and services for the manufacture of its products, including DWP and chemicals which comprise the primary inputs for the Group's production of WBF, including specialty fibers. Prior to processing, the Group sources its wood from certain suppliers that are able to certify that the wood has come from responsibly managed forests. In terms of DWP, in 2025 the Group covered approximately 80% of its requirements with its own production. The remainder of the DWP that the Group consumes is largely sourced on the basis of medium- to long-term contracts from a limited number of suppliers. See also "*3.1.10 The Group relies on medium- to long-term requirement contracts for a material amount of the dissolving wood pulp it needs to manufacture its products.*" Chemicals such as caustic soda, carbon disulfide and sulfuric acid, which are essential to the Group's WBF production, are also purchased from a small number of suppliers, several of which are single source suppliers. The number of suppliers which are able to comply with the Group's sustainability strategy is also limited. Any shortage in the supply of, or increase in the demand for, wood, DWP and the range of chemicals that the Group uses in its production could result in increases in raw material costs or even interruption of the Group's production.

Furthermore, the Group's ability to source sufficient CO_2-optimized (*i.e.*, with a lower carbon footprint than traditional methods) or otherwise sustainably sourced raw materials (such as caustic soda and wood) and energy, whether directly or through its suppliers, is relevant to the Group's sustainability profile and reputation, particularly as external regulatory requirements evolve and demand among other manufacturers with similar requirements intensifies. See "*3.1.13 The Group's success is dependent on the image of its brand name and its underlying product brands, in particular their sustainability characteristics and credentials, as well as the brand image and reputation of its strategic partners.*" for the related risks.

The Group may not be able to source its DWP, chemicals, energy and wood requirements which correspond to its sustainability standards from its suppliers at an economical price, or at all, if for instance any of the following events occur:

- economic changes due to world-wide demand;
- changes to environmental and supply chain regulations;
- capacity allocation by the supplier to other customers or financial distress of the supplier;
- shortages of logistics services, including truck drivers and shipping capacity;
- fluctuations in market prices;
- catastrophic events such as forest fires, forest degradation (*e.g.*, due to disease, pest infestation, excessive rain or droughts), industrial accidents, earthquakes or flooding;
- production shortfalls or delivery problems of suppliers due to lack of replanting, pandemic-related illness and restrictions, strikes, riots, general civil unrest or other production incidents; or
- fluctuations in exchange rates.

Should one or more key suppliers be unable or unwilling to fulfill delivery obligations, the Group faces a risk of production downtime, inventory backlogs, delays in deliveries to customers or the inability to complete the sale of ordered products. For instance, the Group faced shortages of certain chemicals key to its production processes when a fire occurred at a major supplier's plant in 2024. This resulted in losses, only some of which are expected to be recoverable by insurance.

The Group's supply issues were also exacerbated by the Russia-Ukraine conflict and the Iran conflict. The related rise in energy prices has severely affected the Group's supply chain. Among other things, the Group has experienced difficulties sourcing wood and certain chemicals from its key suppliers, including due to regional logistical strains. The risk of supplier financial distress could become more acute if energy prices continue to increase or remain elevated, or if energy supplies are threatened. See also "*3.1.3 The Group's business, which depends on the timely availability of raw materials and energy at reasonable prices, is currently*

facing, and may continue to face, delays, shortages and price volatility as a result of global supply chain disruptions." Furthermore, the supply disruptions caused by regional conflicts continue to have an impact on the Group's supply chain. See also "*3.1.2 Geopolitical conflicts, including the Russia-Ukraine conflict, conflicts in the Middle East, including the Iran conflict, escalating protectionist trade measures including U.S. tariff policy, and other macro developments have had, and may continue to have, adverse impacts on the global economy, the global capital markets, international trade, supply chains, energy prices and supplies and the price and availability of raw materials, any of which could negatively impact the Group's operations.*"

As the Group's raw materials and its finished products are typically in transit for prolonged periods of time via sea routes, disruptions to its supply chain and logistics can result in extended delays to deliveries as shipments become backed up. The ongoing difficulties in passing the Strait of Hormuz have for instance indirectly affected the Group during 2026 via elevated spot rates for container shipping and industry-wide price volatility for key inputs, including energy.

Furthermore, the Group engages third parties for the supply of various services, including, but not limited to, construction services (such as groundworks and buildings), logistics services (including transport of raw materials and finished products) and various development and engineering services. These activities are subject to many of the same risks described above for suppliers of raw materials. For example, third-party service providers could face economic distress, become insolvent or increase the price of their services, as a consequence of the factors described above and other unforeseen circumstances. Third-party service providers may default in the provision of their services and such default may not be covered entirely by insurance coverage or may lead to increased premiums (see also: "*3.3.9 The Group's insurance coverage may not be adequate to protect against all potential losses to which it may be subject, and uninsured losses could have a material adverse impact on the Group's business, and premiums may increase.*"). As a result, the Group could be forced to bear increased costs for such services or to find alternative service providers, which may not be available or may be available on less beneficial terms. In addition, such third-party service providers could provide services which do not meet the Group's requirements, or which are not provided in a timely manner, causing the Group to experience business interruptions or delays, quality problems and other issues, as well as the need to find alternative service providers which may not be available or may be available on less beneficial terms.

Any of the foregoing risks, if they materialize, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.1.12 The Group may not be able to compete in the highly competitive specialty WBF industry or may materially lose market share and may be affected by the availability of alternative products or new technologies. Its research and development efforts may not result in better fiber applications, new products, improved technologies or expertise, or it may fail to implement these improved technologies or expertise in a timely or cost-efficient manner.

The Group operates primarily in the WBF industry with a focus on the premium segment across all three generations of fiber (viscose, modal and lyocell). This industry is highly competitive. The Group currently competes with fiber producers globally, in particular in Asia. The Group is often in direct competition in wood- and cellulose-based fibers with Chinese producers, and more generally in competition with the wider fiber markets (synthetic and natural fibers). DWP competitors exist mainly in Brazil, South Africa and the United States. The Group competes on the basis of quality, technical specifications, technical support and services, distribution network and price. The Group could lose business to its competitors if, among others:

- it is unable to offer competitive pricing;
- the quality of its products deteriorates;
- it cannot maintain its current technological standards or match competitors' technological developments;
- its products do not meet customer specifications and quality standards, including sustainability-related requirements; or
- its customer service fails to satisfy customer expectations.

Some of the Group's competitors may have greater financial and operating resources than it does or may be based primarily in countries that generally have lower cost levels. They may be able to gain access to raw materials at lower costs, implement more efficient production processes, be subject to less stringent environmental requirements, develop more sophisticated products and/or access financing on more advantageous conditions than are available to the Group. In addition, if competitors that do not currently have

the capacity and expertise to produce and market products of a quality comparable to the fibers produced by the Group successfully implement the required processes and know-how, or if the technology needed to manufacture products at that quality level becomes more accessible or affordable, the Group would face increased competition from existing industry participants as well as potential new market entrants. Furthermore, Asian fiber suppliers may, irrespective of the economic developments in the Asian markets, expand their marketing and sales activities into European and American markets, whether as part of a strategically motivated regional expansion, or to take advantage of producing in a country where production costs are lower than in Europe or the United States or that offer currency-based competitive advantages. In addition, pricing in the markets for DWP could motivate existing producers of paper pulp to enter the DWP market and compete more directly with the Group. Any of the foregoing risks could have a significant impact on the Group's competitive position and adversely affect its sales and net earnings.

The Group also faces the risk that acceptable or even superior alternative products may become available and that these may be less expensive than the Group's specialty fibers. New products may be developed that serve the same purposes as the Group's specialty fibers but offer superior performance, lower price or both. For instance, the Group's LENZING™ ECOVERO™ brand of viscose has a competitive market position based on its smaller environmental footprint compared to viscose produced within more traditional methods and is therefore able to command a price premium. Currently, there is no commonly accepted standard to define sustainably produced viscose. The Group's customers have, in certain cases, and might more broadly accept a standard less strict than that used in the production of the Group's LENZING™ ECOVERO™ brand of viscose or the Group's competitors may convert their production to more closely mimic the characteristics of the LENZING™ ECOVERO™ branded fibers. The Group's specialty fibers also compete against existing alternative products, such as cotton or polyester and other wood-based fibers. The availability of new alternatives to the Group's specialty fibers, or an improvement in the competitive position of existing alternatives which have comparable product characteristics, such as absorbency, from which the Group's products have difficulty being differentiated, would adversely affect demand for the Group's products and the prices it is able to obtain for them, resulting in loss of margin for the Group. The Group may not be able to adapt its product offerings to such developments.

A key element of the Group's business is its ongoing research and development efforts into specialty fibers manufactured on a sustainable basis. Advances in technology could, however, render the Group's existing fiber production techniques obsolete. The Group may moreover be unable to successfully adopt any such new technologies. Failure to implement new technologies could impair the Group's ability to compete with other companies in its industry. Even if the Group is able to implement a new technology, it would likely need to incur substantial costs to upgrade production facilities and train operating personnel before realizing any benefits. The Group expects to continue to expend significant amounts of time, capital and resources on research and technological developments in the future. Its research and development efforts may not result in better fiber applications, new products, improved technologies or expertise, or it may fail to implement these improved technologies or expertise in a timely or cost-efficient manner.

Competitive pressure will therefore encompass a wide range of competitors, technologies, products and services, resulting in pricing pressure, potentially lost sales and lower margins. Any failure by the Group to compete effectively could have a material adverse effect on its business, results of operations, financial condition and prospects.

3.1.13 The Group's success is dependent on the image of its brand name and its underlying product brands, in particular their sustainability characteristics and credentials, as well as the brand image and reputation of its strategic partners.

The Group's success is dependent to a certain extent on its good reputation and image in the market as well as that of its various brands such as TENCEL™, LENZING™, LENZING™ ECOVERO™ and VEOCEL™. To this end, the Group must earn customers' confidence by providing products and services that meet customer demand and appeal to customers' preferences, and subsequently such customers' own base of consumers in the textile markets for instance, especially with respect to sustainability, innovation, quality and reliability. As the Group sells to customers that generally buy unbranded products, the brand and reputation of the Lenzing Group itself is particularly important. In recent years, the Group has expended significant efforts to gain global recognition as a driving force for sustainability in its markets and end-markets. Moreover, the Group's reputation and image are based on innovation, long-term relationships and closeness to customer needs. If the Group is unable to effectively maintain and develop its brands and its brands' image, for example as a result of an inability to provide safe, high-quality, sustainably sourced and manufactured products and services, sales or sale prices might decrease or consumers might perceive the Group's brands negatively. If the Group fails to be seen as a strong market participant, both in terms of sustainability and product quality, the Group

could be replaced by competitors or may significantly lose market share or may not be able to command premium prices for certain products. Moreover, the Group's success is also dependent on its image with other stakeholders, including consumers. Key factors affecting the Group's public perception include its approach to environmental sustainability, labor practices and social matters, including human rights, as well as government proceedings and litigation to which it may become subject (see "*3.3.3 The Group is subject to risks arising from legal disputes and government proceedings.*"). Third party ratings of the Group's performance on various environmental, social and governance metrics also figure prominently in the Group's brand image (see "*3.1.18 The Group may not be able to obtain or maintain certain environmental, social and governance ("ESG") ratings due to a number of factors, including the Group's performance according to certain ESG criteria or changing methodologies of ESG ratings providers.*"). In addition, any loss of rights by the Group to freely use its brands in marketing and sales could hamper the Group's ability to sell its products (see "*3.3.4 The Group cannot guarantee adequate protection of its intellectual property rights and know-how.*").

The Group has placed and continues to place increasing significance on sustainable business practices as part of its larger corporate strategy. The Group believes that among consumers and the Group's customers, there is an increasing awareness of problems caused by climate change, such as rising sea levels, forest fires, the frequency and severity of natural disasters and a growing risk from pollution of the world's oceans by plastic waste and microplastics. The production of DWP and WBF is also associated with high levels of emissions and use of process water. These topics represent significant risks for the entire cellulosic fiber industry, including the Group.

For instance, the Group's plantation with joint venture partner Dexco S.A. ("**Dexco**") in Brazil, encompassing approximately 80,000 hectares of forest area (when completed) and supplying all of the wood for the Group's Brazilian pulp mill with a nominal capacity of 600,000 tons per year, is certified by the Forest Stewardship Council (the "**FSC**"), an international non-profit organization for sustainable wood certification. The plantation could lose such certification if the Group were to fail an FSC audit. Losing such certification could prevent the Group from marketing a certain portion of its products as FSC-certified. Further, the standards of certification bodies such as the FSC, or the Programme for the Endorsement of Forest Certification (the "**PEFC**"), an international non-profit organization located in Geneva, Switzerland, to which the Group's wood supplies also adhere in certain cases, could fall out of favor with the Group's customers or consumers. For instance, the Group's FSC-certified or a supplier's PEFC-certified forests could be considered to lack the biodiversity demanded by certain non-governmental organizations ("**NGOs**"). A loss in standing for the FSC or the PEFC certification could reduce or even eliminate demand for the Group's FSC- or PEFC-certified products. Any of these events could cause severe reputational damage for the Group and have a material impact on its sales. See also "*3.1.5 The Group's future success is dependent on the successful execution of its business strategy.*" Furthermore, while the Group has converted aspects of certain production sites to a more renewable energy basis, other major production sites still utilize fossil fuels to a large extent, including coal at the site in Purwakarta, Indonesia and fuel oil at the site in Indianópolis, Brazil. Continued use of fossil fuel energy sources at its production sites could be seen critically by the Group's customers or consumers. Incidents related to production or wastewater treatment could also adversely affect the Group's reputation and wider business. See also "*3.1.9 The Group's production facilities are exposed to weather, operational and accident risks.*" and "*3.3.1 The Group is exposed to risks related to laws and regulations applicable to its manufacturing operations, including environmental, health and safety laws and regulations.*"

Moreover, should the Group, directly or through its suppliers, be unable to source the requisite amounts of raw materials or energy per its sustainability requirements, it may be required to offset the sourcing of less optimized raw materials and energy by purchasing carbon emissions credits or investing in other projects for reducing carbon emissions. This could result not only in increased costs but also reputational damage for the Group, since consumers and the Group's customers may view such offsetting policies unfavorably. See also "*3.1.5 The Group's future success is dependent on the successful execution of its business strategy.*" and "*3.1.11 The raw materials and services that the Group requires to produce wood-based fibers may be difficult to obtain, and the Group relies on a limited number of key suppliers, some of which are struggling to meet demand due to supply chain disruptions.*"

Relatedly, the Group could be negatively impacted by the additional sustainability disclosure requirements imposed by the European Union's ("**EU**") Directive 2022/2464 (the "**EU Corporate Sustainability Reporting Directive**" or "**CSRD**"), which entered into force on January 1, 2024. Should the Group fail to comply with the requirements or should the disclosures made by the Group be found to be inaccurate, this could damage the Group's reputation. Further, the European Union's Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy Regulation**"), which entered into force on July 12, 2020, has been applicable since January of 2022 with respect to the environmental objectives "climate change mitigation" and "climate change adaptation" and has been

applicable in respect of four additional environmental objectives since January 1, 2023. As the four additional objectives exclude chemicals and chemical products, the Group's core business (*i.e.*, WBF and DWP production) is not eligible to be reported. However, a small portion of the Group's business, namely Energy, is currently eligible. The EU Taxonomy Regulation requires that companies which are subject to non-financial reporting under EU Directive 2014/95/EU amending Directive RL 2013/34/EU on non-financial and diversity information (the "**Non-Financial Reporting Directive**"), which has been replaced by the EU Corporate Sustainability Reporting Directive, include information in their non-financial statements on how and to what extent the company's activities are environmentally sustainable. The EU Taxonomy Regulation and the delegated acts adopted thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case.

In addition, as the Group further develops its strategic partnerships and its brands become associated with associates and strategic partners, the Group's exposure to risks relating to the brand image and reputation of third parties increases. For instance, the global textile industry, especially the fashion industry in which the Group's products are frequently deployed, is generally regarded in a critical light (*e.g.*, NGO reports on "dirty viscose") due to its sometimes resource-intensive consumption of raw materials and its production processes. The Group has little, if any, control over the strategic direction and management of the Group's associates and strategic partners and any deterioration of their public image may jeopardize the image of its own brands. See also "*3.1.17 The Group is exposed to risks relating to joint ventures, co-owned companies and strategic and collaborative partnerships.*"

Any inability on the Group's part to maintain and further develop its sustainability profile and the image of its brands, including underlying certifications which form part of such brands, or failure of its associates and strategic partners to successfully manage theirs, could materially adversely affect the Group's business, results of operations, financial condition and prospects.

3.1.14 The Group's plans to convert or expand production capacity expose it to additional risk and it may be unable to achieve such conversions. Moreover, market demand may be insufficient to fully utilize the recently converted or expanded capacity.

Production facilities in the cellulosic fiber industry, especially concerning the production of specialty fibers, require large upfront investments and significant ongoing maintenance. The Group in November 2025 announced for instance a EUR 15 million investment to strengthen its position in the hygiene market, which includes the conversion of a viscose line at its Lenzing an der Ager, Austria, site to enable the production of trilobal cross-section VEOCEL™ Viscostar fibers for tampon applications. Furthermore, an existing modal fiber line at the Group's production site in Nanjing, China, is undergoing debottlenecking and the site in Mobile, Alabama, USA, is being modified to enable manufacture of shortcut and innovative products in development for nonwovens applications. The Group's strategic realignment announced in July 2026 also involves ongoing upgrades and modifications in line with its new strategic goals. For example, the Group, as part of its strategic realignment (see "*3.1.6 The Group may fail to achieve the targeted benefits from current or future operational performance improvements, including cost-saving measures.*"), may not be able to successfully complete the transfer of its production of specialty fibers from its Grimsby, United Kingdom or Heiligenkreuz, Austria sites to its Lenzing an der Ager, Austria site within the Group's planned timeframe or at all.

All of the Company's facilities also require investment in modernization on an ongoing basis, in particular for environmental, health and safety modernizations and to support the Group's sustainability strategy, for instance via conversion of sites to renewable energy. The Group also considers further value creation opportunities for its sites on an ongoing basis, some of which could require significant capital expenditures upfront and have potentially lengthy forecasted payback periods.

In addition to significant capital investment, realization of these plans has required and will continue to require the Group to:

- obtain and renew licenses;
- obtain new or extend existing emission permissions;
- negotiate the construction of new infrastructure on and around Group facilities;
- recruit, train and retain skilled employees;
- develop new industrial processes;
- improve its operational and financial systems;
- comply with existing and new laws and regulations;

- adapt and enhance its internal controls and procedures; and
- agree with its joint venture partners, for instance in the case of its plants in Brazil.

If the Group fails to do so, or if it is unable to comply with current or obtain extended emission permissions to convert plants to produce specialty fibers, it may be unable to achieve its strategic goals, as well as suffering losses or lower than expected returns on its investments and/or recording impairments. The Group may also be unable to achieve these goals as a result of factors over which it has little or no control, such as:

- inadequate supplies of parts, machinery and raw materials, including wood, DWP and chemicals;
- inadequate local infrastructure and utilities;
- inadequate contractors with the right skills and resources to successfully complete the facility or its expansion;
- construction delays and cost overruns; and
- accidents, fires, explosions and other catastrophic events.

The Group also faces the converse risk that market demand may prove insufficient for full utilization of its converted, or recently expanded, capacity as the Group in most cases does not enter into long-term customer commitments. In addition, competitors are also in the process of increasing their capacity, which could also lead to excess supply of WBF, including specialty fibers. Other factors, such as the lack of product competitiveness, could also cause expanded capacity to be underutilized. See "*3.1.12 The Group may not be able to compete in the highly competitive specialty WBF industry or may materially lose market share and may be affected by the availability of alternative products or new technologies.*" This area of the fiber market is still in a development phase. After initially high expectations, the Group has encountered a market that is not able to absorb higher costs for its products. Additionally, regulatory future requirements (mainly within the EU) are still under development, such as, for example, a so-called "universal restriction" for the use of per- and polyfluoroalkyl substances ("**PFAS**") under EU Regulation (EC) No. 1907/2006 ("**REACH**"). Based on internal investigations, the Group has not identified PFAS in its fibers, but the regulatory framework governing the safe handling of chemicals and product safety more generally continues to evolve, particularly within the EU, and may become more stringent in the future. This is expected to be especially relevant for products used in hygiene applications and childcare, which are important pillars of the Group's business in nonwoven products and where regulatory and customer expectations around chemical and product safety are likely to increase. Compliance with any such future requirements may require the Group to incur additional costs or reformulate certain products. See also "*3.3.1 The Group is exposed to risks related to laws and regulations applicable to its manufacturing operations, including environmental, health and safety laws and regulations.*"

Because both expanding existing production capacity and building a new plant can require substantial lead times, the Group must time its expansion plans carefully. If it fails to do so, future market demand may prove insufficient to allow the Group to recoup its investment. The resulting increase in the Group's costs as compared to its sales prices could have a significant negative impact on its profitability.

If the Group is unable to expand capacity to capture increased demand or if future demand fails to match expanded production, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.1.15 The loss of, or significant reduction in business from, one or more of the Group's key customers could adversely affect its business and results of operations.

The Group relies on a relatively limited number of key customers for a significant portion of its revenue, with approximately 50% of the revenues from its Division Fiber in 2025 being generated with a mid-double digit number of customers. Customer concentration in the Division Pulp is also comparatively higher than in the Division Fiber. This is, to some extent, due to the fact that it is an important part of the Group's strategy to foster close and long-standing customer relationships, which increases the Group's exposure to certain key customers. A decrease in sales to these major customers, or the loss of one or more major customers without an immediate replacement, represents a risk to the Group's performance. This risk is exacerbated because most of the Group's sales are on a quarterly or short-term basis rather than under long-term contracts. See also "*3.1.10 The Group relies on medium- to long-term requirement contracts for a material amount of the dissolving wood pulp it needs to manufacture its products*."

Customers may, although satisfied with the Group's products and services, unilaterally reduce, delay, or cancel their orders. They may also try to leverage their importance in their business dealings with the Group. Customer decisions may be based on factors that are beyond the Group's control, such as internal supply risk

management (diversification of supply sources, dual-source strategy of larger accounts), an ambition for vertical integration or portfolio management measures.

The loss of, or a significant reduction in business from, one or more key customers could have a material adverse effect on the Group's business, results of operations, financial condition and prospects if the Group were unable to compensate such loss through other business.

3.1.16 Asian markets may not develop as anticipated, and increasingly aggressive Chinese competitors may limit the Group's growth and gain market share at its expense.

Growth in Asian market demand, as is predicted by various market reports, is an important assumption underlying the Group's textile strategy. A significant proportion of the Group's revenue is generated in Asia, with sales in the region representing 62.0%, 59.0% and 60.8% of the Group's revenue from external customers in 2023, 2024 and 2025, respectively, and 58.2% and 57.8% in H1 2025 and H1 2026, respectively. Demand for the Group's products in the Asian markets has been and will continue to be driven primarily by Asia's role as a global textiles manufacturing and clothing exports hub. If growth in the overall Asian market, or important individual markets within the region, suffers setbacks or is otherwise below the Group's current projections, sales volume and prices would likely fall short of the Group's targets, adversely affecting sales, net earnings and margins. Demand for WBF within Asian markets could also be disrupted by global geopolitical events, including ongoing tensions in eastern Asia.

Even if predicted market and demand growth in Asia meet, or exceed, the Group's projections, the Group may not benefit from such predicted growth. Several of the Group's competitors have also increased their production capacities or announced plans for capacity increases in the recent past. If these competitors compete more effectively on the market than the Group does, the Group's share in the market would decrease. The Group would thus fail, in part or in whole, to realize the benefits that it expected to receive from continued predicted growth of Asian economies.

Any of the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.1.17 The Group is exposed to risks relating to joint ventures, co-owned companies and strategic and collaborative partnerships.

The Group has engaged and may in the future engage in significant partnerships and joint ventures, the commercial and operational success of which is difficult to predict. In particular, the Group maintains partnerships and joint ventures with several strategic partners and associates as part of its strategy of expansion and vertical integration of its value chain. The most significant of these joint ventures is LD Celulose in which the Company holds a 51% stake and Dexco, a publicly listed Brazilian company with its main business in the production of wood products, sanitary vitreous chinaware and metal fittings, obtained a 49% stake in January 2020. LD Celulose manages a pulp mill with a nominal capacity of 600,000 tons per year to bolster the Group's self-sufficiency in DWP. The DWP sourced from the Brazilian pulp mill is transported via sea, rail and road to the respective Group's sites and to customers. Representing the largest investment in the Group's history, the construction costs for the DWP mill amounted to approximately USD 1.38 billion. To provide raw materials for the plant at the scale necessary, LD Celulose secured the biomass and LD Florestal S.A. (a 50/50 joint venture among the Company and Dexco) also secured over 44,000 hectares of land rights to commercial forest, and leased additional land, in order to have approximately 80,000 hectares of forest area when completed.

As a general matter, participation in partnerships and joint ventures subjects the Group to a number of risks and challenges, including:

- the Group's business and legal interests may not always be aligned with those of its partners and any of the Group's current or future joint ventures or partnerships may fail to be successful, achieve their planned objectives or meet their targeted timelines;
- joint ventures and partnerships may require an investment of considerable management, financial and operational resources to establish sufficient infrastructure such as risk management, compliance or other processes, to meet strategic or production targets or to be scaled in a commercially viable manner;
- joint ventures and partnerships may require outside financing, including via fund-raising efforts in which the Group may need to participate on a pro-rata basis to its stake, and such financing may not always be available on acceptable terms or at all;

- issues with integrating assets and personnel contributed to a joint venture or partnership by the Group or a partner, which could negatively affect the commercial viability of the joint venture or partnership;
- joint venture and strategic partners may take actions contrary to the Group's instructions or requests or contrary to its policies or objectives, act in contrast to the Group's sustainability goals, be unable or unwilling to fulfill their obligations under the relevant joint venture or strategic partnership agreement, including compliance with reporting obligations and anti-corruption laws or adherence to restrictions on the use of the Group's assets, including intellectual property ("**IP**") rights, or have financial difficulties;
- disputes among joint venture and strategic partners may give rise to litigation or other legal proceedings;
- joint ventures and partnerships may be structurally complicated by the parties involved being required to anticipate and address issues of governance, control, dispute resolution and ownership, use of or rights to other assets, among many other matters;
- the Group may not have the level of strategic control, in general or as a result of the Group's stake being diluted by other investors, over the joint venture or its strategic partner that it requires to fulfill its long-term goals or to prevent quality control issues, inefficiencies or other operational problems;
- a joint venture partner may sell its stake in the joint venture to a buyer who is unattractive to the Group;
- joint ventures may not succeed commercially, resulting in the Group recording an impairment; and
- joint ventures and partnerships may result in restrictions on the Group's ability to compete.

In addition to the foregoing, the LD Celulose joint venture has a number of specific features that could pose risks to the Group. Under the shareholders' agreement between the Company and Dexco, Dexco has a number of rights, including, among others, the right to put its shares to the Company at a fair market price, calculated as set forth in the agreement, if the Company undergoes a change of control. Dexco also has a discretionary put right to put its shares to the Company at any time at a 20% discount to the fair market price and may call the Company's shares at the fair market price if the Company faces liquidation or insolvency, fails to perform its financial obligations under other joint venture agreements or defaults under the joint venture's financing agreements. As a consequence, there is a risk that the Company could be forced to purchase Dexco's shares in the joint venture at a time or under circumstances in which it may lack the financial resources or ability to finance such purchase and may be forced to sell its entire interest in LD Celulose to Dexco if it becomes insolvent or experiences certain financial or other difficulties that impair its ability to comply with its contractual obligations under the joint venture. Furthermore, Pulp Trading GmbH, the Group's pulp trading entity, has a binding offtake agreement with LD Celulose for all of the DWP which LD Celulose produces. As with other supply agreements to which the Group is party, the offtake agreement with LD Celulose potentially exposes the Group to market risks (*i.e.*, DWP price developments on the spot market in comparison with binding commitments under the agreement), the risk that production is interrupted at LD Celulose such that the planned supply of DWP to the Group is suspended, that volatility in demand for the Group's products results in a reduced need for the volume of DWP that the Group is obliged to purchase under the agreement.

Should the Group's existing or future joint ventures and strategic partnerships fail for any reason, including as a result of the above risks materializing, this may adversely affect the Group's reputation, the successful execution of its business strategy, its competitiveness, and its ability to comply with regulatory requirements. Any of the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.1.18 The Group may not be able to obtain or maintain certain environmental, social and governance ("ESG") ratings due to a number of factors, including the Group's performance according to certain ESG criteria or changing methodologies of ESG ratings providers.

The Group has received certain ESG ratings from third parties in the past, and the Group expects that, following the Offering, providers of ESG ratings to the general public, such as Institutional Shareholder Services, MSCI and Sustainalytics, will continue to publish their own ESG ratings of the Group. Such ESG ratings can affect investor and customer perception of the Group in the market. In addition, the impact of the Group's ESG-related risks and practices, including with respect to various ESG matters in the Group's business,

has been and will continue to be independently assessed by non-accredited ratings organizations and various stakeholders in the ESG community. These rating organizations and stakeholders may not view the Group's various ESG policies, achievements and ambitions as being sufficiently transparent or consistent with their performance standards or goals. As a consequence, the Group's reputation could be damaged, in particular if such views were shared in the broader ESG or investor communities. This could, in certain cases, effectively limit the Group's access to capital markets and result in elevated scrutiny regarding the Group's commitment to its ESG principles and standards. Furthermore, negative customer perception of the Group's ESG efforts might reduce demand or willingness of potential customers to pay commercially acceptable prices for the products of the Group.

In addition, ESG ratings may vary among the different ESG ratings organizations and are subject to differing methodologies, assumptions and priorities used by such organizations to assess ESG performance and risks. There is no guarantee that the methodology used by any particular ESG rating provider will conform with the expectations or requirements of any particular investor or customer, or any present or future applicable standards, recommendations, criteria, laws, regulations, guidelines or listing rules. ESG rating providers may revise or replace entirely the methodology they apply to derive ESG ratings or they may employ methodologies which are not transparent, any of which could cause confusion among investors and customers. Such methodologies may have difficulties in comparing information on the Group's ESG performance with other industry participants. As a result, ESG ratings of the Group are not necessarily indicative of the Group's past, current or future commitment to, or performance in respect of, ESG topics. Further, ESG ratings may have limited, if any, utility for investors in assessing the Group's past, current or future financial performance.

Because ESG ratings are issued by third parties external to the Group, no assurance can be given that an ESG rating will remain constant for any given period of time or that an ESG rating will not be lowered or withdrawn entirely by the ESG rating provider if, in its judgment, circumstances (either at the Group or otherwise) in the future so warrant. For example, in 2025, the Group received a "platinum" rating by EcoVadis for the fifth consecutive time but such rating could be revised in the future by EcoVadis for any number of reasons, some of which could be outside the Group's influence or control. Any negative change, or an indication of a possible negative change, in any ESG ratings of the Group, whether solicited or unsolicited, from time to time could impair or preclude the Group from accessing certain financial markets and products, thereby adversely affecting the Group's liquidity. Furthermore, any negative change, or an indication of a possible negative change, in the Group's ESG ratings may adversely affect the Group's reputation or reflect operational weaknesses at the Group, including those associated with the Group's pursuit of its sustainability ambitions, its financial condition or its prospects, and investors may also be required or choose to sell their holdings in the Company due to their own ESG investment criteria, which could have a negative impact on the Group's share price and make it more difficult for the Group to access capital markets in the future.

Any of the foregoing risks, if they materialize, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.1.19 The Group may fail to successfully identify, enter into or integrate acquisitions and/or successfully execute disposals.

The Group has made acquisitions, for instance in 2024 the Group acquired a minority interest in, and in February 2026 increased its holding to a controlling majority by acquiring an additional 55.2% in Swedish innovation company TreeToTextile AB. In September 2025, the Group also announced that it was reviewing strategic options, including a potential disposal, of its production site PT. South Pacific Viscose in Purwakarta, Indonesia. The Group may continue to enter into such transactions in the future. However, the Group may not be able to identify suitable acquisition candidates or execute disposals on commercially reasonable terms going forward. For instance, even if the Group does identify a suitable acquisition candidate, it may not be able to finance such acquisition on favorable terms or at all. Due diligence reviews of acquisition targets may not identify all of the material issues necessary to accurately estimate the cost or potential loss contingencies with respect to a particular transaction, including potential exposure to regulatory sanctions resulting from an acquisition target's previous activities. The Group may incur unanticipated costs or expenses, including post-closing asset impairment charges, expenses associated with eliminating duplicate facilities, litigation and other liabilities, including related to warranties. The Group may also encounter difficulties in integrating acquisitions with its operations, applying its internal controls processes to these acquisitions or managing strategic investments. Target companies may be located in countries in which the underlying legal, economic, political and cultural conditions do not correspond to those customary in the European Union or have other national peculiarities with which the Group is not familiar. Moreover, any planned acquisition may be subject to review and approval by the antitrust and other regulatory authorities of a number of jurisdictions, which may impede a planned transaction.

Furthermore, the Group may make strategic disposals from time to time. As the Group plans to grow its specialty fiber business further in the future, the Group's review of demand trends also includes potential considerations around further streamlining its portfolio towards high margin products such as lyocell and modal WBF through strategic disposals or partnerships designed to reduce its exposure to lower growth and lower margin product lines, such as standard viscose fibers. In addition, the Group may make potentially significant strategic disposals for other reasons, such as where the operation or asset in question does not meet the Group's profitability expectations over a sustained period of time. If the Group agrees with a buyer on the terms of any such disposal, it may take place even in the short term. In making its decision about disposals, the Group will weigh the expected long term costs and benefits, which may lead to, potentially significant, one-off losses or write-downs at the time of the disposal. Disposals may result in continued financial involvement in the divested businesses, such as through guarantees or other financial arrangements, following the completion of the respective transactions. Under these arrangements, non-performance by those divested businesses could result in financial obligations for the Group and could affect its future financial results. In addition, the Group may fail to execute disposals on attractive or reasonable commercial terms, or disposals that are expected to improve the Group's profitability may fail to do so, or the Group could be subject to potential liabilities resulting from contractual warranties and indemnities, as well as regulatory risks of not being able to obtain required approvals.

The materialization of any of the foregoing risks could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.2 Risks Related to the Group's General Operations

3.2.1 The Group is subject to risks related to its international operations and sales markets.

The Group has operations in Asia, Europe, North America and South America and customers in many countries around the world, including a number of emerging markets. The Group is therefore subject to various risks inherent in international business operations, including:

- political and economic instability and exposure to potentially undeveloped legal systems;
- unexpected or unfavorable changes in foreign laws, regulatory requirements and related interpretations;
- unfavorable changes in economic policy by central or major regional governments;
- interference by local authorities in the business environment, making it more difficult to obtain permits and licenses;
- exchange rate instability and over- or devaluation of the currencies in its primary target sales markets;
- inflation and unfavorable changes in interest rates;
- difficulties in attracting and retaining locally qualified management and employees; staffing challenges, including works councils, labor unions and local labor and immigration laws;
- exposure to economic sanctions laws and regulations, trade barriers, tariffs, local content requirements and import and export licensing requirements or restrictions;
- logistical and communications difficulties;
- requirements to expend a portion of funds locally and governmental industrial cooperation requirements;
- expropriation, coups, increased risk of fraud (*e.g.*, by employees or suppliers) and political or geopolitical tensions, corruption, terrorism, acts of war or other adverse social developments;
- exposure to local public health issues and the resulting impact on economic conditions;
- the complexity of managing competing and overlapping tax regimes, including regulations relating to transfer pricing and withholding and other taxes on payments to or from subsidiaries;
- foreign currency exchange rate fluctuations and currency controls;
- fluctuation of the valuation of biological assets;
- greater risk of uncontrollable accounts and longer collection cycles;

- risks relating to cross-border financing or collateralization for Group companies;
- the risk of government-sponsored competition; and
- controls on the repatriation of cash.

In particular, the Group has substantial operations and generates significant revenue in Asia. In 2025, the Group generated 60.8% of its total revenue from external customers in Asia. The most important markets in terms of revenue in 2025 were China, Bangladesh, India, Indonesia, Pakistan and Türkiye. In addition to exporting a substantial amount of the DWP it produces at its plant in Brazil, which has a nominal production capacity of 600,000 tons per year, to China, the Group also exports lyocell from its plant in Thailand, which has a nominal capacity of 100,000 tons per year, to China. The Group therefore has exposure to the import regime of the Chinese government, among others. In general, the Group is subject to risks relating to regulatory, economic, social and political uncertainties in all of these jurisdictions.

Each of the above-mentioned countries is to a certain degree characterized by political instability due to a number of factors, including ongoing labor and social disputes, as well as a perceived lack of transparency in the application of regulations and government policies. The Group's business, results of operations, financial condition and prospects may also be adversely affected by changes in such policies, as well as fluctuations in the exchange rate of the respective local currencies against the Euro, changes in interest rates, liquidity of the domestic markets for capital and loans, controls on foreign exchange and limitations on international trade.

Moreover, as laws and regulations in each of these jurisdictions are gradually evolving, including with regard to CO_2 emissions, there may be uncertainty in their interpretation and enforcement. The administrative and court authorities in China, for instance, have significant discretion in interpreting and implementing statutory terms. Thus, it may be more difficult for the Group to evaluate the outcome of administrative and court proceedings in China, should they arise, than in more developed legal systems. Furthermore, in the past, the Indian government instituted a set of quality control regulations, which required fiber importers, including the Group, to obtain certain certifications and comply with other obligations. These certifications have proved difficult to obtain for certain of the Group's production sites to be able to export their products to India. In 2025, the Indian government phased out BIS QCOs (Bureau of Indian Standards Quality Control Orders), thereby opening up the Indian market for fiber imports, including those from the Group. However, there remains a risk that the Indian government might institute a new set of quality control regulations or other measures to protect local industry, which could result in higher costs for the Group and or make the Group's products in India less competitive. In addition, the Group is exposed to the risk of restrictions on the repatriation of cash from certain of these jurisdictions, which may impact its ability to repatriate dividends from its subsidiaries there.

The Group's overall success as a global business depends to a considerable extent on its ability to anticipate and effectively manage differing legal, political, social and regulatory requirements and economic conditions and unforeseeable developments. The materialization of local business risks or the Group's inability to adapt to changing conditions in markets outside its core markets could have significant material adverse effects on the Group's business, results of operations, financial condition and prospects. See also "*3.3.8 The Group's operations are subject to export control, sanctions, anti-corruption and anti-money laundering rules and regulations.*"

3.2.2 The Group's international operations expose it to foreign exchange rate risk which may result in volatility in the Group's results.

The Group operates worldwide and is therefore exposed to risks arising from currency exchange rate fluctuations. Given that the functional currency of the Group's subsidiaries is the currency of the primary economic environment in which the respective subsidiary operates (except for certain Group subsidiaries for which the functional currency is the U.S. dollar), the Group generates a significant portion of its revenues, and incurs a substantial portion of its costs, in currencies other than its reporting currency, the euro, in particular the U.S. dollar, Brazilian real, Indonesian rupiah, Czech koruna and Chinese yuan. The Group faces both transaction risk and translation risk from fluctuations in the exchange rates between the various currencies that it uses. Both elements of currency-related risk may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is exposed to transaction risk when it generates sales in one currency but incurs related costs in a different currency. The Group is exposed to translation risk when the revenues, assets or liabilities of the companies in which it holds interests are denominated in a currency other than the euro. Because these amounts are translated into euro in the consolidated financial statements using the relevant exchange rate, fluctuations in that rate can have a negative effect on the Group's consolidated results of operations and financial condition even if there has been no decline at the local, unconsolidated level.

The Group seeks to hedge its currency risks if they influence the Group's cash flows. The Group's hedging strategy aims to hedge up to 80% of budgeted net exposures of material subsidiaries on a quarterly rolling basis for the next four quarters and up to 40% of budgeted net exposures for the following four quarters. As at December 31, 2025, approximately 49% of the budgeted net exposure for the following financial year was hedged for USD/BRL, the dominant currency pair in the Group (December 31, 2024: USD/BRL approximately 45%). Hedging can also prevent or reduce gains from otherwise advantageous currency movements. In addition, currency hedging transactions can be very costly. As a result, the assumptions of the management board of the Company (the "**Management Board**") about and its assessment of future exchange rate developments and relative level of risk avoidance or risk tolerance will have a substantial impact on the success of its hedging policy. Such measures may not offset the adverse financial impact resulting from currency variation, which may in turn have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.2.3 The Group is exposed to various operational risks in connection with the use of information technology.

The Group is exposed to various operational risks resulting from the use of IT, including inadequate or failed internal IT processes, acts by malicious third parties, artificial intelligence, human error, problems with third-party software and services upon which the Group relies, systems failures or external events. These risks include, but are not limited to, losses caused by a lack of controls within internal IT procedures, violation of IT policies by employees, disruption or malfunction of IT systems, mechanical or equipment failures, as well as security breaches, whether affecting the systems of the Group or those of third-party providers.

The Group relies heavily on information technology systems and networks to support its entire value chain. The consistent, efficient and secure operation of the Group's IT systems is therefore critical to the successful performance of its business. The Group's IT systems and networks, and those of the third-party vendors and service providers it relies on, are exposed to the risk of malfunctions and interruptions from a variety of sources, including unauthorized access, cyber-attacks, equipment damage, power outages, computer viruses and a range of other hardware, software and network problems.

Ransomware attacks have caused severe and prolonged business interruptions at industrial companies. In addition, cyber-attacks on industrial control and operational technology systems at the Group's production sites could interrupt continuous production processes, resulting in extended downtime and delivery delays.

In June 2026, the Group's Supervisory Board approved the migration of its core SAP ERP environment to SAP S/4 HANA under the "RISE with SAP" private cloud model, with phased go-lives planned following program execution. Delays, errors, data loss or the failure of implementation partners during this migration could materially disrupt the Group's business processes. Following the migration, the Group will increasingly depend on third-party cloud providers, including SAP, Amazon Web Services and Microsoft Azure, over whose availability and security it has limited direct control.

The Group is subject to evolving cybersecurity regulation, including the EU NIS2 Directive as transposed into national law, and is in the process of implementing the required measures. Non-compliance could result in significant administrative fines and other sanctions.

Like most industrial companies, the Group and its vendors have been, and expect to continue to be, the target of attempted cyber-attacks. Any future cyber incidents could materially disrupt operational systems, result in the loss of trade secrets or other proprietary or competitively sensitive information, compromise personally identifiable information regarding customers, suppliers or employees, delay the Group's ability to deliver products to customers, or jeopardize the security of its facilities and the safety of the Group's products. The occurrence of any system malfunction, attack or failure could result in the loss or corruption of data and interruptions in the availability of systems.

The materialization of any of the foregoing risks could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.2.4 The Group's long-term success depends on attracting, developing, retaining and replacing highly qualified managerial staff and skilled personnel.

The Group's success depends substantially on its ability to attract, hire, train, retain and replace experienced management and personnel. The Group's management team has substantial expertise and industry experience and the loss of key members of management could adversely affect the Group's ability to implement its strategic objectives. Further, the Group is also dependent on personnel that are highly skilled and qualified in engineering, sales and marketing and other specialist fields. The Group's success in attracting and retaining

such personnel depends on a variety of factors, including its compensation and benefit programs, work environment, working culture and leadership, career development opportunities, commitment to diversity and public image.

Competition for qualified personnel worldwide is increasing, particularly in the area of material sciences and research and development and is especially intense in the areas of carbon-reducing technologies, among other technology areas driving the transformation of the chemical industry towards sustainable production methods. The Group itself increasingly requires such personnel to address the increasing demand by the textile and nonwovens industry, as well as the medical and hygiene products industry, for sustainable solutions, which requires personnel qualified in sophisticated chemical manufacturing systems. The Group may not be successful in attracting, developing, retaining and replacing experienced management and skilled personnel and any failure to do so could have a material adverse effect on its business, results of operations, financial condition and prospects.

3.2.5 The Group is dependent on good relationships with its employees, their labor unions and employee representative bodies and stakeholders and is party to a number of collective agreements, some of which impose obligations and restrictions on the Group in connection with reorganizations, restructurings or similar corporate actions, and the Group may not be able to extend, renew or replace collective agreements in a favorable or timely manner or on terms and conditions that the Group considers to be reasonable.

The Group needs to comply with several employment-related laws and regulations with various levels of employee protection in several jurisdictions, including jurisdictions with less developed legal systems than Austria, where outcomes can be unpredictable and pose liability and compliance risks for the Group. In addition, the Group is dependent on good relationships with its employees, labor unions, employee representative bodies such as works councils (*Betriebsräte*) and other stakeholders to successfully operate its business. Personnel expenses make up a significant portion of the Group's costs and the Group is obligated to comply with various collective agreements, such as collective bargaining agreements and works agreements that are in place with labor unions as well as works councils and other employee representative bodies and which cover a broad range of basic employment terms and conditions and provide for protections for the Group's workforce. At the Group's locations in Austria and all of its production sites outside Austria (with the exception of Thailand), there are trade union representatives from various unions and employee representative bodies to represent the concerns of the workforce. Members of the Group regularly conduct, or are involved in or affected by, negotiations with the relevant unions and employee representative bodies.

It may not be possible to extend or renew existing collective agreements or conclude new collective agreements outside the applicable collective labor agreements legislation and governance in a favorable and timely manner or on terms and conditions that the Group considers to be reasonable. Moreover, any deterioration of the relationships with labor unions, works councils and other employee representative bodies could adversely impact the Group's business operations. The Group potentially could face strikes or other types of conflicts with labor unions, works councils or its employees in the future. Additionally, the Group may become subject to new or amended collective agreements, such as collective bargaining agreements on wages and working time or may fail to negotiate wages and other key employment conditions that are reasonable and fair from the Group's perspective, both of which could increase the Group's operating costs. The Group's competitors may also obtain competitive advantages compared to the Group if they succeed in negotiating collective wage agreements or other collective agreements on more favorable terms and conditions than applicable to the Group. Foreign competitors in particular may possess competitive advantages compared to the Group due to fewer and less restrictive collective and similar agreements and more flexible legal environments, especially with regard to minimum labor conditions, redundancies and other restructurings or reorganizations.

A number of applicable collective agreements also impose certain obligations and restrictions on the Group that may adversely affect its flexibility to undertake adjustments to its workforce, to reduce its labor costs and to implement restructurings, reorganizations or similar corporate actions. Other provisions of the collective agreements that could have similar restrictive effects include, among others, commitments to offer certain contingents of fixed-term employees' permanent employment, obligations to hire fixed contingents of apprentices per year and to subsequently offer them permanent employment, commitments to develop and expand certain business areas and an obligation to consult with the works council before concluding contracts with external service providers.

Any of the foregoing risks, if they materialize, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.3 Legal, regulatory and tax risks

3.3.1 The Group is exposed to risks related to laws and regulations applicable to its manufacturing operations, including environmental, health and safety laws and regulations.

The Group's manufacturing operations are highly regulated and subject to a wide range of increasingly strict environmental, health and safety requirements. Any failure by the Group to comply with these requirements could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

In the area of environmental regulation, the Group's manufacturing operations are required to comply with laws and regulations relating to, among other things, air emissions, discharges into water, noise pollution, chemicals (including classified hazardous chemicals) and materials, waste treatment and disposal methods, and the energy efficiency of production processes. The Group is also subject to monitoring by environmental protection authorities. Any failure by the Group to comply with any present or future environmental regulation could potentially result in the assessment of damages or imposition of fines against it, suspension of production or other penalties. Other environmental, health and safety related laws and regulations could also impose restrictions or conditions on the availability or use of raw materials required for the Group's manufacturing processes.

The Group operates complex manufacturing plants that create, use, store, manage, generate, emit and dispose of various substances that may constitute a hazard to human health, as well as to the environment and natural resources. As the Group has operated production facilities at several locations for several decades, it is possible that environmentally hazardous substances from those operations may have in the past entered and may in the future enter the air, watercourses, especially groundwater, or surface or subsurface soils at Group facilities or third-party locations. Issues with environmentally hazardous substances could affect property and endanger the environment, natural resources and the health and safety of persons. The Group may be held liable, possibly regardless of fault and without any caps on liability, to remove or clean up such harm and to pay damages, including any resulting natural resource damages, arising from those environmentally hazardous substances.

In addition, the Group uses hazardous chemicals such as, among others, caustic soda, NMMO, carbon disulfide, sulfuric acid, sulfur dioxide, ozone or ammonia, which are subject to environmental laws and regulations imposing limitations on the discharge of pollutants into the air and water along with waste treatment and disposal (*e.g.*, landfill usage and incineration). Failure to achieve or maintain compliance with these laws and regulations or with the permits that the Group requires to operate its business could result in substantial operating costs and capital expenditures, in addition to fines and civil or criminal sanctions, third-party claims for property damage or personal injury, clean-up costs or temporary or permanent discontinuance of operations.

The Group also requires various permits, licenses and other approvals to operate, including air emission, operating, wastewater discharge and waste disposal permits. Changes in the scope of operations, time limits on existing permits and future environmental laws may require the Group to apply for the renewal of existing or the issuance of new permits. The Group may not be able to renew its permits, licenses, or other approvals upon their expiration within the required timeframe or at all.

Certain of the Group's sites and their production processes are required to comply with the European Directive 2010/75/EU on industrial emissions, and rules and thresholds on the prevention and control of pollution from industrial activities. The mandatory thresholds, operational conditions and other descriptions of industrial processes for various industrial activities are further set forth in so-called Best Available Techniques Reference Documents ("**BREFs**"), adopted, *inter alia*, under the 2010 directive. A number of BREFs such as polymer BREF 2007, pulp, paper and board BREF 2016 and chemical industry wastewater treatment BREF 2016 are the basis for the current environmental permit for the Group's EU production sites. As the BREFs are continuously reviewed and updated to correspond with new developments, *e.g.*, the waste gas treatment of chemical industry BREF 2023 which will form basis for the permit update expected at the latest in 2027 and will impact the permit of the viscose production site in Lenzing an der Ager, Austria, compliance with the updates requires significant capital expenditure to be incurred by the Group. The Group's inability to comply, or lack of compliance with, BREFs could mean production stoppages or reductions or the need to make significant additional capital expenditures to ensure compliance. In addition, the Group has also opted to comply with a voluntary labeling scheme under the EU Ecolabel directive. All Group production sites and all Group textile and nonwoven fiber products, with certain exceptions, are currently certified under the EU Ecolabel for textile products (2014). Similar to the BREF updates, these criteria under the EU Ecolabel directive are also subject to frequent revisions, which may require the Group to incur expenses to maintain certification. Such

permit approvals and certificates may also cause the Group to incur significantly higher costs than anticipated or may not be successful at all.

Furthermore, the production of WBF and DWP requires a significant amount of water, including for cooling and related processes. The use of water is highly regulated. The use of water resources by the Group, including in connection with the establishment of private wells and the discharge of wastewater, often requires that a government environmental agency first grant a right of use. The Group may be required to obtain alternative sources of water for its future needs, which could cause it to incur additional investment costs and could thus decrease the availability of funds for other capital expenditures and other purposes. Furthermore, environmental regulatory developments may, in the future, cause constraints on the Group's access to water. In addition, water prices, in particular at the sites where the Group purchases water from external providers, may also increase in the future.

Wastewater discharge at its production sites is also subject to environmental permits. For instance, since the site in Lenzing an der Ager, Austria discharges its process water into the Ager River, which is relatively small, it is subject to a particularly stringent monitoring and reporting regime. In the event of exceptional meteorological or operational circumstances, the Group may not be able to always fully comply with emission limit values. As recently as August 2026, elevated river and process water temperatures resulting from a lasting heatwave in Austria caused wastewater discharged from the Lenzing an der Ager site to approach or reach the maximum permitted discharge temperature, as water is typically returned to the river warmer than when drawn, and sustained high temperatures could also adversely affect the biological processes on which the site's wastewater treatment relies, potentially requiring further adjustments to pulp mill and/or fiber output. While the Group's engagement with the relevant Austrian authorities regarding these conditions has to date been constructive, there can be no assurance that this will continue, or that the Group will not become subject to enforcement action or mandatory production curtailments should heat-related meteorological events become more frequent or longer-lasting in the future. See also "*3.3.3 The Group is subject to risks arising from legal disputes and government proceedings.*"

Furthermore, the Group's production sites are subject to regulations on other emissions such as air pollution, noise and noxious odors. For example, the sites in Lenzing an der Ager, Austria, Purwakarta, Indonesia and Nanjing, China are in close vicinity to residential areas. The Group is required to continuously invest in optimization measures to keep emissions (in particular noise, smell and air pollutants such as carbon disulfide and hydrogen sulfide) under control. However, the Group has not been able to avoid complaints of neighbors in all cases in the past and may not be able to do so in the future.

Additionally, there is an increasing number of global consumers focusing and inquiring about the labor and environmental standards of manufacturers. More stringent social responsibility laws and regulations may also be adopted in the future, which may result in an increase in the Group's cost of compliance. If the Group fails to comply with such laws and regulations, it may be subject to fines, penalties, legal judgments or other costs. Even absent a finding of noncompliance, regulatory investigations, stakeholder litigation or the perception that the Group has not responded appropriately to growing consumer concern for issues relating to social responsibility, whether or not it is legally required to do so, may materially adversely affect the Group's reputation and its brands. See also "*3.1.13 The Group's success is dependent on the image of its brand name and its underlying product brands, in particular their sustainability characteristics and credentials, as well as the brand image and reputation of its strategic partners.*"

The occurrence of any of these events could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.3.2 Regulatory requirements for the emissions of greenhouse gases could have an adverse effect on the Group's results of operations.

Globally, the Group's operations are increasingly subject to regulations that seek to reduce emissions of greenhouse gases ("**GHGs**"), such as carbon dioxide. At the 2015 United Nations Framework Convention on Climate Change in Paris, nearly 200 countries, including countries where the Group manufactures its products, entered into the Paris Agreement. The Paris Agreement sets a goal of limiting the increase in global average temperature to well below 2 degrees Celsius and pursuing efforts to limit the increase to 1.5 degrees Celsius above pre-industrial levels, with global greenhouse gas emissions to peak and begin to decline as soon as possible. More detailed rules, procedures and guidelines to operationalize the Paris Agreement were progressively adopted at subsequent UN climate conferences, including the finalization of the Article 6 carbon market rulebook at COP26 in Glasgow in November 2021, the global stocktake at COP28 in Dubai in December 2023, and the finalization of the Article 6.4 carbon crediting mechanism at COP29 in Baku in November 2024.

In response, jurisdictions where the Group operates significant production facilities have implemented and continue to tighten measures to address GHG emissions.

The Group is subject in particular to European and national emission trading systems ("**ETS**"). These systems are based on "cap and trade" principles designed to reduce greenhouse gas emissions by limiting the number of emission allowances (cap) required for certain facilities and allowing for the purchase of any shortfall or for the sale of surplus emission allowances (trade). The Group currently receives sufficient free allocations under the EU ETS to cover its current annual ETS obligations. In contrast, free allocations under the UK ETS are already insufficient to fully cover the Group's annual ETS obligations, resulting in the need to purchase additional emission allowances. As free allocations are expected to decline further over time under both regimes, the Group's compliance costs may increase in the future.

The general legal framework for the European ETS ("**EU ETS**") is provided in Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the European Union, as amended (together, the "**ETS Directives**"). As amended most recently by Directive (EU) 2023/959, which entered into force in June 2023, the EU ETS requires steeper annual reductions to the overall number of emission allowances of 4.3% per year from 2024 through 2027 and 4.4% per year from 2028 through 2030, as well as one-off reductions of the overall emissions cap by 90 million allowances in 2024 and 27 million allowances in 2026 ("re-basing"), with an overall target of reducing covered emissions by 62% by 2030 compared to 2005 levels. These amendments align the EU ETS with the increased reduction targets under the European Union Climate Law (Regulation (EU) 2021/1119) as part of the "Fit for 55" package. As of January 2026, the EU ETS scope has been further extended to cover maritime transport in full, including methane (CH_4) and nitrous oxide (N_2O) emissions from that sector, and free allowances for aviation operators have been fully phased out. The European Commission has announced a further climate package, including a proposed revision of the EU ETS, expected in the second half of 2026. In the United Kingdom, the UK ETS operates under the Greenhouse Gas Emissions Trading Scheme Order 2020, as amended most recently by the Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2026. The 2026 UK ETS cap is set at 77.4 $MtCO_2e$; free allocation for industrial participants at risk of carbon leakage continues on the same basis as the first allocation period (2021–2026), with the second allocation period, incorporating revised free allocation rules aligned with the introduction of the UK Carbon Border Adjustment Mechanism, commencing in 2027.

Additional future regulation of GHGs could occur pursuant to future international treaty obligations, regulatory changes under national or local law in multiple jurisdictions or regional adoption of GHG regulatory schemes, or any combination of the foregoing or otherwise. Potential consequences of such regulations include capital costs to modify operations as necessary to meet GHG emission limits and additional energy costs, as well as direct compliance costs. While the Group is working on the implementation of energy efficiency measures as well as the reduction of its GHG emissions in order to in part reduce the potential regulatory costs of such emissions, the Group's production in certain jurisdictions remains carbon-intensive. Currently, however, it is not possible to estimate the likely financial impact of potential future regulation on any of the Group's production facilities, its products or its business. Regulatory requirements to reduce emissions of GHGs could materially adversely affect the Group's business, results of operations, financial condition and prospects.

3.3.3 The Group is subject to risks arising from legal disputes and regulatory or governmental proceedings.

From time to time, the Group may be involved in, or be threatened with, legal disputes and proceedings with suppliers, customers, employees or other third parties concerning, among other things, customer and supplier contractual relationships, warranty and other product-related claims, employment, safety and environmental matters, as well as investor litigation. Furthermore, the Group may become subject to proceedings by governmental authorities in connection with its compliance with laws and regulatory requirements, including in the areas of antitrust, tax, environmental and safety matters. For example, the Group is currently subject to a class action filed by the public prosecutor of the State of Minas Gerais in connection with LD Celulose's pulp mill operations' release of effluents. In 2024, the trial court dismissed the case without addressing the merits based on lack of factual and legal grounds. As of the date of this Prospectus, this proceeding is pending the judgment of an appeal by the appellate court of the state of Minas Gerais, and it is uncertain when it will be reviewed by such court. The Company was also recently selected by the Austrian Financial Reporting Enforcement Panel (*Österreichische Prüfstelle für Rechnungslegung*, the "**ÖPR**") for a review of certain aspects of its recent financial reporting pursuant to Section 2(1)(2) of the Financial Reporting Enforcement Act (*Rechnungslegungskontrollgesetz*) and is therefore currently subject to an audit by the ÖPR without specific cause, based on a selection made in accordance with a random sampling principle.

The outcome of pending or potential future legal or regulatory proceedings is, as a general matter, difficult to predict. If such proceedings are resolved against the Group, the Group may be subject to civil,

criminal or other penalties, damages or other payment obligations, which may exceed any provisions set aside or any available insurance coverage. The Group may also be required to undertake recalls of its products or change its business practices or make modifications to or restatements of its financial reporting relating to already published financial information. Even if the Group ultimately prevails in legal and regulatory proceedings, defending such actions can be costly and result in diversion of management's attention away from the Group's business. Adverse publicity surrounding legal or regulatory proceedings, government investigations or allegations, including proceedings against former affiliates, may also harm the Group's brand and reputation (see "*3.1.13 The Group's success is dependent on the image of its brand name and its underlying product brands, in particular their sustainability characteristics and credentials, as well as the brand image and reputation of its strategic partners.*").

Any legal or regulatory proceeding pending or threatened against the Group could have a material adverse effect on the Group's reputation, business, results of operations, financial condition and prospects.

3.3.4 The Group cannot guarantee adequate protection of its intellectual property rights and know-how.

The Group is taking all reasonable measures to protect its intellectual property rights and know-how and has a well-established IP protection system. The Group possesses a large number of patents, trademarks and other intellectual property rights that are of considerable importance for its business success. Although there is a general legal presumption that patents are valid, this does not necessarily mean that a patent will ultimately be upheld as valid or that any related claims can be enforced as necessary or desired. In addition, the Group may not receive all patents for which it has applied, or plans to apply, in connection with new technologies or such patents may not be granted in all of the countries in which the Group needs to protect these technologies. Third parties may infringe upon its patents or other proprietary rights, and the Group may not be able to stop any such infringement due to legal or factual reasons.

In addition, patentable and nonpatentable business secrets and confidential know-how are crucial to the success of the Group's business, in particular in areas with technically sophisticated products and production processes. There is a risk that competitors could obtain priority patent protection for products and production processes that the Group produces or uses on a non-patented basis in certain countries. This could adversely affect the distribution and sale of the Group's products, impair the Group's use of the affected production processes or lead to an obligation to pay licensing fees in these countries. The Group may not be able to prevent its business secrets from being disclosed. In addition, third parties may independently develop or gain access to the same or similar business know-how, in particular by hiring former Group employees who developed, or are otherwise familiar with, the Group's particular processes and technologies.

As the Group's success is in part dependent on its trademarks and brand names, any loss of rights to freely use such brands in marketing and sales could hamper the Group's ability to sell its products. For example, if consumers no longer associate one of the Group's brands with the Group as the producer but rather associate the brand with the product itself or a whole product category, this could result in the loss of the Group's enforceable rights to such brand and protections thereof in certain jurisdictions. As the Group's customers generally buy unbranded products, the brand and reputation of the Lenzing Group itself is particularly important. See also "*3.1.13 The Group's success is dependent on the image of its brand name and its underlying product brands, in particular their sustainability characteristics and credentials, as well as the brand image and reputation of its strategic partners.*"

If the Group's efforts and measures to protect its IP are unsuccessful or if the Group loses important know-how, other manufacturers can make or market products that are similar to the products that the Group produces, the Group's ability to profit from its IP or know-how may be limited or its future profits may decrease as a result. This could affect its competitive position. Any resulting decrease in the Group's revenue would have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.3.5 The Group may be subject to product liability claims, in particular for its nonwoven fibers, that could require it to make significant cash payments.

The Group markets and sells its products and services to customers worldwide. These business activities can lead to damage to customers, or along the value chain, through the delivery of a defective product by the Company or one of its subsidiaries. Moreover, the Group could be exposed to product liability claims in the event that the use of its products results in, or is alleged to result in, injuries to human health. Product safety can be jeopardized by pollution, which may cause problems in the value chain, such as potential health implications for employees and customers. For instance, the Group's nonwoven fibers are used, among others, in wound care (for example, in wound pads and medical swabs), tampons and in wipes for household, infant care and personal care applications. The Group may be subject to product liability lawsuits, in particular in the United States, which may result in significant costs to defend such claims or significant damages. In addition,

in the event that a manufacturer of end products would be required to recall its products because of defects alleged to be caused by deficiencies in the Group's products, this could expose the Group to significant liability for costs and reputational damage and also cause reputational loss to the Group itself. The Group's insurance arrangements may not fully or adequately cover all liabilities, defense costs, settlements, judgments or other losses arising from product liability or product safety claims. In addition, certain costs associated with product withdrawals, recalls, market remediation activities, reputational harm, customer claims, regulatory actions and loss of future business may not be insured or recoverable in full. Any significant product liability, product safety or product recall event could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.3.6 The Group's business is subject to the general tax environment, including in Austria, Brazil, China, the United Kingdom, the United States, Indonesia, Thailand and the Czech Republic, which may change to its detriment. The Group could be required to pay additional taxes following tax audits of the Company and its subsidiaries.

The Group's business is subject to the general tax environment, including in Austria, Brazil, China, the United Kingdom, the United States, Indonesia, Thailand and the Czech Republic. Changes in tax legislation, administrative practice or case law could have adverse tax consequences for the Group. Amendments to applicable laws, orders and regulations may be issued or applied with retroactive effect. Additionally, tax authorities may change their interpretations of tax laws. These interpretations may change at any time to the Group's detriment, resulting in a higher tax burden. Additionally, if there are any adverse changes in the tax framework, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Furthermore, the Company and its subsidiaries are regularly subject to tax audits. As a consequence of current or future tax audits or previously completed tax audits for which no final tax assessments have been issued, or as a result of possibly divergent tax law interpretations by the tax authorities, tax loss carry-forwards or other tax assets could be reduced, or the Group could be obliged to pay additional taxes. Such additional taxes could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.3.7 The Group's internal compliance processes may not be adequate to prevent or identify violations of law.

The Group has production facilities in Europe, Asia and America and sells its products globally. Accordingly, the Group must comply with laws and regulations of all jurisdictions in which it conducts its business, for instance as to import duties, product classifications and environmental requirements. Furthermore, such laws and regulations, or the interpretation or application by courts and regulatory authorities thereof, could change in the future. The Group's internal compliance processes may not be adequate to prevent or identify improper business practices, fraud or violations of the law on the part of its employees, representatives or agents, in particular given the international nature of the Group's business (in particular, the Group considers regions such as Asia and North America to present heightened compliance risks in the industry in which it operates). Moreover, the Group's proper screening of its suppliers' compliance with its Global Code of Conduct for Suppliers, including assessments of compliance risk topics (in particular, anti-bribery, anti-corruption and sanctions) quality, reliability and sustainability, may not always be successful, which could have a negative impact on the Group and its stakeholders along the value chain. If a court or regulatory authority finds the Group to have failed to comply with any laws and regulations applicable to it, this could result in a reputational loss or in legal consequences, such as the imposition of fines, penalties or the assertion of claims for damages by third parties along with competitive disadvantages. Any of these consequences and the costs related thereto could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.3.8 The Group's operations are subject to export control, sanctions, anti-corruption and anti-money laundering rules and regulations.

In connection with the Group's worldwide business operations, it must comply with a broad range of legal and regulatory requirements relating to sanctions, anti-bribery and corruption and anti-money laundering.

The Group's operations may be restricted by economic sanctions programs imposed by multiple authorities, such as the United Nations, the European Union and the United States through the Office of Foreign Assets Control. Such economic sanctions programs may restrict the Group's ability to engage in business dealings with certain sanctioned countries, persons or companies. It is difficult to anticipate the extent to which current or future sanctions could increase the Group's costs, disrupt supplies, reduce sales or otherwise affect the Group's operations.

The Group's international operations are also subject to anti-corruption laws and regulations in the jurisdictions in which it operates, such as the U.S. Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act of 2010. In addition, the Group is subject to anti-money laundering laws and regulations, including the European Union's 6th Anti-Money Laundering Directive, which entered into force in 2020.

Export control law, sanctions, anti-bribery and corruption and anti-money laundering regimes evolve over time and it is difficult for the Group to predict the interpretation, implementation or enforcement of governmental policies with respect to its activities. While the Group continuously reviews existing policies and procedures to ensure compliance with applicable laws and regulations, these policies and procedures may not be followed at all times and the Group's internal controls may not effectively detect and prevent violations by the Group's governing bodies, employees, consultants, agents or partners.

Violations of anti-corruption laws, export control, sanctions and anti-money laundering regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licenses, as well as criminal fines and imprisonment. In addition, any violation could result in adverse media coverage, have an impact on the Group's reputation and consequently on its ability to generate future business and maintain long-term commercial relationships with its customers.

If the Group fails to manage the above risks, this could materially adversely affect its business, results of operations, financial condition and prospects. See also "*3.3.7 The Group's internal compliance processes may not be adequate to prevent or identify violations of law.*"

3.3.9 The Group's insurance coverage may not be sufficient to protect against all losses to which it may be exposed, and uninsured or underinsured losses could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group maintains insurance coverage for a range of risks associated with its business activities, including general liability, product liability, trade credit, property damage and business interruption, marine cargo, cyber, and directors' and officers' ("**D&O**") insurance.

The Group's objective is to manage the financial impact of insurable risks through a combination of insurance and risk retention. Insurance coverages are subject to policy limits, deductibles, exclusions, conditions and other limitations. As a result, certain losses, damages, liabilities, costs or expenses may not be recoverable in full, or at all, under the Group's insurance programs.

In addition, the Group may not be able to obtain or renew insurance coverage on commercially acceptable terms, in sufficient amounts, or for certain risks. Insurance market conditions may result in higher premiums, reduced capacity, increased deductibles, more restrictive terms, or the withdrawal of coverage for specific risks.

Any significant uninsured or underinsured loss, failure to obtain or maintain insurance coverage on commercially acceptable terms, or material increase in insurance costs could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.4 Risks Related to the Group's Shareholder Structure, the Shares and the Offering

3.4.1 The Company's Major Shareholders may exercise significant influence over the Group and their interests may be inconsistent with the interests of other shareholders.

As of the date of this Prospectus and prior to this Offering, B&C Privatstiftung (the "**B&C Private Foundation**") directly and indirectly through its wholly-owned subsidiaries (together, the "**B&C Group**"), held in aggregate approximately 37.25% of the Company's issued share capital and Suzano S.A. ("**Suzano**" and together with B&C Private Foundation, the "**Major Shareholders**") through its subsidiary Suzano International Trade GmbH ("**Suzano International Trade**") held approximately 15.00% of the Company's issued share capital. On June 12, 2024, B&C Private Foundation, B&C KB Holding GmbH and B&C Ares Holding GmbH as well as Suzano S.A. through Suzano International Trade entered into a shareholders' agreement providing for board representation and the optional right to acquire an additional 15.00% stake by the end of 2028, subject to the Austrian Takeover Act. According to the shareholders' agreement between B&C Group and Suzano, B&C Group retains sole control in the meaning of the Austrian Takeover Act, and Suzano participates in the Company's governance through its representatives on the Supervisory Board. Together, B&C Group and Suzano indirectly held approximately 52.25% of the Company's issued share capital as of the date of this Prospectus and prior to this Offering.

Following the completion of this Offering, the Major Shareholders will continue to hold a majority of the Company's issued share capital (whereby Suzano International Trade will hold approximately 12.60% and B&C Private Foundation will hold approximately 39.64% of the Company's issued share capital, respectively). The combined shareholding will continue to enable the Major Shareholders to effectively control most decisions by the shareholders' meeting (the "**Shareholders' Meeting**"), with B&C Group continuing to retain sole control in the meaning of the Austrian Takeover Act. Decisions which require the simple majority of the shares voted at the Shareholders' Meeting and which accordingly the Major Shareholders may control include amendments of the Company's articles of association (*Satzung*; the "**Articles of Association**") other than changes of business objective, ordinary increases of the Company's share capital and issuance of convertible bonds, profit participating bonds and profit sharing instruments in respect of which the subscription rights of existing shareholders are not excluded, appointments to the Company's Supervisory Board, approval of the Company's annual financial statements, resolutions regarding the appropriation of the Company's balance sheet profit and election of the Company's auditor. The Austrian Stock Corporation Act requires the approval of at least 75% of the share capital represented at a shareholders' meeting at the time of voting to pass resolutions on certain matters, such as creating authorized or conditional capital, changing the corporate purpose, mergers, spin-offs and conversions to a different form of legal entity. If at least 75% of the share capital represented at the time of voting is controlled by the Major Shareholders due to low participation by other shareholders at a Shareholders' Meeting, the Major Shareholders will also be able to pass resolutions requiring a qualified majority of votes cast or of the share capital represented. The Major Shareholders will also be able to block any of the resolutions listed above in Shareholders' Meetings. If the Major Shareholders were to exert influence on the Company in such a way as to conflict with the interests of other shareholders or the Company, this could have a significant adverse effect on the Company's share price. In turn, this may make it more difficult for the Company to raise additional capital or only allow it to do so on unfavorable terms, and may conflict with the interests of the Company or its other shareholders.

3.4.2 A trading market for the Rights may not develop and, if a market does develop, the Rights may be subject to greater volatility than the Shares.

The Rights are expected to be traded on the Vienna Stock Exchange in a daily auction from (and including) October 6, 2026 to (and including) October 14, 2026 (the "**Rights Trading Period**"). The Company does not intend to apply for the Rights to be traded on any other exchange. An active trading market for the Rights may not develop on the Vienna Stock Exchange during that period. Even if such a trading market does develop, any volatility in the price of the Shares may cause even greater volatility in the price of the Rights because the market price of the Rights is determined by the development of the price of the Shares, but may be subject to stronger fluctuation than the Share price and may deviate substantially from the Offer Price of the Shares and disproportionally to the Subscription Ratio of the Offering. A significant decrease in the price of the Shares can therefore also have an adverse effect on the value of the Rights. If the market price of the Shares drops below the Offer Price, the Rights would become worthless.

3.4.3 The market price and trading volume of the Shares and the Rights may fluctuate significantly. The market price and trading volume of the Shares could decline upon completion of the Offering, and investors could lose some or all of their investment.

The trading volume and price of the Shares may fluctuate significantly. The share price is determined by the supply of and demand for the shares and may not necessarily reflect the fair value of the Company. Some of the factors that could negatively affect the share price or result in fluctuations in the price or trading volume of the shares include, for example, the inability to achieve the Group's targets as disclosed in this Prospectus, ad hoc developments, fluctuations in the Group's actual or projected operating results, variations in quarterly results, failure to meet securities analysts' expectations, the contents of published research reports about the Company or the Group or the industry segments or securities analysts failing or ceasing to cover the Company or the Group following the Offering, actions by institutional shareholders and general market conditions or special factors influencing companies in the industry in general. Fluctuations in the equity markets could also cause the share price to decline, though such general fluctuations may not necessarily have any particular basis in the Group's business, results of operations and prospects.

As of the date of this Prospectus, Nationale-Nederlanden Levensverzekering Maatschappij N.V, Nationale-Nederlanden Schadeverzekering Maatschappij N.V, and NN Re (Netherlands) N.V. (together, the "**NN Shareholders**") (represented by Goldman Sachs Asset Management B.V. as investment manager) hold 6.20% of the shares of the Company. The Company has been informed that, prior to the start of the Rights Exercise Period, Existing Shares of the Company currently held by the NN Shareholders are intended to be sold in a private placement on an ex-rights basis with the Joint Global Coordinators acting as placement agents with a view to generating aggregate net proceeds of approximately EUR 18 million. According to information the

Company has received, the take-up of the Rights to be granted to the NN Shareholders is conditional upon a successful completion of the private placement. Launch and pricing of the private placement will be determined at the sole discretion of the NN Shareholders. The net proceeds from this private placement will be used to fund the take-up of the Rights to be granted to the NN Shareholders. If the NN Shareholders decide not to launch the privat placement or are unsuccessful in finding one or more buyers for the Existing Shares offered on commercially attractive terms once the placement has been launched, this could have a negative impact on the market price of the Shares and the Rights as well as on the marketing of the Rights Offering. If the NN Shareholders decide against launching the private placement or are unable to fund the exercise of their Rights with proceeds from the private placement in full or at all, they may choose to sell all or a portion of the Rights on the open market, which could affect the market price and trading volume of the Rights significantly. Even if the private placement is successful and the proceeds therefrom are used to fund the take-up of the Rights granted to them, it cannot be excluded that market price and trading volume of the Shares and Rights are negatively impacted. See also "*3.4.6 Sales of a substantial number of Rights or Shares may affect the market trading prices of the Rights and the Shares.*"

Additionally, sales by the Managers of Shares acquired pursuant to their underwriting commitments, could increase the supply of Shares in the market and adversely affect the market price and trading volume of the Shares following completion of the Offering.

3.4.4 A suspension of trading in the Shares could adversely affect the share price.

The FMA is authorized to suspend, or request that the relevant regulated market on which securities are admitted to trading suspends, securities from trading, if, in its opinion, the respective issuer's situation is such that continued trading would be detrimental to investors' interests. The FMA is further authorized to instruct the Vienna Stock Exchange to suspend trading in an issuer's securities in connection with measures taken against market manipulation and insider trading. The Vienna Stock Exchange must suspend trading in securities which no longer comply with the rules of the regulated market unless such a step would likely cause significant damage to investors' interests or the market's orderly functioning. In addition, if the Vienna Stock Exchange does not do so, the FMA can also demand that trading in securities be suspended if it is in the interest of the orderly functioning of the market and does not impair investors' interests. Any suspension of trading in the Shares could adversely affect the share price.

3.4.5 If the Offering is not completed, an intended exercise of Rights or purchase or order for Offered Shares will be deemed not to have been made and the Rights will become worthless. Rights purchased in the Rights Trading Period will become worthless.

The placement agreement between the Company and the Managers dated October 1, 2026 (the "**Placement Agreement**") provides that the Joint Global Coordinators, acting unanimously on behalf of and for all the Managers, have the right to terminate the Placement Agreement at any time until the closing of the Offering if they determine a material adverse event ("**Material Adverse Event**").

Any change or event described in (i) to (viii) below constitutes a Material Adverse Event, provided that the event occurred or became known between the date of the Placement Agreement and the closing date of the Offering, and provided further that in the case of an event specified (i) through (viii) below such event, individually or together with any other event, makes it, in the reasonable judgment of the Joint Global Coordinators (after prior consultation with the Company to the extent reasonably practicable), impracticable or inadvisable to market and/or subscribe the Offered Shares or to otherwise proceed with the Offering on the terms and in the manner contemplated in the Placement Agreement:

(i) The Group has sustained since the date of the 2025 Audited Consolidated Financial Statements a loss or interference with respect to its business from fire, explosion, flood or other calamity (whether or not covered by insurance), or from any labor dispute or court or governmental action, order or decree, except (i) as set forth or contemplated in this Prospectus or (ii) if it would not, individually or in the aggregate, constitute or would be reasonably expected to result in a Material Adverse Effect (as defined in the Placement Agreement);

(ii) Since the date of the Placement Agreement or the date as of which information is given in this Prospectus there has been any change in the share capital (except for the capital increase), credit rating, long-term debt, or listed debt of the Group (including, for the avoidance of doubt, any changes in the ratings of any such listed debt), which would constitute or would reasonably likely result in a Material Adverse Effect (as defined in the Placement Agreement) or any material adverse change or development reasonably likely to result in a material adverse change in, or affecting the condition (operational, legal or otherwise), business affairs, management, consolidated financial position, shareholders' equity or results of operations or prospects of the

Group other than as set forth or contemplated in this Prospectus (exclusive of any amendment or supplement thereto);

(iii) Trading generally has been materially limited or suspended (other than for technical reasons) on or by, as the case may be, any of the Vienna Stock Exchange, the Frankfurt Stock Exchange, the London Stock Exchange or the New York Stock Exchange (other than any over-the-counter segment of such exchanges);

(iv) Trading of any securities of the Company has been materially limited or suspended on any regulated market in the member states of the European Economic Area (the "**EEA**") to which such securities are admitted, except for immaterial suspensions in connection with an ad hoc announcement pursuant to Article 17 of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC ("**MAR**");

(v) A material disruption or a general moratorium on commercial banking activities in Vienna, Frankfurt am Main, New York, London or any other country in the EEA has been declared by authorities or a material disruption (*wesentliche Unterbrechung*) in securities settlement, payment or clearances services in any country in the EEA or the United States has occurred;

(vi) There has been a material adverse change in national or international financial, political, or economic conditions or currency exchange rates or currency controls which could have a material adverse impact on the financial markets in Austria, Germany, the United Kingdom or the United States;

(vii) There has been a material adverse change or material adverse development involving a prospective change in the taxation affecting the Company, the shares of the Company or the transfer thereof or the imposition of exchange controls by Austria, Germany, the United Kingdom or the United States; or

(viii) There has occurred any outbreak or escalation of hostilities involving Austria, any other country in the EEA or the United States, or the declaration by or against Austria or any other country in the EEA or the United States of a national emergency or war or the occurrence of any acts of terrorism or any other calamity or crisis or any change or any development involving a prospective change in financial markets or in national or international political, financial or economic conditions.

If the Placement Agreement is terminated for any reason set out in the Placement Agreement, the Offering will not take place. In such event, any previous exercise of Rights or purchase order for Offered Shares would be deemed not to have been made and as a result of the termination, the Rights would expire and become worthless without compensation. Prospective investors who have purchased their Rights in the Rights Trading Period on the secondary market would suffer a corresponding loss, since they would not be able to unwind their Rights purchases if the Offering is terminated. If the termination of the Placement Agreement occurs after the registration of the increase in the Company's registered share capital from EUR 40,107,738.37 by EUR 36,096,964.53 to EUR 76,204,702.90 against cash contribution (the "**Capital Increase**") in the Companies Register, the Placement Agreement provides for mechanisms to resolve the effects of such Capital Increase. These measures may have an adverse effect on the price of the Shares.

3.4.6 Sales of a substantial number of Rights or Shares may affect the market trading prices of the Rights and the Shares.

Sales, or the possibility or perceived possibility of sales, of a substantial number of the Rights or the Shares could have an adverse effect on the market trading prices of the Rights or the Shares. For example, certain shareholders of the Company have pledged their Shares as collateral under financing agreements. In the event of a default under such financing agreements, the lenders could sell the Shares in the market in order to cover their losses, potentially resulting in a material adverse effect on the trading prices of the Shares. Any issue of Shares by the Company or transactions with a similar economic effect could adversely affect the market trading prices of the Shares. Such a decline in market price of the Shares might also make it more difficult for the Company to raise equity in the future.

In particular, as described in "*3.4.3 The market price and trading volume of the Shares and the Rights may fluctuate significantly. The market price and trading volume of the Shares could decline upon completion of the Offering, and investors could lose some or all of their investment.*", the NN Shareholders intend to sell

Existing Shares in a private placement on an ex-rights basis to finance the exercise of Rights to be granted to them in the Rights Offering. These sales, or the expectation of such sales, could adversely affect the market price of the Shares and, indirectly, the Rights. If the private placement is not launched, is not completed or does not generate sufficient net proceeds, the NN Shareholders may choose to sell all or a portion of their Rights. Such sales, or the expectation of such sales, could exert downward pressure on the market price of the Rights and could also adversely affect the market price of the Shares and the marketing of the Rights Offering.

Additionally, if the uptake of Offered Shares in the Rights Offering is low, sales of Rump Shares on a stock exchange or over the counter, or subsequent sales by the Managers of Stick Shares acquired pursuant to their underwriting commitments, could increase the supply of Shares in the market and adversely affect the market price and trading volume of the Shares.

3.4.7 The Company's ability to pay dividends depends on the availability of distributable profits. Shareholders may not receive dividends or other cash distributions.

The Company's ability to pay dividends or make other distributions to its Shareholders is uncertain and may be restricted. In accordance with the Austrian Commercial Code (*Unternehmensgesetzbuch*; the "**Commercial Code**") and the Austrian Stock Corporation Act (*Aktiengesetz*; the "**Austrian Stock Corporation Act**"), the Company may pay dividends only out of distributable profits. Distributable profits are based upon accumulated profits, as shown in the unconsolidated financial statements prepared in accordance with the Commercial Code for such year, after allocations have been made to reserves, including retained earnings. The ability of the Company's subsidiaries to pay dividends and the Company's ability to receive distributions from its investments in other entities, as well as the Company's ability to pay dividends to its shareholders, are subject to applicable laws and regulatory requirements, including applicable tax laws, financial covenants in financing agreements entered into by the Company or the Company's subsidiaries or associated entities and other restrictions. These laws and restrictions have in the past restricted, and may continue to restrict in the future, the payment of dividends and distributions to the Company by its subsidiaries, which could limit its ability to fund other operations or to pay dividends to its shareholders or the payment of dividends and distributions by the Company to its shareholders directly. Furthermore, even when the Company is in a position to pay dividends or make other distributions, the amount of such dividends or other distributions may vary depending on the Group's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, contractual restrictions and other factors. See also "*3.1.4 The Group has a high level of financial debt due to significant borrowings and other financial liabilities, the amount and terms of which limit its financial and operational flexibility, including its ability to refinance indebtedness and pay dividends. If the Group is unable to comply with the financial and other restrictive covenants in its financing agreements, or does not complete or receive the proceeds from the Offering and/or is unable to obtain adequate financing in the future for the purpose of refinancing its existing indebtedness, there could be a default or event of default under such financing agreements.*"

The Company did not distribute any dividends to its shareholders in 2025, 2024 and 2023. There can be no certainty that the Company will pay dividends in the future. Any past dividends are therefore not an indication of future dividends to be paid by the Company. Since 2024 the dividend policy has been suspended. Going forward, dividends may not be paid or, if paid, they may not correspond to the Company's relevant policy.

3.4.8 Holders of Rights who have exercised them will purchase Shares at the Offer Price, which may be higher than the actual market price for the Shares at the closing date of the Offering.

Subject to applicable laws, rules and regulations, holders of Rights must exercise their Rights between October 6, 2026 and October 20, 2026 (the "**Rights Exercise Period**"). Each exercise of Rights will be effective at an offer price of EUR 8.65 per Offered Share (the "**Offer Price**") and is irrevocable and may not be canceled, modified, rescinded or withdrawn. There can be no assurance that the market price of the Shares will not decline below the Offer Price. To the extent that the market price for the Shares declines below the Offer Price during the period from the date on which a holder of Rights exercises such Rights to the closing date of the Offering, the Shareholder will be required to purchase Shares at a price that will be higher than the actual market price of the Shares at that time. Should that occur, the Shareholder will suffer an immediate unrealized loss as a result. Moreover, the Company cannot guarantee that, following the exercise of the Rights, Shareholders will be able to sell the Offered Shares at a price equal to or greater than the Offer Price.

3.4.9 Failure to validly exercise the Rights by the end of the Rights Exercise Period will result in such Rights becoming null and void without compensation and existing Shareholders holding such Rights will be diluted accordingly.

If holders of Existing Shares or prospective investors having purchased Rights do not or are not able to validly exercise their Rights by October 20, 2026, such Rights will become null and void without compensation. To the extent that holders of Existing Shares do not exercise their Rights to subscribe for Offered Shares, their ownership and voting interest in the Company will be diluted.

3.4.10 Shareholders outside Austria may not be able to exercise Rights.

Under the Austrian Stock Corporation Act, if not validly withdrawn or restricted, shareholders have certain pre-emptive or preferential subscription rights to subscribe on a *pro rata* basis for issuances of new shares, or other securities that entitle holders to acquire new shares. Due to laws and regulations in jurisdictions outside Austria, including the United States, Australia, Brazil or Japan, shareholders in those jurisdictions may not be able to exercise their pre-emptive or preferential subscription rights unless the Company takes action to register or otherwise qualify the rights offering under the laws of that jurisdiction.

For example, in the United States, U.S. holders of Shares may not be able to exercise pre-emptive or preferential subscription rights, such as the Rights, unless a registration statement under the Securities Act is declared effective with respect to the shares issuable upon exercise of such rights or an exemption from the registration requirements is available.

The Company does not intend to take any action to register or otherwise qualify the Offering in any jurisdiction other than in Austria. If Shareholders in other such jurisdictions are unable to exercise their pre-emptive or preferential subscription rights and do not sell the Rights during the Rights Trading Period or at all, they will suffer a loss as a result and their ownership and voting interest in the Company would be diluted.

3.4.11 Future issuances of equity or debt securities that are convertible into equity may result in a dilution of shareholding.

The Company may choose to raise additional capital depending on market conditions or strategic considerations. To the extent that additional capital is raised through the issuances of equity or other securities that are convertible into equity, such issuances could further dilute a Shareholder's proportional ownership and voting interest in the Company.

3.4.12 It may be difficult for prospective investors outside Austria to serve process on or enforce foreign judgments against the Company in connection with the Offering.

The Company is incorporated in Austria. As a result, it may be difficult for prospective investors outside Austria to serve process on or enforce foreign judgments against the Company in connection with the Offering. Investors wishing to serve process or enforce any judgments in Austria may therefore be left without recourse.

3.4.13 The Company's historical earnings, cash flows and other historical financial data are not necessarily predictive of its earnings or its other key financial figures.

The financial information discussed in this Prospectus and the financial statements that have been reproduced herein relate to the Group's performance in past periods. The Group's future development and performance may, however, deviate significantly from past results. The historical earnings and other historical financial data are therefore not necessarily predictive of the Group's earnings or other key financial performance indicators going forward. The Company's financial position may be influenced by a variety of factors, including events or circumstances not yet known or anticipated, thus making the future financial performance subject to volatility and fluctuations that are not reflected in the historical financial data. The Company's financial statements may also be subject to reclassification of items which may also affect comparability to historical data.

3.4.14 The rights of shareholders in an Austrian stock corporation may differ from the rights of shareholders in companies organized under the laws of other jurisdictions.

The Company is organized under the laws of Austria. The rights of shareholders in an Austrian company are based on its articles of association and applicable laws and regulations and may differ from the rights of shareholders of stock corporations organized under the laws of other jurisdictions. As such, it may be difficult or impossible to enforce rights against the Company that may be common in other jurisdictions or prevail with a claim against the Company based on laws of other jurisdictions. In particular, rights of shareholders in an Austrian stock corporation may be more limited in certain respects than the rights of shareholders under U.S. law. Shareholders in the U.S. may not be able to obtain judgments or enforce civil liabilities against the

Company or its directors. As the directors are non-residents of the U.S. and a substantial portion of the assets of the Company are located outside of the US, it may be impossible or difficult for U.S. based shareholders to effect service of process upon such persons or the Company or to enforce against them in U.S. courts a judgment obtained in such courts.

4 GENERAL INFORMATION

4.1 Responsibility Statement

4.1.1 Responsibility Statement under the Prospectus Regulation

The Company, with its registered office at Werkstraße 2, 4860 Lenzing an der Ager, Austria, registered with the companies register (*Firmenbuch*) of the regional court for civil matters Wels (*Landesgericht für Zivilrechtssachen Wels*, the "**Companies Register**") under FN 96499 k, legal entity identifier ("**LEI**"): 529900BKFJBI0QRDJH63, assumes responsibility for the information given in this prospectus (together with any supplements hereto, the "**Prospectus**") pursuant to Article 11 para. 1 of the Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**") and hereby declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and that this Prospectus makes no omission likely to affect its import.

The information contained in this Prospectus will not be updated subsequent to the date hereof except for any significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the securities and which arises or is noted between the time when the Prospectus is approved and the closing of the offer period or the time when trading on a regulated market begins, whichever occurs later. These updates must be disclosed in a supplement to this Prospectus in accordance with Article 23 of the Prospectus Regulation and without undue delay.

If any claims are asserted before a court of law based on the information contained in this Prospectus, the investor appearing as plaintiff may have to bear the costs of translating this Prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area (the "**EEA**").

4.2 Purpose of this Prospectus

This Prospectus relates to the offering of 34,756,362 no-par value bearer shares of the Company (the "**Offered Shares**," together with all existing issued no-par value bearer shares of the Company (the "**Existing Shares**") referred to in this Prospectus as the "**Shares**" and each, a "**Share**") and each such share with full dividend rights as of January 1, 2026. No action has been or will be taken by the Company that would permit a public offering in any jurisdiction other than Austria.

The offering (the "**Offering**") consists of:

(i) a rights offering (the "**Rights Offering**"), in which the existing shareholders of the Company (the "**Shareholders**" and each, a "**Shareholder**") who hold Existing Shares will receive one subscription right (the "**Rights**") for each Existing Share to subscribe on a *pro rata* basis for Offered Shares (each existing Shareholder and holder of Rights will be entitled to subscribe at the Offer Price for 9 Offered Shares for every 10 Rights held (the "**Subscription Ratio**")); and

(ii) a subsequent international offering, in which Offered Shares in respect of which Rights have not been validly exercised in the Rights Exercise Period may be offered to institutional investors in private placements (the "**Share Placement**") or over the stock exchange or in OTC sales. The Share Placement is expected to take place on October 20, 2026.

The Offering comprises:

(a) in respect of the Rights Offering, a public offering in Austria (the "**Public Offering in Austria**");

(b) in respect of the Rights Offering and the Share Placement, private placements in certain jurisdictions outside the United States of America (the "**United States**" or the "**U.S.**") and Austria in accordance with applicable securities laws and in reliance on Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933 (the "**Securities Act**"), and on the basis of exemptions provided by the Prospectus Regulation, in accordance with applicable securities laws;

(c) in respect of the Rights Offering and the Share Placement, private placements within the United States to qualified institutional buyers ("**QIBs**") as defined in the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act ("**Rule 144A**");

(d) in respect of the Rights Offering, a private placement in Canada exempt from the requirement that the Company prepare and file a prospectus with the relevant Canadian securities regulatory authorities; and

(e) in respect of the Share Placement, private placements in Canada to accredited investors that are permitted clients in the provinces of Alberta, British Columbia, Ontario and Quebec.

This Prospectus also relates to (x) the admission to trading of the Rights and (y) the listing and admission to trading of the Offered Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (the "**Admission to Trading**").

The Offering and the Admission to Trading are described in more detail in "5 *The Offering.*"

4.3 Validity of this Prospectus

The validity of this Prospectus will expire with the beginning of the trading of the Offered Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange, which is expected to occur on or about October 23, 2026, and no obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will apply when this Prospectus is no longer valid.

4.4 Approval by the FMA for the Purpose of the Public Offering in Austria and the Admission to Trading

For the purpose of the Public Offering in Austria and the Admission to Trading, this Prospectus constitutes a prospectus for the purposes of Article 3 of the Prospectus Regulation.

For the purpose of the Public Offering in Austria and the Admission to Trading, this Prospectus has been filed with and approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the "**FMA**") as a competent authority under the Prospectus Regulation on October 1, 2026.

The FMA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. FMA approval should not be considered as an endorsement of Lenzing Aktiengesellschaft as the issuer and the quality of the Offered Shares that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The FMA can be contacted at Otto-Wagner-Platz 5, 1090 Vienna, Austria, or by telephone +43 1249 59 0 or via its website www.fma.gv.at.

4.5 Role of the Managers

No person is or has been authorized to give any information or to make any representation in connection with the offer or sale of the Rights and Offered Shares, other than as contained in this Prospectus. Any other information or representation given or made in connection with the Offering must not be relied upon as having been authorized by the Company, the Management Board, BNP PARIBAS, with its registered office at 16, boulevard des Italiens, 75009 Paris, France, LEI: R0MUWSFPU8MPRO8K5P83 ("**BNP PARIBAS**"), UniCredit Bank GmbH, with its registered office at Arabellastraße 12, 81925 Munich, Germany, LEI: 2ZCNRR8UK83OBTEK2170 ("**UniCredit Bank GmbH**"), COMMERZBANK Aktiengesellschaft, with its registered office at Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Germany, LEI: 851WYGNLUQLFZBSYGB56 ("**COMMERZBANK**"), Erste Group Bank AG, with its registered office at Am Belvedere 1, 1100 Vienna, Austria, LEI: PQOH26KWDF7CG10L6792 ("**Erste Group**" and together with BNP PARIBAS, UniCredit Bank GmbH and COMMERZBANK, the "**Joint Global Coordinators**"), Raiffeisen Bank International AG, with its registered office at Am Stadtpark 9, 1030 Vienna, Austria, LEI: 9ZHRYM6F437SQJ6OUG95 ("**Raiffeisen Bank International**" or the "**Joint Bookrunner**"and together with the Joint Global Coordinators, the "**Managers**") or any other person. The delivery of this Prospectus at any time after the date hereof shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information set out in this Prospectus is correct as of any time since its date.

The Managers are acting exclusively for the Company and no one else in connection with the Offering and will not regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Offering and will not be responsible to any other person for providing the protections afforded to clients of the Managers or for providing advice in connection with the Offering or the contents of this Prospectus or any other matter referred to in this Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed upon the Managers by applicable regulation, none of the Managers accepts any responsibility whatsoever or makes any representation or warranty, express or implied, for the contents of this Prospectus, including its accuracy, completeness or verification, or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Rights and Offered Shares or the Offering and nothing in this Prospectus is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. The Managers assume no responsibility for its accuracy, completeness or verification and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement.

4.6 Forward-Looking Statements

This Prospectus contains forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this Prospectus, including, without limitation, those regarding the Group's future financial position and results of operations, the Group's strategy, plans, objectives, goals and targets, future developments in the markets in which the Group participates or is seeking to participate or anticipated regulatory changes in the markets in which the Group operates or intends to operate. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "plan," "potential," "predict," "projected," "targeted," "should" or "will" or, in each case, their negative or other variations. These terms may be found in those parts of this Prospectus containing information about the intentions, beliefs or current expectations of the Group concerning its future financial earning power, plans, liquidity, outlook, growth, strategy, market, innovation, competition and profitability, as well as the overall business and regulatory conditions to which the Group will or may be exposed. Forward-looking statements comprise, in particular, plans, estimates, prognoses and expectations.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. The Group cautions you that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that the Group's actual results of operations, including its financial condition and liquidity and the development of the industry in which it operates, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this Prospectus. In addition, even if Lenzing Group's results of operations, including its financial condition and liquidity and the development of the industry in which it operates, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important risks, uncertainties and other factors that could cause these differences include, but are not limited to:

- fluctuations in demand for, and prices of, wood-based as well as cotton and synthetic fibers and DWP;
- availability and prices of raw materials and energy used by the Group;
- overall economic conditions, particularly in the markets in which the Group operates, including related fluctuations in exchange rates, inflationary price pressures and effects of rising interest rates;
- risks from existing or future financing arrangements, including as a result of increased levels of debt, and the covenants under such financing arrangements;
- failure to convert or expand production capacity;
- increases in the Group's costs or the failure to achieve targeted benefits from strategic realignment and operational performance improvements, including cost-saving measures;
- availability of alternative products or new technologies;
- reliance on a limited number of the Group's key suppliers;
- loss or significant reduction in business from one or more of the Group's key customers;
- risks related to the impact of the Russia-Ukraine conflict and conflicts in the Middle East; and
- changes in current or future laws or regulations.

See also "*3 Risk Factors*" for additional risks resulting from such forward-looking statements.

Such forward-looking statements are subject to risks and uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of the Group's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause the Group's actual results, including the financial condition and profitability of the Group, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. It is also possible that the future events mentioned in this Prospectus might not occur. In addition, the forward-looking estimates and forecasts reproduced in this Prospectus from third-party reports could prove to be inaccurate (see "*4.8 Industry, Market, Other Information and Third-Party Information*" for more information on third-party sources used in this Prospectus). The Group's business is subject to a number of substantial risks and uncertainties that could result in a forward-looking statement being incorrect.

Forward-looking statements included in this Prospectus speak only as of the date on which they are made. Moreover, it should be noted that neither the Group nor any of the Managers assumes any obligation, except as required by Article 23 of the Prospectus Regulation and otherwise by law, to update any forward-looking statement or to confirm any such statement to actual events or developments.

4.7 Presentation of Financial and Other Information

4.7.1 Historical Financial Information

This Prospectus presents the audited and unaudited consolidated financial statements of the Company. The Company is the ultimate holding company of the Group and an operative company. Unless otherwise indicated, the financial information presented in this Prospectus is the historical consolidated financial information of the Group.

This Prospectus presents the following financial information in relation to the Company:

- English translations of the unaudited condensed consolidated interim financial statements of Lenzing Aktiengesellschaft and its subsidiaries as of and for the six months ended June 30, 2026 prepared in the German language (the "**Unaudited Condensed Consolidated Interim Financial Statements**") together with an English translation of the German language report on the review of the condensed interim consolidated financial statements;
- English translations of the audited consolidated financial statements of Lenzing Aktiengesellschaft and its subsidiaries for the financial year ended December 31, 2025, including comparative figures for the financial year ended December 31, 2024 prepared in the German language (the "**2025 Audited Consolidated Financial Statements**") together with an English translation of the German language report of the statutory auditor; and
- English translations of the audited consolidated financial statements of Lenzing Aktiengesellschaft and its subsidiaries for the financial year ended December 31, 2024, including comparative figures for the financial year ended December 31, 2023 prepared in the German language (the "**2024 Audited Consolidated Financial Statements**", together with the 2025 Audited Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**") together with an English translation of the German language report of the statutory auditor.

The Audited Consolidated Financial Statements contained in this Prospectus are prepared and presented in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB), as adopted by the European Union ("**IFRS**"). The additional requirements of section 245a para. 1 of the Austrian Commercial Code (*Unternehmensgesetzbuch*, the "**Commercial Code**") were also met. The original German language Audited Consolidated Financial Statements have been audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft ("**KPMG**"), Kudlichstraße 41, 4020 Linz, Austria. The English language Audited Consolidated Financial Statements and the respective reports of the statutory auditor are convenience translations of the original German language documents and only the original German language documents are legally binding. The originally German language Audited Consolidated Financial Statements and the respective originally German language auditor's reports thereon may be found on the Company's website, the content of which does not form part of this Prospectus.

The Unaudited Condensed Consolidated Interim Financial Statements contained in this Prospectus are prepared and presented in accordance with IAS 34 (Interim Financial Reporting). They are in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) for

Interim Reporting, as adopted by the European Union. The original German language Unaudited Condensed Consolidated Interim Financial Statements have been subject to a limited review by KPMG, Kudlichstraße 41, 4020 Linz, Austria.

The independent auditor reported that they applied limited procedures in accordance with professional standards for a review of such financial information and that they did not audit and do not express an audit opinion on such interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. The English language Unaudited Condensed Consolidated Interim Financial Statements and the report on the review of the condensed interim consolidated financial statements are convenience translations of the original German language documents and only the original German language documents are legally binding. The originally German language Unaudited Condensed Consolidated Interim Financial Statements and the originally German language report on the review of the condensed interim consolidated financial statements may be found on the Company's website, the content of which does not form part of this Prospectus.

The Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements are presented in Euro, which is also the Company's functional currency.

Where financial information in this Prospectus is labeled "audited", this means that the financial information has been taken from the Audited Consolidated Financial Statements, which have been audited by the auditor taken as a whole. The label "unaudited" is used in this Prospectus to indicate that the financial information has not been taken but derived from the Audited Consolidated Financial Statements, or has been taken or derived either from the Unaudited Condensed Consolidated Interim Financial Statements or the accounting records or the internal management reporting systems of the Company or has been calculated based on figures from the aforementioned sources.

4.7.2 Other Financial Measures

4.7.2.1 Overview of Alternative Performance Measures

In accordance with the Commission Delegated Regulation (EU) 2019/979 and the European Securities and Markets Authority (the "**ESMA**") Guidelines published on October 5, 2015 (the "**ESMA Guidelines**"), the following list sets out information related to certain financial measures of the Group that are not required by, or not presented in accordance with, IFRS, which the Group regards as alternative performance measures ("**APMs**") within the meaning of the ESMA Guidelines:

- Earnings before interest and tax ("**EBIT**") margin
- EBIT, plus amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets, and depletion of biological assets, impairment charges and before income from the reversal of investment grants ("**EBITDA**")
- EBITDA margin
- Return on equity ("**ROE**")
- Return on investment ("**ROI**")
- Free cash flow
- Unlevered free cash flow
- Liquid assets
- Adjusted equity
- Adjusted equity ratio
- Net financial debt
- Net financial debt/EBITDA
- Net debt
- Net gearing
- Trading working capital
- Trading working capital to annualized group revenue

For a definition of these APMs, including a reconciliation of each APM to the nearest financial measure presented in accordance with IFRS, see "*4.7.2.2 Reconciliation and Relevance of Alternative Performance Measures.*" All APMs are only based on these definitions and accordingly, EBITDA, EBIT and Free cash flow are not presented in line with the requirements of the U.S. Securities and Exchange Commission's Division of Corporation Finance Interpretations on Non-GAAP Financial Measures.

These APMs are presented as (i) they are used by the Company's management to measure operating performance and liquidity, identify trends, and as a basis for making strategic decisions, and/or (ii) management believes that these financial measures provide an enhanced understanding of the Group's underlying results, financial condition and related trends, and/or (iii) management believes they represent similar financial measures that are widely used by securities analysts, investors and other interested parties as supplemental financial measures of operating and financial performance. Some of these APMs may enhance management's and investors' understanding of the Group's financial performance and liquidity by excluding items that are outside the Group's ongoing operations.

However, these APMs are not financial measures based on IFRS and should not be considered as an alternative to the financial results or other indicators of the Group's performance based on IFRS financial measures. They should not be considered as alternatives to net profit or loss as indicators of the Group's performance or profitability or as alternatives to cash flows from operating, investing or financing activities as an indicator of the Group's liquidity. The APMs, as defined by the Company, may not be comparable to similarly titled financial measures as presented by other companies due to differences in the way the Group's APMs are calculated. Even though the APMs are used by management to assess ongoing operating performance and liquidity and these types of financial measures are commonly used by investors, they have important limitations as analytical tools, and they should not be considered in isolation or as substitutes for analysis of the Group's results or cash flows as reported under IFRS.

Limitations on the APMs include, but are not limited to, the following:

- they exclude certain tax payments that may represent a reduction in cash available to the Group;
- they do not reflect any cash capital expenditure requirements for the assets being depreciated and amortized that may have to be replaced in the future; and
- they do not reflect the significant interest expense, or the cash requirements necessary to service interest payments on the Group's debts.

The table below sets out the APMs that are based on the Unaudited Condensed Consolidated Interim Financial Statements and the Audited Consolidated Financial Statements, the Company's accounting records and also partially from the Company's internal management or controlling systems as of the reporting dates and for the reporting periods indicated.

	As of and for the Six Months Ended June 30,		**As of and for the Year Ended December 31,**		
	2026	**2025**	**2025**	**2024**	**2023**
	(unaudited)		(*audited, unless otherwise indicated*)		
	(EUR millions, unless otherwise indicated)				
EBITDA[(1)]	239.2	268.6	413.0	395.4	303.3
EBITDA margin[(2)] (in %)	18.9%	20.0%	15.9%	14.8%	12.0%
EBIT margin[(3)] (in %)	6.6%	8.1%	0.7%	3.3%	(18.9)%
ROE[(4)(5)] (in %)	—	—	(7.9)%	(2.4)%	(30.1)%
ROI[(4)(6)] (in %)	—	—	0.4%	1.7%	(8.9)%
Free cash flow[(4)(7)]	45.8	43.1	173.9	169.4[(18)]	(122.8)[(19)]
Unlevered free cash flow[(4)(8)]	98.5	89.4	279.3	244.6	—
Liquid assets[(9)]	618.0	—	690.9	451.7	731.0
Adjusted equity[(10)]	1,370.4	—	1,363.5	1,725.9	1,809.1
Adjusted equity ratio[(11)] (in %)	29.7%	—	29.6%	34.7%	34.7%
Net financial debt[(12)]	1,363.3	—	1,350.1	1,532.5	1,562.6
Net financial debt/EBITDA[(4)(13)] (in x)	3.6[(20)]	—	3.3	3.9	5.2
Net debt[(4)(14)]	1,594.9	—	1,542.2	1,732.2	1,779.5

	As of and for the Six Months Ended June 30,		As of and for the Year Ended December 31,		
	2026	2025	2025	2024	2023
	(unaudited)		(*audited, unless otherwise indicated*)		
	(EUR millions, unless otherwise indicated)				
Net gearing[4][15] (in %)	99.5%	—	99.0%	88.8%	86.4%
Trading working capital[4][16]	460.0	—	453.4	578.0	551.1
Trading working capital to annualized group revenue[4][17] (in %)	17.6%	—	18.0%	20.5%	21.0%

Notes:

(1) EBITDA is defined as the Group's EBIT, plus amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets, and depletion of biological assets, impairment charges and before income from the reversal of investment grants.

(2) EBITDA margin is defined as the ratio of the Group's EBITDA to the Group's revenue.

(3) EBIT margin is defined as the ratio of the Group's EBIT to the Group's revenue.

(4) Unaudited.

(5) ROE is defined as the Group's earnings before tax (EBT) as a percentage of the Group's average adjusted equity from January 1 and December 31.

(6) ROI is defined as the Group's EBIT as a percentage of the Group's average total assets from January 1 and December 31.

(7) For H1 2026, H1 2025, 2025 and 2024 (adjusted), free cash flow is defined as the Group's cash flow from operating activities less acquisition of intangible assets, property, plant and equipment, and biological assets plus proceeds from the sale of intangible assets, property, plant and equipment, and biological assets plus investment grants plus distributions received from investments accounted for using the equity method plus interest received less interest paid (adjusted for interest expense for leases in accordance with IFRS 16). For 2023, free cash flow is defined as the Group's cash flow from operating activities less cash flow from investing activities and net cash inflow from the sale and disposal of subsidiaries and other business areas plus acquisition of financial assets and investments accounted for using the equity method less proceeds from the sale/repayment of financial assets.

(8) Since the second quarter of 2025, unlevered free cash flow is presented as an additional key financial indicator of the Group in order to enable comparability regardless of the capital structure and also enhance transparency for external stakeholders. Unlevered free cash flow is defined as the Group's cash flow from operating activities less acquisition of intangible assets, property, plant and equipment, and biological assets plus proceeds from the sale of intangible assets, property, plant and equipment, and biological assets plus investment grants.

(9) Liquid assets are defined as the Group's cash and cash equivalents plus liquid bills of exchange.

(10) Adjusted equity is defined as the Group's equity including non-current and current government grants less the proportional share of deferred taxes on these government grants.

(11) Adjusted equity ratio is defined as the ratio of the Group's adjusted equity to the Group's total assets.

(12) Net financial debt is defined as the Group's interest-bearing financial liabilities (*i.e.*, non-current and current loans and borrowings) less lease liabilities less liquid assets.

(13) Net financial debt/EBITDA is defined as the ratio of the Group's net financial debt to the Group's EBITDA.

(14) Net debt is defined as the Group's interest-bearing financial liabilities (*i.e.*, non-current and current loans and borrowings) less liquid assets plus the provisions for severance payments and pensions.

(15) Net gearing is defined as the ratio of the Group's net financial debt to the Group's adjusted equity.

(16) Trading working capital is defined as the Group's inventories plus trade receivables less trade payables.

(17) Trading working capital to annualized group revenue is defined as the ratio of the Group's trading working capital to the Group's latest reported quarterly revenue multiplied by 4.

(18) Since the second quarter of 2025, investment grants previously reported in cash flow from financing activities have been allocated to cash flow from investing activities. As a result, investment grants are included in the calculation of free cash flow, which has led to a retroactive adjustment of EUR 2.4 million for the comparative period. See *Note 2 to the 2025 Audited Consolidated Financial Statements*. The Group's free cash flow for 2024 has been derived from the restated prior year figure included in the 2025 Audited Consolidated Financial Statements. For more information, see "*10.6 Factors Affecting Comparability of the Group's Cash Flows*".

(19) The Group's free cash flow for 2023 has been derived from the prior year figure included in the 2024 Audited Consolidated Financial Statements and therefore does not reflect the new free cash flow format adopted by the Group since the second quarter of 2025. The Group's free cash flow for 2023 is therefore not directly comparable to the Group's free cash flow for the other indicated periods. For more information, see "*10.6 Factors Affecting Comparability of the Group's Cash Flows*".

(20) Calculated using EBITDA from the last twelve months, which amounts to EUR 383.6 million for the twelve month period ending June 30, 2026 (based on EBITDA for the fiscal year ended December 31, 2025 less EBITDA for the six-month period ended June 30, 2025 plus EBITDA for the six-month period ended June 30, 2026), rather than for the six-month period, in order to annualize earnings and ensure comparability of the resulting leverage ratio with the prior full-year periods presented in this table.

4.7.2.2 Reconciliation and Relevance of Alternative Performance Measures

4.7.2.2.1 EBITDA and EBITDA margin

EBITDA is defined as the Group's earnings before interest and tax (EBIT), plus amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets, and depletion of biological assets, impairment charges and before income from the reversal of investment grants. EBITDA margin is defined as the ratio of the Group's EBITDA to the Group's revenue. The Company believes that

EBITDA and EBITDA margin are meaningful financial measures to evaluate operating earnings and profitability (performance). The Company understands that these financial measures are also broadly used by analysts, rating agencies and investors in assessing other companies' operating performance.

The table below shows the reconciliation of the APMs EBITDA and EBITDA margin for the reporting periods indicated.

	For the Six Months Ended June 30,		For the Year Ended December 31,		
	2026	**2025**	**2025**	**2024**	**2023**
	(unaudited)			*(audited)*	
	(EUR million, unless otherwise indicated)				
Net profit/loss after tax	**35.6**	**15.2**	**(135.2)**	**(138.3)**	**(593.0)**
Income tax expense	(6.9)	(6.9)	(12.7)	(96.3)	(7.3)
Financial result	(41.2)	(87.0)	(140.1)	(130.5)	(109.2)
Earnings before interest and tax (EBIT)	**83.7**	**109.0**	**17.6**	**88.5**	**(476.4)**
Amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets, and depletion of biological assets[(1)]	156.2	160.4	397.1	308.8	781.8
Income from the reversal of investment grants	(0.7)	(0.8)	(1.7)	(1.8)	(2.0)
EBITDA	**239.2**	**268.6**	**413.0**	**395.4**	**303.3**
/Revenue	1,267.5	1,341.1	2,602.4	2,663.9	2,521.2
EBITDA margin (in %)	**18.9%**	**20.0%**	**15.9%**	**14.8%**	**12.0%**

Note:

(1) Includes impairment charges of EUR 82.0 million, EUR 3.8 million and EUR 464.9 million in 2025, 2024 and 2023, respectively.

4.7.2.2.2 EBIT margin

EBIT margin is defined as the ratio of the Group's EBIT to the Group's revenue. The Company believes that EBIT margin is a meaningful financial measure because it is used by investors to compare operating profitability within the industry.

The table below shows the reconciliation of the APM EBIT margin for the reporting periods indicated.

	For the Six Months Ended June 30,		For the Year Ended December 31,		
	2026	**2025**	**2025**	**2024**	**2023**
	(unaudited)			*(audited)*	
	(EUR million, unless otherwise indicated)				
Earnings before interest and tax (EBIT)	83.7	109.0	17.6	88.5	(476.4)
/Revenue	1,267.5	1,341.1	2,602.4	2,663.9	2,521.2
EBIT margin (in %)	**6.6%**	**8.1%**	**0.7%**	**3.3%**	**(18.9)%**

4.7.2.2.3 ROE

ROE is defined as the Group's earnings before tax ("**EBT**") as a percentage of the Group's average adjusted equity from January 1 and December 31. The Company believes that ROE is a meaningful financial measure because it is a profitability indicator which evaluates the earnings strength generated on shareholders' equity.

The table below shows the reconciliation of the APM ROE for the reporting periods indicated.

	As of and for the Year Ended December 31,		
	2025	**2024**	**2023**
	(unaudited, unless otherwise indicated)		
	(EUR million, unless otherwise indicated)		
Earnings before tax (EBT)[1]	(122.5)	(42.0)	(585.6)
/Average adjusted equity[2]	1,544.7	1,767.5	1,948.8
ROE (return on equity) (in %)	**(7.9)%**	**(2.4)%**	**(30.1)%**
Adjusted equity 31/12	1,363.5	1,725.9	1,809.1
Adjusted equity 01/01	1,725.9	1,809.1	2,088.6
Average adjusted equity	**1,544.7**	**1,767.5**	**1,948.8**

Note:

(1) Audited.

(2) Adjusted equity is defined as the Group's equity including non-current and current government grants less the proportional share of deferred taxes on these government grants.

4.7.2.2.4 ROI

ROI is defined as the Group's EBIT as a percentage of the Group's average total assets from January 1 and December 31. The Company believes that ROI is a meaningful financial measure because it is a profitability indicator which evaluates the earnings strength generated relative to the total capital invested in the business.

The table below shows the reconciliation of the APM ROI for the reporting periods indicated.

	As of and for the Year Ended December 31,		
	2025	**2024**	**2023**
	(audited, unless otherwise indicated)		
	(EUR million, unless otherwise indicated)		
Earnings before interest and tax (EBIT)	17.6	88.5	(476.4)
/Average total assets[1]	4,793.1	5,095.7	5,369.8
ROI (return on investment)[1] (in %)	**0.4%**	**1.7%**	**(8.9)%**
Total assets 31/12	4,609.4	4,976.8	5,214.6
Total assets 01/01	4,976.8	5,214.6	5,525.0[1]
Average total assets[1]	**4,793.1**	**5,095.7**	**5,369.8**

Note:

(1) Unaudited.

4.7.2.2.5 Free cash flow

H1 2026, H1 2025, 2025 and 2024 (adjusted)

Free cash flow is defined as the Group's cash flow from operating activities less acquisition of intangible assets, property, plant and equipment, and biological assets plus proceeds from the sale of intangible assets, property, plant and equipment, and biological assets plus investment grants plus distributions received from investments accounted for using the equity method plus interest received less interest paid (adjusted for interest expense for leases in accordance with IFRS 16). The Company believes that free cash flow is a meaningful financial measure because it corresponds to the readily available cash flow to service the principal amounts

owed to providers of debt and the returns due to providers of equity. The Company understands that this financial measure is an important indicator for external stakeholders.

The table below shows the reconciliation of the APM free cash flow for the reporting periods indicated.

	For the Six Months Ended June 30,		For the Year Ended December 31,	
	2026	2025	2025	2024 (adjusted)[2]
	(unaudited)		*(audited, unless otherwise indicated)*	
	(EUR million)			
Cash flow from operating activities	160.4	150.1	419.7	395.0
Acquisition of intangible assets, property, plant and equipment, and biological assets	(62.3)	(61.3)	(141.1)	(153.8)
Proceeds from the sale of intangible assets, property, plant and equipment, and biological assets	0.3	0.2	0.4	0.9
Investment grants	0.0	0.2	0.3	2.4
Distributions received from investments accounted for using the equity method	0.0	0.0	0.1	3.4
Interest received	7.6	5.1	13.7	24.5
Interest paid (including share for leasing in accordance with IFRS 16 and capitalized borrowing costs in accordance with IAS 23)	(69.5)	(59.0)	(134.5)	(118.9)
Interest expense for leases in accordance with IFRS 16[1]	9.2	7.6	15.3	15.9
Free cash flow[1]	**45.8**	**43.1**	**173.9**	**169.4**

Notes:

(1) Unaudited.

(2) Since the second quarter of 2025, investment grants previously reported in cash flow from financing activities have been allocated to cash flow from investing activities. As a result, investment grants are included in the calculation of free cash flow, which has led to a retroactive adjustment of EUR 2.4 million for the comparative period. See *Note 2 to the 2025 Audited Consolidated Financial Statements*. The Group's reconciliation of free cash flow for 2024 has been derived from the restated prior year figures included in the 2025 Audited Consolidated Financial Statements. For more information, see "*10.6 Factors Affecting Comparability of the Group's Cash Flows*".

2024 and 2023

Please note that the Group's presentation of Free cash flow for 2023 and 2024, as derived from the financial information in the Group's 2024 Audited Consolidated Financial Statements, is not directly comparable to the Group's presentation of Free cash flow for 2025 and 2024, as derived from the financial information in the Group's 2025 Audited Consolidated Financial Statements. From the second quarter of 2025, the Group voluntarily changed the presentation of its consolidated statement of cash flows in order to enhance the transparency of the information on the Group's financial position. For more information, see "*10.6 Factors Affecting Comparability of the Group's Cash Flows*".

For 2023 and 2024, Free cash flow is defined as the Group's cash flow from operating activities less cash flow from investing activities, but excluding net cash inflow from the sale and disposal of subsidiaries and other business areas plus acquisition of financial assets and investments accounted for using the equity method less proceeds from the sale/repayment of financial assets. The Company believes that free cash flow is a meaningful financial measure because it corresponds to the readily available cash flow to service the providers of debt and equity. The Company understands that this financial measure is an important indicator for external stakeholders.

The table below shows the reconciliation of the APM free cash flow for the reporting periods indicated.

	For the Year Ended December 31,	
	2024[2]	**2023**[2]
	(audited, unless otherwise indicated)	
	(EUR million)	
Cash flow from operating activities	322.5	160.3
Cash flow from investing activities	(185.0)	(291.5)
Acquisition of financial assets and investments accounted for using the equity method	37.1	14.2
Proceeds from the sale/repayment of financial assets and the sale of investments accounted for using the equity method	(7.5)	(5.8)
Free cash flow[1]	**167.0**	**(122.8)**

Notes:

(1) Unaudited.

(2) The Group's reconciliation of free cash flow for 2024 and 2023 has been derived from the 2024 Audited Consolidated Financial Statements and therefore does not reflect the new free cash flow format adopted by the Group since the second quarter of 2025.

4.7.2.2.6 Unlevered free cash flow

Since the second quarter of 2025, unlevered free cash flow is presented as an additional key financial indicator of the Group. Unlevered free cash flow is defined as the Group's cash flow from operating activities less acquisition of intangible assets, property, plant and equipment, and biological assets plus proceeds from the sale of intangible assets, property, plant and equipment, and biological assets plus investment grants. The Company believes that unlevered free cash flow is a meaningful financial measure because it enables comparability regardless of the capital structure and also enhances transparency for external stakeholders.

The table below shows the reconciliation of the APM unlevered free cash flow for the reporting periods indicated.

	For the Six Months Ended June 30,		For the Year Ended December 31,		
	2026	**2025**	**2025**	**2024**	**2023**
	(unaudited)		*(audited, unless otherwise indicated)*		
			(EUR million)		
Cash flow from operating activities	160.4	150.1	419.7	395.0	—
Acquisition of intangible assets, property, plant and equipment, and biological assets	(62.3)	(61.3)	(141.1)	(153.8)	—
Proceeds from the sale of intangible assets, property, plant and equipment, and biological assets	0.3	0.2	0.4	0.9	—
Investment grants	0.0	0.2	0.3	2.4	—
Unlevered free cash flow[1]	**98.5**	**89.4**	**279.3**	**244.6**	—

Note:

(1) Unaudited.

4.7.2.2.7 Liquid assets

Liquid assets are defined as the Group's cash and cash equivalents plus liquid bills of exchange (in trade receivables, including instruments with fixed maturities that are not available on demand but that could be monetized or otherwise used to fulfill debt obligations in the short term). The Company believes that liquid

assets is a meaningful financial measure because it shows the ability to meet due payment obligations with timely available funds.

The table below shows the reconciliation of the APM liquid assets for the reporting periods indicated.

	As of June 30,	As of December 31,		
	2026	**2025**	**2024**	**2023**
	(unaudited)		*(audited)*	
		(EUR million)		
Cash and cash equivalents	592.4	675.0	442.3	725.6
Liquid bills of exchange (in trade receivables[(1)])	25.6	15.9	9.4	5.4
Liquid assets	**618.0**	**690.9**	**451.7**	**731.0**

Note:

(1) Including instruments with fixed maturities that are not available on demand but that could be monetized or otherwise used to fulfill debt obligations in the short term.

4.7.2.2.8 Adjusted equity and adjusted equity ratio

Adjusted equity is defined as the Group's equity including non-current and current government grants less the proportional share of deferred taxes on these government grants. Adjusted equity ratio is defined as the ratio of the Group's adjusted equity to the Group's total assets. The Company believes that adjusted equity and adjusted equity ratio are meaningful financial measures because they show the independence from the providers of debt and the ability to raise new capital (financial strength).

The table below shows the reconciliation of the APMs adjusted equity and adjusted equity ratio as of the reporting dates indicated.

	As of June 30,	As of December 31,		
	2026	**2025**	**2024**	**2023**
	(unaudited)	*(audited, unless otherwise indicated)*		
		(EUR million, unless otherwise indicated)		
Equity	1,323.9	1,305.3	1,652.0	1,742.2
Non-current government grants	18.7	10.9	12.1	14.1
Current government grants	41.2	64.3	83.5	72.1
Proportional share of deferred taxes on government grants	(13.3)	(17.0)	(21.7)	(19.3)
Adjusted equity	**1,370.4**	**1,363.5**	**1,725.9**	**1,809.1**
/Total assets	4,612.7	4,609.4	4,976.8	5,214.6
Adjusted equity ratio[(1)] (in %)	**29.7%**	**29.6**	**34.7**	**34.7**%

Note:

(1) Unaudited.

4.7.2.2.9 Net financial debt and net financial debt/EBITDA

Net financial debt is defined as the Group's interest-bearing financial liabilities (*i.e.*, non-current and current loans and borrowings) less lease liabilities less liquid assets. Net financial debt/EBITDA is defined as the ratio of the Group's net financial debt to the Group's EBITDA. The Company believes that net financial debt and net financial debt/EBITDA are meaningful financial measures to evaluate financial indebtedness and capital structure, as well as for lenders to evaluate the Group's creditworthiness since these measures are often used to gauge the ability of a borrower to service its indebtedness. The Company understands that these financial

measures are also broadly used by analysts, rating agencies and investors in assessing other companies' indebtedness.

The table below shows the reconciliation of the APMs net financial debt and net financial debt/EBITDA as of the reporting dates indicated.

	As of June 30,	As of December 31,		
	2026	**2025**	**2024**	**2023**
	(unaudited)		*(audited)*	
	(EUR million, unless otherwise indicated)			
Current loans and borrowings	528.5	502.1	279.4	529.0
Non-current loans and borrowings	1,620.7	1,667.4	1,828.5	1,906.7
Liquid assets	(618.0)	(690.9)	(451.7)	(731.0)
Net financial debt incl. lease liabilities	**1,531.3**	**1,478.6**	**1,656.3**	**1,704.7**
Current lease liabilities	(13.6)	(10.9)	(9.6)	(9.8)
Non-current lease liabilities	(154.4)	(117.5)	(114.2)	(132.3)
Net financial debt	**1,363.3**	**1,350.1**	**1,532.5**	**1,562.6**
/EBITDA	383.6[(1)]	413.0	395.4	303.3
Net financial debt/EBITDA (in x)	**3.6[(1)]**	**3.3**	**3.9**	**5.2**

Note:

(1) Calculated using EBITDA from the last twelve months, which amounts to EUR 383.6 million for the twelve month period ending June 30, 2026 (based on EBITDA for the fiscal year ended December 31, 2025 less EBITDA for the six-month period ended June 30, 2025 plus EBITDA for the six-month period ended June 30, 2026), rather than for the six-month period, in order to annualize earnings and ensure comparability of the resulting leverage ratio with the prior full-year periods presented in this table.

4.7.2.2.10 Net debt

Net debt is defined as the Group's interest-bearing financial liabilities (*i.e.*, non-current and current loans and borrowings) less liquid assets plus the provisions for severance payments and pensions. The definition of net debt differs from the definition of Net financial debt defined above in "*4.7.2.2.9 Net financial debt and net financial debt/EBITDA*". The Company believes that net debt is a meaningful financial measure for investors and stakeholders to assess the Group's level of financial indebtedness (including the provisions for severance payments and pensions) because it reflects the Group's overall indebtedness across both financial and non-financial obligations, net of liquid assets, thereby providing a more comprehensive view of the Group's leverage than a measure limited to financial liabilities alone.

The table below shows the reconciliation of the APM net debt as of the reporting periods indicated.

	As of June 30,	As of December 31,		
	2026	**2025**	**2024**	**2023**
	(unaudited)	*(audited, unless otherwise indicated)*		
		(EUR million)		
Current loans and borrowings	528.5	502.1	279.4	529.0
Non-current loans and borrowings	1,620.7	1,667.4	1,828.5	1,906.7
Liquid assets	(618.0)	(690.9)	(451.7)	(731.0)
Current lease liabilities	(13.6)	(10.9)	(9.6)	(9.8)
Non-current lease liabilities	(154.4)	(117.5)	(114.2)	(132.3)
Net financial debt	**1,363.3**	**1,350.1**	**1,532.5**	**1,562.6**
Current lease liabilities	13.6	10.9	9.6	9.8
Non-current lease liabilities	154.4	117.5	114.2	132.3
Provisions for severance payments and pensions	63.6	63.6	75.9	74.8
Net debt[(1)]	**1,594.9**	**1,542.2**	**1,732.2**	**1,779.5**

Note:

(1) Unaudited.

4.7.2.2.11 Net gearing

Net gearing is defined as the ratio of the Group's net financial debt to the Group's adjusted equity. The Company believes that net gearing is a meaningful financial measure because it shows how much of the Group's operations are funded by borrowings.

The table below shows the reconciliation of the APM net gearing as of the reporting periods indicated.

	As of June 30,	As of December 31,		
	2026	**2025**	**2024**	**2023**
	(unaudited)	*(audited, unless otherwise indicated)*		
		(EUR million, unless otherwise indicated)		
Current loans and borrowings	528.5	502.1	279.4	529.0
Non-current loans and borrowings	1,620.7	1,667.4	1,828.5	1,906.7
Liquid assets	(618.0)	(690.9)	(451.7)	(731.0)
Net financial debt incl. lease liabilities	**1,531.3**	**1,478.6**	**1,656.3**	**1,704.7**
Current lease liabilities	(13.6)	(10.9)	(9.6)	(9.8)
Non-current lease liabilities	(154.4)	(117.5)	(114.2)	(132.3)
Net financial debt	**1,363.3**	**1,350.1**	**1,532.5**	**1,562.6**
/Adjusted equity	1,370.4	1,363.5	1,725.9	1,809.1
Net gearing[(1)] (in %)	**99.5%**	**99.0%**	**88.8%**	**86.4%**

Note:

(1) Unaudited.

4.7.2.2.12 Trading working capital and trading working capital to annualized group revenue

Trading working capital is defined as the Group's inventories plus trade receivables less trade payables. Trading working capital to annualized group revenue is defined as the ratio of the Group's trading working capital to the Group's latest reported quarterly revenue multiplied by 4. The Company believes that trading working capital and trading working capital to annualized group revenue are meaningful financial measures to evaluate potential liquidity and capital efficiency, as well as to compare capital turnover.

The table below shows the reconciliation of the APMs trading working capital and trading working capital to annualized group revenue as of the reporting periods indicated.

	As of June 30,	As of December 31,		
	2026	**2025**	**2024**	**2023**
	(unaudited)	*(audited, unless otherwise indicated)*		
	(EUR million, unless otherwise indicated)			
Inventories	496.7	531.7	646.2	552.9
Trade receivables	275.6	245.3	318.2	294.5
Trade payables	(312.3)	(323.6)	(386.4)	(296.3)
Trading working capital[(1)]	**460.0**	**453.4**	**578.0**	**551.1**
Latest reported quarterly group revenue[(1)]	651.7	630.5	705.7	655.4
x4 (=annualized group revenue)[(1)]	2,607.0	2,521.9	2,822.8	2,621.6
Trading working capital to annualized group revenue[(1)]	**17.6%**	**18.0%**	**20.5%**	**21.0%**

Note:

(1) Unaudited.

4.7.3 Other Data

Certain numerical figures set out in this Prospectus, including financial data presented in millions or thousands, certain operating data, percentages describing market shares and penetration rates, have been subject to rounding adjustments and, as a result, the totals of the data in this Prospectus may vary slightly from the actual arithmetic totals of such information. The Net financial debt/EBITDA ratio set out in this Prospectus is described either in terms of the quantitative relation between two amounts by illustrating both values directly (*e.g.*, 3.6 to 1.0) or in terms of the relation of one quantity "in x" of a single unit of the other quantity (*e.g.*, 3.6x). Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in "*10 Management's Discussion and Analysis of Financial Condition and Results of Operations of the Group*" are calculated using the numerical data in the Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements, or the tabular presentation of other data (subject to rounding) contained in this Prospectus, as applicable, and do not use the numerical data in the narrative description thereof. References to "CEST" in this Prospectus refer to Central European Summer Time. References to time in this Prospectus refer to CEST, unless stated otherwise.

4.8 Industry, Market, Other Information and Third-Party Information

To the extent not otherwise indicated, the information contained in this Prospectus on the market environment, market developments, market and economic growth rates, market trends and competition in the markets in which the Group operates are based on the Company's assessments and estimates. These assessments, in turn, are based on publicly available sources, including, but not limited to, third-party studies or estimates that are also primarily based on data or figures from publicly available sources. They are also based in part on internal market observations and on various market studies.

The following sources were used in the preparation of this Prospectus:

- CCF Group, "*Generic viscose prices in China – medium grade*", dated 2024-2026 ("**CCF Group**");
- Cotlook, "*Cotton A Prices*" and "*Cotton Outlook*", dated 2023-2026 ("**Cotlook**");• Hawkins Wright, "*Pulp Market Report*", December 2025;

- Higg Materials Sustainability Index, v3.12, by Cascale (formerly the Sustainable Apparel Coalition), last updated May 2026, available at https://app.worldly.io/ ("**Higg MSI Database**");
- Inercomp, "Energy Evaluations", 2024-2026, available at https://etools.inercomp.com/ ("**Inercomp Portal**");
- International Monetary Fund, "World Economic Outlook Update", dated July 2026, available at https://www.imf.org/en/publications/weo/issues/2026/07/08/world-economic-outlook-update-july-2026 ("**IMF World Economic Outlook, July 2026**");
- TFY, "The Fiber Year 2026", dated July 2026 ("**The Fiber Year 2026**"); and
- Trading Economics, "Economic Indicators", 2024-2026, available at https://tradingeconomics.com/indicators ("**Trading Economics**").

This Prospectus also contains estimates of market data and information derived from these estimates that are generally not available from publications issued by market research firms or from any other independent sources. This information is based on the Group's analysis and aggregation of local management feedback on market position and ongoing market developments, adjusted and supplemented where necessary by a combination of publicly available and non-public data (such analysis, the "**Company Internal Analysis**") and, as such, may differ from the estimates made by its competitors or from data collected in the future by various market research firms or other independent sources. To the extent the Group derived or summarized the market information contained in this Prospectus from a number of different studies, an individual study is not cited unless the respective information can be taken from it directly.

Third-party sources generally state that the information they contain originates from sources assumed to be reliable, but that the accuracy and completeness of such information is not guaranteed and that the calculations contained therein are based on assumptions.

Irrespective of the assumption of responsibility for the content of this Prospectus by the Company (see "*4.1.1 Responsibility Statement under the Prospectus Regulation*"), neither the Company nor the Managers have independently verified the market data and other information contained in the third-party sources or on which third parties have based their studies or the external sources on which the Company's own estimates are based or make any representation or give any warranty as to the accuracy or completeness of such information. The information from third-party sources that is cited here has been reproduced accurately. For the avoidance of doubt, none of the sources listed above are incorporated by reference into this Prospectus, nor are any of the sources cited in those sources. As far as the Company is aware and is able to ascertain from information published by the respective third party, no facts have been omitted that would render the reproduced information, included in this Prospectus, inaccurate or misleading. Investors should nevertheless consider this information carefully.

4.9 Documents Available for Inspection

For the period during which this Prospectus is valid, the following documents, or copies thereof, will be available for inspection during regular business hours at the Company's offices at Werkstraße 2, 4860 Lenzing an der Ager, Austria:

- the official German version of the current version of the Company's articles of association (*Satzung,* the "**Articles of Association**"), also available at https://www.lenzing.com/de/investoren/corporate-governance/satzung/;
- the English translation of the Group's audited consolidated financial statements as of and for the year ended December 31, 2024, also available at https://reports.lenzing.com/annual-and-sustainability-report/2024/_assets/downloads/cfs-statements-notes-lenzing-ar24.pdf;
- the English translation of the Group's audited consolidated financial statements as of and for the year ended December 31, 2025, also available at https://reports.lenzing.com/annual-and-sustainability-report/2025/_assets/downloads/cfs-statements-notes-lenzing-ar25.pdf; and
- the English translation of the Group's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2026, also available at https://a.storyblok.com/f/306166/x/4f0162cdec/2026_en_half-year-report.pdf.

The future annual consolidated financial statements, annual unconsolidated financial statements and the condensed interim consolidated financial statements of the Company will also be made available on the Company's website at: https://www.lenzing.com/investors.

Information displayed on the Company's website at www.lenzing.com, on the website of any of its affiliates, information accessible via these websites and any other websites to which this Prospectus refers are neither part of nor incorporated by reference into this Prospectus.

5 THE OFFERING

5.1 General

The Offering relates to the Offered Shares of the Company and each such Share with full dividend rights as of January 1, 2026. The Offered Shares will be offered for subscription at an Offer Price of EUR 8.65 per Offered Share.

On August 25, 2026 the extraordinary general meeting passed a resolution to increase the Company's share capital by up to EUR 300,000,000 by issue of up to 288,739,172 no-par value bearer shares with indirect subscription rights by the Shareholders against cash contribution (the "**EGM Resolution 2026**"), whereby the final decision on the implementation and the key points of the capital increase was made subject to separate resolutions of the Management Board and the Supervisory Board. The Supervisory Board established and empowered a special committee (the "**Special Committee**") to provide all further approvals of the Supervisory Board required in connection with the capital increase. On October 1, 2026 the Management Board with the approval of the Special Committee dated October 1, 2026 passed a resolution based on the EGM Resolution 2026, to increase the Company's share capital by EUR 36,096,964.53 by issue of 34,756,362 no-par value bearer shares with indirect subscription rights by the Shareholders against cash contribution (the "**Capital Increase**") in connection with the Offering and determined the Offer Price and other details of the Offering. The Management Board, with approval of the Special Committee, determined the price for Offered Shares in respect of Rights that have not been validly exercised during the Rights Exercise Period (the "**Rump Shares**") in the Share Placement to be at least the Offer Price. If a Share Placement is conducted, the final price of the Rump Shares is expected to be determined by the Management Board with the approval of the Special Committee on or about October 21, 2026 upon completion of the Share Placement.

The Management Board has resolved to admit Erste Group (as subscription agent), acting on account of the Managers, in accordance with section 153 para 6 of the Austrian Stock Corporation Act for subscription of the Offered Shares, with the obligation to provide the Offered Shares to holders of Rights, who duly exercise Rights during the Rights Exercise Period. The Offering consists of:

(i) the Rights Offering, in which the Shareholders who hold Existing Shares will receive Rights to subscribe on a *pro rata* basis for Offered Shares; and

(ii) a subsequent international offering, in which Rump Shares may be offered in the Share Placement or, if the Joint Global Coordinators determine that the number of Rump Shares is too small for a Share Placement, through the stock exchange or OTC sales.

To the extent all Rights are exercised by the Shareholders or purchasers of Rights in the Rights Offering, there will be no subsequent Share Placement. In addition, the Joint Global Coordinators may elect not to conduct a Share Placement if the number of Rump Shares is too small, as further described in Section 5.4.

The Offering comprises:

(a) the Public Offering in Austria;

(b) in respect of the Rights Offering and the Share Placement, private placements in certain jurisdictions outside the United States and Austria in accordance with applicable securities laws and in reliance on Regulation S, and on the basis of exemptions provided by the Prospectus Regulation, in accordance with applicable securities laws;

(c) in respect of the Rights Offering and the Share Placement, private placements within the United States to QIBs as defined in Rule 144A;

(d) in respect of the Rights Offering, a private placement in Canada exempt from the requirement that the Company prepare and file a prospectus with the relevant Canadian securities regulatory authorities; and

(e) in respect of the Share Placement, private placements in Canada to accredited investors that are permitted clients in the provinces of Alberta, British Columbia, Ontario and Quebec.

In addition to the Offering, this Prospectus also relates to the Admission to Trading.

The Public Offering in Austria will be made by the Company. The Company has applied for the listing and admission to trading of the Offered Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange.

The Offering is based on the Placement Agreement between the Company and the Managers in which the Managers agreed, severally and not jointly, subject to the terms and conditions of the Placement Agreement, to underwrite all the Offered Shares in proportion to each Manager's respective underwriting commitments as set out in "*5.11 Underwriting Proportions.*" The Offering is subject to, among other things, registration of the consummation (*Durchführung*) of the Capital Increase in the Companies Register, which is expected to occur on or about October 22, 2026.

Under certain circumstances, the Offering may be terminated. See "*5.3 Rights Offering—Important Notice regarding the Offering*" and "*19.1 Placement Agreement*."

In making an investment decision, each investor must rely on their own examination, analysis and inquiry of the Company and the terms of the Offering, including the merits and risks involved.

None of the Company or the Managers or any person affiliated with the Managers, or any of their respective representatives, is making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

The investors also acknowledge that: (i) they have not relied on the Managers or any person affiliated with the Managers in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; (ii) they have relied only on the information contained in this Prospectus; and (iii) that no person has been authorized to give any information or to make any representation concerning the Company or its subsidiaries or the Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorized by the Company or the Managers.

The distribution of this Prospectus and the sale of the Shares may be restricted by law in certain jurisdictions. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions, including those set out in the following paragraphs. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. For further information on the manner of distribution of the Shares, and the transfer restrictions to which they are subject, see "*19.2 Selling and Transfer Restrictions*."

5.2 Timetable

The following is the expected timetable of the Offering, which may be subject to changes:

October 1, 2026	Approval of this Prospectus by FMA
	Publication of this Prospectus on the Company's website
October 1, 2026, 11:59 p.m. CEST	Record time at which Shareholders must hold Existing Shares to be entitled to receive Rights
October 2, 2026	Publication of the Rights Offering in the electronic announcement and information platform of the federal government (*elektronische Verlautbarungs- und Informationsplattform des Bundes*)
October 2, 2026	"Ex-rights" trading of Shares
October 6, 2026	Rights booked onto existing Shareholders' accounts
	Commencement of the Rights Exercise Period
	Commencement of the Rights Trading Period
October 13, 2026	Guaranteed Participation Day
October 14, 2026	End of the Rights Trading Period
October 15, 2026	Buyer Protection Deadline
October 20, 2026	End of the Rights Exercise Period

On or about October 20, 2026	Announcement of the preliminary final results of the Rights Offering
	Share Placement
October 21, 2026	Allocation of the Offered Shares in the Share Placement
	Trade date
On or about October 22, 2026	Registration of the consummation (*Durchführung*) of the Capital Increase in the Companies Register
On or about October 23, 2026	Commencement of trading of the Offered Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange
	Book-entry delivery of the Offered Shares subscribed for during the Rights Exercise Period pursuant to the Rights Offering or purchased within the Share Placement

5.3 Rights Offering

Important Notice regarding the Offering

Prior to making a decision to exercise, purchase or sell Rights for the Offered Shares, Shareholders and investors are advised to carefully read this Prospectus and to consider the information contained herein when making their decision. In light of the potentially high volatility of equity prices and the market environment, Shareholders should inform themselves of the Company's current share price before exercising their Rights for the Offered Shares at the Offer Price.

The Placement Agreement provides that the Joint Global Coordinators, acting on behalf of the Managers, have the right to terminate the Placement Agreement at any time until the closing of the Offering if they determine a Material Adverse Event (see "*3.4.5 If the Offering is not completed, an intended exercise of Rights or purchase or order for Offered Shares will be deemed not to have been made and the Rights will become worthless. Rights purchased in the Rights Trading Period will become worthless.*").

5.3.1 Allotment of Rights

Subject to applicable law and the terms and conditions of this Prospectus, each Shareholder holding Existing Shares as of 11:59 p.m. Central European Summer Time ("**CEST**") on October 1, 2026 will be allotted one Right per each Existing Share held. 10 Rights will grant the holder thereof the right to subscribe for 9 Offered Shares against the payment of the Offer Price. As of October 2, 2026, the Existing Shares (International Securities Identification Number ("**ISIN**"): AT0000644505) will be quoted as "ex-rights" on the Vienna Stock Exchange.

5.3.2 Rights Exercise

Rights must be exercised during the Rights Exercise Period. Rights which have not been validly exercised during the Rights Exercise Period (including Rights with respect to which the holders are not permitted to exercise such Rights in accordance with the terms of this Prospectus, and exercised Rights in excess of the nearest integral multiple of the Subscription Ratio) will expire and become null and void without compensation. Each exercise of Rights will be effective at the Offer Price and is irrevocable and may not be canceled, modified, rescinded or withdrawn. Offered Shares for which Rights have not been validly exercised during the Rights Exercise Period will be available for sale in the Share Placement or in the circumstances described in Section 5.4, on a stock exchange or over the counter (OTC). Holders of Rights must exercise their Rights according to the instructions of their depositary banks, custodians or other financial intermediaries. Holders of Rights are advised to inform themselves about the deadline for exercising their Rights imposed by the subscription agent, Erste Group, as well as their depositary bank, custodian or other financial intermediary through which they hold their Rights. The Company, together with the Managers, reserves the right to extend the Rights Exercise Period or terminate the Rights Offering under certain circumstances. These circumstances include, in particular, any development or event involving a material adverse change in or affecting the condition (financial, operational, legal or other), prospects, results of operations, business, shareholders' equity of the Company and its subsidiaries taken as a whole, a suspension or material limitation in trading in the securities of the Company or in securities generally on the Vienna Stock Exchange, the Frankfurt Stock

Exchange, the London Stock Exchange or the New York Stock Exchange, a general moratorium on commercial banking activities in the United Kingdom, the member states of the European Union or the U.S., the outbreak or escalation of hostilities, any terrorist attack or any change in financial markets or any calamity or crisis or any change or development involving a prospective change in national or international financial, political or economic conditions in any country occurs, whether or not foreseeable at the date of this Prospectus, that in the judgment of the Joint Global Coordinators, acting in good faith, is material and adverse. Any such change to the Rights Trading Period or the Rights Exercise Period or any termination of the Rights Offering is announced through the electronic media and by press release and, if required by the provisions of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse or the Listing Rules. The Company will comply with its obligation to publish a supplement containing further updated information if so required by law or by any regulatory authority, including as a result of such change.

5.3.3 Offering Restrictions

Shareholders in certain jurisdictions, including the United States, Australia, Japan, Singapore and member states of the EEA other than Austria, as well as nominees, depositaries or dealers holding Shares for the account or benefit of owners resident in such jurisdictions, should note that they may be restricted in the exercise of Rights pursuant to applicable securities regulation (see "*19.2 Selling and Transfer Restrictions*").

5.3.4 Offer Price

The Offered Shares in the Rights Offering are offered at the Offer Price of EUR 8.65 per Offered Share.

The Offer Price was determined by the Management Board with the approval of the Special Committee on October 1, 2026 together with the Subscription Ratio. The Management Board with the approval of the Special Committee determined the placement price of the Rump Shares in the Share Placement to be at least the Offer Price. The final price of the Rump Shares is expected to be determined by the Management Board with the approval of the Special Committee on or about October 21, 2026 upon completion of the Share Placement.

5.3.5 Rights Trading, Subscription Ratio

In connection with the Rights Offering, the Company has applied for admission to trading of the Rights, and the Rights are expected to be traded on the Official Market *(Amtlicher Handel)* of the Vienna Stock Exchange during the Rights Trading Period in a daily auction from (and including) October 6, 2026 to (and including) October 14, 2026.

No compensation will be paid for Rights not exercised. Upon expiration of the Rights Exercise Period, Rights not exercised will lapse and be of no value.

OeKB CSD GmbH provides for a so-called manual buyer protection mechanism. This mechanism permits a purchaser of Rights who has not yet received the Rights but who wishes to exercise such Rights in the Rights Offering to instruct the seller of such Rights by way of the depositary bank or other agent to make the exercise election on behalf of the purchaser. This mechanism protects the purchaser in case the settlement of the purchase of the Rights is delayed or fails. In order to benefit from the buyer protection, the purchaser must instruct the seller by the "buyer protection deadline", which is no later than 7:45 p.m. CEST on October 15, 2026. OeKB CSD GmbH provides a sample form on its website at https://www.oekbcsd.at/, where the purchaser and the seller can make a bilateral agreement to ensure the purchaser's participation in the Rights Offering. The "guaranteed participation day", which is October 13, 2026, marks the last date on which a purchaser of Rights is guaranteed to be able to exercise such Rights in the Rights Offering (*i.e.*, without the need for instructing the seller).

10 Rights will grant the holder thereof the right to purchase 9 Offered Shares against payment of the Offer Price during the Rights Exercise Period (the "**Subscription Ratio**").

The market price of the Rights takes into account the Subscription Ratio and is determined by the development of the price of the Shares but may be subject to stronger fluctuation than the share price and may deviate substantially from the Offer Price of the Shares.

5.3.6 Trading of Rights and Rights Remaining Unexercised

The Rights are expected to be traded on the Vienna Stock Exchange in a daily auction from (and including) October 6, 2026 to (and including) October 14, 2026. The Rights bear the ISIN AT0000A3XCR6.

The Rights are freely transferable. Rights remaining unexercised will lapse and be of no value.

5.4 Share Placement

The Managers shall have the right, but no obligation, to sell Rump Shares in the Share Placement, after the end of the Rights Exercise Period subject to the terms of the Placement Agreement and the restrictions set out in this Prospectus in "*19.2 Selling and Transfer Restrictions.*" The Managers have undertaken to apply their best efforts to procure domestic and international institutional investors as purchasers of the Rump Shares in private placements. The placement price for each Rump Share must be at least as high as the Offer Price. If the number of Rump Shares is too small for a Share Placement, the Joint Global Coordinators may decide, in their sole discretion, not to conduct a Share Placement and instead opt to sell any remaining Offered Shares over a stock exchange or over the counter (OTC, *i.e.*, outside stock exchange trading).

Any Rump Shares which have not been sold by the Managers in the Share Placement or over a stock exchange or in OTC sales (the "**Stick Shares**"), shall be allotted to, and purchased by each of the Managers at the Offer Price in proportion to their respective underwriting commitments set out in "*5.11 Underwriting Proportions.*"

5.5 Admission to Trading of the Offered Shares

The Company has applied for the listing and admission to trading of the Offered Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange, which is a regulated market pursuant to EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"). The Wiener Börse AG is expected to approve the Admission to Trading of the Offered Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange, subject to customary conditions, during the Rights Exercise Period. The trading of the Offered Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange is expected to commence on or about October 23, 2026.

5.6 Certification and Delivery of the Offered Shares

The Offered Shares subscribed for or placed in the Offering will be represented by one or more modifiable global certificates (*veränderbare Sammelurkunden*) deposited with OeKB CSD GmbH, Strauchgasse 1-3, A-1010 Vienna, Austria. Delivery of the Offered Shares against payment of the Offer Price and the placement price in the Share Placement, as applicable, is expected to take place through the book-entry facilities of OeKB CSD GmbH, Euroclear and Clearstream, on or about October 23, 2026.

5.7 Commissions Charged by Custodian Banks

The custodian banks may charge a customary commission in connection with the subscription of the Offered Shares, as well as for the sale and purchase of Rights and the Offered Shares in the Share Placement.

5.8 Availability of this Prospectus

This Prospectus will be published on the Company's website (https://www.lenzing.com/investors) on October 1, 2026.

5.9 Lock-Up Agreement

In the Placement Agreement, the Company agreed that from the date of the Placement Agreement until the end of the six-month period following the first trading day of the Offered Shares on the Vienna Stock Exchange, the Company shall not, and shall procure that none of its subsidiaries will (i) directly or indirectly, issue, sell, offer, contract to sell, otherwise dispose of, pledge or announce the offering of any shares of the Company out of authorized capital or treasury shares or any other securities that are convertible into or exchangeable for or that carry the right to acquire any such shares of the Company; (ii) initiate a capital increase, other than for the purposes of issuing shares as stock dividends; or (iii) enter into any transaction (including a derivatives transaction) having an economic effect similar to that of a sale of shares of the Company, unless in each case, the Company has obtained the prior written consent of the Joint Global Coordinators; it being understood that the issuing of shares as part of its or its subsidiaries' existing employee participation plans shall, in each case, not require the Managers' prior written consent.

The Company and the Managers further agreed that as a condition of the fulfillment of the obligations under the Placement Agreement by the Managers, B&C Private Foundation, B&C KB Holding GmbH, B&C Ares Holding GmbH and B&C Zeta Zweite Holding GmbH, a direct wholly owned subsidiary of B&C Privatstiftung ("**B&C Zeta**" together with the other B&C entities, the "**B&C Entities**"), and Suzano S.A. through Suzano International Trade (the B&C Entities and Suzano International Trade together, the "**Syndicate**") as well as Oberbank AG would agree to a lock-up of their shareholdings. The Syndicate and

Oberbank AG, respectively, undertook towards the Managers that until the end of the six-month period following the first trading day of the Offered Shares on the Vienna Stock Exchange they will not, directly or indirectly, (i) sell, offer, contract to sell, pledge, distribute, transfer or otherwise dispose of any shares or securities in the Company (including any Offered Shares); or (ii) grant, issue or sell, contract to sell, pledge, distribute, transfer or otherwise dispose of any option or conversion rights on the shares of the Company (including any Offered Shares) or any other securities that are convertible into or exchangeable for or that carry the right to acquire any such shares of the Company; or (iii) enter into other transactions (including a derivatives transaction) or perform any actions with a similar economic effect to those described above; or (iv) publicly announce any intention to do any of the foregoing. The foregoing does not apply to (a) transfers to affiliates of the Syndicate and Oberbank AG provided such affiliate agrees towards the Managers that it be bound by the same lock-up undertaking; or (b) pledges granted to one or more of the Managers or any of their affiliates (including any such pledges granted for the benefit of a group of lenders); (c) pledges granted under financing agreements which existed on the date of the undertaking; (d) any transfers of shares in the Company pursuant to enforcement of any pledge permitted under (b) and (c) above; or (e) with respect to Suzano International Trade, any transfers of Rights in connection with the Partial Suzano Subscription Rights Transfer; or (f) with respect to the B&C Entities, any transfers by B&C Entities of up to 1,757,754 shares in the Company in the aggregate (equivalent to the number shares subscribed for by B&C Zeta based on the exercise of Rights acquired in the Partial Suzano Subscription Rights Transfer), provided that the combined shareholding of Suzano International Trade and the B&C Entities does not fall below 50.00% of the share capital of the Company plus one share.

5.10 Costs of the Offering and Net Issue Proceeds

Assuming gross proceeds of approximately EUR 300.6 million from the sale of the Offered Shares, the Company expects to incur estimated total expenses in connection with the Offering (including management, underwriting and selling commissions as well as other Offering-related expenses) in an aggregate amount of approximately EUR 11.6 million and the net issue proceeds from the Capital Increase to be approximately EUR 289.0 million. For further information, see "*6 Reasons for the Offering and Use of Proceeds*."

5.11 Underwriting Proportions

In the Placement Agreement, the Managers agreed, severally and not jointly, to underwrite the Offered Shares subject to the terms and conditions of the Placement Agreement in proportion to each Manager's respective underwriting commitments as set out in the table below and in connection therewith:

(i) Erste Group (as subscription agent), acting on behalf of the Joint Global Coordinators, shall subscribe for the Offered Shares and deliver the Offered Shares subscribed for in the Rights Offering to the relevant holders of Rights that have validly exercised their Rights during the Rights Exercise Period;

(ii) the Managers shall apply their best efforts to procure institutional investors as purchasers of the Rump Shares in the Share Placement. If the number of Rump Shares is too small for a Share Placement, the Joint Global Coordinators may, in their sole discretion, elect to sell the Rump Shares over a stock exchange or in OTC sales (for further details, see "*5.4 Share Placement*"); and

(iii) the Managers shall underwrite any Stick Shares at the Offer Price, severally and not jointly, pro rata on the basis of their respective underwriting commitments set out in the table below.

	Number of Offered Shares[1]	% of the Offering[1]	Underwriting commitment as % of the Existing Shares[3]	Underwriting commitment as % of the Shares/ corresponding % of voting rights[2][4]
		(%)	*(%)*	*(%)*
Managers				
BNP PARIBAS	9,210,436	26.5	23.9	12.6
UniCredit Bank GmbH	9,210,436	26.5	23.9	12.6
COMMERZBANK	7,125,054	20.5	18.4	9.7
Erste Group	7,125,054	20.5	18.4	9.7
Raiffeisen Bank International	2,085,382	6.0	5.4	2.8
Total	34,756,362	100.0	90.0	47.4

Notes:

(1) Includes those Offered Shares subject to the subscription undertakings by the Syndicate and Oberbank as described in "*17 Major Shareholders*".

(2) The percentages disclosed in these columns only apply immediately after the consummation of the Capital Increase.

(3) Based on 38,618,180 Existing Shares.

(4) Based on 73,374,542 Shares which are expected to be recorded in the Companies Register upon consummation of the Capital Increase.

Pursuant to the Placement Agreement, the Managers will pay the Company the Offer Price after deducting fees and commissions to be paid to the Managers. For a more detailed description of the Placement Agreement, see "*19.1 Placement Agreement*."

5.12 Material Interests, including Conflicts of Interest

The Managers entered into the Placement Agreement with the Company in connection with the Offering and Admission to Trading (for more details regarding the Placement Agreement, see "*19.1 Placement Agreement*"). The Company has engaged BNP PARIBAS, UniCredit Bank GmbH, COMMERZBANK and Erste Group to serve as Joint Global Coordinators and Raiffeisen Bank International as Joint Bookrunner. The Joint Global Coordinators, acting on behalf of the Managers, will advise the Company on the Offering and Admission to Trading and coordinate the structuring and execution of the Offering and Admission to Trading. Upon completion of the Offering and Admission to Trading, the Managers will receive a commission, the amount of which depends on the success of the Offering.

The Managers agreed, severally and not jointly, to underwrite the Offered Shares subject to the terms and conditions of the Placement Agreement in proportion to each Manager's respective underwriting commitments (for further details, see "*5.11 Underwriting Proportions*").

The Managers or their affiliates or persons acting on their behalf are engaged in securities trading and brokerage activities, as well as providing investment banking, asset management, financing, and financial advisory services and other commercial and investment banking products and services to a wide range of corporations and individuals. The Managers or their affiliates or persons acting on their behalf currently have, and may from time to time enter into, business relationships with companies of the Group or perform services on their behalf as part of their normal course of business, including such relating to the execution of hedging strategies, cash management services, foreign exchange facilities, as well as lending activities and other ordinary course banking activities. In the ordinary course of the Managers' or persons acting on their behalf trading, brokerage, asset management, and financing activities, the Managers or persons acting on their behalf may at any time deal as principals or agents for more than one party in, or hold long or short positions, and may trade or otherwise effect transactions, for their own account or the accounts of customers, in debt or equity securities or senior loans of the Company, its affiliates or other entities that may be involved in or connected with the transactions contemplated hereby.

Certain of the Managers and/or their affiliates also act in various capacities under certain of the Group's financing arrangements, including, among others, as mandated lead arrangers, bookrunners, coordinators, agent, security agent and documentation agent in connection with the Amendment and Restatement of the senior facilities agreement of May 2025, which was signed on September 14, 2026 (see "*11.21.4.1 Term Loan and Revolving Credit Facilities Agreement*").

Accordingly, the Managers, companies affiliated with them or persons acting on their behalf may in the future face conflicts of interest with Shareholders.

Several members of the Management Board and the Supervisory Board hold Shares of the Company and therefore have a personal interest in the performance of the price of the Shares.

5.13 Legal Framework for Creation of the Offered Shares

5.13.1 Legal Basis

Sections 149 et seq. of the Austrian Stock Corporation Act on capital increases against contributions in cash provide the legal basis for the issuance of the Offered Shares.

5.13.2 Basis for the Issuance of the Offered Shares

On August 25, 2026 the extraordinary general meeting passed a resolution to increase the Company's share capital by up to EUR 300,000,000 by issue of up to 288,739,172 no-par value bearer shares with indirect subscription rights by the Shareholders against cash contribution (the "**EGM Resolution 2026**"), whereby the final decision on the implementation and the key points of the capital increase was made subject to separate resolutions of the Management Board and the Supervisory Board. The EGM Resolution 2026 was registered in the Companies Register on September 4, 2026. The Supervisory Board established and empowered the Special Committee to provide all further approvals of the Supervisory Board required in connection with the capital increase. On October 1, 2026 the Management Board, with the approval of the Special Committee dated October 1, 2026 passed a resolution based on the EGM Resolution 2026, to increase the Company's share capital by EUR 36,096,964.53 by issue of 34,756,362 no-par value bearer shares each with indirect subscription rights for the Shareholders for the purpose of the Capital Increase in connection with the Offering and determined the Offer Price and other details of the Offering. The Management Board, with the approval of the Special Committee, determined the placement price of the Rump Shares to be at least the Offer Price. The final price of the Rump Shares is expected to be determined by the Management Board with the approval of the Special Committee on or about October 21, 2026 upon completion of the Share Placement.

The Offered Shares comprise 34,756,362 Shares and are offered at an Offer Price of EUR 8.65 each. The Management Board has resolved to admit Erste Group (as subscription agent), acting on account of the Managers, in accordance with section 153 para 6 of the Austrian Stock Corporation Act for subscription of the Offered Shares, with the obligation to provide the Offered Shares to holders of Rights, who duly exercise Rights during the Rights Exercise Period.

5.13.3 Company's Share Capital after the Offering

The consummation (*Durchführung*) of the Capital Increase is expected to be registered in the Companies Register, on or about October 22, 2026. The trading of the Offered Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange is expected to commence on or about October 23, 2026. Upon registration of the consummation (*Durchführung*) of the Capital Increase in the Companies Register, the registered share capital of the Company will amount to EUR 76,204,702.90, corresponding to 73,374,542 Shares. The Offered Shares will represent approximately 47.37% of the issued and outstanding share capital of the Company upon registration of the consummation (*Durchführung*) of the Capital Increase in the Companies Register.

5.14 Form, Voting Rights and Currency of the Securities Issuance

All of the Shares are no-par value bearer shares (*Stückaktien*). Each share of the Company entitles the bearer to one vote at any Shareholders' Meeting. There are no restrictions on voting rights.

The Shares are denominated in Euro. The Offered Shares are offered in EUR. The Shares are traded in EUR on the Vienna Stock Exchange.

The Offered Shares will, upon registration of the consummation (*Durchführung*) of the Capital Increase in the Companies Register, rank pari passu in all respects with each other and with all the Existing Shares, including the right to receive dividends or other distributions declared, made or paid after admission to trading.

5.15 Dividend Entitlement, Share of Liquidation Proceeds

The Offered Shares will carry full dividend rights from, and including, the financial year starting January 1, 2026 and have the same rights as all Existing Shares of the Company. In the event of the Company's

liquidation, shareholders are entitled to any remaining liquidation surplus in proportion to their shareholding after deduction of the Company's liabilities.

5.16 ISIN, Common Code and Stock Exchange Symbol

The Offered Shares are intended to be incorporated into the existing quotation on the Vienna Stock Exchange.

The various security identification numbers are as follows:

ISIN:

- for the Shares (including the Offered Shares): AT0000644505
- for the Rights: AT0000A3XCR6

5.17 Disposal Restrictions and Transferability

The Offered Shares are freely transferable in accordance with the legal requirements for bearer shares (*Inhaberaktien*) under the Austrian Stock Corporation Act and the Articles of Association. There are no restrictions on the transferability of the Shares other than certain lock-up agreements entered into between the Company, the Syndicate, Oberbank AG and the Managers.

5.18 Notice to Distributors

MiFID II product governance/target market

Solely for the purposes of the product governance requirements contained within: (i) MiFID II; (ii) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (iii) local implementing measures (together, "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Rights and Offered Shares which are the subject of the Offering have been subject to a product approval process, which has determined that such Rights and Offered Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that the price of the Rights and Offered Shares may decline and investors could lose all or part of their investment; the Rights and Offered Shares offer no guaranteed income and no capital protection; and an investment in the Rights and Offered Shares is compatible only with investors who do not need a guaranteed income or capital protection who (either alone or in conjunction with an appropriate financial or other advisor) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of MiFID II; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Rights and/or the Offered Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Rights and Offered Shares and determining appropriate distribution channels.

6 REASONS FOR THE OFFERING AND USE OF PROCEEDS

The net proceeds to the Company from the Offering result from the gross proceeds less commissions to the Managers, estimated offering costs and expenses. On the basis of an Offer Price of EUR 8.65 per Offered Share and issuance of 34,756,362 Offered Shares, the Company is expecting to raise gross proceeds of approximately EUR 300.6 million in this Offering. The overall commission to be paid by the Company to the Managers is expected to amount to approximately EUR 4.7 million. Other estimated offering costs and expenses to be incurred by the Company will be approximately EUR 6.9 million. Investors will not be charged with expenses by the Company or the Managers (regarding potential charges by custodian banks, see "*5.7 Commissions Charged by Custodian Banks*"). On this basis, the Company expects net proceeds from this Offering of approximately EUR 289.0 million.

The Company intends to use the net proceeds from this Offering:

(i) to provide the Group with additional financial flexibility to execute its "Grow Nonwovens, Reset Textiles" strategic realignment. The Company believes the net proceeds of the Offering will support the Group's strategic realignment around the priorities of growing its nonwovens business, resetting its textiles business and further strengthening its Division Pulp. The net proceeds are thereby intended to provide the Group with further means to pursue its operational and strategic priorities, including expanding its nonwovens production capacity to better serve its customers (*inter alia* through aggregate investments of approximately EUR 60 million related to production volume relocations and optimizations), while growing premium niche segments such as modal and flame-retardant fibers within its textiles business. The Offering is further intended to support the Group's planned consolidation of its production footprint, including the phase-out of production at its Heiligenkreuz, Austria site by the end of the first quarter of 2027 and its Grimsby, United Kingdom site by the end of 2027, and to strengthen the Group's core manufacturing network, including its main production site in Lenzing, Austria. The Group estimates it will utilize approximately EUR 65 million of the net proceeds for one-off costs associated with this consolidation and strategy implementation. The net proceeds are also intended to provide the Group with additional headroom to continue investing in its innovation pipeline, including LENZING™ Nonwoven Technology, TreeToTextile and other next-generation fiber technologies, in order to drive long-term value creation;

(ii) to strengthen the Group's financial structure and extend the maturity profile of significant portions of the Group's indebtedness to 2030. The Group intends to use less than half of the net proceeds for the repayment of existing debt maturing within the next 12 months. The net proceeds of the Offering, together with a parallel financing package of up to approximately EUR 300 million comprising an upsizing of the Group's existing syndicated loan facility by EUR 145.0 million and of its revolving credit facility by EUR 5.0 million agreed on September 14, 2026, as well as a new *OekB Vorratsinvest* loan in a planned amount of EUR 150.0 million under discussion and expected to be entered into, subject to the settlement of the issuance of the Offered Shares, are intended to provide the Group with sufficient headroom to proactively address near-term debt maturities and to support the implementation of its strategic transformation. See also "*11.21.4 Financing Agreements*". The Company believes the net proceeds will support the Group's ambition to reduce its leverage ratio to below 2.5x in the medium term (which would indicate a credit profile in line with investment grade parameters); and

(iii) for general corporate purposes.

7 DIVIDEND POLICY

7.1 General Rules on Balance Sheet Profit and Dividend Payments

Under Austrian law, dividends can only be approved and paid on the basis of distributable balance sheet profit (*Bilanzgewinn*) reported in the unconsolidated financial statements of the Company, which were prepared in accordance with the Austrian generally accepted accounting principles ("**GAAP**"). Distributable balance sheet profit is calculated by adjusting the income/loss after taxes for the year (*Jahresüberschuss/-fehlbetrag*) for profit or loss carryforwards (*Gewinn-/Verlustvorträge*) and for allocations to or transfers from reserves. Some allocations to reserves are required by law and must be deducted when calculating distributable balance sheet profit.

When approving the unconsolidated financial statements, the Management Board and Supervisory Board may allocate to other revenue reserves (*andere Gewinnrücklagen*) up to half of the net profit for the year remaining after deducting both allocations to statutory reserves (*gesetzliche Rücklagen*) and any loss carryforward. When the annual Shareholders' Meeting votes on the appropriation of distributable balance sheet profit, it may decide to make further allocations to revenue reserves or to carry forward a profit. Therefore, going forward, dividends may not be paid or, if paid, they may not correspond to the Company's relevant dividend policy.

Resolutions on the payment of a dividend for any financial year, as well as the amount of the dividend, are adopted at the annual Shareholders' Meeting held the following financial year. The annual Shareholders' Meeting must be held within the first eight months of the financial year and must include on its agenda a proposal by the Management Board, approved by the Supervisory Board, regarding the uses of distributable profit (due to the negative net result for the financial year 2022, no such proposal was included on the agenda of the annual Shareholders' Meeting held on April 19, 2023). Dividends approved by the annual Shareholders' Meeting are to be paid within five banking days after the annual Shareholders' Meeting, unless the resolution provides otherwise.

Shareholders' stakes in the distributable balance sheet profit are determined on the basis of their individual holding of the total issued share capital. Individual Shareholders are not entitled to receive a dividend unless a resolution on the uses of distributable profit has been adopted at the annual Shareholders' Meeting. Any dividends not claimed become time-barred within three years at the latest. Once the limitation period passes, the dividends remain with the Company.

The Offered Shares will carry full dividend rights from, and including, the financial year starting January 1, 2026.

7.2 Dividend Policy

On April 11, 2024, the Management Board announced the suspension of the dividend policy to pay a yearly dividend of at least EUR 4.50 for an unlimited period of time. The dividend policy is still suspended. Past dividends are not an indication of future dividends to be paid by the Company. Going forward, dividends may not be paid or, if paid, they may not correspond to the Company's relevant dividend policy. See also "*3.4.7 The Company's ability to pay dividends depends on the availability of distributable profits. Shareholders may not receive dividends or other cash distributions*."

The amount of any future dividends on the Company's shares will be proposed by the Management Board and the Supervisory Board and resolved on by the Shareholders' Meeting, without the Shareholders' Meeting being bound by the proposal of the Supervisory Board and the Management Board. A dividend distribution decided upon by the Shareholders' Meeting will fall due five banking days after the decision is made by the Shareholders' Meeting, unless it makes a decision to the contrary. Any future determination to pay dividends will be made in accordance with applicable laws, and will depend upon, among other factors, the Company's results of operations, financial conditions, contractual restrictions and capital requirements. The Company's ability to pay dividends is currently, and may continue to be, limited by the terms of any existing and future debt or preferred instruments or securities. See also "*3.1.4 The Group has a high level of financial debt due to significant borrowings and other financial liabilities, the amount and terms of which limit its financial and operational flexibility, including its ability to refinance indebtedness and pay dividends. If the Group is unable to comply with the financial and other restrictive covenants in its financing agreements, or does not complete or receive the proceeds from the Offering and/or is unable to obtain adequate financing in the future for the purpose of refinancing its existing indebtedness, there could be a default or event of default under such financing agreements*."

7.3 Earnings per Share

The following table shows the Company's net profit/loss for the year attributable to shareholders of the Company, the weighted average number of shares and earnings per share (diluted = basic). Earnings per share are calculated by dividing the share of net income/loss for the year attributable to shareholders of the Company, reduced by the share of hybrid capital holders amounting to EUR 38.3 million in 2025 (2024: EUR 28.8 million, 2023: EUR 28.8 million) by the weighted average number of shares outstanding during the year. The following table also shows the annual dividend paid per share for the years indicated.

	For the Year Ended December 31,		
	2025	**2024**	**2023**
		(audited)	
Net profit/loss for the year attributable to shareholders of Lenzing AG used in the calculation of earnings per share (EUR millions)	(210.3)	(156.6)	(649.4)
Weighted average number of shares	38,618,180	38,618,180	32,435,304
Earnings per share (EUR)	(5.45)	(4.06)	(20.02)
Dividend per share (EUR)	0.00	0.00	0.00

Source: Audited Consolidated Financial Statements

8 CAPITALIZATION AND INDEBTEDNESS; STATEMENT ON WORKING CAPITAL

The following tables set forth, on an unaudited basis, (i) the Group's actual capitalization and indebtedness as of June 30, 2026 derived from the Group's Unaudited Condensed Consolidated Interim Financial Statements or its internal reporting system prior to the implementation of the Offering and (ii) as adjusted for the net proceeds of the Offering. Investors should read these tables in conjunction with "*10 Management's Discussion And Analysis Of Financial Condition And Results Of Operations Of The Group*" and the consolidated financial statements, including the related notes contained in this Prospectus.

8.1 Capitalization

	As of June 30, 2026	As adjusted for the net proceeds of the Offering[7]
	Actual	
	(unaudited)	(unaudited)
	(in EUR millions)	
Total current debt[1]	**1,185.5**	1,185.5
Thereof guaranteed	-	-
Thereof secured[2]	51.4	51.4
Thereof unguaranteed/unsecured	1,134.1	1,134.1
Total non-current debt[3]	**2,103.3**	**2,103.3**
Thereof guaranteed	-	-
Thereof secured[4]	767.9	767.9
Thereof unguaranteed/unsecured	1,335.4	1,335.4
Total shareholder's equity[5]	**1,323.9**	**1,613.0**
Share capital	40.1	76.2
Capital reserves	417.7	670.6
Hybrid capital	486.1	486.1
Other equity components[6]	380.0	380.0
Total	**4,612.7**	**4,901.8**

Notes:

(1) Total current debt corresponds to "current liabilities" in the consolidated statement of financial position as included in the Unaudited Condensed Consolidated Interim Financial Statements.

(2) Collateral for secured current debt includes biological assets, machinery, receivables and share pledges.

(3) Total non-current debt corresponds to "non-current liabilities" in the consolidated statement of financial position as included in the Unaudited Condensed Consolidated Interim Financial Statements.

(4) Collateral for secured non-current debt includes biological assets, machinery, receivables and share pledges.

(5) Total shareholder's equity corresponds to "equity" in the consolidated statement of financial position as included in the Unaudited Condensed Consolidated Interim Financial Statements.

(6) Other equity components correspond to the sum of "other reserves", "retained earnings" and "non-controlling interests" in the consolidated statement of changes in equity as included in the Unaudited Condensed Consolidated Interim Financial Statements and includes non-controlling interests in the amount of EUR 371.3 million.

(7) Assuming placement of all 34,756,362 Offered Shares at the Offer Price of EUR 8.65 per Offered Share.

8.2 Indebtedness

	As of June 30, 2026	As adjusted for the net proceeds of the Offering[7]
	Actual	
	(unaudited)	(unaudited)
	(in EUR millions)	
A. Cash[1]	592.4	881.4
B. Cash equivalents	-	-
C. Other current financial assets[2]	25.6	25.6
D. Liquidity (A)+(B)+(C)	**618.0**	**907.0**
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)[3]	514.9	514.9
F. Current portion of non-current financial debt[4]	13.6	13.6
G. Current financial indebtedness (E+F)	**528.5**	**528.5**
H. Net current financial indebtedness (G-D)	**(89.5)**	**(378.5)**
I. Non-current financial debt (excluding current portion and debt instruments)[5]	1,033.4	1,033.4
J. Debt instruments[6]	587.4	587.4
K. Non-current trade and other payables	-	-
L. Non-current financial indebtedness (I+J+K)	**1,620.7**	**1,620.7**
M. Total financial indebtedness (H+L)	**1,531.3**	**1,242.2**

Notes:

(1) Cash corresponds to "cash and cash equivalents" in the consolidated statement of financial position as included in the Unaudited Condensed Consolidated Interim Financial Statements.

(2) Other current financial assets correspond to liquid bills of exchange as included in "trade receivables" in the consolidated statement of financial position as included in the Unaudited Condensed Consolidated Interim Financial Statements.

(3) Current financial debt (including debt instruments but excluding current portion of non-current financial debt) corresponds to current "loans and borrowings", excluding current lease liabilities, in the consolidated statement of financial position as included in the Unaudited Condensed Consolidated Interim Financial Statements.

(4) Current portion of non-current financial debt corresponds to current lease liabilities, which are part of current "loans and borrowings" in the consolidated statement of financial position as included in the Unaudited Condensed Consolidated Interim Financial Statements.

(5) Non-current financial debt (excluding current portion and debt instruments) corresponds to non-current "loans and borrowings", excluding private placements, in the consolidated statement of financial position as included in the Unaudited Condensed Consolidated Interim Financial Statements.

(6) Debt instruments corresponds to private placements which are part of the non-current "loans and borrowings" in the consolidated statement of financial position as included in the Unaudited Condensed Consolidated Interim Financial Statements.

(7) Assuming placement of all 34,756,362 Offered Shares at the Offer Price of EUR 8.65 per Offered Share.

8.3 Lease Liabilities

As of June 30, 2026, current loans and borrowings included current lease liabilities in the amount of EUR 13.6 million and non-current loans and borrowings include non-current lease liabilities in the amount of EUR 154.4 million.

8.4 Indirect and Contingent Indebtedness

The Group has entered into contingent liabilities of EUR 12.7 million as of June 30, 2026, above all to secure claims related to the sale of certain equity investments and claims by suppliers, and for claims by third parties outside the Group. Less important contingent liabilities involve granted retentions. *See also* Note 9 to the Unaudited Condensed Consolidated Interim Financial Statements.

8.5 Statement on Working Capital

The Company is of the opinion that the Group is in a position to meet the payment obligations that become due within at least the next 12 months from the date of this Prospectus. The receipt of any proceeds

from the Offering has not been taken into account by the Company in connection with the aforementioned statement.

8.6 No Significant Change

Subject to "*24.1 Recent Developments"*, since June 30, 2026 and up to the date of this Prospectus, there have been no significant changes in the Company's financial or trading position.

9 DILUTION

The Rights of the Shareholders to subscribe for Offered Shares from the Capital Increase ensure that each Shareholder exercising its Rights will continue to hold its original, nearly unchanged percentage in the share capital of the Company. If a Shareholder does not exercise any of its Rights, such Shareholder's percentage ownership in the Company's share capital and its voting rights will be diluted by approximately 47.37%.

The net book value of the shareholders' equity of the Company as of June 30, 2026 recorded in the consolidated balance sheet in the Unaudited Condensed Consolidated Interim Financial Statements, under the line item "Equity attributable to shareholders of Lenzing AG," calculated as the Company's total assets less total current liabilities and total non-current liabilities, was EUR 952.6 million, and therefore EUR 24.67 per Share, calculated on the basis of 38,618,180 issued shares of the Company as of June 30, 2026.

Based on the foregoing, following the consummation of the Capital Increase from EUR 40,107,738.37 by EUR 36,096,964.53 to EUR 76,204,702.90 by issuing 34,756,362 Offered Shares against cash contributions in connection with this Offering, which is expected to be registered in the Companies Register on or about October 22, 2026, and at an Offer Price of EUR 8.65 per Offered Share, and following the deduction of estimated total expenses in connection with the Offering (including management, underwriting and selling commissions as well as other Offering-related expenses) in an aggregate amount of approximately EUR 11.6 million, the net book value of the shareholders' equity of the Company recorded in the consolidated balance sheet in the Unaudited Condensed Consolidated Interim Financial Statements, under the line item "Equity attributable to shareholders of Lenzing AG" would have been EUR 1,659.4 million or EUR 22.62 per Share as of June 30, 2026 (calculated on the basis of the number of 73,374,542 Shares issued after the consummation of the Capital Increase in connection with the Offering).

As a result of the Offering, the net book value of the shareholders' equity per Share decreased by EUR 12.87 or 36.27% for an existing Shareholder as the adjusted net book value of the shareholders' equity per Share (taking the Capital Increase into account) falls short of the net book value of the shareholders' equity per Share prior to the Capital Increase by this amount or this percentage.

10 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE GROUP

*The financial information contained in the following section has been taken or derived from the Audited Consolidated Financial Statements, the Unaudited Condensed Consolidated Interim Financial Statements, the Company's accounting records or internal management reporting systems. The Audited Consolidated Financial Statements were prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB), as adopted by the EU ("**IFRS**"). The additional requirements of section 245a para. 1 of the Austrian Commercial Code were also met. The Unaudited Condensed Consolidated Interim Financial Statements were prepared in accordance with IAS 34 (Interim Financial Reporting). They are in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) for Interim Reporting, as adopted by the EU.*

Where financial information in the following tables is labeled "audited", this means that the financial information has been taken from the Audited Consolidated Financial Statements. The label "unaudited" is used in the following tables to indicate that the financial information has not been taken but derived from the Audited Consolidated Financial Statements, or has been taken or derived either from the Unaudited Condensed Consolidated Interim Financial Statements or the accounting records or the internal management reporting systems of the Company or has been calculated based on figures from the aforementioned sources.

Unless otherwise indicated, financial information presented in the text and tables in this section of this Prospectus is shown in million Euro, rounded to one decimal. Percentage changes and ratios, as well as subtotals and totals in the text and tables of this Prospectus, are calculated based on the respective unrounded underlying numbers and then rounded to one decimal. Because of this rounding, figures shown in tables in this section of this Prospectus do not necessarily add up exactly to the respective totals or subtotals presented, and aggregated percentages may not exactly equal 100%. Furthermore, these rounded figures may vary marginally from unrounded figures that may be indicated elsewhere in the Prospectus. The Net financial debt/EBITDA ratio set out in this Prospectus is described either in terms of the quantitative relation between two amounts by illustrating both values directly (e.g., 3.6 to 1.0) or in terms of the relation of one quantity "in x" of a single unit of the other quantity (e.g., 3.6x). The financial information presented in parentheses denotes the negative of such number presented. In respect of financial information set out in this Prospectus, a dash ("—") signifies that the relevant figure is not available, while a zero ("0") or nil signifies that the relevant figure is available but has been rounded to or equals zero.

The discussion and analysis below provide information that the Group believes is relevant to an assessment and understanding of the Group's historical financial position and results of operations. Prospective investors should read this discussion and analysis in conjunction with the sections entitled "4.7 Presentation of Financial and Other Information" and "21 Financial Information."

This section includes forward-looking statements. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause the Group's actual results to differ materially from those expressed or implied by such forward-looking statements. Results of operations for prior years ended are not necessarily indicative of the results to be expected for the current or next year ended or any future period. See "4.6 Forward-Looking Statements." The Group does not undertake any obligation to revise or publicly release the results of any revision to these forward-looking statements.

The following discussion of the Group's results of operations also refers to certain APMs. Prospective investors should bear in mind that these APMs are not financial measures defined in accordance with IFRS, may not be comparable to other similarly titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group's financial measures reported under IFRS. For a reconciliation of the APMs to their most directly comparable IFRS financial measures, see "4.7.2 Other Financial Measures."

10.1 Overview

The Group is one of the leading producers of lyocell and modal fibers and one of the top five producers of viscose fibers (which comprise the three generations of WBF), as measured by both production capacity and volume produced in 2025. The Group is also one of the three leading global producers of WBF overall as measured by both production capacity and volume produced in 2023, 2024 and 2025 (source: Company Internal Analysis). Moreover, with its backward-integrated value chain, the Group produces and sells DWP, which is mainly used in the manufacture of WBF, and biorefinery and co-products as well as bio-based energy. Headquartered in Lenzing an der Ager, Austria, the Group has nine production sites in Austria, Brazil, China, the Czech Republic, Indonesia, Thailand, the United Kingdom, and the United States, and a global network of

sales and planning offices. The Group markets its WBF for the textile and nonwoven industry under its TENCEL™, VEOCEL™, LENZING™ and LENZING™ ECOVERO™ brands.

WBF are used in a wide range of textile and nonwoven products, from casual wear to haute couture, from sportswear as quick-drying, breathable T-shirts with reduced odor based on good moisture management, fleece jackets and shoes to the household in mattresses, pajamas, bed linens, towels, beauty masks and hygienic wipes for babies and skin cleansing, tea bags, coffee pads and other filtering purposes. WBF also form an essential component in protective clothing guarding against heat and fire and are used in electrical separators for applications such as lithium-ion batteries, supercapacitors (*i.e.*, energy storage devices) and electrolytic condensers, especially for the automotive industry, including filter media, such as oil, fuel and air filters.

The Group's offering includes the three WBF generations on the market, namely viscose, modal and lyocell, with products ranging from standard viscose fibers to modal fibers, such as TENCEL™ Modal, and lyocell fibers such as TENCEL™ Lyocell. The DWP required for the Group's production is manufactured primarily in the Group's own plants and supplemented by external purchases.

Combining consistent customer orientation with high standards in quality, innovation and technology, the Group focuses on specialty products and cost-efficient production. Its main production site is located in Lenzing an der Ager, Austria, with a nominal WBF production capacity of 358,000 tons per year, and an integrated DWP mill with a nominal capacity of 320,000 tons per year. In 2022, the Group started production in its new state-of-the-art lyocell fiber plant at its Prachinburi site in Thailand with a nominal capacity of 100,000 tons per year and completed the ramp-up phase of a pulp mill in Indianópolis, Brazil, owned by a joint venture among the Company and Dexco S.A. ("**Dexco**"), which has a nominal capacity of 600,000 tons per year (recently increased from an original 500,000 tons per year) of dissolving pulp. The Group further operates WBF production sites in Nanjing, China (nominal capacity of 143,000 tons per year as of December 31, 2025), Heiligenkreuz, Austria (nominal capacity of 90,000 tons per year as of December 31, 2025; site planned for phase-out by end of 2026), Mobile, Alabama in the United States (nominal capacity of 51,000 tons per year as of December 31, 2025) and Grimsby, United Kingdom (nominal capacity of 45,000 tons per year as of December 31, 2025; site planned for phase-out by end of 2027) as well as a DWP mill in Paskov, Czech Republic, with a nominal capacity of 300,000 tons per year (as of December 31, 2025). The Group also operates a recently modernized viscose fiber plant in Purwakarta, Indonesia (for which the Group is currently reviewing strategic options, including a possible sale), with a nominal capacity of 323,000 tons per year (as of December 31, 2025).

In July 2026, the Group announced a fundamental strategic realignment under the priorities "Grow Nonwovens, Reset Textiles", reflecting the Group's assessment that the wood-based fiber market has undergone structural, not merely cyclical, change. The Group's strategic realignment rests on four building blocks: (i) transitioning the fiber product portfolio within the Group's segment that produces textile fibers as well as toward less cyclical nonwoven fibers and pulp markets; (ii) reducing the cost base through a sharpened performance program; (iii) reducing capital employed through production footprint optimization and reduction (targeting a reduction from nine global production sites in 2026 to six by 2028); and (iv) investing selectively in key innovations as long-term growth drivers. These four pillars are designed to deliver a more focused, profitable and resilient Group.

The Group recorded revenue of EUR 2,521.2 million, EUR 2,663.9 million and EUR 2,602.4 million in 2023, 2024 and 2025, respectively, and EUR 1,341.1 million and EUR 1,267.5 million in H1 2025 and H1 2026, respectively. The Group recorded net loss of EUR 593.0 million, EUR 138.3 million and EUR 135.2 million in 2023, 2024 and 2025, respectively, and net profit of EUR 15.2 million and EUR 35.6 million in H1 2025 and H1 2026, respectively. The Group's EBIT was EUR -476.4 million, EUR 88.5 million and EUR 17.6 million in 2023, 2024 and 2025, respectively, and EUR 109.0 million and EUR 83.7 million in H1 2025 and H1 2026, respectively. The Group's EBITDA increased 30.4% in 2024, from EUR 303.3 million in 2023 to EUR 395.4 million in 2024, and increased 4.5% to EUR 413.0 million in 2025, and decreased 10.9% in H1 2026, from EUR 268.6 million in H1 2025 to EUR 239.2 million in H1 2026. EBITDA margin was 12.0%, 14.8% and 15.9% in 2023, 2024 and 2025, respectively, and 20.0% and 18.9% in H1 2025 and H1 2026, respectively.

10.2 Key Performance Indicators

The table below sets out the key earnings and profitability measures for the Group, including IFRS financial measures and APMs, for the reporting periods indicated. For a reconciliation of each APM to the nearest IFRS financial measure, see "*4.7.2 Other Financial Measures.*"

	For the Six Months Ended June 30,		For the Year Ended December 31,		
	2026	2025	2025	2024	2023
	(unaudited)		*(audited, unless otherwise indicated)*		
	(EUR millions, unless otherwise indicated)				
IFRS Financial Measures					
Revenue	1,267.5	1,341.1	2,602.4	2,663.9	2,521.2
Earnings before interest and tax (EBIT)	83.7	109.0	17.6	88.5	(476.4)
Earnings before tax (EBT)	42.6	22.1	(122.5)	(42.0)	(585.6)
Net profit/loss for the year/period	35.6	15.2	(135.2)	(138.3)	(593.0)
Earnings per share (in EUR)	(0.09)	(0.90)	(5.45)	(4.06)	(20.02)
APMs					
EBITDA	239.2	268.6	413.0	395.4	303.3
EBITDA margin (in %)	18.9%	20.0%	15.9%	14.8%	12.0%
EBIT margin (in %)	6.6%	8.1%	0.7%	3.3%	(18.9)%
ROE[1] (in %)	—	—	(7.9)%	(2.4)%	(30.1)%
ROI[1] (in %)	—	—	0.4%	1.7%	(8.9)%

Note:

(1) Unaudited.

The table below sets out the key cash flow measures for the Group, including IFRS financial measures and APMs, as of the reporting dates and for the reporting periods indicated. For a reconciliation of each APM to the nearest IFRS financial measure, see "*4.7.2 Other Financial Measures.*"

	As of and for the Six Months Ended June 30,		As of and for the Year Ended December 31,		
	2026	2025	2025	2024	2023
	(unaudited)		*(audited, unless otherwise indicated)*		
	(EUR millions)				
IFRS Financial Measures					
Cash flow from operating activities	160.4	150.1	419.7	395.0[5]	160.3[8]
CAPEX[1]	62.3	61.3	141.1	153.8[6]	267.8[8]
APMs					
Free cash flow[2]	45.8	43.1	173.9	169.4[7]	(122.8)[8]
Unlevered free cash flow[2][3]	98.5	89.4	279.3	244.6	—
Liquid assets[4]	618.0	—	690.9	451.7	731.0

Notes:

(1) Presented in the Group's Consolidated Statement of Cash Flows as "Acquisition of intangible assets, property, plant and equipment and biological assets."

(2) Unaudited.

(3) Since the second quarter of 2025, unlevered free cash flow is presented as an additional key financial indicator of the Group in order to enable comparability regardless of the capital structure and also enhance transparency for external stakeholders.

(4) Liquid assets are considered a key cash flow-related APM. Liquid assets are derived from the Group's statement of financial position.

(5) Since the second quarter of 2025, the consolidated statement of cash flows is presented according to a new format. As a result, cash flow from operating activities for the comparative period was adjusted retroactively. See *Note 2 to the 2025 Audited Consolidated Financial Statements*. The

Group's cash flow from operating activities for 2024 has been derived from the restated prior year figure included in the 2025 Audited Consolidated Financial Statements. For more information, see "*10.6 Factors Affecting Comparability of the Group's Cash Flows*".

(6) Since the second quarter of 2025, capitalized borrowing costs in accordance with IAS 23 have been reported in cash flow from financing activities under the item "interest paid"; previously these were reported in cash flow from investing activities under the item "acquisition of intangible assets, property, plant and equipment, and biological assets". As a result, CAPEX for the comparative period was reduced retroactively by EUR 2.6 million. See *Note 2 to the 2025 Audited Consolidated Financial Statements*. The Group's CAPEX for 2024 has been derived from the restated prior year figure included in the 2025 Audited Consolidated Financial Statements. For more information, see "*10.6 Factors Affecting Comparability of the Group's Cash Flows*".

(7) Since the second quarter of 2025, investment grants previously reported in cash flow from financing activities have been allocated to cash flow from investing activities. As a result, investment grants are included in the calculation of free cash flow, which has led to a retroactive adjustment of EUR 2.4 million for the comparative period. See *Note 2 to the 2025 Audited Consolidated Financial Statements*. The Group's free cash flow for 2024 has been derived from the restated prior year figures included in the 2025 Audited Consolidated Financial Statements. For more information, see "*10.6 Factors Affecting Comparability of the Group's Cash Flows*".

(8) The Group's consolidated statement of cash flows (including its CAPEX and free cash flow figures) for 2023 have been derived from the prior year figures included in the 2024 Audited Consolidated Financial Statements and therefore do not reflect the new format adopted by the Group since the second quarter of 2025. The Group's consolidated statement of cash flows (including its CAPEX and free cash flow figures) for 2023 are therefore not directly comparable to the Group's consolidated statement of cash flows (including its CAPEX and free cash flow figures) for the other indicated periods. For more information, see "*10.6 Factors Affecting Comparability of the Group's Cash Flows*".

The table below sets out the Group's key IFRS financial measures and APMs taken or derived from the Group's Consolidated Statement of Financial Position as of the reporting dates. For a reconciliation of each APM to the nearest IFRS financial measure, see "*4.7.2 Other Financial Measures*."

	As of June 30,	As of December 31,		
	2026	2025	2024	2023
	(unaudited)	*(audited, unless otherwise indicated)*		
	(EUR millions, unless otherwise indicated)			
IFRS Financial Measure				
Equity	1,323.9	1,305.3	1,652.0	1,742.2
Current loans and borrowings	528.5	502.1	279.4	529.0
Non-current loans and borrowings	1,620.7	1,667.4	1,828.5	1,906.7
Total assets	4,612.7	4,609.4	4,976.8	5,214.6
APMs				
Adjusted equity	1,370.4	1,363.5	1,725.9	1,809.1
Adjusted equity ratio (in %)[(1)]	29.7%	29.6%	34.7%	34.7%
Net financial debt	1,363.3	1,350.1	1,532.5	1,562.6
Net financial debt/EBITDA (in x)[(1)]	3.6[(2)]	3.3	3.9	5.2
Net debt[(1)]	1,594.9	1,542.2	1,732.2	1,779.5
Net gearing[(1)] (in %)	99.5%	99.0%	88.8%	86.4%
Trading working capital[(1)]	460.0	453.4	578.0	551.1
Trading working capital to annualized group revenue[(1)] (in %)	17.6%	18.0%	20.5%	21.0%

Note:

(1) Unaudited.

(2) Calculated using EBITDA from the last twelve months, which amounts to EUR 383.6 million for the twelve month period ending June 30, 2026 (based on EBITDA for the fiscal year ended December 31, 2025 less EBITDA for the six-month period ended June 30, 2025 plus EBITDA for the six-month period ended June 30, 2026), rather than for the six-month period, in order to annualize earnings and ensure comparability of the resulting leverage ratio with the prior full-year periods presented in this table.

10.3 Basis of Preparation of the Consolidated Financial Statements

In addition to the Company, the Consolidated Financial Statements include the subsidiaries of the Company that are controlled directly or indirectly by it. The most important Group companies produce and market WBF and, in some cases, pulp.

Subsidiaries are companies controlled by the Company. The Group decides individually for each acquisition whether the non-controlling interests in the acquired subsidiary will be recognized at fair value or based on the proportional share of the acquired net assets. On acquisition, non-controlling interests are measured

at fair value or the corresponding share of recognized net assets and are reported under equity and comprehensive income as "non-controlling interests."

The Company holds a majority interest of 51% and thereby controls LD Celulose S.A. ("**LD Celulose**") (Indianópolis, Brazil). LD Celulose produces DWP, and its mill went into operation in 2022. Dexco holds a 49% interest in LD Celulose and a put option to sell its shares (puttable non-controlling interests) to the Group (see "*11.8 Joint Ventures and Strategic Partnerships*"). The Company applies the present access method for the accounting of the liability deriving from puttable non-controlling interests. Accordingly, Dexco's non-controlling interest in LD Celulose continues to be recognized in equity, and additionally a financial liability for puttable non-controlling interests is recognized. The liability is subsequently measured at fair value directly in retained earnings.

The investments in associates and joint ventures are accounted for by applying the equity method.

The reporting currency of the Company and the Group is the euro. The subsidiaries prepare the annual financial statements in their functional currency. The functional currency is the currency of the primary economic environment in which the respective company operates (*i.e.*, the currency of the country or region where the subsidiary is located), except for LD Celulose S.A. (Indianópolis, Brazil), LD Celulose International GmbH (Vienna, Austria), Lenzing (Thailand) Co., Ltd (Prachinburi, Thailand), Lenzing Singapore Pte. Ltd (Singapore, Republic of Singapore), and PT. South Pacific Viscose (Purwakarta, Indonesia), for which the functional currency is the U.S. dollar.

10.4 Segment Reporting

The Group currently has three reportable segments: Division Fiber, Division Pulp and Division Others. The reportable segments are based on the difference between the Group's products, which require individual technologies and marketing strategies.

The key products of the Group's reportable segments are as follows:

- The Division Fiber segment produces all three generations of WBF and markets them under the product brands TENCEL™, VEOCEL™, LENZING™ ECOVERO™ and LENZING™. The products made from lyocell, modal and viscose fibers are used for the production of textiles as well as nonwovens and special applications.
- The Division Pulp segment produces and procures DWP, which is the necessary primary and intermediate product for fiber production. The pulp is used for the Group's own cellulosic fiber production and also marketed externally. The fiber and pulp production plants are used and managed independently of each other.
- The Division Others segment mainly comprises central headquarters functions, cross-divisional activities and the business activities of BZL (Bildungszentrum Lenzing GmbH, Lenzing an der Ager), which handles training and personnel development.

10.5 Key Factors Affecting the Results of Operations

The Group believes that the factors discussed below have significantly affected its results of operations in the past reporting periods for which financial information is presented in this Prospectus, and that these factors will continue to have a material influence on its results of operations in the future.

10.5.1 Global Raw Material and Energy Prices

The Group depends on the supply of raw materials. Key components in the Group's production of WBF are chemicals such as caustic soda, sulfur and N-methyl-morpholine-N-oxide ("**NMMO**"), and wood for its dissolving pulp mills and externally sourced DWP. Caustic soda is a by-product of chlorine production, which is an important primary product for the production of viscose and modal fibers, whereas sulfur is an important starting material for the production of carbon disulfide and sulfuric acid, both of which are used in the process of viscose production. Although the Group relies on supplies of DWP for its fiber production, these are generally secured in the long term due to capacity expansions, in particular a pulp mill in Brazil. In addition, as the production of WBF is an energy-intensive process, the Group relies on various sources of energy, including natural gas, biomass and electricity (*e.g.*, from photovoltaic sources), as well as coal and fuel oil, for its operations.

The normalization of energy and raw material prices in 2024, contributed in part to an improvement in financial performance of the Group. However, in 2025, the partial re-elevation of energy prices weighed on the Group's financial performance. In H1 2026, raw material and energy prices remained elevated, with renewed

increases beginning in the second quarter of 2026, driven mainly by geopolitical tensions in the Middle East and the Iran conflict, which weighed on the Group's financial performance.

Prices for raw materials and energy have fluctuated significantly in the past and will likely continue to do so. Given that raw materials and energy constitute a large proportion of the Group's total costs, these fluctuations can have a significant impact on the Group's cost of sales. Material costs (comprised primarily of pulp and wood for the internal production of pulp, key chemicals and merchandise) were equal to 44.6% of Group revenue in 2025 (2024: 43.5%, 2023: 47.2%) and other purchased services (related mainly to energy) amounted to 8.1% in 2025 (2024: 8.3%, 2023: 8.9%). The combined proportion of material and energy costs relative to Group revenue thus declined from 56.2% in 2023 to 51.8% in 2024, before edging back to 52.7% in 2025, reflecting the normalization of energy and raw material prices during 2024 and their partial re-elevation in 2025. Driven by the outbreak of the Iran conflict and the corresponding shipping blockades in the Strait of Hormuz, H1 2026 has been characterized by sustained cost pressure on key chemical inputs, with sulfur and sulfur-related products experiencing significant price increases (up to threefold in H1 2026 in certain cases) and the caustic soda market experiencing a tighter supply situation at the beginning of the second quarter of 2026, before some easing towards period-end.

Following a sharp rise in energy prices due to the Covid-19 pandemic and the Russia-Ukraine conflict, which led to supply shortages and significant price increases on global commodity markets in 2022 with continuing impacts in 2023, energy prices in Europe fell in 2024. Continued low levels of gas consumption in Europe led to a 15% reduction in gas prices. The price of electricity decreased by as much as 20%, supported by high production from renewable energy sources. The price of coal was down by 10%, the oil price decreased by 3% and the CO_2 price reduced by 22%. In 2025, European energy prices partially reversed their 2024 decline. Gas prices on the Austrian spot market increased by approximately 10% year-on-year and electricity prices rose by 21%, although an easing of the supply situation due to higher liquefied natural gas (LNG) supplies became evident towards the end of the year. Coal prices were down by 11% and the average oil price for the year was approximately USD 68 per barrel, 15% below the prior year level. CO_2 prices rose by 13%. Energy reserves at the Group's European locations remained well secured against the backdrop of geopolitical uncertainties in 2024 and 2025. In H1 2026, European energy prices reversed their prior declines: natural gas spot market prices increased 2% year-on-year, Austrian electricity prices rose 11%, European coal prices rose 12%, Brent crude oil prices gained 24%, and CO_2 certificate prices increased 6% (source: Inercomp Portal, Trading Economics). Energy reserves at the Group's European locations remained secured, notwithstanding continued geopolitical uncertainty.

Following the energy supply crisis after the outbreak of the Russia-Ukraine conflict, the Group partially restructured its energy price hedging in 2023 and thereby reduced its exposure to the risk of price changes. Natural gas and electricity are now procured in accordance with a defined purchasing strategy, under which part of the energy required is procured via fixed supply contracts with fixed prices on the forward market, with the aim that spot market trends exert only a weakened impact on the Group's energy costs. However, these measures may not always fully protect the Group from volatility in energy prices and the impact it can have on the Group's profitability. Such measures could even have a negative effect on the Group's costs, for instance, by leading to comparatively higher costs for the hedged positions during an otherwise downward trend in market prices. The Group does not hedge its exposure to market price risk for chemicals or wood.

The chemicals markets relevant to the Group recorded moderate price increases in 2024 compared to the end of 2023, partly due to the continued rise in energy costs on the manufacturer side. Caustic soda prices recorded a moderately even trend in the first few months of 2024, but rose continuously in all regions in the second half of the year, due to relatively stable demand from nickel and aluminum production, coupled with a shortage of supply from diminishing demand for chlorine. Sulfur prices were stable in the first half of 2024 but recorded a significant increase towards year-end due to strong growth in demand for sulfuric acid and fertilizers. In 2025, the chemical markets relevant to the Group recorded predominantly stable prices overall, with the Group's chemical costs largely in line with budget. Caustic soda prices initially increased in the first half of 2025 due to strong demand, but markets stabilized in the final two quarters of the year, which was also partly reflected in lower prices. Sulfur prices increased significantly over the course of 2025 across all regions, driven by a tightening of sulfur supply. In H1 2026, sulfur and sulfur-related products experienced significant price increases across all regions, driven by supply concerns and demand from the fertilizer and industrial sectors, and rising as much as threefold year-to-date in certain cases. The caustic soda market experienced a tighter supply situation at the beginning of the second quarter of 2026, with prices increasing due to higher energy costs affecting chlor-alkali production, as well as temporary feedstock constraints in certain regions; as market conditions gradually improved and supply availability increased, prices reduced towards the end of the second quarter. The disruption to the Strait of Hormuz further affected the broader chemicals market, and procurement costs for a number of strategic raw materials increased during the latter part of H1 2026 as a result.

With the exception of minimal corrections, the Chinese import price for DWP rose continuously over the course of 2024 and, at USD 970 per tonne as of December 31, 2024, stood 10% higher than at the start of the year. DWP decoupled from the declining trend in hardwood pulp prices, as limited supply encountered high demand from fiber manufacturers. The price premium for DWP reached an unusually high level of USD 425 per tonne at the end of 2024. In 2025, the Chinese import price for DWP came under pressure in the first half of the year before stabilizing. At USD 785 per tonne as of December 31, 2025, it was 19% lower than at the start of the year. Rising supply, primarily due to capacity expansions in South America, and the premium in relation to paper pulp, which made switching from paper pulp to DWP attractive for some producers, led to price concessions by DWP producers. The price premium for DWP decreased to approximately USD 223 per tonne at the end of 2025. In H1 2026, the Chinese import price for DWP was firm, stepping up 14% to USD 898 per ton, supported by robust downstream demand from steadily high operating rates at viscose production plants, notwithstanding supply disruptions in South East Asia. Improving viscose fiber prices also mitigated pressure on DWP prices. Prices for hardwood-based paper pulp increased too, but at a lower rate, and the price premium for DWP over hardwood-based paper pulp increased to USD 293 per ton. However, towards the end of the second quarter of 2026, buyers increasingly resisted further price increases because of rising chemical costs and limited room for additional downstream price hikes (source: CCF Group).

Wood markets in Europe stabilized further in 2024 due to lower industrial demand for wood, lower energy prices and the associated lower consumption of biomass, with wood prices falling accordingly. The situation on timber markets in Europe was essentially stable in 2025 despite lower supply, supported by weaker industrial demand for wood and partially lower energy prices reducing biomass consumption, although the availability of spruce tightened in the fourth quarter of 2025. The Iran conflict created significant disruption in the European timber markets in H1 2026. Sawmill operators were forced to curtail cutting activity following the effective closure of a key export market (Middle East) for sawn goods, which in turn substantially reduced sawmill chip availability and depressed broader wood harvesting activity. As a consequence, pulpwood markets in Europe experienced constrained supply and upward price pressure during the period, adversely affecting the cost and availability of industrial wood, which is an essential input for the Group's products.

More generally, the Group is actively working to make itself less dependent on global energy markets via its strategic transition to green energy, including its own photovoltaic systems, and various efficiency initiatives such as the usage of energy surpluses from the production of DWP for the production of WBF. The Group has also concluded several long-term power purchase agreements for electricity generated from renewable energy sources in order to achieve its climate targets and hedge against fluctuations in prices. These measures may not always be sufficient to mitigate the risks to the Group of volatile raw material and energy prices, however, and the Group expects that volatile prices for raw materials and energy will continue to have both positive and negative impacts on the Group's cost of sales and profitability. See "*3.1.3 The Group's business, which depends on the timely availability of raw materials and energy at reasonable prices, is currently facing, and may continue to face, delays, shortages and price volatility as a result of global supply chain disruptions.*"

10.5.2 Demand for WBF

The Group's sales depend on the global market demand for and supply of WBF, which is driven in turn by the needs of the textile and nonwovens industry which relies on these fibers for a wide range of applications, including clothing, medical and hygiene products. Although the Group also sells DWP and biorefinery products, such sales are significantly smaller than its WBF sales. In addition, such pulp is used, both by the Group and its external pulp customers, for the production of WBF. Therefore, demand for DWP is also dependent on demand for WBF.

Sentiment in the textile and nonwovens industry is significantly influenced by developments in the wider global economy. In 2025, the IMF reported stable global economic growth of 3.3%, which remains below the pre-crisis average of 3.7% for the years 2000–2019. The U.S. economy recorded solid growth of 2.1% driven by technology investment, the Eurozone recorded moderate growth of 1.4% held back by structural weaknesses and subdued industrial production, and China achieved growth of 5.0% supported by stimulus measures. The textile and apparel industry experienced weak demand and declining new order intake in 2025, with capacity utilization remaining at low levels throughout the year. In the first half of 2025, stocks rose significantly along the entire value chain, as retailers and brands, particularly in the USA, accumulated stocks through earlier deliveries and faster transportation in anticipation of higher U.S. tariffs. In the third quarter, stock levels remained elevated due to more cautious demand and strategic stockpiling. Global apparel sales grew only slightly in 2025 when adjusted for price effects.

Global fiber production rose by slightly more than 4% to reach a level of 133 million tons in 2025, according to initial estimates, slightly above the long-term average. Growth was primarily attributable to higher

production of polyester and lyocell fibers in China, as well as a particularly strong cotton harvest in the 2024/25 season. While global production of viscose fibers largely stagnated, the output of lyocell and modal fibers rose by a double-digit percentage rate. As a result of the subdued market environment, the Fiber Division's revenue reached EUR 1.9 billion in 2025, with fiber sales volumes decreasing to approximately 904,000 tons compared with approximately 960,000 tons in 2024. The Group's revenue decreased by 2.3% year-on-year to EUR 2.6 billion in 2025, primarily due to reduced fiber sales volumes and lower prices for fibers and pulp (source: The Fiber Year 2026; Company Internal Analysis**)**. Nonwoven fibers continued to represent a strategically important and growing business segment for the Group, supported by the global fight against plastic pollution and associated regulatory tailwinds including the EU Single-Use Plastics Directive, the upcoming UK ban on plastics in wet wipes and the U.S. Wipes Act, which was passed by the House of Representatives and forwarded to the Senate in June 2025.

In 2024, the global economy expanded at a rate of 3.2%, according to the IMF, continuing to stand below the pre-Covid period average. The U.S. economy performed well with growth of 2.8%, mainly thanks to strong domestic demand, while the Eurozone recorded growth of 0.8 %. Chinese economic growth of 4.8% fell short of both expectations and the government's target, slowed by weak domestic consumption and the ongoing crisis in the real estate market. Although demand along the textile and apparel value chain improved slightly year-on-year in 2024, this was at least partly attributable to accelerated purchasing effects in anticipation of higher trade barriers, particularly towards year-end. Prices remained under pressure and most market participants continued to view the business situation negatively. Global retail apparel sales in 2024 reported hardly any year-on-year change. While demand stagnated in China and even decreased in Europe, it proved to be more stable than expected in the USA. Following a reduction in stock levels in the clothing retail sector over the course of 2023, stocks were built up again in 2024, partly due to orders being brought forward in light of the threat of U.S. import tariffs.

Global fiber production rose by slightly more than 3% to 126 million tons in 2024, in line with the long-term average. The production of wood-based fibers rose by 8% to 8.4 million tons in 2024, reflecting higher capacity utilization at viscose plants and a global increase in lyocell fiber production. The cotton harvest decreased by around 1% to 24.1 million tons during the 2023/24 season, while demand for cotton recovered by just under 6% to reach a level of 25 million tons, causing stocks to reduce by 5% to 18.5 million tons. The Fiber Division's revenue reached EUR 2.03 billion in 2024, with fiber sales volumes growing to approximately 960,000 tons compared with approximately 840,000 tons in 2023. The share of specialty fibers in fiber revenue increased to 92.6%. Revenue grew by 5.7% year-on-year to EUR 2.66 billion in 2024, mainly reflecting a higher level of revenue generated from fibers.

In 2023, the continued impact of the Russia-Ukraine conflict, elevated raw material and energy costs, and persistently subdued consumer sentiment weighed on both the textile industry and the Group's business performance. Stock levels in the clothing retail sector reduced over the course of 2023, reflecting destocking activity across the value chain following the elevated inventory build-up in 2022. Global production of WBF amounted to approximately 7.5 million tons in 2023. The Group's fiber sales volumes amounted to approximately 840,000 tons in 2023, and Group revenue amounted to EUR 2,521.2 million in 2023.

Despite the significant swings in demand for WBF since 2020, the Group believes that a number of structural factors favor long-term positive demand trends, especially for specialty fibers and in particular specialty fibers made from wood. Population growth worldwide and the increase of personal income in emerging markets, particularly in China and India, have increased demand for specialty fibers made from wood. Similarly, increasing awareness of the environmental impact is shifting consumers' preference away from petroleum-based synthetic products to cellulose-based products, because WBF are manufactured from DWP, a self-regenerating natural resource. In addition, recent regulatory trends, including regulations intended to reduce single-use plastics and emissions, tend to favor sustainably produced products. Furthermore, the amount of water used in the production of such wood-based specialty fibers is only approximately 6.0% of that used to grow a comparable amount of cotton (source: Higg MSI Database). As the Group's lyocell fibers only require about one third of the process water needed in its viscose technology, the continuous expansion of the Group's lyocell fibers production (in absolute terms as well as a proportion of its total WBF production) is expected to result in a reduction of the Group's use of process water. In addition, demand for cotton has remained broadly stable and pressure to reduce the amount of pesticides being used might lead to limited available land to grow cotton, which in turn may lead to increased demand for the Group's standard viscose fibers. The Group expects that continued economic development in Asia, and in particular in Indonesia and China, will have a significant impact on demand for WBF.

10.5.3 Pricing of Staple Fibers

The Group's core products are WBF, consisting of specialty and standard fibers, for the textile and nonwoven industry. Sales of the Group's Division Fiber accounted for 73.0% of the Group's total external sales to customers in 2023 and 76.3% in 2024, and 72.9% in 2025 (74.3% in H1 2026). Price movements in these fibers can therefore have a substantial impact on the Group's revenues. The share of specialty fibers in Division Fiber's revenues was 97.1% in H1 2026, compared with 92.0% in 2025, 92.6% in 2024 and 78.9% in 2023, reflecting the Group's continuing shift in production focus towards specialty fibers. As specialty fibers generally carry higher prices than standard fibers, the Group believes that an increasing weighting toward specialty fibers will have a significant positive impact on the Group's overall profitability.

On an industry level, prices for textile WBF and, to a lesser extent, for nonwoven WBF, are cyclical, as they are dependent on global and regional economic conditions. In addition, WBF competes with cotton and synthetic fibers in many submarkets; consequently, price trends for these products also have an influence on prices for the Group's WBF (although the Group's specialty fibers are somewhat more resistant to such price trends) and, thereby, on its revenues and sales volumes. Prices for staple fibers can fluctuate due to numerous macro factors that the suppliers of such products, including the Group, cannot control. An additional factor behind fibers' price movements (especially for standard viscose fibers) is the stock levels of fibers, textiles and nonwovens across the value chain, from fiber producers to textile manufacturers; when stock levels are relatively high, this tends to have a dampening effect on demand for fibers and, therefore, on price levels.

In 2023, staple fiber markets remained under pressure as the destocking activity that began in the second half of 2022 continued across the value chain. Stock levels in the clothing retail sector reduced over the course of 2023, as retailers and brands reduced elevated inventories accumulated in prior periods. Against this backdrop, the Cotlook A index for cotton stood at 91 U.S. cents per pound at the end of 2023. Viscose prices in China ended 2023 at approximately RMB 12,600 per tonne, while polyester staple fiber in China ended the year at RMB 7,325 per tonne. Fiber sales volumes for the Division Fiber amounted to approximately 840,000 tonnes in 2023, with specialty fibers representing 78.9% of fiber revenue. Prices for WBF under the Group's TENCEL™, LENZING™ ECOVERO™ and VEOCEL™ brands remained comparatively more stable than those for standard fibers, reflecting the resilience of the Group's specialty brand positioning.

In 2024, demand along the value chain in the textile and apparel industry improved slightly year-on-year, although this was at least partly due to accelerated purchasing effects in anticipation of higher trade barriers, particularly towards year-end, and prices remained under pressure. Satisfaction with the business situation rose over the course of 2024 but most market participants continued to view the situation negatively. Following the destocking activity in 2023, stocks were rebuilt in 2024, partly due to orders being brought forward in light of the threat of U.S. import tariffs. Cotton prices proved to be very volatile in 2024. While the Cotlook A index started the year at 91 U.S. cents per pound and rose to as high as 107 U.S. cents per pound in February, it fell 14 % over the course of the year to 79 U.S. cents per pound at year-end, following a slight recovery in the autumn. The price of polyester staple fiber in China also decreased over the course of 2024. Although it reached a high of RMB 7,940 per tonne in July due to higher costs for crude oil and intermediate products, it fell to RMB 6,980 per tonne by year-end, representing a reduction of 5%. Viscose prices in China, by contrast, rose by 9% over the course of 2024 to RMB 13,750 per tonne, reflecting high capacity utilization at Chinese viscose plants and low average annual stock levels, indicating an increasing level of equilibrium between supply and demand. The price premium for differentiated specialty fibers under the TENCEL™, LENZING™ ECOVERO™ and VEOCEL™ brands proved comparatively resilient during 2024.

In 2025, the textile and apparel industry experienced weak demand and declining new order intake, with capacity utilization remaining at low levels throughout the year. In the first half of 2025, stocks rose significantly along the entire value chain as retailers and brands, particularly in the USA, accumulated stocks through earlier deliveries in anticipation of higher U.S. tariffs. In the third quarter, stock levels remained elevated due to more cautious demand and strategic stockpiling, with global stocks clearly above pre-crisis levels. The market environment in the textile segment was characterized by subdued demand, particularly in the premium segment, as a consequence of uncertainties triggered by unstable tariff conditions and geopolitical conflicts. Cotton prices were less volatile in 2025 than in the previous year, but remained at a low level. The Cotlook A index started the year at 79 U.S. cents per pound and rose briefly to 81 U.S. cents per pound in the second quarter in anticipation of a potential trade agreement that would have included substantial Chinese cotton imports from the USA, but fell back when that agreement failed to materialize. At year-end, the Cotlook A index stood at 74 U.S. cents per pound, representing a decrease of 6% over 2025. The price of polyester staple fiber in China decreased by 6% over the course of 2025, from RMB 7,030 per tonne to RMB 6,610 per tonne at year-end. Chinese producers operated at high capacity utilization rates, resulting in ample supply, and the high supply of low-priced Chinese polyester staple fibers also led to a rise in exports, increasing competitive

pressure on other fiber types including WBF. Viscose prices in China followed a downtrend in 2025, ending the year 7 % below their level at the start of the year at RMB 12,720 per tonne, despite a brief seasonal recovery in February and September. Despite the reduced prices, the economic situation of manufacturers without backward integration improved in China, as production costs declined even more sharply than market prices. The price premium for the Group's differentiated specialty fibers under the TENCEL™, LENZING™ ECOVERO™ and VEOCEL™ brands, compared to commodity fibers, proved to be comparatively resilient, although prices for the Group's fibers also declined over the course of the year. Fiber sales volumes for the Division Fiber amounted to approximately 904,000 tonnes in 2025, compared with approximately 960,000 tonnes in 2024.

In H1 2026, staple fiber markets were shaped by heightened volatility following the outbreak of the Iran conflict, with cotton, polyester and viscose fiber prices in China all trending higher. The Cotlook A index ended H1 2026 at 85 U.S. cents per pound, 15% higher than at the start of the year, while polyester staple fiber prices in China closed the period 10% higher at RMB 7,250 per tonne. Viscose fiber prices in China rose approximately 12% to RMB 14,220 per tonne, benefiting from higher prices for competing fibers as well as higher costs for dissolving wood pulp and sulfur-based chemicals. The Chinese viscose market remained well-balanced, as indicated by historically low inventory levels despite consistently high production capacity utilization. Prices for the Group's premium fibers under its TENCEL™, LENZING™ ECOVERO™ and VEOCEL™ brands rose slightly, reflecting increased input costs, and the Group continued to achieve a comparatively resilient price premium for its differentiated fibers.

Within H1 2026, fiber sales volumes and pricing showed diverging quarterly patterns. Fiber sales volumes in the three months ended June 30, 2026 ("**Q2 2026**") were broadly stable and slightly above the three months ended March 31, 2026 ("**Q1 2026**") and the three months ended June 30, 2025 ("**Q2 2025**") levels, in a market environment that remained challenging. Average fiber sales prices rose in both USD and EUR terms in Q2 2026 compared with Q1 2026 and Q2 2025, reflecting a more favorable product mix and firmer pricing, although still below the levels prevailing in H1 2025. In Division Pulp, DWP production volumes were steady across H1 2026 with only a slight sequential dip in Q1 2026, while third-party DWP sales volumes fluctuated between quarters consistent with normal seasonal patterns. Average DWP sales prices improved over the course of H1 2026, reflecting a structurally short DWP market.

10.5.4 Strategic Realignment and Performance Programs

In July 2026, the Group announced a fundamental strategic realignment under the priorities "Grow Nonwovens, Reset Textiles", reflecting the Group's assessment that the wood-based fiber market has undergone structural, not merely cyclical, change. In particular, the Group has identified persistent overcapacity in textile fibers, a slower-than-anticipated recovery in textile market pricing, a narrowing of premium value capture as end-consumers in certain cases have proven less willing to pay for sustainability-led product differentiation, and the continued advancement of Asian fiber producers on scale, cost and quality as structural features of the market that require a fundamental repositioning rather than incremental adjustments.

The Group's strategy in textiles is to maximize margin on a lower volume base by concentrating on segments where innovation, performance and sustainability are key purchasing criteria. The Group's nonwovens business also represents a primary growth vector of its strategic realignment. The focus is on expanding the existing portfolio and developing next-generation fibers for nonwovens applications, especially in the attractive hygiene segment.

As part of its strategic realignment, the Group plans to consolidate its global fiber production footprint from nine manufacturing sites in 2026 to six by 2028, concentrating capital on the assets with what the Group sees as the strongest long-term return profiles and addressing the cross-subsidization of underperforming sites that has adversely impacted overall Group profitability and asset efficiency. The Group plans to phase out fiber production at Heiligenkreuz, Austria by the end of the first quarter of 2027 and at Grimsby, United Kingdom by the end of 2027, and is concurrently running an active sale process for PT. South Pacific Viscose in Purwakarta, Indonesia. The Group expects the footprint consolidation to result in a structurally lower and more capital-efficient operating base, with non-cash impairment losses of up to EUR 150 million (which represents the approximate book value of the assets excluding land) and restructuring provisions of up to EUR 40 million (based on current management calculations) expected to be recognized in 2026 as one-time items. The Group believes that working capital and scrap value of the sites will broadly offset cash deconstruction costs.

The Group also continuously optimizes its processes and structures and seeks ways to improve its cost base. Efficiency and cost control are critical to maintaining profitability in the highly competitive WBF industry. Since 2022, the Group has implemented a series of successive performance and cost reduction programs. A reorganization program initiated in 2022 delivered cost savings of more than EUR 70 million compared to the 2022 cost base by the end of 2023. A subsequent Value Creation Program delivered cumulative cost savings of

more than EUR 200 million compared to the 2023 baseline by the end of 2025. In July 2026, the Group launched a further sharpened performance program targeting EUR 120 million in savings versus 2025 actuals, expected to reach full run-rate effect by the end of 2027 (the "**2026 Performance Program**"). The 2026 Performance Program comprises three components: (i) personnel cost savings of approximately EUR 45 million through a reduction of up to approximately 600 full-time equivalents, predominantly in administrative and selling, general and administrative ("**SG&A**") functions across the Group, of which EUR 25 million in annualized savings had already been previously implemented in H1 2026 through a headcount reduction of 267; (ii) approximately EUR 40 million of additional SG&A cost savings through organizational rightsizing; and (iii) approximately EUR 35 million of operational savings from improving site competitiveness and energy cost optimization. As a result of the 2026 Performance Program and the Group's strategic realignment to close certain production sites, the Group's global workforce is expected to decrease significantly from approximately 8,100 employees (approximately 7,700 full-time equivalents) at the end of 2025 until the end of 2027.

10.5.5 Trading working capital

The Group manages trading working capital to improve capital efficiency and cash generation. The Group's holistic performance program (see "*10.5.4 Strategic Realignment and Performance Programs*") aims to improve EBITDA and generate free cash flow in part through targeted trading working capital management. The Group views working capital optimization, and inventory management in particular, as an ongoing area of management focus and a component of its broader performance program.

Trading working capital amounted to EUR 551.1 million (21.0% to annualized Group revenue) as of December 31, 2023, EUR 578.0 million (20.5% to annualized Group revenue) as of December 31, 2024, and EUR 453.4 million (18.0% to annualized Group revenue) as of December 31, 2025. In response to a challenging market environment characterized by subdued demand and falling market prices for staple fibers, particularly in the second half of 2025, the Group adjusted its production capacities in order to improve the trend in its trading working capital and strengthen its cash flow, resulting in a 21.6% decrease in trading working capital to EUR 453.4 million in 2025. This contributed to a significant increase in liquid assets as of 2025 in comparison with 2024.

As of June 30, 2026, trading working capital amounted to EUR 460.0 million, compared with EUR 453.4 million as of December 31, 2025, corresponding to a decrease in trading working capital to annualized Group revenue from 18.0% to 17.6% over the same period. Since 2023, trading working capital as a percentage of annualized revenue has therefore decreased significantly. In H1 2026, this improvement was primarily driven by a reduction in inventories, which decreased by EUR 138.0 million, or 22.0%, year-on-year to EUR 496.7 million as of June 30, 2026, reflecting targeted inventory optimization across both the Group's fiber and DWP businesses, consistent with the Group's broader working capital management initiatives that also contributed to the improvement in cash flow from operating activities in H1 2026. Trade receivables and trade payables each remained relatively stable over the same period.

As part of its working capital management, the Group engages in factoring and reverse factoring (supplier finance) arrangements, which are a key tool for managing the Group's liquidity. Trade payables subject to the Group's reverse factoring arrangements are not derecognized and therefore remain reflected in trading working capital in full. By contrast, trade receivables sold under the Group's factoring arrangements and under the sale of receivables secured by letters of credit are derecognized from the Group's consolidated statement of financial position once sold, and are therefore not reflected in trading working capital to the extent so derecognized; any retained interest in such receivables is instead recognized as a current financial asset outside of trading working capital. For further information, see Notes 31 and 35 to the Audited Consolidated Financial Statements.

10.5.6 Changes in Currency Exchange Rates

Cash flows from capital expenditures and the operating business as well as investments and financing in foreign currencies expose the Group to currency risks. Given that the functional currency of the Group's subsidiaries is the currency of the primary economic environment in which the respective subsidiary operates (except for certain Group subsidiaries for which the functional currency is the U.S. dollar), the Group generates a significant portion of its sales in currencies other than its reporting currency, the euro, in particular the U.S. dollar, Brazilian real, Indonesian rupiah, Czech koruna and Chinese yuan. Changes in exchange rates between the euro and foreign currencies to which the Group is exposed can have an impact on its consolidated financial statements when the revenues, costs, liabilities or other items denominated in such foreign currencies are translated into euro. In 2025, net foreign currency losses of EUR 15.7 million were recognized in other operating expenses and EUR 22.1 million in income from financial assets, reflecting the significant appreciation of the

euro against the U.S. dollar over the course of 2025, compared with net foreign currency gains of EUR 10.2 million in other operating income and EUR 7.4 million in financial assets in 2024.

The Group hedges its currency risks if they influence the Group's cash flows. In the operating business, the individual Group companies are exposed to currency risk in connection with planned incoming and outgoing payments outside their functional currency. Forward foreign exchange contracts, which are recognized at fair value, are used to hedge the exchange rate risk from foreign currency positions arising from expected future transactions in foreign currencies by Group companies.

These derivative financial instruments are carried at fair value. In the case of changes in fair value of cash flow hedges, unrealized gains and losses are initially recognized directly in equity and affect profit or loss of the period at the time when hedged transactions are realized. For companies with the same foreign currency, the respective net foreign currency exposures are calculated for the following sales year as part of the budgeting process. Foreign currency purchases and sales are aggregated into separate groups for each currency. The Group's hedging strategy aims to hedge up to 80% of budgeted net exposures of material subsidiaries on a quarterly rolling basis for the next four quarters and up to 40% of budgeted net exposures for the following four quarters. Approximately 49% of the budgeted net exposure for the following financial year was hedged for USD/BRL, the dominant currency pair in the Group, as at December 31, 2025 (December 31, 2024: USD/BRL approximately 45%).

See also "*3.2.2 The Group's international operations expose it to foreign exchange rate risk which may result in volatility in the Group's results*."

10.5.7 Capital Expenditures and Other Investment Activities

Following the completion of its major capacity expansion programs in Brazil and Thailand, the Group's investment activities in the period from 2023 to 2025 focused on the finalization of specialty fiber conversion projects in China and Indonesia, operational excellence, decarbonization and targeted strategic expansions.

Capital expenditures on intangible assets, property, plant and equipment and biological assets decreased significantly to EUR 153.8 million in 2024, compared with EUR 267.8 million in 2023, reflecting the completion of the major investment programs and a focused approach to maintenance and license-to-operate projects as part of the Group's performance program. In 2025, capital expenditures decreased further to EUR 141.1 million, with the Group continuing to focus on maintenance and license-to-operate projects as well as projects to enhance efficiency and reduce costs. The amount of the Group's capital expenditures for 2023 presented in this paragraph has been derived from the 2024 Audited Consolidated Financial Statements and therefore (i) does not reflect the new format adopted by the Group since the second quarter of 2025, and (ii) are not directly comparable to the amount of the Group's capital expenditures for 2024 described in this paragraph. For more information, see "*10.6 Factors Affecting Comparability of the Group's Cash Flows*".

Since 2021, the Group invested more than EUR 200 million in its production sites in Nanjing, China and Purwakarta, Indonesia to convert existing capacities for generic viscose into capacities for specialty fibers, with completion of both investment projects achieved in 2023. Final payments for these projects were included in the 2024 capital expenditures. Following the conversion, the Nanjing site produces specialty fibers exclusively. In 2025, the installation and commissioning of a new natural gas pipeline and related equipment at the Nanjing site marked a further significant step towards the transition from coal-based steam generation to a system based entirely on natural gas, at an investment cost of approximately EUR 30 million. Once fully established by 2027, greenhouse gas emissions are expected to be reduced by 100,000 tons compared to 2021.

The Group is realizing strategic investments of approximately EUR 100 million (including the EUR 8 million of investments committed in June 2026, as mentioned below) in its Austrian site at Lenzing an der Ager in order to secure its long-term competitiveness.

The Group's EUR 24 million wastewater treatment plant at its Grimsby, United Kingdom production site was fully commissioned in 2025, with wastewater emissions expected to be reduced by up to 80% (noting this site is planned to be closed by 2027). At its Mobile, USA production site, the Group replaced existing gas boilers with more energy-efficient models at an investment of approximately EUR 12 million, completed in 2025, with the new boilers estimated to save approximately 8,000 tons of CO_2 emissions per year. In the nonwovens segment, the Group announced at the end of 2025 an investment of EUR 15 million to expand nonwoven fiber production capacities at its Lenzing an der Ager site, focusing on VEOCEL™ Viscostar fibers particularly suitable for feminine hygiene products.

In H1 2026, capital expenditures amounted to EUR 62.3 million, compared with EUR 61.3 million in H1 2025, broadly stable year-on-year and reflecting the Group's continued disciplined approach to capital

spending as part of its performance program. The Group committed investments of an additional EUR 8 million in June 2026 to increase nonwovens production capacity at its core manufacturing site in Lenzing an der Ager, Austria. The focus is on expanding the existing portfolio and developing next-generation fibers for nonwovens applications, especially in the attractive hygiene segment. The Group is also strategically upgrading its Mobile, Alabama, United States production facility into a state-of-the-art specialty nonwovens site.

The Group believes that its targeted investment approach, combining operational excellence initiatives, decarbonization projects and selective capacity expansions in high-growth segments, will support its strategy realignment and contribute positively to its financial results and profitability going forward.

10.5.8 Performance of Asian Markets

The Group's results of operations have historically been, and the Group expects they will continue to be, significantly influenced by its performance in Asia. Sales in Asia represented 62.0% and 59.0% of the Group's revenue in 2023 and 2024, respectively, and 60.8% in 2025 (57.8% in H1 2026). This is largely because Asia is a global textiles manufacturing and clothing exports hub. China, Türkiye, India, Pakistan and Bangladesh continued to be the most important direct sales markets for the Group's textile fibers in 2024, and in 2025. Generally strong demand for WBF in Asia correlates with strong revenue growth for the Group, and vice versa.

In 2024, demand along the textile and apparel value chain in Asia improved slightly year-on-year, although this was at least partly due to accelerated purchasing effects in anticipation of higher trade barriers, particularly towards year-end, and prices remained under pressure. In 2025, the textile and apparel industry experienced weak demand and declining new order intake, with capacity utilization remaining at low levels. In the first half of 2025, stocks rose significantly along the entire value chain, as retailers and brands accumulated stocks in anticipation of higher U.S. tariffs, before more cautious ordering returned in the second half of the year. The market environment in the textile segment in 2025 was characterized by subdued demand, particularly in the premium segment, as a consequence of uncertainties triggered by unstable tariff conditions and geopolitical conflicts. The Group's Asia revenue nonetheless remained broadly stable in absolute terms across the period: EUR 1,563.4 million in 2023 and EUR 1,571.5 million in 2024, and EUR 1,581.9 million in 2025.

In addition, the Group believes that long-term trends in Asia, such as projections of population growth and increases in personal income in emerging markets such as China and India favor continued growth in demand for clothing, care products and other applications for which WBF are well suited. Furthermore, an increase in demand for textiles and nonwovens in other regions in the world (*e.g.*, Europe or America) would likely also increase demand for WBF from Asian textile manufacturers given Asia's central role in global textiles manufacturing and clothing exports. These trends would support long-term growth in demand for the Group's WBF as well as its DWP, therefore contributing to positive long-term growth in the Group's revenues. See "*3.1.16 Asian markets may not develop as anticipated, and increasingly aggressive Chinese competitors may limit the Group's growth and gain market share at its expense*."

10.5.9 Significant debt financing and associated effects

The Group depends on the availability of financing and its profit for the period is materially affected by its financing costs. Accordingly, entering into financing agreements on favorable terms, including the purpose of amending or refinancing its existing financial obligations, is of considerable importance to the Group. As of June 30, 2026, the Group's net financial debt (defined as the Group's interest-bearing financial liabilities (*i.e.*, non-current and current loans and borrowings) less lease liabilities (*i.e.*, non-current and current lease liabilities) less liquid assets (*i.e.*, cash and cash equivalents plus liquid bills of exchange)) amounted to EUR 1,363.3 million. As of June, 30, 2026, the Group's non-current loans and borrowings amounted to EUR 1,620.7 million and its current loans and borrowings (loans and borrowings due within one year) amounted to EUR 528.5 million. Servicing such financial liabilities requires significant and regular payments by the Group of principal and interest. As of December 31, 2025, the Group had contractually agreed (undiscounted) interest and principal payments for financial liabilities (consisting of bonds, private placements, bank loans, loans from other lenders and lease liabilities) which comprised expected cash flows of EUR 630.5 million in 2026, EUR 1,346.8 million from 2027 to 2030, and EUR 905.7 million from 2031 onwards (floating rate interest payments were calculated on the basis of the last interest rates set before the reporting date, for further information, see *Note 37* to the 2025 Audited Consolidated Financial Statements). The timing of the Group's cash outflows for contractually agreed (undiscounted) interest and principal payments may be subject to change as a consequence of amendments to its financing agreements. Furthermore, some of these financing agreements contain a number of covenants, including financial covenants, which limit the Group's financial and operational flexibility.

From time to time the Group may seek amendments to certain of its financing agreements in order to reduce the impact of specific covenants or other restrictions under such agreements on the Group's financial and operational flexibility. The lenders under these financing agreements may not agree to such amendment

requests, or they may do so only in exchange for specified concessions by the Group. In some cases, the lenders under the Group's financing agreements may agree to amendments which have the effect of deferring or otherwise reducing the Group's obligation to pay interest, principal or other amounts payable under the financing agreement in question, which can have a positive impact on the Group's cash flows, whereas in other cases such lenders may agree to amendments which reduce other burdens on the Group in exchange for an increase, or step-up, in the Group's payment obligations under the relevant loan, which can have a negative impact on the Group's cash flows.

In parallel to its preparations for the Offering, the Group is in the process of finalizing a financing package with its lenders of up to approximately EUR 300 million. The financing package comprises an upsizing of the Group's existing senior facilities agreement by EUR 145.0 million and of its revolving credit facility by EUR 5.0 million entered into on September 14, 2026. Effectiveness of the amended and restated senior facilities agreement and the ability to make draw-downs thereunder, are subject to the condition that the Offering is successfully completed. In addition, the Company is in discussions on a *OeKB Vorratsinvest* loan agreement (instrument to finance inventory for export) in a planned amount of EUR 150.0 million expected to be entered into at market interest rates with a term of four years, subject to the settlement of the issuance of the Offered Shares. The financing package, together with the net proceeds from this Offering, is intended to provide the Group with sufficient headroom to proactively address near-term debt maturities and to support the implementation of its strategic transformation. See also "*3.1.4 The Group has a high level of financial debt due to significant borrowings and other financial liabilities, the amount and terms of which limit its financial and operational flexibility, including its ability to refinance indebtedness and pay dividends. If the Group is unable to comply with the financial and other restrictive covenants in its financing agreements, or does not complete or receive the proceeds from the Offering and/or is unable to obtain adequate financing in the future for the purpose of refinancing its existing indebtedness, there could be a default or event of default under such financing agreements.*" and "*11.21.4 Financing Agreements*". As a result of the financing package, the Group expects a significant increase in cash inflows from financing activities due to an increase in loans and borrowings as well as increased interest expenses.

For further information on the Group's financial liabilities and their development over the periods under review, see "*10.11.1 Financial Liabilities*".

10.6 Factors Affecting Comparability of the Group's Cash Flows

From the second quarter of 2025, the Group voluntarily changed the presentation of its consolidated statement of cash flows in order to enhance the transparency of the information on the Group's financial position. As a result, certain items were reallocated between cash flow from operating activities, cash flow from investing activities and cash flow from financing activities. In order to present the prior year 2024 financial information within the 2025 Audited Consolidated Financial Statements on a comparable basis, the Group retroactively adjusted its consolidated statement of cash flows (including its CAPEX and free cash flow figures) for the prior year 2024 in the 2025 Audited Consolidated Financial Statements in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The Group's consolidated statement of cash flows (including its CAPEX and free cash flow figures) for 2024 presented in this Prospectus have been derived from the restated prior year figures included in the 2025 Audited Consolidated Financial Statements. As a result, the Group's consolidated statement of cash flows (including its CAPEX and free cash flow figures) for 2024 presented in this Prospectus do not correspond to the consolidated statement of cash flows (including the CAPEX and free cash flow figures) presented in the 2024 Audited Consolidated Financial Statements. For more information, see *Note 2* to the 2025 Audited Consolidated Financial Statements. The Group's consolidated statement of cash flows (including its CAPEX and free cash flow figures) for 2023 presented in this Prospectus have been derived from the prior year figures included in the 2024 Audited Consolidated Financial Statements and therefore do not reflect the new format adopted by the Group since the second quarter of 2025. The Group's consolidated statement of cash flows (including its CAPEX and free cash flow figures) for 2023 are therefore not directly comparable to the Group's consolidated statement of cash flows (including its CAPEX and free cash flow figures) for the other periods presented in this Prospectus.

10.7 Explanation of Income Statement Items

Revenue results exclusively from contracts with customers in accordance with IFRS and comprises all income generated by the typical business activities of the Group.

Cost of sales mainly relates to the cost of materials and other purchased manufacturing services, gains and losses from changes in the fair value of biological assets, personnel expenses, depreciation and amortization and other operating expenses, in particular expenses for maintenance and repair, other third-party services and expenses for waste disposal. The cost of materials comprises primarily the input factors consumed, *i.e.*, pulp

(and wood for the internal production of pulp), key chemicals (particularly caustic soda, carbon disulfide and sulfuric acid) and merchandise. The cost of purchased services is related mainly to the consumption of energy. The cost of the raw material and supplies consumed during the year is based on the weighted average cost method.

Selling expenses mainly relate to personnel expenses and other operating expenses, particularly expenses for outbound freight as well as rental and leasing expenses.

Administrative expenses mainly relate to personnel expenses and other operating expenses, in particular legal, audit and consulting expenses.

Research and development expenses mainly relate to personnel expenses and other operating expenses, in particular production costs for trial runs and filing and defense costs for patents and trademarks. Research and development expenses include amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets and income from the release of investment grants.

Other operating income includes income from green energy bonus, income from recharging of services and other products, income from the reversal of deferred income for emission certificates and from subsidies and the sale of emission certificates, rental income, foreign currency gains, compensation and sundry.

Other operating expenses mainly relate to losses from the disposal of property, plant and equipment and foreign exchange effects.

Income from investments accounted for using the equity method corresponds to the Group's share of the current earnings of associates and joint ventures.

Income from non-current and current financial assets consists of interest income from bank balances, originated loans and receivables, income from dividends for equity instruments measured at fair value through other comprehensive income, measurement of financial assets at fair value through profit or loss, net foreign currency gains/losses from financial assets, measurement and loss from the disposal of financial assets at amortized costs, and measurement and loss from the disposal of financial assets at fair value through profit or loss.

Financing costs comprise net foreign currency gains/losses from financial liabilities, interest expense from bonds and private placements, interest expense for bank loans, other interest and similar expenses, and capitalized borrowing costs for property, plant and equipment and biological assets.

Income tax expense includes current income tax expense as well as income/expense from deferred taxes (changes in deferred tax assets and deferred tax liabilities).

10.8 Results of Operations

10.8.1 H1 2026 Compared to H1 2025

The table below sets forth the Group's condensed consolidated income statement and the period-on-period percentage of change for H1 2026 and H1 2025.

	Six Months Ended June 30,		
	2026	**2025**	**Change in %**
		(unaudited)	
	(EUR millions)		
Revenue	**1,267.5**	**1,341.1**	**(5.5)%**
Cost of sales	(1,036.4)	(1,070.8)	(3.2)%
Gross profit	**231.1**	**270.3**	**(14.5)%**
Other operating income	74.6	76.8	(2.9)%
Selling expenses	(139.4)	(139.6)	(0.1)%
Administrative expenses	(63.9)	(65.0)	(1.7)%
Research and development expenses	(18.2)	(14.2)	28.2%
Other operating expenses	(0.5)	(19.3)	(97.4)%
Earnings before interest and tax (EBIT)	**83.7**	**109.0**	**(23.2)%**
Result from investments accounted for using the equity method	(0.2)	(2.0)	90.0%

	Six Months Ended June 30,		
	2026	**2025**	**Change in %**
		(unaudited)	
	(EUR millions)		
Result from non-current and current financial assets and liabilities.	28.1	(10.9)	—%
Financing costs	(69.1)	(74.1)	(6.7)%
Financial result	**(41.2)**	**(87.0)**	**(52.6)%**
Earnings before tax (EBT)	**42.6**	**22.1**	**92.8%**
Income tax expense	(6.9)	(6.9)	0.0%
Net profit/loss after tax	**35.6**	**15.2**	**134.2%**

10.8.1.1 *Revenue*

The Group's revenue decreased by EUR 73.6 million, or 5.5%, to EUR 1,267.5 million in H1 2026 from EUR 1,341.1 million in H1 2025. The decrease was primarily driven by a scale-down of low-margin fibers and consequently reduced fiber production, together with a lower sales price for external pulp sales compared to H1 2025. The overall market in H1 2026 was characterized by higher raw material, energy and logistics costs as a result of subdued demand and increasing fiber production capacity in the textile industry, as well as continued geopolitical tensions and tariff effects.

The table below sets forth the Group's revenue from external customers by geographic region and the period-on-period percentage of change for H1 2026 and H1 2025.

	Six Months Ended June 30,		
	2026	**2025**	**Change in %**
		(unaudited)	
	(EUR millions)		
Austria	49.0	43.8	11.9%
Europe (excl. Austria, incl. Türkiye)	330.0	377.7	(12.6)%
Asia	732.0	780.1	(6.2)%
America	151.1	130.4	15.9%
Rest of the world	5.4	9.0	(40.0)%
Revenue	**1,267.5**	**1,341.1**	**(5.5)%**

The decrease in revenue from external customers in H1 2026 was primarily driven by reduced fiber production and lower pulp prices to external customers, especially in Europe and Asia.

10.8.1.2 *Revenue by segment*

The table below sets forth the Group's revenue from external customers by segment and the period-on-period percentage of change for H1 2026 and H1 2025.

	Six Months Ended June 30,		
	2026	**2025**	**Change in %**
		(unaudited)	
	(EUR millions)		
Division Fiber	941.2	1,008.4	(6.7)%
Division Pulp	324.8	331.0	(1.9)%
Division Others	1.5	1.6	(6.3)%
Revenue	**1,267.5**	**1,341.1**	**(5.5)%**

Division Fiber revenue from external customers decreased by EUR 67.2 million, or 6.7%, to EUR 941.2 million in H1 2026 from EUR 1,008.4 million in H1 2025. The decrease was primarily driven by the ongoing impact of the deterioration in the market environment that led to a lower average price of fibers sold and a lower volume of fibers sold, which decreased from approximately 462,000 tons in H1 2025 to approximately 440,000 tons in H1 2026. 63.3% of the Division Fiber external revenue in H1 2026 was attributable to textile fibers and 36.7% to fibers for nonwovens and special applications.

Division Pulp revenue from external customers decreased by EUR 6.2 million, or 1.9%, to EUR 324.8 million in H1 2026 from EUR 331.0 million in H1 2025. The decrease was primarily driven by lower pulp prices to external customers during portions of the period.

Division Others revenue decreased by EUR 0.1 million, or 6.3%, to EUR 1.5 million in H1 2026 from EUR 1.6 million in H1 2025.

In addition to selling fiber and DWP to external customers, the Group's Division Fiber and Division Pulp also make sales on an inter-segment basis to each other, particularly in the case of DWP sold by Division Pulp to Division Fiber. These sales are eliminated upon consolidation. The tables below set forth the Group's total revenue by segment for H1 2026 and H1 2025 before and after such inter-segment eliminations.

	Six Months Ended June 30, 2026					
	Division Fiber	**Division Pulp**	**Division Others**	**Segment total**	**Reconciliation**	**Group**
			(unaudited)			
			(EUR millions)			
Revenue from external customers	941.2	324.8	1.5	1,267.5	0.0	1,267.5
Inter-segment revenue	0.4	275.4	0.1	275.9	(275.9)	0.0
Total revenue	**941.7**	**600.2**	**1.5**	**1,543.4**	**(275.9)**	**1,267.5**

	Six Months Ended June 30, 2025					
	Division Fiber	**Division Pulp**	**Division Others**	**Segment total**	**Reconciliation**	**Group**
			(unaudited)			
			(EUR millions)			
Revenue from external customers	1,008.4	331.0	1.6	1,341.1	0.0	1,341.1
Inter-segment revenue	0.1	358.5	0.0	358.6	(358.6)	0.0
Total revenue	**1,008.5**	**689.5**	**1.6**	**1,699.7**	**(358.6)**	**1,341.1**

10.8.1.3 *Cost of sales*

The Group's cost of sales decreased by EUR 34.4 million, or 3.2%, to EUR 1,036.4 million in H1 2026 from EUR 1,070.8 million in H1 2025. The decrease was primarily driven by lower sales volumes, reflecting the scale-down of low-margin fibers and the resulting reduction in fiber production, together with a favorable swing in the fair value remeasurement of biological assets included in cost of sales, which amounted to a gain of EUR 23.7 million in H1 2026 compared with a gain of EUR 12.5 million in H1 2025, only partly offset by higher input costs, including higher raw material, energy and logistics costs.

10.8.1.4 *Other operating income*

The Group's other operating income decreased by EUR 2.2 million, or 2.9%, to EUR 74.6 million in H1 2026 from EUR 76.8 million in H1 2025. The decrease was primarily driven by lower proceeds from the sale of EU emission allowances, largely offset by a bargain purchase gain recognized in H1 2026 in connection with the business combination involving TreeToTextile AB.

10.8.1.5 *Selling expenses*

The Group's selling expenses decreased to EUR 139.4 million in H1 2026 from EUR 139.6 million in H1 2025.

10.8.1.6 *Administrative expenses*

The Group's administrative expenses decreased by EUR 1.1 million, or 1.7%, to EUR 63.9 million in H1 2026 from EUR 65.0 million in H1 2025. The decrease was primarily driven by the ongoing personnel reduction under the Group's performance programs. For more information on the Group's performance programs, see "*10.5.4 Strategic Realignment and Performance Programs*".

10.8.1.7 *Research and development expenses*

The Group's research and development expenses increased by EUR 4.0 million, or 28.2%, to EUR 18.2 million in H1 2026 from EUR 14.2 million in H1 2025. The increase was primarily driven by continued investment in next-generation cellulose fiber technology following the Group's acquisition of a controlling majority interest in TreeToTextile AB in February 2026.

10.8.1.8 *Other operating expenses*

The Group's other operating expenses decreased by EUR 18.8 million, or 97.4%, to EUR 0.5 million in H1 2026 from EUR 19.3 million in H1 2025. The decrease was primarily driven by foreign exchange effects.

10.8.1.9 *Earnings before interest and tax (EBIT)*

The Group's earnings before interest and tax (EBIT) decreased by EUR 25.3 million, or 23.2%, to EUR 83.7 million in H1 2026 from EUR 109.0 million in H1 2025. The decrease was primarily driven by the Group's revenue decline due to the scale-down of low-margin fibers and reduced fiber production, along with a lower sales price for external pulp, as well as higher input costs and lower average selling prices, only partly offset by stringent cost management and efficiency measures under the Group's performance programs. For more information on the Group's performance programs, see "*10.5.4 Strategic Realignment and Performance Programs*".

10.8.1.10 *Earnings before interest and tax (EBIT) by segment*

The table below sets forth the Group's earnings before interest and tax (EBIT) by segment and the period-on-period percentage of change for H1 2026 and H1 2025.

	Six Months Ended June 30,		
	2026	**2025**	**Change in %**
		(unaudited)	
	(EUR millions)		
Division Fiber	29.8	(41.2)	—%
Division Pulp	88.2	173.6	(49.2)%
Division Others	(30.7)	(32.1)	4.4%
Segment total	**87.2**	**100.3**	**(13.1)%**
Reconciliation	(3.5)	8.7	—%
Earnings before interest and tax (EBIT)	**83.7**	**109.0**	**(23.2)%**

Division Fiber earnings before interest and tax (EBIT) increased by EUR 71.0 million to a gain of EUR 29.8 million in H1 2026 from a loss of EUR 41.2 million in H1 2025. The increase was primarily driven by the stringent cost management and efficiency measures under the Group's performance programs, including headcount reductions, and continued resilience in demand for specialty fibers such as TENCEL™ and LENZING™ ECOVERO™, even as commodity fiber markets remained under pressure.

Division Pulp earnings before interest and tax (EBIT) decreased by EUR 85.4 million, or 49.2%, to EUR 88.2 million in H1 2026 from EUR 173.6 million in H1 2025. The decrease was primarily driven by lower revenues in Division Pulp as well as production constraints at the Group's Paskov production site in Czech Republic, where output was scaled back by approximately 10% due to insufficient wood volumes from the struggling sawmilling industry.

Division Others earnings before interest and tax (EBIT) increased by EUR 1.4 million, or 4.4%, to a loss of EUR 30.7 million in H1 2026 from a loss of EUR 32.1 million in H1 2025.

10.8.1.11 *Result from investments accounted for using the equity method*

The Group's result from investments accounted for using the equity method improved by EUR 1.8 million, or 90.0%, to an expense of EUR 0.2 million in H1 2026 from an expense of EUR 2.0 million in H1 2025. The increase was primarily driven by the deconsolidation of TreeToTextile AB from the equity-method scope following the Group's acquisition of an additional 55.2% interest in February 2026, which gave the Group control over the company and triggered full consolidation.

10.8.1.12 *Result from non-current and current financial assets and liabilities*

The Group's result from non-current and current financial assets and liabilities increased by EUR 39.0 million to an income of EUR 28.1 million in H1 2026 from an expense of EUR 10.9 million in H1 2025. The increase was primarily driven by positive effects from foreign currency valuation.

10.8.1.13 *Financing costs*

The Group's financing costs decreased by EUR 5.0 million, or 6.7%, to EUR 69.1 million in H1 2026 from EUR 74.1 million in H1 2025. The decrease was primarily driven by lower average outstanding loans and borrowings following net debt repayments in H1 2026, compared with H1 2025, when financing costs were elevated in part due to the drawdown of a syndicated term loan.

10.8.1.14 *Financial result*

For the reasons stated above, the Group's financial result decreased in loss by EUR 45.8 million, or 52.6%, to a loss of EUR 41.2 million in H1 2026 from a loss of EUR 87.0 million in H1 2025.

10.8.1.15 *Income tax expense*

The Group's income tax expense remained stable at EUR 6.9 million in H1 2026, compared to EUR 6.9 million in H1 2025.

10.8.1.16 *Net profit/loss after tax*

For the reasons stated above, the Group's net profit after tax increased by EUR 20.4 million, or 134.2%, to EUR 35.6 million in H1 2026 from EUR 15.2 million in H1 2025.

10.8.2 2025 Compared to 2024

The table below sets forth the Group's consolidated income statement and the period-on-period percentage of change for 2025 and 2024.

	Year Ended December 31,		
	2025	**2024**	**Change in %**
	(audited)		*(unaudited)*
	(EUR millions)		
Revenue	**2,602.4**	**2,663.9**	**(2.3)%**
Cost of sales	(2,264.1)	(2,155.8)	5.0%
Gross profit	**338.4**	**508.1**	**(33.4)%**
Other operating income	133.6	61.8	116.3%
Selling expenses	(280.9)	(300.5)	(6.5)%
Administrative expenses	(126.3)	(146.7)	(13.9)%
Research and development expenses	(29.1)	(29.2)	0.0%
Other operating expenses	(17.9)	(4.9)	262.2%
Earnings before interest and tax (EBIT)[(1)]	**17.6**	**88.5**	**(80.1)%**
Result from investments accounted for using the equity method	(3.4)	0.0	—
Result from non-current and current financial assets	(0.7)	33.8	—
Financing costs	(136.0)	(164.3)	(17.2)%
Financial result	**(140.1)**	**(130.5)**	**7.3%**
Earnings before tax (EBT)	**(122.5)**	**(42.0)**	**191.6%**

	Year Ended December 31,		
	2025	**2024**	**Change in %**
	(audited)		*(unaudited)*
	(EUR millions)		
Income tax expense	(12.7)	(96.3)	(86.8)%
Net profit/loss after tax	**(135.2)**	**(138.3)**	**(2.2)%**

Note:

(1) Operating result, resp. earnings before interest and tax.

10.8.2.1 *Revenue*

The Group's revenue decreased by EUR 61.5 million, or 2.3%, to EUR 2,602.4 million in 2025 from EUR 2,663.9 million in 2024. The decrease was primarily driven by reduced fiber sales volumes and lower prices for fibers and pulp. Revenues were also adversely affected by the uncertainty in the textile value chain resulting from international tariff measures as well as subdued demand and falling market prices, particularly in the second half of 2025. Overall, this led the volume of fibers sold to decrease from approximately 960,000 tons in 2024 to approximately 904,000 tons in 2025.

The table below sets forth the Group's revenue from external customers by geographic region and the period-on-period percentage of change for 2025 and 2024.

	For the Year Ended December 31,		
	2025	**2024**	**Change in %**
	(audited)		*(unaudited)*
	(EUR millions)		
Austria	89.0	88.2	0.9%
Europe (excl. Austria, incl. Türkiye)	674.7	751.7	(10.2)%
Asia	1,581.9	1,571.5	0.7%
America	242.5	237.7	2.0%
Rest of the world	14.3	14.9	(4.0)%
Revenue	**2,602.4**	**2,663.9**	**(2.3)%**

The decrease in revenue from external customers in 2025 was primarily driven by reduced fiber sales volumes and lower fiber and DWP prices, only partially compensated by higher pulp sales to external customers.

10.8.2.2 *Revenue by segment*

The table below sets forth the Group's revenue from external customers by segment and the period-on-period percentage of change for 2025 and 2024.

	For the Year Ended December 31,		
	2025	**2024**	**Change in %**
	(audited)		*(unaudited)*
	(EUR millions)		
Division Fiber	1,897.8	2,033.0	(6.7)%
Division Pulp	701.6	627.6	11.8%
Division Others	3.0	3.3	(9.1)%
Revenue	**2,602.4**	**2,663.9**	**(2.3)%**

Division Fiber revenue from external customers decreased by EUR 135.2 million, or 6.7%, to EUR 1,897.8 million in 2025 from EUR 2,033.0 million in 2024. The decrease was primarily driven by lower fiber prices and reduced fiber sales volumes. The market environment was characterized by subdued demand, particularly in the premium segment, as a consequence of uncertainties triggered by international tariff measures and geopolitical conflicts, which negatively impacted the global price trend for fibers. Although the price premium for the Group's specialty fibers under the TENCEL™, LENZING ECOVERO™ and VEOCEL™ brands compared to commodity fibers proved to be comparatively resilient, prices for the Group's fibers also declined over the course of the year, reflecting especially the weaker second half of the year, with declines in both sales volumes and fiber prices. The average price of fibers sold was lower in 2025 compared to 2024 and the volume of fibers sold decreased from approximately 960,000 tons in 2024 to approximately 904,000 tons in 2025. 64% of the Division Fiber external revenue in 2025 was attributable to textile fibers and 36% to fibers for nonwovens and special applications.

Division Pulp revenue from external customers increased by EUR 74.1 million, or 11.8%, to EUR 701.6 million in 2025 from EUR 627.6 million in 2024. The increase was primarily driven by higher volumes of DWP sold to external customers, following the increase in the nominal capacity of the Group's pulp mill in Brazil, with the additional production volumes primarily sold on the external pulp market. This volume growth more than offset the impact of lower DWP prices over the course of the year. The average price of DWP sold to external customers was lower in 2025 compared to 2024.

Division Others revenue decreased by EUR 0.3 million, or 10.4%, to EUR 3.0 million in 2025 from EUR 3.3 million in 2024.

In addition to selling fiber and DWP to external customers, the Group's Division Fiber and Division Pulp also make sales on an inter-segment basis to each other, particularly in the case of DWP sold by Division Pulp to Division Fiber. These sales are eliminated upon consolidation. The tables below set forth the Group's total revenue by segment for 2025 and 2024 before and after such inter-segment eliminations.

	For the Year Ended December 31, 2025					
	Division Fiber	**Division Pulp**	**Division Others**	**Segment total**	**Reconciliation**	**Group**
			(audited)			
			(EUR millions)			
Revenue from external customers	1,897.8	701.6	3.0	2,602.4	0.0	2,602.4
Inter-segment revenue	0.3	602.7	0.0	603.0	(603.0)	0.0
Total revenue	**1,898.1**	**1,304.3**	**3.0**	**3,205.4**	**(603.0)**	**2,602.4**

	For the Year Ended December 31, 2024					
	Division Fiber	**Division Pulp**	**Division Others**	**Segment total**	**Reconciliation**	**Group**
			(audited)			
			(EUR millions)			
Revenue from external customers	2,033.0	627.6	3.3	2,663.9	0.0	2,663.9
Inter-segment revenue	0.5	754.0[(1)]	0.0	754.5[(1)]	(754.5)[(1)]	0.0
Total revenue	**2,033.5**	**1,381.6[(1)]**	**3.3**	**3,418.4[(1)]**	**(754.5)[(1)]**	**2,663.9**

Note:

(1) Retroactive adjustment of inter-segment revenue in the Division Pulp due to change in internal reporting for the respective corporate entity.

10.8.2.3 *Cost of sales*

The Group's cost of sales increased by EUR 108.2 million, or 5.0%, to EUR 2,264.1 million in 2025 from EUR 2,155.8 million in 2024. The increase was primarily driven by impairment losses of EUR 80.1

million recognized in cost of sales in connection with the Group's fiber production site in Indonesia, as well as higher depletion of biological assets and continued high costs for raw materials, energy and logistics. These were partially offset by a reduction in the cost of purchased services and lower total personnel expenses across functional cost lines. Cost of material remained stable at EUR 1,160.9 million in 2025, compared to EUR 1,160.0 million in 2024, whereas cost of purchased services, comprising mainly the consumption of energy, decreased by 4.9%, from EUR 220.8 million in 2024 to EUR 210.1 million in 2025.

10.8.2.4 *Other operating income*

The Group's other operating income increased by EUR 71.8 million, or 116.3%, to EUR 133.6 million in 2025 from EUR 61.8 million in 2024. The increase was primarily driven by a significant rise in income from the reversal of deferred income for emission certificates and from subsidies and the sale of emission certificates, as well as in green energy bonus and income from recharging of services and products, which were only partly offset by net foreign currency losses and the absence of foreign currency gains.

10.8.2.5 *Selling expenses*

The Group's selling expenses decreased by EUR 19.6 million, or 6.5%, to EUR 280.9 million in 2025 from EUR 300.5 million in 2024. The decrease was primarily driven by lower volumes of fibers sold, as well as the cost savings implemented under the Group's performance programs. For more information on the Group's performance programs, see "*10.5.4 Strategic Realignment and Performance Programs*".

10.8.2.6 *Administrative expenses*

The Group's administrative expenses decreased by EUR 20.4 million, or 13.9%, to EUR 126.3 million in 2025 from EUR 146.7 million in 2024. The decrease was primarily driven by lower personnel expenses, with lower wages and salaries reflecting both the reduction in average headcount and the cost savings implemented under the Group's performance program. For more information on the Group's performance programs, see "*10.5.4 Strategic Realignment and Performance Programs*".

10.8.2.7 *Research and development expenses*

The Group's research and development expenses decreased to EUR 29.1 million in 2025 from EUR 29.2 million in 2024.

10.8.2.8 *Other operating expenses*

The Group's other operating expenses increased by EUR 13.0 million, or 262.2%, to EUR 17.9 million in 2025 from EUR 4.9 million in 2024. The increase was primarily driven by foreign exchange effects.

10.8.2.9 *Earnings before interest and tax (EBIT)*

The Group's earnings before interest and tax (EBIT) decreased by EUR 70.9 million, or 80.1%, to EUR 17.6 million in 2025 from EUR 88.5 million in 2024. The decrease was primarily driven by the recognition of an impairment loss related to the production site in Indonesia, following the initiation of a strategic review of the production site in the third quarter of 2025. In this context, non-cash impairments of long-term assets, in particular property, plant and equipment, amounting to EUR 81.9 million were recognized.

10.8.2.10 *Earnings before interest and tax (EBIT) by segment*

The table below sets forth the Group's earnings before interest and tax (EBIT) by segment and the period-on-period percentage of change for 2025 and 2024.

	For the Year Ended December 31,		
	2025	**2024**	**Change in %**
	(audited)		*(unaudited)*
	(EUR millions)		
Division Fiber	(184.4)	(68.7)	168.5%
Division Pulp	249.6	243.7	2.4%
Division Others	(60.6)	(65.3)	(7.2)%
Segment total	**4.6**	**109.7**	**(95.8)%**
Reconciliation	13.0	(21.2)	—
Earnings before interest and tax (EBIT)	**17.6**	**88.5**	**(80.1)%**

Division Fiber earnings before interest and tax (EBIT) decreased by EUR 115.7 million, or 168.5%, to a loss of EUR 184.4 million in 2025 from a loss of EUR 68.7 million in 2024. The decrease was primarily driven by the recognition of non-cash impairment losses of EUR 81.9 million related to the production site in Indonesia. The decline was also a result of lower fiber prices and reduced fiber sales volumes, especially in the second half of the year. These negative factors were only partly offset by a reduction in selling expenses.

Division Pulp earnings before interest and tax (EBIT) increased by EUR 5.9 million, or 2.4%, to EUR 249.6 million in 2025 from EUR 243.7 million in 2024 due to a significant increase in external pulp revenues driven by higher volumes of DWP sold on the external market, following the increase in the nominal capacity of the Group's pulp mill in Brazil. These positive factors were partly offset by an increase in Division Pulp's cost of sales, reflecting the higher production volumes, as well as higher depletion of biological assets.

Division Others earnings before interest and tax (EBIT) increased by EUR 4.7 million, or 7.2%, to a loss of EUR 60.6 million in 2025 from a loss of EUR 65.3 million in 2024. The increase was primarily driven by lower personnel expenses and overhead costs as a result of the Group's performance programs. For more information on the Group's performance programs, see "*10.5.4 Strategic Realignment and Performance Programs*".

10.8.2.11 *Result from investments accounted for using the equity method*

The Group's income from investments accounted for using the equity method decreased by EUR 3.4 million to a loss of EUR 3.4 million in 2025. The decrease was primarily driven by the Group's share in the losses of TreeToTextile AB and LD Florestal S.A.

10.8.2.12 *Result from non-current and current financial assets*

The Group's income from non-current and current financial assets decreased by EUR 34.5 million to a loss of EUR 0.7 million in 2025 from a gain of EUR 33.8 million in 2024. The decrease was primarily driven by a swing in the Group's net foreign currency results from financial assets, which resulted in a net loss of EUR 22.1 million in 2025, compared to a net gain of EUR 7.4 million in 2024, as well as a decrease in interest income from bank balances, originated loans and receivables.

10.8.2.13 *Financing costs*

The Group's financing costs decreased by EUR 28.3 million, or 17.2%, to EUR 136.0 million in 2025 from EUR 164.3 million in 2024. The decrease was primarily driven by a decrease in interest expense for bank loans, other interest and similar expenses, only partly offset by an increase in interest expense from bonds and private placements.

10.8.2.14 *Financial result*

For the reasons stated above, the Group's financial result decreased by EUR 9.6 million, or 7.3%, to a loss of EUR 140.1 million in 2025 from a loss of EUR 130.5 million in 2024.

10.8.2.15 *Income tax expense*

The Group's income tax expense decreased by EUR 83.5 million, or 86.8%, to EUR 12.7 million in 2025 from EUR 96.3 million in 2024. The decrease was primarily driven by the value adjustment of tax assets of individual Group companies, as well as currency effects due to the translation of tax items from the local currency to the functional currency of certain Group companies.

10.8.2.16 *Net profit/loss after tax*

For the reasons stated above, the Group's net profit/loss decreased by EUR 3.1 million, or 2.2%, to a loss of EUR 135.2 million in 2025 from a loss of EUR 138.3 million in 2024.

10.8.3 2024 Compared to 2023

The table below sets forth the Group's consolidated income statement and the period-on-period percentage of change for 2024 and 2023.

	Year Ended December 31,		
	2024	**2023**	**Change in %**
	(audited)		*(unaudited)*
	(EUR million)		
Revenue	**2,663.9**	**2,521.2**	**5.7%**
Cost of sales	(2,155.8)	(2,597.6)	(17.0)%
Gross profit	**508.1**	**(76.5)**	—
Other operating income	61.8	108.7	(43.1)%
Selling expenses	(300.5)	(274.9)	9.3%
Administrative expenses	(146.7)	(144.7)	1.4%
Research and development expenses	(29.2)	(69.1)	(57.8)%
Other operating expenses	(4.9)	(20.0)	(75.2)%
Earnings before interest and tax (EBIT)[(1)]	**88.5**	**(476.4)**	—
Income from investments accounted for using the equity method	0.0	6.7	—
Income from non-current and current financial assets	33.8	(7.5)	—
Financing costs	(164.3)	(108.4)	51.6%
Financial result	**(130.5)**	**(109.2)**	19.5**%**
Earnings before tax (EBT)	**(42.0)**	**(585.6)**	**(92.8)%**
Income tax expense	(96.3)	(7.3)	**1,214.8**%
Net loss for the year	**(138.3)**	**(593.0)**	(76.7)**%**

Note:

(1) Operating result, resp. earnings before interest and tax.

10.8.3.1 *Revenue*

The Group's revenue increased by EUR 142.7 million, or 5.7%, to EUR 2,663.9 million in 2024 from EUR 2,521.2 million in 2023. The increase was primarily driven by higher fiber sales volumes, supported by the Group's actions to strengthen its sales activities, such as the acquisition of new customers for the most important fiber types and expansion in previously smaller markets. Overall, this led the volume of fibers sold to increase from approximately 840,000 tons in 2023 to approximately 960,000 tons in 2024.

The table below sets forth the Group's revenue from external customers by geographic region and the period-on-period percentage of change for 2024 and 2023.

	For the Year Ended December 31,		
	2024	**2023**	**Change in %**
	(audited)		*(unaudited)*
	(EUR millions)		
Austria	88.2	94.2	(6.4)%
Europe (excl. Austria, incl. Türkiye)	751.7	625.9	20.1%
Asia	1,571.5	1,563.4	0.5%
America	237.7	223.3	6.5%
Rest of the world	14.9	14.4	3.2%
Revenue	**2,663.9**	**2,521.2**	**5.7%**

The increase in revenue from external customers in 2024 was primarily driven by higher fiber sales volumes.

10.8.3.2 ***Revenue by segment***

The table below sets forth the Group's revenue from external customers by segment and the period-on-period percentage of change for 2024 and 2023.

	For the Year Ended December 31,		
	2024	**2023**	**Change in %**
	(audited)		*(unaudited)*
	(EUR millions)		
Division Fiber	2,033.0	1,841.0	10.4%
Division Pulp	627.6	676.1	(7.2)%
Division Others	3.3	4.0	(17.1)%
Revenue	**2,663.9**	**2,521.2**	**5.7%**

Division Fiber revenue from external customers increased by EUR 192.0 million, or 10.4%, to EUR 2,033.0 million in 2024 from EUR 1,841.0 million in 2023. The increase was primarily driven by higher fiber sale volumes, despite generally subdued consumer sentiment. The Group encountered solid demand especially for its specialty fibers under the LENZING™ ECOVERO™, TENCEL™ Modal, TENCEL™ Lyocell, and TENCEL™ Luxe brands. As a result, the share of specialty fibers in fiber revenue increased to 92.6% in 2024, compared with 78.9% in 2023. The average price of fibers sold was lower in 2024 compared to 2023 and the volume of fibers sold increased from approximately 840,000 tons in 2023 to approximately 960,000 tons in 2024. 65.4% of the Division Fiber external revenue in 2024 was attributable to textile fibers and 34.6% to fibers for nonwovens and special applications.

Division Pulp revenue from external customers decreased by EUR 48.6 million, or 7.2%, to EUR 627.6 million in 2024 from EUR 676.1 million in 2023. The decrease was primarily driven by a significant decline in DWP sales volume, due to the Group's shift to using its own DWP produced for its own fiber products. The average price of DWP sold to external customers was higher in 2024 compared to 2023.

Division Others revenue decreased by EUR 0.7 million, or 17.1%, to EUR 3.3 million in 2024 from EUR 4.0 million in 2023.

In addition to selling fiber and DWP to external customers, the Group's Division Fiber and Division Pulp also make sales on an inter-segment basis to each other, particularly in the case of DWP sold by Division Pulp to Division Fiber. These sales are eliminated upon consolidation. As the Group adjusted its inter-segment revenue in the Division Pulp in 2025 (see "*10.8.2.2 Revenue by segment*") and a retrospective presentation of the inter-segment revenue in the Division Pulp in accordance with the adjustments was not possible, the table below sets forth the Group's total revenue by segment for 2024 and 2023 before and after such inter-segment eliminations under the former Division Pulp inter-segment revenue.

	For the Year Ended December 31, 2024					
	Division Fiber	**Division Pulp**	**Division Others**	**Segment total**	**Reconciliation**	**Group**
			(audited)			
			(EUR millions)			
Revenue from external customers	2,033.0	627.6	3.3	2,663.9	0.0	2,663.9
Inter-segment revenue	0.5	543.6	0.0	544.0	(544.0)	0.0
Total revenue	**2,033.5**	**1,171.1**	**3.3**	**3,207.9**	**(544.0)**	**2,663.9**

	For the Year Ended December 31, 2023					
	Division Fiber	**Division Pulp**	**Division Others**	**Segment total**	**Reconciliation**	**Group**
			(audited)			
			(EUR millions)			
Revenue from external customers	1,841.0	676.1	4.0	2,521.2	0.0	2,521.2
Inter-segment revenue	9.6	371.3	0.0	380.9	(380.9)	0.0
Total revenue	**1,850.6**	**1,047.4**	**4.0**	**2,902.1**	**(380.9)**	**2,521.2**

10.8.3.3 *Cost of sales*

The Group's cost of sales decreased by EUR 441.8 million, or 17.0%, to EUR 2,155.8 million in 2024 from EUR 2,597.6 million in 2023. The decrease was primarily driven by significant impairment charges recorded in cost of sales in 2023 of EUR 413.6 million (which were a consequence of the ongoing uncertainties in the economic environment) that did not recur in 2024, combined with cost savings of more than EUR 130.0 million realized in 2024 as part of the Group's performance programs, partly offset by higher volumes sold. For more information on the Group's performance program, see "*10.5.4 Strategic Realignment and Performance Programs*". Cost of material decreased by 2.6%, from EUR 1,190.7 million in 2023 to EUR 1,160.0 million in 2024, whereas cost of purchased services decreased by 2.1%, from EUR 225.5 million in 2023 to EUR 220.8 million in 2024.

10.8.3.4 *Other operating income*

The Group's other operating income decreased by EUR 46.9 million, or 43.1%, to EUR 61.8 million in 2024 from EUR 108.7 million in 2023. The decrease was primarily driven by the significant decline in income from the release of deferred income for emission certificates and from subsidies and the sale of emission certificates, mainly due to the non-recurrence of the sale of 500,000 EU emission certificates in 2023.

10.8.3.5 *Selling expenses*

The Group's selling expenses increased by EUR 25.6 million, or 9.3%, to EUR 300.5 million in 2024 from EUR 274.9 million in 2023. The increase was primarily driven by personnel costs as well as outbound freight costs partly due to higher sales volumes and higher freight rates.

10.8.3.6 *Administrative Expenses*

The Group's administrative expenses increased by EUR 2.0 million, or 1.4%, to EUR 146.7 million in 2024 from EUR 144.7 million in 2023. The increase was primarily driven by a bonus provision in 2024, partly offset by a reduction in restructuring expenses.

10.8.3.7 *Research and development expenses*

The Group's research and development expenses decreased by EUR 39.9 million, or 57.8%, to EUR 29.2 million in 2024 from EUR 69.1 million in 2023. The decrease was primarily driven by impairment expenses for development costs and depreciation of property, plant and equipment.

10.8.3.8 *Other operating expenses*

The Group's other operating expenses decreased by EUR 15.0 million, or 75.2%, to EUR 4.9 million in 2024 from EUR 20.0 million in 2023. The decrease was primarily driven by the non-recurrence of significant foreign currency losses recognized in 2023.

10.8.3.9 *Earnings before interest and tax (EBIT)*

For the reasons stated above, the Group's earnings before interest and tax (EBIT) increased by EUR 564.9 million to a profit of EUR 88.5 million in 2024 from a loss of EUR 476.4 million in 2023.

10.8.3.10 *Earnings before interest and tax (EBIT) by segment*

The table below sets forth the Group's earnings before interest and tax (EBIT) by segment and the period-on-period percentage of change for 2024 and 2023.

	For the Year Ended December 31,		
	2024	**2023**	**Change in %**
	(audited)		*(unaudited)*
	(EUR millions)		
Division Fiber	(68.7)	(683.8)	(90.0)%
Division Pulp	243.7	284.6	(14.4)%
Division Others	(65.3)	(82.9)	(21.2)%
Segment total	**109.7**	**(482.0)**	**—**
Reconciliation	(21.2)	5.6	—
Earnings before interest and tax (EBIT)	**88.5**	**(476.4)**	**—**

Division Fiber earnings before interest and tax (EBIT) increased by EUR 615.1 million, or 90.0%, to a loss of EUR 68.7 million in 2024 from a loss of EUR 683.8 million in 2023. The increase was primarily a result of the non-recurrence of impairment losses totalling EUR 464.9 million in 2023, compared to EUR 3.8 million in 2024, as well as higher fiber volume sales and cost savings under the Group's performance program. For more information on the Group's performance programs, see "*10.5.4 Strategic Realignment and Performance Programs*".

Division Pulp earnings before interest and tax (EBIT) decreased by EUR 40.9 million, or 14.4%, to EUR 243.7 million in 2024 from EUR 284.6 million in 2023 due to lower pulp sale volumes to external customers and the negative margin impact of a channel shift from external customers to internal customers, as well as higher depreciation and depletion charges in connection with the Group's pulp mill in Brazil, given the well above nominal capacity production levels in 2024.

Division Others earnings before interest and tax (EBIT) increased by EUR 17.6 million, or 21.2%, to a loss of EUR 65.3 million in 2024 from a loss of EUR 82.9 million in 2023 due to a reduction in central overhead and administrative costs, as well as lower depreciation and amortization charges.

10.8.3.11 *Income from investments accounted for using the equity method*

The Group's income from investments accounted for using the equity method decreased by EUR 6.7 million to nil in 2024 from EUR 6.7 million in 2023, driven by positive contributions from Lenzing Paper GmbH offset by losses from LD Florestal S.A.

10.8.3.12 *Income from non-current and current financial assets*

The Group's income from non-current and current financial assets increased by EUR 41.3 million to a gain of EUR 33.8 million in 2024 from a loss of EUR 7.5 million in 2023. The increase was primarily driven by a swing in the Group's net foreign currency results from financial assets, which resulted in a net gain of EUR 7.4 million in 2024, compared to a net loss of EUR 13.4 million in 2023, as well as an increase in interest income from bank balances, originated loans and receivables.

10.8.3.13 *Financing costs*

The Group's financing costs increased by EUR 55.9 million, or 51.6%, to EUR 164.3 million in 2024 from EUR 108.4 million in 2023. The increase was primarily driven by an increase in interest expense for bank loans, other interest and similar expenses, as well as in interest expense from bonds and private placements.

10.8.3.14 *Financial result*

For the reasons stated above, the Group's financial result decreased by EUR 21.3 million, or 19.5%, to a loss of EUR 130.5 million in 2024 from a loss of EUR 109.2 million in 2023.

10.8.3.15 *Income tax expense*

The Group's income tax expense increased by EUR 89.0 million, or 1,214.8%, to EUR 96.3 million in 2024 from EUR 7.3 million in 2023. The increase was primarily driven by the value adjustment of tax assets of individual Group companies, currency effects due to the translation of tax items from the local currency to the functional currency of certain Group companies, as well as the retroactive withdrawal from the Austrian tax group as a consequence of the interest of B&C Holding Österreich GmbH falling below 50% for 2022, leading the Group to pay a tax allocation of EUR 22.2 million to its parent company, which was expensed in 2024.

10.8.3.16 *Net loss*

For the reasons stated above, the Group's net loss decreased by EUR 454.7 million, or 76.7%, to EUR 138.3 million in 2024 from EUR 593.0 million in 2023.

10.9 Assets, Equity and Liabilities

10.9.1 Assets

The following table provides an overview of the Group's assets as taken from the condensed consolidated statement of financial position as of June 30, 2026.

	As of June 30, 2026	As of December 31, 2025
	(unaudited)	*(audited)*
	(EUR millions)	
Assets		
Intangible assets	36.4	22.4
Property, plant and equipment	2,506.4	2,487.4
Biological assets	200.6	176.6
Right-of-use assets	154.4	124.6
Investments accounted for using the equity method	24.4	38.0
Other investments	84.3	62.4
Deferred tax assets	2.9	2.9
Current tax assets	4.4	5.1
Other financial assets	2.3	1.1
Other non-financial assets	52.9	54.8
Non-current assets	**3,069.0**	**2,975.5**
Inventories	496.7	531.7
Trade receivables	275.6	245.3
Current tax assets	5.9	8.7
Other financial assets	44.6	33.9
Other non-financial assets	128.4	132.8
Other investments	0.0	6.5
Cash and cash equivalents	592.4	675.0
Current assets	**1,543.7**	**1,634.0**
Total assets	**4,612.7**	**4,609.4**

The following table provides an overview of the Group's assets as taken from the consolidated statement of financial position as of December 31, 2025, 2024 and 2023.

	As of December 31,		
	2025	**2024**	**2023**
		(audited)	
		(EUR millions)	
Assets			
Intangible assets	22.4	23.8	26.7
Property, plant and equipment	2,487.4	2,870.9	2,865.7
Biological assets	176.6	192.2	194.8
Right-of-use assets	124.6	139.3	134.5
Investments accounted for using the equity method	38.0	25.0	31.0
Other investments	62.4	37.1	21.0
Deferred tax assets	2.9	4.3	48.6
Current tax assets	5.1	16.9	16.2
Other financial assets	1.1	1.4	26.6
Other non-financial assets	54.8	57.4	48.9
Non-current assets	**2,975.5**	**3,368.4**	**3,414.0**
Inventories	531.7	646.2	552.9
Trade receivables	245.3	318.2	294.5
Current tax assets	8.7	2.7	5.7
Other financial assets	33.9	26.8	35.4
Other non-financial assets	132.8	161.0	167.6
Other investments	6.5	11.3	18.7
Cash and cash equivalents	675.0	442.3	725.6
Current assets	**1,634.0**	**1,608.4**	**1,800.5**
Total assets	**4,609.4**	**4,976.8**	**5,214.6**

10.9.1.1 *Comparison of June 30, 2026 to December 31, 2025*

The Group's total assets increased by EUR 3.3 million, or 0.1%, to EUR 4,612.7 million as of June 30, 2026 from EUR 4,609.4 million as of December 31, 2025.

The Group's non-current assets increased by EUR 93.5 million, or 3.1%, to EUR 3,069.0 million as of June 30, 2026 from EUR 2,975.5 million as of December 31, 2025. As a percentage of total assets, non-current assets amounted to 66.5% as of June 30, 2026 compared to 64.6% as of December 31, 2025. The increase in non-current assets was primarily driven by an increase in right-of-use assets, which increased by EUR 29.8 million, or 23.9%, to EUR 154.4 million as of June 30, 2026 from EUR 124.6 million as of December 31, 2025. This increase related primarily to machinery, offices and warehouses, and factory and office equipment. Biological assets increased by EUR 24.0 million, or 13.6%, to EUR 200.6 million as of June 30, 2026 from EUR 176.6 million as of December 31, 2025, due to a positive change in fair value of EUR 30.3 million. Other investments increased by EUR 21.9 million, or 35.1%, to EUR 84.3 million as of June 30, 2026 from EUR 62.4 million as of December 31, 2025, and intangible assets increased by EUR 14.0 million, or 62.3%, to EUR 36.4 million as of June 30, 2026 from EUR 22.4 million as of December 31, 2025. These increases were primarily driven by the TreeToTextile AB acquisition and consolidation in February 2026, and were partly offset by a decrease in investments accounted for using the equity method by EUR 13.6 million, or 35.8%, to EUR 24.4 million as of June 30, 2026 from EUR 38.0 million as of December 31, 2025.

The Group's current assets decreased by EUR 90.3 million, or 5.5%, to EUR 1,543.7 million as of June 30, 2026 from EUR 1,634.0 million as of December 31, 2025. As a percentage of total assets, current assets amounted to 33.5% as of June 30, 2026 compared to 35.4% as of December 31, 2025. The decrease in current assets was primarily driven by a decrease in cash and cash equivalents by EUR 82.6 million, or 12.2%, to EUR

592.4 million as of June 30, 2026 from EUR 675.0 million as of December 31, 2025, and a decrease in inventories by EUR 35.0 million, or 6.6%, to EUR 496.7 million as of June 30, 2026 from EUR 531.7 million as of December 31, 2025. These decreases were primarily driven by targeted working capital management and repayment of loans in H1 2026, and were partly offset by an increase in trade receivables by EUR 30.3 million, or 12.4%, to EUR 275.6 million as of June 30, 2026 from EUR 245.3 million as of December 31, 2025.

10.9.1.2 *Comparison of December 31, 2025 to December 31, 2024*

The Group's total assets decreased by EUR 367.4 million, or 7.4%, to EUR 4,609.4 million as of December 31, 2025 from EUR 4,976.8 million as of December 31, 2024.

The Group's non-current assets decreased by EUR 392.9 million, or 11.7%, to EUR 2,975.5 million as of December 31, 2025 from EUR 3,368.4 million as of December 31, 2024. As a percentage of total assets, non-current assets amounted to 64.6% as of December 31, 2025, as compared to 67.7% as of December 31, 2024. The decrease in non-current assets was primarily driven by a significant reduction in property, plant and equipment, which decreased by EUR 383.6 million, or 13.4%, to EUR 2,487.4 million as of December 31, 2025 from EUR 2,870.9 million as of December 31, 2024. This decrease was attributable to regular depreciation charges, impairment losses in connection with the production site in Indonesia, and adverse currency translation adjustments. Biological assets decreased by EUR 15.6 million, or 8.1%, from EUR 192.2 million as of December 31, 2024 to EUR 176.6 million as of December 31, 2025, attributable primarily to depletion charges and negative currency translation adjustments. These decreases were partially offset by an increase of EUR 13.1 million, or 52.4%, in investments accounted for using the equity method, which increased from EUR 25.0 million as of December 31, 2024 to EUR 38.0 million as of December 31, 2025, as well as an increase of EUR 25.3 million, or 68.3%, in other investments, which increased from EUR 37.1 million as of December 31, 2024 to EUR 62.4 million as of December 31, 2025.

The Group's current assets increased by EUR 25.5 million, or 1.6%, from EUR 1,608.4 million as of December 31, 2024 to EUR 1,634.0 million as of December 31, 2025. As a percentage of total assets, current assets amounted to 35.4% as of December 31, 2025, as compared to 32.3% as of December 31, 2024. The increase in current assets was primarily driven by a substantial increase in cash and cash equivalents, which increased by EUR 232.7 million, or 52.6%, from EUR 442.3 million as of December 31, 2024 to EUR 675.0 million as of December 31, 2025. This increase was mainly attributable to refinancing measures completed in 2025, including the arrangement of a syndicated financing and placement of a new hybrid bond. This increase was partially offset by a decrease in inventories, which reduced by EUR 114.5 million, or 17.7%, from EUR 646.2 million as of December 31, 2024 to EUR 531.7 million as of December 31, 2025, trade receivables, which decreased by EUR 72.9 million, or 22.9%, from EUR 318.2 million as of December 31, 2024 to EUR 245.3 million as of December 31, 2025, and other non-financial assets, which reduced by EUR 28.2 million, or 17.5%, from EUR 161.0 million as of December 31, 2024 to EUR 132.8 million as of December 31, 2025.

10.9.1.3 *Comparison of December 31, 2024 to December 31, 2023*

The Group's total assets decreased by EUR 237.8 million, or 4.6%, to EUR 4,976.8 million as of December 31, 2024 from EUR 5,214.6 million as of December 31, 2023.

The Group's non-current assets decreased by EUR 45.7 million, or 1.3%, to EUR 3,368.4 million as of December 31, 2024 from EUR 3,414.0 million as of December 31, 2023. As a percentage of total assets, non-current assets amounted to 67.7% as of December 31, 2024, as compared to 65.5% as of December 31, 2023. The decrease in non-current assets was primarily driven by the reduction in deferred tax assets, which decreased by EUR 44.2 million, or 91.1%, to EUR 4.3 million as of December 31, 2024 from EUR 48.6 million as of December 31, 2023. This decrease resulted from the derecognition of previously recognized deferred tax assets from loss carryforwards, primarily in Austria (following the Group's exit from the B&C tax group). Other financial assets decreased by EUR 25.2 million, or 94.7%, to EUR 1.4 million as of December 31, 2024 from EUR 26.6 million as of December 31, 2023, reflecting the settlement and reduction in open derivative positions. These decreases were partially offset by an increase of EUR 16.1 million, or 76.4%, in other investments (advance payments made), which increased from EUR 21.0 million as of December 31, 2023 to EUR 37.1 million as of December 31, 2024.

The Group's current assets decreased by EUR 192.1 million, or 10.7%, from EUR 1,800.5 million as of December 31, 2023 to EUR 1,608.4 million as of December 31, 2024. As a percentage of total assets, current assets amounted to 32.3% as of December 31, 2024, as compared to 34.5% as of December 31, 2023. The decrease in current assets was primarily driven by a significant reduction in cash and cash equivalents, which decreased by EUR 283.3 million, or 39.0%, to EUR 442.3 million as of December 31, 2024 from EUR 725.6 million as of December 31, 2023. This decrease was mainly due to the repayment of private placements and other financial liabilities. This was only partially offset by an increase in inventories and trade receivables.

Inventories increased by EUR 93.3 million, or 16.9%, to EUR 646.2 million as of December 31, 2024 from EUR 552.9 million as of December 31, 2023 as a result of a build-up in raw materials and supplies in connection with higher production activities in 2024. Trade receivables increased by EUR 23.7 million, or 8.0%, to EUR 318.2 million as of December 31, 2024 from EUR 294.5 million as of December 31, 2023.

10.9.2 Equity and Liabilities

The following table provides an overview of the Group's equity and liabilities as taken from the condensed consolidated statement of financial position as of June 30, 2026. This table does not reflect the Group's equity and liabilities at the time of the Offering. See "*8 Capitalization and Indebtedness; Statement on Working Capital.*"

	As of June 30, 2026	**As of December 31, 2025**
	(unaudited)	*(audited)*
	(EUR millions)	
Equity and liabilities		
Share capital	40.1	40.1
Capital reserves	417.7	417.7
Hybrid capital	486.1	486.2
Other reserves	(21.9)	(38.8)
Retained earnings	30.6	70.5
Equity attributable to shareholders of Lenzing AG	**952.6**	**975.8**
Non-controlling interests	371.3	329.5
Equity	**1,323.9**	**1,305.3**
Loans and borrowings	1,620.7	1,667.4
Government grants	18.7	10.9
Deferred tax liabilities	51.7	55.2
Provisions	69.6	69.5
Puttable non-controlling interests	327.6	285.8
Other financial liabilities	11.1	12.2
Other non-financial liabilities	3.8	4.4
Non-current liabilities	**2,103.3**	**2,105.4**
Loans and borrowings	528.5	502.1
Trade payables	312.3	323.6
Government grants	41.2	64.3
Current tax liabilities	9.6	13.7
Provisions	28.2	33.9
Other financial liabilities	180.0	181.1
Other non-financial liabilities	85.7	80.0
Current liabilities	**1,185.5**	**1,198.7**
Total equity and liabilities	**4,612.7**	**4,609.4**

The following table provides an overview of the Group's equity and liabilities as taken from the consolidated statement of financial position as of December 31, 2025, 2024 and 2023.

	As of December 31,		
	2025	**2024**	**2023**
		(audited)	
		(EUR millions)	
Equity and liabilities			
Share capital	40.1	40.1	40.1
Capital reserves	417.7	513.5	513.5
Hybrid capital	486.2	496.6	496.6
Other reserves	(38.8)	42.3	30.0
Retained earnings	70.5	217.4	360.3
Equity attributable to shareholders of Lenzing AG	**975.8**	**1,309.8**	**1,440.4**
Non-controlling interests	329.5	342.2	301.8
Equity	**1,305.3**	**1,652.0**	**1,742.2**
Loans and borrowings	1,667.4	1,828.5	1,906.7
Government grants	10.9	12.1	14.1
Current tax liabilities	0.0	0.0	48.0
Deferred tax liabilities	55.2	74.6	40.1
Provisions	69.5	83.0	89.1
Puttable non-controlling interests	285.8	231.0	249.4
Other financial liabilities	12.2	5.3	8.4
Other non-financial liabilities	4.4	4.5	5.1
Non-current liabilities	**2,105.4**	**2,239.0**	**2,361.0**
Loans and borrowings	502.1	279.4	529.0
Trade payables	323.6	386.4	296.3
Government grants	64.3	83.5	72.1
Current tax liabilities	13.7	16.0	32.1
Provisions	33.9	28.5	52.6
Other financial liabilities	181.1	161.1	66.8
Other non-financial liabilities	80.0	130.8	62.5
Current liabilities	**1,198.7**	**1,085.8**	**1,111.4**
Total equity and liabilities	**4,609.4**	**4,976.8**	**5,214.6**

10.9.2.1 *Comparison of June 30, 2026 to December 31, 2025*

The Group's total equity increased by EUR 18.6 million, or 1.4%, to EUR 1,323.9 million as of June 30, 2026 from EUR 1,305.3 million as of December 31, 2025. This increase was primarily due to net profit after tax and a positive comprehensive income, driven mainly by foreign currency translation gains, partially offset by a decrease from the remeasurement of the puttable non-controlling interest in LD Celulose S.A., the Company's joint venture with Dexco in Brazil, and dividends paid.

The Group's total liabilities decreased by EUR 15.3 million, or 0.5%, to EUR 3,288.8 million as of June 30, 2026 from EUR 3,304.1 million as of December 31, 2025. The decrease was primarily driven by a decrease in non-current loans and borrowings, current government grants and trade payables, partially offset by an increase in puttable non-controlling interests and current loans and borrowings.

Non-current liabilities decreased by EUR 2.1 million, or 0.1%, to EUR 2,103.3 million as of June 30, 2026 from EUR 2,105.4 million as of December 31, 2025. The decrease was primarily attributable to a decrease

in loans and borrowings reflecting net debt repayments during the period, partially offset by an increase in puttable non-controlling interests, reflecting the remeasurement of the put option of LD Celulose S.A., the Company's joint venture with Dexco in Brazil.

The Group's current liabilities decreased by EUR 13.2 million, or 1.1%, to EUR 1,185.5 million as of June 30, 2026 from EUR 1,198.7 million as of December 31, 2025. The decrease was primarily attributable to a decrease in government grants due to the sale and utilization of EU emission allowances, and a decrease in trade payables due to lower financing through supplier financing arrangements, partially offset by an increase in loans and borrowings due to the reclassification of scheduled debt maturities from non-current to current.

10.9.2.2 *Comparison of December 31, 2025 to December 31, 2024*

The Group's total equity decreased by EUR 346.7 million, or 21.0%, to EUR 1,305.3 million as of December 31, 2025 from EUR 1,652.0 million as of December 31, 2024. The decrease was primarily driven by the negative impact of net income on retained earnings, as well as decreases in capital reserves and other reserves.

The Group's total liabilities decreased by EUR 20.7 million, or 0.6%, to EUR 3,304.1 million as of December 31, 2025 from EUR 3,324.8 million as of December 31, 2024. The decrease was primarily driven by a decrease in non-current liabilities, partially offset by an increase in current liabilities.

Non-current liabilities decreased by EUR 133.6 million, or 6.0%, to EUR 2,105.4 million as of December 31, 2025 from EUR 2,239.0 million as of December 31, 2024. The decrease was primarily attributable to a decrease in loans and borrowings due to currency translation effects and repayment of private placements and bank loans, a decrease in deferred tax liabilities reflecting the impairment losses at the production site in Indonesia, and a decrease in provisions due to a reduction in pensions and severance payment provisions driven by direct employer payments and contributions as well as favorable actuarial remeasurements. These decreases were partially offset by an increase in puttable non-controlling interests reflecting the remeasurement of the put option of LD Celulose S.A., the Company's joint venture with Dexco in Brazil.

The Group's current liabilities increased by EUR 112.9 million, or 10.4%, to EUR 1,198.7 million as of December 31, 2025 from EUR 1,085.8 million as of December 31, 2024. The increase was primarily attributable to a significant increase in loans and borrowings due to the reclassification of bank loans and private placements with scheduled maturities falling due within 12 months, as well as an increase in other financial liabilities driven by a rise in supplier finance agreements in connection with payment services. These increases were partially offset by a decrease in trade payables, other non-financial liabilities and government grants.

10.9.2.3 *Comparison of December 31, 2024 to December 31, 2023*

The Group's total equity decreased by EUR 90.2 million, or 5.2%, to EUR 1,652.0 million as of December 31, 2024 from EUR 1,742.2 million as of December 31, 2023. The decrease was primarily driven by a decrease in retained earnings, which was only partially offset by an increase in other reserves and non-controlling interests.

The Group's total liabilities decreased by EUR 147.6 million, or 4.3%, to EUR 3,324.8 million as of December 31, 2024 from EUR 3,472.4 million as of December 31, 2023. The decrease was primarily driven by a decrease in current and non-current loans and borrowings, current tax liabilities, puttable non-controlling interests and provisions.

Non-current liabilities decreased by EUR 122.0 million, or 5.2%, to EUR 2,239.0 million as of December 31, 2024 from EUR 2,361.0 million as of December 31, 2023. The decrease was primarily attributable to a decrease in loans and borrowings due to the repayment of private placements and bank loans, a decrease in current tax liabilities due to the settlement of the provision for the obligation to retax foreign losses recognized in the B&C tax group, and a decrease in puttable non-controlling interests attributable to the remeasurement of the put option of LD Celulose S.A., the Company's joint venture with Dexco in Brazil, partly offset by an increase in deferred tax liabilities.

The Group's current liabilities decreased by EUR 25.6 million, or 2.3%, to EUR 1,085.8 million as of December 31, 2024 from EUR 1,111.4 million as of December 31, 2023. The decrease was primarily attributable to a decrease in loans and borrowings due to the repayment of private placements and bank loans, including in connection with the construction of the pulp mill in Brazil, and a decrease in provisions due to the utilization and reversal of provisions for restructuring measures, partly offset by an increase in other financial liabilities, other non-financial liabilities and trade payables.

10.10 Liquidity and Capital Resources

10.10.1 Overview

The Group's primary sources of liquidity are positive cash balances and working capital financing arrangements. The Group's short-term liquidity needs are generally provided by working capital loans, while its medium- and long-term financing is provided by equity and financial liabilities, in particular bonds, private placements and bank loans. The Group had cash and cash equivalents of EUR 592.4 million, EUR 675.0 million, EUR 442.3 million and EUR 725.6 million, as of June 30, 2026, December 31, 2025, December 31, 2024 and December 31, 2023, respectively. In addition, the Group had unused credit facilities in an amount of EUR 219.4 million as of June 30, 2026. Under certain of the Group's financing agreements, the Group will likely need to reduce its leverage and obtain new financing in order to refinance certain existing financial obligations in the coming years. For more information on the agreements governing the Group's sources of financing, see "*11.21.4 Financing Agreements.*" See also "*3.1.4 The Group has a high level of financial debt due to significant borrowings and other financial liabilities, the amount and terms of which limit its financial and operational flexibility, including its ability to refinance indebtedness and pay dividends. If the Group is unable to comply with the financial and other restrictive covenants in its financing agreements, or does not complete or receive the proceeds from the Offering and/or is unable to obtain adequate financing in the future for the purpose of refinancing its existing indebtedness, there could be a default or event of default under such financing agreements.*" and "*10.11.1 Financial Liabilities*".

Following the completion of the Offering, the Group expects that its key sources of liquidity will continue to be its positive cash balance, revolving credit facilities, working capital financing arrangements, bonds and bank loans. The Group aims to manage its capital to ensure that all Group companies can continue to operate as a going concern. It intends to continue to focus on maintaining cash generation through a controlled growth strategy and continued efficiency efforts, while maintaining a balanced investment profile.

The Group's ability to generate cash flow from operations depends on its future operating performance, which is in turn dependent on general economic, financial, competitive, market and other factors, many of which are beyond its control. See "*10.5 Key Factors Affecting the Results of Operations*" for a discussion of certain factors that could affect its future performance and the industries in which the Group operates.

10.10.2 Cash Flows

The following table sets forth the principal components of the Group's cash flows for the reporting periods indicated.

	Six Months Ended June 30,		Year Ended December 31,	
	2026	2025	2025	2024 (adjusted)[1]
	(unaudited)		*(audited)*	
	(EUR millions)			
Cash flows from operating activities	**160.4**	**150.1**	**419.7**	**395.0**
Cash flows from investing activities	**(61.0)**	**(65.5)**	**(146.9)**	**(152.1)**
Cash flows from financing activities	**(193.6)**	**247.9**	**(16.4)**	**(535.4)**
Total change in liquid funds	(94.2)	332.5	256.4	(292.4)
Liquid funds at the beginning of the period/year	675.0	442.3	442.3	725.6
Currency translation adjustment relating to liquid funds	11.6	(24.3)	(23.7)	9.1
Liquid funds at the end of the period/year	**592.4**	**750.5**	**675.0**	**442.3**

Note:

(1) In order to enhance the transparency of information on the Group's financial position, the consolidated statement of cash flows has been presented in a new format since the second quarter of 2025. The comparative information was adjusted retroactively in accordance with IAS 8. See *Note 2 to the 2025 Audited Consolidated Financial Statements*. The Group's consolidated statement of cash flows for 2024 has been derived from the restated prior year figures included in the 2025 Audited Consolidated Financial Statements. For more information, see "*10.6 Factors Affecting Comparability of the Group's Cash Flows*".

The following table sets forth the principal components of the Group's cash flows for the reporting periods 2023 and 2024 (prior to the adjustment for 2024 described immediately above). The amounts of the Group's cash flows from operating activities for 2024 and 2023 presented in the following table have been derived from the 2024 Audited Consolidated Financial Statements and therefore (i) do not reflect the new format adopted by the Group since the second quarter of 2025, and (ii) are not directly comparable to the amounts of the Group's cash flows from operating activities presented above. For more information, see "*10.6 Factors Affecting Comparability of the Group's Cash Flows*".

	Year Ended December 31,	
	2024	**2023**
	(audited)	
	(EUR millions)	
Cash flows from operating activities	**322.5**	**160.3**
Cash flows from investing activities	**(185.0)**	**(291.5)**
Cash flows from financing activities	**(430.0)**	**421.1**
Total change in liquid funds	(292.4)	289.9
Liquid funds at the beginning of the period/year	725.6	446.9
Currency translation adjustment relating to liquid funds	9.1	(11.1)
Liquid funds at the end of the period/year	**442.3**	**725.6**

10.10.2.1 *Cash Flows From Operating Activities*

H1 2026 compared to H1 2025

The Group's cash flows from operating activities increased from a cash inflow of EUR 150.1 million in H1 2025 to a cash inflow of EUR 160.4 million in H1 2026. The increase was primarily driven by targeted working capital management, particularly a reduction in inventories, together with lower income taxes paid, partly offset by lower profitability and a larger negative adjustment for other non-cash income/expenses.

2025 compared to 2024

The Group's cash flows from operating activities increased from a cash inflow of EUR 395.0 million in 2024 to a cash inflow of EUR 419.7 million in 2025. The increase was primarily driven by higher profitability, a favorable movement in trading working capital resulting from a targeted reduction in inventories and trade receivables, and significantly lower income taxes paid, partially offset by an adverse movement in other working capital items.

2024 compared to 2023

The Group's cash flows from operating activities increased from a cash inflow of EUR 160.3 million in 2023 to a cash inflow of EUR 322.5 million in 2024. The increase was primarily driven by measures to reduce working capital, higher sales and higher capacity utilization. The amounts of the Group's cash flows from operating activities for 2024 and 2023 presented in this paragraph have been derived from the 2024 Audited Consolidated Financial Statements and therefore (i) do not reflect the new format adopted by the Group since the second quarter of 2025, and (ii) are not directly comparable to the amounts of the Group's cash flows from operating activities presented above. For more information, see "*10.6 Factors Affecting Comparability of the Group's Cash Flows*".

10.10.2.2 *Cash Flows From Investing Activities*

H1 2026 compared to H1 2025

The Group's cash flows from investing activities decreased from an outflow of EUR 65.5 million in H1 2025 to an outflow of EUR 61.0 million in H1 2026. The decrease was primarily driven by higher proceeds from the sale and repayment of other investments and investments accounted for using the equity method, higher interest received, and a cash inflow from the acquisition of a subsidiary net of cash received in H1 2026, reflecting the cash and cash equivalents held by TreeToTextile AB at the time of its consolidation, partly offset by higher acquisition and disbursement of other investments and investments accounted for using the equity method.

2025 compared to 2024

The Group's cash flows from investing activities decreased from an outflow of EUR 152.1 million in 2024 to an outflow of EUR 146.9 million in 2025. The decrease was primarily driven by a decline in capital expenditures, reflecting a reduction in the level of investment activity as the Group focused on maintenance, license-to-operate and efficiency enhancement projects following the considerable investments made in prior years, as well as lower interest amount received and lower cash outflows for the acquisition of other investments and investments accounted for using the equity method.

2024 compared to 2023

The Group's cash flows from investing activities decreased from an outflow of EUR 291.5 million in 2023 to an outflow of EUR 185.0 million in 2024. The decrease was driven primarily by a significant reduction in capital expenditure from EUR 267.8 million to EUR 156.3 million, as the Group shifted its focus to maintenance and license-to-operate projects following the completion of its major investment programs in Brazil, Thailand, China and Indonesia in prior years. The amounts of the Group's cash flows from investing activities and capital expenditure for 2024 and 2023 presented in this paragraph have been derived from the 2024 Audited Consolidated Financial Statements and therefore (i) do not reflect the new format adopted by the Group since the second quarter of 2025, and (ii) are not directly comparable to the amounts of the Group's cash flows from investing activities presented above. For more information, see "*10.6 Factors Affecting Comparability of the Group's Cash Flows*".

10.10.2.3 *Cash Flows From Financing Activities*

H1 2026 compared to H1 2025

The Group's cash flows from financing activities decreased from an inflow of EUR 247.9 million in H1 2025 to an outflow of EUR 193.6 million in H1 2026. The decrease was primarily driven by the repayment of loans in H1 2026 and the positive impact of the syndicated term loan drawn in H1 2025, together with interest paid on hybrid capital and higher interest paid generally, partly offset by the absence of the EUR 20.5 million repayment of bonds and private placements that occurred in H1 2025.

2025 compared to 2024

The Group's cash flows from financing activities decreased from an outflow of EUR 535.4 million in 2024 to an outflow of EUR 16.4 million in 2025. The decrease was primarily driven by significantly lower net repayments of loans and borrowings, which included a major debt refinancing cycle, as well as the draw-down of a syndicated loan and the issuance of a new hybrid bond, partially offset by the concurrent repayment of the old hybrid bond and higher interest payments on borrowings.

2024 compared to 2023

The Group's cash flows from financing activities decreased from an inflow of EUR 421.1 million in 2023 to an outflow of EUR 430.0 million in 2024. The decrease was primarily driven by the non-recurrence of the 2023 equity capital raise, partially offset by debt repayments in particular at the LD Celulose level and for *Schuldscheindarlehen*. The amounts of the Group's cash flows from financing activities for 2024 and 2023 presented in this paragraph have been derived from the 2024 Audited Consolidated Financial Statements and therefore (i) do not reflect the new format adopted by the Group since the second quarter of 2025, and (ii) are not directly comparable to the amounts of the Group's cash flows from financing activities presented above. For more information, see "*10.6 Factors Affecting Comparability of the Group's Cash Flows*".

10.10.3 Capital Expenditure

10.10.3.1 *Historical Capital Expenditure*

The Group defines capital expenditure as Group additions (cost) to intangible assets, property, plant and equipment and biological assets (as derived from the Group's consolidated statement of cash flows in the Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements).

The Group's capital expenditure is focused on maintenance, license-to-operate and operational efficiency projects at its existing production sites, reflecting the Group's strategy of disciplined capital allocation following the completion of its major growth investments in prior years. In connection with the announcement of its "Grow Nonwovens, Reset Textiles" strategic realignment in July 2026, the Group has committed targeted growth capital to support the expansion of nonwovens production capacity at its core site in Lenzing an der Ager, Austria and the upgrade of its Mobile, Alabama, United States facility into a specialty

nonwovens site, while continuing to advance its selective investments in key innovations to drive growth beyond the medium term, such as its TreeToTextile demo plant scale-up.

H1 2026 compared to H1 2025

The Group's capital expenditure increased by EUR 1.0 million, or 1.6%, from EUR 61.3 million in H1 2025 to EUR 62.3 million in H1 2026. The increase was primarily driven by continued capital spending on intangible assets, property, plant and equipment, and biological assets, reflecting the Group's disciplined cost management.

2025 compared to 2024

The Group's capital expenditure decreased by EUR 12.7 million, or 8.2%, from EUR 153.8 million in 2024 to EUR 141.1 million in 2025. The decrease was primarily driven by the Group's reduced overall level of investment activity in 2025, as it shifted its focus toward maintenance and license-to-operate projects and efficiency and cost reduction projects as part of its performance program, following the considerable amount of investments made in prior years.

2024 compared to 2023

The Group's capital expenditure decreased by EUR 111.5 million, or 41.6%, from EUR 267.8 million in 2023 to EUR 156.3 million in 2024. The decrease was primarily driven by the completion of major investment projects in prior years and the Group's resulting shift in focus toward maintenance and license-to-operate projects. The amounts of the Group's capital expenditures for 2024 and 2023 presented in this paragraph have been derived from the 2024 Audited Consolidated Financial Statements and therefore (i) do not reflect the new format adopted by the Group since the second quarter of 2025, and (ii) are not directly comparable to the amounts of the Group's capital expenditures presented above. For more information, see "*10.6 Factors Affecting Comparability of the Group's Cash Flows*".

10.10.3.2 *Current and Planned Capital Expenditure*

The Group currently has a planned investment program of approximately EUR 100 million for its Austrian production site in Lenzing an der Ager, which includes investments of EUR 15 million and EUR 8 million to expand nonwoven fiber production capacities with a focus on VEOCEL™ Viscostar fibers. At its Lenzing an der Ager site, the construction of a new fluidized-bed boiler designed to substitute conventional fossil fuels and reduce emissions is scheduled to commence in the third quarter of 2026. The Group is also investing in next-generation cellulose fiber technology through TreeToTextile AB, a Swedish cellulose fiber company in which the Company acquired a controlling majority in February 2026, with plans to significantly increase production output at the existing demonstration plant in Nymölla, Sweden and to prepare the first industrial-scale facility. The Group is relying on operating cash flow, complemented by the proceeds from its refinancing measures planned to be completed in 2026, to finance these investments. For more information regarding the Group's refinancing measures in 2026, see "*11.21.4 Financing Agreements*".

10.10.4 Off-Balance Sheet Arrangements

As of June 30, 2026, the Group did not have any material off-balance sheet arrangements.

10.10.5 Pensions and Post-Retirement Benefits

The Group operates defined benefit pension and severance plans for current (including new joiners) and former employees. The benefits resulting from these plans are dependent on the final salary or wage and the length of service, not requiring any contributions by employees. The Group's most important defined benefit pension and severance plans are located in Austria. The defined benefit pension plan primarily covers employees who have already retired and qualifying insurance policies were recognized as plan assets in some cases, while coverage for these obligations is also provided by securities that do not qualify as plan assets. The defined benefit severance plans, on the other hand, are not covered by assets, but financed entirely through provisions. For more detail, see *Note 30 to the 2025 Audited Consolidated Financial Statements*.

The Group had total provisions for pension and similar obligations of EUR 103.4 million, EUR 111.5 million and EUR 141.7 million as of December 31, 2025, 2024 and 2023, respectively.

10.11 Financial Liabilities, Contingent Liabilities and Other Financial Obligations

10.11.1 Financial Liabilities

The following table sets out the Group's loans and borrowings (non-current and current) as of the reporting dates presented.

	As of June 30,	As of December 31,		
	2026	2025	2024	2023
	(unaudited)		*(audited)*	
		(EUR millions)		
Bond	560.5	542.6	608.6	0.0
Private placements	265.9	265.8	334.2	567.8
Liabilities to banks	1,123.5	1,202.7	1,008.3	1,687.9
Liabilities to other lenders	31.3	29.9	33.0	37.9
Lease liabilities	168.0	128.5	123.9	142.1
Loans and borrowings	**2,149.3**	**2,169.5**	**2,108.0**	**2,435.7**

The table below shows the contractually agreed (undiscounted) interest and principal payments for certain primary loans and borrowings (consisting of bond, private placements, bank loans, loans from other lenders and lease liabilities) as of December 31, 2025. For further information, see *Note 37* to the 2025 Audited Consolidated Financial Statements.

	Cash flows 2026	Cash flows 2027 to 2030	Cash flows from 2031
		(audited, unless otherwise indicated)	
		(EUR millions)	
Bond	44.0	175.9	616.1
Private placements	249.4	20.5	13.9
Bank loans	305.0	1,053.4	0.0
Loans from other lenders	6.4	23.8	0.4
Lease liabilities	25.7	73.2	275.3
Total[(1)]	**630.5**	**1,346.8**	**905.7**

Note:

(1) Unaudited.

10.11.2 Contingent Liabilities and Other Financial Obligations

The Group had contingent liabilities of EUR 12.7 million as of June 30, 2026. This compared to contingent liabilities mainly to secure claims from suppliers and for potential payment defaults by third-parties of EUR 10.0 million, EUR 10.3 million and EUR 8.6 million as of December 31, 2025, 2024 and 2023, respectively. The EUR 2.7 million increase in contingent liabilities as of June 30, 2026 compared to December 31, 2025 was primarily a result of claims related to the sale of certain equity investments.

The Group provided committed credit lines to third parties in the amount of EUR 0 million as of June 30, 2026, and EUR 0 million, EUR 1.4 million and EUR 1.4 million as of December 31, 2025, 2024 and 2023, respectively. These credit lines were not used as of June 30, 2026 and December 31, 2025, 2024 and 2023.

The Group's obligations arising from outstanding orders for intangible assets and property, plant and equipment amounted to EUR 53.5 million as of June 30, 2026, and EUR 24.4 million, EUR 30.5 million and EUR 48.9 million as of December 31, 2025, 2024 and 2023, respectively. The Group has long-term purchase obligations related to raw material supplies, in particular for wood, pulp, chemicals and energy.

Except as set out above, the Group does not have any other commitments or contingencies as of June 30, 2026 that would have a major negative impact on the Group's net assets, financial position and results of operations.

10.12 Quantitative and Qualitative Disclosures about Financial Risk Management

Due to its international activities, the Group is exposed to financial and other market risks. A company-wide risk management system, which is regulated comprehensively in guidelines, has been implemented to identify and assess potential risks at an early stage. This system is designed to achieve maximum risk transparency and provide high-quality information by quantifying all risk categories, with a particular emphasis on risk concentration. The efficiency of group-wide risk management is evaluated and monitored on an ongoing basis by both the internal control system (ICS) and the internal audit department.

The financial risks arising from financial instruments (*i.e.*, credit risk, liquidity risk, currency risk (above all with regard to the Brazilian real (BRL), Chinese yuan (CNY), Czech koruna (CZK), Hong Kong dollar (HKD), Indonesian rupiah (IDR), Thai baht (THB) and U.S. dollar (USD)), commodity price risk and interest rate risk) are classified as relevant risks for the Group. Corresponding hedging measures are used to minimize these risks wherever possible. For a detailed description of the quantitative and qualitative disclosures on selected risks, see *Note 37 to the 2025 Audited Consolidated Financial Statements*.

10.13 Significant Accounting Estimates

The Company's management uses estimates, assumptions and judgments in preparing the IFRS consolidated financial statements. These estimates, assumptions and judgments are based on the circumstances assumed as at the reporting date and have to some extent a significant effect on the presentation of the Group's financial position and financial performance. They involve the recognition and measurement of assets and liabilities, contingent receivables and liabilities, the reporting of cash flows and income and expenses (including other comprehensive income) as well as the presentation of disclosures in the notes. Assumptions and estimates are based on experience and other factors that are considered relevant by the Company's management. However, the amounts ultimately realized may deviate from these assumptions and estimates if general conditions develop in a different way than the expectations as at the reporting date. For a detailed description of the Group's significant accounting judgments and estimates, see *Note 1 to the 2025 Audited Consolidated Financial Statements*.

11 BUSINESS OF THE LENZING GROUP

11.1 Overview

The Group is one of the leading producers of lyocell and modal fibers and one of the top five producers of viscose fibers (which comprise the three generations of WBF), as measured by both production capacity and volume produced in 2025. The Group is also one of the three leading global producers of WBF overall as measured by both production capacity and volume produced in 2023, 2024 and 2025 (source: Company Internal Analysis). Moreover, with its backward-integrated value chain, the Group produces and sells DWP, which is mainly used in the manufacture of WBF, and biorefinery and co-products as well as bio-based energy. Headquartered in Lenzing an der Ager, Austria, the Group has nine production sites in Austria, Brazil, China, the Czech Republic, Indonesia, Thailand, the United Kingdom, and the United States, and a global network of sales and planning offices. The Group markets its WBF for the textile and nonwoven industry under its TENCEL™, VEOCEL™, LENZING™ and LENZING™ ECOVERO™ brands.

WBF are used in a wide range of textile and nonwoven products, from casual wear to haute couture, from sportswear as quick-drying, breathable T-shirts with reduced odor based on good moisture management, fleece jackets and shoes to the household in mattresses, pajamas, bed linens, towels, beauty masks and hygienic wipes for babies and skin cleansing, tea bags, coffee pads and other filtering purposes. WBF also form an essential component in protective clothing guarding against heat and fire and are used in electrical separators for applications such as lithium-ion batteries, supercapacitors (*i.e.*, energy storage devices) and electrolytic condensers, especially for the automotive industry, including filter media, such as oil, fuel and air filters.

The Group's offering includes the three WBF generations on the market, namely viscose, modal and lyocell, with products ranging from standard viscose fibers to modal fibers, such as TENCEL™ Modal, and lyocell fibers such as TENCEL™ Lyocell. The DWP required for the Group's production is manufactured primarily in the Group's own plants and supplemented by external purchases.

Combining consistent customer orientation with high standards in quality, innovation and technology, the Group focuses on specialty products and cost-efficient production. Its main production site is located in Lenzing an der Ager, Austria, with a nominal WBF production capacity of 358,000 tons per year, and an integrated DWP mill with a nominal capacity of 320,000 tons per year. In 2022, the Group started production in its new state-of-the-art lyocell fiber plant at its Prachinburi site in Thailand with a nominal capacity of 100,000 tons per year and completed the ramp-up phase of a pulp mill in Indianópolis, Brazil, owned by a joint venture among the Company and Dexco S.A. ("**Dexco**"), which has a nominal capacity of 600,000 tons per year (recently increased from an original 500,000 tons per year) of dissolving pulp. The Group further operates WBF production sites in Nanjing, China (nominal capacity of 143,000 tons per year as of December 31, 2025), Heiligenkreuz, Austria (nominal capacity of 90,000 tons per year as of December 31, 2025; site planned for phase-out by end of 2026), Mobile, Alabama in the United States (nominal capacity of 51,000 tons per year as of December 31, 2025) and Grimsby, United Kingdom (nominal capacity of 45,000 tons per year as of December 31, 2025; site planned for phase-out by end of 2027) as well as a DWP mill in Paskov, Czech Republic, with a nominal capacity of 300,000 tons per year (as of December 31, 2025). The Group also operates a recently modernized viscose fiber plant in Purwakarta, Indonesia (for which the Group is currently reviewing strategic options, including a possible sale), with a nominal capacity of 323,000 tons per year (as of December 31, 2025).

In July 2026, the Group announced a fundamental strategic realignment under the priorities "Grow Nonwovens, Reset Textiles", reflecting the Group's assessment that the wood-based fiber market has undergone structural, not merely cyclical, change. The Group's strategic realignment rests on four building blocks: (i) transitioning the fiber product portfolio within the Group's segment that produces textile fibers as well as toward less cyclical nonwoven fibers and pulp markets; (ii) reducing the cost base through a sharpened performance program; (iii) reducing capital employed through production footprint optimization and reduction (targeting a reduction from nine global production sites in 2026 to six by 2028); and (iv) investing selectively in key innovations as long-term growth drivers. These four pillars are designed to deliver a more focused, profitable and resilient Group.

The Group recorded revenue of EUR 2,521.2 million, EUR 2,663.9 million and EUR 2,602.4 million in 2023, 2024 and 2025, respectively, and EUR 1,341.1 million and EUR 1,267.5 million in H1 2025 and H1 2026, respectively. The Group recorded net loss of EUR 593.0 million, EUR 138.3 million and EUR 135.2 million in 2023, 2024 and 2025, respectively, and net profit of EUR 15.2 million and EUR 35.6 million in H1 2025 and H1 2026, respectively. The Group's EBIT was EUR -476.4 million, EUR 88.5 million and EUR 17.6 million in 2023, 2024 and 2025, respectively, and EUR 109.0 million and EUR 83.7 million in H1 2025 and H1 2026, respectively. The Group's EBITDA increased 30.4% in 2024, from EUR 303.3 million in 2023 to

EUR 395.4 million in 2024, and increased 4.5% to EUR 413.0 million in 2025, and decreased 10.9% in H1 2026, from EUR 268.6 million in H1 2025 to EUR 239.2 million in H1 2026. EBITDA margin was 12.0%, 14.8% and 15.9% in 2023, 2024 and 2025, respectively, and 20.0% and 18.9% in H1 2025 and H1 2026, respectively.

11.2 Group History

The Company was founded as "Zellwolle Lenzing AG" in 1938 and changed its name to "Lenzing Aktiengesellschaft" in 1984. Production of viscose fibers in Lenzing an der Ager, Austria, began in 1939. In 1969, the Company acquired the pulp and paper plant on-site in Lenzing an der Ager, Austria. In 1985, the Company's shares were first listed on the Vienna Stock Exchange.

The Group's expansion to Asia began in 1980, when construction of PT South Pacific Viscose's plant in Purwakarta, Indonesia was started. In May 2004, Lenzing AG acquired the TENCEL® group of companies, the only other large-scale manufacturer of lyocell fibers at that time, thus acquiring plants in Mobile, United States and Grimsby, United Kingdom, the TENCEL™ trademark and various property rights and patents relating to the lyocell process. In 2007, the Group completed construction of its viscose plant in Nanjing, China. In addition, the Group acquired a paper pulp mill in Paskov, Czech Republic in 2010, which was later converted into the dissolving wood pulp mill as part of Lenzing's efforts towards backward integration.

In 2015, the Group began focusing on the expansion of capacities for the production of specialty fibers and the increase in the Group's self-supply with DWP. In line with this new strategic direction, important investment decisions were made in 2019 after several years of planning and preparation: the decisions to build the first lyocell fiber plant in Asia, specifically in Thailand, and to build a DWP plant in Brazil.

The launch of the LENZING™ ECOVERO™ brand in 2017 resulted in a strong position for the Group in the production and commercialization of environmentally responsible viscose fibers. Furthermore, after years of research and development, the Group launched its first filament yarn production, sold under the TENCEL™ Luxe brand, in 2017. When it commercially launched the REFIBRA™ technology in 2017, the Group achieved an important milestone for commercialized chemically recycled cellulose fiber in textiles. TENCEL™ with REFIBRA™ technology branded lyocell fibers are the first cellulosic fibers that use wood as well as scraps left over from the production of cotton clothing as the base material. In 2019, the Group became among the first wood-based fiber producers with approved Science Based Targets (SBT), including a commitment to production without CO_2 emissions.

In 2022, the Group opened a new lyocell fiber production plant in Thailand to further strengthen its portfolio of specialty fibers. In the same year, a joint venture in which the Group holds 51% of the equity opened what the Group believes to be among the world's largest dissolving pulp lines of its kind in Indianópolis, Brazil in its pursuit of backward integration of its value chain. The Group also commissioned the largest ground-mounted photovoltaic plant in the state of Upper Austria at its headquarters in Lenzing an der Ager.

In 2023, the Group successfully implemented reconstruction and modernization measures at Purwakarta, Indonesia to convert to specialty viscose and significantly reduce specific emissions. Viscose fibers produced at the site under the LENZING™ ECOVERO™ and VEOCEL™ brands are marked with the EU Ecolabel, an internationally recognized eco label for environmentally responsible products and services. In Nanjing, China, the conversion of a production line to TENCEL™ modal fibers for textiles and apparel was successfully completed in the first quarter of 2023.

In 2024, with the commissioning of two gas turbines in Nanjing, China, a further milestone was reached in the conversion of energy supplies from coal to natural gas with the aim of reducing carbon emissions.

In February 2026, the Group acquired a controlling majority in TreeToTextile AB, with plans for a significant increase in production output at the existing demonstration plant in Nymölla, Sweden, and preparation of the first industrial-scale facility.

11.3 Investment Highlights

11.3.1 *Positive long-term growth outlook for wood-based fibers, driven by the cellulose gap and structural shift toward sustainable alternatives*

The Group expects long-term demand for WBF to grow at approximately 5.5% per year through 2040, meaningfully faster than overall global fiber demand growth of approximately 2.2% per year over the same period (source: The Fiber Year 2026, Company Internal Analysis). The Group believes that such growth expectations are supported by two structural trends that favor WBF over cotton and synthetic fibers, the main alternatives:

- *The Cellulose Gap*. While demand for fibers is expected to continue its long-term growth trajectory of between roughly 2% and 3% per year as a result of, among other things, increasing population, rising wages and increasing disposable income in emerging markets, the supply of cotton – the world's most widely produced natural fiber (source: The Fiber Year 2026) – is expected to remain supply-constrained, limited by the amount of available arable land, competition from food crops and peaking yields. Industry estimates project that cotton will continue to be supply-constrained in the 25-28 million ton per year range due to limited area and peaking yields (source: Company Internal Analysis). Cellulosic fibers, such as cotton, are in high demand since consumers value their properties (hydrophilic, moisture management, touch etc.) which cannot be mimicked by synthetic fibers. This so-called "cellulose gap" favors alternative cellulosic fibers such as WBF, which among other things generally do not suffer from the same limits on arable land. As a result, the Group believes the production of WBF will grow in order to fulfill the unmet cotton demand.
- *The Sustainable Fiber Gap*. Second, synthetic fibers such as polyester are considered less attractive than WBF because customers in certain markets demand sustainable fibers with biological properties of natural fibers instead of synthetic alternatives, which are oil-based and generally not biodegradable. This demand is acute in certain textile and nonwoven end-markets and it is both consumer-driven and increasingly supported by anticipated regulation, including within the EU. WBF, which are derived from the natural, renewable resource wood (or can even be made from discarded textiles) and are in many cases biodegradable and recyclable, represent a sustainable alternative to synthetic fibers.

Global fiber demand has grown at a CAGR of approximately 3% since the 1960s, through multiple oil crises, recessions, the global financial crisis of 2008 and the Covid-19 pandemic, demonstrating a durable long-term demand profile (source: The Fiber Year 2026, Company Internal Analysis). Within WBF, lyocell fiber grew at a CAGR of approximately 15.7% and modal fiber at approximately 7.6% over the period from 2010 to 2025, both meaningfully outpacing viscose staple fiber growth of approximately 5.0% over the same period (source: The Fiber Year 2026, Company Internal Analysis). The Group believes its strategic reset under "Grow Nonwovens, Reset Textiles", which deliberately concentrates the Group's capital and portfolio on what it sees as the highest-growth, most resilient pockets of the WBF market, positions it to capture this structurally growing demand more effectively and more profitably than under its prior strategy.

11.3.2 *"Grow Nonwovens, Reset Textiles": a decisive strategic reset designed to improve competitiveness, reduce earnings cyclicality and deliver durable margin expansion*

In July 2026, the Group announced a fundamental strategic realignment under the priorities "Grow Nonwovens, Reset Textiles", reflecting the Group's assessment that the wood-based fiber market has undergone structural, not merely cyclical, change. In particular, the Group has identified persistent overcapacity in textile fibers, a slower-than-anticipated recovery in textile market pricing, a narrowing of premium value capture as end-consumers in certain cases have proven less willing to pay for sustainability-led product differentiation, and the continued advancement of Asian fiber producers on scale, cost and quality as structural features of the market that require a fundamental repositioning rather than incremental adjustments.

The Group's strategic realignment rests on four building blocks: (i) transitioning the fiber product portfolio within the Group's segment that produces textile fibers as well as toward less cyclical nonwoven fibers and pulp markets; (ii) reducing the cost base through a sharpened performance program; (iii) reducing capital employed through production footprint optimization and reduction; and (iv) investing selectively in key innovations as long-term growth drivers. These four pillars are designed to deliver a more focused, profitable and resilient Group: one with substantially reduced earnings volatility, a leaner overhead structure, a concentrated asset base, and a clear path to medium-term margin improvement. Over the medium term, the Group is targeting a roughly even revenue split of approximately 30% each across Nonwovens, Textiles and Pulp, compared to approximately 26%, 45% and 20%, respectively (with the remaining approximately 10% related to other sales, which include central headquarters functions, cross divisional activities and the business activities of BZL (Bildungszentrum Lenzing GmbH)), in 2025, thereby materially reducing the Group's exposure to economic cycles, in which textile revenue generally follows a 5-7 year cycle tied to global growth and consumption and has historically produced peak-to-trough revenue swings of up to 40% per cycle (source: Company Internal Analysis).

11.3.3 *Substantial organic growth opportunity in nonwovens, anchored by long-term customer relationships and committed investment in capacity and next-generation technology*

The Group's nonwovens business represents a primary growth vector of its strategic realignment. The nonwovens fiber market is characterized by near-continuous revenue growth from 2010 to 2025 and is substantially less cyclical than the textile fiber market. The Group's VEOCEL™ brand, which the Group believes is a recognized specialty fiber brand in the global nonwovens industry, supplies leading fast-moving consumer goods companies under long-term contracts that provide a stable, higher-value-added revenue base. Strong customer brands in the nonwovens space require reliable and sustainable fiber solutions, supporting the Group's market positioning.

Capitalizing on the accelerating global shift from fossil-based materials to sustainable cellulosic fiber solutions, the Group plans substantial organic growth of its nonwovens business in the medium term. The Group has committed investments of EUR 15 million in November 2025 and an additional EUR 8 million in June 2026 to increase nonwovens production capacity at its core manufacturing site in Lenzing an der Ager, Austria. The focus is on expanding the existing portfolio and developing next-generation fibers for nonwovens applications, especially in the attractive hygiene segment. The Group is also strategically upgrading its Mobile, Alabama, United States production facility into a state-of-the-art specialty nonwovens site. In addition, the Group is advancing the commercialization of LENZING™ Nonwoven Technology, a proprietary IP-protected process that bypasses the conventional roll-goods manufacturing step at a structurally lower cost, in collaboration with strategic industry partners, including Essity AB, with whom the technology has been validated. The Group's medium-term ambition is to grow nonwovens to approximately 30% of overall Group revenue, targeting a significantly increased EBITDA margin and contribution from this business line.

11.3.4 *Focused textiles business being repositioned around differentiated premium segments, strategic customer partnerships, and proprietary specialty product categories*

The Group's sales and marketing efforts in textiles are built around a customer-centric strategy designed to develop relationships with blue-chip textile customers by involving the Group in the value chain decision processes of those customers. While the Group is reducing its overall textile fiber exposure as part of its strategic realignment by exiting loss-making generic viscose volumes and working to harvest its broader lyocell and viscose production, this reset is designed to protect and grow the profitable premium segments of the textiles business where the Group aims to maintain genuine differentiation.

The Group's strategy in textiles is to maximize margin on a lower volume base by concentrating on segments where innovation, performance and sustainability are key purchasing criteria. The Group is the market leader in modal fiber by production capacity as of 2025 (source: Company Internal Analysis), and is planning additional modal production capacity both in China and in Austria to reinforce this position. The Group continues to focus on its co-branding programs with prominent global textile brands, which allow those customer brands to distinguish their products and command price premiums by demonstrating their use of high-quality, sustainably produced fibers. The Group believes its co-branding approach and comprehensive service offering, which includes fabric certification and technical services such as offering manufacturers and retailers specific know-how to arrange and organize the supply chain for their consumer products, distinguish it from other fiber manufacturers and have made it a sought-after partner in the textile and nonwoven value chain.

11.3.5 *Optimizing asset footprint to drive capital efficiency and profitability*

As part of its strategic realignment, the Group plans to consolidate its global fiber production footprint from nine manufacturing sites in 2026 to six by 2028, concentrating capital on the assets with what the Group sees as the strongest long-term return profiles and addressing the cross-subsidization of underperforming sites that has adversely impacted overall Group profitability and asset efficiency.

The Group's retained core sites are: its flagship integrated manufacturing site in Lenzing an der Ager, Austria, which the Group is strengthening as its lighthouse site; its DWP plants in Indianópolis, Brazil (through its 51%-owned LD Celulose joint venture with Dexco, with a nominal capacity of approximately 600,000 tons per year) and Paskov, Czech Republic, as key drivers of external pulp profitability; its Mobile, Alabama, United States facility, being upgraded to specialty nonwovens; and its Asian manufacturing hubs in Nanjing, China, and Prachinburi, Thailand, which serve as the basis for the Group's modal capacity expansion. The Group plans to phase out fiber production at Heiligenkreuz, Austria by the end of the first quarter of 2027 and at Grimsby, United Kingdom by the end of 2027, and is concurrently running an active sale process for PT. South Pacific Viscose in Purwakarta, Indonesia. Pulp and biorefinery products remain a core pillar of Lenzing. Capacity debottlenecking in Brazil and Austria, together with operational improvements and energy optimization, are intended to further strengthen the profitable Pulp segment and its contribution to the Group. The Group expects the footprint consolidation to result in a structurally lower and more capital-efficient operating base, with non-

cash impairment losses of up to EUR 150 million and restructuring provisions of up to EUR 40 million expected to be recognized in 2026 as one-time items.

In the view of the Group, the global market for DWP remains structurally short, and the Group does not expect major new industry capacity additions before approximately 2031 or 2032. The Group believes this supply/demand imbalance supports firm DWP pricing, consistent with the trend it observed in the second quarter of 2026. In 2024 and 2025, the Group sold approximately 537,000 tons and 680,000 tons, respectively, of DWP to third-party customers, at an average sales price of approximately EUR 0.86 per kilogram in 2024 and approximately EUR 0.76 per kilogram in 2025. As part of its ongoing footprint optimization, the Group expects that additional pulp production capacity freed up by the closure or realignment of certain of its fiber production sites will increasingly be redirected toward external DWP sales, and the Group anticipates a sustainable increase in external DWP sales volumes from 2027 onward.

11.3.6 *New performance program accompanying the portfolio shift and footprint consolidation, with excellent track record*

Since 2022, the Group has implemented a series of successive performance and cost reduction programs, with each delivered to date at their stated targets. A reorganization program initiated in 2022 delivered cost savings of more than EUR 70 million compared to the 2022 cost base by the end of 2023. A subsequent Value Creation Program delivered cumulative cost savings of more than EUR 200 million compared to the 2023 baseline by the end of 2025. The Group believes this track record of consistent execution, across multiple programs and jurisdictions, provides meaningful credibility to the targets it has set under its current program.

Building on this track record, in July 2026 the Group launched a further sharpened performance program targeting EUR 120 million in savings versus 2025 actuals, expected to reach full run-rate effect by the end of 2027 (the "**2026 Performance Program**"). The 2026 Performance Program comprises three components: (i) personnel cost savings of approximately EUR 45 million through a reduction of up to approximately 600 full-time equivalents, predominantly in administrative and selling, general and administrative ("**SG&A**") functions across the Group, of which EUR 25 million in annualized savings had already been implemented in H1 2026 through a headcount reduction of 267; (ii) approximately EUR 40 million of additional SG&A cost savings through organizational rightsizing; and (iii) approximately EUR 35 million of operational savings from improving site competitiveness and energy cost optimization. The Group has a clear implementation roadmap for the remainder of the program, and regards the execution steps as well-understood and manageable given the granularity of planning already undertaken and the progress already demonstrated.

The 2026 Performance Program operates alongside, and is reinforced by, the consolidation of the Group's global fiber production footprint from nine sites to six by 2028. By concentrating production on what the Group sees as the strongest and most capital-efficient assets, and eliminating the cross-subsidization of underperforming sites that has historically weighed on Group-level returns, the footprint rationalization is expected to contribute to structurally lower operating costs on a sustained basis. The Group's global workforce is expected to decrease significantly from approximately 8,100 employees (approximately 7,700 full-time equivalents) at the end of 2025 until the end of 2027. Together, the 2026 Performance Program and the footprint consolidation form the cost and capital efficiency pillars of the Group's "Grow Nonwovens, Reset Textiles" strategy and are central to the Group's medium-term financial ambitions.

11.3.7 *Selective investments in key innovations to drive growth beyond medium-term*

The Group's strategic transformation does not reduce its commitment to innovation. Instead, the Group believes that innovation is one of the core reasons customers choose Lenzing and that it remains a critical driver of product differentiation, future revenue growth and long-term value creation. The Group employed 130 employees in its Global Innovation department and held 960 patent applications and patents as of June 30, 2026. Collaborations form an essential part of the Group's innovation activities, pursued throughout the entire organization and along the value chain, from development partnerships with strategic customers to co-development arrangements with global industry partners. The Group intends to emerge from its current strategic realignment as a leaner organization while maintaining its position as an innovation leader in the WBF industry.

The Group's active, proprietary innovation pipeline includes five programs at varying stages of development:

- LENZING™ Nonwoven Technology ("**LNT**"). LNT is a proprietary, IP-protected fiber production process that bypasses the conventional roll-goods manufacturing step, generating a structurally lower cost position relative to standard nonwovens production methods. The technology has been validated with Essity AB, a leading European fast-moving consumer goods company, and commercialization is in preparation. The Group believes LNT has the potential to

provide a competitive and sustainable cellulosic alternative to fossil-based materials in the nonwovens market, and it represents a key enabler of the Group's strategy to grow its nonwovens business.

- TreeToTextile. TreeToTextile is a next-generation WBF technology that the Group regards as a potential successor generation to lyocell, in the same way that lyocell represented a step-change from viscose. The technology was patented and developed approximately ten years ago, with H&M and IKEA among the other participants in the joint venture. Lenzing acquired an initial minority stake in 2024 and secured a controlling stake at the beginning of 2026. The Group has a pilot production line operational and the product, which the Group describes as similar to cotton in character but with higher absorbency, is already being tested in the market. The next milestones are demo-plant scale-up and a final investment decision for a flagship commercial plant. Detailed engineering is expected to be completed by end of 2027, following which the Group expects to have a clearer view of capital requirements for commercial-scale production.
- Filament. The Group's specialty lyocell filament product is a differentiated offering with proven commercial demand, and the Group believes it holds a leading position in this growing market. Existing pilot production lines are operating at full capacity. The Group is seeking an equity partner to fund expansion to commercial scale. A patent for a flame-retardant filament application is pending.
- Filtration Fibers. The Group is developing a multi-technology filtration fiber platform, co-developed with Philip Morris International and British American Tobacco, targeting the accelerating shift toward biodegradable alternatives in filtration applications.
- Next-Generation Flame-Retardant Fiber (FR 2.0). The Group is expanding its premium specialty portfolio with a next-generation flame-retardant fiber targeted at the growing personal protective equipment (PPE) market. The Group is also pursuing additional applications for this technology, including blends and fabrics, to broaden the addressable market.

The Group believes this pipeline, taken together, provides a tangible foundation for profitable revenue growth beyond the medium-term transformation horizon, and reinforces the Group's position as an innovation leader in its field.

11.3.8 *Continuous positive progress on financial performance and clear financial ambitions*

The Group has demonstrated an ongoing improvement in core profitability over recent reporting periods, underpinned by disciplined execution of its performance programs and, more recently, by the early measures associated with its strategic realignment. For instance, the Group has delivered over EUR 70 million of cost savings compared to 2022 by the end of 2023, and more than EUR 200 million compared to the 2023 baseline by the end of 2025, in each case substantially in line with initial program targets. In H1 2026, the Group's revenue of EUR 1,267.5 million declined compared to H1 2025 of EUR 1,341.1 million, which reflects deliberate reduction of lower-margin fiber volumes and correspondingly lower external pulp revenue, consistent with the Group's strategy of prioritizing value over volume. The Group generated EBIT of EUR 83.7 million and EUR 109.0 million in H1 2026 and H1 2025, respectively, as well as EBITDA of EUR 239.2 million at an EBITDA margin of 18.9% in H1 2026, compared with EBITDA of EUR 268.6 million at an EBITDA margin of 20.0% in H1 2025, as improved profitability in fibers was more than offset by a decline in pulp. The Group also made progress in pricing excellence and targeted product mix improvement, with continued cost discipline and cost savings realized versus its 2023 Value Creation Program baseline. On the balance sheet, net financial debt in H1 2026 increased slightly by 1.0% to EUR 1,363.3 million compared to H1 2025, reflecting the timing of scheduled loan repayments during the period. In general, the Group believes that the run rate impact of its ongoing optimization efforts is not yet fully captured in its financial results.

The Group's strategic realignment translates into targets for a clear financial trajectory. On revenue, the closing of less profitable sites is expected to temporarily lower the Group's near-term reported revenue (though not more than approximately 15% below historical levels), whereas this reflects the Group's deliberate aim for portfolio optimization, and not expected weakening of underlying demand. Over the medium term, the Company's strategic ambition is to return to revenue growth with an EBITDA uplift of approximately EUR 150 million, while achieving an EBITDA margin of 20%-25% and reducing leverage to below 2.5x (which would indicate a credit profile in line with investment grade parameters). To deliver on these ambitions, the Company intends to deploy a set of strategic levers, including disciplined capital allocation, rigorous SG&A management and sustained margin expansion.

11.3.9 *Experienced leadership team with clear accountability and execution as top priorities*

The Group benefits from a refreshed and highly experienced Management Board which it believes positions it well for successful execution of the Group's strategic realignment. Georg Kasperkovitz joined the Company's Management Board as Chief Operating Officer (COO) in June 2025 and became Chief Executive Officer on June 1, 2026. He brings substantial experience in the industrial and manufacturing sector with a specific focus on operational excellence and strategic transformation. As COO, he led the Fiber Division (sales, production, and supply chain) as well as the further development and execution of the Group's performance programs. He has already achieved significant progress in operational excellence and the profitability of the fiber production sites.

Mathias Breuer became the Company's Chief Financial Officer on January 1, 2026. He has been part of the management team at the Company since 2023 and has been instrumental for the development and successful implementation of the company-wide performance programs. Prior to that, he served as CFO of multinational industrial companies.

Christian Skilich, Chief Pulp Officer and Chief Technology Officer, has been a member of the Management Board since June 2020 and brings deep expertise in paper and pulp technology. As Chief Pulp & Chief Technology Officer, his responsibilities, among others, include Pulp Commercial and Operations, Co-Products & Wood as well as Global health, safety and environment (HSE) topics, Purchasing, and Innovation.

The Company also benefits from a Supervisory Board whose members have a notable breadth and depth of industry experience, including Patrick Lackenbucher, who currently serves as Chairman, and Helmut Bernkopf, a member of the Company's Supervisory Board since 2009 who has many years of experience on the boards of a wide array of Austrian industrial and financial service companies. In addition, Gerhard Schwartz, a managing partner at Ernst & Young until 2022 was elected to the Supervisory Board in April 2023 and Cornelius Baur, managing director of Baur I&C GmbH, Munich, Germany, joined the Supervisory Board in 2024. In October 2024, Carlos Aníbal de Almeida Junior joined the Supervisory Board. He is Executive Officer for Forestry & Procurement at Suzano and has long lasting experience in the top management of companies in Brazil. In April 2025, Leonardo Grimaldi joined the Supervisory Board. He is Executive Vice President for commercial, marketing and logistics for the pulp business unit at Suzano.

11.4 The Group's Operating Divisions

The Group classifies its segments based on the differences between their products, which require individual technologies and market strategies. The Group's operations are organized into three segments: Division Fiber, Division Pulp and Division Others.

The tables below set forth the percentage contribution to the Group's revenue from external customers and EBIT by each segment for H1 2026 and 2025.

	As of June 30, 2026	**% Contribution**
	(unaudited)	
	(EUR millions)	
Division Fiber	941.2	74.3%
Division Pulp	324.8	25.6%
Division Others	1.5	0.1%
Group Revenue	**1,267.5**	**100%**

	As of June 30, 2026	**% Contribution**
	(unaudited)	
	(EUR millions)	
Division Fiber	29.8	35.6%
Division Pulp	88.2	105.4%
Division Others	(30.7)	(36.7)%
Reconciliation	(3.5)	(4.2)%
Group Earnings before interest and tax (EBIT)	**83.7**	**100%**

	As of December 31, 2025	% Contribution
	(audited)	*(unaudited)*
	(EUR millions)	
Division Fiber	1,897.8	72.9%
Division Pulp	701.6	27.0%
Division Others	3.0	0.1%
Revenue	**2,602.4**	**100%**

	As of December 31, 2025	% Contribution
	(audited)	*(unaudited)*
	(EUR millions)	
Division Fiber	(184.4)	(1,047.9)%
Division Pulp	249.6	1,418.3%
Division Others	(60.6)	(344.4)%
Reconciliation	13.0	74.0%
Group Earnings before interest and tax (EBIT)	**17.6**	**100%**

Division Fiber produces all three generations of WBF, from standard viscose fibers to specialty modal and specialty lyocell fibers, and markets them under the TENCEL™, VEOCEL™, LENZING™ ECOVERO™ and LENZING™ brands. WBF are used in a wide range of textile and nonwoven products. See "*11.5.4 Lenzing Fiber applications*." Division Fiber produces its WBF at its plants in Lenzing an der Ager, Austria, Nanjing, China, Heiligenkreuz, Austria, Grimsby, the United Kingdom, Mobile, Alabama, the United States, and Prachinburi, Thailand. The Group also operates a viscose fiber plant in Purwakarta, Indonesia, for which strategic options are currently being evaluated, including a possible sale. The Group markets its fibers globally under its TENCEL™, VEOCEL™, LENZING™ and LENZING™ ECOVERO™ brands, operates several sales offices globally and maintains a network of sales agents. Division Fiber recorded revenue from external customers of EUR 941.2 million in H1 2026 (H1 2025: EUR 1,008.4 million; 2025: EUR 1,897.8 million; 2024: EUR 2,033.0 million). Approximately 63% of this revenue was attributable to textile fibers and approximately 37% to fibers for nonwovens and special applications in H1 2026 (2025: approximately 64% and 36%, respectively). The share of specialty fibers in Division Fiber's revenues was 97.1% in H1 2026 and 92.0% in 2025 (2024: 92.6%), as the Group continues to shift its production focus to specialty fibers under its premiumisation strategy, which generally carry higher prices and are more profitable than standard fibers. Division Fiber's EBIT amounted to EUR 29.8 million in H1 2026 (H1 2025: EUR -41.2 million; 2025: EUR -184.4 million; 2024: EUR -68.7 million). WBF are sold primarily to textile customers, namely clothing and fashion brands and retailers, and to nonwovens customers such as producers of care and cleaning products.

Division Pulp produces and procures DWP, which is the most important raw material for fiber production, and also produces certain biorefinery products. The division comprises all Group business activities from wood procurement through to the production of DWP and biorefinery products. The pulp produced and procured by Division Pulp is sold internally to Division Fiber for use in the Group's own cellulosic fiber production as well as being marketed and sold externally. The Group produces its DWP at its plants in Lenzing an der Ager, Austria, Paskov, Czech Republic, and at the DWP mill in Indianópolis, Brazil, which is owned by a joint venture in which the Group holds 51% of the equity. In 2025, the nominal capacity of the Brazilian mill was increased to 600,000 tons per year (from an original 500,000 tons per year) through optimization measures, with additional production volumes primarily sold on the external pulp market and surplus electricity fed into the public grid as renewable energy. In addition to DWP, the Group's biorefineries also produce and market biorefinery products so that further components of the valuable raw material wood are utilized. Customers from the food, animal feed, pharmaceutical and chemical industries rely on biobased products from the Group. Division Pulp's revenue from external customers amounted to EUR 324.8 million in H1 2026 (H1 2025: EUR 331.0 million; 2025: EUR 701.6 million; 2024: EUR 627.6 million). An additional EUR 275.4 million of revenue was generated internally from sales of DWP by Division Pulp to Division Fiber in H1 2026 (H1 2025: EUR 358.5 million; 2025: EUR 602.7 million; 2024 as restated: EUR 754.0 million). The level of backward

integration, with Division Pulp supplying Division Fiber for use in the Group's own cellulosic fiber production, results in Division Pulp being exposed to lower volatility of sales prices and higher margins than Division Fiber. Overall, Division Pulp's EBIT amounted to EUR 88.2 million in H1 2026 (H1 2025: EUR 173.6 million; 2025: EUR 249.6 million; 2024: EUR 243.7 million).

Division Others mainly comprises central headquarters functions, cross-divisional activities, R&D activities and the business activities of *BZL – Bildungszentrum Lenzing GmbH, Lenzing an der Ager*, which undertakes training and personnel development.

11.5 The Group's Brands, Products and Services

11.5.1 The Group's Brands

The focus of the Lenzing brand design is based on retail and consumer facing branding for TENCEL™, LENZING™, LENZING™ ECOVERO™ and VEOCEL™ WBF, featuring plausible brand messages targeted at retailer and consumer needs. The Group's brand world seeks to tell a uniform, consistent and globally communicated story which, for customers, conveys a visible and perceptible message about the Group's sustainability efforts and the benefits of its specialty fibers.

The architecture for the product brands is based on a simple system. With TENCEL™, LENZING™ ECOVERO™ and VEOCEL™, consumers find clearly distinct product brands for the applications of WBF produced by the Group in textiles and nonwovens, respectively.

The master brand, LENZING™ provides over-arching support for these product brands. Below these four key brand names, the product specifications for the Group's customers are structured by category, such as technology, product type and process.

11.5.1.1 TENCEL™

TENCEL™ is the Group's premium textile fiber brand and is suitable for a wide range of applications including ready-to-wear, activewear, intimate wear, denim, footwear and home & interior as well as TENCEL™ Luxe, represented by the Group's lyocell filament. The Group believes that TENCEL™ brand's mission, "TENCEL weaves together the story of nature and people," conveys the value of the TENCEL™ brand offering to the broad and diverse range of textile manufacturers who form the brand's customer base. TENCEL™ branded lyocell and modal fibers (which are USDA-certified biobased products and contain 100% USDA-certified biobased content) are derived from wood, a natural and renewable raw material carefully sourced from responsibly managed forests. The group has continuously refined TENCEL™ fiber production processes by seeking to maximize resource efficiency to minimize environmental impact. TENCEL™ Lyocell and Modal fibers are produced with approximately 50% lower CO_2 emissions and water consumption compared to conventional lyocell and modal. Soft to touch and light to wear, they can break down and compost at the end of their life cycle.

11.5.1.2 LENZING™ ECOVERO™

LENZING™ ECOVERO™ branded viscose fibers are the first responsible viscose fibers to be awarded the EU Ecolabel, developed by the Group and launched in 2017. LENZING™ ECOVERO™ is a fiber derived from responsibly-sourced wood pulp and made with at least 50% less carbon emissions and water consumption compared to generic viscose. The fiber is designed to follow the maxim "take less, give more" based on the twin foundations of respect for nature and respect for the Group's customers, and offers more traceability throughout the supply chain through use of molecular markers. Using cellulose – the essence of plants – the Group created a simple, crucial ingredient that can be used to make everyday essentials more considerately – offering significant potential to spinners, manufacturers and consumers.

11.5.1.3 VEOCEL™

VEOCEL™ is marketed to nonwoven producers and consumers seeking fiber-based solutions for care and cleaning products. The Group's marketing activities also target end consumers who value products containing VEOCEL™ Beauty, Body, Intimate and Surface fibers because these fibers have been tested for harmful substances and body compatibility according to internationally recognized standards and certifications, including OEKO-TEX ® STANDARD 100 and the FKT label "Medically Tested – Tested for Toxins"). VEOCEL™ fibers are biodegradable under certain conditions, and compostable (certified as LENZING™ Viscose, LENZING™ Lyocell, LENZING™ Lyocell Dry and LENZING™ Nonwoven), supporting their use in many single-use product applications. The Group believes that the combination of wood-based origin, recognized safety credentials and environmental attributes differentiates VEOCEL™ from other nonwoven fiber solutions in the market.

11.5.1.4 LENZING™

Lenzing fibers are also ideally suited for technical applications like tea bags, coffee pads and filter fibers or as substitutes for synthetic fibers in packaging. For these applications, which the Group believes benefit from the fibers' certified or controlled wood sources, fibers are marketed under the LENZING™ brand. Specialty fibers that offer protection from heat are marketed Lenzing solutions for protective wear. The LENZING™ FR fibers used for this purpose provide protection from fire, radiant heat, electric arcs, liquid metals and flammable liquids. LENZING™ FR fibers are inherently flame-resistant cellulosic fiber based on the modal production process and meet the definition of "inherently flame-resistant fibers" as specified by the European Man-made Fibers Association (CIRFS). In addition, biorefinery and co-products are also marketed under the LENZING™ brand.

11.5.1.5 Co-branding programs

The Group aims to further enhance the awareness and visibility of its brands by fostering co-branding partnerships. A co-branding partnership with the Group allows a customer brand to distinguish its own brands and products and set a price premium by demonstrating to consumers that their products are made with high quality fibers and/or fibers with special qualities such as higher levels of environmental sustainability than other fibers. The Group offers a comprehensive branding service that grants customers access to consumer-facing branding materials such as swing tickets and grants brands the right to use the Group's logos and/or brands on their own marketing materials and packaging. The Group's partners include large international brands which in turn helps the Group gain visibility on a global scale.

11.5.2 The Lenzing product portfolio

WBF can be divided into three generations, or technologies, namely viscose, modal and lyocell, depending on when the technology underlying them was developed. Viscose fibers, the oldest technology, are generally considered standard, or commodity, fibers, whereas modal and lyocell fibers are specialty fibers. An exception to this is LENZING™ ECOVERO™ viscose fibers which are considered specialty fibers due to their environmentally favorable properties. See "*11.5.1.2 LENZING™ ECOVERO™.*" Specialty fibers generally carry higher prices than standard fibers. In 2025, 92.0% of the WBF produced by the Group were specialty fibers (2024: 92.6%), a proportion that the Group expects to increase as it shifts its production focus to specialty fibers. In addition to marketing WBF as a raw material to third-party fiber processors, the Group's proprietary LENZING™ Nonwoven Technology enables it to produce ready-to-use, 100% cellulosic nonwoven fabric directly, without the use of binders or other finishing agents. See "*11.5.3.10 LENZING™ Nonwoven Technology.*"

The origin of all Lenzing fibers is cellulose, a component of the renewable natural raw material wood. WBF are therefore a wood-based product that the Group has used for more than 80 years in innovating solutions to produce textiles and nonwovens. Lenzing fibers are used primarily for clothing, home textiles and hygiene products, but can be found in a wide array of other products. See "*11.5.4 Lenzing Fiber applications.*" Biological degradability is inherent to Lenzing fibers. Lenzing fibers combine the biological properties of natural fibers, such as absorbency and breathability, with the processing advantages of industrially produced fibers, such as their purity, uniformity, and clearly defined quality.

11.5.2.1 Lenzing Lyocell Fibers

The Group is one of the leading global producers of lyocell fibers as measured by both production capacity and volume produced in 2025 (source: Company Internal Analysis). Lyocell fiber production itself is particularly environmentally compatible thanks to closed loop processing, which refers to a process in which materials are recycled and repurposed in a continual loop to reduce waste. Thus, in the Group's lyocell fiber production process approximately 99% of the solvent used is recovered and recycled, which compares favorably to the production of other fibers. Products made of Lenzing lyocell fibers have a smooth surface, giving the textiles a gentle feel and making them suitable for sensitive skin. The fibers also offer color brilliance and sheen as well as good wrinkle recovery, showing less wrinkles after washing. They are deployed in a wide range of applications that include sportswear, home textiles and mattresses as well as hygiene articles such as wet wipes and baby wipes. Lenzing lyocell fibers are marketed primarily under the TENCEL™ and VEOCEL™ brands.

11.5.2.2Lenzing Modal Fibers

The Group is one of the leading global producers of modal fibers as measured by both production capacity and volume produced in 2025 (source: Company Internal Analysis). The Group's modal fibers are derived from the natural resource wood, harvested from certified and controlled sources to protect ancient and endangered forests. The fibers are produced in Lenzing an der Ager, Austria and Nanjing, China. Low fiber

rigidity and modal cross-section make the fiber a natural softening agent. The modal fibers keep their softness even after repeated household washing and they can be blended with all types of fibers and processed using conventional machinery. They are deployed in a wide range of applications that include underwear, night- and loungewear as well as other clothing, botanic nets, and car seat fabrics. These fibers are marketed under the TENCEL™ brand.

LENZING™ FR is a sustainably produced inherently flame-resistant cellulosic fiber based on Lenzing's renowned Modal fiber production process. LENZING™ FR fibers meet the definition of "inherently flame retardant and resistant fibers" as specified by the European Man-made Fibers Association (CIRFS). The fibers are commonly blended with other high-performance fibers to produce unique protective solutions for a variety of industrial applications. Our fibers typically contribute both protective qualities and enhanced comfort to these fabric blends. The cellulose structure of the LENZING™ FR fibers regulates the absorption and release of moisture, contributing to fabric breathability that supports the body's natural thermal regulation. LENZING™ FR fibers provide superior flame resistance and layer concepts for protective wear in firefighting, military, oil & gas, metal industries, electric arc protection, and motorsports. LENZING™ FR is also available as spun-dyed fibers that offer long-lasting color fastness, particularly to light and bleaching, contributing to design flexibility in textiles.

11.5.2.3 Lenzing Viscose Fibers

The Group is one of the top five viscose fiber producers globally, as measured by both production capacity and volume produced in 2025 (source: Company Internal Analysis). The Group has been producing standard viscose fiber for more than 80 years. Like lyocell and modal fibers, they are made from wood. They absorb moisture well and garments made using them are pleasant to wear. Lenzing viscose fibers are premium products on the global market and are used in clothing and hygiene articles. They are a preferred fiber for fashion clothing fabrics. In the hygiene sector, where purity and absorbency are ascribed top priority, they are utilized in products such as wipes, feminine care products (sanitary napkins, panty liners, tampons) and adult incontinence products. The Group also produces specialty viscose fibers which it sells to textile industry customers under its LENZING™ ECOVERO™ brand. See "*11.5.1.2 LENZING™ ECOVERO™*." In nonwovens, viscose is marketed under the VEOCEL™ brand.

11.5.3 Innovations and new products

11.5.3.1 TENCEL™ Lyocell HV100

TENCEL™ Lyocell HV100 represents a milestone in cellulosic fiber innovation, addressing a long-standing limitation of lyocell in texture-sensitive applications. Modeled after the naturally-grown cotton with engineered controlled fiber-length variation within each bale, Lenzing has created a fiber that delivers the natural, matte, irregular surface character traditionally associated with cotton while retaining the consistency and performance advantages of TENCEL™ lyocell. This enables, for the first time, the credible use of lyocell in denim warp applications and opens new opportunities across woven apparel and home textiles. Market adoption has been exceptionally rapid, demonstrating strong demand across the textile value chain. Within six months of launch, HV100 had been adopted by a network of 36 mills across nine countries and four continents, including leading partners such as Advance Denim, AGI Denim, Orta, BOSSA, Textil Santanderina and Saitex. The innovation has already progressed beyond development into commercial production, with products reaching global retail shelves and expanding into categories beyond denim, including shirting, bottoms, dresses and home textiles.

11.5.3.2 Collaboration with Karl Mayer using WBF Micro fibers in warp-knitting applications

The collaboration project has debuted at the Première Vision Paris trade show where the partners – Lenzing and Karl Mayer – have shown a capsule collection in lingerie, innerwear and everyday lifestyle pieces. The collaboration centers on finding efficient ways to process Lyocell and Modal fibers on high-speed warp knitting machines using compact spun fibers to produce ultra-smooth, lightweight fabrics. Converting staple-fibre cellulosics into warp-knitted structures at industrial speeds has been technically challenging, not least because yarn hairiness and lint can disrupt machines, raise fabric defect rates and slow down production. Wood-based fibers such as Lyocell and Modal have lower wet strength and are more sensitive to repeated bending. At warp-knitting speeds this can increase end breakage, stops, and defects, especially under the relatively high yarn tensions used in warp knitting. To tackle this, the partners focused on yarns with minimal hairiness and highly homogeneous cross-sections, crucial to maintaining tensile strength and processing several thousand ends at maximum speed without lint contamination. Four yarns were tested, combining Tencel lyocell and modal in Ne 60/1 (Nm 100/1) counts spun via ring compact and Siro (two roving) compact systems at European spinners Gebr. Otto, Germany and Inovafil in Portugal. Three fabric types from each yarn: an open-work tulle, a dense tricot and a compact atlas-lapped construction for apparel were tested.

11.5.3.3 LENZING™ ECOVERO™ fibers with REFIBRA™ technology

Due to the development and scaling of production, LENZING™ ECOVERO™ fibers with REFIBRA™ technology are available to customers worldwide. In addition to the environmentally responsible benefits of the LENZING™ ECOVERO™ brand, the new viscose fibers with REFIBRA™ technology contain up to 20% pre- and post-consumer textile waste, which is obtained from cellulose-rich materials or polyester-cotton blends. The waste is collected and sorted in collaboration with selected partners in the post-consumer recycling area.

11.5.3.4 New resource-efficient dyeing approach for TENCEL™ lyocell fibers

The Group has introduced a new approach that harnesses yarn pretreatment and a knitting technique to achieve an aesthetic that resembles the washed-out look of conventional dyeing processes in ready-to-wear and knitwear. To counteract the environmental pollution caused by dyeing and finishing in the textile industry, this new approach exhibits a significantly lower environmental impact, and is ideal for pre-treated fabrics and yarns made from TENCEL™ lyocell fibers. It also complements the wet processing and production facilities of fabric mills and thereby offers further advantages to the Group's partners along the value chain.

11.5.3.5 New industry-wide innovation that reduces discoloration of cellulose-based garments during thermoplastic molding processes

Lenzing introduced a new processing solution that reduces the yellowing of garments and fabrics made from wood-based fibers during high-temperature manufacturing processes. This new solution will initially be introduced for underwear and subsequently also for outerwear and ready-to-wear goods, making Lenzing the first company in the sector to tackle this technical challenge during the molding process. Lenzing is already examining further potential applications, such as welded seams on garments and seamless manufacturing, where hot melt tapes and bonding machines are replacing traditional sewing methods.

11.5.3.6 Hydrophobic cellulosic fibers for sustainable nonwovens

Due to their ability to pass liquids over their surface, hydrophobic lyocell fibers (LENZING™ Lyocell Dry) offer new product solutions for hygiene products that could previously only be achieved by using synthetic fibers. The new Lenzing fiber does not fall under the "plastic" definition of the SUPD (Directive (EU) 2019/904 of the European Parliament and of the Council of 5 June 2019 on the reduction of the impact of certain plastic products on the environment). It offers a very soft and environmentally responsible cellulose-based alternative for brands and manufacturers looking to develop plastic-free feminine and personal care products.

11.5.3.7 Sustainable protection of glaciers

Lenzing field-tested nonwovens made from LENZING™ branded fibers to protect snow and ice from melting in a small area on the Stubai glacier in Austria. Using this method, four meters of ice were saved from melting. Previously nonwovens used for this purpose were made from fossil-based fibers, which had the effect that microplastics remained after the summer and then flowed downstream into valleys where they could enter the food chain via small organisms and animals. Nonwovens made from LENZING™ cellulosic fibers avoid this issue. The successful field test led to an expansion of the project starting in 2023 to field trials on all Austrian glaciers used for tourism. After the nonwovens have been used, the geotextiles could be recycled and ultimately utilized to produce yarn for textile products.

11.5.3.8 Capacity expansion in the nonwovens sector

At the end of 2025, Lenzing announced its decision to invest EUR 15 million in expanding nonwoven fiber production capacities at its Lenzing an der Ager site. The expansion will focus on VEOCEL™ Viscostar fibers with a trilobal cross-section, which are particularly suitable for feminine hygiene products due to their efficient absorbency, offering a sustainable alternative to synthetic fibers.

11.5.3.9 EC (Enhanced Cleaning) fibers

One innovation in the area of cleaning wipes are the newly developed VEOCEL™ Lyocell EC (Enhanced Cleaning) fibers, which were specifically designed for disinfection applications. Most disinfectant wipes are based on the active substance class of quater nary compounds (quats). These substances bind very strongly to cellulose fibers, in contrast to synthetic fibers. In practice, manufacturers of disinfectant wipes aim to achieve a consistent release of active ingredients and thereby low binding to the fiber surface. For this reason, a new type of lyocell fiber was developed that binds less strongly with quats and consequently enables a consistent release of active ingredients. The new VEOCEL™ Lyocell EC fiber has already been introduced at a major nonwovens industry conference.

11.5.3.10 LENZING™ Nonwoven Technology

The patented LENZING™ Nonwoven Technology produces lyocell filaments that are processed directly into a nonwoven material during the production process. The combination of the natural bonding of the filaments and subsequent hydroentanglement enables the manufacture of materials without the use of surface treatments or binders, thereby helping to reduce microplastics in wipes. The latest product that can be manufactured using this technology is LENZING™ DUAL WIPE. This innovative wipe combines two functional sides: a soft side for gentle cleaning and a rough side for stubborn dirt. With this key innovation the Group won the INDEX™26 Award in the Nonwoven Roll Goods category.

11.5.4 Lenzing Fiber applications

WBF are used in a wide range of textile and nonwoven products, from casual wear to haute couture, from sportswear as quick-drying, breathable T-shirts with reduced odor based on good moisture management, fleece jackets and shoes to the household in mattresses, pajamas, bed linens, towels, beauty masks and hygienic wipes for babies and skin cleansing, tea bags, coffee pads and other filtering purposes. WBF also form an essential component in protective clothing guarding against heat and fire and are used in electrical separators for applications such as lithium ion batteries, supercapacitors (*i.e.*, energy storage devices) and electrolytic condensers, especially for the automotive industry, including filter media, such as oil, fuel and air filters. As the automotive industry seeks to reduce its environmental footprint, LENZING™ Lyocell and Modal botanic fibers – produced from wood sourced from sustainably managed forests, – offer alternative materials for car seats, vehicle carpets and other interior applications.

11.5.5 Pulp and Co-Products

Dissolving Wood Pulp

Much of the DWP the Group uses for its fibers is produced in its own DWP plants. Although the Group has the nominal capacity to produce 100% of its total pulp needs in its own plants, it still sources some DWP from external suppliers in order to acquire certain special grades of DWP which it needs to achieve optimal process and product performance (while selling its own excess DWP), as well as to maintain certain supplier relationships. In 2025, 55% of the DWP which the Group used that year was produced in its own plants. The DWP is transported by sea, rail and road to the respective Lenzing factory sites and to customers. See also "*11.12 Logistics*." The Group procures sustainably forested wood for pulp production at its sites in Lenzing an der Ager, Austria, Paskov, Czech Republic, and Indianópolis, Brazil. More than 40% of the raw material the DWP plant in Lenzing an der Ager, Austria procures comes from Austrian forests, with a smaller part coming from other European countries. The wood procured for the Paskov site is sourced from sustainably managed forests and in Brazil the wood is sourced from sustainably managed plantations owned by LD Florestal S.A., a joint venture between the Company and Dexco. For decades, the Group has been a reliable and supportive partner to the European forestry sector as evidenced by the various offtake agreements the Group has in place with various state forest organizations. The wood supplies come from forestry operations that are certified according to recognized sustainability criteria, such as the Forest Stewardship Council ("**FSC**") standards, and the PEFC standards. All wood suppliers, totaling more than 800 in 2025, in all sourcing countries are assessed once a year by a scoring system utilizing PEFC or FSC controlled wood criteria. In addition to the captive use of DWP, the Group has established itself as a regular supplier in the global pulp market.

Biorefinery and Co-Products

A biorefinery is a facility for sustainable processing of biomass into a spectrum of marketable biobased products and bioenergy.

DWP production at all of the Group's pulp sites is not only self-sufficient in terms of meeting its own energy demand; the process actually generates more energy than needed. This surplus green energy is used on site, for instance for fiber production, or exported to the local grid. The production of biobased energy and biorefinery products such as acetic acid, furfural and magnesium lignosulfonate helps to increase the total material yield from wood as well as creating additional economic and environmental value. The Group produces LENZING™ sodium sulfate as a co-product at all locations where viscose or modal fibers are made. It is used in the detergent and construction industries and to produce food and animal feed.

11.6 Production

11.6.1 Production Facilities

The table below lists the Group's global production sites, the type of products manufactured at each site and each site's annual capacity as of December 31, 2025.

Plant location	Products	Annual capacity
		(unaudited)
		(tons)
Lenzing an der Ager, Austria	Dissolving wood pulp	320,000
	Lenzing Lyocell	74,000
	Lenzing Viscose and Lenzing Modal	284,000
Indianópolis, Brazil	Dissolving wood pulp	600,000
Purwakarta, Indonesia	Lenzing Viscose	323,000
Paskov, Czech Republic	Dissolving wood pulp	300,000
Nanjing, China	Lenzing Viscose and Lenzing Modal	143,000
Prachinburi, Thailand	Lenzing Lyocell	100,000
Heiligenkreuz, Austria	Lenzing Lyocell	90,000
Mobile, United States	Lenzing Lyocell	51,000
Grimsby, UK	Lenzing Lyocell	45,000

11.6.2 Production Capacity by Product

The table below sets out the Group's total annual production capacity (in metric tons) by product as of June 30, 2026, of each product indicated.

Products	Annual production capacity
	(unaudited)
	(in tons)
Lenzing Viscose and Lenzing Modal (including Lenzing FR)	750,000
Lenzing Lyocell	360,000
Total wood-based cellulose fiber production	**1,110,000**
Dissolving wood pulp	1,220,000
Total Dissolving wood pulp production	**1,220,000**

11.6.3 Production Process

DWP

In the pulping process, logs are debarked, chipped and treated in a cooking liquor. Cellulose is a major component of wood – around 40% of the wood substance – and is separated as raw pulp in this process. This pulp is then washed and screened to remove the residual cooking liquor, knots, and impurities. The raw pulp is bleached in a totally chlorine-free (TCF) process and turned into pulp sheets or flakes. The other wood

constituents remain within the thin liquor together with other cooking chemicals. The cooking chemicals are recovered and recycled from the remaining liquor and the organic components are converted into bioenergy (steam and electricity).

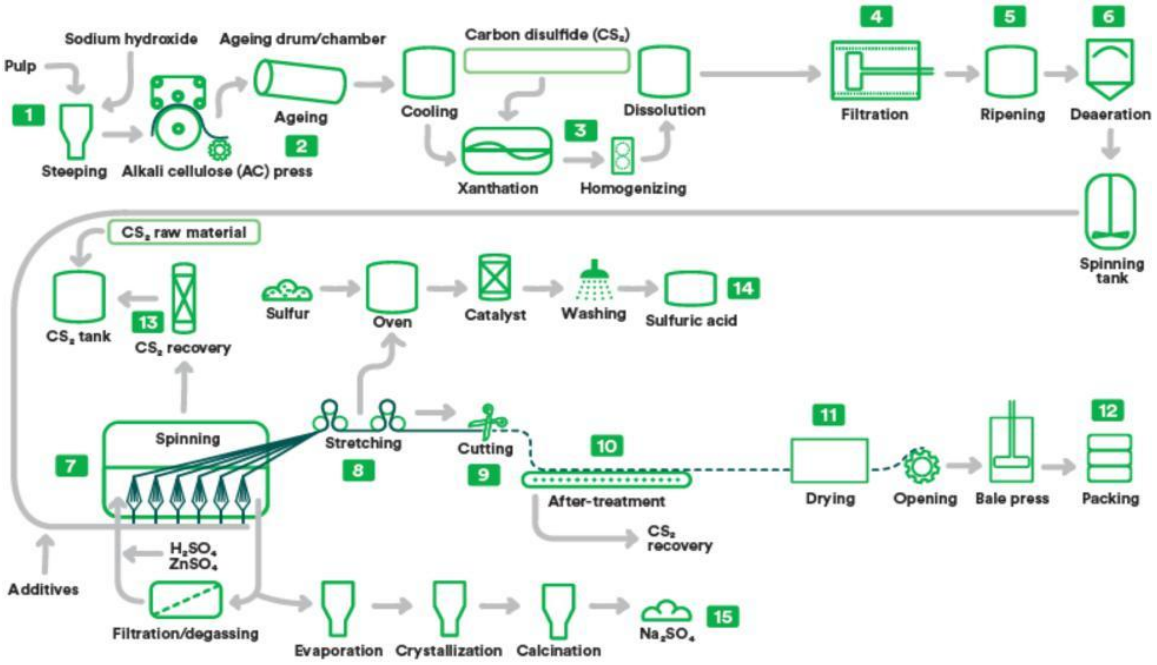
Bleaching is necessary to yield a dissolving pulp quality suitable for wood-based fibers, such as viscose, modal, and lyocell. Most dissolving wood pulp producers use elemental chlorine-free (ECF) pulp bleaching processes. The Group's three biorefineries produce pulp using a TCF (totally chlorine-free) bleaching process without using any chemicals containing chlorine, but with oxygen-based substances. Dissolving wood pulp produced by the Group has less impact on the environment and human health (*e.g.*, by the elimination of chlorine in the bleaching process) and also ensures the high quality required for fiber production.

WBF

WBF are produced from wood in a two-stage process. In the first stage pulp is produced, very similar to the production of paper. In a second stage, pulp is dissolved and cellulosic fibers are regenerated from the solution into a shape suitable in diameter and length for use in textile and nonwoven applications.

Lenzing's viscose and modal production process

The following diagram gives an overview of the production process for viscose and modal fibers.



Viscose fibers were the first generation of wood-based fibers produced on an industrial scale, beginning in the late 19th century, and are produced in a multi-step process. The cellulose in the viscose process needs to be derivatized by a chemical reaction (xanthation with carbon disulfide) prior to being dissolved in sodium hydroxide solution.

Modal fibers are produced in a modified viscose process.

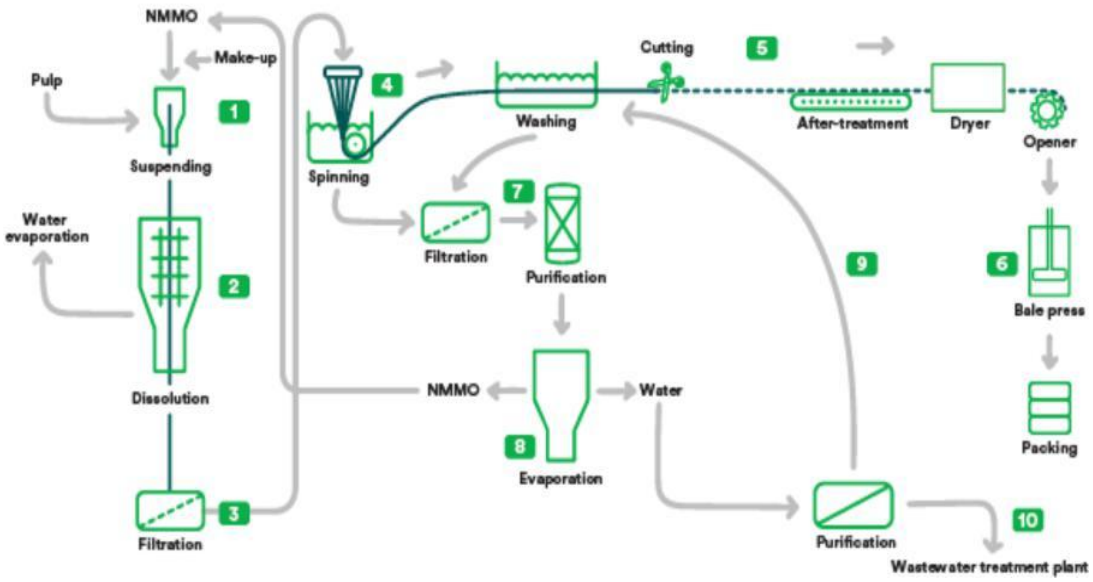
As described in the diagram above for the production of viscose and modal fibers, in the first step, pulp is steeped in a sodium hydroxide solution and is converted to alkali cellulose (AC) after pressing out excess lye (1). The AC is then aged in a drum or chamber (2) prior to being reacted with carbon disulfide in a reaction chamber (3). The resulting xanthate is then dissolved in lye prior to being filtered (4). The resulting deep orange and highly viscous cellulose solution (hence the name) is then ripened (5) and deaerated (6) before the viscose enters the spinning process. The cellulose solution is pressed through a number of orifices into an acidic spin bath where a plurality of single filaments (tow) is formed (7). After stretching of the tow (8) it is cut into the desired staple fiber length (9). In the after-treatment (10) the staple fibers are desulfurized, repeatedly washed and bleached and finally a finish agent is applied. After drying (11) of the viscose fibers they are pressed into bales and finally packed (12). Carbon disulfide is recovered from different waste gas streams (13) and is fed back into the system. Sulfur compounds containing waste gas streams are also converted into sulfuric acid in

several process steps and are reused in the process (14). Zinc is precipitated and recovered from the wastewater. Sodium sulfate, generated as a reaction product of sulfuric acid and sodium hydroxide in the spin bath, is isolated as a co-product in a multi-step process (15) and is sold to other industries.

Lenzing's lyocell production process

The following diagram gives an overview of the production process for lyocell fibers.

LENZING™ Lyocell fiber production process — Figure 5



The initial goal in developing the lyocell process was to derive cellulose fibers from pulp without relying on the chemically complex viscose process.

Similar to viscose fiber production, the raw material pulp is derived from renewable wood or to a certain extent from alternative sources such as cotton scraps. In contrast to the traditional chemical viscose process, the lyocell process directly dissolves cellulose in the organic solvent NMMO without the need to derivatize the cellulose. This means that, in contrast to the viscose process, no carbon disulfide is used and the overall production process for lyocell fibers is therefore simplified.

Waste generation in the production process is minimized thanks to the closed loop process employed for lyocell production and lower consumption as well as higher utilization of chemicals.

The lyocell production process starts by suspending pulp in water and NMMO in order to get a homogenous slurry (1). In the next process step, water is removed and cellulose is thereby dissolved to form a solution called dope (2). Prior to spinning, the cellulosic solution is filtered in order to remove undesired particles and undissolved material (3). The heart of the production is the spinning process (4) where the cellulosic solution is pressed through a number of very small orifices thereby forming cellulosic filaments. These filaments are cut into staple fibers of desired length and then enter the after-treatment zone where the fibers are washed and a finishing agent is applied (5). The wet staple fibers are then dried, opened, pressed into bales and finally packed to obtain the final product (6). The recovery starts with filtration and pre-purification steps (7) of the spin bath before water is removed by evaporation (8) to obtain NMMO and the whole cycle can start again after minor solvent losses are compensated with make-up NMMO. Water that is obtained from the evaporation step is also fed back into the process (9) and only a small amount of water is sent to the wastewater treatment plant (10).

11.7 Procurement

The Group depends on the supply of raw materials. Key components in the Group's production of WBF are DWP, chemicals such as caustic soda and sulfur, NMMO, and wood for its dissolving pulp mills. Caustic soda is a by-product of chlorine production, and an important primary product for the production of viscose and modal fibers, whereas sulfur is an important starting material for the production of carbon disulfide and sulfuric acid, both of which are used in the process of viscose and modal production. Although the Group relies on

supplies of DWP for its fiber production, these are secured in the long term, in particular due to its pulp mill in Brazil, and the Group also maintains procurement of DWP in the global market, mostly under long-term supply contracts. In addition, as the production of WBF is an energy-intensive process, the Group relies on various sources of energy, including natural gas, biomass and electricity (*e.g.*, from photovoltaic sources), as well as coal and fuel oil, for its operations. Prices for raw materials and energy have fluctuated significantly in the past and will likely continue to do so, impacting the Group's cost of sales.

Wood purchasing, pulp purchasing, chemicals and energy purchasing are handled by three different teams within the Group (Wood Procurement, Pulp Trading GmbH, and Global Procurement). Globally, the Group's procurement teams collectively manage relationships with several hundred suppliers. The Group aims to reduce purchasing risks such as major price fluctuations and supply bottlenecks through long-, medium- and short-term supply relationships and active supplier management.

The Group's most relevant suppliers are those that have an increased significance due to their size and volume and criticality. The chemicals that the Group requires to produce wood-based fibers are partly difficult to obtain and the Group relies on a limited number of key suppliers, some of which are struggling to meet demand due to supply chain disruptions. See "*3.1.11 The raw materials and services that the Group requires to produce wood-based fibers may be difficult to obtain, and the Group relies on a limited number of key suppliers, some of which are struggling to meet demand due to supply chain disruptions*."

The Group does not hedge its exposure to market price risk for raw materials such as chemicals or wood. The Group's procurement strategy for wood entails long-term master agreements. In 2024 and 2025, the Group covered more than 55% of its pulp requirements with its own production. Despite these efforts, the prices of raw materials are frequently volatile, and this was especially the case in recent years as a result of the Russia-Ukraine conflict and the Iran conflict. The Group experienced significant increases in raw material costs other than wood when they contributed to higher cost of sales and lower profitability. See "*10.5.1 Global Raw Material and Energy Prices*," for more detailed information.

In 2023, the Group began implementing a hedging strategy encompassing a mixture of financial and physical hedging strategies in Europe and North America, focusing mainly on gas but also in limited cases on electricity. For 2025, the Group hedged approximately 42% of its expected electricity demand in Austria via long-term Power Purchase Agreements (solar PV and wind). Furthermore, 9% of the electricity demand was covered by own production (solar PV and hydropower). The Group hedged between 32% and 74% of the expected natural gas demand of its relevant sites in the United States, the United Kingdom and Austria. However, hedging measures may not always fully protect the Group from volatility in gas prices and the impact it can have on the Group's profitability, particularly in situations like the spike in gas prices and market fears over the integrity of gas supplies which emerged after Russia's invasion of Ukraine. Such measures could even have a negative effect on the Group's costs, for instance, by leading to comparatively higher costs for the hedged positions during an otherwise downward trend in market prices.

All of the Group's suppliers must comply with the Lenzing Global Supplier Code of Conduct, which emphasizes best practices in respect of health and safety at work, labor and human rights, environmental protection, ethics and management. To ensure compliance with Lenzing's Global Supplier Code of Conduct, suppliers are required to carry out assessments through supplier assessment tools. In addition to the code, wood and pulp suppliers must comply with the Group's Wood and Pulp Policy, pursuant to which the Group gives preference to suppliers compliant with FSC or PEFC standards.

All key suppliers are evaluated for sustainability in the production chain. The Group conducts regular audits as well as specific evaluations of both new and established suppliers for sustainability including compliance with environmental and safety standards. Suppliers are interviewed and evaluated under environmental and safety aspects with the support of external experts. A final assessment is then conducted. This final assessment affects the overall supplier assessment and constitutes a major criterion for long-term cooperation with suppliers.

11.7.1 Wood and Dissolving Wood Pulp

Wood and DWP are the Group's most important raw materials. The Group takes responsibility by focusing on sustainable sourcing covered by certifications, responsible consumption, and the highly efficient use of these valuable resources. Lenzing sources wood and DWP from semi-natural forests (as defined by the Food and Agriculture Organization of the United Nations (FAO), which include naturally regenerating and planted forests of similar species composition as the natural forests in the area), and plantations, as all defined by FAO, which are not from primary, natural or ancient and endangered forests.

Precise figures for the absolute volumes of wood purchased and DWP sourced are not provided for confidentiality reasons. As an indicative estimate, a total fiber sale of, for example, one million tons require a pulp input of around the same amount. The amount of wood required for the production of this DWP cannot be stated exactly, especially given the different processes and species of wood that the Group's suppliers use.

Dissolving wood pulp

Processing wood into fibers requires a special quality of pulp called dissolving wood pulp. The Group produces DWP at its plants in Lenzing an der Ager, Austria, Paskov, Czech Republic, and Indianópolis, Brazil. The Group's DWP capacities are 320,000 tons at the Lenzing an der Ager site and 300,000 tons at the Paskov site. At the Indianópolis, Brazil site, which is owned by the LD Celulose joint venture in which the Group holds a 51% interest, the nominal capacity was increased to 600,000 tons per year in 2025 through optimization measures. This brings the Group's total nominal DWP capacity across its three sites to approximately 1,220,000 tons per year.

The Group's long-term strategy has been to increase its own DWP capacities to 75% of its planned fiber production requirements. In 2025, a total of approximately 1,218,000 tons of DWP was produced at the Group's pulp plants, increasing the level of self-sufficiency to significantly more than the 75% targeted by the corporate strategy (2024: approximately 1,176,000 tons, also significantly more than 75%). The nominal DWP capacity of the Group's own plants continues to exceed 100% of the DWP volume required for its fiber production, and additional production volumes are primarily sold on the external pulp market, with the Group having established itself as a structural supplier in the global DWP market.

However, in addition to its own DWP production, the Group maintains procurement of DWP in the global market, mostly under long-term supply contracts, to acquire certain special grades of DWP which it needs to achieve optimal process and product performance, as well as to maintain certain supplier relationships. The supply of the Group's fiber production sites with high-quality DWP is considered secure in the long term thanks to the Group's own pulp production and sufficient market capacities.

Regional Wood Supply in Europe

The Lenzing an der Ager site (Austria) mainly uses beech wood plus small amounts of other hardwoods and spruce, whereas the Paskov plant (Czech Republic) mainly uses spruce. Lenzing is committed to the cascading use of wood, and primarily makes use of timber generated from small trees through thinning and sections of large trees that are unsuitable for high-grade products, such as furniture or construction.

To ensure short transportation distances and short delivery times, almost all the wood required originates regionally. Regional wood accounted for 98.9% in 2025 and 97.2% in 2024 for the site in Lenzing an der Ager. For the Paskov site, the regional supply rate remained at 100% in both 2024 and 2025. Regional wood supply originates from the country where the pulp mill is situated and from neighboring countries from which wood can be transported directly without crossing a third country.

Local wood supply in Brazil

Lenzing's pulp mill in Indianópolis (Brazil), a joint venture with Dexco under the name of LD Celulose, uses eucalyptus from its own plantations. These plantations operate entirely in compliance with the Lenzing Group's guidelines and high standards for the sourcing of wood and pulp as well as with the requirements of leading certification schemes.

11.7.2 Chemicals

The Group depends on the supply of chemicals. The most important chemicals used – amounting to approximately 85% of the overall purchase volume spent – are caustic soda (NaOH), carbon disulfide (CS2), sulfuric acid (H2SO4), sulfur (S), sulfur dioxide (SO2), softening agents, flame retardants, modifiers, N methylmorpholine N oxide (NMMO), titanium dioxide (TiO2), and zinc sulfate (ZnSO4). Caustic soda is a by-product of chlorine production, and an important primary product for the production of viscose and modal fibers, whereas sulfur is an important starting material for the production of carbon disulfide and sulfuric acid, both of which are used in the process of viscose production.

11.8 Joint Ventures and Strategic Partnerships

The entry into joint ventures is an important element of the Group's operations and strategy. By leveraging the expertise of strategic partners in its joint ventures, the Group seeks to further its strategic goals, including the backward integration of its value chain into DWP.

LD Celulose S.A.

On June 21, 2018, the Company established a joint venture, LD Celulose S.A., with Dexco, a publicly listed Brazilian company with its main business in the production of wood products, sanitary vitreous chinaware and metal fittings, for the purpose of financing, constructing and operating a DWP mill in Indianópolis, Brazil. The Company holds 51% of the equity in the joint venture and Dexco holds the remaining 49%. The joint venture relationship is governed by several agreements. For information on the joint venture's financing agreements, see "*11.21.4 Financing Agreements*." A shareholders' agreement (the "**LD Shareholders' Agreement**") governs the rights and obligations of the two shareholders, and, among other things, provides that decisions are made by the majority shareholder (*i.e.*, the Company) subject to certain veto rights held by Dexco over specified corporate actions, sets out restrictions on share transfers subject to certain exceptions and imposes non-compete obligations on both shareholders.

The LD Shareholders' Agreement also includes call and put options. Dexco has the right to put its shares to the Company at a fair market price, calculated as set forth in the agreement, if the Company undergoes a change of control, and has a further discretionary right to put its shares to the Company at any time (outside of a specified lock-up period) at a fair market price minus a 20% discount. Dexco has no right to put its shares if the fair market value of LD Celulose shares, calculated as set forth in the agreement, is negative. However, Dexco has the right to call the Company's shares in LD Celulose at any time, except when fair market value is negative, at the fair market price if the Company faces liquidation or insolvency, fails to perform its financial obligations under other joint venture agreements, or defaults under the financing agreements. The Company has the right to call Dexco's shares in LD Celulose at any time, except when fair market value of LD Celulose shares is negative, at the fair market price if the Dexco undergoes a change of control, faces liquidation or insolvency, fails to perform its financial obligations under other joint venture agreements, or defaults under the joint venture's financing agreements. The Company further has a discretionary call right at any time at the fair market price plus 25% unless the fair market value of the joint venture is negative.

Other joint venture agreements include a pulp off-take agreement between LD Celulose and Pulp Trading GmbH ("**PTG**"), a wholly-owned subsidiary of the Group, for 100% of the DWP produced at the plant. In addition, LD Celulose has a wood supply agreement and a forestry service agreement with Duratex Florestal Ltda., a wholly-owned subsidiary of Dexco.

The construction costs for the DWP mill project were the largest in the Group's history, amounting to USD 1.38 billion in industrial CAPEX.

The mill, which has a nominal capacity of 600,000 tons (originally 500,000 tons and increased following optimization measures) of DWP per year, was completed on schedule and the ramp up phase was completed at the end of 2022. The mill is also one of the most productive and energy-efficient pulp mills in the world and is designed to feed surplus electricity into the public grid as renewable energy.

LD Florestal S.A.

On June 21, 2018, the Company established an additional joint venture with Dexco, LD Florestal S.A. ("**LD Florestal**") for the purpose of securing land use rights and taking on loan liability for the DWP mill in Indianópolis, Brazil, operated by LD Celulose. The Company holds 50% of the equity in the joint venture and Dexco holds the other 50%. LD Florestal, among other things, has entered into a land use agreement (the "**Land Use Agreement**") with Ligna Florestal Ltda, a limited liability company, to secure a plantation area of approximately 51,052 hectares. The plantation is FSC certified and supplemented by additional plantation areas, intended to provide the necessary biomass for the operation of the LD Celulose DWP mill. The Land Use Agreement runs for an initial duration of 30 years and grants LD Florestal an option to renew for an additional 20 years, thereafter there is an option for renewal by mutual agreement. Price adjustments for the Land Use Agreement are based on ordinary index adjustments and on extraordinary reviews based on market variations for eucalyptus plantations in rural areas in the region every five years. LD Florestal has granted access and usage of the plantation to LD Celulose via an assignment of exercise agreement with LD Celulose.

11.9 Research and Development

The Global Innovation department, based at the Group's headquarters in Lenzing an der Ager, Austria, is primarily responsible for technological developments as well as for the textile and nonwovens innovation groups, and also houses the R&D infrastructure including laboratories and pilot plants. Working in close coordination, various cross-functional groups across the company collaborate with the technology groups, the sustainability department and the production units in order to further strengthen Lenzing's innovative capabilities and enable the rapid and targeted implementation of developments.

As of the end of 2025, a total of 197 employees worked in the various innovation areas, compared with 205 employees at the end of 2024 and 222 employees at the end of 2023. However, most of the development work is conducted in collaboration with various areas of the Company as well as with external partners, such as universities, research organizations and customers.

Research and development expenditures calculated according to the Frascati method (less grants received) amounted to EUR 31.7 million in 2025 (2024: EUR 30.4 million; 2023: EUR 31.6 million). Such expenses mainly relate to personnel costs and other operating expenses, in particular filing and defense costs for patents and trademarks. As of June 30, 2026, the Group's products and technologies were protected by 960 patents and patent applications (from 142 patent families) in 40 countries and organizations (end of 2025: 944 patents and patent applications from 140 patent families in 40 countries). One notable achievement in 2025 was Lenzing's nomination for the Austrian State Prize for Patents in the special "Matilda" category, which recognizes companies that place particular emphasis on promoting women in innovation. The percentage of female inventors involved in Lenzing's patents stood at 47.5%, compared with an average of 8% in Austria and 13.2% across the EU.

Sustainability is not only a core value in the Group's strategy, but also a guiding principle for innovation and product development. Therefore, almost all development projects contain significant aspects relating to reduction of environmental impact. In both product and process development, the innovation function is continuously working on solutions that further reduce emissions (including carbon, sulfur and wastewater). These include projects to close production cycles, reduce wastewater emissions and enhance energy efficiency and reduce carbon emissions.

The industrialization of the circular economy formed a major focus of R&D activities in 2025. The strategic partnership with Swedish pulp producer Södra is being consistently advanced within the EU-funded LIFE TREATS project, with the aim of efficiently processing complex post-consumer textile waste. The quality level required for lyocell fiber production was achieved in pilot campaigns in 2025, a key prerequisite for the production of lyocell fibers from recycled material on an industrial scale. Raw material specifications for the sorting of used textiles were developed and separation technologies for elastane and polyamide fibers were improved. Moreover, in a partnership with adidas, it was demonstrated in 2025 that products made from lyocell fibers can be chemically recycled back into lyocell fibers. Fabrics made of 100% lyocell were dissolved, synthetic dyes removed and new fibers produced without bleaching, and these fibers were processed into a prototype product aligned with circular economy principles. Another partnership in the field of textile recycling is with the US-based textile recycling company Circ. As part of this collaboration, fibers marketed under the TENCEL™ x Circ® with REFIBRA™ technology brand were produced using 30% Circ pulp derived from recycled textile waste. These fibers were subsequently used in an H&M collection launched in Spring 2026.

In parallel with textile recycling, numerous activities were also carried out to obtain pulps for fiber production from alternative raw material sources, such as agricultural waste, with the Group relying on intensive external cooperation to investigate the suitability of such pulps for the fiber production process. Also in the pulp area, the impact of using different wood species on the production process and product quality was examined with the aim of achieving maximum yield. Numerous studies were conducted in both pulp cooking and pulp bleaching to selectively increase process efficiencies and reduce chemical dosages and energy requirements. An important focus was the identification and analysis of various process streams in order to evaluate the potential for producing new co-products. Several projects also focused on the use of membrane technologies for recovery processes and wastewater treatment, which not only represent selective alternatives to existing technologies but also contribute to a significant reduction in the carbon footprint.

As e-mobility continues to expand, a significant medium-term oversupply of sodium sulfate — one of the by-products of the viscose process — is expected, driven by lithium extraction and battery production and recycling. The Group is working with partners on a development project on the electrochemical splitting of sodium sulfate to produce caustic soda and sulfuric acid, both of which are essential chemicals for the manufacture of viscose fibers.

One newly developed fiber type is a lyocell fiber with a flat cross-section rather than the usual round cross-section, featuring different properties such as improved liquid transport. The fiber was presented in 2025 at the Global Fiber Congress in Dornbirn, generating strong customer interest. In 2025, the production rate of this flat fiber was increased by 30% compared with the previous year.

Developments continued in 2025 for the TENCEL™ Luxe Filament product and LENZING™ Nonwoven Technology (LNT), both of which are based on the lyocell process. LNT material was used for the first time in a commercially available product in 2025, with the LNT application pipeline now ranging from products already on the market to new applications successfully tested for the first time in 2025. Recently a

LNT dual wipe won the prestigious INDEX™ 26 Award in the Nonwovens Roll Goods category and was a finalist for the 2026 World of Wipes Innovation Award.

TENCEL™ Luxe Filament is already fully commercialized and featured in a wide range of fashion applications by renowned brands such as Zara and ARMEDANGELS. Current development efforts focus on further optimizing the production process to reduce both operating expenses and capital expenditures. Another key priority is expanding the product portfolio and exploring new applications, with a particular emphasis on technical textiles, including carbonization precursors and personal protective equipment (PPE).

A substantial share of this development work is being carried out within the framework of EU-funded projects. Among these is the CELLFIL project, launched in 2024, in which Lenzing acts as a major project partner and serves as the scientific coordinator.

Artificial intelligence is playing an increasingly important role in the Group's innovation activities. AI-based solutions are used for advanced image data processing and were introduced to accelerate and automate workflows in laboratories, in addition to AI systems already deployed in production facilities.

11.9.1.1 Technical and market development

Collaborations form an essential part of the Group's business development activities, both within and outside the Group. Intensive development is conducted among the Group's application and innovation centers in Lenzing an der Ager, Austria, Hong Kong, China and Purwakarta, Indonesia. Textile application development is performed internally at the application centers or at customers' sites.

The application and innovation centers operate as pilot facilities, where the Group tests product quality and performance to ensure processability for customers. In addition, the centers develop new applications, work to increase the usability of the Group's fiber portfolio, collaborate with customers to prototype new developments and provide technical support for customers along the textile value chain in cases of technical inquiries and customer process optimization. They are also used to host events and workshops.

The Group is also collaborating with partners along the value chain worldwide. Examples include the Group partnering with Acabamentos Têxteis de Barcelos (ATB), a textiles manufacturer based in Portugal, on a collection of organic fleece fabric, composed of 40% TENCEL™ branded lyocell fibers and 60% cotton, and the Group's collaboration with outdoor fabric innovators David Parkes and Marco Weichert of Performance Days, to launch a Tree Climate outdoor fabric collection. Furthermore, the Group's sustainability and circular economy goals also guide the application developments with partners. Recently, the Group has partnered with its mill partners, Artistic Milliners, a denim manufacturer based in Pakistan, Canatiba, a textiles manufacturer based in Brazil, and Textil Santanderina, a textiles manufacturer based in Spain, to increase the use of mechanical recycled TENCEL™ Lyocell fibers in denim applications. In addition, new innovative applications for sustainably produced nonwoven fibers are being developed at the Nonwovens Development Center at Hof University of Applied Sciences (Germany).

The Group's collaboration efforts are not limited to application development but are pursued throughout the entire organization. In order to create structures in the textile industry and thereby develop a holistic solution for the circular economy, the Group is pursuing further activities in addition to its cooperation with Södra. As part of the cooperation, the Group and Södra are partnering with the manufacturer Riopele, to develop textiles made from recycled and sustainably produced materials for a spring/summer collection by the fashion brand Filippa K. In addition, the Group is a partner in the Horizon Europe project CISUTAC (Circular and Sustainable Textile and Clothing), a project funded by the European Union's Horizon Europe research and innovation program aimed at increasing textile circularity in Europe as well as in EnzATex, an Austrian project that deals with the recycling of textiles.

In addition, the Group is a partner in the Horizon Europe project CISUTAC (Circular and Sustainable Textile and Clothing), a project funded by the European Union's Horizon Europe research and innovation program aimed at increasing textile circularity in Europe as well as in EnzATex, an Austrian project that deals with the recycling of textiles and in InnoWAP, an Austrian project that deals with the use of hydrophytes for different applications including pulp / fibers. The Horizon Europe project ESCIB develops new methods for the assessment and modeling of life-cycle-data for biobased and circular materials – as one of the industrial partners Lenzing is providing use cases.

The Group is also driving developments in the area of digitalization as part of cooperative projects. From 2022 to 2025, Lenzing was active in the REWAI project (Reducing Energy and Waste using AI), funded by the Austrian Research Promotion Agency (Österreichische Forschungsförderungsgesellschaft, "FFG"), together started with Pro2Future, a research center in the field of artificial intelligence, with the University of Linz and

Graz University of Technology as partners. The aim is to develop a method for predicting fiber quality based on existing sensor data (over the entire production process). This is intended to identify necessary process changes at an early stage and avoid inferior quality.

11.10 Ongoing Capacity Conversion and Expansion

The Group has initiated a package of strategic investments of approximately EUR 100 million at its Austrian production site in Lenzing an der Ager in order to secure its long-term competitiveness and profitability. These investments include decarbonization and energy transition measures at the site. In the nonwovens segment, the Group announced at the end of 2025 an investment of EUR 15 million to expand nonwoven fiber production capacities at its Lenzing an der Ager site, focusing on VEOCEL™ Viscostar fibers with a trilobal cross-section, which are particularly suited for feminine hygiene applications. The expansion is designed to meet growing demand driven by regulatory trends toward plastic-free nonwoven products. As part of its strategy realignment announced in July 2026 ("Grow Nonwovens, Reset Textiles"), the Group is also strategically upgrading its Mobile, Alabama, United States production facility into a state-of-the-art specialty nonwovens site.

In 2024, the Group acquired a non-controlling interest in Swedish cellulosic fiber company TreeToTextile AB, establishing a strategic partnership to develop next-generation cellulose fibers using a novel, lower-impact production process. In February 2026, the Group acquired a controlling majority in TreeToTextile AB, with plans for a significant increase in production output at the existing demonstration plant in Nymölla, Sweden, and preparation of the first industrial-scale facility. This acquisition underpins the Group's premiumisation strategy and is intended to further expand its leadership in the specialty fiber market.

11.11 Customers, Sales and Marketing

11.11.1 Customers Overview

The Group sells its products and services to customers on a global basis. WBF are sold primarily to textile customers, namely brands and clothing retailers, and to nonwovens customers such as producers of care and cleaning products, while DWP is sold to other fiber producers and used internally. For more information on the branded WBF that are sold to customers in the textile and nonwovens industry, see "*11.5.1 The Group's Brands*" and "*11.5.2 The Lenzing product portfolio.*" The Group generates around 50% of its fiber revenues with a mid-double-digit number of customers. However, no single external customer is responsible for more than 10% of external revenue. The following table sets forth the revenue from external customers by products and services for the periods indicated.

	For the Year Ended December 31,		
	2025	**2024**	**2023**
		(audited)	
		(EUR millions)	
Regenerated cellulosic fibers	1,833.2	1,965.3	1,753.5
Co-products of fiber production	57.7	63.4	61.1
Other	6.9	4.3	26.4
Division Fiber	**1,897.8**	**2,033.0**	**1,841.0**
Pulp	524.2	456.7	529.5
Biorefinery-products and energy	112.2	111.6	110.2
Mechanical and plant engineering, engineering services, wood and other	65.3	59.2	36.5
Division Pulp	**701.6**	**627.6**	**676.1**
Division Others	**3.0**	**3.3**	**4.0**
Total Revenue	**2,602.4**	**2,663.9**	**2,521.2**

11.11.2 Customers by Geographic region

The following table provides a classification of revenue from external customers by geographic region for the periods indicated. Revenue is allocated according to the geographic region of the customer.

	For the Year Ended December 31,		
	2025	**2024**	**2023**
		(audited)	
		(EUR millions)	
Austria	89.0	88.2	94.2
Europe (excl. Austria, incl. Türkiye)	674.7	751.7	625.9
Asia	1,581.9	1,571.5	1,563.4
America (North, Central and South America)	242.5	237.7	223.3
Rest of the world	14.3	14.9	14.4
Revenue	**2,602.4**	**2,663.9**	**2,521.2**

11.11.3 Sales and Marketing

In addition to sales offices at certain of its production sites, the Group has historically also maintained sales representation offices in New York, United States, Shanghai, China, Hong Kong, China, Seoul, Korea, Taipeh, Taiwan, Istanbul, Türkiye, Coimbatore, India and Jakarta, Indonesia. In the course of the Group's ongoing cost optimization measures and strategic realignment, the Group plans to consolidate its representation via dedicated sales offices in Shanghai, Istanbul, and Coimbatore, while closing the remaining offices throughout 2026 and 2027. The Group's textile fibers marketing efforts are worldwide in scope, focusing on textile manufacturers and retailers. The Group focuses its sales efforts on a "push" and "pull" strategy. On the one hand, the Group develops applications for use in the textile and nonwoven chain. On the other hand, the Group markets its innovations and developments to manufacturers and retailers, who in turn specify that their direct suppliers use the Group's products. The Group also offers manufacturers and retailers specific know-how to arrange and organize the supply chain for their consumer products. The Group's nonwovens marketing efforts tend to focus on North America and Europe, where the majority of customers are located.

11.12 Logistics

The Group's key raw materials, which are sourced on both a global and a regional basis, are transported via sea, rail and road from their sourcing locations to the respective Group sites. Similarly, the Group's finished products, namely WBF, Bio-Refinery and Co-Products are also delivered to customers worldwide through sea and road links. The Group's transportation needs are largely outsourced to third-party logistics suppliers, and capacities are secured via long-term as well as short-term agreements. The Group's logistics costs have been subject to upward cost pressure in recent years. A tangible increase in logistics costs weighed on the Group's business performance in 2024, and freight and logistics costs experienced renewed upward pressure from 2025, driven initially by the Russia-Ukraine conflict and, more recently, by disruptions to global shipping routes, including the Strait of Hormuz, arising from the Iran conflict in 2026.

The Group's wood logistics system moves particularly large quantities of material. There are many process steps between the felling of a tree to the delivery of wood to the Group's pulp plant in Lenzing an der Ager (Austria). The wood must be labeled, its traceability along the entire supply chain must be ensured, and around 80 rail wagons and 80 trucks must be directed to the Group's Lenzing an der Ager site every day. All this requires an elaborate Europe-wide logistics process and specialized software that guarantees the smooth flow of information between the individual stations.

Pursuant to its goal of reducing carbon emissions, the Group has shifted the transportation of some inbound materials from road transport to rail and sea transport, which generally generate fewer CO_2 emissions. The transportation of sulfur purchased from one particular supplier in Europe was recently shifted from road to rail, with a volume of approximately 400 tons in 2020 (starting in November 2020) and approximately 15,000 tons per year in the following two years. The Group expects this shift to continue, affecting more suppliers in the future. The Group seeks to reduce emissions from logistics by favoring train transport wherever possible.

The Group piloted carbon neutral sea transport in October 2021, collaborating with Good Shipping, a shipping company focused on carbon neutral cargo shipping, during the COP26 United Nations' climate change

conference. The Group also plans to explore carbon neutral shipping further in the future, particularly for its finished goods.

11.13 Real Estate

The Group owns, or holds under long-term land-use or lease agreements, land and building space in Austria, Indonesia, China, the United Kingdom, the United States, Germany, the Czech Republic, Thailand and Brazil. This real estate mainly consists of the Group's production facilities and land. In addition, the real estate also comprises administrative buildings.

The table below provides an overview of the material real estate that the Group owns or leases under long-term land use or lease agreements as of June 30, 2026.

Location	Total Size	Main Use	Ownership Status
	(sqm)		
Lenzing an der Ager, Austria	1,540,770	Land, production facilities and administrative buildings	99.4% owned 0.6% leased
Various locations in Austria	3,302	Residential buildings	100% owned
Heiligenkreuz, Austria	282,413	Land, production facilities and administrative buildings	89% owned 11% leased
Purwakarta, Indonesia	846,381	Land and production facilities	100% owned(1)
Nanjing, China	335,118	Land	100% owned(1)
	64,042	Production facilities	
	6,052	Administrative buildings and canteen	
Grimsby, United Kingdom	128,000	Land and production facilities	100% owned
Mobile, United States	659,659	Land	100% owned
	23,365	Production facilities and office buildings	
Paskov, Czech Republic	2,121,172	Land, production facilities and administrative buildings	99.4% owned 0.6% leased
Patalganga, India	239,393	Land for production facility	100% owned(1)
Prachinburi, Thailand	497,398	Land, production facilities and administrative buildings	100% owned
Indianópolis, Brazil	406,470,000	Plantation, production facilities and office buildings	0.5% owned 99.5% leased

Source: Company information

Note:

(1) Via land use rights.

In addition to the property listed above, the Group leases commercial units in third-party building complexes in the United States, Türkiye, India, Singapore, South Korea, China, Taiwan, Indonesia and Germany, mainly for use as sales and representation offices and showrooms. The Management Board believes that all rental and lease agreements are on ordinary market terms and conditions.

11.14 Sustainability

11.14.1 Sustainability strategy

Sustainability is a core component of the Group's business strategy. As a leading provider of specialty fibers to the textile and nonwoven industries, the Group is determined to drive forward the transformation of those industries from a linear to a circular business model and to sharpen its focus on sustainable and high-quality premium fibers for textiles and nonwovens. The Group has established circularity-related targets and initiatives, including the development of viscose, modal and lyocell staple fibers containing post-consumer recycled content and collaboration initiatives with value-chain partners such as Södra, end of use garment collectors to increase textile waste recycling capacity. The status, timing and achievement of such targets and initiatives are subject to ongoing technological, commercial and regulatory developments.

The Group's "Naturally Positive" sustainability strategy is built on three strategic principles.

Driving systemic change

The Group believes that complex global challenges call for a collaborative approach to designing systemic solutions that involve many stakeholder groups. As a leader in the production of WBF, the Group believes it has a particular responsibility to help raise the bar for sustainability in the textile and nonwovens industries. Transparency and traceability are a prerequisite for fostering trust and building long-term relationships. The Group has made contributions to developing industry-wide methods, benchmarking tools, and approaches, such as the Higg and Zero Discharge of Hazardous Chemicals suite of tools, which aim to help corporations make their supply chains more socially and environmentally friendly through self-assessments and systemic analysis based on industry data, and the Facility Social Labor Module, which assesses social and labor conditions for workers in manufacturing with the aim of promoting fair labor conditions and mitigating negative impacts and risks on employees.

Advancing Circularity

According to the Group's circular economy vision, "We give waste a new life. Every day", the Group seeks to help drive the industry towards a fully-fledged circular economy by striving to give waste a new life in all aspects of its core business and by co-developing circular solutions with potential partners both inside and outside the current value chain to close loops wherever possible. This vision is based on the Group's determination to create value using as few natural virgin resources as possible and reduce the use of fossil carbon within the Group and the value chain while improving sustainability performance.

The Group seeks to unite the cellulosic fiber cycle of its wood-based products with its innovative fibers, such as LENZING™ ECOVERO™, that focus on closing loops in the production and recovery of raw materials and chemicals, and technologies such as REFIBRA™ which contain a minimum of 20% recycled content from pre- and post-consumer textile waste. This approach employs dedicated targets for the development of recycled content-based fibers and circular business models with value chain partners in order to advance this principle.

Greening the value chain

The Group's responsible practices and innovative products help enable its value chain partners, which include both upstream and downstream partners ranging from forest owners, pulp producers, and chemical producers to industrial customers such as spinners, dyeing factories and end customers such as brands and retailers, to improve their environmental and social performance and achieve their sustainability targets and commitments.

Responsible sourcing practices, water stewardship, decarbonization, and sustainable innovations form the basis of the Group's efforts in greening the value chain. The Group's sustainability targets and measures for air emissions, water emissions, pollution, and climate protection are cornerstones of the Group's responsible entrepreneurship and, it believes, act as innovation drivers. Guided by this vision, the Group has recently completed measures which include achieving 100% green electricity for the Lenzing an der Ager, Heiligenkreuz, Paskov and Mobile production sites, including installing an on-site photovoltaic ("**PV**") power generation at the Lenzing an der Ager production site. These measures in the Group's own operations are complemented by activities with suppliers to reduce their impacts. The Group works with key DWP and chemical suppliers to develop green raw materials with lower carbon footprints. All of the Group's suppliers must comply with the Lenzing Global Supplier Code of Conduct, which emphasizes best practices in respect of health and safety, work, labor and human rights, environmental protection, ethics and management. Similarly, the Group also employs ECOVADIS and Together-for-Sustainability audits to assess its own suppliers. Wood and pulp suppliers must comply with the Group's Wood and Pulp Policy, pursuant to which the Group gives preference to suppliers compliant with FSC or PEFC standards.

To protect its brands and support customers in procuring authentic fibers from Lenzing, it offers physical traceability for TENCEL™ x REFIBRA™ and LENZING™ ECOVERO™ across the Group's textile specialty fiber portfolio, subject to product scope and applicable certification requirements

The Group's sustainability driven innovations such as TENCEL™ Modal fibers with Eco Color technology and TENCEL™ Modal fibers with Indigo Color technology avoid conventional dyeing and utilize substantially less energy, water and chemicals than other products. These products help customers such as brands and retailers to reduce emissions which originate from their supply chain.

11.14.2 Sustainability achievements

The Group has made progress toward its sustainability objectives in recent years. The Group has also been working to phase out coal at its production site in Nanjing, China in favor of natural gas. In 2023, the

Group acquired a 43 megawatt biomass plant, which contributes renewable energy for the supply of its lyocell production site in Heiligenkreuz, Austria and supports the reduction of fossil fuel consumption.

Commitment to transparency, environmental protection and continuous improvement has resulted in the Group receiving external ESG-related assessments and recognitions from a number of rating organizations. In 2025, CDP awarded Lenzing the Triple "A" rating for the fourth time for its performance in the areas of climate change, forests and water security. This places Lenzing among only 23 companies worldwide that achieved "Corporate A List" status in all three categories in 2025, out of more than 22,000 companies that disclosed environmental data. As ESG ratings and rankings are based on the methodologies and assessment criteria of the respective organizations and may change over time, such ratings and rankings may not be directly comparable and should not be interpreted as guarantees of future performance. In the EcoVadis ESG rating, Lenzing achieved Platinum status, MSCI rated Lenzing with an "A", and the company achieved first place in the global "Hot Button Report" of the non-profit organization Canopy, which evaluates the performance of global producers of wood-based fibers in the areas of sustainable sourcing, transparency and innovation.

11.15 Employment Statistics

The table below shows the number and allocation by region of the Group's employees and apprentices as of December 31, 2023, 2024 and 2025 and June 30, 2026.

Headcount	**As of June 30,**	**As of December 31,**		
	2026	**2025**	**2024**	**2023**
Thereof in Austria	3,307	3,418	3,511	3,541
Thereof in Brazil	1,255	1,282	1,236	1,195
Thereof in Indonesia	1,291	1,322	1,342	1,474
Thereof in Czech Republic	535	528	541	525
Thereof in China	770	802	816	818
Thereof in U.S.A	200	201	212	217
Thereof in UK	223	227	225	234
Thereof in Thailand	276	276	269	269
Others (India, Türkiye, Korea, Singapore, Taiwan, Germany, Italy and France)	86	73	76	67
Total employees	7,943	**8,129**	**8,228**	**8,340**

Source: Company information

The table below shows the number and full- or part-time status of the Group's employees as of December 31, 2023, 2024 and 2025 and June 30, 2026.

Headcount	**As of June 30,**	**As of December 31**,		
	2026	**2025**	**2024**	**2023**
Full-time employees	7,351	7,535	7,690	7,748
Part-time employees	592	594	538	592
Total employees	7,943	**8,129**	**8,228**	**8,340**

Source: Company information

Headcount has not changed significantly between June 30, 2026 and the date of this Prospectus, however FTE numbers are decreasing based on our ongoing restructuring plans. This decrease is mainly driven by full FTE reduction, early retirements and the application of a strict replacement policy for vacant positions. Going forward, the Group expects FTE numbers to decrease further as a result of ongoing efficiency measures, particularly in Indonesia, and SG&A cost reduction measures.

11.15.1 Employee Representation, Union Membership and Employee Relations

Union membership of the Group's employees varies from country to country, with the highest proportion of unionized employees in Austria, Brazil, Indonesia and the United States. As of June 30, 2026, the Group estimates that approximately 82% of its employees were covered by collective labor agreements.

The Lenzing Group's management is committed to a transparent information policy towards the employees' official representatives. There are local works councils at the facilities in Lenzing an der Ager and Heiligenkreuz. In accordance with the Austrian Labor Constitution Act, representatives of the Company's works council at the Lenzing an der Ager site have seats and voting rights on the Supervisory Board. At all other sites except Thailand, there are trade union representatives from various factions and/or employee interest groups to represent the concerns of the workforce.

The Group believes that relations with employees are generally good.

11.15.2 Pension Benefit Obligations

All Group employee retirement plans are operated on a defined contribution basis unless otherwise required by law in a certain jurisdiction. Under its defined contribution plans, the Group may make contributions to external pension plans, depending on regulatory requirements and local market practice.

The Company and some of its subsidiaries have defined benefit pension plans providing retirement benefits based on the number of years of service and on the amount of remuneration received by eligible employees. These defined benefit pension plans are funded with provisions and partly covered by pension plan assets. Benefit pension plans are based on contractual obligations. The Group's most important defined benefit pension plan is located in Austria. It applies to employees who joined the Group before January 1, 2000 and decided to remain in the plan. The claims generally arose after a vesting period of at least 10 or 15 service years. A retirement age of 58 to 63 years is assumed for the beneficiaries, depending on their gender. At present, the plan primarily covers employees who have already retired. Qualifying insurance policies were recognized as plan assets in some cases, while coverage for these obligations is also provided by securities that do not qualify as plan assets. See *Note 30 of the Notes to the 2025 Consolidated Financial Statements.*

11.16 Intellectual Property

The Group's intellectual property rights ("**IP Rights**") include patents, know-how, copyright, trademarks, domain names and licenses. The IP Rights are held by the Company and are managed by a central function at the Company.

11.16.1 Patents and Know-How

As of June 30, 2026, the Group owned approximately 960 patent applications and patents in 40 countries around the world. These patent applications and patents belong to 142 "patent families" (each patent family containing all patent applications and patents originating from the same invention). National and regional patent offices examine whether the Group's patent applications meet the local patentability requirements. This process can typically take several years until the grant of a patent. All significant patents are filed and maintained in the important Asian countries as well as in the European Union and North America.

The know-how of the Group that is not protected by patent applications and patents is well protected by appropriate confidentiality agreements and other means that are defined in the know-how protection directive that is rolled out groupwide.

11.16.2 Trademarks

As of June 30, 2026, the Group owned approximately 8,000 trademark applications and registrations in 189 countries around the world covering several classes of products and services. National and regional trademark offices examine whether the Group's trademark applications meet the necessary requirements for registration. This process can typically take several months or even years.

11.16.3 Licenses

The Group mainly uses its own technology and know-how in its operations. In respect of the operations of the Division Fibers, there are no longer any significant cross-licensing agreements in place. However, the Group has several strategic R&D cooperations with other companies in the industry, wherein the cooperation partners give and obtain reciprocal licenses under the cooperation results.

Furthermore, the Group is working on its technology leadership by negotiating licenses for technologies that may have significant impact on the Group's future business.

The Group licenses its trademarks to final brand owners that apply for a license on the Group's e-branding service platform. Furthermore, the Group also enters into specific brand partner agreements with well-recognized brand owners.

11.17 Information Technology

The Group's Information Technology ("**IT**") organization employs a centralized model, with the members of its global IT team located in Lenzing an der Ager, Austria. The Group's IT team formulates and implements our Group-wide IT strategies relating to our infrastructure, business applications, security and compliance.

The Group has developed detailed plans for the restoration of critical IT processes and operations in the event of a disruption to its IT systems. In addition to designing an architecture that prevents, detects, and isolates security breaches, the resiliency of the network is based upon automatic re-routing of traffic in the event of a circuit failure. Backend services (*e.g.*, servers, directory databases, fileservers and similar services) are backed up daily and stored in dedicated backup datacenters. Mission critical applications are maintained in secure server rooms. Those server rooms have redundant access to internet lines.

In addition, the Group has comprehensive measures in place to deter, prevent, detect, respond to and mitigate a range of information security threats. The Group employs a multi-layer approach through the use of specific security programs and cluster switches where possible. See "*3.2.3 The Group is exposed to various operational risks in connection with the use of information technology*."

11.18 Quality, Environmental and Occupational Safety Control

As chemical processes, the production of pulp and wood-based cellulose fibers is heavily regulated in all countries in which the Group has production facilities. For further details on the regulatory environment and, in particular, applicable environmental regulation, see "*12 Regulatory Environment.*" The Management Board believes that it has received, and is substantially in compliance with, all material regulatory approvals and authorizations required for its operations.

In addition, the Group considers certification to be important proof of an organization's status with regard to systems and products. The Group is ISO 9001 certified for its Quality Management System, ISO 45001 certified for its Occupational Health and Safety Management System, and ISO 14001 certified for its Environmental Management System. These Certifications provide business partners and customers with assurance that the Group is maintaining standards with regard to quality, environment and occupational safety. Further, the Group conducts internal and external audits as required by the certification standards set by the Group's certifying body, TÜV Süd.

In 2025, 2024 and 2023, one fatal accident in total was recorded at the Group's sites and the Group's Total Recordable Injury Frequency Rate (TRIFR, which refers to the number of total recordable cases occurring in a workplace per 1,000,000 working hours) for employees decreased from 5.5 in 2024 to 4.5 in 2025.

11.19 Risk Management

The main purpose of risk management in the Group is to safeguard and strengthen the business through an adequate, objective and transparent assessment of financial, operational and strategic risks, including those related to ESG issues. A comprehensive, company-wide risk management system is used to ensure centralized risk management and monitoring for the Group. Together with the operating units, significant risks are identified and assessed and then communicated and transparently presented to the Managing Board and other stakeholders. Proactive analysis of potential risks is just as much the aim of risk management as the task of actively controlling risks and evaluating appropriate measures with the business units concerned. In connection with climate change, climate-related risks and opportunities as well as their short-, medium- and long-term effects on the Group, are identified and evaluated as part of risk management and appropriate risk mitigation measures are derived. This takes into consideration the requirements of the ESRS (European Sustainability Reporting Standards) on climate-related opportunities and risks.

11.20 Insurance

The Group maintains a global portfolio of insurance policies covering risks typically associated with its business activities, including general liability, product liability, property damage and business interruption,

cargo, cyber and directors' and officers' liability insurance. The Group regularly reviews its insurance arrangements and considers them appropriate for its risk profile.

11.21 Material Agreements

11.21.1 Acquisition and Sales Agreements

In April 2023, the Group entered into an agreement with ENERGIE 42 Beteiligungs GmbH to acquire a 43 megawatt biomass power plant located in Heiligenkreuz, Austria, near the Group's existing production site there. The transaction was approved by regulatory authorities in May of 2023. With this strategic investment, the Group has worked to significantly reduce its dependence on fossil energy at its Heiligenkreuz production site. Whereas the Heiligenkreuz production site was previously dependent on natural gas to a large extent, use of the biomass power plant is intended to substantially reduce the site's CO_2 emissions.

In October 2024, the Group acquired a minority interest in Swedish innovation company TreeToTextile AB ("**TTT**"). Lenzing thereby joined existing owners H&M Group, Inter IKEA Group, Stora Enso, and LSCS Invest. TTT was founded in 2014 as a joint venture to develop a more sustainable process for the production of cellulosic fibers. The company has been operating pilot plants since 2015 and invested in a demo plant in 2021. The transaction was closed in February 2025. In February 2026, the Group increased its existing interest in TTT by 55.2% and thereby acquired a controlling majority. The agreed purchase price for the increase in interest on the acquisition date amounted to EUR 23.3 million (of which EUR 22.2 million in cash and EUR 1.1 million as a non-cash contribution). A contingent consideration does not exist. TTT represents the next major technological advance in cellulose fiber production. The process offers a significantly improved sustainability profile, attractive cost benefits and broad applicability in textile and nonwoven markets. The transaction enables accelerated scaling of the new technology. The Group is planning a significant increase in production output at the existing demonstration plant in Nymölla, Sweden, and preparations for the first large-scale industrial plant. In addition, operational synergies are expected from closer collaboration.

11.21.2 Joint Venture Agreements

For a description of the Group's material joint venture agreements, see "*11.8 Joint Ventures and Strategic Partnerships*".

11.21.3 Supply Agreements

11.21.3.1 Sappi Pulp Supply Agreement

In November 2005, the Group's subsidiary Pulp Trading GmbH entered into a dissolving pulp supply agreement with subsidiaries of Sappi, Sappi Trading Pulp AG, Sappi Trading Germany GmbH and US Paper Corporation, under which Pulp Trading GmbH agreed to purchase certain amounts of DWP (the "**Sappi Pulp Supply Agreement**"). By way of a deed of novation dated May 2010, Sappi Papier Holding GmbH and Sappi Pulp Americas LP assumed and became successors to all of the rights, obligations and liabilities of Sappi Trading Pulp AG, Sappi Trading Germany GmbH and US Paper Corporation. In December 2017, the Sappi Pulp Supply Agreement was amended and restated as of January 1, 2018. The agreement has since been amended a number of times, most recently in January 2026. The Sappi Supply Agreement requires the Group to purchase minimum quantities of DWP on pre-agreed terms. Pricing is based on an index of DWP prices in China.

11.21.3.2 Supply Agreements with LD Celulose

For a description of the Group's supply agreements with LD Celulose, see "*11.8 Joint Ventures and Strategic Partnerships*".

11.21.4 Financing Agreements

11.21.4.1 Term Loan and Revolving Credit Facilities Agreement

In May 2025, the Group entered into a senior facilities agreement, which was amended, restated and increased pursuant to an amendment and restatement agreement dated September 14, 2026. Effectiveness of the Amendment and Restatement and the ability to make draw-downs under the amended and restated senior facilities agreement, are subject to the condition that the Offering is successfully completed. The amended and restated facilities agreement comprises (i) a EUR 355.0 million term loan facility and a new EUR 145.0 million term loan facility, each with a bullet repayment on the final maturity date, and (ii) a EUR 195.0 million revolving credit facility maturing four years after the effective date of the amendment and restatement agreement. The Company may twice request a one-year extension of the revolving credit facility, which may be granted in the sole discretion of the lenders. Assuming such extension requests are granted, the revolving

credit facility would have a remaining term until the earlier of (y) the sixth anniversary of the effective date of its amendment and restatement and (z) October 31, 2032. Proceeds from the initial term loan of EUR 355.0 million have been used to refinance existing indebtedness and related expenses. Proceeds from the new term loan of EUR 145.0 million agreed in connection with the Amendment and Restatement will be used for general corporate purposes and to finance exceptional, one-off and extraordinary costs related to the implementation of the Group's new strategy and other transformation initiatives. Proceeds from the revolving facility, which was increased by EUR 5.0 million in connection with the Amendment and Restatement, have been and will be utilized for general corporate purposes, including working capital requirements. The amended and restated senior facilities agreement includes customary terms, conditions, and covenants as agreed with the lenders.

In connection with the Amendment and Restatement, including the upsize and extension, of the senior facilities agreement, BNP PARIBAS, COMMERZBANK Aktiengesellschaft, Erste Group Bank AG and UniCredit Bank Austria AG, an affiliate of UniCredit Bank GmbH, have been appointed to act as mandated lead arrangers, bookrunners and coordinators. Raiffeisen Bank International AG has been appointed to act as an additional mandated lead arranger. In addition, COMMERZBANK Aktiengesellschaft has been appointed to act as agent and security agent, and Erste Group Bank AG has been appointed to act as documentation agent, in each case in connection with the Amendment and Restatement.

11.21.4.2 Financing Agreements relating to LD Celulose Joint Venture

In September and October 2024, LD Celulose S.A. (as borrower), LD Florestal S.A. (as initial guarantor), both joint ventures between the Company and Dexco S.A., and LD Celulose International GmbH (as issuer), entered into several agreements with, among others, UMB Bank N.A. (as administrative agent) and TMF Group New York, LLC (as collateral agent) concerning an aggregate financing of USD 1,000,000,000 (the "**LD Celulose Financing 2024**") made available for the refinancing of an export term loan facility agreement which in turn was made available to finance exports of goods by LD Celulose S.A. The LD Celulose Financing 2024 documentation includes financing provisions customary for joint venture financings, including representations/warranties, covenants such as restrictions on the incurrence of additional financial indebtedness by any of these joint ventures and their subsidiaries as well as other financial covenants, prepayment provisions, and events of default. While the main financing documents are governed by the laws of the state of New York, the LD Celulose Financing 2024 is secured by customary security agreements mainly governed by Brazilian and Austrian law entered into by LD Celulose S.A., LD Florestal S.A. and LD Celulose International GmbH.

The LD Celulose Financing 2024 comprises the issuance of USD 650,000,000 green senior secured notes due 2032 with an interest coupon of 7.950% by LD Celulose International GmbH, a wholly-owned Austrian subsidiary of LD Celulose S.A. the proceeds of which were upstreamed and used for the repayment of indebtedness of LD Celulose S.A., and a senior secured term loan facility with LD Celulose S.A. (as borrower) in an initial amount of USD 350,000,000, partially amortising with a balloon repayment 60 months after the closing date of the transaction.

In addition, LD Celulose International GmbH and the Company and Dexco S.A. (each as subordinated creditors) entered into an intercreditor and collateral agency agreement with, among others, UMB Bank, N.A. in connection with the LD Celulose Financing 2024.

The Company and Dexco S.A. (each as lender), LD Celulose S.A. (as borrower) and LD Florestal S.A. (as guarantor) entered into an inter-company unsecured revolving loan facility agreement governed by the laws of the state of New York with, among others, Dexco S.A. and Lenzing Aktiengesellschaft (each as lender) in connection with a USD 75,000,000 revolving facility.

11.21.4.3 Hybrid Securities

In July 2025, the Company issued a subordinated perpetual bond (hybrid capital) with a nominal amount of EUR 500,000,000 and an annual interest rate of 9.0% (the "**Hybrid Securities**"). Interest is payable semi-annually in arrears on January 9 and July 9 of each year, unless the Company elects to defer the relevant interest payment. Outstanding deferred interest must be paid under certain circumstances, in particular when the Annual General Meeting of the Company resolves to declare a dividend. The Hybrid Securities have a perpetual tenor and can be called and redeemed by the Company for the first time between April 9, 2028, and July 9, 2028. Investors have no call rights. If the Hybrid Securities are not called and redeemed, they will bear interest from July 9, 2028, at a revised, increased interest rate, calculated as the then applicable three-year swap rate plus a margin of 1,120.5 basis points.

11.21.4.4 German law *Schuldscheindarlehen*

The Company has issued several unrated, senior unsecured private placements in recent years in the form of German law *Schuldscheindarlehen* into tranches. As of June 30, 2026, these *Schuldscheindarlehen* had the following outstanding nominal values:

- EUR 159.5 million with floating interest rates due 2026. The weighted-average margin over 6-month EURIBOR of these facilities is 1.05%.
- EUR 4.5 million with floating interest rates due 2029. The weighted-average margin over 6-month EURIBOR of these facilities is 1.25%.
- EUR 102 million with fixed interest rates due between 2026 and 2034. The weighted-average interest rate of these facilities is 1.17%.

All *Schuldscheindarlehen* provide for customary set-offs, undertakings and events of default.

11.21.4.5 Other financing agreements

The Company, as borrower, concluded several loan agreements with certain financial institutions (including certain Managers or their affiliates) backed by Oesterreichische Kontrollbank AG ("**OeKB**"), the Austrian export credit agency acting on behalf of the Republic of Austria. The export financing loan agreements include:

- a loan agreement dated May 15, 2018, amended in December 2018, in the amount of EUR 200.0 million with an initial term of 8 years for purposes of financial investments in Lenzing Fibers Inc. in the United States, Lenzing Fibers GmbH in Heiligenkreuz, Austria and the Company;
- loan agreement dated December 17, 2018 in the amount of EUR 40.0 million with an initial term of 7 years for purposes of financial investments in Lenzing (Nanjing) Fibers Co., Ltd. in China;
- a term equity financing dated November 8, 2019 in the amount of EUR 300.0 million at market interest rate with an initial term of 10 years and a term equity financing dated December 3, 2020 in the amount of EUR 60.0 million at market interest rate with an initial term of 8 years in connection with the lyocell production plant in Thailand;
- two independent loan agreements dated April 8 and 21, 2020 with an aggregated amount of EUR 35.0 million (EUR 17.5 million each) at market interest rates with an initial term of 7 years for purposes of financial investments in Austria (*Exportinvest Green*); and
- a *Beteiligungsfinanzierung* (instrument to finance foreign investments) dated February 6, 2023 in the amount of EUR 100.0 million at market interest rates with an initial term of 5 years and 11 months for purposes of financial investments in PT. South Pacific Viscose in Indonesia.

The Company is in discussions on an additional *OeKB Vorratsinvest* loan agreement (instrument to finance inventory for export) in a planned amount of EUR 150.0 million expected to be entered into at market interest rates with a term of four years, subject to the settlement of the issuance of the Offered Shares.

11.22 Legal and administrative proceedings

Like other companies, claims and litigation are from time to time filed against the Group in the ordinary course of its business activities. These include product and defect liability and compensation claims. In addition, as a manufacturing business, the Group, in the ordinary course of its business, is regularly a party to government and regulatory proceedings and investigations, such as with respect to the extension or renewal of permits, the tightening of environmental requirements and the continued improvement of environmental quality at its operational sites. The Group is currently involved in legal disputes and administrative proceedings as a result of its ordinary course business activities, including in Brazil and elsewhere.

Other than the proceedings described below, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during the twelve months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company or the Group. For risks relating to legal and administrative proceedings of the Company and the Group, see also "*3.3 Legal, regulatory and tax risks*".

LD Celulose litigation

In May 2021, the public prosecutor of the State of Minas Gerais filed a class action suit against the State of Minas Gerais and LD Celulose, the Company's joint venture with Dexco which was established for the construction of a pulp mill in Brazil. The public prosecutor alleged that the licensing process of LD Celulose had not followed the applicable legal requirements and that the release of effluents by LD Celulose's operations would endanger the water quality and increase the costs of the water supply of the community of Uberlândia. The prosecutor therefore sought injunctive relief, which was granted in May 2021 but revoked in August 2021. LD Celulose received all required permits (including the required environmental licenses) and the pulp mill went into operation in 2022. In 2024, the trial court dismissed the case without addressing the merits based on lack of factual and legal grounds. As of the date of this Prospectus, this proceeding is pending the judgment of an appeal by the appellate court of the state of Minas Gerais, and it is uncertain when it will be reviewed by such court.

12 REGULATORY ENVIRONMENT

12.1 Overview

The Group's operations and the products it manufactures are subject to comprehensive regulatory laws of the jurisdictions in which it operates. At the EU level, for example, the legal and regulatory environment includes numerous EU directives, which are implemented in the individual EU member states ("**Member States**") through national legislation, and regulations, which apply directly. In addition, on an international level, agreements, including bilateral and multilateral agreements between countries concerning customs duties or other regulations related to the import and export of products, apply directly or indirectly to the Group.

The legal and regulatory requirements applicable to the Group are diverse, wide-ranging and may impose conflicting obligations and limitations on the Group. The cost of compliance with legal and regulatory requirements can be significant and is ongoing. All of these laws, rules and regulations are subject to frequent, sometimes unpredictable, changes and are supervised by the relevant authorities in each of the jurisdictions in which the Group conducts its business. Any reference in this section to any legislation or regulation is deemed to refer to such legislation or regulation as amended, supplemented or otherwise modified, and all further rules and regulations promulgated thereunder, unless the context requires otherwise.

12.2 Industrial environment control

The Group is subject to the EU-wide Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (Regulation (EC) No. 1907/2006 ("**REACH**")) and Regulation on Classification, Labelling and Packaging of Substances and Mixtures (Regulation (EC) No 1272/2008 ("**CLP**")). REACH requires manufacturers and importers of chemicals to, among other matters, identify and manage risks linked to the substances they manufacture, place on the market and use. In addition, for "substances of very high concern", REACH may require authorization for further use. REACH may also provide for restrictions for the manufacture, placing on the market or use in relation to individual substances or substance groups, ranging from specific conditions to, potentially, complete bans. CLP complements REACH by requiring suppliers of substances and mixtures, including manufacturers, downstream users and distributors, to apply harmonized criteria to their classification, labeling and packaging.

The Group must also comply with Regulation (EU) No. 2019/1021, restricting or, in some cases, prohibiting the production, placing on the market, release and use of numerous persistent organic pollutants, Regulation (EU) No. 528/2012, which regulates placing on the market and use of biocidal products, and other product-specific regulations.

Directive 2004/35/CE on environmental liability establishes a framework of environmental liability, based on the "polluter pays" principle, to prevent and remedy damage to protected species and natural habitats, waters and land (environmental damage). Operators of specifically listed activities that cause any environmental damage or any imminent threat of such environmental damage, shall take the necessary remedial and/or preventive measures irrespective of whether they are at fault or negligent. These duties extend to other operators if they have been at fault or negligent and cause a damage or an imminent threat of such damage to protected species and natural habitats. Therefore, a party may even be held liable for the entire cost of remediation, regardless of fault. Furthermore, Directive (EU) 2024/1203 on the protection of the environment through criminal law strengthened the criminal liability exposure of operators for environmental offenses in the EU by defining a range of environmental criminal offenses and establishing minimum fines.

Some of the facilities the Group owns and operates must comply with Directive 2012/18/EU on the control of major-accident hazards involving dangerous substances ("**Seveso III**"), as implemented by the national legislation of the Member States. This regime lays down rules for the prevention of major accidents which involve dangerous substances (including adherence to safety distances to *e.g.*, residential areas or natural sensitive areas) and the limitation of their consequences for human health and the environment.

The transport of dangerous goods by or on behalf of the Group is governed, among others, by Directive 2008/68/EC on the inland transport of dangerous goods (and its implementing legislation in the Member States). These rules refer to requirements standardized by the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR), the European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterways (ADN) and the Regulations concerning the International Carriage of Dangerous Goods by Rail (RID) as set forth in Appendix C to the Convention concerning International Carriage by Rail (COTIF).

For some of the Group's operations, the Group is required to obtain and maintain permits from governmental authorities. Some of these permits, in particular water law permits, might be granted for a specific

period only and therefore must be renewed frequently. As holder of water permits under the Austrian Water Law Act (*Wasserrechtsgesetz*), the Group is legally bound to continuously maintain all water-related facilities, prevent water pollution and ensure conformity with specific standards. Non-compliance with permit requirements and environmental laws may trigger administrative fines, and the individuals responsible may also be subject to criminal prosecution, including under the strengthened criminal sanctions framework established by Directive (EU) 2024/1203 on the protection of the environment through criminal law. Furthermore, the authority may order operational restrictions or, in a worst-case scenario, a (partial) shutdown of the facility or revocation of the permit.

In the jurisdictions in which the Group operates production sites, it may be subject to regulations regarding waste management. For example, Directive 2008/98/EC, as amended (Waste Framework Directive), stipulates the legal framework on waste treatment within the EU. The Group must comply with the requirements of such directive as transposed into the national laws or with more stringent national regulations relating to permissible methods of, and responsibility for, the generation, handling, possession, discharge and recycling of waste depending on the dangers posed by the waste, among other factors. In particular, the discharge of waste is often restricted to licensed facilities and plants must use licensed and authorized contractors for the disposal of hazardous or non-hazardous waste.

12.3 Emissions from production/emission trading

In the countries in which the Group operates, the emission of, *inter alia*, greenhouse gases (such as CO_2) is governed by specific laws and regulations. In some cases, the Group is required to submit emission reports on a regular basis. Non-compliance with maximum emission levels may result in administrative fines or other penalties.

At the 2015 United Nations Framework Convention on Climate Change in Paris, nearly 200 countries, including countries where the Group manufactures its products, entered into an agreement covering climate change mitigation, adaptation and finance, which became effective in November of 2016 (the "**Paris Agreement**"). The Paris Agreement sets a goal of limiting the increase in global average temperature to well below 2 degrees Celsius and pursuing efforts to limit the increase to 1.5 degrees Celsius above pre-industrial levels, with global greenhouse gas emissions to peak and begin to decline as soon as possible. More detailed rules, procedures and guidelines to operationalize the Paris Agreement were progressively adopted at subsequent UN climate conferences, including the finalization of the Article 6 carbon market rulebook at COP26 in Glasgow in November 2021, the global stocktake at COP28 in Dubai in December 2023, and the finalization of the Article 6.4 carbon crediting mechanism at COP29 in Baku in November 2024.

The EU has issued a set of policies and legislation to achieve the goals of the Paris Agreement, in particular the European Climate Law (Regulation (EU) No. 2021/1119 establishing the framework for achieving climate neutrality) which, *inter alia*, sets the binding target that EU-wide greenhouse gas emissions shall be reduced to net zero by 2050, as well as binding intermediate targets to reduce net greenhouse gas emissions by at least 55% by 2030 and by 90% by 2040, in each case compared to 1990 levels.

The Group is subject to European and national emission trading systems ("**ETS**"). These systems are based on "cap and trade" principles designed to reduce greenhouse gas emissions by limiting the number of emission allowances (cap) required for certain facilities and allowing for the purchase of any shortfall or for the sale of surplus emission allowances (trade). In particular, the general legal framework for the European ETS ("**EU ETS**") is provided in Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the European Union, as amended (together, the "**ETS Directives**"). Further EU legislation complements the EU ETS regime, *inter alia* Commission Delegated Regulation (EU) 2023/2830 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances.

During the current allocation period (2021 through 2030) for the EU ETS, emission allowances are in general issued to facility operators on an auction basis. As amended most recently by Directive (EU) 2023/959, which entered into force in June 2023, the EU ETS requires steeper annual reductions to the overall number of emission allowances of 4.3% per year from 2024 through 2027 and 4.4% per year from 2028 through 2030, as well as one-off reductions of the overall emissions cap by 90 million allowances in 2024 and 27 million allowances in 2026 ("re-basing"), with an overall target of reducing covered emissions by 62% by 2030 compared to 2005 levels. These amendments align the EU ETS with the increased reduction targets under the European Climate Law (Regulation (EU) 2021/1119), as part of the "Fit for 55" package.

The European Directive 2010/75/EU on industrial emissions (the "**IED**") came into force in January of 2011 and was significantly amended by Directive (EU) 2024/1785, which entered into force in August of 2024. The IED, as amended, sets out rules and thresholds on the prevention and control of pollution from industrial

activities including reducing emissions into air, water and land, as well as preventing the generation of waste. The thresholds, operational conditions and other descriptions of industrial processes for various industrial activities are set forth in so-called Best Available Techniques Reference Documents ("**BREFs**"), adopted, *inter alia*, under the IED. The BREFs are continuously reviewed and updated to correspond with new developments. EU Member States are required to take the so-called Best Available Techniques Conclusions, which are part of the BREFs, as a reference for setting or reconsidering permit conditions to installations covered by the IED, as well as set emission limit values at the lowest levels achievable by the relevant installation.

12.4 Energy supply

In case of a general energy supply crisis, the Group will be impacted by European and national laws and regulations aimed at safeguarding the supply of energy to the general public.

For the gas market, Regulation (EU) 2017/1938 concerning measures to safeguard the security of gas supply ("**EU Gas SoS**") defines the responsibilities and duties of natural gas undertakings, Member States (in particular through their competent authorities) and the European Commission during three pre-defined crisis-levels: (1) early warning level, (2) alert level and (3) emergency level. The early warning level calls for preparation for potential supply restrictions or outages of the natural gas supply. The alert level indicates a disruption of gas supply or exceptionally high gas demand which results in significant deterioration of the gas supply situation, but where the market is still able to manage that disruption or demand without the need to resort to non-market-based measures. The emergency level indicates a significant disruption to the natural gas supply that cannot be remedied even though all market-based measures have been taken.

For the electricity sector, Regulation (EU) 2019/941 on risk-preparedness in the electricity sector demands that Member States have risk preparedness plans in place for national and regional electricity crisis scenarios. Additional legislative proposals to further strengthen security of electricity supply at the EU level may be introduced in the future.

12.5 Health and Safety

In all jurisdictions in which it operates, the Group must comply with applicable laws and regulations to protect employees against occupational injuries. Under such laws and regulations, employers typically must establish and maintain working conditions that effectively prevent danger to employees.

At the European Union level, various EU directives on health and safety of the workforce seek to protect employees from the risks related to hazardous substances. As many of the chemicals and substances used in the Group's manufacturing processes qualify as hazardous working materials within the meaning of Austrian occupational health laws, precautionary measures including specific labeling/packaging requirements and obeying of certain occupational exposure limit values are necessary.

The Group applies an effective occupational health and safety management system that is audited annually and complies with internationally recognized specifications and requirements.

12.6 Cross-border import and export of goods

The Group's import and export of goods are subject to the national and international foreign trade legislation and customs laws. Most countries in which the Group conducts business have import and export control regulations.

The European Union has imposed sanctions on certain persons and entities and pertaining to exports, transfer, brokering and further services, including, among others, dual-use and other goods and services, *e.g.*, with respect to Russia particularly via Council Regulation (EU) No. 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, Regulation (EU) 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, Council Regulation (EU) No. 692/2014 concerning restrictive measures in response to the illegal annexation of Crimea and Sevastopol, Council Regulation (EC) No. 765/2006 concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine and Regulation (EU) 2023/1529 concerning restrictive measures in view of Iran's military support of Russia's act of aggression against Ukraine.

12.7 General Product Safety Liability

The Group must also comply with product safety and product liability legislation. At the European Union level, Regulation (EU) 2023/988 on general product safety entered into force on June of 2023 (the "**GPSR**").

Following an 18-month transitional period, the GPSR became fully applicable in December of 2024 and applies to all products as defined, in so far as there are no or inadequate specific product safety provisions with the same objective in rules of EU law. In addition to compliance with the safety requirement, manufacturers and other economic operators, including importers, distributors, authorized representatives and operators of online marketplaces, must provide consumers with the necessary information in order to assess a product's inherent risks and take the necessary measures to avoid such risks (for example, withdraw products from the market, inform consumers and recall products). The GPSR was introduced to respond to new technologies, improve recalls and ensure better enforcement and a more efficient market surveillance.

12.8 Non-Financial Reporting and Supply Chain Due Diligence

The EU Taxonomy Regulation (Regulation (EU) 2020/852) requires that companies such as the Group which are subject to non-financial reporting under the Non-Financial Reporting Directive (Directive 2014/95/EU) include information in their non-financial statements on how and to what extent the company's activities are linked to environmentally sustainable economic activities. The Group is also subject to the sustainability disclosure requirements imposed by the EU Directive 2022/2464 (the "**CSRD**"), which entered into force on January 5, 2023.

The Group is also subject to Regulation (EU) 2023/1115 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation (the "**EUDR**"), which entered into force in June of 2023 and requires operators and traders placing relevant commodities and derived products, including wood-based products, on the EU market to conduct due diligence confirming that such products are deforestation-free, were produced in accordance with the relevant laws of the country of production, and are covered by a due diligence statement. The application of the EUDR's core operator and trader obligations have been postponed twice, most recently by Regulation (EU) 2025/2650, and is now scheduled to principally take effect from December 30, 2026.

13 GOVERNING BODIES

13.1 General Information regarding the Governing Bodies

In accordance with Austrian law, the Company has a two-tier board system comprising its Management Board and the Supervisory Board. The Management Board is responsible for the executive management and represents the Company towards third parties. The Supervisory Board is responsible for supervising and advising the management and internal controls of the Company. The two boards are separate; no individual may be a member of both boards at the same time. Members of the Management Board are appointed by the Supervisory Board. Members of the Supervisory Board are elected by the Shareholders' Meeting.

Under Austrian co-determination rules, a works council may be elected if at least five employees are employed. A stock corporation's works council has the right to delegate one works council representative to the Supervisory Board for every two Shareholders' representatives acting on the Supervisory Board. The Company established a works council and such works council delegated one employee representative for every two Supervisory Board Members to the Supervisory Board.

The corporate bodies of the Company are bound in particular by the Articles of Association, the rules of procedure for the Management Board (*Geschäftsordnung für den Vorstand*) and the rules of procedure for the Supervisory Board (*Geschäftsordnung für den Aufsichtsrat*) (each as adopted by the Supervisory Board). As the Shares are listed and admitted to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange the Company has pledged itself to abide by the rules of the Austrian Corporate Governance Code (the "**ACGC**").

The Company's registered office is located at Werkstraße 2, 4860 Lenzing an der Ager, Austria. The telephone number is +43 7672 701 0.

The members of the Management Board and of the Supervisory Board may be contacted at the Company's business address, Werkstraße 2, 4860 Lenzing an der Ager, Austria.

The following is a summary of the most important provisions of the Company's corporate legal framework.

13.2 Management Board

13.2.1 *Appointment, Duties and Procedures of the Management Board*

In accordance with the provisions of the Austrian Stock Corporation Act, the members of the Management Board are appointed by the Supervisory Board for up to five years. Under applicable law, members of the Management Board may be re-elected.

The Supervisory Board may revoke the appointment of members of the Management Board prior to the expiration of their term for cause, such as gross breach of duty or inability to manage a company properly. The Shareholders are generally not entitled to appoint or dismiss members of the Management Board, but may express their lack of trust at a Shareholders' Meeting which entitles the Supervisory Board to revoke the appointment.

The Management Board is responsible for managing the Company's business and representing the Company in transactions with third parties. The Management Board is bound by Austrian law, the Articles of Association and its rules of procedure (*Geschäftsordnung für den Vorstand*), as adopted by the Supervisory Board.

In general, the Management Board is not obligated to comply with orders or directives or to obtain approvals from the Shareholders or the Supervisory Board; however, pursuant to the Austrian Stock Corporation Act, the Articles of Association and the Management Board's rules of procedure (*Geschäftsordnung für den Vorstand*), as adopted by the Supervisory Board, the Management Board requires prior approval by the Supervisory Board to engage in certain transactions and measures (all amounts listed below are quoted as net amounts, without VAT), including:

a) those transactions specified in section 95 (5) Austrian Stock Corporation Act, unless they were already apparent in the annual budget and were approved with the annual budget pursuant to item k i), namely:

   i. the acquisition, sale and encumbrance of participations (section 189a (2) and (7) of the Commercial Code) from and to third parties outside the Group, as well as the acquisition, sale, encumbrance or closure of companies and operations;

ii. the acquisition, sale and encumbrance of real estate, if in an individual case the proceeds of sale, the purchase price, the book value or the original acquisition costs exceed the amount of EUR 1 million or if within one business year the total amount of EUR 2 million is exceeded; several contracts are to be considered cumulatively as an individual case if there is an internal economic connection;

iii. the establishment and closure of branches;

iv. all investments:

- irrespective of an approval in the budget pursuant to item k i), which exceed EUR 4 million (including the value equivalent for leasing transactions) in an individual case,
- as well as investments outside the budget that exceed EUR 2 million (including the value equivalent for leasing transactions) in an individual case or a total of EUR 4 million (including the value equivalent for leasing transactions) within a financial year;
- where the approved annual investment budget is exceeded by more than 10% or EUR 10 million, the Supervisory Board must be informed at once and consultation with it pursued once more; investments subject to consent remain unaffected hereby and continue to be subject to consent wherever it is foreseeable that the relevant investment budget will be exceeded;

The relevant applications for approval shall comply with the form and content of the CAPEX guideline;

v. the raising of bonds, loans and credits (including other forms of borrowing) exceeding EUR 10 million in an individual case or a total of EUR 30 million within a financial year;

vi. the granting of loans and credits exceeding EUR 1 million in an individual case or EUR 1.5 million in a financial year, unless they are part of the ordinary business operations;

vii. the inclusion and abandonment of business lines and types of production (activities, economically relevant products and performances);

viii. the establishment of general principles of organizational structure and business policy; the establishment of general principles of business policy also includes the establishment of a purpose, vision, mission, mission statement, etc. for the Company;

ix. the determination of principles on the granting of profit sharing or participation in sales and pension commitments to senior executives within the meaning of section 80 (1) Austrian Stock Corporation Act (this is subject to the approval of the remuneration committee (the "**Remuneration Committee**") as described in more detail in "*13.3.4 Current Supervisory Board Committees*" below);

x. the granting of options on shares of the Company to employees and senior executives of the Company or an affiliated company as well as to members of the Management Board and the Supervisory Board of affiliated companies; granting performance-related pension schemes for employees of the Company or an affiliated company (these are subject to the approval of the Remuneration Committee as described in more detail in "*13.3.4 Current Supervisory Board Committees*" below);

xi. the granting of procuration; this applies only to the Company itself, not to the granting of procuration in other Group or associated companies; the Supervisory Board shall be informed of the revocation of procurations; the granting of which is subject to the approval of the Supervisory Board;

xii. the conclusion of contracts with members of the Supervisory Board by which they undertake to render a performance to the Company or a subsidiary company outside their activity on the Supervisory Board for a consideration that is not merely insignificant; this also applies to contracts with companies in which a Supervisory Board member has a significant economic interest;

xiii. the assumption of a leading position (section 80 (1) Austrian Stock Corporation Act) in the Company or a Group company within two years of the signing of the audit opinion by the auditor, by the Group auditor, by the auditor of a significant affiliated company or by the auditor signing the respective audit opinion, as well as a person working for him/her who has exercised a significantly leading function in the audit, unless this is prohibited pursuant to section 271c Commercial Code; and

xiv. measures by which the Management Board makes use of the authorization granted to it pursuant to Section 102 (3) or (4) Austrian Stock Corporation Act.

b) the granting of pre-acquisition rights as well as options with regard to participations and companies whose sale requires the approval of the Supervisory Board;

c) the establishment of companies as well as capital increases in Group companies and associated companies, insofar as this has not already been approved within the framework of the Group financing plan;

d) all measures (for example: merger, demerger, conversion) that result in a shift of shares in Group companies or associated companies;

e) the injection of capital of any kind into Group companies or associated companies, unless this has already been approved as part of the Group financing plan;

f) the conclusion, amendment and active termination of syndicate agreements;

g) the conclusion, amendment or termination of inter-company agreements (*e.g.*, control or profit transfer agreements), strategically important cooperation agreements and joint ventures;

h) the initiation of legal proceedings (with the exception of proceedings under intellectual property law) with an amount in dispute of more than EUR 2 million in a single proceeding or a group of related proceedings;

i) (i) the determination of the general conditions of permissible "investment instruments" ("**Investment Guideline**") and any amendment to this Investment Guideline as well as (ii) the execution of investments of any kind that are not covered by the Investment Guideline (*e.g.*, acquisition of bonds, investment certificates, participation certificates, shares, warrants, participation certificates, deposits with credit institutions);

j) the assumption of guarantees, sureties or liabilities (including letters of comfort) for performances by third parties, the value of which exceeds EUR 1 million in an individual case or EUR 2 million in total in a financial year, unless this has already been approved within the scope of the Group financing plan;

k) planning in accordance with the following points (i) to (iii) within the scope of the business plan to be submitted by the Management Board to the Supervisory Board, which shall include the following:

i. a budget for the next financial year (production, sales, personnel, investment, financial and profit planning as well as R&D plan and, if applicable, a Group finance plan), which shall be submitted to the Supervisory Board at the latest in the last meeting of the respective preceding financial year (in this context, investments above an amount of EUR 2 million shall be presented individually in the investment plan and a profitability analysis is also to be submitted);

ii. an updated medium-term business plan (production, sales, personnel, investments, financial and revenue planning, R&D) for the next five years (consisting of the budget according to point (i) and four years of medium-term planning), which shall be submitted together with the budget pursuant to point (i); and

iii. a long-term strategic plan (for a period of at least seven years), which must be submitted at least every third financial year and in the event of a significant change in the strategic conditions;

l) all consultancy contracts and other service contracts if they exceed EUR 2 million in any individual case; if such contracts exceed EUR 1 million in any individual case, the Management Board shall report on them to the Supervisory Board;

m) determination of the principles on granting profit sharing and participation in sales and pension commitments to Management Board members, directors and senior executives of Group and associated companies pursuant to section 80 (1) Austrian Stock Corporation Act (this is subject to the approval of the Remuneration Committee);

n) the conclusion, amendment and termination of portfolio contracts, where the remuneration for the duration of the minimum contract commitment exceeds EUR 1 million in individual cases, unless this was already apparent in the annual budget and was approved with the annual budget;

o) the conclusion, amendment and termination of all contracts which (i) have a term of more than one year and cannot be terminated with a notice period of no more than one year, and (ii) contain provisions which do not enable the Company to adjust its purchase or sales prices and quantities to changed market conditions and requirements if their fair value may exceed the amount of EUR 5 million or may fall below minus EUR 5 million in the event of a change in market conditions;

p) the admission of dormant partners as well as the issuance of convertible and participating debentures, as well as all measures granting a third party a claim to participate in the profits and/or assets of the Company;

q) the conclusion of employment contracts (i) which exceed a total annual remuneration of EUR 350,000 (including all remuneration components) or (ii) which exceed a total annual remuneration of EUR 200,000 (including all remuneration components) and which include an inflation adjustment clause (including inflation adjustment based on a collective labor agreement) or (iii) which provide for a defined benefit pension entitlement; the same applies to amendments to such employment contracts (this is subject to approval by the Remuneration Committee); a list of all employees (of the company and all Group companies) who received total remuneration of more than EUR 350,000 in the previous financial year must be submitted to the Remuneration Committee once a year;

r) determination of the basic features of the variable remuneration system of Company's employees, insofar as this is not already covered by a) ix) (this is subject to approval by the Remuneration Committee);

s) the acquisition and sale of intangible property rights, provided that in an individual case the proceeds of sale, the purchase price, the book value or the original acquisition costs exceed the amount of EUR 1 million or the sum of EUR 2 million is exceeded within a financial year. Several contracts shall be considered cumulatively as a single case if there is an intrinsic economic connection (acquisitions and disposals of intangible property rights shall be exempt from the approval requirement under this point s) if Lenzing directly or indirectly holds 100% of the shares in the acquirer and the vendor);

t) the conclusion of significant transactions with related companies or persons (related legal entities) within the meaning of section 95a Austrian Stock Corporation Act, even if the transaction or duty is already covered by another item of these Rules of Procedure, provided that none of the exceptions of Section 95a (6) and (7) Austrian Stock Corporation Act apply;

u) the repurchase of own shares by the Company;

v) related-party transactions between the Company or any Group company or associated company on the one hand and B&C Holding Österreich GmbH (FN 461491 p) or any other person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with, B&C Holding Österreich GmbH as well as all persons being Controlled by any of the aforementioned persons (but excluding the Company, Semperit AG Holding (FN 112544g) and AMAG Austria Metall AG (FN 310593f) as well as their respective Subsidiaries) on the other hand in the amount of more than EUR 1 million in each single case or aggregated within a business year; for purposes of this item v): "(to) Control" means, the possession, directly or indirectly, of the power to direct or cause the direction of business, management or policies (whether through ownership, voting, exercise of rights or options in respect of securities or other ownership interest, by contract or otherwise); "Subsidiary" shall mean any Person (i) at least 50% of the share capital or voting rights of which is owned or (ii) which is otherwise Controlled directly or indirectly by any other Person; "Person" shall mean any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated organization, association, corporation, institution, public benefit corporation,

entity or government (whether federal, state, county, city, municipal or otherwise, including, without limitation, any instrumentality, division, agency, body or department thereof);

w) all measures that have at least one of the following legal consequences:

i. a legal person under public law or a legal entity controlled by a legal person under public law directly or indirectly acquires significant influence on the corporate governance of the company or a consolidated subsidiary company as a result of a measure; or

ii. as a result of a measure, a legal person under public law or an entity controlled by a legal person under public law directly or indirectly obtains rights vis-à-vis the Company or a consolidated subsidiary company which correspond to or exceed the typical rights of a credit-granting credit institution, *e.g.*, the provision of collateral or restrictive unilateral affirmative covenants;

iii. the measure is subject to restrictions on (i) profit distributions and/or (ii) Management Board remuneration and/or (iii) supervisory board remuneration and/or (iv) termination of employees of the company or a consolidated subsidiary company.

If the Management Board fails to obtain such approval, it may be held liable for any resulting damage to the Company. Any transactions into which the Management Board has entered, even without obtaining the necessary Supervisory Board approvals, however, are generally effective and binding with respect to third parties acting in good faith.

The members of the Management Board shall try to reach unanimous decisions. If a unanimous vote cannot be reached, the Management Board shall adopt resolutions by a simple majority of the votes cast. In the event of a tie, the chairperson of the Management Board shall have the casting vote.

At least once a year, the Management Board shall report to the Supervisory Board on fundamental questions of the future business policy of the Company and present the future development of the net assets, financial position and results of operations on the basis of a forecast (annual report).

In addition, pursuant to Section 81 Austrian Stock Corporation Act, the Management Board shall report to the Supervisory Board regularly, but at least quarterly, in a timely and comprehensive manner on the course and development of the duties of the Company and the major Group companies and on the situation of the Company, including the risk situation and risk management (quarterly report), and shall provide the information and documents required for this purpose. The quarterly report shall take into account the comparison between the forecast and future developments. In particular, the Management Board shall report to the Supervisory Board on a quarterly basis on the implementation of the budget planning pursuant to sub-para. (k) of the list of transactions subject to approval inserted in the Management Board's rules of procedure (see the list above; comparison of the budget with the actual figures). In addition, the Management Board shall inform the Supervisory Board regularly, promptly and comprehensively about all relevant issues of business development, including the risk situation and risk management of the Company and major Group companies.

In urgent cases, the Management Board shall immediately report orally or in writing (at the discretion of the Supervisory Board) to the chairperson and the first deputy chairperson of the Supervisory Board. In addition, the Supervisory Board shall be informed without delay by means of a special report of circumstances that are of significant importance for the profitability or liquidity of the Company. The Management Board must inform the Supervisory Board immediately in the event of significant deviations from planned values.

The Company may be represented by two members of the Management Board acting jointly or by one member of the Management Board together with an authorized signatory holding the power of procuration (*Prokurist*). If only one member of the Management Board has been appointed, he/she will represent the Company alone. Currently, the Management Board consists of three members.

Shareholders and other persons are not entitled to issue instructions to the Management Board nor may they use their influence to cause a member of the Management Board to act to the detriment of the Company or its shareholders. A controlling shareholder may not cause the Company to act to the Company's or the other shareholders' detriment. An individual shareholder or any other person who, by exercising its influence on the Company, causes a member of the Management Board to act to the detriment of the Company or its Shareholders is liable to the Company for the resulting damages. In addition, the members of the Management Board are jointly and severally liable if any of their actions breach their duties.

13.2.2 *Members of the Management Board*

Pursuant to the Articles of Association, the Management Board consists of up to five members appointed by the Supervisory Board for a term of up to five years. Members may be reappointed by the Supervisory Board for consecutive terms. Currently, the Management Board consists of the following three members:

Name	Function	Year of birth	Year of first appointment	End of term
Georg Kasperkovitz	CEO	1966	2025	2029
Mathias Breuer	CFO	1982	2026	2028
Christian Skilich	CPO/CTO	1968	2020	2029

Source: Companies Register, Company information

Georg Kasperkovitz was born in 1966. His track record spans performance improvement, complex transformations, pricing, portfolio optimization, footprint restructuring, governance and private-equity style value creation. During his career, he has held positions including supervisory board member of SBB CFF FFS AG (2016-2026), President EMEAAA of MCC Label (2023), President Europe of Trivium packaging BV (2020-2022), Business Unit CEO at the international packaging and paper company Mondi plc (2016-2019), CEO of Rail Cargo Austria AG (2012-2016) and at the international consulting firm McKinsey (1999-2012, most recently as a partner). He is a qualified mechanical engineer (Dr. techn., TU Vienna) and holds an MBA from Harvard Business School. He was initially appointed as a member of the Management Board in June 2025 and was subsequently appointed CEO of the Company in May 2026.

Mathias Breuer was born in 1982. He obtained a master's degree in law (Mag.) in 2001 from the Johannes Kepler University Linz, and brings extensive leadership experience in finance, business development, investment management, and corporate transformation. Prior to joining Lenzing in 2023, he held senior management and CFO positions at Schur Flexibles, Semperit and B&C Industrieholding. Since January 2026, he has served as CFO of the Company.

Christian Skilich was born in 1968. He has expertise in the field of paper and pulp technology. After obtaining a master's degree of science in paper and pulp technology and engineering & economics from the Technische Universität Graz (1996), he first held various positions in the paper, packaging and glass industries. Since 2004, he has worked in a broad range of management areas on behalf of the internationally operating Mondi Group. He most recently served as Chief Operating Officer for Mondi AG. He also obtained a master's degree in business administration in 2008 and a master's degree in law and economics from Imadec University in Vienna/University of Texas in Austin in 2012. He was first appointed as member of the Management Board in 2020 and holds the position of Chief Pulp & Chief Technology Officer.

13.2.3 *Compensation of the Management Board*

The Remuneration Committee as described in more detail in "*13.3.4 Current Supervisory Board Committees*" below is responsible for preparing, regularly revising and controlling the implementation of the remuneration policy for the Management Board. The final determination of the remuneration policy is the responsibility of the entire Supervisory Board. The tasks and performance of the individual members of the Management Board, the situation of the company and the customary level of remuneration are considered when determining the remuneration of the Management Board. In addition, the professional experience and responsibility of the individual members of the Management Board as well as the scope and complexity of their work are taken into account.

The remuneration of the members of the Management Board comprises performance-unrelated and performance-based components.

The performance-unrelated remuneration consists of:

(i) basic remuneration (which is paid out in 14 equal instalments): fixed salary at a competitive level taking into consideration individual Management Board members' responsibilities and performance;

(ii) remuneration in kind and other benefits: company car, insurance premiums, social security contributions and the possibility of sign-on bonuses; and

(iii) pension contributions: defined pensions are paid via an external pension fund.

The performance-based remuneration consists of:

(i) short-term variable performance bonus (Short-Term Incentive – "**STI**"): performance assessment is based on financial and non-financial criteria for a one-year assessment period using a target bonus model, whereby:

— financial criteria are Group EBITDA, free cash flow and the share of net profit/loss for the year attributable to shareholders of Lenzing AG; and

— non-financial targets are overall performance and individual performance (incl. optional sustainability targets), which may lead to a modifier of +/-20%.

Cap: 150% of the target value bonus;

(ii) long-term variable performance bonus (Long-Term Incentive – "**LTI**"): the performance assessment is based on financial and non-financial criteria for a multi-year assessment period using a performance share plan, whereby:

— financial criteria are Group return on capital employed (ROCE) and relative total shareholder return (TSR); and

— non-financial criteria are sustainability targets;

Cap: 200% of the allocated number of performance share units (PSUs) and 250% of the target value bonus;

Other remuneration components include:

(i) special grants and bonuses: may be granted in the case of extraordinary achievements that have a future-oriented benefit for the company, as well as retention bonuses;

(ii) malus and clawback: option to reclaim performance-based remuneration in the event of payouts based on manifestly incorrect data ('performance clawback') and possibility of reclaiming and withholding performance-based remuneration in the event of material breaches of duty ('compliance malus and clawback'); and

(iii) share ownership guidelines: obligation to invest at least 25% of the LTI payout annually in shares of the company and to hold these for a period of at least one year.

The individual components of the total target remuneration (excluding benefits in kind and other benefits as well as possible special bonuses and gratuities) relate to each other as follows:

Remuneration components as a percentage of target remuneration	
Basic remuneration	35.0-50.0 %
STI	15.0-30.0 %
LTI	25.0-35.0 %
Pension contributions	around 5.0 %

The following table sets out the remuneration (non-performance based and performance based), owed to the chairperson of the Management Board, the total Management Board and the total former Management Board members for the year 2025:

	Chairperson of Management Board (CEO)	Management Board total	Former Management Board Members total
		(in thousands of EUR)	
Remuneration			
Non-performance-based	2,935.0	6,624.0	310.0
— Base salary	806.0	2,404.0	297.0
— Benefits in kind	16.0	75.0	2.0
— Pension fund contributions	98.0	293.0	11.0
— Other non-performance-based remuneration	2,015.0	3,852.0	0.0
Performance-based	0.0	2,688.0	0.0
— Short-Term Incentive (STI)	0.0	858.0	0.0
— Long-Term Incentive (LTI)	0.0	0.0	0.0
— Other performance-based remuneration	0.0	1,830.0	0.0

Source: Company information (unaudited)

In extraordinary circumstances, the Remuneration Committee or the Supervisory Board may temporarily deviate from the company's remuneration policy in accordance with section 78a (8) Austrian Stock Corporation Act in order to ensure the long-term development of the company or its profitability. In the 2025 financial year, this was the case for Walter Bickel (Chief Transformation Officer until March 1, 2025), where the Supervisory Board decided to deviate from the policy to focus the variable compensation elements solely on financial KPIs (group performance and financing) and exclude non-financial KPIs to reflect the temporary nature of his engagement in the Management Board and to ensure full incentivization on his specific area of responsibility, namely the further development and implementation of Lenzing's performance program. This presents a deviation to C-Rule 27 of the ACGC, see "*13.6 Austrian Corporate Governance Code*" below.

If severance payments have been agreed with members of the Management Board in the event of early termination without an exceptional reason, these may not exceed the annual basic remuneration plus the maximum STI for a maximum of 1.5 years or any shorter remaining term of the contract.

13.3 Supervisory Board

13.3.1 *Election, Duties and Procedures of the Supervisory Board*

Pursuant to the Articles of Association, the Supervisory Board consists of a minimum of three and, at most, 10 members appointed by the Shareholders' Meeting for a maximum period until the end of the Shareholders' Meeting which decides on the discharge of liability for the fourth financial year following the election of the respective Supervisory Board member; the financial year in which the Supervisory Board member was elected shall not be included in this calculation. In addition, the works council may delegate one employee representative to the Supervisory Board for every two members elected by the Shareholders' Meeting. If the number of Supervisory Board members elected by the Shareholders' Meeting is an odd number, an additional employee representative may be delegated.

The Supervisory Board supervises the Management Board and monitors the Company's management but is not authorized to make any management decisions. Supervision is exercised by review, discussion and approval, as required, of reports prepared by the Management Board. In addition, the Supervisory Board may request reports on specific matters relating to the Company. The Supervisory Board is responsible for appointing and removing members of the Management Board and is authorized to represent the Company in transactions with members of the Management Board. Furthermore, certain material decisions of the Management Board require the prior consent of the Supervisory Board pursuant to Austrian law or in accordance with the Articles of Association or the rules of procedure for the Management Board (*Geschäftsordnung für den Vorstand*).

Each year, after the annual Shareholders' Meeting, the Supervisory Board shall elect a chairperson and several deputy chairpersons from among its members. The Supervisory Board determines its rules of procedure (*Geschäftsordnung für den Aufsichtsrat*). The meetings of the Supervisory Board are held whenever necessary

for the fulfillment of the Supervisory Board's duties. The Supervisory Board meets at least quarterly and has a quorum if all members of the Supervisory Board have been duly invited and at least three members, including the chairperson or first deputy chairperson, are present in person. It adopts its resolutions by simple majority vote. In the event of a tie, the chairperson of the Supervisory Board casts the deciding vote.

Unless a shorter term is determined by the Shareholders' Meeting, a Supervisory Board member's term of office ends after the fourth annual Shareholders' Meeting following such member's election, with the financial year in which the respective member was elected not being counted. A Supervisory Board member may be re-elected. A person who already holds eight seats in supervisory boards of other listed companies or who already holds 10 seats in other corporations, in each case with an appointment as chairperson being counted as two regular seats, may not be elected as a member of the Supervisory Board. Further restrictions to the maximum seats a person may hold may apply due to other regulations and laws, *e.g.*, the Austrian Banking Act (*Bankwesengesetz – BWG*).

The Shareholders' Meeting may, by resolution requiring a majority of at least 50% of the votes cast, revoke the appointment of a Supervisory Board member prior to the end of such member's term of office. Further, if a Supervisory Board member has been delegated by the works council, such member can be removed only by the works council.

13.3.2 *Members of the Supervisory Board*

Currently, the Supervisory Board consists of 10 members appointed by the Shareholders' Meeting and five employee representatives delegated by the works council. The current members of the Supervisory Board are:

Name	Position	Year of birth	Year of first appointment	End of term
Patrick Lackenbucher	Chairperson	1978	2025	2030
Carlos Anibal de Almeida Junior	Deputy chairperson	1969	2024	2029
Stefan Fida	Deputy chairperson	1979	2019	2030
Cornelius Baur	Member	1962	2024	2029
Helmut Bernkopf	Member	1967	2009	2031
Martin Seiter	Member	1985	2026	2029
Astrid Skala-Kuhmann	Member	1953	2012	2031
Gerhard Schwartz	Member	1965	2023	2031
Markus Fürst	Member	1976	2021[(1)]	2029
Leonardo Grimaldi	Member	1974	2025	2030
Helmut Kirchmair	Employee representative	1968	2015	
Stephan Gruber	Employee representative	1972	2023	
Bonita Haag	Employee representative	1967	2023	
Stefan Ertl	Employee representative	1967	2024	
Michael Bichler	Employee representative	1989	2025	

Source: Companies Register, Company information

Note:

(1) Supervisory Board member until April 18, 2024, and again since October 10, 2024.

Patrick Lackenbucher (chairperson) was born in Germany in 1978. He obtained a master's degree in business administration (Mag.) in 2001 from the University of Economics and Business Administration Vienna. He has extensive experience in the investment banking and consultant industry and held numerous positions as manager, director and member of the management board of various firms. Currently, he is also member of the management board of B&C Holding Österreich GmbH. Since April 17, 2025, he has been the chairman of the Supervisory Board.

Carlos Anibal Fernandes de Almeida Junior was born in Brazil in 1969. With a distinguished career in leadership roles across industrial and corporate strategy, he brings extensive international experience to the pulp and paper sector. He holds a degree in Electrical Engineering from the Federal University of Minas Gerais (UFMG) and an MBA from the Brazilian Capital Markets Institute (IBMEC), São Paulo. He started his career at General Electric Brazil, working in the Industrial Systems division as Sales General Manager for Latin America. He joined Suzano in 2003, and since becoming a board member there in 2008 has held senior roles in Pulp P&L, Paper Sales & Marketing, Supply Chain, and, more recently, Forestry Operations. Currently, he is Suzano's Executive Vice President, leading Pulp Industrial Operations, Engineering and Energy, Global Procurement and is also responsible for Business Development at Suzano Europe, including overseeing Supply and Certification Strategy. He also leads Futuragene, Suzano's biotechnology subsidiary and serves as deputy chairperson of Lenzing Aktiengesellschaft's Supervisory Board and as a Board Member of Veracel.

Stefan Fida (deputy chairperson) was born in Austria in 1979. He obtained a doctor's degree in law in 2005 from University of Vienna, a master's degree in law in 2003 from the London School of Economics and a master's degree in business administration in 2005 from the University of Economics and Business Administration Vienna. Since 2009, he is attorney-at-law and has extensive experience and knowledge as a legal advisor. Currently, he is also supervisory board member of Semperit AG Holding and member of the management board of B&C Board AG. Since April 17, 2019, he has been a (re-elected) member of the Supervisory Board.

Cornelius Baur was born in Germany in 1962. He studied business administration at the Ludwig-Maximilians-University Munich and obtained his doctorate (Dr. oec. publ.) in 1990. He has extensive experience in top management consulting and operations and held numerous senior positions. Currently, he is also supervisory board member of CTS Eventim AG & Co. KGaA and Evonik Industries AG. Since April 18, 2024, he has been a member of the Supervisory Board.

Helmut Bernkopf was born in Austria in 1967. He obtained a master's degree in business administration from the Vienna University of Economics and Business and passed a general management program at Vienna University of Economics and Business. He has extensive experience in the banking industry and held numerous positions as manager, director and member of the management board of various banks. Currently he is a member of the management board of Osterreichische Kontrollbank AG and holds other supervisory board mandates in various corporations. Since April 23, 2009, he has been a (re-elected) member of the Supervisory Board.

Martin Seiter was born in 1985. He obtained a global executive MBA from the LIMAK Austrian business school in Linz, Austria. Since 2006 he has been working in the banking industry as branch manager and deputy head of the central private clients department. Since October 2020 he has been a member of the management board of Oberbank AG. He is also a member of the supervisory board of Wüstenrot Wohnungswirtschaft reg. GnbH, Salzburg and of BKS Bank AG.

Astrid Skala-Kuhmann was born in 1953. She is an expert regarding China, with long term experience in emerging markets and on sustainability issues. She has extensive experience and knowledge as legal advisor. She obtained a doctor's degree in law in 1981 from University of Göttingen and passed her German state law exam in 1982. She presently acts as an independent advisor and consultant on China-related topics to various clients from the private and public sector. She was also member of the supervisory board of Semperit AG Holding until April 2023. She served as co-dean for the Sino German Young Professional Campus entrusted by Mercator and BMW Foundation between 2016 and 2022. Since 2015, she advised G20 Engagement Groups (T20, F20) on various topics and acted as co-chair of T20 task forces until 2020. From 2012 to 2015, she held the position as director general (Deutsche Gesellschaft für Internationale Zusammenarbeit, GIZ GmbH) of GIZ Global Partnership-Emerging Economies department, and previously served as GIZ's chief representative and regional director in China from 2006 to 2012. Since 2012, she has been a (re-elected) member of the Supervisory Board.

Gerhard Schwartz was born in Austria in 1965. He obtained a master's degree in business administration (Mag. rer. soc. oec.) in 1989 from the Vienna University of Economics and Business. Since 1994, he is a certified tax consultant and since 1997, he is a certified auditor. He has extensive experience in auditing, corporate reporting, transactions and consulting, particularly in the industrial products business segment. He was managing partner Assurance Sector Lead "Industrial Products" at Ernst & Young in Austria. Currently he is member of the management board of B&C Board AG, and member of the supervisory board of AMAG Austria Metal AG, neoom GmbH and Steyr Motors AG. Since April 19, 2023, he has been a (re-elected) member of the Supervisory Board.

Markus Fürst was born in Austria in 1976. He obtained a Magister master's degree (Mag.) in Business Administration in 1998 and a doctorate in Social and Economic Sciences in 2000 from the Vienna University

of Economics and Business Administration. He became a Certified Tax Consultant in 2002, completed the Chartered Financial Analyst (CFA) program in 2003, and earned an MBA in 2005 from Hong Kong University. He has extensive experience in corporate finance, strategy and business development and held numerous management positions at PricewaterhouseCoopers and Mondi Group. Currently, he is Managing Director of B&C KB Holding GmbH. From April 2021 to April 2024, he was a member of the Supervisory Board of Lenzing AG and was elected again on October 10, 2024.

Leonardo Grimaldi was born in Brazil in 1974. He obtained a bachelor's degree in business administration in 1997 from Fundação Getulio Vargas. He has extensive experience in the pulp and paper industry, having held several management and executive positions at Suzano S.A. since 2000. He currently serves as Statutory Executive Vice President of Commercial Logistics and Pulp at Suzano S.A. and holds executive and board positions in several other companies. Since April 17, 2025, he has been a member of the Supervisory Board of Lenzing AG.

Helmut Kirchmair was born in Austria in 1968. He began his career in the Company in 1990 as a chemical worker following his apprenticeship. Between 2004 and 2007 he completed his high school degree with a focus on network technology. In 2009, he completed his apprenticeship as chemical process engineer. He was first appointed as employee representative to the Supervisory Board in 2015.

Stephan Gruber was born in Austria in 1972. He began his career in the Company in 1987 as specialist worker, progressing to shift leader, specialist of spinning & weaving and knitting mill. Since 1999, he has been a member of the examination commission of the Vienna chamber of commerce. Since 2020, he has been a member of the works council and was first appointed as employee representative to the Supervisory Board in 2023.

Bonita Haag was born in 1967 in Namibia. She graduated from the polytechnical school in Vöcklabruck in 1982. She began her career in the Company in 1982 with an apprenticeship as measurement and control mechanic. From 1990 to 1992 she was plant foreman of industry electronics and was overall responsible for electrical maintenance within the Company. Since 2023, she has been a member of the works council and was first appointed as employee representative to the Supervisory Board in 2023.

Stefan Ertl was born in 1967. He obtained a diploma in Industrial Engineering and Management (Dipl.-Wirt.-Ing.) in 2018 and a master's degree in Industrial Management in 2022, from Mittweida University of Applied Sciences. He began his career in the Company in 2020 as senior consultant project management office. He was first appointed as employee representative to the Supervisory Board in 2024.

Michael Bichler was born in 1989. He completed an apprenticeship as a chemical process technician at the Company in 2009, followed by a part-time apprenticeship as a chemical laboratory technician at BZL Lenzing in 2013. He began his career at the Company in 2009 as a production operator in the Recovery & Spinbath area. From 2016 to 2019, he served as production worker and foreman for recovery & spinbath. From 2019 to 2023, he worked as a safety specialist. Since 2024, he has served as deputy chair of the employees' works council and was first appointed as employee representative to the Supervisory Board in 2025.

13.3.3 *Compensation of the Supervisory Board*

The Company's annual Shareholders' Meeting is in charge of determining the remuneration of the Supervisory Board. The members of the Supervisory Board are entitled to a fixed compensation rate and such compensation must be in line with the Supervisory Board members' responsibilities and scope of work. The total remuneration for the members of the Supervisory Board in 2025 amounted to EUR 1,089,000.

The following table shows the remuneration owed during the year 2025 to members of the Supervisory Board.

Name	Position	Remuneration	Refund of travel expenses
		(actual payments in the year 2025)	
		(in thousands of EUR)	
Patrick Lackenbucher	Chairperson	178.0	1.0
Carlos Anibal de Almeida Junior.	Deputy chairperson	136.0	0.0
Stefan Fida.....	Deputy chairperson	105.0	0.0
Cornelius Baur.....	Member	100.0	11.0
Helmut Bernkopf.....	Member	52.0	0.0
Gerhard Schwartz	Member	125.0	0.0
Astrid Skala-Kuhmann	Member	99.0	2.0
Markus Fürst.....	Member	79.0	0.0
Leonardo Grimaldi	Member	58.0	0.0
Franz Gasselsberger.....	Former Member	76.0	0.0
Thomas Cord Prinzhorn.....	Former Member	80.0	2.0

Source: Company information (unaudited)

The Shareholders' Meeting held on April 23, 2026 determined the remuneration of the members of the Supervisory Board for the business year 2026 as follows:

a. chairman of Supervisory Board: EUR 92,000;

b. vice-chairman of Supervisory Board: EUR 60,000;

c. each other member of the Supervisory Board: EUR 40,000;

d. chairman of the Audit Committee and Finance Expert, insofar as he is not chairman of the Audit Committee: EUR 52,000;

e. chairman of the Nomination and Remuneration Committee: EUR 28,000;

f. chairman of the Strategy and ESG Committee: EUR 52,000;

g. each member of the Audit Committee: EUR 20,000;

h. each member of the Nomination and Remuneration Committee: EUR 12,000; and

i. each member of the Strategy and ESG Committee: EUR 20,000.

Each member of the Supervisory Board is to receive an attendance fee of EUR 2,000 for each meeting of the Supervisory Board in the business year 2026.

The attendance fee for each meeting day, independent of the amount of Supervisory Board or committee meetings on such day, is capped at the amount of EUR 2,000.

For the attendance of Supervisory Board meetings or committee meetings by electronic means, half of the attendance fee shall fall due.

The compensation is due for payment as follows:

a. 50% at the end of the second quarter (at the end of June 2026);

b. 25% at the end of the third quarter (at the end of September 2026); and

c. 25% at the end of the fourth quarter (at the end of December 2026).

The attendance fee incurred up to this point in time shall fall due together with the compensation.

A member of the Supervisory Board or a committee member who has served for less than a full business year will receive the compensation aliquot (calculated on daily basis). Similarly, such aliquot compensation shall apply (calculated on daily basis) to the change of the chairman of the Supervisory Board respectively of the committee, the vice-chairperson and the finance expert.

The members of the Supervisory Board are included in a directors' and officers' liability insurance policy maintained by the Company in the interest of the Company. The coverage shall be proportionate in amount, scope and time limit for subsequent notification.

As of July 31, 2026, the members of the Supervisory Board had not entered into a contract with the Company or its affiliates that provides for benefits upon termination.

13.3.4 *Current Supervisory Board Committees*

Pursuant to the Austrian Stock Corporation Act, the Articles of Association and the rules of procedure for the Supervisory Board (*Geschäftsordnung für den Aufsichtsrat*), the Supervisory Board may establish one or more committees to prepare its discussions and resolutions or to supervise the execution of its resolutions. The Supervisory Board may also transfer the right to adopt resolutions to its committees. The Supervisory Board members appointed as employee representatives are entitled to a seat in each Supervisory Board committee except in the case of meetings and votes concerning the relationship between the Company and the Management Board members.

Unless the Supervisory Board issues rules of procedure for its committees, the rules of procedure for the Supervisory Board (*Geschäftsordnung für den Aufsichtsrat*) apply to the committees *mutatis mutandis*. With regard to the composition, the convening of meetings, the right to participate, the quorum, the adoption of resolutions and the minutes, unless the Supervisory Board decides otherwise, the provisions applicable to the Supervisory Board shall also apply, taking into account that a committee may also consist of only two members. If a committee consists of only two members, a quorum shall only be constituted if both members are present.

As of the date of this Prospectus, the Supervisory Board of the Company has appointed, in addition to the Special Committee, the following six committees (in the 2025 financial year, the Supervisory Board had also established (i) the Refinancing Committee which was tasked with overseeing the Management Board in the design and implementation of a comprehensive refinancing program for Lenzing (the mandate was limited until the completion of the refinancing, but no later than August 2025) and (ii) the Value Creation Committee to monitor the design and implementation of the holistic performance enhancement program initiated by the Management Board (dissolved May, 2025).

13.3.4.1 Audit Committee

The Audit Committee fulfills the responsibilities defined by section 92 Para. 4a of the Austrian Stock Corporation Act. Accordingly, it is especially responsible for monitoring the financial accounting process and making recommendations or suggestions to ensure its reliability. This committee also oversees the effectiveness of the internal control system, of internal auditing, and of the risk management system. It supervises the audit of the separate and consolidated financial statements, examines and monitors the auditor's independence, and approves and controls non-audit services. The Audit Committee also examines the annual financial statements and prepares their approval by the full Supervisory Board, evaluates the Management Board's proposal for the distribution of profits, the Management Report, and the Group Corporate Governance Report. The chair of the Audit Committee defines the reciprocal communication between the auditor and the Audit Committee (C-Rule 81a of the ACGC). The committee is required to report to the Supervisory Board on its activities. In the 2025 financial year, five meetings of the Audit Committee were held. Reports from the Management Board, the auditor, the compliance, internal audit, and risk management departments were discussed, as well as the financial accounting processes and the internal control system. In addition, the auditor's independence was monitored.

The members of this committee are Gerhard Schwartz (chairperson), Carlos de Almeida, Cornelius Baur, Markus Fürst, Martin Seiter, Patrick Lackenbucher, Michael Bichler (Workers Council), Stephan Gruber (Workers Council) and Helmut Kirchmair (Workers Council).

13.3.4.2 Remuneration Committee

The Supervisory Board has formed a Remuneration Committee. It deals with the terms and conditions of the employment contracts with the members of the Management Board and ensures compliance with C-Rules 27, 27a and 28 of the ACGC. In addition, the Remuneration Committee is responsible for preparing and reviewing the remuneration policy for the Management Board members and Supervisory Board members, and for controlling the implementation of the remuneration policy for Management Board members. The

Remuneration Committee held nine meetings in the 2025 financial year, which dealt in particular with the Management Board evaluation, target agreements, ensuring appropriate remuneration for Management Board members in the challenging 2025 year, as well as the arrangement, adjustment or termination of employment contracts with Management Board members.

The members of this committee are Patrick Lackenbucher (chairperson), Stefan Fida and Leonardo Grimaldi.

13.3.4.3 Nomination Committee

The Supervisory Board has formed a Nomination Committee. This committee makes recommendations to the Supervisory Board for appointments to fill vacant positions on the Management Board and deals with issues related to succession planning. Recommendations are also made to the Annual General Meeting for appointments to the Supervisory Board. In the 2025 financial year, six meetings of the Nomination Committee were held. These dealt in particular with issues of succession planning for the Management Board, succession planning for the Supervisory Board, and talent management.

The members of this committee are Patrick Lackenbucher (chairperson), Stefan Fida, Leonardo Grimaldi Astrid Skala-Kuhmann and Stephan Gruber (Workers Council) and Helmut Kirchmair (Workers Council).

13.3.4.4 Committee for Urgent Matters

The Supervisory Board has formed a committee to deal with urgent matters. It is authorized to make decisions in particularly urgent cases relating to transactions that require Supervisory Board approval. One meeting was held in the 2025 financial year.

The members of this committee are Patrick Lackenbucher (chairperson), Carlos de Almeida, Stefan Fida, Gerhard Schwartz and Stephan Gruber (Workers Council) and Helmut Kirchmair (Workers Council).

13.3.4.5 Strategy and ESG Committee

At the Supervisory Board meeting on June 17, 2025, the former ESG Committee and the Strategy, Growth and Innovation Committee were merged in order to increase the efficiency of the Supervisory Board and to form the new Strategy and ESG Committee. The Strategy, Growth and Innovation Committee and the ESG Committee each held one meeting before they were consolidated into the Strategy and ESG Committee. This newly formed committee also met once. The meetings focused on strategic initiatives and growth opportunities, the strategic positioning of the Group within the competitive landscape and the review of this positioning, measures to optimize the commercial organization, monitoring the implementation of the strategy, as well as matters relating to non-financial reporting and strategic ESG topics.

The members of this committee are Patrick Lackenbucher (chairperson), Carlos de Almeida, Cornelius Baur, Astrid Skala-Kuhmann, Stephan Gruber (Workers Council) and Helmut Kirchmair (Workers Council).

13.3.4.6 Transformation Committee

At the Supervisory Board meeting on July 27, 2026 the Supervisory Board established a transformation committee to monitor and supervise the implementation of the measures in connection with the adoption of the new strategy, except for the financing measures which are covered by the Special Committee.

The members of this committee are Patrick Lackenbucher (chairperson), Carlos de Almeida, Gerhard Schwartz Cornelius Baur, Stephan Gruber (Workers Council) and Helmut Kirchmair (Workers Council).

13.4 Duty of Loyalty and Duty of Care

Members of the Management Board and the Supervisory Board owe a duty of loyalty and care to the Company. In carrying out their duties, members of the Management Board and the Supervisory Board must exercise the standard of care of a prudent and diligent business person. Both boards are required to consider a broad range of interests when making their decisions, including the Company's interests and those of its shareholders, employees, creditors and the public.

Under the Austrian Stock Corporation Act, shareholders and other parties are prohibited from giving instructions to the Management Board or the Supervisory Board and from using their influence to cause a member of the Management Board or the Supervisory Board to act in a way that is harmful to the Company or its shareholders.

A controlling shareholder must not cause the Company to take measures disadvantageous to the Company or its shareholders. An individual shareholder or any other person exerting influence which causes a

member of the Management Board or the Supervisory Board to act in a way that is unfavorable to the Company or its shareholders may be liable for damages to the Company and the Shareholders. Members of the Management Board or the Supervisory Board who have neglected their duties by taking such actions may be jointly and severally liable for damages to the Company.

In general, only the Company, and not an individual shareholder, has a direct recourse against the members of the Management Board and the Supervisory Board. The Company may waive the right to a recourse or settle the claim only if (i) five or more years have passed since the alleged breach of duty, (ii) the shareholders approve the waiver or settlement at a Shareholders' Meeting by simple majority of the votes cast, and (iii) shareholders opposing such a shareholders' resolution do not hold, in the aggregate, 20% or more of the Company's share capital.

13.5 Certain Information regarding the Members of the Management Board and the Supervisory Board

13.5.1 *Activities Performed outside the Company*

The following table sets out the names of companies and business partnerships, excluding the Company, in which each of the members of the Management Board and the Supervisory Board is or has been a member of the administrative, management or supervisory boards or partner, as the case may be, at any time in the five years prior to the date of this Prospectus:

Name	Name of company	Position	Position still held as of the date of the Prospectus
Management Board			
Georg Kasperkovitz.....	SBB CFF FFS AG	Supervisory board member	No
	MCC Label	President EMEAAA	No
	Trivium Packaging BV	President Europe	No
Mathias Breuer	B&C KB Holding GmbH	Managing director	No
	adapa Holding GesmbH (former: Schur Flexibles Holding GesmbH)	Managing director	No
	Semperit AG Holding	CFO (Division Sempermed)	No
Christian Skilich.....	Labewood s.r.o	Supervisory board member	Yes
	Stölzle Oberglas GmbH	Supervisory board member	Yes
	Skilich Beteiligungs- und Consulting GmbH	Managing director and shareholder	Yes
Supervisory Board			
Patrick Lackenbucher	B&C Holding Österreich GmbH	Managing director	Yes
	B&C KB Holding GmbH	Managing director	Yes
	Rantum Capital	Managing director	No
Carlos Anibal de Almeida Junior.....	Suzano International Holdings BV	Managing director	Yes
	Spinnova LLC Plc	Supervisory board member	Yes
	Fibria Celulose Inc. USA	Supervisory board member	Yes
	Suzano S.A.	Executive Vice President for Pulp Operations, Engineering, Energy, Procurement and FuturaGene	Yes

Name	Name of company	Position	Position still held as of the date of the Prospectus
	Portocel – Terminal Especializado de Barra do Riacho S.A.	Supervisory board member	No
Stefan Fida.....	Dr. Stefan Fida Rechtsanwalt GmbH	Shareholder, managing director	Yes
	Calvaria Vermögensverwaltungs OG	Shareholder	Yes
	Immobilien Privatstiftung	Management board member	Yes
	Röhrig Privatstiftung	Management board member	Yes
	B&C Board AG	Management board member	Yes
	Semperit Aktiengesellschaft Holding	Deputy chairman of the supervisory board	Yes
	Verein Österreich verbindet Welten	Vice-president	No
Cornelius Baur.....	CTS Eventim AG & Co. KGaA	Supervisory board member	Yes
	EVENTIM Management AG	Supervisory board member	Yes
	Evonik Industries AG	Supervisory board member	Yes
	McKinsey & Company, Inc.	Managing Partner for Germany & Austria, Member of the Global Board	No
	Baur I&C GmbH	Managing director	Yes
Helmut Bernkopf.....	Oesterreichische Entwicklungsbank AG	Chairman of the supervisory board	Yes
	OeKB CSD GmbH	Deputy chairman of the supervisory board	Yes
	Acredia Versicherungs AG	Supervisory board member	Yes
	Acredia Group Holding AG	Supervisory board member	Yes
	JPI Hospitality Investors Club GmbH & Co KG	Limited Partner	Yes
	Österreichische Hotel- und Tourismusbank GmbH	Chairman of the supervisory board	Yes
	Osterreichische Kontrollbank AG	Management board member	Yes
Martin Seiter.....	Oberbank AG	Management board member	Yes
	BKS Bank AG	Supervisory board member	Yes
	Wüstenrot Wohnungswirtschaft eGen	Supervisory board member	No
	MINTality Stiftung	Supervisory board member	No
Astrid Skala-Kuhmann	B&C Industrie Holding GmbH	Supervisory board member	Yes

Name	Name of company	Position	Position still held as of the date of the Prospectus
	B&C KB Holding GmbH	Supervisory board member	Yes
Gerhard Schwartz	B&C Board AG	Management board member	Yes
	AMAG Austria Metal AG	Supervisory board member	Yes
	Commitment Privatstiftung	General manager	Yes
	AAA Wirtschaftsprüfung-Steuerberatung – Management Consulting GmbH	Partner, managing director	Yes
	Steyr Motors AG	Supervisory board member	Yes
	neoom GmbH	Supervisory board member	Yes
	Ernst & Young Austria	Managing director and partner	No
Markus Fürst.....	B&C KB Holding GmbH	Managing director	Yes
	B&C Holding Österreich GmbH	Managing director	No
	B&C Industrieholding GmbH	Managing director	No
	Subsidiaries of Mondi plc	Managing director	No
	adapa Holding GesmbH (former Schur Flexibles Holding GesmbH)	Member of the advisory board	No
	Atlas Flexibles GmbH	Supervisory board member	No
Leonardo Grimaldi	Suzano S.A.	Statutory Executive Vice President of Commercial Logistics and Pulp	Yes
	Arus – Fundação Aracruz de Seguridade Social and Itacel – Terminal de Celulose de Itaqui S.A.	Executive Officer	Yes
	Fibria Terminal de Celulose de Santos SPE S.A.	Chief Executive Officer	Yes
	Portocel – Terminal Especializado de Barra do Riacho S.A.	Chairman of the Board of Directors	Yes
	Fibria Celulose (USA) Inc.	Chairman of the Board of Directors	Yes
	Suzano Pulp and Paper America, Inc.	Chairman of the Board of Directors	Yes
	Suzano Pulp and Paper Europe S.A.	Chairman of the Board of Directors	Yes
	Veracel Celulose S.A.	Management board member	Yes
	Suzano Material Technology Development Ltd.	Management board member	Yes
	Suzano Shanghai Ltd.	Management board member	Yes

Name	Name of company	Position	Position still held as of the date of the Prospectus
	Suzano International Trade GmbH	Management board member	Yes
	Ibema Companhia Brasileira de Papel	Management board member	No
Helmut Kirchmair.....	N/A	N/A	N/A
Stephan Gruber.....	N/A	N/A	N/A
Bonita Haag.....	N/A	N/A	N/A
Stefan Ertl.....	N/A	N/A	N/A
Michael Bichler	N/A	N/A	N/A

Source: Companies Register, Company information

13.5.2 *Shares held by Board Members*

As of the date of this Prospectus and as reported to the Company, members of the Management Board and the Supervisory Board (directly or indirectly) hold 20,485 shares (0.053% of the Company's entire share capital):

	Number of Shares[(1)]	Percentage (%) of Company's share capital[(1)]	Options on Shares[(1)]
Name			
Management Board			
Georg Kasperkovitz.....	18,180	0.047	n/a
Mathias Breuer	n/a	n/a	n/a
Christian Skilich	1,900	0.005	n/a
Total.....	**20,080**	**0.052**	**n/a**
Supervisory Board			
Patrick Lackenbucher	n/a	n/a	n/a
Carlos Anibal de Almeida Junior.....	n/a	n/a	n/a
Stefan Fida.....	n/a	n/a	n/a
Cornelius Baur.....	n/a	n/a	n/a
Helmut Bernkopf.....	n/a	n/a	n/a
Martin Seiter.....	n/a	n/a	n/a
Astrid Skala-Kuhmann	n/a	n/a	n/a
Gerhard Schwartz	n/a	n/a	n/a
Markus Fürst.....	n/a	n/a	n/a
Leonardo Grimaldi	n/a	n/a	n/a
Helmut Kirchmair.....	n/a	n/a	n/a
Stephan Gruber.....	120	0.001	n/a
Bonita Haag.....	85	0.001	n/a
Stefan Ertl.....	200	0.001	n/a
Michael Bichler	n/a	n/a	n/a
Total.....	**405**	**0.001**	**n/a**

Source: Company information

Note:

(1) As of the date of the Prospectus.

13.5.3 *Conduct*

None of the current members of the Management Board or the Supervisory Board has been, at any time during the five years prior to the date of this Prospectus:

- convicted of any offenses relating to fraud;
- associated with any bankruptcy, receivership, liquidation or companies put into administration as a member of the administrative, management or supervisory bodies or as senior manager;
- the subject of any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body); or
- disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of an issuer.

13.5.4 *Conflicts of Interest*

The Company is not aware of any interest of any member of the Management Board or the Supervisory Board relating to unusual business transactions with the Company. As of the date of this Prospectus, there are otherwise no arrangements or understandings with major Shareholders, customers or suppliers of the Company, or with other persons resulting in a conflict of interest, pursuant to which any member of the Management Board or the Supervisory Board was appointed a member of such corporate body. For activities performed outside the Company, see "*13.5.1 Activities Performed outside the Company*."

There are no family relationships between the members of the Management Board and the Supervisory Board, neither among themselves nor in relation to the members of the respective other body.

The Company has no outstanding loans to and no guarantees on behalf of any members of the Management Board or the Supervisory Board.

The members of the Management Board and the Supervisory Board who hold shares of the Company (see "*13.5.2 Shares held by Board Members*" above) have a personal interest in the performance of the Company and its share price.

Customary trading restrictions during acquisitions and blackout periods are agreed with the members of the Management Board and the Supervisory Board who hold shares of the Company.

13.6 Austrian Corporate Governance Code

The ACGC encompasses a body of rules and regulations to provide Austrian stock corporations with a framework for responsible company management and leadership. The ACGC is aimed at creating sustained and long-term value and increasing transparency for the benefit of all shareholders. It is based on international standards of good corporate governance as defined in the OECD rules on corporate governance. The ACGC comprises relevant provisions of the Austrian Stock Corporation Act, the Austrian Stock Exchange Act 2018 as well as the Capital Markets Act 2019. The text of the ACGC is available at http://www.corporate-governance.at in German and English versions.

The ACGC encompasses three categories of rules. A rule that is a "legal requirement" (L-Rule) is based on mandatory legal provisions. A "comply or explain" rule (C-Rule) must be observed; any deviation must be disclosed and explained. In the case of a "recommendation" (R-Rule), lack of adherence does not have to be disclosed or explained.

The Company issues a corporate governance report on an annual basis pursuant to L-Rule 60.

The Company is in compliance with the ACGC, except for C-Rule 27 of the ACGC, which is the only rule the Company is not fully compliant with, as no non-financial criteria have been established in one board member´s contract, see "*13.2.3 Compensation of the Management Board*".

14 TRANSACTIONS AND LEGAL RELATIONSHIPS WITH RELATED PARTIES

In accordance with IAS 24, transactions with persons or companies that are, inter alia, members of the same group as a company or that are in control of or controlled by a company must be disclosed unless they are already included as consolidated entities in a company's consolidated financial statements. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The disclosure requirements under IAS 24 also extend to transactions with associated companies (including joint ventures), as well as transactions with persons who have significant influence on a company's financial and operating policies, including close family members and intermediate entities. This includes the members of the Management Board and Supervisory Board and close relatives of their families.

Set forth below are details of such transactions with related parties for the current year up to and including the date of this Prospectus and as of and for the years ended December 31, 2025, 2024 and 2023. Further information on related-party transactions, including quantitative amounts, is contained in the notes to the Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements, which are included elsewhere in this Prospectus. Business relationships between companies of the Group are not included.

14.1 Overview

Related parties of the Group comprise all of its subsidiaries, joint ventures, associated companies, the B&C Group (including B&C Board AG), members of the corporate bodies (executive board/management and supervisory board) of these entities, as well as close relatives of the members of the corporate bodies and companies under their influence. The members of the corporate bodies of the Company (in particular, the Supervisory Board) are, in some cases, also members of the corporate bodies of the above mentioned entities or of other companies with which the Company maintains ordinary business relationships. The Group maintains ordinary business relationships with banks that involve financing, investing and derivatives.

14.2 Material Relationships with Related Companies

The Group and certain of its subsidiaries were members of a group and tax equalization agreement (the "**Tax Group Agreement**") with B&C Holding Österreich GmbH established on July 20, 2017 and amended on November 11, 2021, in accordance with Section 9 of the Austrian Corporation Tax Act. In the course of the 2024 financial year, B&C Holding Österreich GmbH ceased to have indirect financial control over Lenzing AG as a result of a side-stream spin-off of 25% of the shares in Lenzing AG to another B&C group entity, B&C Delta Zweite Holding GmbH. Although the spin-off was legally implemented during 2024, it became effective for tax purposes retroactively as of December 1, 2023. As Austrian tax group legislation requires financial control to exist throughout the entire financial year, the Group and the affected subsidiaries were deemed to have ceased being members of the B&C tax group with effect from the 2023 assessment year. Consequently, the last financial year in which the Group and the affected subsidiaries participated in the B&C tax group was the 2022 financial year.

The Tax Group Agreement obligated the Group to pay a tax allocation to B&C Holding Österreich GmbH as the parent of the tax group equal to the corporate income tax attributable to the taxable profit of the Company and the subsidiaries included in the tax group. The tax allocation payable by the Company was reduced by any current tax losses/tax losses carried forwards caused by B&C Holding Österreich GmbH that could be offset against positive taxable income of all tax group members in the assessment year. The reduction was based on 25% of the tax savings realized by B&C Holding Österreich GmbH and was allocated to all tax group members according to the relation of their positive taxable income for the respective financial year.

In connection with the Tax Group Agreement, the Group recognized an income tax expense of EUR 23.1 million in the financial year 2024. In the financial year 2025, an income tax expense of EUR 0 arising from the tax allocation was recognized, in connection with its exit from the Tax Group Agreement and tax group, the Company paid a tax allocation of EUR 22.2 million, plus interest on arrears of EUR 1.3 million, to B&C Holding Österreich GmbH for losses of foreign group members of the tax group of Lenzing AG that had not yet been taxed. In addition, a tax allocation of EUR 810,000 plus interest of EUR 65,000 was paid to B&C Holding Österreich GmbH for the 2021 financial year due to an external tax audit that had been completed.

14.3 Material Relationships with Companies Accounted for Using the Equity Method and Their Material Subsidiaries

The Group engages in transactions with companies accounted for using the equity method and their material subsidiaries primarily relating to the following:

- TreeToTextile AB (TTT): provision of technical services and delivery of pulp;
- EQUI-Fibres Beteiligungsgesellschaft mbH: distribution of fibers, delivery of pulp and loan assignment;
- Lenzing Papier GmbH: provision of infrastructure and administrative services;
- RVL Reststoffverwertung Lenzing GmbH: operation of a recycling plant and purchase of the generated steam, as well as letting of land;
- Gemeinnützige Siedlungsgesellschaft m.b.H. für den Bezirk Vöcklabruck: provision of infrastructure and administrative services;
- PT. Pura Golden Lion: holds an interest in PT. South Pacific Viscose, Purwakarta, Indonesia;
- Wood Paskov s.r.o.: purchase of wood; and
- LD Florestal S.A.: land use rights, purchase of mature timber and lending.

As of February 2026, TreeToTextile AB (TTT) is fully consolidated into the Group following the acquisition of an additional 55.2% interest in the company.

15 GENERAL INFORMATION ON THE COMPANY AND THE GROUP

15.1 Name, Corporate Identity and Companies Register Entry

The Company's legal name is "Lenzing Aktiengesellschaft." The Company's commercial name is "Lenzing." The Company is organized as a stock corporation (*Aktiengesellschaft*) under Austrian law. The shares of the Company are listed and admitted to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange. The Company was registered with the Companies Register under FN 96499 k and was first registered with the Companies Register on July 7, 1938. The Company's LEI is 529900BKFJBI0QRDJH63.

15.2 History of the Company

The Company was incorporated on July 7, 1938, as a stock corporation (*Aktiengesellschaft*) under Austrian law under the name "Zellwolle Lenzing AG". In 1984, the Company changed its corporate name to "Lenzing Aktiengesellschaft".

15.3 Registered Office, Financial Year, Duration and Purpose of the Company

The Company's registered seat is Lenzing an der Ager, Austria. The registered office is located at Werkstraße 2, 4860 Lenzing an der Ager, Austria. The Company may be reached at its business address, as well as by phone (+43 7672 701 0) or by email under office@lenzing.com.

The Company's financial year commences on January 1 and ends on December 31. The Company was established for an indefinite period of time.

Regarding the purpose of the Company, please refer to "*16.3.1 Corporate Purpose"*.

15.4 Group Structure and Significant Subsidiaries

The Company is the ultimate holding company of the Group and an operative company. In addition to the principal place of business in Lenzing an der Ager, Austria, the Company currently has consolidated subsidiaries in Slovakia, Austria, Brazil, Czech Republic, China, Türkiye, United Kingdom, the United States, India, France, Germany, Italy, Republic of Korea, Republic of Singapore, Taiwan, Thailand and Indonesia. Certain subsidiaries in Austria, Brazil, China, the Czech Republic, Indonesia, Thailand, the United Kingdom and the United States carry out production activities. In certain jurisdictions the Group maintains subsidiaries which fulfill non-production functions, in particular operating sales and marketing offices.

The following table sets forth the companies which the Company considers to be its significant subsidiaries:

Company	Head office	Percentage of shares held as of June 30, 2026
Pulp Trading GmbH	Lenzing an der Ager, Austria	100%
Lenzing Fibers Inc.	Axis, U.S.A.	100%
Lenzing Fibers GmbH	Heiligenkreuz, Austria	100%
PT. South Pacific Viscose	Purwakarta, Indonesia	99.88%
Lenzing (Thailand) Co., Ltd.	Prachinburi, Thailand	100%
LD Celulose S.A.	Indianópolis, Brazil	51%
Lenzing Biocel Paskov a.s.	Paskov, Czech Republic	100%
Lenzing (Nanjing) Fibers Co., Ltd.	Nanjing, China	100%
LD Celulose International GmbH	Vienna, Austria	51%
LD Florestal S.A.(1)	Indianópolis, Brazil	50%

Note:

(1) Non-consolidated entity.

For further information on the Group companies, see *Note 41 to the 2025 Audited Consolidated Financial Statements*.

15.5 Independent Auditors

The original German language Audited Consolidated Financial Statements as of and for the financial years ended December 31, 2025 and 2024 have been audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Kudlichstraße 41, 4020 Linz, Austria in accordance with Regulation (EU) No. 537/2014 and Austrian Standards on Auditing, which require the audit to be conducted in accordance with International Standards on Auditing, as stated in the English translation of the German language auditor's reports thereon, included elsewhere in this Prospectus. The originally German language Audited Consolidated Financial Statements and the respective originally German language auditor's reports thereon may be found on the Company's website, the content of which does not form part of this Prospectus.

The original German language Unaudited Condensed Consolidated Interim Financial Statements as of and for the six months ended June 30, 2026 have been subject to a limited review by KPMG, Kudlichstraße 41, 4020 Linz, Austria in accordance with Austrian Standards for Chartered Accountants, in particular in compliance with KFS/PG 11 "Principles of Engagements to Review Financial Statements", and with the International Standard on Review Engagements (ISRE 2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", as stated in the English translation of the German language report on the review of the condensed interim consolidated financial statements, included elsewhere in this Prospectus. The originally German language Unaudited Condensed Consolidated Interim Financial Statements and the respective originally German language report on the review of the condensed interim consolidated financial statements may be found on the Company's website, the content of which does not form part of this Prospectus.

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft issued (i) an unqualified audit opinion, dated March 5, 2026, on the German language Audited Consolidated Financial Statements as of and for the year ended December 31, 2025; (ii) an unqualified audit opinion, dated March 5, 2025, on the German language Audited Consolidated Financial Statements as of and for the year ended December 31, 2024; and (iii) an unqualified review report, dated August 4, 2026, on the German language Unaudited Condensed Consolidated Interim Financial Statements as of and for the six months ended June 30, 2026. KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft is a certified public accountant and member of the Austrian Chamber of Tax Advisors and Public Accountants (*Kammer der Steuerberater:innen und Wirtschaftsprüfer:innen*).

15.6 Admission to Stock Exchange Trading

The Existing Shares are listed and admitted to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange on the "Prime Market" segment. The Company is included in the Austrian Traded Index (for further information see "*18.4 The Austrian Traded Index*").

In connection with the Rights Offering, the Company will apply for admission to trading of the Rights, and the Rights are expected to be traded on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange during the Rights Trading Period in a daily auction from (and including) October 6, 2026 to (and including) October 14, 2026.

The Wiener Börse AG is expected to approve the Admission to Trading of the Offered Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange, subject to customary conditions, during the Rights Exercise Period. The trading of the Offered Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange is expected to commence on or about October 23, 2026.

The Rights and the Shares have the following specifications:

Ticker Symbol for the Shares:	LNZ
ISIN for the Shares:	AT0000644505
Ticker Symbol for the Rights:	LNZB
ISIN for the Rights:	AT0000A3XCR6

15.7 Price Development of the Shares of the Company

The table below presents the closing price at the end of each year as well as the highest price and the lowest price for the shares of the Company each year as published on the website of the Vienna Stock Exchange for the last three years:

	2025	2024	2023
Closing price (EUR)[(1)]	23.40	29.50	35.55
Share price (EUR) High[(2)]	35.35	37.20	77.00
Share price (EUR) Low[(2)]	20.65	24.85	33.10

Notes:

(1) Based on daily closing prices of the last trading day at the Vienna Stock Exchange for the respective year.

(2) Based on daily closing prices for the respective year.

15.8 Notices

According to the Company's Articles of Association, notices to Shareholders are validly made in accordance with Austrian statutory law (section 18 of the Austrian Stock Corporation Act). Insofar as and for as long as publication is a statutory requirement, notices are validly made by publication in the electronic announcement and information platform of the federal government (*elektronische Verlautbarungs- und Informationsplattform des Bundes* ("**EVI**")).

Publications in connection with the Admission to Trading of the Company are made in compliance with the applicable Listing Rules and applicable laws. Significant changes to the information contained in this Prospectus occurring until the Admission to Trading will be published on the Company's website.

Moreover, any facts that are potentially price-sensitive with respect to the Shares, the Rights or any other securities issued by the Company and that have arisen in the sphere of the Company's business activities are further being published in accordance with the rules on ad hoc-publicity.

15.9 Paying Agent

As long as the Shares are listed on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange, the Company is obliged to maintain a paying agent (*Zahlstelle*) in Austria or with a credit institution in an EEA member state. The Company's paying agent in Austria is currently UniCredit Bank Austria AG, Rothschildplatz 1, 1020 Vienna.

16 INFORMATION ON THE SHARE CAPITAL, APPLICABLE REGULATIONS AND DESCRIPTION OF THE ARTICLES OF ASSOCIATION

Certain information concerning the Company's share capital and brief summaries of certain provisions of the Articles of Association and the applicable regulations relating to the Shares are set out below. This description does not purport to be complete and is qualified in its entirety by reference to the Articles of Association and the regulations applicable relating to the Shares as in effect on the date of this Prospectus.

16.1 Capital and Shares

16.1.1 *Existing Shares*

As of the date of this Prospectus, the registered share capital of the Company amounts to EUR 40,107,738.37. The share capital is divided into 38,618,180 ordinary no-par-value bearer shares that are fully paid. The calculated notional value of each share amounts to EUR 1.039 (rounded). Each share confers one vote at the Shareholders' Meeting.

Upon registration of the consummation (*Durchführung*) of the Capital Increase with the Companies Register, which is expected on or about October 22, 2026, the share capital of the Company will amount to EUR 76,204,702.90, divided into 73,374,542 Shares.

All shares confer the same rights and obligations.

The last capital increase took place in the financial year 2023.

16.1.2 *Development of Share Capital*

The Company was incorporated on July 7, 1938, as a stock corporation according to Austrian law under the name Lenzing Aktiengesellschaft with a share capital of ATS 367,500,000.00 divided into 3,675,000 shares with a nominal value of ATS 100.00. Between 1938 and 2026, the share capital was increased three times.

16.1.2.1 Authorized Capital (genehmigtes Kapital), Convertible Bonds (Wandelschuldverschreibungen) and Conditional Capital (bedingtes Kapital)

Authorized Capital 2023

By resolution of the Shareholders' Meeting dated April 19, 2023, the Management Board was authorized within five years of the entry of the amendment of the Articles of Association with the Companies Register, subject to (a) approval by the Supervisory Board, to increase the Company's share capital by up to EUR 13,787,034.68 in one or several tranches by the issuance of up to 13,274,999 new no-par value shares in bearer or registered form against cash and/or payment in kind and to determine the issue price and further conditions of issue, and (b) to exclude the subscription rights of shareholders in the event of a capital increase from the authorized capital in whole or in part (i) if the capital increase against contributions in kind is carried out for the purpose of acquiring companies, parts of companies, operations, parts of operations, participations in companies or other assets in connection with an acquisition project, (ii) to service an over-allotment option (greenshoe) or (iii) to compensate for fractional amounts (the "**Authorized Capital 2023**").

In 2023, the Company exercised the Authorized Capital 2023 to increase the capital of the Company by EUR 12,533,666.94 by issue of 12,068,180 no-par value bearer shares. Upon registration of the capital increase in the Companies Register in July 2023, the Authorized Capital 2023 was amended to the following:

By resolution of the Shareholders' Meeting dated April 19, 2023, the Management Board was authorized within five years of the entry of the amendment of the Articles of Association with the Companies Register, subject to (a) approval by the Supervisory Board, to increase the Company's share capital by up to EUR 1,253,367.74 in one or several tranches by the issuance of up to 1,206,819 new no-par value shares in bearer or registered form against cash and/or payment in kind and to determine the issue price and further conditions of issue, and (b) to exclude the subscription rights of shareholders in the event of a capital increase from the authorized capital in whole or in part (i) if the capital increase against contributions in kind is carried out for the purpose of acquiring companies, parts of companies, operations, parts of operations, participations in companies or other assets in connection with an acquisition project, (ii) to service an over-allotment option (greenshoe) or (iii) to compensate for fractional amounts.

Convertible Bonds 2023

By resolution of the Shareholders' Meeting dated April 19, 2023, the Management Board has been authorized until April 19, 2028, to issue, with the consent by the Supervisory Board, convertible bonds in one or several tranches that grant or provide for the subscription or conversion right or a subscription or conversion

obligation for up to 13,274,999 shares of the Company. They can be serviced via the conditional capital to be resolved and/or via treasury shares. The issue price, the issue, the conversion procedure for the convertible bonds and all other conditions are to be determined by the Management Board with the consent of the Supervisory Board. The issue price and the exchange ratio shall be determined in accordance with recognized financial mathematical methods and the stock exchange price of the Company's shares in a recognized pricing procedure. As of the date of this Prospectus, no convertible bonds have been issued making use of the Convertible Bonds 2023 or of another authorization by the Shareholders' Meeting.

Conditional Capital 2023

By resolution of the Shareholders' Meeting dated April 19, 2023, the Company's share capital is contingently increased by up to EUR 13,787,034.68 by issuing up to 13,274,999 new bearer shares with no par value (no-par value shares) for issue to creditors of convertible bonds.

The capital increase may only be carried out to the extent that creditors of convertible bonds exercise their subscription or conversion rights to shares of the Company or those who are obligated to subscribe or exchange them fulfill their respective obligation to subscribe or exchange them, and the Management Board decides to service these convertible bonds with new shares.

The issue price and the exchange ratio shall be determined in accordance with recognized financial-mathematical methods and the price of the Company's ordinary shares in a recognized pricing procedure (basis for calculating the issue price); the issue price may not be lower than the *pro rata* amount of the share capital. The newly issued shares of the conditional capital increase have full dividend entitlement for the entire financial year in which they are issued.

The Management Board is authorized, with the consent of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to amend the wording of the Articles of Association in accordance with the respective issue of the subscription shares.

The same shall apply in the event that the authorization to issue convertible bonds is not utilized after the expiry of the authorization period and in the event that the conditional capital is not utilized after expiry of the periods stipulated in the terms and conditions of the convertible bonds.

16.1.3 *Participation or Profit-sharing Certificates*

As of the date of this Prospectus, the Company has no participation certificates (*Partizipationsscheine*) or profit-sharing certificates (*Genussscheine*) outstanding.

16.1.4 *Treasury Shares*

By resolution of the Shareholders' Meeting dated April 23, 2026, the Management Board was authorized for a period of 30 months beginning on April 23, 2026, with the consent by the Supervisory Board, to acquire treasury shares of the Company, whereby the lowest consideration to be paid at the time of repurchase is 25% below the weighted average closing price of the last 20 trading days prior to the start of the respective repurchase program and the highest consideration to be paid at the time of repurchase is 25% above the weighted average closing price of the last 20 trading days prior to the start of the respective repurchase program, and to determine the terms and conditions of the repurchase, whereby the Management Board is obligated to publish the Management Board's resolution and the respective repurchase program based on it, including its duration, in accordance with the statutory provisions. The Management Board may exercise this authorization once or several times within the limits of the legal requirements regarding the maximum number of treasury shares permitted, up to a total limit of 10% of the share capital. The Management Board is furthermore authorized, with the consent by the Supervisory Board, to determine for the sale of treasury shares a legally permissible method of disposal other than via the stock exchange or a public offer and to resolve on any exclusion of the shareholders' right to repurchase (subscription right) and to determine the conditions of such sale. As of the date of this Prospectus, the Company does not hold any treasury shares.

16.2 Applicable Provisions under the Austrian Stock Corporation Act

16.2.1 *General Provisions Governing a Liquidation of the Company*

In case of the liquidation of the Company, any assets remaining after discharge of liabilities will be distributed to the shareholders on a *pro rata* basis. Pursuant to statutory law, a majority of at least 75% of the share capital present or represented at the Shareholders' Meeting is required to pass a resolution regarding the liquidation of the Company.

16.2.2 *General Provisions Relating to a Change in the Share Capital*

Pursuant to the provisions of the Austrian Stock Corporation Act, an increase of the Company's share capital is permitted in particular by way of a resolution of the Shareholders' Meeting:

- to issue new shares against contributions in cash or in kind adopted by the Shareholders' Meeting (ordinary capital increase (*ordentliche Kapitalerhöhung*) pursuant to section 149 et seq. of the Austrian Stock Corporation Act);
- to authorize the Management Board, on the basis of the Articles of Association and subject to approval by the Supervisory Board, to issue new shares up to a specified amount not exceeding 50% of the issued share capital at the time of authorization within a specified period, which may not exceed five years (authorized capital (*genehmigtes Kapital*) pursuant to section 169 et seq. of the Austrian Stock Corporation Act);
- to issue new shares up to a specified amount for specific purposes, such as granting stock options to employees, executives and members of the Management Board and Supervisory Board or of an affiliated company not exceeding 10% of the issued share capital at the time of authorization, to prepare a merger, or in order to grant conversion rights or subscription rights to holders of convertible bonds not exceeding 50% of the issued share capital at the time of the resolution (conditional capital (*bedingtes Kapital*) pursuant to section 159 et seq. of the Austrian Stock Corporation Act);
- to authorize the Management Board, subject to the approval of the Supervisory Board, to effect a conditional capital increase in order to grant stock options to employees, executives and members of the Management Board up to a certain amount not exceeding 10% of the issued share capital at the time of authorization (authorized conditional capital (*genehmigtes bedingtes Kapital*) pursuant to section 159 para. 3 of the Austrian Stock Corporation Act); or
- to authorize the conversion of free reserves or profit carried forward into share capital (capital adjustment (*Kapitalberichtigung*) pursuant to the Austrian Capital Adjustment Act (*Kapitalberichtigungsgesetz*)).

Resolutions of the Shareholders' Meeting regarding an ordinary increase of the Company's share capital require a simple majority of the share capital represented in the Shareholders' Meeting, except when subscription rights of Shareholders are excluded, in which case a majority of at least 75% of the share capital represented at the time of the resolution is required. Resolutions of the Shareholders' Meeting regarding authorized or conditional capital or authorized conditional capital require a majority of at least 75% of the share capital represented in the respective Shareholders' Meeting.

Except in the case of certain capital reductions effected by repurchase of treasury shares by the Company, a resolution to decrease the share capital requires a majority of at least 75% of the share capital represented in the respective Shareholders' Meeting (section 175 para. 1 of the Austrian Stock Corporation Act).

16.2.3 *Voting Rights and Majority Requirements*

Under Austrian law, a majority of the votes as well as a majority of at least 75% of the share capital present or represented at the Shareholders' Meeting is required, among other things, for resolutions on:

- changing the business objectives;
- increasing the share capital if subscription rights are to be excluded (for deviating majority requirements pursuant to the Articles of Association, see "*16.3.3 Shareholders' Rights*");
- creating authorized capital or conditional capital or authorized conditional capital;
- decreasing share capital;
- excluding subscription rights of shareholders when issuing convertible bonds, profit participating bonds and participation rights;
- dissolving a company or continuing the dissolved company;
- converting a company into a limited liability company (*Gesellschaft mit beschränkter Haftung*);
- approving a merger or a spin-off;
- transferring all or a majority of the assets of a company;

- approving profit pools or agreements on the operation of the business;
- effecting a post-formation acquisition (*Nachgründung*); and
- selling treasury shares other than by means of a stock exchange or a public offer. A majority of 90% of the entire share capital is required for:
- an up-stream merger pursuant to the Austrian Transformation Act (*Umwandlungsgesetz*), with certain exceptions;
- a spin-off disproportionate to shareholdings pursuant to the Austrian Spin-Off Act (*Spaltungsgesetz*); or
- a squeeze-out pursuant to the Austrian Act on the Squeeze-out of Minority Shareholders (*Gesellschafter-Ausschlussgesetz*).

A shareholder or a group of shareholders holding at least 10% of the share capital may, in particular:

- request special audits of activities with respect to the management of a company, if these activities took place within the previous two years;
- veto the appointment of a special auditor and request a court to appoint another special auditor;
- request an adjournment of the Shareholders' Meeting if the shareholders requiring such adjournment have found the annual financial statements to be incorrect;
- request a court to recall a member of the Supervisory Board for cause; and
- request the assertion of damage claims by a company against members of the Management Board or the Supervisory Board or certain other parties, if the claim is not obviously unfounded.

A shareholder or a group of shareholders holding at least 5% of the share capital may, in particular:

- request that a Shareholders' Meeting be convened or, if the Management Board and the Supervisory Board do not comply with this request, convene a Shareholders' Meeting themselves following the approval of the court;
- request that an item is put on the agenda of the Shareholders' Meeting and made public; the minimum period between the company receiving the Shareholders' request and the date of the respective Shareholders' Meeting is 21 days for an annual Shareholders' Meeting or 19 days for any other Shareholders' Meeting;
- request the assertion of damage claims by a company against members of the Management Board or the Supervisory Board or certain other parties, if a special report reveals facts that may entitle the Company to such damage claims;
- request court appointment of another auditor of the financial statements for cause;
- appeal a shareholders' resolution, if such resolution provides for amortization, accumulated depreciation, reserves and accruals exceeding the limit set by law or by the Articles of Association;
- apply for the appointment or removal of liquidators for cause; and
- request the audit of the annual financial statements during liquidation.

16.2.4 *General Provisions Governing Subscription Rights*

Pursuant to section 153 para. 1 of the Austrian Stock Corporation Act, shareholders are entitled to subscribe for and to be allocated such number of new shares to allow them to maintain their existing participation in the company's share capital. The subscription rights (*Bezugsrechte*) of the Shareholders are therefore proportionate to the number of shares held by them prior to the offering of new shares. Similarly, section 174 para. 4 of the Austrian Stock Corporation Act provides for subscription rights of shareholders in relation to securities convertible into shares, securities with warrants to purchase shares, securities with profit participation or participation certificates to allow them to maintain their existing participation in the share capital of the Company.

Shareholders may waive or choose not to exercise their subscription rights. Furthermore, subscription rights may fully or partially be excluded by resolution of the Shareholders' Meeting (section 153 para. 3 of the

Austrian Stock Corporation Act). If subscription rights are to be excluded, a majority of at least 75% of the share capital present or represented at the Shareholders' Meeting must approve the respective resolution. In addition, the proposal to exclude subscription rights must be announced prior to the respective Shareholders' Meeting. Furthermore, resolutions excluding subscription rights must be based on a written report by the Management Board justifying such exclusion.

A shareholders' resolution in respect of authorized capital may either directly exclude subscription rights or authorize the Management Board to exclude subscription rights with a majority of 75% of the share capital present or represented at the respective Shareholders' Meeting. If the Management Board is authorized to exclude subscription rights, the Management Board's resolution to exclude subscription rights requires approval by the Supervisory Board, as well as an additional reasoned statement justifying the exclusion. With the Authorized Capital 2023, the Management Board was authorized to exclude the subscription rights to service over-allotment options (greenshoe) and to compensate for fractional amounts (see "*16.1.2.1 Authorized Capital (*genehmigtes Kapital*), Convertible Bonds (*Wandelschuldverschreibungen*) and Conditional Capital (*bedingtes Kapital*)*" above). If shares are issued out of conditional capital, the shareholders are not entitled to subscription rights.

The shareholders are entitled to exercise their subscription rights within a specified rights exercise period (*Bezugsfrist*), which must last for at least two weeks. When issuing new shares, the Management Board must publish a notice on the EVI specifying the beginning and the duration of the rights exercise period, as well as the subscription price. Shareholders may transfer their subscription rights during the rights exercise period. If subscription rights are not exercised during the rights exercise period, they will be deemed forfeited.

Subscription rights are not considered excluded if new shares are initially subscribed for by a credit institution which undertakes to offer the new shares to the shareholders in proportion to their subscription rights (indirect subscription right, *mittelbares Bezugsrecht*) (section 153 para. 6 of the Austrian Stock Corporation Act).

16.2.5 *Exclusion of Minority Shareholders*

Pursuant to the Austrian Act on the Squeeze-out of Minority Shareholders (*Gesellschafter-Ausschlussgesetz*), a majority shareholder holding no less than 90% of the entire (voting and non-voting) share capital of a corporation may squeeze out the remaining shareholders at an equitable price. The squeeze-out right is general and is not limited to a preceding takeover offer. The minority shareholders are not entitled to block the squeeze-out but have the right of separate judicial review of the fairness of the compensation paid for their minority stake. If a squeeze-out follows a takeover offer, the highest consideration offered in the takeover bid is presumed to be fair, if the bidder has acquired more than 90% of the shares subject to the offer as part of the takeover offer or in connection with it.

16.2.6 *General Provisions on Earnings Appropriation and Dividend Payments*

During the first five months of each financial year, the Management Board must prepare annual financial statements for the previous financial year, including the notes thereto and the management report. After the financial statements have been audited, the Management Board must present them, along with a proposal for the distribution of any balance sheet profit, to the Supervisory Board. The Supervisory Board must provide the Management Board with a statement on the annual financial statements within two months of their presentation. The Supervisory Board must also file a report to the Shareholders' Meeting.

Pursuant to the Commercial Code and the Austrian Stock Corporation Act, the Company may only pay dividends out of balance sheet profits. Distributable profits are based on accumulated profits, as shown in the Company's financial statements in accordance with the Commercial Code, after allocations have been made to reserves, including retained earnings. Distributable profits can also be based on retained earnings from previous financial years. The Management Board decides on the allocation of reserves, in particular retained earnings.

On the basis of the Management Board's proposal and the Supervisory Board's report, the Shareholders' Meeting resolves whether dividends will be paid for any financial year and the amount and timing of any such dividend payment. The Shareholders' Meeting, in its resolution, is bound to the annual financial statements as prepared by the Management Board and approved by the Supervisory Board. In case the Supervisory Board does not approve the annual financial statements as prepared by the Management Board or if the Management Board and the Supervisory Board so decide, the Shareholders' Meeting is competent for approving the annual financial statements. It is, however, not bound to the Management Board's proposal for the distribution of the balance sheet profit. Pursuant to the Articles of Association, the Shareholders' Meeting may also resolve not to distribute all or part of the net profit among the Shareholders.

Pursuant to the Articles of Association and unless otherwise decided by the Shareholders' Meeting, dividends are due within five banking days after the Shareholders' Meeting which resolved on the dividends. Dividends that have not been collected by the Shareholders within three years after becoming due are deemed forfeited and accrue to the company's free reserve.

16.2.7 *General Provisions on Authorization to Purchase and Sell Treasury Shares*

Pursuant to the Austrian Stock Corporation Act, a stock corporation may generally only trade (*i.e.*, purchase and sell) its shares in the following limited circumstances:

- upon prior authorization by the shareholders' meeting, for a period not exceeding 30 months and limited to a total of 10% of the overall share capital, if the shares are listed on a regulated market, or if the shares are intended to be offered to a company's employees, members of its management board or supervisory board or employees of certain affiliated companies; the resolution must determine a minimum and a maximum consideration, provided that the company keeps sufficient reserves;
- if the shares are acquired without payment of consideration or if the stock corporation is acting as agent on a commission basis;
- to prevent substantial, immediately threatening damage to the stock corporation (subject to the limitation of 10% of the overall share capital), provided the stock corporation keeps sufficient reserves;
- by way of a universal legal succession (*e.g.*, succession by merger);
- for the purpose of indemnifying minority shareholders, if required by law, provided that the stock corporation keeps sufficient reserves; or
- as part of a redemption of shares in accordance with the rules for capital decreases approved by the shareholders' meeting.

16.2.8 *Change or Impairment of Shareholders' Rights*

The Austrian Stock Corporation Act contains provisions that protect the rights of individual shareholders. In general, shareholders must be treated equally under equal circumstances, unless the shareholders concerned agree otherwise. Furthermore, measures affecting shareholders' rights, such as capital increases and the exclusion of subscription rights, generally require a shareholders' resolution.

The Articles of Association do not provide for more stringent conditions for the exercise of shareholders' rights than those provided by the Austrian Stock Corporation Act. In addition, the Articles of Association do not allow changes to, or restrictions on, shareholders' rights under less stringent conditions than those provided by the Austrian Stock Corporation Act.

Neither Austrian law nor the Articles of Association restrict the right of non-resident or foreign holders of the shares to hold or vote the shares.

16.2.9 *Redemption of Shares and Treasury Shares*

Shares may be redeemed in the course of a decrease of the Company's share capital resolved by the Shareholders' Meeting or by the Company's purchasing of treasury shares. A capital decrease requires a Shareholders' resolution with a majority of at least 75% of the share capital present or represented at the Shareholders' Meeting.

The shares can be converted into a different class of shares (*e.g.*, non-voting preferred shares), but only with the consent of the respective holder or, if the conversion negatively affects other Shareholders whose shares are not converted, the consent of such Shareholders.

Pursuant to section 65 para. 1 of the Austrian Stock Corporation Act, the company may acquire treasury shares only under the circumstances set forth above.

16.3 Summary of the Articles of Association of the Company

The current version of the Articles of Association has been in effect since June 17, 2026, the date on which the resolutions of the annual Shareholders' Meeting of April 23, 2026 were registered in the Companies Register. The current version of the Articles of Association is available on the Company's website in the official German version.

The current version will be replaced by the Articles of Association as amended by the Supervisory Board reflecting the Capital Increase (*i.e.*, the increased share capital of the Company and the increased number of Shares), as soon as such resolution has been registered with the Companies Register.

The summary of the Articles of Association set forth hereunder outlines only selected items of the Articles of Association. It is for general information only and does not purport to be a comprehensive and complete description of all items of the Articles of Association.

16.3.1 *Corporate Purpose*

Pursuant to section 2 of the Articles of Association, the statutory business purpose of the Company is the acquisition, formation and operation of business enterprises as well as the trade in goods of all kinds, in particular the production, processing and utilization of:

(a) pulp and products based on cellulose;

(b) fibers, papers, films, yarns and the corresponding processing products based on cellulose and synthetic raw materials;

(c) upmarket products based on synthetic raw materials;

(d) machines, devices and appliances of any kind with a focus on the chemical, textile and packaging industries, as well as the industries processing the products of those industries;

(e) semi-finished and finished products from its own range of products in quantities required for test purposes; and

(f) waste products and by-products, as well as the operation of energy systems, accessory systems and auxiliary systems.

In addition, the Company is entitled to engage in any business transactions and to take any measures considered necessary or useful for achieving the purpose of the Company, in particular:

(a) acquisition and sale of real estate, patents, licenses, know-how and engineering services;

(b) shareholding in and acquisition of companies in Austria and other countries;

(c) establishing and operating branch offices in Austria and other countries;

(d) establishing and operating interest groups or concluding syndication agreements suited to directly or indirectly promote the interests of the Company; and

(e) providing general services to subsidiary companies and third parties, especially in the field of electronic data processing and chemical analysis.

16.3.2 *Shareholders' Meetings*

Shareholders' Meetings are to be called by the Management Board or the Supervisory Board. A shareholder or a group of shareholders holding at least 5% of the share capital may also demand the convention of a Shareholders' Meeting. The Shareholders' Meeting must take place at the registered seat of the Company, any branch office or one of its domestic subsidiaries or in a provincial capital of Austria or at any other place in Upper Austria not more than 100 kilometers away from the registered office of the Company.

The Company must publish an invitation notice of the respective Shareholders' Meeting. The minimum period between publication of the invitation notice and the date of the respective Shareholders' Meeting is 28 days for an annual Shareholders' Meeting or 21 days for any other Shareholders' Meeting.

In order to be able to participate in the Shareholders' Meeting and for shares to be eligible for voting, the Company must receive proof that the shares are held on the record date (which is the end of the tenth day prior to the date of the respective Shareholders' Meeting). Proof of ownership shall be provided by means of confirmation from the custodian bank that the shares are held in custody by the custodian bank. Any credit institution that has its registered seat in a member state of the EEA or a country that is a full member of the Organization for Economic Cooperation and Development may act as depository. The Company must have received such proof of ownership at the address as specified in the notice announcing the respective Shareholders' Meeting at least three business days prior to the respective Shareholders' Meeting, unless a later date is specified in the invitation.

Shareholders may appoint authorized agents to represent them at Shareholders' Meetings by providing the Company with a written power of attorney.

At least one Shareholders' Meeting must be held each financial year (annual Shareholders' Meeting). According to Articles 14 and 19 of the Articles of Association, the annual Shareholders' Meeting must take place within the first eight months of each financial year. For further information, see "*7.1 General Rules on Balance Sheet Profit and Dividend Payments*."

16.3.3 *Shareholders' Rights*

Voting Rights and Majority Requirements

Each share entitles its holder to participate, ask questions and cast one vote at the Shareholders' Meeting. There are no restrictions on voting rights. Voting rights are the same for all shareholders. There is no minimum attendance quorum at the Shareholders' Meeting. Resolutions of the Shareholders' Meeting are passed by a simple majority of the votes cast or, in matters that require a majority of the share capital, by a simple majority of the share capital present, unless the Austrian Stock Corporation Act requires a higher majority.

Pursuant to Article 16 of the Articles of Association resolutions of the Shareholders' Meeting require a simple majority of the votes cast, unless mandatory law requires a larger majority. In cases where a majority of capital is required, it shall pass resolutions by a simple majority of the share capital represented at the passing of the resolution, unless mandatory law requires a larger majority of capital. Deviating from the applicable provisions under Austrian Stock Corporation Law (see "*16.2.3 Voting Rights and Majority Requirements*") a majority of at least 50% of the share capital present or represented at the Shareholders' Meeting is required, for resolutions on:

- increasing the share capital (ordinary capital increase (*ordentliche Kapitalerhöhung*));
- capital adjustment (*Kapitalberichtigung*);
- amending the Articles of Association (except for changing the business objectives); and
- issuing convertible bonds, profit participating bonds.

Dividend Rights

Each shareholder is entitled to receive dividends, if and to the extent the annual Shareholders' Meeting resolves to distribute dividends. It may also exclude the distribution of dividends entirely or partly. Dividends will be distributed to the shareholders in proportion to their Share in the share capital.

For further information, see "*16.2.6 General Provisions on Earnings Appropriation and Dividend Payments*."

Disclosure Obligations

There are no provisions in the Articles of Association governing the threshold above which share ownership must be disclosed.

16.4 Shareholder Notification Requirements of the Stock Exchange Act 2018

If natural persons or legal entities (irrespective of whether domestic or foreign), directly or indirectly, acquire or sell shares in a stock corporation (i) for which Austria is the home member state and (ii) the shares of which are listed on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange or another regulated market (which is the case for the Company), then these persons or entities are obliged to notify the Company, the Vienna Stock Exchange as well as the FMA within two trading days after the acquisition or disposal of a major shareholding, provided that the proportion of the voting rights held reaches, exceeds or falls below a threshold of 4%, 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 75% or 90%, respectively, as a consequence of the acquisition or disposal. The period of two trading days begins to run when the shareholder of a major shareholding gains, or should have gained, knowledge of the acquisition or sale.

The notification requirements of the Stock Exchange Act 2018 also apply to persons entitled to exercise voting rights in the following cases:

- Voting rights from shares held by third parties with whom this person has reached an agreement that imposes the obligation on both parties to pursue a common policy with respect to the management of the relevant listed company by exercising the voting rights in mutual consent;

- Voting rights attached to shares which this person has assigned to a third party as collateral if the voting rights can be exercised without requiring any explicit instructions by the transferee or if the person can influence the exercise of the voting rights by the transferee;
- Voting rights from shares under which this person enjoys usufruct rights;
- Voting rights from shares that belong to a company, or may be attributed to it according to the preceding 3 bulletpoints, in which this person holds a direct or indirect controlling interest (section 22 paras 2 and 3 Austrian Takeover Act (*Übernahmegesetz*; the "**Takeover Act**"));
- Voting rights held by a third party in their own name for the account of this natural person or legal entity;
- Voting rights that this person may, acting under a power of attorney, exercise at his or her own discretion, if no special instructions have been given by the shareholders.

In addition, the disclosure obligations also apply to any person who directly or indirectly reaches, exceeds or falls below the above mentioned thresholds by holding certain financial or comparable instruments such as option rights, convertible bonds, futures or contracts for difference or certain swaps. In each case, rules on the aggregation of various positions in voting rights and financial instruments need to be observed.

The notification by the shareholder to a company needs to include the number of voting rights held after the acquisition or disposal of shares, the chain of controlled undertakings through which voting rights are effectively exercised, the date on which the threshold was reached, exceeded or fallen under as well as the identity of the shareholder and proxy. The above thresholds are calculated based on all shares carrying voting rights even if the exercise thereof is suspended. The notification requirements of the Stock Exchange Act 2018 also apply to voting shares of the same class or if the thresholds are reached through an event causing a decrease in voting rights. To this extent, the Company is required to publish in an EU-wide electronic information system the total number of voting rights and share capital at the end of any given calendar month in which an increase or decrease of voting rights or capital occurs.

The Company is required to disclose all information notified by a shareholder having reached, exceeded or fallen under the above thresholds within two trading days of being notified thereof.

In case the disclosure obligations are not complied with, voting rights may be temporarily suspended in the extent of the difference between the new percentage of voting rights and the last percentage of voting rights reported by the shareholder. The voting rights may be exercised again after a period of six months after the notification by the shareholder has been made. Furthermore, administrative fines in the amount of up to EUR 2 million or two times the amount of any benefit from the violation of the disclosure obligations, whichever is higher, may be imposed.

In addition to the above notification and disclosure obligations under the Stock Exchange Act, the acquisition of shares or other methods of obtaining control of a company within the meaning of the Austrian Cartel Act (*Kartellgesetz*) may, under certain circumstances, be subject to the clearance of the Austrian Federal Competition Authority (*Bundeswettbewerbsbehörde*) and the Federal Minister of Economy, Energy and Tourism (*Bundesminister für Wirtschaft, Energie und Tourismus*) pursuant to the Austrian Investment Control Act (*Investitionskontrollgesetz*).

See "*17 Major Shareholders*" regarding the major Shareholders as of the date of this Prospectus.

16.5 Takeover Act

The Takeover Act regulates public offers for the acquisition of shares of Austrian stock companies which are admitted to trading on a regulated market of an Austrian stock exchange. The purpose of the Takeover Act is to ensure that a public offer for the shares of such companies is carried out in a fair way and that the shareholders of the relevant company are treated equally. If a controlling interest in the relevant company is established, the Takeover Act also seeks to ensure that shareholders have an opportunity to sell their shares at a fair price. The takeover commission (the "**Takeover Commission**") supervises compliance with the Takeover Act and has the power to fine violators. Breaches of the regulations of the Takeover Act can result, *inter alia*, in the suspension of voting rights and, in the case of severe breaches, also in the suspension of other shareholders' rights.

Any public offer for acquisition of the shares of a target company must be prepared in accordance with the formal requirements of the Takeover Act and be submitted to the Takeover Commission prior to its publication. Generally, an offeror must not disclose its intention to launch a public offer until it has notified the

Takeover Commission thereof. If, however, rumors of the offeror's intention lead to significant changes in the price of the target company's shares prior to notification of the Takeover Commission, an offeror is required to publish its intention to bid for the shares of the target company immediately and must submit the offering documents to the Takeover Commission within 10 trading days following publication.

The Takeover Act distinguishes between voluntary offers, mandatory offers and voluntary offers to gain control. Any person who acquires a controlling interest in a target company must notify this to the Takeover Commission and must prepare an offer ("mandatory offer") to purchase the remaining shares in the target company and must submit the offer document to the Takeover Commission within 20 trading days of acquiring the controlling interest. Furthermore, every voluntary offer aiming at acquiring a controlling influence is statutorily under the condition that the bidder acquires more than 50% of the outstanding shares with permanent voting power ("voluntary offer to gain control").

Important portions of the Takeover Act are based on a formal concept of control. Within the meaning of the Takeover Act, an interest is "controlling" if it confers more than 30% of the voting rights in the target company. Acquisitions of less than 30% of the voting rights do not in any way trigger a mandatory offer ("safe harbor"). If the threshold of 30% is not exceeded, but a threshold of 26% is indeed exceeded, only 26% of the voting rights can be exercised unless the Takeover Commission explicitly revokes the suspension of the voting rights. In this event, the Takeover Commission becomes involved only upon request and, instead of suspending the voting rights, it can also establish conditions and obligations.

"Passive" acquisition of control refers to an acquisition of a controlling interest without recent actions of a shareholder, for example as a result of the break-up of a controlling shareholder consortium. "Passive" acquisition of control similarly does not trigger a mandatory offer, provided the person acquiring control would not necessarily have been expecting to achieve control when the shares were acquired. But in this case as well, only 26% of the voting rights can be exercised unless the Takeover Commission, upon request, explicitly revokes the suspension of the voting rights.

In addition, under certain circumstances, the extension of an existing controlling interest also triggers a mandatory offer ("creeping-in"): that is the case when a person with a controlling interest providing a controlling influence without a majority of the voting rights of a listed company acquires an additional 3% or more of the voting rights within a period of one calendar year compared with its shareholding on the last day of the preceding calendar year.

The articles of association of a stock corporation can, *inter alia*, stipulate that during the takeover process certain restrictions on transfer and voting rights with respect to shares of the target company are not applicable ("break through"). The acquirer of an interest of at least 75% of the share capital of a stock corporation can call a shareholders' meeting. In all shareholders' meetings within six months after the date for settlement of the offer provided for in the offering documents, restrictions on voting rights do not apply if a vote is taken on changes to the Articles of Association (in particular, the abolition of transfer restrictions, voting right restrictions and delegation rights) or the recall or election of members of the supervisory board.

As a rule, the price for a voluntary public offer can be freely determined. The price for a mandatory offer and the voluntary offer to gain control must be (i) at least equal to the average stock exchange price weighted according to the respective trading volume during the preceding 6 months before the day on which the intent to bid was pronounced and (ii) at least equal to the highest share price that the bidder or a legal entity acting jointly with the bidder has paid or agreed to pay during the last 12 months before publication of the offer. Under certain circumstances, an appropriate price is to be set for a mandatory offer.

A mandatory offer must include an alternative offer which provides exclusively for paying cash for the securities which are to be acquired. In addition, the bidder may also offer the person to whom the offer is directed an alternative choice of receiving other securities in exchange for the shares.

The offer document for voluntary offers and mandatory offers is to be examined by a qualified independent expert before the offer document is submitted to the Takeover Commission and delivered to the target company. The management board of the target company must issue a statement on the offer immediately after the publication of the offer document.

As a rule, subsequent improvements of public offerings and the submission of competitive offers are permissible. The same rules that apply to the original offer also apply to improved or competitive offers.

After the bidder's intention of making an offer becomes known to the management board and the supervisory board of the target company, they require the consent of the shareholders' meeting for all measures which could hinder the offer or its success. This applies particularly to the issuance of securities through which

the bidder could be prevented from acquiring control of the target company. The bidder and all parties acting jointly with the bidder may not acquire securities of the target company at better terms than those in the offering. Violation of these rules can lead to suspension of voting rights and to penalties imposed by the Takeover Commission.

The acceptance period for an offer may not be less than four weeks and not more than ten weeks, calculated, in each case, from the date of the publication of the offering documents. In certain instances, such as in the case of a mandatory offer, there is a follow-up period of three months after the publication of the results of the offer within which the offer can be accepted.

The Takeover Commission monitors adherence to the Takeover Act and is authorized to penalize violations of takeover regulations. In addition to other civil and administrative sanctions, violations of provisions of the Takeover Act can result in the suspension of the voting rights of the violator's shares and, in the case of serious violations, suspension of the other rights of the shareholder. The Takeover Commission can also officially introduce proceedings and does not itself have a supervisory authority.

16.5.1 *Public Takeover Bid*

There have been no public takeover bids by third parties in respect of the share capital of the Company as of the date of this Prospectus.

16.6 Managers' Transactions (Director's Dealings)

Persons exercising managerial responsibilities (in particular members of the Management or Supervisory Board) of the Company must notify the Company and the FMA within three business days of the existence of any transactions conducted on their own account relating to the Company's securities (shares, derivatives, debt instruments) and the Company must publish such information within two business days upon receipt on its website. This obligation is only applicable if the aggregate value of such transactions exceeds EUR 20,000 per year. The same rules apply to persons who have a close relationship with persons undertaking managerial responsibilities, for example spouses, dependent children as well as any other family members who have lived in the same household for at least one year. Persons who have such close relationships are, in addition, legal entities, fiduciary institutions or partnerships which are managed by such a person or which are directly or indirectly controlled by such a person, or which have been established for the benefit of such a person or whose business interests, to large extent, are similar to those of such a person.

Violations of directors' dealings obligations constitute an administrative offense and may be fined by the FMA in an amount of up to EUR 500,000 or three times the amount of any benefit from the violation of the respective provisions, whatever amount is higher.

16.7 Insider Dealing, Inside Information and Ad-hoc Publicity

Pursuant to Article 8 Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC ("**MAR**") as amended, insider dealing arises when a person possesses inside information and uses that information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates. The use of inside information by cancelling or amending an order concerning a financial instrument to which the information relates when the order was placed before the person concerned possessed the inside information, is also considered to be insider dealing.

Recommending that another person engage in insider dealing, or inducing another person to engage in insider dealing, arises when the person possesses inside information and (a) recommends, on the basis of that information, that another person acquire or dispose of financial instruments to which that information relates, or induces that person to make such an acquisition or disposal, or (b) recommends, on the basis of that information, that another person cancel or amend an order concerning a financial instrument to which that information relates, or induces that person to make such a cancellation or amendment. The use of the recommendations or inducements amounts to insider dealing where the person using the recommendation of the inducement knows or ought to know that it is based upon inside information.

Pursuant to Article 10 MAR, unlawful disclosure of inside information arises where a person possesses inside information and discloses that information to any other person, except where the disclosure is made in the normal exercise of an employment, a profession or duties. The onward disclosure of recommendations or inducements referred to in the paragraph above also amount to an unlawful disclosure of inside information.

Engaging or attempting to engage in insider dealing, recommending or inducing another person to engage in insider dealing and the unlawful disclosure of inside information is prohibited pursuant to Article 14 MAR.

With regard to securities, Article 7 MAR defines inside information as information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments. Information is deemed to be of a precise nature if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the financial instruments or the related derivative financial instrument, the related spot commodity contracts, or the auctioned products based on the emission allowances. In this respect in the case of a protracted process that is intended to bring about, or that results in, particular circumstances or a particular event, those future circumstances or that future event, and also the intermediate steps of that process which are connected with bringing about or resulting in those future circumstances or that future event, may be deemed to be precise information.

Pursuant to Article 17 MAR, issuers are required to inform the public as soon as possible of inside information which directly concerns that issuer. That requirement does not apply to inside information related to intermediate steps in a protracted process where those steps are connected with bringing about or resulting in particular circumstances or a particular event. In a protracted process, only the final circumstances or final event shall be required to be disclosed, as soon as possible after they have occurred. The inside information is to be made public in a manner which enables fast access and complete, correct and timely assessment of the information by the public. Issuers must not combine the disclosure of inside information to the public with the marketing of its activities. All inside information must be posted and maintained on an issuer's website for a period of at least five years.

16.8 Market Manipulation

Market manipulation refers to transactions, trade orders or any other behavior which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of a financial instrument, secures or is likely to secure the price of one or several financial instruments at an abnormal or artificial level (unless such transaction, order or behavior has been carried out for legitimate reasons, and conforms with an accepted market practice). Furthermore, market manipulation also comprises (i) entering into a transaction, placing an order to trade or any other activity or behavior which affects or is likely to affect the price of one or several financial instruments, which employs a fictitious device or any other form of deception or contrivance; (ii) disseminating information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument, or is likely to secure, the price of one or several financial instruments at an abnormal or artificial level, including the dissemination of rumors, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading, (iii) transmitting false or misleading information or providing false or misleading inputs in relation to a benchmark where the person who made the transmission or provided the input knew or ought to have known that it was false or misleading, or any other behavior which manipulates the calculation of a benchmark.

Engaging in or attempting to engage in market manipulation is prohibited pursuant to Article 15 MAR.

16.9 Sanctions

Insider dealings with a value of more than EUR 1 million (sale or purchase of financial instruments to which the respective inside information relates) constitute a criminal offense, and may be punished by the criminal courts with imprisonment between six months and five years. Likewise punishable is recommending or inducing another person to engage in insider dealing, if following such recommendation or inducement, within the five trading days following the time the person making the recommendation or inducement gained knowledge of the inside information, there is a price change in the financial instrument on its most important market in terms of liquidity of at least 35% and the total volume is at least EUR 10 million. Unlawful disclosure of inside information constitutes a criminal offense, punishable with imprisonment of up to 2 years if there is a price change as described in the previous sentence. Market manipulation (transaction or trade orders) for more than EUR 1 million also constitutes a criminal offense and may be fined by the criminal courts with imprisonment between six months and five years.

Insider dealings and market manipulation below the threshold of EUR 1 million, recommending or inducing another person to engage in insider dealing and unlawful disclosure of inside information constitute administrative offenses. The FMA may impose fines against individuals of up to EUR 5 million or three times the amount of the benefit from the violation of the respective provisions, whichever amount is higher. In case of sanctions against legal persons, the fines may amount up to EUR 15 million or 15% of the consolidated net turnover of the previous financial year or three times the amount of the benefit from the violation of the respective provisions, whichever amount is higher.

Furthermore, the FMA is entitled to publish any sanctions imposed on individuals and legal persons on its website.

17 MAJOR SHAREHOLDERS

The table below sets out the Company's shareholder structure pursuant to the Company's knowledge as of the date of this Prospectus.

Beneficial owner/persons that can exercise voting rights at their own discretion	**Place of residence/registered office**	**Percentage**
B&C Private Foundation	Vienna, Austria	10.00%
B&C KB Holding GmbH[(1)]	Vienna, Austria	25.00% plus two Shares
B&C Ares Holding GmbH[(1)]	Vienna, Austria	approximately 2.25%
Suzano International Trade GmbH	Vienna, Austria	15.00%
The Goldman Sachs Group, Inc.	Wilmington, United States	9.98%[(2)]
Oberbank AG	Linz, Austria	3.87%
Other Shareholders/Free Float	N/A	33.90%
Total		100.00%

Notes:

(1) Subsidiary of B&C Holding Österreich GmbH.

(2) 6.55% of voting rights relate to shares and 3.43% of voting rights relate to financial instruments.

Except as described below, the Company is not aware that individual or several shareholders jointly control the Company. The Company has no shares with special voting or other control rights. The Company has not adopted measures against potential abuse of control by controlling shareholders in addition to those required by Austrian law. However, the Company is of the view that Austrian law, including the takeover regulations and principles of equal treatment of shareholders, provides comprehensive and sufficient safeguards against the potential abuse of control by controlling shareholders.

The positions held by the Managers pursuant to the Placement Agreement are described in detail in "*5.11 Underwriting Proportions.*" The conflicts of interests of the Managers in connection with their acquisition of the Offered Shares pursuant to the Placement Agreement are described in detail in "*5.12 Material Interests, including Conflicts of Interest.*"

According to section 18(1) of the Articles of Association, each share carries one vote and there are no differences in voting rights between the shares. For further information, see "*16 Information on the Share Capital, Applicable Regulations and Description of the Articles of Association.*"

17.1 B&C Group

As of the date of this Prospectus, B&C Group holds an aggregate investment of approximately 37.25% in the share capital of the Company. The direct major shareholders of the Company are B&C KB Holding GmbH with an investment of 25.00% plus two Shares, B&C Private Foundation with an investment of 10.00% and B&C Ares Holding GmbH holds an investment of approximately 2.25%. The indirect largest shareholder of the Company, which prepares and publishes consolidated financial statements that include the Group, is B&C Holding Österreich GmbH. The ultimate shareholder of the B&C Group is the B&C Private Foundation, located in Vienna, Austria.

The B&C Private Foundation was founded by Bank Austria AG and Creditanstalt AG in 2000. According to its foundation deed, the purpose of the B&C Private Foundation is to promote Austrian entrepreneurship and safeguard the continuing profitability and growth of the companies in which it directly or indirectly holds stakes.

The B&C Private Foundation is managed by a board of trustees. No member of the Management Board of the Company is a member of this board of trustees or the management/managing board of a subsidiary of the B&C Private Foundation, with the exception of subsidiaries of the Group. The Group has no influence over the business activities of the B&C Private Foundation. See also "14 Transactions and Legal Relationships with Related Parties."

17.2 Suzano

As of the date of this Prospectus, Suzano S.A. holds approximately 15.00% of the share capital of the Company. In August 2024, Suzano S.A. acquired a 15.00% minority stake through its 100% subsidiary Suzano International Trade GmbH in the Company and entered into a shareholders' agreement providing for board representation and the optional right to acquire an additional stake of up to 15.00% by the end of 2028, subject to the Austrian Takeover Act. Suzano S.A. is the largest pulp manufacturer in the world, based on market pulp capacity (source: Hawkins Wright, Pulp Market Report, December 2025), and one of the largest paper producers in Latin America.

According to the shareholders' agreement between B&C Group and Suzano, B&C Group retains sole control in the meaning of the Austrian Takeover Act, and Suzano participates in the Company's governance through its representatives on the Supervisory Board.

17.3 Partial Suzano Subscription Rights Transfer

The members of the Syndicate have undertaken to subscribe for Offered Shares by exercising all of the Rights granted to them in the Rights Offering, whereby Suzano S.A. through Suzano International Trade has agreed to sell to the B&C Zeta the Rights to subscribe for 1,757,754 Offered Shares, equivalent to 2.40% of the share capital in the Company after completion of the Offering (the "**Partial Suzano Subscription Rights Transfer**") and B&C Zeta has undertaken to exercise such Rights. Suzano S.A. through Suzano International Trade will invest a total of approximately EUR 22.5 million of new capital in the Rights Offering. The subscriptions by the Syndicate shall be made on identical terms and conditions as other investors in the Rights Offering. Following completion of the Offering, B&C Private Foundation will indirectly hold approximately 39.64% and Suzano S.A. will indirectly hold approximately 12.60% in the share capital of the Company. Accordingly, B&C Private Foundation and Suzano S.A. will continue to indirectly be the major shareholders of the Company. Furthermore, the Syndicate has entered into a customary six-month lock-up with respect to the shares of the Company held by them, including Offered Shares subscribed by them in the Offering, subject to customary exceptions and with an exception for any transfers by the B&C Entities of up to 1,757,754 shares in the Company in the aggregate (equivalent to the number of shares subscribed for by B&C Zeta based on the exercise of Rights acquired in connection with the Partial Suzano Subscription Rights Transfer), provided that the combined shareholding of Suzano International Trade and the B&C Entities does not fall below 50.00% of the share capital of the Company plus one share. For further information, see "*5.9 Lock-Up Agreement*".

17.4 The Goldman Sachs Group Inc.

As of the date of this Prospectus, the Goldman Sachs Group Inc. indirectly holds 9.98% of the voting rights of the Company, whereby 6.55% of these voting rights relate to shares and 3.43% relate to financial instruments. As of the date of this Prospectus, Nationale-Nederlanden Levensverzekering Maatschappij N.V, Nationale-Nederlanden Schadeverzekering Maatschappij N.V, and NN Re (Netherlands) N.V. (together, the "**NN Shareholders**") (represented by Goldman Sachs Asset Management B.V. as investment manager) hold 6.20% of the shares of the Company. The Company has been informed that, prior to the start of the Rights Exercise Period, Existing Shares of the Company currently held by the NN Shareholders are intended to be sold in a private placement on an ex-rights basis with the Joint Global Coordinators acting as placement agents with a view to generating aggregate net proceeds of approximately EUR 18 million. According to information the Company has received, the take-up of the Rights to be granted to the NN Shareholders is conditional upon a successful completion of the private placement. Launch and pricing of the private placement will be determined at the sole discretion of the NN Shareholders. The net proceeds from this private placement will be used to fund the take-up of the Rights to be granted to the NN Shareholders.This Prospectus relates solely to the Rights Offering described herein, the intended private placement by the NN Shareholders described in this paragraph does not form part of its subject matter.

17.5 Oberbank AG

Oberbank AG, located in Linz, Austria, has undertaken to subscribe for Offered Shares by exercising all of the Rights granted to it in the Rights Offering. The subscription by Oberbank AG shall be made on identical terms and conditions as other investors in the Rights Offering. Oberbank AG has entered into a customary six month lock-up with respect to the shares of the Company held by it, including Offered Shares subscribed by it in the Offering, subject to customary exceptions. For further information, see "*5.9 Lock-Up Agreement*".

18 INFORMATION ON THE VIENNA STOCK EXCHANGE

The information relating to the Vienna Stock Exchange set out below is derived from information obtained from the Vienna Stock Exchange, in particular from the website of the Vienna Stock Exchange (www.wienerborse.at), monthly statistics as of August 2026 (https://www.wienerborse.at/marktdaten/statistiken/monatsstatistiken/) and the annual report 2025 of the FMA (https://www.fma.gv.at/en/publications/fma-annual-report/). The website of the Vienna Stock Exchange contains further information about the Vienna Stock Exchange as well as a range of special services, such as quotations and ad-hoc information about the companies listed on the Vienna Stock Exchange. The information contained on the website of the Vienna Stock Exchange and the FMA is not part of or incorporated by reference into this Prospectus.

18.1 General

The Vienna Stock Exchange is operated by an independent, privately owned stock corporation, Wiener Börse AG, based on a license under the Stock Exchange Act 2018 issued by the Federal Ministry of Finance. Members of the Vienna Stock Exchange include banks, foreign investment firms and other firms trading in securities, derivative and money market instruments, registered either inside or outside the EEA. In addition to a securities exchange, Wiener Börse AG also operates a commodities exchange.

The Vienna Stock Exchange is supervised by the FMA. The FMA is responsible, in particular, for the supervision of reporting requirements for reportable instruments in accordance with the Austrian Securities Supervision Act 2018 (Wertpapieraufsichtsgesetz 2018, the "**Securities Supervision Act 2018**") the supervision of market participants and the clarification and investigation of infringements against the ban on insider trading and the ban on market manipulation, the monitoring of securities analyses concerning the issue and dissemination of recommendations in Austria, the regularity and fairness of securities trading, the clarification and investigation of price manipulation, stock exchange supervision in compliance with the Stock Exchange Act 2018 and the monitoring of issuers and shareholders with respect to their duties of publication (in particular with regard to the reporting and disclosure obligations contained in the MAR).

The FMA, via the stock exchange commissioner, ensures the lawfulness of resolutions by the executive bodies of the Vienna Stock Exchange. The stock exchange commissioner and his deputy are appointed by the Minister of Finance, but act on behalf of the FMA and are bound by instructions of the FMA. The stock exchange commissioner is invited to every important meeting of the stock exchange operator. He or she reviews all resolutions and decisions of the Vienna Stock Exchange and is entitled to object to any resolutions or decisions which he or she considers to be in violation of the law. A resolution or decision becomes void if the FMA upholds the objection of the stock exchange commissioner. Currently there is one stock exchange commissioner and two deputies.

18.2 The Markets of the Vienna Stock Exchange

According to the Stock Exchange Act 2018, for listing purposes the Austrian securities market consists of one statutory market, the Official Market (*Amtlicher Handel*). The Official Market is recognized as a "regulated market" pursuant to Directive 2014/65/EU on markets in financial instruments (MiFID II). In December 2004, the U.S. Securities Exchange Commission granted the Vienna Stock Exchange the status of a "Designated Offshore Securities Market" in accordance with the Securities Act.

In addition to the regulated market, the Vienna MTF (previously referred to as "Third Market") has been in existence since November 1, 2007, in the form of a multilateral trading facility pursuant to the Securities Supervision Act 2018 and the Stock Exchange Act 2018. The multilateral trading facility is not a regulated market. Rather, it is a trading facility. At present, the Vienna MTF is operated by Wiener Börse AG, which stipulates the "Rulebook Vienna MTF" as amended from time to time applicable to all participants of the unregulated market. Securities are admitted to trading on the Vienna Stock Exchange if they meet the statutory listing requirements. To be traded in a specific segment, certain non-statutory criteria must be met by the securities, in addition to the statutory listing requirements. The equity market is divided into the segments "Prime Market", "Standard Market", "Direct Market Plus", "Direct Market" and "Global Market". The Prime Market segment, where the Existing Shares trade and where the Offered Shares will trade, represents the highest ranking market segment of the Vienna Stock Exchange and is comprised of shares in companies that agree to fulfill more stringent reporting, quality and disclosure requirements set out in the prime market rulebook (*Regelwerk Prime Market*), a private law contract between the relevant issuer and Wiener Börse AG.

18.3 Trading and Settlement

Shares and other equity securities listed on the Vienna Stock Exchange are quoted in euro per share. Officially listed shares are traded on the Vienna Stock Exchange and OTC.

The electronic trading system used by the Vienna Stock Exchange is XETRA (Exchange Electronic Trading). XETRA is the electronic trading system of Deutsche Börse AG. Through XETRA, all market participants have the same access to trading on the Vienna Stock Exchange regardless of their location. The settlement system uses automated netting procedures and daily mark-to-market evaluation of collateral requirements to further reduce transfer costs. The settlement of transactions concluded on the Vienna Stock Exchange takes place outside the stock exchange through CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH. These transactions are carried out T+2 on a delivery versus payment basis, with OeKB CSD GmbH acting on behalf of CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH as central custodian and settlement bank. In case of non-delivery, the defaults of delivery mechanisms set out in the Rules for the Clearing and Settlement of Exchange Trades by CCP Austria (separation procedure, covering procedure and cash settlement) apply. Settlement terms of OTC transactions depend on bilateral agreements between the trading counterparties.

Trading can be suspended by the Vienna Stock Exchange if orderly stock exchange trading is temporarily endangered or if suspension is necessary to protect the public interest. To avoid undesired significant price fluctuation, the electronic system provides for automatic volatility interruptions and market order interruptions during auctions, and for automatic volatility interruptions during continuous trading.

18.4 The Austrian Traded Index

The Austrian Traded Index ("**ATX**") is an index that contains shares in the "Prime Market" segment and is weighted according to the free float market capitalization in the companies contained therein. The ATX is designed as a tradable index to be used as an underlying instrument for structured products and for standardized derivatives (futures & options). The ATX consists of the 20 most liquid and the highest capitalized stocks, based on free float, traded on the Prime Market. As of June 30, 2026, out of the 38 securities that were traded on the Prime Market segment, 20 were included in the ATX (source: Information of the Vienna Stock Exchange and review of the website of the Vienna Stock Exchange as of July 1, 2026). The ATX is calculated, disseminated and licensed by the Vienna Stock Exchange on a real-time basis. The "ATX Prime" index contains all shares presently traded in the Prime Market segment.

18.5 Trading Volume

In 2025, the aggregate trading volume of the domestic and foreign shares listed on the Official Market amounted to about EUR 66.5 billion (2024: about EUR 63.0 billion, 2023: about EUR 53.6 billion). The Official Market is the sole regulated market in Austria. As of December 31, 2025, the total market capitalization of all companies listed on the Prime Market amounted to about EUR 169.9 billion as compared to about EUR 118.2 billion as of December 31, 2024 and about EUR 118.2 billion as of December 31, 2023 (source: Information of the Vienna Stock Exchange, annual statistics 2025, 2024, 2023).

19 UNDERWRITING

19.1 Placement Agreement

In the Placement Agreement, the Managers agreed, severally and not jointly, to underwrite the Offered Shares subject to the terms and conditions of the Placement Agreement in proportion to each Manager's respective underwriting commitments as set out in "*5.11 Underwriting Proportions*" and in connection therewith:

(i) Erste Group (as subscription agent), acting on behalf of the Joint Global Coordinators, shall subscribe for the Offered Shares and deliver the Offered Shares subscribed for in the Rights Offering to the relevant holders of Rights that have validly exercised their Rights during the Rights Exercise Period;

(ii) the Managers shall apply their best efforts to procure institutional investors as purchasers of the Rump Shares in the Share Placement. If the number of Rump Shares is too small for a Share Placement, the Joint Global Coordinators may, in their sole discretion, elect to sell the Rump Shares over a stock exchange or in OTC sales (for further details, see "*5.4 Share Placement*"); and

(iii) the Managers shall underwrite any Stick Shares at the Offer Price, severally and not jointly, pro rata on the basis of their respective underwriting commitments set out in the table below.

The obligations of the Managers under the Placement Agreement are subject to various conditions, including among others the registration of consummation (*Durchführung*) of the the Capital Increase relating to the Offered Shares with the Companies Register, and the absence of any breach of representation or warranty under the Placement Agreement as of each date on which they have been made.

The Placement Agreement provides that the Joint Global Coordinators, acting unanimously on behalf of and for all the Managers, have the right to terminate the Placement Agreement at any time until the closing of the Offering if they determine a Material Adverse Event.

Any change or event described in (i) to (viii) below constitutes a Material Adverse Event, provided that the event occurred or became known between the date of the Placement Agreement and the closing date of the Offering, and provided further that in the case of an event specified (i) through (viii) below such event, individually or together with any other event, makes it, in the reasonable judgment of the Joint Global Coordinators (after prior consultation with the Company to the extent reasonably practicable), impracticable or inadvisable to market and/or subscribe the Offered Shares or to otherwise proceed with the Offering on the terms and in the manner contemplated in the Placement Agreement:

(i) The Group has sustained since the date of the 2025 Audited Consolidated Financial Statements a loss or interference with respect to its business from fire, explosion, flood or other calamity (whether or not covered by insurance), or from any labor dispute or court or governmental action, order or decree, except (i) as set forth or contemplated in this Prospectus or (ii) if it would not, individually or in the aggregate, constitute or would be reasonably expected to result in a Material Adverse Effect (as defined in the Placement Agreement);

(ii) Since the date of the Placement Agreement or the date as of which information is given in this Prospectus there has been any change in the share capital (except for the capital increase), credit rating, long-term debt, or listed debt of the Group (including, for the avoidance of doubt, any changes in the ratings of any such listed debt), which would constitute or would reasonably likely result in a Material Adverse Effect (as defined in the Placement Agreement) or any material adverse change or development reasonably likely to result in a material adverse change in, or affecting the condition (operational, legal or otherwise), business affairs, management, consolidated financial position, shareholders' equity or results of operations or prospects of the Group other than as set forth or contemplated in this Prospectus (exclusive of any amendment or supplement thereto);

(iii) Trading generally has been materially limited or suspended (other than for technical reasons) on or by, as the case may be, any of the Vienna Stock Exchange, the Frankfurt Stock Exchange, the London Stock Exchange or the New York Stock Exchange (other than any over-the-counter segment of such exchanges);

(iv) Trading of any securities of the Company has been materially limited or suspended on any regulated market in the member states of the European Economic Area (the "**EEA**") to which

such securities are admitted, except for immaterial suspensions in connection with an ad hoc announcement pursuant to Article 17 of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC ("**MAR**");

(v) A material disruption or a general moratorium on commercial banking activities in Vienna, Frankfurt am Main, New York, London or any other country in the EEA has been declared by authorities or a material disruption (*wesentliche Unterbrechung*) in securities settlement, payment or clearances services in any country in the EEA or the United States has occurred;

(vi) There has been a material adverse change in national or international financial, political, or economic conditions or currency exchange rates or currency controls which could have a material adverse impact on the financial markets in Austria, Germany, the United Kingdom or the United States;

(vii) There has been a material adverse change or material adverse development involving a prospective change in the taxation affecting the Company, the shares of the Company or the transfer thereof or the imposition of exchange controls by Austria, Germany, the United Kingdom or the United States; or

(viii) There has occurred any outbreak or escalation of hostilities involving Austria, any other country in the EEA or the United States, or the declaration by or against Austria or any other country in the EEA or the United States of a national emergency or war or the occurrence of any acts of terrorism or any other calamity or crisis or any change or any development involving a prospective change in financial markets or in national or international political, financial or economic conditions.

If the Placement Agreement is terminated for any reason set out in the Placement Agreement, the Offering will not take place. In such event, the allocation of the Rights and any previous exercise of Rights or purchase of Offered Shares would be deemed not to have been made and as a result, the Rights would expire and become worthless without compensation. To the extent the existing Shareholders have exercised their Rights and request and effect the delivery of Offered Shares against payment of the Offer Price, the termination of the Placement Agreement shall be deemed to have not occurred and the rights and obligations of the parties thereto shall insofar remain unaffected by the termination. See "*5.3 Rights Offering—Important Notice regarding the Offering"* regarding the effects of such a termination.

In the Placement Agreement, the Company agreed to indemnify and hold harmless each Manager on customary terms.

The Company further agreed to pay the costs, charges, fees and expenses of the Offering (together with any related value added tax) and the parties to the Placement Agreement each gave covenants to each other regarding compliance with laws and regulations affecting the Offering in relevant jurisdictions.

Unless otherwise agreed, the Placement Agreement terminates automatically if the Offered Shares have not been issued against payment of the Offer Price on or by October 23, 2026.

In addition to the Placement Agreement, the Managers may enter into a coordination agreement to manage any position that may arise as a result of the crystallisation of their underwriting obligation.

19.2 Selling and Transfer Restrictions

19.2.1 United States

The Rights and the Offered Shares have not been and will not be registered under the Securities Act or under the securities laws of any state of the United States. The Rights and the Offered Shares may not be offered, sold or delivered, directly or indirectly, within or into the United States, except pursuant to an exemption from, or in transactions not subject to, the registration and reporting requirements of the U.S. securities laws and in compliance with all other applicable provisions of U.S. law. Accordingly, the Rights and the Offered Shares are being offered and sold outside the United States only pursuant to Regulation S, and within the United States to QIBs in reliance on Rule 144A or in transactions that do not involve a public offering in accordance with section 4(a)(2) of the Securities Act.

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Rights or the Offered Shares.

In addition, until 40 days after the commencement of the offering of the Rights and Offered Shares, an offer or sale of Rights and Offered Shares within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

Each person exercising or purchasing Rights and each purchaser of Offered Shares in the United States will be deemed to have represented and agreed as follows (terms used herein that are defined in Rule 144A or Regulation S are used herein as defined therein):

(i) It is (a) a QIB within the meaning of Rule 144A, (b) exercising or acquiring such Rights and Offered Shares for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Rights and Offered Shares has been advised, that the sale of such Rights and Offered Shares to it is being made in reliance on Rule 144A or section 4(a)(2) of the Securities Act.

(ii) It understands that such Rights and Offered Shares have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States.

(iii) It understands that for so long as the Rights and Offered Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, such Rights and Offered Shares may not be deposited into any American depositary receipt facility established or maintained by a depositary bank, other than a restricted depositary receipt facility, and that such Rights and Offered Shares will not settle or trade through the facilities of The Depositary Trust Company or any other U.S. clearing system.

(iv) It understands that such Rights and Offered Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THIS RIGHT OR OFFERED SHARE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS RIGHT OR OFFERED SHARE.

(v) The Company, the Registrar, the Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements. If it is acquiring any Rights or Offered Shares for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

19.2.2 European Economic Area Investors

In relation to each member state of the EEA other than Austria, no Rights and Offered Shares have been offered or will be offered pursuant to the Offering to the public in that member state prior to the publication of

a prospectus in relation to the Rights and Offered Shares that has been approved by the competent authority in that member state or, where appropriate, approved in another member state and notified to the competent authority in that member state, all in accordance with the Prospectus Regulation, except that offers of Rights and Offered Shares may be made to the public in that member state at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Managers for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Rights or Offered Shares shall require the Company or any Manager to publish a prospectus pursuant to article 3 of the Prospectus Regulation or supplement a prospectus pursuant to article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "offer to the public" in relation to any Rights or Offered Shares in any member state means the communication in any form and by any means of sufficient information on the terms of the offer and any Rights or Offered Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Rights or Offered Shares.

19.2.3 United Kingdom

Share sales in the United Kingdom are also subject to restrictions. This Prospectus has been prepared on the basis that no Rights or Offered Shares will be offered to the public in the United Kingdom other than in circumstances falling within an exemption set out in Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 ("**POATRs**") or otherwise in circumstances which do not give rise to a requirement for the publication of an FCA-approved prospectus under the POATRs. In the United Kingdom, this Prospectus is only addressed to, and directed at, persons who are "qualified investors" within the meaning of paragraph 15 of Schedule 1 of the POATRs, and who also:

(i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), or

(ii) are persons falling within Article 49(2)(a) to (d) of the Order (high net worth companies, unincorporated associations, etc.), or

(iii) are persons to whom an invitation or inducement to engage in an investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended) in connection with the issue or sale of any securities may otherwise be lawfully communicated or caused to be communicated (all such persons together being referred to as "**Relevant Persons**").

The Offered Shares described herein are only available in the United Kingdom to Relevant Persons, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Offered Shares in the United Kingdom will be engaged in only with Relevant Persons. Any person in the United Kingdom who is not a Relevant Person should not act or rely on this Prospectus or any of its contents. For the purposes of this section, the expression "an offer to the public" in relation to the Offered Shares described herein in the United Kingdom means the communication to any person which presents sufficient information on: (a) the Offered Shares; and (b) the terms on which they are to be offered, to enable an investor to decide to buy or subscribe for any Offered Shares.

19.2.4 Australia

This Prospectus is not a prospectus for the purposes of the Corporations Act of Australia 2001, as amended (the "**Australian Corporations Act**"), and may not contain all of the information that an Australian investor may find in a prospectus prepared in accordance with the Australian Corporations Act which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Offered Shares. This Prospectus is not supplied in connection with any public offering of securities of the Company in Australia and has not been lodged with, or been the subject of notification to, the Australian Securities and Investments Commission. The provision of this Prospectus to any person does not constitute an offer or an invitation to that person to apply for securities.

This Prospectus is being distributed in Australia by the Managers or their respective affiliates to a limited number of professional investors within the meaning of Section 708 (11) of the Australian Corporations Act and/or sophisticated investors within the meaning of Section 708 (8) of the Australian Corporations Act or otherwise pursuant to one or more exemptions contained in section 708 of the Australian Corporations Act so that it is lawful to offer the Offered Shares without disclosure to investors under Chapter 6D of the Australian Corporations Act. The entity receiving this Prospectus represents and warrants that if it is in Australia, it is either a professional or a sophisticated investor, that it will not distribute this Prospectus to any other person and agrees that within twelve months of such Offered Shares being allotted to it, it will not offer to sell the Offered Shares in Australia to any person that is not a professional investor under Section 708 (11) of the Australian Corporations Act or a sophisticated investor under Section 708 (8) of the Australian Corporations Act or otherwise or where the offer to sell the Offered Shares is pursuant to a disclosure document which complies with Chapter 6D of the Australian Corporations Act.

19.2.5 Canada

The distribution in Canada of the Rights, any Offered Shares issued upon exercise of the Rights and any Offered Shares in respect of which Rights have not been validly exercised, is being made on a private placement basis only and is exempt from the requirement that the Company prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Rights, any Offered Shares issued upon exercise of the Rights and any Offered Shares in respect of which Rights have not been validly exercised, must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with prospectus and dealer registration requirements or exemptions from the prospectus and dealer registration requirements. These resale restrictions may in some circumstances apply to resales of the Rights, such Offered Shares issued upon exercise of the Rights and such Offered Shares in respect of which Rights have not been validly exercised outside of Canada. Canadian purchasers are advised to seek legal advice prior to any resale of the Rights, any Offered Shares issued upon exercise of the Rights and any Offered Shares in respect of which Rights have not been validly exercised.

This Prospectus constitutes an "exempt offering document" as defined in and for the purposes of applicable Canadian securities laws. No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Rights and Offered Shares. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this Prospectus or on the merits of the Rights or the Offered Shares and any representation to the contrary is an offense.

In respect of the Share Placement, Offered Shares may be sold only to purchasers resident in the provinces of Alberta, British Columbia, Ontario or Quebec purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* and that any such purchaser was not created, or is used, solely to purchase or hold securities as an accredited investor described in paragraph (m) of the definition of "accredited investor." Any resale of the Shares purchased in the Share Placement must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser of Offered Shares in the Share Placement with remedies for rescission or damages if an "offering memorandum" such as this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser of Offered Shares in the Share Placement should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Canadian purchasers of Offered Shares in the Share Placement are advised that this Prospectus has been prepared in reliance on section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("**NI 33-105**"). Pursuant to section 3A.3 of NI 33-105, this Prospectus is exempt from the requirement that the issuer and the Managers provide Canadian investors with certain conflicts of interest disclosures as would otherwise be required pursuant to subsection 2.1(1) of NI 33-105.

Each Canadian investor hereby confirms its express wish and that it has requested that this Prospectus, all documents evidencing or relating to the sale of the securities described herein and all other related documents be drawn up exclusively in the English language. *L'investisseur confirme sa volonté expresse et qu'il a demandé que la présente note d'information, tous les documents attestant de la vente des titres décrits dans le présent*

document ou s'y rapportant ainsi que tous les autres documents s'y rattachant soient rédigés exclusivement en langue anglaise.

19.2.6 Japan

The Offered Shares have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the "**FIEL**"). This Prospectus is not an offer of Offered Shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in this Prospectus means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

19.2.7 General sales restrictions

No action has been or will be taken by the Company or the Managers in any jurisdiction other than, with respect to the Rights and Offered Shares, Austria that would, or is intended to, permit a public offering of the Rights and Offered Shares, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where further action for that purpose is required.

20 TAXATION WARNING

The tax legislation of an investor's member state and of Austria as the Company's country of incorporation may have an impact on the income received from the Shares. It is therefore recommended that investors consult their own tax advisors regarding the tax implications of acquiring, holding or transferring Shares. Only qualified tax advisors are in a position to adequately consider the particular tax situation of individual investors.

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Consolidated Statement of Profit or Loss

for the period from January 1 to June 30, 2026

EUR mn

	Note	04-06/2026	04-06/2025	01-06/2026	01-06/2025
Revenue	(3)	651.7	650.9	1,267.5	1,341.1
Cost of sales		(517.5)	(521.9)	(1,036.4)	(1,070.8)
Gross profit		**134.2**	**129.0**	**231.1**	**270.3**
Other operating income	(4)	24.3	26.3	74.6	76.8
Selling expenses		(71.2)	(67.3)	(139.4)	(139.6)
Administrative expenses		(33.5)	(32.9)	(63.9)	(65.0)
Research and development expenses		(9.8)	(6.9)	(18.2)	(14.2)
Other operating expenses		(0.4)	(13.4)	(0.5)	(19.3)
Earnings before interest and tax (EBIT)[1]		**43.6**	**34.7**	**83.7**	**109.0**
Result from investments accounted for using the equity method		(0.4)	(1.4)	(0.2)	(2.0)
Result from non-current and current financial assets and liabilities		11.0	(10.3)	28.1	(10.9)
Financing costs		(34.6)	(36.1)	(69.1)	(74.1)
Financial result		**(23.9)**	**(47.7)**	**(41.2)**	**(87.0)**
Earnings before tax (EBT)		**19.7**	**(13.0)**	**42.6**	**22.1**
Income tax expense	(4)	(8.1)	(3.6)	(6.9)	(6.9)
Net profit/loss after tax		**11.7**	**(16.6)**	**35.6**	**15.2**
Attributable to:					
Shareholders of Lenzing AG		(3.9)	(39.4)	(3.6)	(34.8)
Non-controlling interests		4.3	15.7	16.7	35.6
Share planned for hybrid capital owners		11.3	7.2	22.5	14.4
Earnings per share		**EUR**	**EUR**	**EUR**	**EUR**
Diluted = basic		(0.10)	(1.02)	(0.09)	(0.90)

1) EBIT: Operating result, resp. earnings before interest and tax.

Consolidated Statement of Comprehensive Income

for the period from January 1 to June 30, 2026

EUR mn

	Note	04-06/2026	04-06/2025	01-06/2026	01-06/2025
Net profit/loss after tax		11.7	(16.6)	35.6	15.2
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit liability		0.0	0.0	0.0	0.0
Financial assets measured at fair value through other comprehensive income (equity instruments) – net fair value gain/loss on remeasurement recognized during the period	(6)	(0.3)	0.2	(0.1)	0.3
Income tax relating to these components of other comprehensive income		0.0	0.0	0.0	0.0
Investments accounted for using the equity method - share of other comprehensive income (net of tax)		0.0	0.0	0.0	0.0
		(0.3)	0.2	0.0	0.3
Items that may be reclassified to profit or loss					
Foreign operations – foreign currency translation differences arising during the period		13.0	(87.9)	29.4	(125.9)
Foreign operations - reclassification of foreign currency translation differences due to loss of control		0.0	0.0	0.0	0.0
Cash flow hedges – effective portion of changes in fair value recognized during the period and non-designated components		(2.5)	13.8	7.6	27.8
Cash flow hedges – reclassification to profit or loss		1.1	(6.4)	1.3	(4.3)
Income tax relating to these components of other comprehensive income		0.3	(2.0)	(3.3)	(5.4)
Investments accounted for using the equity method - share of other comprehensive income (net of tax)		0.2	(0.8)	0.6	(0.1)
		12.0	(83.4)	35.6	(107.9)
Other comprehensive income (net of tax)		11.7	(83.2)	35.6	(107.7)
Total comprehensive income		23.4	(99.7)	71.2	(92.5)
Attributable to:					
Shareholders of Lenzing AG		4.2	(96.3)	19.8	(106.2)
Non-controlling interests		7.9	(10.6)	28.9	(0.7)
Share planned for hybrid capital owners		11.3	7.2	22.5	14.4

Consolidated Statement of Financial Position

as at June 30, 2026

EUR mn

Assets	Note	30/06/2026	31/12/2025
Intangible assets	(4)	36.4	22.4
Property, plant and equipment		2,506.4	2,487.4
Biological assets	(4)	200.6	176.6
Right-of-use assets	(4)	154.4	124.6
Investments accounted for using the equity method		24.4	38.0
Other investments	(6)	84.3	62.4
Deferred tax assets	(4)	2.9	2.9
Current tax assets		4.4	5.1
Other financial assets	(6)	2.3	1.1
Other non-financial assets		52.9	54.8
Non-current assets		**3,069.0**	**2,975.5**
Inventories	(4)	496.7	531.7
Trade receivables	(4,6)	275.6	245.3
Current tax assets		5.9	8.7
Other financial assets	(6)	44.6	33.9
Other non-financial assets		128.4	132.8
Other investments	(6)	0.0	6.5
Cash and cash equivalents	(6)	592.4	675.0
Current assets		**1,543.7**	**1,634.0**
Total assets		**4,612.7**	**4,609.4**

Equity and liabilities	Note	30/06/2026	31/12/2025
Share capital		40.1	40.1
Capital reserves		417.7	417.7
Hybrid capital		486.1	486.2
Other reserves		(21.9)	(38.8)
Retained earnings		30.6	70.5
Equity attributable to shareholders of Lenzing AG		**952.6**	**975.8**
Non-controlling interests		371.3	329.5
Equity	**(4)**	**1,323.9**	**1,305.3**
Loans and borrowings	(6)	1,620.7	1,667.4
Government grants	(4)	18.7	10.9
Deferred tax liabilities	(4)	51.7	55.2
Provisions		69.6	69.5
Puttable non-controlling interests	(6)	327.6	285.8
Other financial liabilities	(6)	11.1	12.2
Other non-financial liabilities		3.8	4.4
Non-current liabilities		**2,103.3**	**2,105.4**
Loans and borrowings	(6)	528.5	502.1
Trade payables	(4)	312.3	323.6
Government grants	(4)	41.2	64.3
Current tax liabilities		9.6	13.7
Provisions		28.2	33.9
Other financial liabilities	(6)	180.0	181.1
Other non-financial liabilities		85.7	80.0
Current liabilities		**1,185.5**	**1,198.7**
Total equity and liabilities		**4,612.7**	**4,609.4**

Consolidated Statement of Changes in Equity

for the period from January 1 to June 30, 2026

		Equity attributable to shareholders of Lenzing AG and to hybrid capital owners							EUR mn
	Note	Share capital	Capital reserves	Hybrid capital	Other reserves	Retained earnings	Total	Non-controlling interests	Equity
As at 01/01/2025		40.1	513.5	496.6	42.3	217.4	1,309.8	342.2	1,652.0
Net profit/loss after tax as per consolidated statement of profit or loss		0.0	0.0	0.0	0.0	(20.4)	(20.4)	35.6	15.2
Other comprehensive income (net of tax)		0.0	0.0	0.0	(71.4)	0.0	(71.4)	(36.2)	(107.7)
Total comprehensive income		**0.0**	**0.0**	**0.0**	**(71.4)**	**(20.4)**	**(91.8)**	**(0.7)**	**(92.5)**
Hedging gains and losses and cost of hedging transferred to the cost of non-current assets and cost of inventory		0.0	0.0	0.0	(0.1)	0.0	(0.1)	(0.4)	(0.5)
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings		0.0	0.0	0.0	(0.2)	0.2	0.0	0.0	0.0
Measurement of puttable non-controlling interest recognized directly in equity		0.0	0.0	0.0	0.0	37.1	37.1	0.0	37.1
Dividends paid (including hybrid coupon)		0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	(0.1)
Transactions with equity holders		**0.0**	**0.0**	**0.0**	**0.0**	**37.1**	**37.1**	**(0.1)**	**37.0**
As at 30/06/2025		40.1	513.5	496.6	(29.5)	234.3	1,255.0	341.0	1,596.0
As at 01/01/2026		40.1	417.7	486.2	(38.8)	70.5	975.8	329.5	1,305.3
Net profit/loss after tax as per consolidated statement of profit or loss		0.0	0.0	0.0	0.0	18.9	18.9	16.7	35.6
Other comprehensive income (net of tax)		0.0	0.0	0.0	23.4	0.0	23.4	12.2	35.6
Total comprehensive income		**0.0**	**0.0**	**0.0**	**23.4**	**18.9**	**42.3**	**28.9**	**71.2**
Hedging gains and losses and cost of hedging transferred to the cost of non-current assets and cost of inventory		0.0	0.0	0.0	(1.0)	0.0	(1.0)	(1.4)	(2.4)
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings		0.0	0.0	0.0	(5.5)	5.5	0.0	0.0	0.0
Change in hybrid capital		0.0	0.0	(0.1)	0.0	0.0	(0.1)	0.0	(0.1)
Acquisition/disposal of non-controlling interests and other changes	(2)	0.0	0.0	0.0	0.0	0.0	0.0	14.3	14.3
Measurement of puttable non-controlling interest recognized directly in equity		0.0	0.0	0.0	0.0	(41.7)	(41.7)	0.0	(41.7)
Resolved and paid dividends (including hybrid coupon)		0.0	0.0	0.0	0.0	(22.7)	(22.7)	(0.1)	(22.8)
Transactions with equity holders		**0.0**	**0.0**	**(0.1)**	**0.0**	**(64.4)**	**(64.5)**	**14.3**	**(50.3)**
As at 30/06/2026		**40.1**	**417.7**	**486.1**	**(21.9)**	**30.6**	**952.6**	**371.3**	**1,323.9**

Consolidated Statement of Cash Flows (condensed)

for the period from January 1 to June 30, 2026

EUR mn

		Note	01-06/2026	01-06/2025
Earnings before tax (EBT)			**42.6**	**22.1**
+	Financial result as per consolidated statement of profit or loss		41.2	87.0
Earnings before interest and tax (EBIT)			**83.7**	**109.0**
+	Amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets, and depletion of biological assets		156.2	160.4
–	Income from the reversal of investment grants		(0.7)	(0.8)
Earnings before interest, tax, depreciation and amortization (EBITDA)			**239.2**	**268.6**
+/–	Other non-cash income / expenses		(44.6)	(3.8)
+/–	Change in trading working capital		5.8	(47.6)
+/–	Change in other working capital		(26.5)	(44.1)
–	Income taxes paid		(13.6)	(22.9)
Cash flow from operating activities			**160.4**	**150.1**
–	Acquisition of intangible assets, property, plant and equipment, and biological assets		(62.3)	(61.3)
+	Acquisition of subsidiary, net of cash received	(2)	2.7	0.0
–	Acquisition/disbursement of other investments and investments accounted for using the equity method		(15.9)	(10.4)
+	Proceeds from the sale of intangible assets, property, plant and equipment, and biological assets		0.3	0.2
+	Proceeds from the sale/repayment of other investments and the sale of investments accounted for using the equity method		6.6	0.6
+	Investment grants		0.0	0.2
+	Interest received		7.6	5.1
Cash flow from investing activities			**(61.0)**	**(65.5)**
–	Distribution to shareholders		(0.1)	(0.1)
–	Interest paid on hybrid capital		(22.7)	0.0
+	Increase in other loans and borrowings		11.4	364.8
–	Repayment of bonds and private placements		0.0	(20.5)
–	Repayment of other loans and borrowings		(106.4)	(32.1)
–	Principal component of lease payments		(6.2)	(5.2)
–	Interest paid		(69.5)	(59.0)
Cash flow from financing activities			**(193.6)**	**247.9**
Total change in liquid funds			**(94.2)**	**332.5**
Liquid funds at the beginning of the year			675.0	442.3
Currency translation adjustment relating to liquid funds			11.6	(24.3)
Liquid funds at the end of the period			**592.4**	**750.5**

Notes to the Consolidated Financial Statements: Selected Notes

on the condensed consolidated interim financial statements as at June 30, 2026

General Information

Note 1. Basic Information

Description of the company and its business activities

Lenzing Aktiengesellschaft (Lenzing AG), which maintains its registered headquarters in 4860 Lenzing, Werkstraße 2, is the parent company of the Lenzing Group (the "Group"). As at June 30, 2026, Lenzing AG is controlled by the B&C Group, which directly and indirectly holds an interest of around 37.25 percent (December 31, 2025: around 37.25 percent) in the share capital of Lenzing AG. The core business of the Lenzing Group is the production and marketing of regenerated cellulosic fibers.

Basis of reporting

The condensed consolidated interim financial statements for the period from January 1 to June 30, 2026 were prepared in accordance with IAS 34 (Interim Financial Reporting). They are in accordance with the International Financial Reporting Standards ("IFRS") as endorsed by the EU. The condensed consolidated interim financial statements of the Lenzing Group as at June 30, 2026 are based on the consolidated financial statements as at December 31, 2025 and should therefore always be read in conjunction with these statements. The accounting policies used in the consolidated interim financial statements are the same as were applied for the consolidated financial statements for the 2025 financial year.

The reporting currency is the euro (EUR), which is also the functional currency of Lenzing AG. The functional currency of most of the subsidiaries is the euro (EUR) or US-Dollar (USD).

Audit and review

These condensed consolidated interim financial statements of the Lenzing Group were reviewed by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz.

Effects of country-specific US customs policy and of the conflict in Iran on the half-year earnings

During the first half of 2026, the US Supreme Court ruled that unlawfully imposed tariffs may be reclaimed. Given this, potential claims for the reimbursement of tariffs previously paid, together with the related uncertainties regarding the enforceability, amount, and timing of such reimbursements, were evaluated. Despite this legal clarification, uncertainties remain regarding the practical implementation, administrative processing, and potential countermeasures. These factors were appropriately considered in the current estimates and judgments. Accordingly, no receivables were recognized for potential reimbursement claims. Refunds already received were recognized during the interim reporting period as a reduction in expenses in the consolidated statement of income and as a cash inflow in the consolidated statement of cash flows.

In preparing the consolidated interim financial statements as at June 30, 2026, the Managing Board considered developments relating to the conflict in Iran. The conflict in Iran had a significant impact on the global economy during the first half of 2026. The Lenzing Group experienced substantial price increases on both the sales and procurement sides. In particular, prices for chemicals and raw materials increased as a consequence of reduced availability. In response to supply chain disruptions, additional suppliers were secured, thereby ensuring a stable supply. Among other effects, higher wood prices gave rise to an indication of impairment for the cash-generating unit (CGU) Pulp Site Czech Republic (see note 4, "Impairment tests of intangible assets, property, plant and equipment, right-of-use assets, and cash-generating units (CGUs)"). The recoverable amount was sufficient to cover the carrying amounts. Furthermore, there were no other material effects on the Group's consolidated interim financial statements as at June 30, 2026.

The other uncertainties relating to global economic developments described in the consolidated financial statements as at December 31, 2025, and their resultant effects on the consolidated financial statements, remain substantially unchanged.

Additional information on the effects of U.S. country-specific tariff policies and the conflict in Iran can be found in the Group Interim Management Report in the sections "General Market Environment" and "Risk Report."

Estimation uncertainty and judgments

The Managing Board of Lenzing AG uses estimates, assumptions and judgments in preparing the IFRS condensed consolidated interim financial statements. These estimates, assumptions and judgments are based on the circumstances assumed as at the reporting date and can have a significant effect on the presentation of the Group's financial position and financial performance. They are explained in detail in the consolidated financial statements of the Lenzing Group as at December 31, 2025 (Note 1). In addition, in the consolidated interim financial statements as at June 30, 2026, forward-looking assumptions were made in connection with the business combination involving TreeToTextile AB (TTT), Stockholm, Sweden (see note 2), when determining the fair value of the previously held equity interest. In addition, when determining the recoverable amount of the CGU Fiber Site Heiligenkreuz, the future assumptions regarding revenue and realizable margins for premium fibers in the textile sector were adjusted to reflect the subdued long-term growth outlook (see Note 4, section "Impairment tests of intangible assets, property, plant and equipment, right-of-use assets, and cash-generating units (CGUs)"). Further details on the valuation assumptions as at June 30, 2026, can be found in Note 10.

Mandatory changes in accounting policies

The accounting standards listed in the table which are relevant for the Lenzing Group and are applicable for the first time as of January 1, 2026, have no material impact on the presentation of the Lenzing Group's financial position and performance as of June 30, 2026:

Standards/interpretations		Publication by the IASB	Mandatory application according to IASB for financial years from	Adopted by the EU as at 30/06/2026
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	30/05/2024	01/01/2026	yes
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	18/12/2024	01/01/2026	yes
Various	Annual Improvements to IFRS 2021-2023	18/07/2024	01/01/2026	yes

The Lenzing Group has entered into long-term Power Purchase Agreements (PPAs) for renewable energy with terms of 15 and 20 years, respectively. These are fixed-price ("pay-as-produced") contracts covering electricity generated from photovoltaic and wind power facilities. The contracts are dependent on natural conditions such as sunlight and wind. The related risks arise from fluctuations in electricity generation due to weather conditions, as well as price risks associated with the sale of surplus electricity on the market. The amendments to IFRS 9 and IFRS 7 effective January 1, 2026, supplement the existing disclosure requirements by requiring disclosures relating to electricity costs for weather-dependent electricity, as well as revenue from resale and costs incurred to balance electricity volumes. These long-term power purchase agreements are designated as "own use" contracts in accordance with IFRS 9 and are therefore not accounted for as derivatives.

Future application of IFRS 18

With effect as at January 1, 2027, IFRS 18 (Presentation and Disclosure in Financial Statements) will introduce, in particular, changes to the presentation of the income statement. Income and expenses will in future be classified into the categories “operating”, “investing”, “financing”, “income taxes”, and “discontinued operations”. The classification of income and expenses depends on whether the entity has a specified main business activity (investing in assets or providing financing to customers). The Lenzing Group does not engage in such a specified main business activity.

In addition, new mandatory subtotals, including operating profit and profit before financing and income taxes, will be introduced. The assessment of the effects on the income statement described in note 2 to the Annual Report as at December 31, 2025, remains unchanged. The assessment of the impact has not yet been completed and may change before the date of initial application as a result of further analyses and ongoing developments in interpretation.

Furthermore, goodwill will in future be presented as a separate line item in the consolidated statement of financial position in accordance with the requirements of IFRS 18. The additional disclosure requirements relating to management-defined performance measures (MPMs) are currently still being analyzed. The presentation of the consolidated statement of cash flows was revised during the 2025 financial year and already complies with the requirements of IFRS 18. Accordingly, no further effects are expected. In future, operating profit will serve as the starting point for the consolidated statement of cash flows.

Based on the current assessment, IFRS 18 is not expected to result in any significant changes to the fundamental grouping (aggregation and disaggregation) of information in the financial statements. However, the presentation of items currently reported as “Other” is being reviewed in light of the requirements of IFRS 18 and will be adjusted where necessary.

Note 2. Consolidation

Scope of consolidation

In February 2026, the Lenzing Group acquired an additional 55.2 percent interest in TreeToTextile AB (TTT), Stockholm, Sweden, thereby obtaining control of the company. TreeToTextile represents the next major technological advancement in the production of cellulosic fibers. The process offers a significantly improved sustainability profile and broad applicability in the textile and nonwoven markets. The transaction enables the accelerated scaling of the new technology. Lenzing plans to significantly increase production output at the existing demonstration plant in Nymölla, Sweden, while also preparing for the construction of the first commercial-scale production facility.

The acquisition constitutes a step acquisition in accordance with IFRS 3. The fair value of the previously held 22.6 percent equity interest amounted to EUR 14.1 mn at the acquisition date. The resultant remeasurement gain of EUR 0.5 mn was recognized in profit or loss within the financial result in the interim consolidated income statement for the six months ended June 30, 2026.

The total consideration transferred for the additional interest amounted to EUR 23.3 mn and consists of cash in the amount of EUR 22.2 mn, which is contributed to the acquired company, and a contribution in kind in the amount of EUR 1.1 mn. The contribution in kind was transferred directly to the acquired entity and was recognized at its carrying amount in accordance with IFRS 3.38. No contingent consideration was agreed. Cash and cash equivalents of EUR 2.7 mn held by the acquired subsidiary at the acquisition date are included in the cash flow from investing activities in the consolidated statement of cash flows.

The provisional fair values of the identifiable assets acquired and liabilities assumed of TTT are as follows:

	EUR mn
Intangible assets, property, plant and equipment, right-of-use assets	50.5
Other assets	28.3
Liabilities	(15.1)
Identifiable assets less liabilities (net assets)	**63.7**

Upon the initial full consolidation of TTT, receivables with a fair value of EUR 2.0 mn were acquired. The gross contractual amount of these receivables also amounted to EUR 2.0 mn, and no credit losses are expected.

As the fair values of the identifiable assets acquired and liabilities assumed exceeded the consideration transferred, the business combination resulted in a bargain purchase of EUR 12.0 mn. This was primarily attributable to the acquired company's early stage of industrial scale-up at the acquisition date, together with elevated technology, execution, and financing risks, as well as its significant future financing requirements. Following the required reassessment in accordance with IFRS 3.36, the bargain purchase gain was recognized in profit or loss within other operating income in the interim consolidated income statement for the six months ended June 30, 2026.

As detailed technical analyses and economic valuations are still required, the purchase price allocation had not yet been finalized at the date these interim financial statements were prepared. The provisional measurement relates to the identification and valuation of the acquired intangible assets, principally research and development projects and technology-related assets. No other significant assets or liabilities are affected by the provisional accounting. Accordingly, the amounts recognized to date represent provisional amounts in the meaning of IFRS 3.45 and may change upon completion of the purchase price allocation. Such changes may also affect the amount of the bargain purchase recognized on the business combination.

The non-controlling interests (22.21%) in the acquired company TTT were valued using the partial goodwill method at the acquisition date and recognized at EUR 14.3 million, corresponding to their proportionate share of the acquired company's identifiable net assets.

Since its initial consolidation, the acquisition has contributed revenue of EUR 0.0 mn and a net loss after tax of minus EUR 5.3 mn. This contribution to earnings does not include the bargain purchase gain resulting from the business combination.

Had the business combination occurred on January 1, 2026, consolidated revenue would have been EUR 0.2 mn lower and earnings after tax would have been reduced by EUR 1.0 mn. These pro forma disclosures exclude both the bargain purchase gain arising on acquisition and the gain resulting from the remeasurement and disposal of the previously held equity interest. The pro forma information is based on estimates and assumptions and is not necessarily indicative of the results that would have been achieved had the acquisition occurred at the beginning of the reporting period.

Note 3. Segment reporting

The same principles as in the consolidated financial statements as at December 31, 2025 were applied in the presentation of the segment reporting.

Information on business segments **EUR mn**

01-06/2026	Division Fiber	Division Pulp	Other	Segment total	Reconciliation	Group
Revenue from external customers	941.2	324.8	1.5	**1,267.5**		**1,267.5**
Inter-segment revenue	0.4	275.4	0.1	**275.9**	(275.9)	**0.0**
Total revenue	**941.7**	**600.2**	**1.5**	**1,543.4**	**(275.9)**	**1,267.5**
Cost of sales	(815.1)	(477.2)	(2.5)	**(1,294.8)**	258.4	**(1,036.4)**
Selling expenses	(84.4)	(54.5)	(2.4)	**(141.2)**	1.8	**(139.4)**
EBITDA (segment result)	77.8	192.7	(27.8)	**242.8**	(3.5)	**239.2**
EBIT	29.8	88.2	(30.7)	**87.2**	(3.5)	**83.7**
EBITDA margin[1]	8.3%	32.1%	n/a	**15.7%**		**18.9%**
EBIT margin[2]	3.2%	14.7%	n/a	**5.7%**		**6.6%**

Information on business segments (previous year) **EUR mn**

01-06/2025	Division Fiber	Division Pulp	Other	Segment total	Reconciliation	Group
Revenue from external customers	1,008.4	331.0	1.6	**1,341.1**		**1,341.1**
Inter-segment revenue	0.1	358.5	0.0	**358.6**	(358.6)	**0.0**
Total revenue	**1,008.5**	**689.5**	**1.6**	**1,699.7**	**(358.6)**	**1,341.1**
Cost of sales	(926.8)	(509.3)	(2.1)	**(1,438.1)**	367.4	**(1,070.8)**
Selling expenses	(88.3)	(50.5)	(2.1)	**(141.0)**	1.4	**(139.6)**
EBITDA (segment result)	11.4	276.0	(27.5)	**259.9**	8.7	**268.6**
EBIT	(41.2)	173.6	(32.1)	**100.3**	8.7	**109.0**
EBITDA margin[1]	1.1%	40.0%	n/a	**15.3%**		**20.0%**
EBIT margin[2]	(4.1)%	25.2%	n/a	**5.9%**		**8.1%**

1) EBITDA margin = EBITDA (operating result before depreciation and amortization) in relation to total revenue (here: according to segment reporting).
2) EBIT margin = EBIT (operating result) in relation to total revenue (here: according to segment reporting).

The performance of the segments is measured based on EBITDA (earnings before interest, tax, amortization of intangible assets and depreciation of property, plant and equipment, right-of-use assets and depletion of biological assets, and before income from the reversal of investment grants).

The carrying amounts for segment reporting are based on the same accounting policies that are applied to the IFRS consolidated financial statements.

Information on products and services

Revenue from external customers can be classified by products and services as follows:

Revenue from external customers by products and services		EUR mn
	01-06/2026	01-06/2025
Regenerated cellulosic fibers	911.9	971.9
Co-products of fiber production	28.4	29.6
Other	1.0	7.0
Division Fiber	**941.2**	**1,008.4**
Pulp	234.7	244.3
Biorefinery-products and energy	58.3	56.6
Mechanical and plant engineering, engineering services, wood and other	31.8	30.1
Division Pulp	**324.8**	**331.0**
Other	1.5	1.6
Revenue as per consolidated statement of profit or loss	**1,267.5**	**1,341.1**

No single external customer is responsible for more than ten percent of external revenue.

Information on geographical regions

Revenue from external customers by sales market can be classified by geographical regions as follows:

Revenue from external customers by geographic regions		EUR mn
	01-06/2026	01-06/2025
Austria	49.0	43.8
Europe (excl. Austria, incl. Turkey)	330.0	377.7
Asia	732.0	780.1
America (North, Central and South America)	151.1	130.4
Rest of the world	5.4	9.0
Revenue as per consolidated statement of profit or loss	**1,267.5**	**1,341.1**

Revenue is allocated according to the geographical region of the customer.

Note 4. Notes on the primary financial statements

Intangible assets

The increase in intangible assets of EUR 13.0 mn (01–06/2025: EUR 0.0 mn) primarily relates to technology-related assets acquired as part of the acquisition of TTT (see note 2).

Other operating income

The other operating income includes proceeds from the sale of EU emission allowances in the amount of EUR 19.3 mn (01-06/2025: EUR 30.6 mn) which are allocated to the Pulp Division segment. In addition, the bargain purchase of EUR 12.0 mn (01–06/2025: EUR 0.0 mn) arising from the business combination (see note 2) is included.

Impairment tests of intangible assets, property, plant and equipment, right-of-use assets, and cash-generating units (CGUs)

As of the reporting date for the interim consolidated financial statements, an analysis was performed to determine whether there were any indications of impairment or, in the case of impaired CGUs, whether any material changes had occurred compared with December 31, 2025. As an indicator of impairment was identified, the recoverable amount of the Pulp Site Czech Republic cash-generating unit (CGU) was determined. The analysis indicated sufficient coverage of the carrying amount. The most recent available forecast for 2026 was used to determine the recoverable amount. Management expects that the market disruptions resulting from the Iran conflict will normalize by the end of 2026, so that the planning assumptions for fiscal year 2027 and beyond will remain consistent with the most recently approved plan. The operating margin of the Pulp Site Czech Republic CGU averages 4.8 percent (December 31, 2025: 5.2 percent) over the detailed planning period and could decline by a maximum of 1.6 percentage points (December 31, 2025: 1.5 percentage points) to ensure that the carrying amounts are sufficiently covered by the recoverable amount. The discount rate (WACC) amounts to 8.0 percent (December 31, 2025: 8.3 percent) and could increase by a maximum of 1.8 percentage points (December 31, 2025: 1.7 percentage points).

Furthermore, an impairment indicator was identified for the CGU Fiber Site Heiligenkreuz based on the subdued long-term outlook for premium fibers in the textile sector, and the recoverable amount of the CGU was determined, which covered the carrying amounts. To determine the recoverable amount, the assumptions relevant to the cash flow forecasts (in particular, revenue and operating margin) were weighted across various scenarios and adjusted to reflect the expected market conditions for the medium-term plans covering the period from 2027 to 2031 (with extrapolation to the perpetual annuity).

The operating margin of the CGU Fiber Site Heiligenkreuz Fiber Site CGU averaged 4.3 percent over the detailed planning period (December 31, 2025: 3.2 percent) and could decrease by a maximum of 0.4 percentage points (December 31, 2025: 0.5 percentage points) so that the carrying amounts are sufficiently covered by the recoverable amount. The discount rate (WACC) amounts to 7.7 percent (December 31, 2025: 8.1 percent) and could increase by a maximum of 0.6 percentage points (December 31, 2025: 1.0 percentage points) so that the carrying amounts are sufficiently covered by the recoverable amount.

The determined recoverable amount would increase by EUR 60.8 mn or decrease by EUR 60.9 mn if the planned EBITDA increased (decreased) by 20 percent. In the event of a 20 percent reduction in EBITDA, the recoverable amount would be EUR 49.0 mn below the carrying amounts.

As a consequence, no impairment losses or reversals of impairment were recognized during the first half of 2026.

Biological assets

Biological assets comprise standing trees of a plantation in Minas Gerais, Brazil, which are used as a raw material for pulp production. Measurement at fair value less estimated costs to sell is allocated to Level 3. The measurement is based on the cash flows expected from the sale of the biological assets on the basis of sustainable forest management plans, industry benchmarks for wood prices and delivery costs, and taking into account the growth cycle.

As at June 30, 2026, the plantation comprised approximately 40,306 hectares of eucalypt wood (December 31, 2025: 40,635 hectares) and 349 hectares of pine wood (December 31, 2025: 349 hectares). The wood is up to 17 years (December 31, 2025: 16 years) old. Wood amounting to EUR 17.3 mn (December 31, 2025: EUR 15.8 mn) is less than one year old and therefore considered an immature asset.

Biological assets developed as follows:

Development of biological assets		EUR mn
	2026	2025
As at 01/01	176.6	192.2
Acquisition	6.4	4.3
Capitalized production costs	18.3	17.9
Depletion	(37.0)	(37.9)
Change in the fair value	30.3	25.7
Currency translation adjustment	5.9	(21.7)
As at 30/06	**200.6**	**180.5**

In the statement of profit or loss, the cost of sales includes gains and losses from the change in the fair value of biological assets of EUR 23.7 mn (01-06/2025: EUR 12.5 mn). These consist of regular remeasurement in the amount of EUR 30.3 mn (01-06/2025: EUR 25.7 mn) and foreign currency gains/losses on the lease liability from land use rights directly associated with the plantation in the amount of minus EUR 6.6 mn (01-06/2025: minus EUR 13.2 mn).

The following individual assumptions were used as at June 30, 2026:

Assumptions of level 3 input factors for biological assets

	30/06/2026	30/06/2025
Market price EUR/m³	26.53	22.19
Discount rate	6.41%	7.80%
Wood volume m³	6,285,302	7,627,151

A change in key input factors which cannot be observed on the market would have the following effects on the measurement of biological assets:

Sensitivity analysis of level 3 input factors for biological assets **EUR mn**

	30/06/2026		30/06/2025	
	Increase	Decrease	Increase	Decrease
Change in the market price (+/- 10%)	23.1	(23.1)	22.2	(22.2)
Discount rate (+/- 1%)	(4.3)	4.6	(3.0)	3.2
Wood volume (+/- 5%)	11.5	(11.5)	11.1	(11.1)

To determine the sensitivities, fair value was determined again taking into account the changed input factors.

Right-of-use assets

In the first half of 2026, additions to right-of-use assets amounted to EUR 34.5 mn (01-06/2025: EUR 12.5 mn). Of this amount EUR 14.4 mn relate primarily to machinery (01-06/2025 EUR 5.2 mn), EUR 10.0 mn (01-06/2025: EUR 1.6 mn) to offices and warehouses, EUR 7.4 mn (01-06/2025: EUR 0.0 mn) to factory and office equipment and EUR 2.5 mn (01-06/2025: EUR 5.7 mn) relate to the index increase for land use rights.

Trade Receivables

As at June 30, 2026, the factoring agreements have a maximum utilizable nominal volume (net volume after deduction of the advance payment) totaling EUR 90.0 mn (December 31, 2025: EUR 90.0 mn) of which USD 72.0 mn (December 31, 2025: USD 72.0 mn) can be utilized in US dollars. As at June 30, 2026 due to factoring agreements, trade receivables in the amount of EUR 95.3 mn (December 31, 2025: EUR 85.1 mn) (gross amount before deduction of the advance payment) were sold and derecognized from the Lenzing Group's consolidated statement of financial position. The retention amount is recognized as other current financial asset in the amount of EUR 9.5 mn as at June 30, 2026 (December 31, 2025: EUR 8.5 mn).

Since the first half of 2024, the Lenzing Group has been selling receivables secured by letter of credit from customers to a bank. All risks and rewards associated with the letter of credit receivables and the remaining trade receivables are transferred to the bank and as a result the trade receivables are fully derecognized from the consolidated financial statements of the Lenzing Group. As at June 30, 2026, due to the sale of letter of credit receivables, trade receivables of EUR 39.4 mn (December 31, 2025: EUR 34.4 mn) were derecognized from the Lenzing Group's consolidated statement of financial position.

In the interim reporting period, bad debt provisions for trade receivables in the amount of EUR 0.0 mn were reversed as an income to profit or loss (01-06/2025: EUR 0.2 mn).

Inventories

The write-downs on the net realizable value of inventories as at June 30, 2026, amounted to EUR 5.8 mn (December 31, 2025: EUR 9.0 mn).

Equity

The share capital and the number of zero par value shares did not change in the interim reporting period. No shares were repurchased. The Managing Board did not utilize the authorizations in place on or up to June 30, 2026 to increase share capital, issue convertible bonds or repurchase treasury shares during the interim reporting period.

By resolution of the Annual General Meeting on April 23, 2026, the Managing Board was again authorized, with Supervisory Board consent, to purchase treasury shares in a volume of up to 10 percent of the share capital for a maximum of 30 months from the date of the resolution. The same conditions concerning the purchase of treasury shares apply as in the Annual General Meeting resolution of April 18, 2024, which was revoked by the above resolution.

For the 2025 and 2024 financial years, no dividends were resolved and distributed to the shareholders of Lenzing AG.

Government grants

In the interim reporting period a total of 262,500 EU emission allowances (01-06/2025: 410,500 EU emission allowances) were sold, which had been allocated to the Lenzing Group free of charge. The income from the sale in the interim reporting period amounted to EUR 19.3 mn (previous year: EUR 30.6 mn) and is included in other operating income.

Deferred and current taxes

Income tax expense for the condensed interim consolidated financial statements is determined based on the best estimate of the average annual income tax rate expected for the full financial year in accordance with IAS 34. In addition, one-off effects which relate to the reporting date June 30, 2026 are taken into account, in particular estimates regarding the impairment of loss carryforwards, uncertain tax positions, as well as temporary differences arising due to market measurements as at the reporting date. Instead of expected tax expense of EUR 9.8 mn (June 30, 2025: EUR 5.1 mn) with an applicable tax rate of 23 percent, a tax expense of EUR 6.9

mn (June 30, 2025: EUR 6.9 mn) was recognized. As in the same period of the previous year, reconciliation items resulting from valuation allowances on tax assets (particularly from non-capitalized losses) and non-deductible withholding taxes had a tax-increasing effect. Reconciliation items arising from the translation of tax items from the local currency into the functional currency (particularly Brazil) had a tax-reducing effect in the interim reporting period both in the current and prior year reporting periods. In addition, the non-recognition of taxes relating to the bargain purchase recognized in connection with the acquisition of TTT (see note 2) represents a tax-reducing reconciliation item.

Trade payables and other payables

As at June 30, 2026, there were supplier finance arrangements with suppliers of the Lenzing Group. The liabilities concerned are as follows:

Supplier Finance Arrangements **EUR mn**

Reverse factoring agreements	**30/06/2026**	**31/12/2025**	**Presentation in the consolidated statement of financial position**
Carrying amount of liabilities affected by the agreements	88.7	110.0	Trade payables
Thereof payments already effected by banks	85.8	98.7	
Payment services	**30/06/2026**	**31/12/2025**	**Presentation in the consolidated statement of financial position**
Carrying amount of liabilities affected by the agreements	98.6	100.5	Other financial liabilities
Thereof payments already effected by payment services	98.6	100.5	

Note 5. Capital risk management

All capital requirements were satisfied in the interim reporting period. Unused credit facilities in the amount of EUR 219.4 mn were available for possible future financing requirements as at June 30, 2026 (December 31, 2025: EUR 219.1 mn).

Furthermore, as of June 30, 2026, there were no material changes compared to the disclosures in the consolidated financial statements of the Lenzing Group as at December 31, 2025, with regard to the financing conditions (financial covenants) in current financing agreements and with regard to liquidity risk (see notes 34 and 37 therein). No financing conditions (financial covenants) were breached in the interim reporting period. Furthermore, the Lenzing Group expects to remain in compliance with the contractual financial covenant requirements for at least 12 months after the reporting date.

Note 6. Disclosures on financial instruments

The following table shows the carrying amounts and fair values of the financial assets and financial liabilities for each class and each IFRS 9 (Financial Instruments) category and reconciles this information to the appropriate line items on the statement of financial position. The balance sheet item loans and borrowings (non-current and current) includes lease liabilities, that are to be regarded as financial liabilities but are not allocated to a measurement category in accordance with IFRS 9. They are reported in the “no financial instruments” column to enable a reconciliation to the balance sheet item. In addition, the (current) provisions balance sheet item is reported as a financial liability. However, this is also not allocated to an IFRS 9 measurement category and is consequently also reported in the "no financial instruments" column.

Carrying amounts, category, fair value and fair value hierarchy of financial instruments

EUR mn

	Carrying amount					Fair value	
Financial liabilities as at 30/06/2026	**At amortized cost**	**At fair value through profit or loss**	**At fair value through other comprehensive income**		**No financial instrument**	**Total**	**Fair value**	**Fair value hierarchy**
			Equity instruments	**Cash flow hedges**				
Originated loans	77.2					77.2	82.9	Level 3
Non-current securities		7.1				7.1	7.1	Level 1
Other equity investments			0.0			0.0	0.0	[1]
Other investments	**77.2**	**7.1**	**0.0**	**0.0**	**0.0**	**84.3**	**90.0**	
Trade receivables	**275.6**	**0.0**	**0.0**	**0.0**	**0.0**	**275.6**	**275.6**	[1]
Derivatives with a positive fair value (cash flow hedges)				5.1		5.1	5.1	Level 2
Derivatives with a positive fair value (cash flow hedges with the underlying already recognized in profit or loss)		2.4				2.4	2.4	Level 2
Other	39.4					39.4	39.4	[1]
Other financial assets (current and non-current)	**39.4**	**2.4**	**0.0**	**5.1**	**0.0**	**46.9**	**46.9**	
Cash and cash equivalents	**592.4**	**0.0**	**0.0**	**0.0**	**0.0**	**592.4**	**592.4**	[1]
Total	**984.6**	**9.5**	**0.0**	**5.1**	**0.0**	**999.2**	**1,004.9**	

	Carrying amount					Fair value	
Financial assets as at 30/06/2026	**At amortized cost**	**At fair value through profit or loss**	**At fair value through other comprehensive income**		**No financial instrument**	**Total**	**Fair value**	**Fair value hierarchy**
			Cash flow hedges/Fair value hedges	**Retained earnings**				
Bond	560.5					560.5	595.6	Level 1
Private placements	265.9					265.9	260.3	Level 3
Liabilities to banks	1,123.5					1,123.5	1,133.9	Level 3
Liabilities to other lenders	31.3					31.3	28.5	Level 3
Lease liabilities					168.0	168.0		
Loans and borrowings	**1,981.2**	**0.0**	**0.0**	**0.0**	**168.0**	**2,149.3**	**2,018.2**	
Trade payables	**312.3**	**0.0**	**0.0**	**0.0**	**0.0**	**312.3**	**312.3**	[1]
Provisions (current)	**0.0**	**0.0**	**0.0**	**0.0**	**28.2**	**28.2**		
Puttable non-controlling interests	**0.0**	**0.0**	**0.0**	**327.6**	**0.0**	**327.6**	**327.6**	**Level 3**
Derivatives with a negative fair value (cash flow hedges)			5.9			5.9	5.9	Level 2
Derivatives with a negative fair value (cash flow hedges with the underlying already recognized in profit or loss)		4.8				4.8	4.8	Level 2
Other	180.5					180.5	180.5	[1]
Other financial liabilities (current and non-current)	**180.5**	**4.8**	**5.9**	**0.0**	**0.0**	**191.2**	**191.2**	
Total	**2,474.1**	**4.8**	**5.9**	**327.6**	**196.2**	**3,008.5**	**2,849.3**	

1) The carrying amount approximates fair value.

Carrying amounts, category, fair value and fair value hierarchy of financial instruments (previous year) **EUR mn**

	Carrying amount						Fair value	
Financial assets as at 31/12/2025	**At amortized cost**	**At fair value through profit or loss**	**At fair value through other comprehensive income**		**No financial instrument**	**Total**	**Fair value**	**Fair value hierarchy**
			Equity instruments	**Cash flow hedges**				
Originated loans	55.5					55.5	54.5	Level 3
Non-current securities		6.9				6.9	6.9	Level 1
Other equity investments			0.0			0.0	0.0	[1]
Current securities			6.5			6.5	6.5	Level 1
Other investments (current and non-current)	**55.5**	**6.9**	**6.5**	**0.0**	**0.0**	**69.0**	**67.9**	
Trade receivables	**245.3**	**0.0**	**0.0**	**0.0**	**0.0**	**245.3**	**245.3**	[1]
Derivatives with a positive fair value (cash flow hedges)				0.3		0.3	0.3	Level 2
Derivatives with a positive fair value (cash flow hedges with the underlying already recognized in profit or loss)		1.2				1.2	1.2	Level 2
Other	33.6					33.6	33.6	[1]
Other financial assets (current and non-current)	**33.6**	**1.2**	**0.0**	**0.3**	**0.0**	**35.1**	**35.1**	
Cash and cash equivalents	**675.0**	**0.0**	**0.0**	**0.0**	**0.0**	**675.0**	**675.0**	[1]
Total	**1,009.4**	**8.1**	**6.5**	**0.3**	**0.0**	**1,024.3**	**1,023.3**	

	Carrying amount						Fair value	
Financial liabilities as at 31/12/2025	**At amortized cost**	**At fair value through profit or loss**	**At fair value through other comprehensive income**		**No financial instrument**	**Total**	**Fair value**	**Fair value hierarchy**
			Cash flow hedges/Fair value hedges	**Retained earnings**				
Bond	542.6					542.6	580.9	Level 1
Private placements	265.8					265.8	258.3	Level 3
Liabilities to banks	1,202.7					1,202.7	1,213.4	Level 3
Liabilities to other lenders	29.9					29.9	26.8	Level 3
Lease liabilities					128.5	128.5		
Loans and borrowings	**2,041.0**	**0.0**	**0.0**	**0.0**	**128.5**	**2,169.5**	**2,079.3**	
Trade payables	**323.6**	**0.0**	**0.0**	**0.0**	**0.0**	**323.6**	**323.6**	[1]
Provisions (current)	**0.0**	**0.0**	**0.0**	**0.0**	**33.9**	**33.9**		
Puttable non-controlling interests	**0.0**	**0.0**	**0.0**	**285.8**	**0.0**	**285.8**	**285.8**	**Level 3**
Derivatives with a negative fair value (cash flow hedges)			6.2			6.2	6.2	Level 2
Derivatives with a negative fair value (cash flow hedges with the underlying already recognized in profit or loss)		0.1				0.1	0.1	Level 2
Contingent consideration		0.0				0.0	0.0	Level 2
Other	187.0					187.0	187.0	[1]
Other financial liabilities (current and non-current)	**187.0**	**0.2**	**6.2**	**0.0**	**0.0**	**193.3**	**193.3**	
Total	**2,551.6**	**0.2**	**6.2**	**285.8**	**162.4**	**3,006.1**	**2,882.0**	

1) The carrying amount approximates fair value.

Depending on the classification/measurement category, financial instruments are subsequently measured at (amortized) cost or fair value. The Lenzing Group uses the following measurement categories: "at amortized cost", "at fair value through profit or loss" and "at fair value through other comprehensive income". The measurement category "at fair value through profit or loss" is solely used for financial assets that are mandatorily measured at fair value.

The Lenzing Group accounts for reclassifications in the fair value hierarchy at the end of the reporting period in which the changes occur. There were no transfers between the levels of the fair value hierarchy for the financial instruments in the financial year.

Where valuations of financial instruments are conducted by external institutions (banks), these are monitored by the Lenzing Group and subjected to a further review and, where appropriate, adopted for financial accounting purposes. The necessary market data are validated on the basis of the dual control principle.

In light of the varying influencing factors, the fair values presented can only be regarded as indicators of the values that could actually be realized on the market.

Other investments

Securities are measured at fair value and are recognized directly in equity due to the exercise of the corresponding option. The fair values of the shares are based on current quoted stock exchange prices. These securities are assigned to the category "at fair value through other comprehensive income". In the interim reporting period, all of the shares in Oberbank were divested.

The fair values of loans are determined using the discounted cashflow method. This involves calculating the expected future contractual cash flows over the remaining term and discounting them at a current market interest rate observable in the market. The loans mainly result from the loan agreement between LD Celulose S.A., Indianópolis, Brazil and LD Florestal S.A., Indianópolis, Brazil.

The fair value of investment funds is derived from the net asset value. These securities are assigned to the category "at fair value through profit or loss".

The other equity investments are classified as "at fair value through other comprehensive income".

Bond

The fair value of the bond issued is derived from the current market price, and its fair value changes are especially due to changes in market interest rates and the credit rating of LD Celulose International GmbH, Vienna, as well as of its guarantors LD Celulose S.A., Indianópolis, Brazil, and LD Florestal S.A., Indianópolis, Brazil.

Puttable non-controlling interests

The Dexco-Group has a put option and has the right to sell its shares in LD Celulose S.A., Indianópolis, Brazil, within certain periods, upon expiry of time or upon the occurrence of a contractually defined change of control regarding the owner of the Lenzing Group (change of control clause). This obligation is recognized under liabilities from puttable non-controlling interests. The liability from redeemable non-controlling interests is subsequently measured at fair value directly through retained earnings (not in profit or loss). The fair value of these puttable non-controlling interests is determined based on the planned or projected cash flows less cost of disposal and net debt at the measurement date. The budget approved by the Management and Supervisory Boards and the medium-term plans approved by the Management Board are the starting points for the cash flow projections. After the detailed planning period of five years, based on last year's assumptions, a 25-year annuity based on a sustainable EBITDA margin is expected. The planning period for the calculation of fair value is contractually limited to a maximum of 30 years. Cash flows are discounted to their present value with a discounted cash flow method. The applied discount rate represents a composite figure that combines the average interest rate for debt and the anticipated return on equity employed (weighted average cost of capital – WACC). An after-tax WACC of 7.5 percent (December 31, 2025: 7.7 percent) was used at the measurement date. Fair value measurement is classified in full as level 3 of the fair value hierarchy because key input factors (in particular, cash flows) cannot be observed on the market.

Development of level 3 fair values of puttable non-controlling interest — **EUR mn**

	2026	2025
As at 01/01	285.8	231.0
Measurement of puttable non-controlling interest recognized directly in equity	41.7	(37.1)
As at 30/06	**327.6**	**193.8**

The determined fair value would increase (decrease) in particular if EBITDA increased (decreased). The determined fair value would decrease (increase) if the WACC after tax increased (decreased). A change in key input factors which cannot be observed on the market would have the following effects on the measurement of puttable non-controlling interests:

Sensitivity analysis of level 3 input factors for puttable non-controlling interest **EUR mn**

	30/06/2026		30/06/2025	
Measurement result offset against retained earnings	**Increase**	**Decrease**	**Increase**	**Decrease**
EBITDA (+/- 1%)	9.2	(9.2)	7.7	(7.7)
Discount rate (WACC) after tax (+/- 0.25%)	(13.8)	14.3	(11.2)	11.5

The sensitivities are determined by conducting the measurements again using the changed parameters.

Other financial liabilities

The fair values of the other financial liabilities are determined in accordance with generally accepted valuation methods based on the discounted cash flow method. The most important input factor is the discount rate, which incorporates the available market data (risk-free interest rates) and the credit standing of the Lenzing Group, which is not observable in the market.

Derivative financial instruments and hedges

Derivatives are measured at fair value. Their fair value is calculated using standard methods based on the market data available at the measurement date (such as exchange rates and interest rates). Currency and commodity forwards are measured at the respective forward rate or price at the reporting date. These forward rates or prices are based on the spot rates or prices and include forward premiums and discounts. The Group's own models are used to estimate the measurement. The measurement of derivatives also includes the counterparty risk (credit risk/counterparty risk/non-performance risk) in the form of discounts to the fair value that would be used by a market participant for pricing.

Compared with the information of the latest Annual Financial Report as at December 31, 2025, there were no changes that had a material impact on the interim reporting period with regard to hedging currency risks arising from the operating business, with regard to hedging interest rate risks arising from loans taken out with variable interest rates and with regard to hedging against commodity price risks. A detailed explanation is provided in the Annual Financial Report of the Lenzing Group as at December 31, 2025 (see note 35 therein).

Disclosures on Related Parties and Executive Bodies

Note 7. Related party disclosures

The scope of material transactions and the amounts of outstanding balances with companies accounted for using the equity method and their material subsidiaries were as follows:

Relationships with companies accounted for using the equity method and their material subsidiaries		EUR mn
	01-06/2026	01-06/2025
Goods and services provided (including interest income)	29.6	35.5
Goods and services received	14.5[1]	12.2[1]
	30/06/2026	31/12/2025
Land use rights	106.3	102.8
Receivables (including loans)	101.5	75.6
Liabilities	117.8	107.5

1) The interest expenses in connection with the land use rights are included in the goods and services received.

Mr. Rohit Aggarwal served as Chief Executive Officer of Lenzing AG from September 1, 2024, to January 31, 2026. Following his resignation, payments of EUR 0.6 mn for consulting services rendered and reimbursements of expenses were made to Mr. Rohit Aggarwal during the 2026 financial year. As at June 30, 2026, outstanding liabilities amounted to EUR 0.1 mn (December 31, 2025: EUR 0.0 mn). The services were procured on arm's-length terms.

Mr. Walter Bickel is Managing Director of Bickel Austria GmbH, Vienna, and served as a member of the Management Board of Lenzing AG until March 31, 2025. During the interim reporting period, no payments were made to Bickel Austria GmbH for consulting services rendered (01–06/2025: EUR 2.7 mn). The services were procured on arm's-length terms.

Note 8. Executive bodies

Mr. Rohit Aggarwal (Chief Executive Officer) resigned from the Managing Board for personal reasons effective January 31, 2026.

Mr. Georg Kasperkovitz, MBA, was appointed Chief Executive Officer effective June 1, 2026.

The composition of the Managing Board and the Supervisory Board has otherwise remained unchanged compared to December 31, 2025.

Other disclosures

Note 9. Financial guarantee contracts, contingent assets and liabilities, other financial obligations and legal risks

The Lenzing Group has entered into contingent liabilities of EUR 12.7 mn (December 31, 2025: EUR 10.0 mn), above all to secure claims related to the sale of certain equity investments and claims by suppliers, and for claims by third parties outside the Group. Less important contingencies involve granted retentions. The reported amounts represent the maximum payment obligation from the viewpoint of the Lenzing Group, and there is only a limited potential for recoveries.

The obligations from outstanding orders for intangible assets and property, plant and equipment amounted to EUR 53.5 mn as at June 30, 2026 (December 31, 2025: EUR 24.4 mn). The Lenzing Group has long-term purchase obligations related to raw material supplies, in particular for wood, chemicals and energy.

Note 10. Significant events after the end of the reporting period

Following the Supervisory Board's resolution on July 27, 2026, the Lenzing Group announced the key steps in its strategic transformation. The strategic focus is on expanding the nonwoven fibers business, realigning the textile fibers business, and further strengthening the pulp business. The measures include, in particular, to phase out production at its fiber plants in Heiligenkreuz and in Grimsby, further headcount reductions, and the optimization of the global production network. In this context, impairment charges on long-term assets of up to EUR 150 mn and restructuring expenses of up to EUR 40 mn are expected for the financial year 2026. The comprehensive package of measures also includes refinancing to strengthen the financial structure through a combination of a planned capital increase of up to EUR 300 mn, new financing agreements totaling up to EUR 300 mn, and an extension of the maturities of existing financial liabilities through 2030.

For the condensed consolidated interim financial statements as at June 30, 2026, the valuation was based on the assumption that both sites would continue operations, since as of the reporting date there was neither an obligation to implement the measures nor had a decision been made to discontinue the fiber plants in Heiligenkreuz and in Grimsby. The circumstances described therefore do not constitute post-balance-sheet events that would affect the financial statements in accordance with IAS 10 and were therefore not taken into account in the condensed consolidated interim financial statements as at June 30, 2026.

Other than that, the Lenzing Group is not aware of any significant events occurring after the reporting date on June 30, 2026 which would have resulted in a different presentation of its financial position and financial performance.

Lenzing, August 4, 2026
Lenzing Aktiengesellschaft

The Managing Board

Georg Kasperkovitz
Chief Executive Officer

Mathias Breuer
Chief Financial Officer

Christian Skilich
Chief Pulp & Chief Technology Officer

Report on the Review of the condensed Interim Consolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Lenzing Aktiengesellschaft, Lenzing, for the period from January 1 to June 30, 2026. These condensed interim consolidated financial statements comprise the consolidated statement of financial position as at June 30, 2026, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and consolidated statement of changes in equity for the period from January 1 to June 30, 2026 and the condensed notes, summarizing the significant accounting policies and other explanatory notes.

Management is responsible for the preparation of the condensed interim consolidated financial statements in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) for Interim Reporting as adopted by the EU.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements. Our liability towards the Company and towards third parties is limited in accordance with § 275 par. 2 of the Austrian Commercial Code (UGB).

Scope of review

We conducted our review in accordance with Austrian Standards for Chartered Accountants, in particular in compliance with KFS/PG 11 "Principles of Engagements to Review Financial Statements", and with the International Standard on Review Engagements (ISRE 2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements is limited primarily to making inquiries, primarily of Company personnel, responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Austrian Standards on Auditing and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing came to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with Austrian Generally Accepted Accounting Principles and IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) for Interim Reporting as adopted by the EU.

Statement on the consolidated interim management report for the 6 month period ended June 30, 2026 and on management's statement in accordance with § 125 Austrian Stock Exchange Act (BörseG)

We have read the consolidated interim management report and evaluated whether it does not contain any apparent inconsistencies with the condensed interim consolidated financial statements. Based on our evaluation, the consolidated interim management report does not contain any apparent inconsistencies with the condensed interim consolidated financial statements.

The interim financial information contains the statement by management in accordance with § 125 par. 1 subpar. 3 Austrian Stock Exchange Act.

The interim consolidated financial statements together with our review report may be published or transmitted only as agreed by us. Any versions deviating from the one agreed by us (e.g. condensed version or translation into another language) are subject to § 281 par. 2 UGB.

Linz, August 4, 2026

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Gerold Stelzmüller
Austrian Chartered Accountant

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

Translations of the Audited Consolidated Financial Statements of the Company as of and for the financial year ended December 31, 2025, and Auditor's Report

Consolidated Income Statement

for the period from January 1 to December 31, 2025

EUR '000

	Note	2025	2024
Revenue	(5)	2,602,432	2,663,898
Cost of sales	(6)	(2,264,056)	(2,155,843)
Gross profit		**338,377**	**508,055**
Other operating income	(7)	133,578	61,770
Selling expenses	(6)	(280,937)	(300,501)
Administrative expenses	(6)	(126,349)	(146,715)
Research and development expenses	(6)	(29,142)	(29,156)
Other operating expenses	(7)	(17,927)	(4,949)
Earnings before interest and tax (EBIT)[1]		**17,600**	**88,503**
Result from investments accounted for using the equity method	(12)	(3,373)	0
Result from non-current and current financial assets and liabilities	(13)	(703)	33,830
Financing costs	(14)	(136,009)	(164,339)
Financial result		**(140,085)**	**(130,508)**
Earnings before tax (EBT)		**(122,485)**	**(42,005)**
Income tax expense	(15)	(12,728)	(96,273)
Net profit/loss after tax		**(135,212)**	**(138,278)**
Attributable to:			
Shareholders of Lenzing AG		(210,306)	(156,601)
Non-controlling interests		36,820	(10,427)
Share planned for hybrid capital owners	(16)	38,274	28,750
Earnings per share		**EUR**	**EUR**
Diluted = basic	(16)	(5.45)	(4.06)

1) EBIT: Operating result, resp. earnings before interest and tax.

Consolidated Statement of Comprehensive Income

for the period from January 1 to December 31, 2025

EUR '000

	Note	2025	2024
Net profit/loss after tax		(135,212)	(138,278)
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability	(30)	1,790	(2,805)
Financial assets measured at fair value through other comprehensive income (equity instruments) – net fair value gain/loss on remeasurement recognized during the period	(26)	687	(334)
Income tax relating to these components of other comprehensive income	(26)	(1,617)	(9,359)
Investments accounted for using the equity method - share of other comprehensive income (net of tax)	(21)	106	(36)
		966	(12,534)
Items that may be reclassified to profit or loss			
Foreign operations – foreign currency translation differences arising during the period	(26)	(124,751)	58,022
Foreign operations - reclassification of foreign currency translation differences due to loss of control		0	0
Cash flow hedges – effective portion of changes in fair value recognized during the period and non-designated components	(35)	26,581	(17,960)
Cash flow hedges – reclassification to profit or loss	(35)	(10,759)	(17,712)
Income tax relating to these components of other comprehensive income	(26)	(4,437)	13,516
Investments accounted for using the equity method - share of other comprehensive income (net of tax)	(26)	232	(2,696)
		(113,134)	33,170
Other comprehensive income (net of tax)		(112,169)	20,637
Total comprehensive income		(247,381)	(117,642)
Attributable to:			
Shareholders of Lenzing AG		(286,021)	(141,665)
Non-controlling interests		366	(4,727)
Share planned for hybrid capital owners		38,274	28,750

Consolidated Statement of Financial Position

as at December 31, 2025

EUR '000

Assets	Note	31/12/2025	31/12/2024
Intangible assets	(17)	22,437	23,835
Property, plant and equipment	(18)	2,487,379	2,870,931
Biological assets	(19)	176,639	192,217
Right-of-use assets	(20)	124,629	139,333
Investments accounted for using the equity method	(21)	38,035	24,954
Other investments	(22)	62,441	37,106
Deferred tax assets	(29)	2,891	4,331
Current tax assets	(29)	5,052	16,861
Other financial assets	(25)	1,109	1,409
Other non-financial assets	(25)	54,841	57,389
Non-current assets		**2,975,452**	**3,368,365**
Inventories	(23)	531,688	646,235
Trade receivables	(24)	245,318	318,182
Current tax assets	(29)	8,695	2,654
Other financial assets	(25)	33,945	26,786
Other non-financial assets	(25)	132,779	160,962
Other investments	(22)	6,525	11,301
Cash and cash equivalents	(33)	675,007	442,297
Current assets		**1,633,958**	**1,608,417**
Total assets		**4,609,409**	**4,976,782**

Equity and liabilities	Note	31/12/2025	31/12/2024
Share capital		40,108	40,108
Capital reserves		417,683	513,455
Hybrid capital		486,247	496,582
Other reserves		(38,759)	42,321
Retained earnings		70,531	217,361
Equity attributable to shareholders of Lenzing AG		**975,810**	**1,309,826**
Non-controlling interests		329,532	342,175
Equity	**(26)**	**1,305,342**	**1,652,001**
Loans and borrowings	(28)	1,667,411	1,828,545
Government grants	(27)	10,928	12,110
Deferred tax liabilities	(29)	55,166	74,602
Provisions	(30)	69,507	82,976
Puttable non-controlling interests	(35)	285,818	230,954
Other financial liabilities	(32)	12,218	5,254
Other non-financial liabilities	(32)	4,369	4,542
Non-current liabilities		**2,105,417**	**2,238,983**
Loans and borrowings	(28)	502,122	279,449
Trade payables	(31)	323,583	386,383
Government grants	(27)	64,300	83,513
Current tax liabilities		13,651	16,011
Provisions	(30)	33,866	28,520
Other financial liabilities	(32)	181,086	161,115
Other non-financial liabilities	(32)	80,043	130,806
Current liabilities		**1,198,651**	**1,085,797**
Total equity and liabilities		**4,609,409**	**4,976,782**

Consolidated Statement of Changes in Equity

for the period from January 1 to December 31, 2025

		Equity attributable to shareholders of Lenzing AG and to hybrid capital owners							EUR '000
	Note	Share capital	Capital reserves	Hybrid capital	Other reserves[1]	Retained earnings	Total	Non-controlling interests	Equity
As at 01/01/2024		40,108	513,455	496,582	29,961	360,281	1,440,386	301,779	**1,742,165**
Net profit/loss after tax as per consolidated statement of profit or loss		0	0	0	0	(127,851)	**(127,851)**	(10,427)	**(138,278)**
Other comprehensive income (net of tax)		0	0	0	14,936	0	**14,936**	5,701	**20,637**
Total comprehensive income		**0**	**0**	**0**	**14,936**	**(127,851)**	**(112,915)**	**(4,727)**	**(117,642)**
Hedging gains and losses and cost of hedging transferred to the cost of non-current assets and cost of inventory		**0**	**0**	**0**	**1,466**	**0**	**1,466**	**1,535**	**3,001**
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	**(35)**	**0**	**0**	**0**	**(4,042)**	**4,042**	**0**	**0**	**0**
Increase in capital	(26)	0	0	0	0	0	**0**	34,912	**34,912**
Acquisition/disposal of non-controlling interests and other changes	(3,26)	0	0	0	0	(8,825)	**(8,825)**	8,825	**0**
Measurement of puttable non-controlling interest recognized directly in equity	(35)	0	0	0	0	18,464	**18,464**	0	**18,464**
Dividends paid (including hybrid coupon)	(26)	0	0	0	0	(28,750)	**(28,750)**	(150)	**(28,900)**
Transactions with equity holders		**0**	**0**	**0**	**0**	**(19,111)**	**(19,111)**	**43,587**	**24,476**
As at 31/12/2024 = 01/01/2025		**40,108**	**513,455**	**496,582**	**42,321**	**217,361**	**1,309,826**	**342,175**	**1,652,001**
Net profit/loss after tax as per consolidated statement of profit or loss		0	0	0	0	(172,032)	**(172,032)**	36,820	**(135,212)**
Other comprehensive income (net of tax)		0	0	0	(75,715)	0	**(75,715)**	(36,453)	**(112,169)**
Total comprehensive income		**0**	**0**	**0**	**(75,715)**	**(172,032)**	**(247,747)**	**366**	**(247,381)**
Hedging gains and losses and cost of hedging transferred to the cost of non-current assets and cost of inventory		**0**	**0**	**0**	**(2,349)**	**0**	**(2,349)**	**(2,382)**	**(4,731)**
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	**(35)**	**0**	**0**	**0**	**(2,990)**	**2,990**	**0**	**0**	**0**
Reversal of capital reserve	(26)	0	(95,772)	0	0	95,772	**0**	0	**0**
Proceeds from the issuance of hybrid capital	(26)	0	0	489,665	0	0	**489,665**	0	**489,665**
Repayment of hybrid capital	(26)	0	0	(500,000)	0	0	**(500,000)**	0	**(500,000)**
Acquisition/disposal of non-controlling interests and other changes	(3,26)	0	0	0	(25)	24	**(2)**	2	**0**
Measurement of puttable non-controlling interest recognized directly in equity	(35)	0	0	0	0	(54,864)	**(54,864)**	0	**(54,864)**
Resolved and paid dividends (including hybrid coupon)	(26)	0	0	0	0	(18,720)	**(18,720)**	(10,629)	**(29,349)**
Transactions with equity holders		**0**	**(95,772)**	**(10,335)**	**(25)**	**22,212**	**(83,920)**	**(10,627)**	**(94,548)**
As at 31/12/2025	**(26)**	**40,108**	**417,683**	**486,247**	**(38,759)**	**70,531**	**975,810**	**329,532**	**1,305,342**

1) Details of the other reserves are presented in Note 26.

Consolidated Statement of Cash Flows

for the period from January 1 to December 31, 2025

EUR '000

		Note	2025	2024[1] (adjusted)
Earnings before tax (EBT)			**(122,485)**	**(42,005)**
+	Financial result as per consolidated statement of profit or loss		140,085	130,508
Earnings before interest and tax (EBIT)			**17,600**	**88,503**
+	Amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets, and depletion of biological assets	(10)	397,148	308,764
–	Income from the reversal of investment grants		(1,719)	(1,841)
Earnings before interest, tax, depreciation and amortization (EBITDA)			**413,029**	**395,426**
–/+	Gain / loss from the change in fair value of biological assets	(19)	(23,953)	(32,199)
–/+	Other non-cash income / expenses	(33)	7,648	(52,700)
Other non-cash income / expenses			**(16,305)**	**(84,899)**
+/–	Change in inventories		73,899	(39,557)
+/–	Change in trade receivables		39,021	(10,738)
+/–	Change in trade liabilities		(33,510)	68,352
Change in trading working capital			**79,410**	**18,057**
+/–	Change in other working capital		(29,668)	143,441
–	Income taxes paid		(26,721)	(76,977)
Cash flow from operating activities			**419,745**	**395,048**
–	Acquisition of intangible assets, property, plant and equipment, and biological assets		(141,083)	(153,761)
–	Acquisition/disbursement of other investments and investments accounted for using the equity method		(26,061)	(37,024)
+	Proceeds from the sale of intangible assets, property, plant and equipment, and biological assets		356	880
+	Proceeds from the sale/repayment of other investments and the sale of investments accounted for using the equity method		5,829	7,548
+	Investment grants		301	2,408
+	Distributions received from investments accounted for using the equity method		55	3,360
+	Interest received		13,657	24,475
Cash flow from investing activities			**(146,946)**	**(152,113)**
+	Capital injections to consolidated companies by non-controlling interests	(26)	0	34,912
+	Proceeds from the issuance of hybrid capital	(26)	226,365	0
–	Repayment of hybrid capital	(26)	(236,700)	0
–	Distribution to shareholders	(26)	(100)	(150)
–	Interest paid on hybrid capital	(26)	(18,720)	(28,750)
+	Increase of bonds and private placements	(33)	0	581,763
+	Increase in other loans and borrowings	(33)	368,126	309,441
–	Repayment of bonds and private placements	(33)	(68,500)	(236,431)
–	Repayment of other loans and borrowings	(33)	(141,733)	(1,067,009)
–	Principal component of lease payments	(33)	(10,631)	(10,257)
–	Interest paid		(134,467)	(118,886)
Cash flow from financing activities			**(16,360)**	**(535,368)**
Total change in liquid funds			**256,439**	**(292,433)**
Liquid funds at the beginning of the year			442,297	725,639
Currency translation adjustment relating to liquid funds			(23,729)	9,091
Liquid funds at the end of the period			**675,007**	**442,297**

1) In order to enhance the transparency of information on the Lenzing Group's financial position, the consolidated statement of cash flows has been presented in a new format since the second quarter of the 2025 financial year. The comparative information was adjusted retroactively in accordance with IAS 8 (see note 2).

Notes to the Consolidated Financial Statements

as at December 31, 2025

General information

Note 1. Basic information

Description of the company and its business activities

Lenzing Aktiengesellschaft (Lenzing AG), which maintains its registered headquarters in 4860 Lenzing, Werkstrasse 2, Austria, is the parent company of the Lenzing Group (the "Group"). The shares of Lenzing AG are listed in the Prime Market Segment (since April 18, 2011) and in the ATX benchmark index (since September 19, 2011) of the Vienna Stock Exchange in Vienna, Austria.

As at December 31, 2025, Lenzing AG is controlled by the B&C Group, which directly and indirectly holds an interest of around 37.25 percent (December 31, 2024: around 37.25 percent) in the share capital of Lenzing AG. B&C KB Holding GmbH, Vienna, B&C Privatstiftung, Vienna and B&C Ares Holding GmbH, Vienna hold direct interests in Lenzing AG. The next-higher parent company which prepares and publishes consolidated financial statements that include the Lenzing Group is B&C Holding Österreich GmbH, Vienna, Austria. The ultimate parent company of the B&C Group, and therefore also of Lenzing AG, is B&C Privatstiftung, Vienna.

On June 12, 2024, Suzano S.A. acquired a 15 percent interest in Lenzing AG from the B&C Group subject to a condition precedent. The transaction was closed on August 30, 2024. According to the syndicate agreement between the B&C Group and Suzano S.A., which also became effective on August 30, 2024, the B&C Group retains sole control of Lenzing AG.

The core business of the Lenzing Group is the production and marketing of regenerated cellulosic fibers. The pulp required for production is manufactured for the most part in the Group's own plants and is supplemented by external purchases.

Basis of Reporting

The consolidated financial statements for the period from January 1 to December 31, 2025 were prepared in accordance with the IFRS accounting standards and interpretations which were endorsed in the EU and required mandatory application as of the reporting date. The additional requirements of Section 245a Para. 1 of the Austrian Commercial Code ("Unternehmensgesetzbuch") were also met.

The reporting currency is the euro (EUR), which is also the functional currency of Lenzing AG. The functional currency of the majority of the subsidiaries is the euro (EUR) or US-Dollar (USD). The figures shown in these consolidated financial statements and notes were rounded to the next thousand, unless indicated otherwise ("EUR '000"). The use of automatic data processing tools can lead to rounding differences in the addition of rounded amounts and percentage rates.

Measurement

Assets and liabilities are principally measured at amortized or depreciated cost. In contrast, other measurement methods are used for the following material positions:

- Biological assets are measured at their fair value.
- Provisions are measured at the present value of the expected settlement amount.
- Deferred tax assets and deferred tax liabilities are recognized at their nominal value. They are measured on the basis of the temporary differences existing as at the reporting date and the effective tax rate expected when the differences are realized.
- Derivative financial instruments and financial assets measured through profit or loss and through other comprehensive income are measured at their fair value.
- Puttable non-controlling interests are measured at fair value directly through retained earnings.

Estimation uncertainty and judgments

The Managing Board of Lenzing AG uses estimates, assumptions and judgments in preparing the IFRS consolidated financial statements. These estimates, assumptions and judgments are based on the circumstances as at the reporting date and have to some extent a significant effect on the presentation of the Group's financial position and financial performance. They involve the recognition and measurement of assets and liabilities, contingent receivables and

liabilities, the reporting of cash flows and income and expenses (including other comprehensive income) as well as the presentation of disclosures in the notes.

Assumptions and estimates

The following forward-looking assumptions and other major sources of estimation uncertainty as of the reporting date have a significant effect on these consolidated financial statements of the Lenzing Group:

- Intangible assets, property, plant and equipment and right-of-use assets (see note 10): determination of the recoverable amount in impairment tests in accordance with IAS 36 (impairment), in particular assumptions regarding the development of sales prices and achievable premiums, a potential change in product mix and achievable markups, and the possibility of realizing these planned changes.
- Biological assets (see note 19): determination of fair value less costs to sell.
- Financial instruments (see note 35 and note 37): determination of fair values and expected credit losses.
- Provisions (see note 30): determination of the expected settlement amount and the net liability of the defined benefit pension and severance payment plans.
- Puttable non-controlling interests (see note 35): determination of fair value.
- Deferred taxes and receivables from current taxes (see note 29): assessment of the extent to which deferred tax assets (in particular, from loss carryforwards) can be utilized and assessment of the recoverability of receivables from current taxes.

Assumptions and estimates are based on experience and other factors that are considered relevant by the Managing Board. However, the amounts ultimately realized may deviate from these assumptions and estimates if general conditions develop in a different way than the expectations at the reporting date.

Judgments when applying accounting policies

The application of accounting policies by the Lenzing Group included the following major judgments that have a material effect on these consolidated financial statements:

- Receivables under factoring agreements (see note 35, section "Transfer of financial assets (sale of receivables/factoring)"): assessment whether the derecognition criteria as defined in IFRS 9 have been met.
- Liabilities under reverse factoring agreements (see note 31 and note 32): assessment of whether the derecognition criteria as defined in IFRS 9 (financial instruments) have been met and presentation in the statement of financial position and in the cash flow statement.
- Full consolidation and equity method (see note 3, note 35 and note 41): assessment of the existence of control over subsidiaries and assessment of the existence of joint control or significant influence. Application of the present access method to puttable non-controlling interests.
- Indications of impairment (see note 10): assessment of the existence of indications of impairment or, in the case of impaired cash-generating units, assessment of whether there have been any material changes compared with the previous year.

Effects of country-specific US tariff policy on the results for the year and on estimation uncertainties and discretionary decisions

The country-specific US tariff policy announced at the beginning of April 2025 had a significant impact on the global economy in the 2025 financial year. Since then, management has been analyzing various scenarios and implementing appropriate countermeasures, particularly with regard to the cost structure. In addition, the effects of possible recessions on markets of importance to the Lenzing Group are being analyzed and measures are being identified to mitigate potential risks arising from the uncertainty arising from the current global economic situation.

The country-specific US tariff policy has an impact on the IFRS consolidated financial statements, in particular on assumptions, estimates and discretionary decisions. When preparing the consolidated financial statements, the Managing Board took developments in connection with the country-specific US tariff policy into consideration. Economic uncertainties on global markets and associated sharp fluctuations in commodity prices, changes in demand on sales markets, disruptions to supply chains and changes in both interest rates and exchange rates have the following effects on the consolidated financial statements in particular:

- The measurement of assets and liabilities measured at fair value, in particular biological assets (see note 19), financial instruments and puttable non-controlling interests (see note 35).
- The calculation and recognition of currency translation effects in the income statement and in equity (see note 36). This mainly relates to receivables and liabilities denominated in USD.
- The impairment testing of cash-generating units (see note 10, section "Impairment of intangible assets, property, plant and equipment, right-of-use assets and cash-generating units (CGUs)").

In addition, current developments in procurement and sales prices were taken into consideration in estimates and discretionary decisions (e.g. as part of corporate planning, which is used to determine recoverable amounts).

Additional information on the effects of the country-specific US tariff policy and the measures taken by the Lenzing Group can be found in the Group Management Report.

Impact of climate change on estimation uncertainties and judgments

The Lenzing Group is committed to the ecologically responsible production of fibers from the renewable raw material wood. Innovation, sustainability and the circular economy lie at the core of Lenzing's corporate strategy. The implementation of climate targets in line with the corporate strategy was one of the focus areas of the Lenzing Group's investment activities in the 2025 financial year. In this context, the Lenzing Group is continuously working on utilizing raw materials more efficiently, improving production processes and making recycled used textiles usable for fiber production. Current developments and measures relating to climate change and sustainability do not lead to fundamental changes to assumptions and estimates in terms of financial accounting. The Managing Board estimates the potential impact of climate-related opportunities and risks on the IFRS consolidated financial statements as follows:

- Useful lives of assets (see note 18): The Lenzing Group has evaluated the extent to which the useful lives of property, plant and equipment could be affected by climate-related risks. In particular, an assessment was made as to whether, on the basis of existing and announced legal and regulatory requirements, the potential pollution from individual industrial plants (for example, by exceeding emission limits) poses a risk for the granting of operating permits. No influence of external or internal obligations on useful lives was derived.
- Impairment of assets (see note 10, section "Impairment tests of intangible assets, property, plant and equipment, right-of-use assets and cash-generating units (CGUs)"): The short- and medium-term financial planning and consequently the impairment tests are based on the Lenzing Group's sustainable strategy and the sustainable business model. The short- and medium-term financial plans of the individual CGUs take appropriate account of assumptions regarding climate-related factors such as wood shortages and stricter environmental requirements for capital expenditure programs (CAPEX), technologies and production processes for achieving the Group's internal climate targets, and the ecologically sustainable product mix based upon these.
- Provisions and contingent liabilities (see note 30 and note 40): In the 2025 financial year, no new obligations arising from climate protection laws and/or climate regulations arose in the Lenzing Group that would have required the recognition of a provision or the disclosure of a contingent liability. No obligations exist to recultivate existing properties.
- Biological assets (see note 19): The measurement of the biological asset requires assumptions relating to the growth rates of mature timber. The growth rates are in turn dependent on the climatic conditions in the Minas Gerais region of Brazil. Climate change may lead to changes in the growth behavior of mature timber (e.g. accelerated or slowed growth), and thereby to the adjustment of growth assumptions in the valuation of the biological asset.

Note 2. Changes in accounting policies

The accounting policies applied by the Lenzing Group in 2025 remained unchanged in comparison with the previous financial year, with the exception of the changes described in this section.

Mandatory changes in accounting policies

The following new and amended standards and interpretations were adopted into EU law and required mandatory application by the Lenzing Group beginning with the 2025 financial year:

Standards/interpretations		Publication by the IASB	Mandatory application according to IASB for financial years from	Adopted by the EU as at 31/12/2025
IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	15/08/2023	01/01/2025	yes

The amended standard, which is to be applied from January 1, 2025, does not lead to any material changes to the Lenzing Group's financial statements.

The following new or amended standards and interpretations had been published by the IASB prior to the preparation of these consolidated financial statements, but did not require mandatory application by the Lenzing Group for financial years beginning on or before January 1, 2025:

Standards/interpretations		Publication by the IASB	Mandatory application according to IASB for financial years from	Adopted by the EU as at 31/12/2025
IFRS 10, IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	11/09/2014	unknown[1]	no
IFRS 14	Regulatory Deferral Accounts	30/01/2014	01/01/2016	no[2]
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	30/05/2024	01/01/2026	yes
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	18/12/2024	01/01/2026	yes
Various	Annual Improvements to IFRS 2021-2023	18/07/2024	01/01/2026	yes
IFRS 18	Presentation and Disclosures in Financial Statements	09/04/2024	01/01/2027	no
IFRS 19	Subsidiaries without Public Accountability: Disclosures	09/05/2024	01/01/2027	no
IFRS 19	Amendments to disclosures	21/08/2025	01/01/2027	no
IAS 21	Amendments on the effects of changes in foreign exchange rates	13/11/2025	01/01/2027	no

1) The IASB has deferred the effective date of this standard indefinitely.
2) The European Commission does not recommend the adoption of interim standard IFRS 14 into EU law at the present time.

The other aforementioned new or amended standards and interpretations were not adopted early by the Lenzing Group.

The Lenzing Group is currently evaluating the potential impact of the new standard IFRS 18 (Presentation and Disclosure in Financial Statements), particularly in relation to the structure of the consolidated income statement and the additional disclosure requirements for management-defined performance measures (MPMs). The Lenzing Group expects changes in the allocation of income and expenses between the operating result (currently presented as "earnings before interest and tax" and, under IFRS 18, to be presented as "operating profit or loss") and the financial result, which will in future be allocated to the investing and financing categories. The most significant impact identified to date relates to the reclassification of foreign exchange differences arising from cash and cash equivalents from the operating category to the investing category. The presentation of the consolidated statement of cash flows has been adjusted since the second quarter of the 2025 financial year and already complies with the requirements of IFRS 18;

accordingly, no further impacts are expected in this respect. Furthermore, the impact on the way information is grouped in the financial statements, including items currently referred to as "other", are reviewed.

The amendments to IFRS 9 and IFRS 7 supplement the existing disclosures in the notes by requiring additional explanations relating to contractual clauses that give rise to volume risk, relating to off-balance-sheet commitments, as well as relating to qualitative and quantitative information on the resultant effects on profit or loss.

The other new or amended standards and interpretations mentioned above are either not relevant for the Group or have no material impact on the Lenzing Group's results, assets, liabilities, or statement of cash flows.

The application of these standards and interpretations is generally planned following their endorsement by the EU.

Voluntary changes in accounting policies

For the presentation of the consolidated statement of cash flows, the accounting options available under IAS 7 were utilized anew in order to enhance the transparency of the information on the Lenzing Group's financial position. From the second quarter of the 2025 financial year onwards, the consolidated statement of cash flows is presented starting with earnings before tax (EBT).

Until the 2024 financial year, payments for interest received and paid (excluding the portion for leases in accordance with IFRS 16, and capitalized borrowing costs in accordance with IAS 23) as well as dividends received were allocated to cash flow from operating activities. Since the second quarter of the 2025 financial year, interest and dividends received (distributions received from investments accounted for using the equity method) are reported in cash flow from investing activities, while interest paid is reported in cash flow from financing activities.

Starting with the second quarter of the 2025 financial year, the capitalized borrowing costs in accordance with IAS 23, which were previously included in cash flow from investing activities under the item "acquisition of intangible assets, property, plant and equipment, and biological assets", are allocated to the item "interest paid" and are therefore presented in the cash flow from financing activities. As a result, the "CAPEX" figure for the comparative period was adjusted retroactively by EUR 2,574 thousand to EUR 153,761 thousand.

Furthermore, investment grants previously reported in cash flow from financing activities have been allocated to cash flow from investing activities since the second quarter of the 2025 financial year. As a result, the "free cash flow" figure for the comparative period was adjusted retroactively by EUR 2,408 thousand to EUR 169,379 thousand.

The change in presentation is made retroactively by adjusting all comparative information presented and has the following effect:

EUR '000		2024
Cash flow from operating activities (previously)		322,503
+	Interest paid (incl. share for leasing in accordance with IFRS 16 and capitalized borrowing costs in accordance with IAS 23)	118,886
–	Interest expense for leases in accordance with IFRS 16 (previously already included in cash flow from financing activities under "Repayment of other loans and borrowings")	(15,892)
–	Capitalized borrowing costs in accordance with IAS 23 (previously included in cash flow from investing activities in "acquisition of intangible assets, property, plant and equipment, and biological assets")	(2,574)
–	Interest received	(24,475)
–	Distributions received from investments accounted for using the equity method	(3,360)
+/–	Other	(40)
Cash flow from operating activities (adjusted)		**395,048**

EUR '000		2024
Cash flow from investing activities (previously)		(184,971)
+	Interest received	24,475
+	Distributions received from investments accounted for using the equity method	3,360
+	Capitalized borrowing costs in accordance with IAS 23 (previously included in "acquisition of intangible assets, property, plant and equipment, and biological assets")	2,574
+	Investment grants	2,408
+/–	Other	40
Cash flow from investing activities (adjusted)		**(152,113)**

EUR '000		2024
Cash flow from financing activities (previously)		(429,965)
–	Interest paid (incl. share for leasing in accordance with IFRS 16 and capitalized borrowing costs in accordance with IAS 23)	(118,886)
+	Interest expense for leases in accordance with IFRS 16 (previously already included in cash flow from financing activities under "Repayment of other loans and borrowings")	15,892
–	Investment grants	(2,408)
Cash flow from financing activities (adjusted)		**(535,368)**

As part of the change in presentation, the allocation of individual items to income taxes paid, interest received, and interest paid was also re-evaluated. This results in a retroactive adjustment of the comparative period for income taxes paid of minus EUR 2,255 thousand, interest received of EUR 394 thousand, and interest paid of EUR 12,044 thousand.

Note 3. Consolidation

Scope of consolidation

The consolidated financial statements of the Lenzing Group include Lenzing AG, as the parent company, and its subsidiaries, all on the basis of financial statements as at December 31, 2025.

The number of companies included in the scope of consolidation developed as follows:

Development of the number of consolidated companies (incl. parent company)

	2025		2024	
	Full-consolidation	Equity	Full-consolidation	Equity
As at 01/01	31	7	28	7
Included in consolidation for the first time during the year	0	1	3	0
Merged during the year	0	0	0	0
Deconsolidated during the year	0	0	0	0
As at 31/12	31	8	31	7
Thereof in Austria	8	3	8	3
Thereof abroad	23	5	23	4

A list of the group companies as at December 31, 2025 is provided in note 41. The most important group companies produce, and market regenerated cellulosic fibers (Segment Division Fiber) and, in some cases, pulp (Segment Division Pulp).

In October 2024, a minority interest was acquired in the Swedish cellulose fiber company TreeToTextile AB (TTT), Stockholm, Sweden. With the closing of this transaction in February 2025, the associate TTT was included in the scope of consolidation at equity.

In January 2024, the subsidiary Lenzing Business Services s.r.o., Paskov, Czech Republic, was founded and included in the scope of full consolidation.

In March 2024, the subsidiary Lenzing France SARL, Paris, France, was founded and included in the scope of full consolidation.

In September 2024, the subsidiary LD Celulose International GmbH, Vienna, Austria, was founded and included in the scope of full consolidation.

Basis of consolidation

Subsidiaries are companies controlled by the parent company. The Lenzing Group decides individually for each acquisition whether the non-controlling interests in the acquired subsidiary will be recognized at fair value or based on the proportional share of the acquired net assets. On acquisition, non-controlling interests are measured at fair value or the corresponding share of recognized net assets and are reported under equity and comprehensive income as “non-controlling interests”.

Lenzing AG holds a majority interest of 51 percent and thereby controls LD Celulose S.A., Indianópolis, Brazil. The Dexco Group holds a 49 percent interest in LD Celulose S.A. and a put option to sell its shares (puttable non-controlling interests). Lenzing AG applies the present access method for the accounting of the liability deriving from puttable non-controlling interests. Accordingly, the Dexco Group’s non-controlling interest in LD Celulose S.A. continues to be recognized in equity, and additionally a financial liability for puttable non-controlling interests is recognized (see note 35). The liability is subsequently measured at fair value directly in retained earnings.

The investments in associates and joint ventures are accounted for by applying the equity method.

The Lenzing Group wholly owns an insurance cell of White Rock Insurance (Europe) Protected Cell Company Limited, Birkirkara, Malta. This company has an insurance concession and enables the Lenzing Group to administer its operationally necessary insurance policies more effectively. The insurance cell essentially holds cash and cash equivalents. It is classified as a structured entity, and fully consolidated.

Structured entities include those assets and liabilities that are held by the Lenzing Group

The reporting currency of Lenzing AG and the Lenzing Group is the euro. The subsidiaries prepare the annual financial statements in their functional currency. The functional currency is the currency of the primary economic environment in which the respective company operates. With the exception of the subsidiaries mentioned below, the functional currency is the currency of the country or region where the subsidiary is located. The US dollar is the functional currency for LD Celulose S.A., Indianópolis, Brazil, LD Celulose International GmbH, Vienna, Austria, Lenzing (Thailand) Co., Ltd, Prachinburi, Thailand, Lenzing Singapore Pte. Ltd, Singapore, Republic of Singapore, and PT. South Pacific Viscose, Purwakarta, Indonesia.

The following key exchange rates were used for translation into the reporting currency euro:

Exchange rates for key currencies

			2025		2024	
Unit		Currency	End of the year	Average	End of the year	Average
1 EUR	USD	US Dollar	1.1750	1.1293	1.0444	1.0821
1 EUR	GBP	British Pound	0.8726	0.8566	0.8295	0.8466
1 EUR	CZK	Czech Koruna	24.2370	24.6920	25.2260	25.1190
1 EUR	CNY	Renminbi Yuan	8.2262	8.1149	7.6234	7.7863
1 EUR	BRL	Brazilian Real	6.4364	6.3055	6.4760	5.8268

For the sales company Lenzing Elyaf Anonim Şirketi, Istanbul, Turkey, hyperinflation accounting in accordance with IAS 29 was applied for the first time for the 2023 financial year. The first-time adjustment of the carrying amounts of non-monetary assets and liabilities based on a general price index was recognized directly in retained earnings and amounted to EUR 31 thousand. Gains and losses deriving from ongoing hyperinflation effects on non-monetary assets and liabilities as well as equity are recognized in other operating income or expenses in the income statement. In the 2025 financial year a loss of EUR 379 thousand (2024:EUR 360 thousand) from ongoing hyperinflation effects was recognized. The financial statements are based on the historical cost concept. The price index in Turkey as at December 31, 2025, amounted to 4,783.04 (December 31, 2024: 3,746.52).

Note 4. Segment report

The reportable segments are the “Division Fiber”, “Division Pulp” and “Others”. The Lenzing Group classifies its segments based on the differences between their products, which require individual technologies and market strategies.

The Division Fiber produces all three generations of regenerated cellulosic fibers and markets them under the product brands TENCEL™, VEOCEL™, LENZING™ ECOVERO™ and LENZING™. The products made from lyocell, modal and viscose fibers are used for the production of textiles as well as nonwovens and special applications.

The Division Pulp produces and procures dissolving pulp, which is the necessary primary and intermediate product for fiber production. The pulp is used for the company’s own cellulosic fiber production and marketed externally. The fiber and pulp production plants are used and managed independently of each other.

“Others” mainly comprises central headquarters functions, cross-divisional activities and the business activities of BZL – Bildungszentrum Lenzing GmbH, Lenzing (training and personnel development).

Information on business segments **EUR '000**

2025	Division Fiber	Division Pulp	Other	Segment total	Reconciliation	Group
Revenue from external customers	1,897,791	701,649	2,992	**2,602,432**	0	**2,602,432**
Inter-segment revenue	285	602,689	0	**602,975**	(602,975)	**0**
Total revenue	**1,898,076**	**1,304,338**	**2,992**	**3,205,407**	**(602,975)**	**2,602,432**
Cost of sales	(1,844,127)	(1,025,284)	(11,152)	**(2,880,563)**	616,508	**(2,264,056)**
Selling expenses	(173,557)	(99,936)	(10,342)	**(283,835)**	2,898	**(280,937)**
EBITDA (segment result)	108	451,537	(51,640)	**400,005**	13,024	**413,029**
EBIT	(184,431)	249,618	(60,611)	**4,576**	13,024	**17,600**
Amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets, and depletion of biological assets	(185,798)	(202,161)	(9,189)	**(397,148)**	0	**(397,148)**
Thereof impairment	(81,953)	0	0	**(81,953)**	0	**(81,953)**
Other material non-cash income (+) and expenses (-)	(7,834)	6,401	(23,578)	**(25,012)**	0	**(25,012)**
CAPEX	62,485	77,306	4,232	**144,023**	(2,940)	**141,083**
EBITDA margin[1]	0.0%	34.6%	n/a	**12.5%**	-	**15.9%**
EBIT margin[2]	(9.7)%	19.1%	n/a	**0.1%**	-	**0.7%**

1) EBITDA margin = EBITDA (operating result before depreciation and amortization) in relation to total revenue (here: according to segment reporting).
2) EBIT margin = EBIT (operating result) in relation to total revenue (here: according to segment reporting).

Information on business segments (previous year) **EUR '000**

2024	Division Fiber	Division Pulp	Other	Segment total	Reconciliation	Group
Revenue from external customers	2,033,002	627,557	3,339	**2,663,898**	0	**2,663,898**
Inter-segment revenue	469	754,049[1]	0	**754,518**[1]	(754,518)[1]	**0**
Total revenue	**2,033,471**	**1,381,606**[1]	**3,339**	**3,418,417**[1]	**(754,518)**[1]	**2,663,898**
Cost of sales	(1,853,060)	(828,558)	(3,530)	**(2,685,148)**	529,304	**(2,155,843)**
Selling expenses	(191,707)	(105,365)	(4,543)	**(301,615)**	1,113	**(300,501)**
EBITDA (segment result)	32,838	436,277	(52,495)	**416,619**	(21,193)	**395,426**
EBIT	(68,692)	243,696	(65,307)	**109,696**	(21,193)	**88,503**
Amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets, and depletion of biological assets	(102,855)	(192,816)	(13,093)	**(308,764)**	0	**(308,764)**
Thereof impairment	(3,751)	0	0	**(3,751)**	0	**(3,751)**
Other material non-cash income (+) and expenses (-)	33,531	42,199	(1,133)	**74,598**		**74,598**
CAPEX	78,977	75,984	1,274	**156,235**	(2,474)[4]	**153,761**[4]
EBITDA margin[2]	1.6%	31.6%[1]	n/a	**12.2%**[1]	-	**14.8%**
EBIT margin[3]	(3.4)%	17.6%[1]	n/a	**3.2%**[1]	-	**3.3%**

1) Retroactive adjustment of inter-segment revenue in the Division Pulp due to change in internal reporting for the respective corporate entity.
2) EBITDA margin = EBITDA (operating result before depreciation and amortization) in relation to total revenue (here: according to segment reporting).
3) EBIT margin = EBIT (operating result) in relation to total revenue (here: according to segment reporting).
4) Retroactive adjustment of EUR 2,574 thousand due to voluntary change in accounting policy. Details are explained in note 2.

The other significant non-cash operating expenses and income relate to non-cash measurement effects from biological assets, receivables, inventories and provisions.

The performance of the segments and the Group is measured by EBITDA (earnings before interest, tax, amortization of intangible assets, depreciation on property, plant and equipment and right-of-use assets and depletion of biological assets and before income from the reversal of investment grants).

Information on products and services

Revenue from external customers can be classified by products and services as follows:

Revenue from external customers by products and services		EUR '000
	2025	2024
Regenerated cellulosic fibers	1,833,233	1,965,253
Co-products of fiber production	57,661	63,406
Other	6,898	4,343
Division Fiber	**1,897,791**	**2,033,002**
Pulp	524,183	456,732
Biorefinery-products and energy	112,216	111,613
Mechanical and plant engineering, engineering services, wood and other	65,250	59,212
Division Pulp	**701,649**	**627,557**
Other	2,992	3,339
Revenue as per consolidated statement of profit or loss	**2,602,432**	**2,663,898**

Meets the disclosure requirement ESRS 2 SBM-1 40b as outlined in the European Sustainability Reporting Standards (ESRS).

No single external customer is responsible for more than 10 percent of external revenue.

Information on geographic regions

The following table provides a classification of revenue from external customers by sales market by geographic area.

Revenue from external customers by geographic regions		EUR '000
	2025	2024
Austria	88,979	88,155
Europe (excl. Austria, incl. Turkey)	674,714	751,711
Asia	1,581,918	1,571,470
America (North, Central and South America)	242,520	237,712
Rest of the world	14,300	14,850
Revenue as per consolidated statement of profit or loss	**2,602,432**	**2,663,898**

Revenue is allocated according to the geographic region of the customer.

The following table shows non-current assets (excluding other investments and tax assets; reconciled to the consolidated figures for total non-current assets) by geographic region:

Information on non-current assets by geographic regions		EUR '000
	31/12/2025	31/12/2024
Austria	782,422	791,232
Europe (excl. Austria, incl. Turkey)	205,301	205,406
Asia	498,995	676,135
America (North, Central and South America)	1,418,350	1,637,294
Subtotal	**2,905,067**	**3,310,067**
Reconciliation to consolidated figures	70,384	58,298
Consolidated total	**2,975,452**	**3,368,365**

The above amounts cover all segments of the Lenzing Group. Additional information on the segments is provided in the management report of the Lenzing Group as at December 31, 2025.

Notes on the Consolidated Income Statement

Note 5. Revenue

The breakdown of revenue is shown in the segment report (see note 4, in particular information on products and services as well as geographic regions).

Revenue results exclusively from contracts with customers in accordance with IFRS 15 (Revenue from Contracts with Customers). Revenue comprises all income generated by the typical business activities of the Lenzing Group.

Income is recognized at a point in time, and thus when ownership of the product has been transferred to the customer (i.e. with the transfer of risks), the amount of income and the related costs can be reliably determined and the economic benefits from the transaction will probably flow to the Group.

Since all performance obligations in the Lenzing Group have a term of a maximum of one year, the remaining performance obligations are not disclosed.

Contract liabilities are presented under other liabilities and consist mainly of down payments received of EUR 19,508 thousand (December 31, 2024: EUR 18,830 thousand) and accruals for discounts and rebates of EUR 5,961 thousand (December 31, 2024: EUR 4,033 thousand) (see note 32). The amount of EUR 18,738 thousand included in contract liabilities as at December 31, 2024 has been recognized as revenue in 2025 (2024: EUR 11,479 thousand).

Note 6. Functional costs

Cost of sales

The cost of sales mainly relates to the cost of materials and other purchased manufacturing services, gains and losses from changes in the fair value of biological assets, personnel expenses, depreciation and amortization and other operating expenses, in particular expenses for maintenance and repair, other third-party services and expenses for waste disposal. The expenses for maintenance and repair amount to EUR 71,747 thousand (2024: EUR 71,223 thousand) and for maintenance material and cleaning to EUR 112,415 thousand (2024: EUR 109,484 thousand).

Selling expenses

Selling expenses mainly relate to personnel expenses and other operating expenses, particularly expenses for outbound freight as well as rental and leasing expenses.

Administrative expenses

Administrative expenses mainly relate to personnel expenses and other operating expenses, in particular legal, audit and consulting expenses.

Research and development expenses

Research and development expenses mainly relate to personnel expenses and other operating expenses, in particular filing and defense costs for patents and trademarks. Research and development expenses include amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets, and depletion of biological assets amounting to EUR 1,666 thousand (2024: EUR 1,639 thousand) and income from the reversal of investment grants amounting to EUR 143 thousand (2024: EUR 143 thousand).

Note 7. Other operating income and expenses

Other operating income consists of the following:

Other operating income		EUR '000
	2025	2024
Income from the reversal of deferred income for emission certificates and from subsidies and the sale of emission certificates	77,587	10,703
Income from recharging of services and other products	31,222	24,468
Green energy bonus	11,967	1,618
Rental income	6,853	6,121
Compensation	2,205	4,250
Foreign currency gains	0	10,202
Sundry	3,745	4,408
Total	**133,578**	**61,770**

EU emission certificates were sold in the 2025 financial year (see note 27) and are allocated to the Segment Division Pulp.

The other operating expenses amounting to EUR 17,927 thousand (2024: EUR 4,949 thousand) mainly relate to foreign exchange effects (2024: asset disposals).

Note 8. Cost of material and other purchased services

The cost of material and other purchased services comprises the following:

Cost of material and other purchased services		EUR '000
	2025	2024
Material	1,160,875	1,159,992
Other purchased services	210,057	220,771
Total	**1,370,932**	**1,380,763**

The cost of material comprises primarily the input factors consumed, i.e. pulp (and wood for the internal production of pulp), key chemicals (particularly caustic soda, carbon disulfide, and sulfuric acid) and merchandise. The cost of purchased services is related mainly to the consumption of energy.

The cost of the raw material and supplies consumed during the year is based on the weighted average cost method.

Note 9. Personnel expenses

The following table shows the composition of personnel expenses:

Personnel expenses		EUR '000
	2025	2024
Wages and salaries	364,343	422,317
Expenses for severance payments and gratuity	14,775	3,152
Retirement benefit expenses	9,434	10,072
Statutory social security expenses	96,760	100,208
Other employee-related costs	9,976	10,300
Total	**495,289**	**546,049**

The expenses for severance payments mainly include those for the statutory obligations of Lenzing AG and its Austrian subsidiaries towards their employees, as well as voluntary termination payments and severance payments recognized as part of restructuring provisions (see note 30).

The number of employees in the Lenzing Group is as follows:

Number of employees (Full-time equivalents)

	2025	2024
Average	7,707	7,826[1]
As at 31/12	7,738	7,816

1) The previous year's comparative figure was adjusted due to a data correction.

The following table shows the number of employees in Lenzing AG and the Austrian subsidiaries of the Lenzing Group:

Average number of employees in Austria (Full-time equivalents)

	2025	2024
Hourly workers	1,761	1,749
Salaried employees	1,260	1,340
Total	**3,020**	**3,089**

Note 10. Amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets and depletion of biological assets

Amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets and depletion of biological assets include the following:

Amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets, and depletion of biological assets		EUR '000
	2025	2024
Amortization and depreciation	241,173	241,976
Depletion (see note 19)	74,022	63,037
Impairment	81,953	3,751
Total	**397,148**	**308,764**

Impairment

In the financial year 2025, impairment losses of EUR 81,953 thousand were allocated to cost of sales (EUR 80,121 thousand), selling expenses (EUR 1,344 thousand) and administrative expenses (EUR 487 thousand). The impairment losses in the 2024 financial year amounting to EUR 3,751 thousand were included in administrative expenses in full.

The impairment losses recognized in the 2024 financial year relate to a right-of-use asset for land of an Indian subsidiary that was established for the purpose of constructing a viscose fiber plant in India. This project was no longer pursued due to legal delays and the deterioration in the market environment. Alternative utilization options for the assets held by the company were evaluated. The recoverable amount (EUR 1,740 thousand) led to an impairment loss of EUR 3,751 thousand on land and buildings. The impairment is allocated to the Segment Division Fiber.

Impairment of intangible assets, property, plant and equipment, right-of-use assets and cash-generating units (CGUs)

If there is an indication of impairment in accordance with IAS 36, intangible assets, property, plant and equipment and right-of-use assets as well as cash-generating units (CGUs) are tested for impairment. A qualitative and quantitative analysis is performed at the reporting dates for all consolidated financial statements and interim consolidated financial statements to determine whether

there are any indications of impairment or any material year-on-year changes in impaired CGUs. This analysis is based on criteria defined by the management of Lenzing AG. Intangible assets, property, plant and equipment and right-of-use assets allocated to a CGU that includes goodwill are tested during the annual impairment testing of goodwill. The CGUs in the Lenzing Group represent, above all, the individual production sites.

The Lenzing Group initially determines the recoverable amount based on the applicable fair value less costs of disposal. The budget is approved by the Management Board and the Supervisory Board. The medium-term plans for the subsequent four years are approved by the Management Board and acknowledged by the Supervisory Board. These plans are the starting point for the cash flow projections on a post-tax basis to determine the fair value less costs of disposal. Basically, the management prepares planning accounts over a detailed planning period of five years. If the steady state is not already achieved at the end of the five-year detailed planning period, this period will be extended until a steady state of cash flows can be assumed. Subsequently, a perpetuity growth rate reflecting a sustainable long-term growth rate is applied after the detailed planning period. The estimate for the sustainable long-term growth rate generally equals half of the inflation rate expected in the relevant country during the next few years, as projected by an international economic research agency. This value usually tends to offset general inflation. A growth-related retention of financial surpluses in the perpetual annuity is taken into consideration in the planning calculations. In addition, the risks listed in the group management report are incorporated into the planning calculations. The planned/projected cash flows are discounted to their present value with a discounted cash flow method. Fair value measurement is classified in full as level 3 of the fair value hierarchy because key input factors (in particular, cash flows) cannot be observed on the market. The applied discount rate is calculated on an individual basis using the capital asset pricing model (CAPM) and represents a composite figure (weighted average cost of capital – WACC) that combines the average interest rate for debt and the anticipated return on equity employed. After-tax WACCs ranging from 8.1 percent to 8.9 percent were used in 2025 (2024: 8.4 percent to 9.0 percent) for impairment tests of CGUs that include goodwill.

The WACCs were, for the most part, determined on the basis of externally available capital market data for comparable companies (in particular, to determine the risk premium). The planning and forecasts of free cash flows are based, above all, on internal and external assumptions for the expected development of selling prices and volumes (especially for fibers and cellulose) and the related costs (in particular, raw materials like cellulose, wood and energy plus labor and taxes), including the expected market environment and market positioning. Other input factors include anticipated investments and the changes in working capital. These internal assumptions are based on past experience, current operating results and the assessment of future developments. They are supplemented by external market assumptions such as sector-specific market studies and economic outlooks.

In the financial year under review, impairment losses in accordance with IAS 36 were recognized for the CGU Fiber Site Indonesia in the amount of EUR 81,953 thousand. No impairments of CGUs in accordance with IAS 36 were recognized in the 2024 financial year.

In the 2025 and 2024 financial years, no significant changes were identified for impaired CGUs compared to the previous year that would have led to a reversal of impairment.

Impairment test of the CGU Fiber Site Indonesia

The CGU Fiber Site Indonesia produces viscose fibers in Purwakarta, Indonesia. The deterioration of the market environment, which was primarily influenced by the effects of country-specific US tariff policy, has led to substantial losses for the Fiber Site Indonesia CGU. In addition, a resolution was passed in the third quarter of the 2025 financial year to review the strategic options for the site in Indonesia, including a possible sale. This triggered an indication of impairment in accordance with IAS 36 for the CGU Fiber Site Indonesia. As a consequence, the recoverable amount of the non-current assets, in particular property, plant and equipment, was determined. The fair values less costs to sell of the individual assets represent the lower limit for the impairment. The calculated fair value less costs to sell (EUR 13,207 thousand) resulted in an impairment requirement in the amount of EUR 81,953 thousand. Impairment losses were applied to land and buildings in the amount of EUR 24,012 thousand, to technical equipment, machinery, operating, and office equipment in the amount of EUR 54,837 thousand, and to advance payments and assets under construction in the amount of EUR 3,103 thousand. All assets are allocated to the Fiber Division segment.

As the lower limit for any further potential impairment loss is represented by the fair value less costs to sell, an adjustment of the discount rate (WACC) would not have led to any further impairment loss.

In the 2024 financial year, the recoverable amount of the CGU Fiber Site Indonesia was determined due to an indication of impairment in accordance with IAS 36. The recoverable amount provided sufficient coverage of the carrying amounts. This resulted in sufficient coverage of the carrying amounts.

Impairment test of the CGU Fiber Site China

CGU Fiber Site China produces viscose and modal fibers in Nanjing, China. Due to an indication of impairment as per IAS 36, the recoverable amount of the CGU Fiber Site China was determined for the 2025 financial year. The recoverable amount was sufficient to cover the carrying amounts.

Impairment test of CGUs to which goodwill is allocated

Goodwill was allocated to the following segments/cash-generating units (CGUs) as at the reporting date:

Goodwill by segment/CGU		EUR '000
	31/12/2025	31/12/2024
Segment Division Pulp		
CGU Pulp Site Czech Republic	10,896	10,469
Segment Divison Fiber		
Other CGUs	4,114	4,389
Total	**15,010**	**14,858**

The recoverable amount of the largest CGU with goodwill in 2025 – the CGU Pulp Site Czech Republic – was determined on the basis of fair value less costs of disposal. The measurement of fair value is classified in full under level 3 of the fair value hierarchy. The following individual assumptions from the most recent impairment tests were used for annual testing:

Assumptions for impairment testing of the largest CGU to which goodwill was allocated

	2025	2024
CGU Pulp Site Czech Republic		
Average annual operating margin in planning period	5.2%	10.1%
Long-term growth rate of perpetual yield	1.2%	1.2%
After-tax discount rate (WACC)	8.3%	9.0%

The average revenue growth of the Pulp Site Czech Republic during the detailed planning period equals 2.2 percent per year (2024: 1.7 percent per year).

The estimated fair value less costs of disposal of the CGU Pulp Site Czech Republic exceeds the carrying amount by EUR 43,720 thousand (2024: EUR 199,054 thousand). The following table shows a sensitivity analysis with hypothetical scenarios for the key assumptions as well as the possible changes in value as at the reporting date which, if they occurred, would result in the recoverable amount equaling the carrying amount of the CGU plus goodwill.

Sensitivity analysis of assumptions for impairment testing

	Values relating to key assumptions	Change in values relating to key assumptions for which the recoverable amount would equal the carrying amount
CGU Pulp Site Czech Republic		
Operating margin	5.2%	minus 1.5 percentage points
After-tax discount rate (WACC)	8.3%	plus 1.7 percentage points

Sensitivity analysis of assumptions for impairment testing (previous year)

	Values relating to key assumptions	Change in values relating to key assumptions for which the recoverable amount would equal the carrying amount
CGU Pulp Site Czech Republic		
Operating margin	10.1%	minus 7.4 percentage points
After-tax discount rate (WACC)	9.0%	plus 9.1 percentage points

The other CGUs with goodwill include the CGU Fiber Site UK, the CGU Fiber Site Heiligenkreuz, and the CGU Fiber Site USA. For these, a long-term growth rate of 1.0 percent to 1.2 percent (2024: of 1.0 percent to 1.2 percent) was taken into account as perpetual yield.

In addition to the annual impairment test for CGUs with goodwill, in the 2025 and 2024 financial years an additional indication of impairment in accordance with IAS 36 was identified at the CGU Heiligenkreuz Fiber Site due to the deterioration in the market environment, which has an impact on the volume and price structure of the fibers produced, and the recoverable amount was determined accordingly. This resulted in sufficient coverage of the carrying amounts in both years. The average EBITDA growth of the CGU Fiber Site Heiligenkreuz during the detailed planning period was a multiple of that in perpetuity in the 2025 financial year as well as in the 2024 financial year. The operating margin of the CGU Fiber Site Heiligenkreuz amounts to 3.2 percent (2024: 3.9 percent) and could decrease by a maximum of 0.5 percentage points (2024: 0.7 percentage points) so that the carrying amounts are sufficiently covered by the recoverable amount. The discount rate (WACC) amounts to 8.1 percent (2024: 8.4 percent) and could increase by a maximum of 1.0 percentage points (2024: 1.4 percentage points). The determined recoverable amount would increase by EUR 54,761 thousand or decrease by EUR 54,958 thousand if the planned EBITDA increased (decreased) by 20 percent. In the event of a 10 percent reduction in EBITDA, the recoverable amount would be EUR 32,924 thousand below the carrying amounts.

The planned EBITDA was estimated on the basis of past experience, with the following key assumptions:

- The revenue growth is dependent on the CCF price derivation including premiums for special products. This assumes an ongoing premiumization of the portfolio, resulting in average growth of 6.2% in the detailed planning period.
- The planned investments include one investment in the detailed planning period that will lead to potential savings and consequently exert a significant impact on the planned EBITDA.

Note 11. Auditors' fees

The fees expensed for services provided by KPMG Austria GmbH, Linz, comprise the following:

Auditors' fees expensed **EUR '000**

2025	Lenzing AG	Subsidiaries	Total
Audit of the annual financial statements (incl. consolidated financial statements)	421	165	586
Other assurance services	381	0	381
Other services	63	0	63
Total	**865**	**165**	**1,030**

Auditors' fees expensed (previous year) **EUR '000**

2024	Lenzing AG	Subsidiaries	Total
Audit of the annual financial statements (incl. consolidated financial statements)	626	170	796
Other assurance services	308	0	308
Other services	64	0	64
Total	**998**	**170**	**1,169**

The fees for other assurance services mainly relate to fees for the review of the consolidated half-year financial statements as well as the Sustainability Report.

Note 12. Income from investments accounted for using the equity method

The result of minus EUR 3,373 thousand (2024: EUR 0 thousand) arises from the Group's share of the current result as well as the measurement of associated companies and joint ventures. No impairment losses or reversals of impairment losses were recognized in the 2025 and 2024 financial years.

Note 13. Income from non-current and current financial assets and liabilities

The income from non-current and current financial assets and liabilities consists of the following items:

Result from non-current and current financial assets and liabilities **EUR '000**

	2025	2024
Income from non-current and current financial assets		
Interest income from bank balances, originated loans and receivables	20,581	27,482
Income from dividends for equity instruments measured at fair value through other comprehensive income	156	156
Measurement of financial assets at fair value through profit or loss	339	118
Net foreign currency gains from financial assets	0	7,422
	21,075	**35,177**
Expenses from non-current and current financial assets		
Measurement and loss from the disposal of financial assets at amortized cost	(791)	(1,074)
Net foreign currency losses from financial assets	(22,127)	0
	(22,918)	**(1,074)**
Income and expenses from non-current financial liabilities		
Change in the fair value of contingent considerations	1,140	(273)
	1,140	**(273)**
Total	**(703)**	**33,830**

As of December 31, 2025 a decrease in the contingent consideration, arising from the acquisition of the biomass power plant in the financial year 2023, of EUR 1,140 thousand (December 31, 2024: increase of EUR 273 thousand) was recognized. The contingent consideration is recognized on the consolidated balance sheet under other financial liabilities.

Note 14. Financing costs

Financing costs comprise the following:

Financing costs **EUR '000**

	2025	2024
Net foreign currency gains/losses from financial liabilities	(186)	(164)
Interest expense from bonds and private placements	(56,257)	(27,537)
Interest expense for bank loans, other interest and similar expenses	(94,845)	(153,881)
Capitalized borrowing costs for property, plant and equipment and biological assets	15,279	17,244
Total	**(136,009)**	**(164,339)**

Note 15. Income tax expense

This item includes current income tax expense as well as income/expense from deferred taxes (changes in deferred tax assets and deferred tax liabilities) and comprises the following:

Income tax expense by source		EUR '000
	2025	2024
Current income tax expense		
Austria	2,216	(20,681)
Abroad	27,104	37,304
	29,320	**16,623**
Income/expense from deferred taxes	(16,592)	79,651
Total	**12,728**	**96,273**

Income tax expense by cause		EUR '000
	2025	2024
Current income tax expense		
Tax expense for current year	40,601	44,398
Reduction due to the use of tax losses	(8,960)	0
Reduction due to the use of tax credits	(78)	(280)
Tax expense relating to other accounting periods	(2,243)	(27,495)
	29,320	**16,623**
Income/expense from deferred taxes		
Recognition and reversal of temporary differences	(34,375)	67,248
Change in capitalized loss carryforwards	7,959	31,283
Effects of previously unrecognized temporary differences from prior periods	4,945	(29,272)
Changes in valuation adjustment to deferred tax assets (excl. loss carryforwards)	4,879	10,391
	(16,592)	**79,651**
Total	**12,728**	**96,273**

The item "Change in capitalized loss carryforwards" relates to the capitalization of loss carryforwards incurred in the financial year in the amount of minus EUR 973 thousand (2024: minus EUR 16,094 thousand) and the utilization of capitalized loss carryforwards in the amount of EUR 8.933 thousand (2024: EUR 0 thousand). Moreover, a valuation allowance on deferred tax assets recognized in prior years for loss carryforwards not yet utilized amounting to EUR 47,377 thousand was included in this item in the 2024 financial year.

The reconciliation of calculated income tax expense based on the Austrian corporate tax rate of 23 percent (December 31, 2024: 23 percent) to effective income tax expense is shown in the following table:

Tax reconciliation		EUR '000
	2025	2024
Earnings before tax (EBT)	(122,485)	(42,005)
Calculated tax expense (23% of earnings before tax)	(28,172)	(9,661)
Deductible distribution of hybrid coupon	(4,306)	(6,613)
Tax-free income and tax allowances (particularly research allowance)	(1,411)	(1,455)
Non-deductible expenses and similar permanent differences	4,495	5,962
Non-deductible withholding taxes	2,707	5,582
Income from investments accounted for using the equity method	776	0
Effect of different tax rates	9,293	6,655
Taxes from prior periods	2,702	20,968
Exchange rate differences resulting from the translation of tax items from local into functional currency	(25,286)	47,480
Change in unrecognized deferred tax assets from loss carryforwards, interest carryforwards, tax credits and other temporary differences	53,210	26,586
Other	(1,282)	768
Effective tax expense	**12,728**	**96,273**

As in the previous year, the ratio of effective income tax expense to earnings before tax is disproportionate in the 2025 financial year. The Group reports significant reconciliation items arising from write-downs on tax assets (in particular from non-capitalized loss carryforwards arising in the Austrian tax group as well as in Indonesia, China, and Thailand). Furthermore, tax expense was affected by currency effects from the translation of tax items from the local currency into the functional currency. In addition, a tax-deductible distribution to hybrid capital holders was realized in the 2024 and 2025 financial years.

In the 2024 financial year the "Taxes from prior periods" item included an additional tax claim of EUR 23,019 thousand of the former tax group with the B&C Group (see also note 38). This additional tax claim resulted from the retroactive withdrawal from the B&C tax group as early as the 2022 financial year (EUR 22,209 thousand), and from a correction of the tax allocation for the 2021 financial year in the amount of EUR 810 thousand.

Lenzing AG and the Austrian subsidiaries of the Lenzing Group are subject to an income tax rate of 23 percent. The income tax rates for foreign companies range from 9.9 percent to 34 percent (December 31, 2024: from 9.9 percent to 34 percent).

B&C Privatstiftung, Vienna, is the ultimate parent company of Lenzing AG and its subsidiaries for the purposes of the minimum taxation rules. In accordance with minimum taxation rules, Lenzing AG is a partially owned parent company.

An evaluation of the effects of the new minimum taxation rules for the Lenzing Group as a subgroup of the B&C Group was conducted. Due to the temporary safe harbor regulations and based on the minimum tax calculation, no material impact on the recognition and measurement of tax assets and liabilities was identified in a stand-alone analysis of the Lenzing Group subgroup for the 2025 and 2024 financial years. Insofar as minimum taxation rules are applicable (as is currently the case in Hong Kong and Malta), the financial impact was assessed for the 2025 financial year (taking into account the primary supplementary taxes applicable in Austria and Malta, as well as the national supplementary tax in Hong Kong). At EUR 1 thousand, no material effects were identified for the Lenzing Group.

The Lenzing Group applies the temporary, mandatory exemption with regard to the recognition of deferred taxes arising from the introduction of global minimum taxation and recognizes these as current tax expense/income when they arise.

Note 16. Earnings per share

Earnings per share are calculated as follows:

Earnings per share		EUR '000
	2025	2024
Net profit/loss after tax attributable to shareholders of Lenzing AG used in the calculation of earnings per share	(210,306)	(156,601)
Weighted average number of shares	38,618,180	38,618,180
	EUR	EUR
Diluted = basic	(5.45)	(4.06)

Earnings per share are calculated by dividing the share of net (after tax) income/loss for the year attributable to shareholders of Lenzing AG, reduced by the share of hybrid capital holders amounting to EUR 38,274 thousand (2024: EUR 28,750 thousand), by the weighted average number of shares outstanding during the year.

Notes to the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Changes in Equity

Note 17. Intangible assets

Development

Intangible assets developed as follows

Development of intangible assets **EUR '000**

2025	Goodwill	Concessions, industrial property rights, licenses and similar rights	Internally generated intangible assets	Total
Cost				
As at 01/01/2025	100,547	30,907	44,469	**175,923**
Currency translation adjustment	(9,372)	(470)	0	**(9,842)**
Addition	0	1,331	0	**1,331**
Disposals	0	(195)	0	**(195)**
As at 31/12/2025	91,175	31,574	44,469	**167,218**
Accumulated amortization				
As at 01/01/2025	(85,689)	(26,659)	(39,741)	**(152,089)**
Currency translation adjustment	9,524	277	0	**9,801**
Amortization	0	(1,647)	(1,040)	**(2,688)**
Disposals	0	195	0	**195**
As at 31/12/2025	(76,165)	(27,835)	(40,781)	**(144,781)**
Carrying amount as at 01/01/2015	14,858	4,248	4,728	**23,835**
Carrying amount as at 31/12/2025	**15,010**	**3,739**	**3,688**	**22,437**

Development of intangible assets (previous year) **EUR '000**

2024	Goodwill	Concessions, industrial property rights, licenses and similar rights	Internally generated intangible assets	Total
Cost				
As at 01/01/2024	**95,879**	**30,044**	**44,906**	**170,829**
Currency translation adjustment	4,668	208	0	**4,876**
Addition	0	810	0	**810**
Disposals	0	(155)	(437)	**(592)**
As at 31/12/2024	**100,547**	**30,907**	**44,469**	**175,923**
Accumulated amortization				
As at 01/01/2024	**(80,990)**	**(24,517)**	**(38,595)**	**(144,102)**
Currency translation adjustment	(4,699)	(112)	0	**(4,812)**
Amortization	0	(2,033)	(1,146)	**(3,179)**
Impairment	0	0	0	**0**
Disposals	0	4	0	**4**
As at 31/12/2024	**(85,689)**	**(26,659)**	**(39,741)**	**(152,089)**
Carrying amount as at 01/01/2024	14,889	5,528	6,311	**26,728**
Carrying amount as at 31/12/2024	**14,858**	**4,248**	**4,728**	**23,835**

Of the additions in the 2025 financial year, EUR 1,331 thousand (2024: EUR 810 thousand) relate to purchased intangible assets. Development costs are recognized as intangible assets if the specific requirements of IAS 38 are met, in particular the ability to generate future economic benefits.

The revaluation option was not exercised. Amortization is calculated according to the straight-line method based on the estimated useful lives. The estimated useful lives of the major asset classes are as follows:

Useful lives for intangible assets

	Years
Software/computer programs	4 to 7
Licenses and other intangible assets	
Purchased	4 to 25
Internally generated	7 to 15

All items of intangible assets are tested for impairment in accordance with IAS 36 if there are any indications that these assets may be impaired (see note 10).

The amortization of concessions, industrial property rights, licenses, similar rights and internally generated intangible assets is presented in the cost of sales, selling expenses, administrative expenses as well as research and development expenses.

Note 18. Property, plant and equipment

Development

Property, plant and equipment developed as follows:

Development of property, plant and equipment — **EUR '000**

2025	Land and buildings	Technical equipment and machinery, factory and office equipment	Down payments and assets under construction	Total
Cost				
As at 01/01/2025	**1,270,107**	**5,020,698**	**141,817**	**6,432,622**
Currency translation adjustment	(77,872)	(252,776)	(5,542)	**(336,190)**
Reclassification right of use assets	0	3,637	0	**3,637**
Addition	3,285	65,455	54,383	**123,123**
Disposals	(338)	(7,497)	0	**(7,835)**
Reclassifications	10,817	70,092	(80,909)	**0**
As at 31/12/2025	**1,205,999**	**4,899,609**	**109,750**[1]	**6,215,357**
Accumulated depreciation				
As at 01/01/2025	**(548,073)**	**(2,987,479)**	**(26,139)**	**(3,561,691)**
Currency translation adjustment	25,507	105,009	3,041	**133,556**
Reclassification right of use assets	0	(1,667)	0	**(1,667)**
Depreciation	(34,370)	(189,250)	0	**(223,619)**
Impairment	(24,012)	(54,837)	(3,103)	**(81,953)**
Disposals	203	7,193	0	**7,396**
As at 31/12/2025	**(580,745)**	**(3,121,031)**	**(26,201)**	**(3,727,978)**
Carrying amount as at 01/01/2015	722,034	2,033,219	115,678	**2,870,931**
Carrying amount as at 31/12/2025	**625,253**	**1,778,578**	**83,549**	**2,487,379**

1) The down payments amounted to EUR 5,142 thousand as at December 31, 2025. The increase in down payments by EUR 1,345 thousand compared to December 31, 2024, arises from currency translation differences of EUR 7 thousand and additions in down payments rendered of EUR 1,338 thousand.

Development of property, plant and equipment (previous year)

EUR '000

2024	Land and buildings	Technical equipment and machinery, factory and office equipment	Down payments and assets under construction	Total
Cost				
As at 01/01/2024	**1,195,510**	**4,758,149**	**193,533**	**6,147,191**
Currency translation adjustment	37,321	121,349	4,612	**163,281**
Addition	11,068	64,493	56,721	**132,281**
Disposals	(54)	(10,077)	0	**(10,131)**
Reclassifications	26,264	86,785	(113,048)	**0**
As at 31/12/2024	**1,270,107**	**5,020,698**	**141,817**[1]	**6,432,622**
Accumulated depreciation				
As at 01/01/2024	**(497,379)**	**(2,759,313)**	**(24,786)**	**(3,281,478)**
Currency translation adjustment	(11,456)	(48,208)	(1,353)	**(61,017)**
Depreciation	(35,488)	(188,422)	0	**(223,910)**
Impairment	(3,751)	0	0	**(3,751)**
Disposals	0	8,464	0	**8,464**
As at 31/12/2024	**(548,073)**	**(2,987,479)**	**(26,139)**	**(3,561,691)**
Carrying amount as at 01/01/2024	698,131	1,998,835	168,747	**2,865,713**
Carrying amount as at 31/12/2024	**722,034**	**2,033,219**	**115,678**	**2,870,931**

1) The down payments amounted to EUR 3,798 thousand as at December 31, 2024. The decrease in down payments by EUR 2,348 thousand compared to December 31, 2023, arises from currency translation differences of EUR 79 thousand, and reductions in down payments rendered of minus EUR 2,428 thousand.

Property, plant and equipment are measured at cost, including capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated according to the straight-line method based on the estimated useful lives. The estimated useful lives of the major asset classes are as follows:

Useful lives for property, plant and equipment

	Years
Land use rights	30 to 50
Buildings	10 to 50
Fiber and pulp production lines	5 to 15
Energy production plants	4 to 25
Other machinery	4 to 20
Vehicles	4 to 20
Office equipment and other fixtures and fittings	2 to 15
IT hardware	2 to 7

All items of property, plant and equipment are tested for impairment in accordance with IAS 36 if there are any indications that these assets may be impaired (see note 10).

Operating leases as a lessor

Operating leases are in place for land and buildings with acquisition cost of EUR 42,552 thousand as at December 31, 2025 (December 31, 2024: EUR 42,622 thousand). The carrying amount of this land and buildings is EUR 8,713 thousand as at December 31, 2025 (December 31, 2024: EUR 9,262 thousand). Depreciation of EUR 818 thousand was recognized on these assets in the 2025 financial year (2024: EUR 808 thousand). For further details on rental income from operating leases see note 20.

Capitalization of borrowing costs

Borrowing costs of EUR 1,212 thousand were capitalized on property, plant and equipment in 2025 (2024: EUR 2,574 thousand). A weighted average interest rate or 3.48 percent (2024: 3.02 percent) was used.

The Lenzing Group defines qualifying assets as construction projects or other assets that require at least twelve months to be ready for their intended use or sale. They are capitalized under the item “financing costs” and the respective asset account. All other borrowing costs are recognized in the financial result for the period in which they are incurred.

Note 19. Biological assets

Biological assets comprise standing trees of a plantation in Minas Gerais, Brazil, which are used as a raw material for pulp production. In accordance with IAS 41 (Agriculture), biological assets are presented at fair value in the consolidated statement of financial position. The plantation is recognized at fair value less estimated costs to sell at the harvest at level 3 of the fair value hierarchy. It is assumed that fair values can be measured. Measurement of biological assets is monitored and reviewed by the Lenzing Group. The necessary market data are validated on the basis of the dual control principle.

The measurement is based on a discounted cash flow model on the basis of sustainable forest management plans, industry benchmarks for wood prices and delivery costs and taking into account the growth cycle. A wood price based on a multi-quarter average of industry benchmarks is used for the valuation. The annual harvest from the projected tree growth is multiplied by wood prices, and the forestry and harvesting costs are deducted. The fair value of the plantation is measured as the present value of the harvest from one growth cycle on the basis of the productive forest area, taking into account environmental restrictions and other reservations. The determined fair value would increase (decrease) in particular if both the timber price and the timber volume were to increase (decrease). The calculated fair value would decrease (increase) if the discount rate were to increase (decrease).

Young standing timber less than one year old is considered an immature asset and is recognized at cost. After a growth period of seven years the wood reaches maturity and from that point on the standing trees are harvested. When harvested, biological assets are transferred to the item inventories of the consolidated statement of financial position. Changes in the fair value of hedging instruments in relation to the foreign exchange risk are recognized in the income statement under the cost of sales.

As at December 31, 2025, the plantation comprised approximately 40,635 hectares of eucalypt wood (December 31, 2024: 40,817 hectares) and 349 hectares of pine wood (December 31, 2024: 497 hectares). The wood is up to 16 years (December 31, 2024: 15 years) old. Wood amounting to EUR 15,811 thousand (December 31, 2024: EUR 15,736 thousand) is less than one year old and therefore considered an immature asset.

Biological assets developed as follows:

Development of biological assets EUR '000

	2025	2024
As at 01/01	192,217	194,759
Acquisition	5,164	7,259
Capitalized production costs	39,111	37,076
Depletion	(74,022)	(63,037)
Change in the fair value	36,317	5,195
Currency translation adjustment	(22,149)	10,965
As at 31/12	**176,639**	**192,217**

The capitalized production costs include capitalized borrowing costs of EUR 14,068 thousand (2024: EUR 14,669 thousand), the financing cost rate of which is 14.1 percent (2024: 14.1 percent). The consumption-based depreciation (depletion) relates to reductions in biological assets as a result of harvesting. The gains and losses from the change in the fair value of biological assets in the amount of EUR 23,953 thousand (2024: EUR 32,199 thousand) are included in the cost of sales. They consist of the regular remeasurement of EUR 36,317 thousand (2024: EUR 5,195 thousand) and foreign currency gains/losses of minus EUR 12,363 thousand (2024: EUR 27,004 thousand) from the remeasurement of the lease liability for the land use right which is directly related to the plantation.

The following assumptions were made:

Assumptions of level 3 input factors for biological assets

	31/12/2025	31/12/2024
Market price EUR/m³	22.57	22.01
Discount rate	6.94%	7.96%
Wood volume m³	6,959,714	8,414,007

A change in key input factors which cannot be observed on the market would have the following effects on the measurement of biological assets:

Sensitivity analysis of level 3 input factors for biological assets as at 31/12/2025 EUR '000

	Increase	Decrease
Change in the market price (+/- 10%)	20,343	(20,343)
Discount rate (+/- 1%)	(3,187)	3,415
Wood volume (+/- 5%)	10,172	(10,172)

Sensitivity analysis of level 3 input factors for biological assets as at 31/12/2024 EUR '000

	Increase	Decrease
Change in the market price (+/- 10%)	20,880	(20,880)
Discount rate (+/- 1%)	(2,285)	2,446
Wood volume (+/- 5%)	10,441	(10,441)

Note 20. Right-of-use assets

The Lenzing Group as the lessee

The Lenzing Group has obligations from rental and lease agreements for property, plant and equipment, which are recognized as right-of-use-assets in the consolidated statement of financial position. The corresponding lease liabilities are reported as part of financial liabilities (see note 28).

The following table shows the development of right-of-use assets classified by type of asset:

Development of right-of-use assets **EUR '000**

2025	Land and buildings	Technical equipment and machinery, factory and office equipment	Total
Carrying amount as at 01/01	124,369	14,964	**139,333**
Addition	7,649	8,738	**16,387**
Disposals	0	(320)	**(320)**
Reclassification to property, plant and equipment	0	(1,970)	**(1,970)**
Depreciation fiscal year	(6,881)	(7,985)	**(14,866)**
Currency translation adjustment	(13,576)	(359)	**(13,935)**
Carrying amount as at 31/12	**111,560**	**13,068**	**124,629**

Development of right-of-use assets (previous year) **EUR '000**

2024	Land and buildings	Technical equipment and machinery, factory and office equipment	Total
Carrying amount as at 01/01	120,017	14,531	**134,547**
Addition	5,071	8,026	**13,097**
Disposals	(126)	(65)	**(191)**
Depreciation fiscal year	(7,028)	(7,745)	**(14,773)**
Currency translation adjustment	6,435	216	**6,651**
Carrying amount as at 31/12	**124,369**	**14,964**	**139,333**

In the 2025 financial year, the main items included EUR 5,723 thousand of right-of-use assets recognized for the index increase for land use rights, EUR 3,706 thousand for forklifts, cars and other vehicles, EUR 3,520 thousand for machinery, EUR 1,871 thousand for offices and warehouses and EUR 1,500 thousand for wagons.

In the 2024 financial year, the main items included EUR 4,825 thousand of right-of-use assets recognized for wagons, EUR 2,720 thousand recognized for the index increase for land use rights, EUR 2,516 thousand for forklifts, cars and other vehicles, EUR 2,057 thousand for warehouses and open spaces and EUR 666 thousand for machinery.

The terms and conditions of the main leases can be summarized as follows:

- **Land use rights**: The biological assets (see note 19) are located on land which is not owned by the Lenzing Group. Land use rights are in place for this land. The lease has a term of 30 years, with an option to extend the lease by 19 years after 30 years. This extension option was not taken into account in estimating the expected term of the lease because the use of the biological assets in 30 years is not sufficiently certain from today's perspective. Price adjustment clauses exist.
- **Office and storage premises**: The leases have a term of up to five years and some contracts have an indefinite term. Ordinary useful lives were applied to office and storage premises with indefinite useful lives where economic exit barriers exist. These leases do not include an option to purchase the office and storage premises at the end of the contract term. Some of the leases include price adjustment clauses.
- **Wagons**: The leases have a term of up to 15 years. The option exists to terminate the contracts after a minimum term. Some of the leases have price adjustment clauses.
- **Wastewater treatment plant**: The lease agreement relates to a lease for an industrial primary clarifier and related expansion investments. The plant, including the land, became property of the Lenzing Group in the financial year 2025. The payment of the transfer fee will be paid in the financial year 2026.

Termination and extension options are considered when estimating the expected term of the leases if it is sufficiently certain that they will or will not be exercised. The Lenzing Group estimates that possible future cash outflows from extension options which were not taken into account in the measurement of the lease liability could result in an increase in the lease liability and the related future cash outflows by EUR 4,157 thousand (December 31, 2024: EUR 3,435 thousand).

The following expenses relating to leases were recognized in the consolidated income statement in the 2025 financial year.

Expenses from leases **EUR '000**

	2025	2024
Expenses relating to short-term leases	7,130	8,548
Expenses relating to variable leases	12,556	12,631
Expenses relating to leases of low-value assets	1,341	1,963
Non-lease components	1,091	1,122
Rental and leasing expenses	**22,118**	**24,264**
Interest on lease liabilities = Financing costs	**15,328**	**15,909**

Short-term leases are leases with a term of less than one year. Where contracts have no term, leases are considered short-term leases if both parties have a right to terminate the contract, which can be exercised without the consent of the counterparty and no termination penalties or economic barriers exist. Leases with exclusively variable lease payments that are not linked to an index or (interest) rate are not capitalized as right-of-use assets.

Expenses relating to variable leases mainly include variable rental payments for warehouses based on monthly storage quantities.

The Lenzing Group has concluded several long-term power purchase agreements for electricity generated from renewable energy sources in order to achieve its climate targets and hedge against fluctuating prices (see note 37 "Commodity risk"). Some of the electricity purchase agreements are leases where the payments are entirely variable and are therefore included in the variable lease payments.

In the 2025 financial year, cash outflows for leases total EUR 47,010 thousand (2024: EUR 49,291 thousand). They include expenses relating to short-term and variable leases and to leases of low-value assets.

The rental and leasing expenses are fully cash-effective and included in cash flow from operating activities. The cash flows incurred in connection with the repayment of lease liabilities are explained in note 33.

All right-of-use assets are tested for impairment in accordance with IAS 36 if there are any indications that these assets may be impaired (see note 10).

The Lenzing Group as the lessor

The future undiscounted minimum lease payments during the non-cancellable term of the leases relate primarily to land and buildings and are as follows, classified by year:

Undiscounted annual minimum lease payments as lessor — **EUR '000**

	31/12/2025	31/12/2024
In the following year	4,882	3,990
In the following 1 to 2 years	4,566	3,680
In the following 2 to 3 years	4,277	3,680
In the following 3 to 4 years	4,088	3,674
In the following 4 to 5 years	4,071	3,670
Thereafter	14,211	0
Total	**36,096**	**18,695**

The most important lease involves land on which a recycling plant is operated. The lease payments are indexed. The lease was concluded for an indefinite term and can be canceled at the earliest as at December 31, 2040, subject to a six-year notice period.

Rental income for the 2025 financial year is shown in note 7.

The Lenzing Group classifies these leases as operating leases since the main risks and opportunities associated with ownership are retained.

Note 21. Investments accounted for using the equity method

Investments accounted for using the equity method comprise the following:

Carrying amounts of investments accounted for using the equity method — **EUR '000**

	31/12/2025	31/12/2024
TreeToTextile AB (TTT)	14,316	0
Lenzing Papier GmbH (LPP)	7,481	6,982
Other associates	4,660	4,832
LD Florestal S.A. (LDF)	11,478	13,033
Other joint ventures	100	107
Total	**38,035**	**24,954**

The investments in associates represent shares in companies in which the Lenzing Group can exert significant influence over financial and operating policies. Joint ventures are joint arrangements managed by the Lenzing Group together with one or more partners, whereby the Lenzing Group has rights to the net assets of the arrangement.

The main investments accounted for using the equity method include, in particular, the interest in TreeToTextile AB (TTT), Stockholm, Sweden, which is allocated to the Fiber Division segment as well as Lenzing Papier GmbH (LPP), Lenzing, which is allocated to the "Others" segment and LD Florestal S.A. (LDF), Indianópolis, Brazil, which is allocated to the Pulp Division segment. For the strategic importance of the other investments accounted for using the equity method and their relationship with the Lenzing Group, please see note 38.

Investments accounted for using the equity method developed as follows:

Development of the carrying amounts of investments accounted for using the equity method **EUR '000**

2025	TTT	LPP	Other associates	LDF	Other joint ventures	Total
As at 01/01	**0**	**6,982**	**4,832**	**13,033**	107	**24,954**
Addition	16,171	0	0	0	0	**16,171**
Share in profit or loss of investments accounted for using the equity method	(2,197)	393	97	(1,671)	6	**(3,373)**
Other comprehensive income – remeasurement of defined benefit liability	0	106	0	0	0	**106**
Other comprehensive income – foreign currency translation differences arising during the year and other	342	0	(228)	115	2	**232**
Distributions	0	0	(40)	0	(15)	**(55)**
As at 31/12	**14,316**	**7,481**	**4,660**	**11,478**	**100**	**38,035**

Development of the carrying amounts of investments accounted for using the equity method (previous year) **EUR '000**

2024	TTT	LPP	Other associates	LDF	Other joint ventures	Total
As at 01/01	**0**	**9,651**	**4,836**	**16,425**	134	**31,045**
Result from remeasurement of investments accounted for using the equity method	0	0	0	0	0	**0**
Share in profit or loss of investments accounted for using the equity method	0	647	14	(676)	14	**0**
Other comprehensive income – remeasurement of defined benefit liability	0	(36)	0	0	0	**(36)**
Other comprehensive income – foreign currency translation differences arising during the year and other	0	0	22	(2,716)	(2)	**(2,696)**
Distributions	0	(3,280)	(40)	0	(40)	**(3,360)**
As at 31/12	**0**	**6,982**	**4,832**	**13,033**	**107**	**24,954**

The Lenzing Group recognizes both measurement effects and the results from investments accounted for using the equity method together in income from investments accounted for using the equity method.

The Lenzing Group, as at December 31, 2025, held 22.6 percent of capital and voting rights in TTT (December 31, 2024: 0.0 percent). The core business of TTT, which is not publicly listed, is the research, production, and sale of sustainably regenerated cellulosic fibers. The relations between the Lenzing Group and this company are described in note 38.

The following table provides summarized financial information on TTT in accordance with local accounting standards (100 percent):

Summarized financial information on TTT **EUR '000**

	31/12/2025
Non-current assets	55,927
Current assets	4,961
Equity	46,476
Non-current liabilities	4,190
Current liabilities	10,222
	2025
Revenue	2
Earnings before tax (EBT)	(11,601)
Total comprehensive income	(10,087)
Thereof net profit/loss after tax	(11,601)
Thereof other comprehensive income	1,514

The reconciliation of equity to the carrying amount of the investment in TTT is as follows:

Reconciliation of equity to carrying amount of the investment in TTT	EUR '000
	31/12/2025
Equity	46,476
Thereof:	
Group's interest (22.6%; previous year: 0.0%)	10,504
Consolidation and other effects	3,811
Carrying amount	**14,316**

The Lenzing Group held 40 percent of capital and voting rights in LPP as at December 31, 2025 (December 31, 2024: 40 percent). The core business of LPP, which is not publicly listed, is the production of cellulose-based products, in particular paper. The relations between the Lenzing Group and this company are described in note 38.

The following table provides summarized financial information on LPP in accordance with IFRS (100 percent):

Summarized financial information on LPP	EUR '000	
	31/12/2025	31/12/2024
Non-current assets	14,985	11,721
Current assets	26,791	27,925
Equity	18,981	17,735
Non-current liabilities	2,999	4,191
Current liabilities	19,795	17,721
	2025	**2024**
Revenue	86,675	95,443
Earnings before tax (EBT)	1,128	2,093
Total comprehensive income	1,246	1,529
Thereof net profit/loss after tax	982	1,618
Thereof other comprehensive income	264	(89)

The reconciliation of equity to the carrying amount of the investment in LPP is as follows:

Reconciliation of equity to carrying amount of the investment in LPP	EUR '000	
	31/12/2025	31/12/2024
Equity	18,981	17,735
Thereof:		
Group's interest (40%; previous year: 40%)	7,593	7,094
Consolidation and other effects	(112)	(112)
Carrying amount	**7,481**	**6,982**

The Lenzing Group, as at December 31, 2025, held 20 percent of capital and voting rights in Equi-Fibres Beteiligungsgesellschaft mbH (EFB) which is not publicly listed (December 31, 2024: 20 percent). The core business of EFB is the production and marketing of regenerated cellulosic fibers. The relations between the Lenzing Group and this company are described in note 38.

In October 2024, Kelheim Fibres GmbH (KFG), Kelheim, Germany, a wholly owned subsidiary of EFB, filed for insolvency under provisional self-administration. Insolvency proceedings were opened on January 1, 2025, and self-administration was ordered. On January 26, 2026, the management of KFG announced that the business operations of KFG will be discontinued as of March 31, 2026. The company is not expected to continue operating beyond this date. As EFB holds this as its only investment, the recoverability of its assets is directly impacted by the insolvency filing and the discontinuation of business operations. In summary, due to the impairment losses recognized in previous years, there are no further effects on the consolidated financial statements of the Lenzing Group in the 2024 and 2025 financial years.

The previous business relationships (pulp deliveries) will continue against advance payment until the end of March 2026. In the 2025 financial year, a final distribution was made from the supplier pool established in the course of insolvency proceedings. As a result, the impairment loss on trade receivables recognized in the 2024 financial year was reversed accordingly (see notes 37, Credit risk and note 38).

In the 2025 and 2024 financial year, losses relating to shares in the associate EFB were not recognized, as the Lenzing Group has no obligation with regard to such losses and no financial information relating to EFB is available for the 2025 and 2024 financial years.

The Lenzing Group has an outstanding purchase price receivable as well as a receivable from a long-term loan due from the purchaser of EFB (including its subsidiaries). A loss allowance has been recognized for the full amount of these receivables; accordingly, the carrying amount as at December 31, 2025, stands at EUR 0 thousand (December 31, 2024: EUR 0 thousand). In addition, a long-term performance-related purchase price component exists that depends on the future economic earning capacity of the company; this is discounted to a present value of EUR 0 thousand as of December 31, 2025 (December 31, 2024: EUR 0 thousand).

The Lenzing Group holds a lien on the remaining shares of EFB. This lien can be realized in the event of non-payment on the due date of the outstanding purchase price claim and of the long-term loan. In addition, the buyer was granted a credit line of up to EUR 0 thousand (December 31, 2024: EUR 1.376 thousand), which could be utilized in the event of predefined adverse changes in EFB's general conditions on the sales market until December 31, 2025, at the latest. As at December 31, 2025, and as at December 31, 2024 this credit line had not been utilized.

No financial information on EFB's consolidated financial statements for the last two financial years has been available until the time of preparation of the Lenzing Group's IFRS consolidated financial statements, The latest available summarized IFRS financial information for EFB (100 percent) for the 2023 financial year can be found in the Annual and Sustainability Report 2024.

The Lenzing Group held 50 percent of the capital and voting rights in LDF as at December 31, 2025 (December 31, 2024: 50 percent). The core business of LDF, which is not publicly listed, is granting rights of use. The relations between the Lenzing Group and this company are described in note 38.

The following table provides summarized financial information on LDF in accordance with IFRS (100 percent):

Summarized financial information on LDF	EUR '000	
	31/12/2025	31/12/2024
Non-current assets	248,566	200,088
Current assets	1,895	3,809
Thereof cash and cash equivalents	258	385
Equity	22,955	26,067
Non-current liabilities	217,433	168,484
Thereof loans and borrowings (excluding trade payables, other liabilities and provisions)	217,433	168,484
Current liabilities	10,073	9,346
Thereof loans and borrowings (excluding trade payables, other liabilities and provisions)	1,874	1,047
	2025	2024
Revenue	4,886	3,575
Amortization and depreciation	(2,477)	(1,931)
Interest income	14,250	13,283
Interest expense	(20,667)	(15,574)
Income tax expense	1,667	596
Earnings before tax (EBT)	(5,007)	(1,743)
Total comprehensive income	(3,112)	(6,782)
Thereof net profit/loss after tax	(3,342)	(1,351)
Thereof other comprehensive income	231	(5,431)

The reconciliation of equity to the carrying amount of the investment in LDF is as follows:

Reconciliation of equity to carrying amount of the investment in LDF	EUR '000	
	31/12/2025	31/12/2024
Equity	22,955	26,067
Thereof:		
Group's interest (50%; previous year: 50%)	11,478	13,033
Carrying amount	**11,478**	**13,033**

Note 22. Financial assets

Non-current financial assets comprise the following:

Non-current other investments	EUR '000	
	31/12/2025	31/12/2024
Non-current securities	6,906	6,582
Other equity investments	12	12
Originated loans	55,523	30,512
Total	**62,441**	**37,106**

Details about the loans can be found in note 37 and note 38.

Current financial assets include Oberbank ordinary shares in the amount of EUR 6,525 thousand (December 31, 2024: EUR 10,863 thousand) and shares in the company Spinnova OY, Jyväskylä, Finland, in the amount of EUR 0 thousand (December 31, 2024: EUR 439 thousand). In the 2025 financial years, a complete disposal of the shares in Spinnova OY, Jyväskylä, Finland, was realized at fair value of EUR 396 thousand (2024: partial disposal EUR 2,155 thousand). The realized gain of EUR 302 thousand (2024: EUR 1,912 thousand) was already included in other comprehensive income and was reclassified to retained earnings net of taxes of EUR 70 thousand (2024: EUR 440 thousand). In addition, some of the Oberbank ordinary shares were sold in the 2025 and 2024 financial year at a fair value of EUR 5,068 thousand (2024: EUR 4,931 thousand). The realized gain of EUR 3,581 thousand (2024: EUR 3,337 thousand) was already included in other comprehensive income and was reclassified to retained earnings net of taxes of EUR 824 thousand (2024: EUR 768 thousand).

In the 2025 financial year, Oberbank ordinary shares paid dividends of EUR 156 thousand (2024: EUR 156 thousand). Thereof dividends of EUR 98 thousand (2024: EUR 156 thousand) were recognized for ordinary shares held and EUR 57 thousand (2024: EUR 0 thousand) for ordinary shares sold.

Note 23. Inventories

Inventories include the following components:

Inventories	EUR '000	
	31/12/2025	31/12/2024
Raw materials and supplies	311,452	386,964
Work in progress	12,216	11,323
Finished goods and merchandise	205,882	244,513
Advance payments made	2,139	3,434
Total	**531,688**	**646,235**

Raw materials and supplies consist primarily of wood for pulp production, pulp and chemicals for cellulosic fiber production and various incidentals. The cost of raw materials and supplies is calculated using the weighted average cost method. Finished goods and work in progress include cellulosic fibers, co-products of fiber production, pulp and biorefinery-products.

In the 2025 financial year, write-downs to reflect the net realizable value of inventories amount to EUR 9,028 thousand (2024: EUR 8,085 thousand). Expenses for inventories, which are included in the cost of material totaled EUR 1,160,875 thousand (2024: EUR 1,159,992 thousand).

Note 24. Trade receivables

Trade receivables comprise the following:

Trade receivables	EUR '000	
	31/12/2025	31/12/2024
Trade receivables (gross)	246,862	325,057
Bad debt provisions	(1,544)	(6,875)
Total	**245,318**	**318,182**

All trade receivables are classified as current assets. For further information on trade receivables, please refer to note 35 (section "Transfer of financial assets (sale of receivables/factoring)") and note 37 (section "Credit risk").

Note 25. Other assets

Other non-current assets comprise both financial and non-financial items. Other non-current financial assets as at December 31, 2025 are reported in the amont of EUR 1,109 thousand (December 31, 2024: EUR 1,409 thousand) and relate to other assets. The reported non-financial assets amount to EUR 54,841 thousand as at December 31, 2025 (December 31, 2024: EUR 57,389 thousand), and mainly include tax receivables in the amount of EUR 54,145 thousand as at December 31, 2025 (December 31, 2024: EUR 56,205 thousand).

Other current assets comprise the following:

Other current assets	EUR '000	
	31/12/2025	31/12/2024
Other current financial assets		
Recharging of maintenance services	12,968	11,450
Unadvanced amount from factoring agreements	8,507	8,566
Interest receivables	7,926	2,482
Derivatives not yet settled (open positions)	1,483	2,099
Sundry	3,061	2,188
	33,945	**26,786**
Other current non-financial assets		
Emission certificates	76,569	93,256
Receivables from other taxes and duties	45,891	37,285
Prepaid expenses	6,456	8,242
Advance payments made	2,688	21,098
Sundry	1,175	1,081
	132,779	**160,962**
Total	**166,724**	**187,747**

In the 2024 financial year, the advance payments made included the acquisition of shares in TreeToTextile AB, Stockholm, Sweden (see note 21).

Note 26. Equity

Share capital and capital reserves

The share capital of Lenzing AG totaled EUR 40,107,738.37 as at December 31, 2025 (December 31, 2024: EUR 40,107,738.37) and is divided into 38,618,180 zero par value shares (December 31, 2024: 38,618,180 shares). The proportion of share capital attributable to one share equals roughly EUR 1.04. Each ordinary share represents an equal interest in capital and conveys the same rights and obligations, above all the right to a resolved dividend and the right to vote at the Annual General Meeting. The issue price of the shares is fully paid in. No other classes of shares have been issued.

By resolution of the Annual General Meeting on April 18, 2024, the Managing Board was again authorized, with Supervisory Board consent, to purchase treasury shares in a volume of up to 10 percent of the share capital for a maximum of 30 months from the date of the resolution. The same conditions concerning the purchase of treasury shares apply as in the Annual General Meeting resolution of April 26, 2022, which was revoked by the above resolution.

The Annual General Meeting on April 19, 2023 authorized the Managing Board – while at the same time canceling the resolutions regarding this matter of the Annual General Meeting of April 12, 2018 – subject to the approval of the Supervisory Board, to increase share capital by up to EUR 13,787,034.68 through the issue of up to 13,274,999 zero par value shares ("authorized capital") – also in tranches – in exchange for cash and/or contributions in kind, within five years from entry in the commercial register. The proportion of authorized capital attributable to one share equals roughly EUR 1.04. This authorized capital was recorded in the commercial register on May 26, 2023. With effect from July 2023, Lenzing AG carried out a capital increase that had been approved by the Annual General Meeting on April 19, 2023. A total of 12,068,180 new shares were issued. The share capital was fully paid in.

In addition, a resolution of the Annual General Meeting on April 19, 2023 authorized the Managing Board – while at the same time canceling the resolutions regarding this matter of the Annual General Meeting of April 12, 2018 – to issue, subject to the approval of the Supervisory Board, convertible bonds by April 19, 2028 in one or several tranches that grant or provide for the subscription or conversion right or a subscription or conversion obligation for up to 13,274,999 shares of the company ("contingent capital"). They can be serviced through the contingent capital and/or treasury shares.

The Managing Board did not utilize the authorizations existing on or before December 31, 2025, to issue convertible bonds and buy back treasury shares in the reporting period.

The capital reserves represent appropriated reserves of Lenzing AG that may only be used to offset an accumulated loss by Lenzing AG. These reserves were created from the inflow of funds received by Lenzing AG from shareholders in excess of share capital. In the 2025 financial year, capital reserves in the amount of EUR 95,772 thousand (2024: EUR 0 thousand) were released to cover an otherwise reportable net accumulated loss of Lenzing.

Other reserves

Other reserves include all accumulated other comprehensive income and consist of the foreign currency translation reserve, the reserve for financial assets measured at fair value through other comprehensive income, the hedging reserve and actuarial gains/losses.

Other reserves (Equity attributable to shareholders of Lenzing AG and to hybrid capital owners) **EUR '000**

	Foreign currency translation reserve	Financial assets measured at fair value through other comprehensive income	Hedging reserve and non-designated components	Actuarial gains/losses	Total
As at 01/01/2024	**65,733**	**10,368**	**(3,362)**	**(42,779)**	**29,961**
Other comprehensive income	37,388	(334)	(17,141)	(2,830)	**17,082**
Tax effect	2,260	1,889	4,956	(11,251)	**(2,146)**
After tax	**39,648**	**1,555**	**(12,186)**	**(14,081)**	**14,936**
Hedging gains and losses and cost of hedging transferred to the cost of non-current assets and cost of inventory	0	0	2,289	0	**2,289**
Tax effect	0	0	(823)	0	**(823)**
After tax	**0**	**0**	**1,466**	**0**	**1,466**
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	0	(5,250)	0	0	**(5,250)**
Tax effect	0	1,207	0	0	**1,207**
After tax	**0**	**(4,042)**	**0**	**0**	**(4,042)**
Other reclassification	366	0	(360)	(6)	**0**
As at 31/12/2024 = 01/01/2025	**105,747**	**7,881**	**(14,441)**	**(56,867)**	**42,321**
Other comprehensive income	(83,644)	687	9,121	1,892	**(71,944)**
Tax effect	0	0	(2,159)	(1,613)	**(3,772)**
After tax	**(83,644)**	**687**	**6,962**	**279**	**(75,715)**
Hedging gains and losses and cost of hedging transferred to the cost of non-current assets and cost of inventory	0	0	(3,626)	0	**(3,626)**
Tax effect	0	0	1,277	0	**1,277**
After tax	**0**	**0**	**(2,349)**	**0**	**(2,349)**
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	0	(3,883)	0	0	**(3,883)**
Tax effect	0	893	0	0	**893**
After tax	**0**	**(2,990)**	**0**	**0**	**(2,990)**
Other reclassification	0	0	0	(25)	**(25)**
As at 31/12/2025	**22,103**	**5,578**	**(9,828)**	**(56,613)**	**(38,759)**

The hedging reserve developed as follows:

Changes in the hedging reserve	EUR '000	
	2025	2024
Gains/losses recognized in the reporting period from the valuation of cash flow hedges		
Commodity price risks	(8,010)	2,964
Currency risks	34,308	(21,450)
Interest- and interest-/currency risks	283	526
	26,581	**(17,960)**
Reclassification to profit or loss of amounts relating to cash flow hedges		
Commodity price risks	1,771	6,444
Currency risks	(13,217)	3,935
Interest- and interest-/currency risks	688	(28,091)
	(10,759)	**(17,712)**
Total	**15,822**	**(35,672)**

The fair value changes from cash flow hedges recognized in the reporting period relate to hedging against currency risks from the operating business, hedging against interest rate/currency risks from taking out loans, and hedging against commodity price risks (see note 35, section "Derivative financial instruments and hedges").

The above amounts from the reclassification to profit or loss of cash flow hedges against commodity price risks and foreign currency risks are primarily recognized as part of earnings before interest and tax (EBIT), mainly under revenue and cost of sales. The above amounts from the reclassification to profit or loss of cash flow hedges against combined interest-/currency risks are reported under financial result.

Retained earnings

Retained earnings comprise the following:

Retained earnings	EUR '000	
	31/12/2025	31/12/2024
Unappropriated revenue reserves of Lenzing AG under Austrian law (Austrian Commercial Code – UGB)	0	202,023
Accumulated profits of Lenzing AG under Austrian law (Austrian Commercial Code – UGB)	0	0
Earnings attributable to subsidiaries, including the effect of adjusting the financial statements of Lenzing AG and its subsidiaries from local regulations to IFRS	70,531	15,338
Total (excl. other reserves)	**70,531**	**217,361**

The unappropriated revenue reserves of Lenzing AG can be released at any time and distributed to shareholders as part of accumulated profits. Austrian law only permits the distribution of dividends from accumulated profits as stated in the approved annual financial statements of the parent company prepared in accordance with the Austrian Commercial Code.

No dividends were resolved and distributed to the shareholders of Lenzing AG for the 2025 and 2024 financial years.

The loss for the year according to the Austrian Commercial Code (UGB) for the 2025 financial year of Lenzing AG is to be appropriated as follows:

Appropriation of the 2025 net loss	EUR '000
Lenzing AG closed the 2025 financial year with loss under Austrian law (UGB) of	(297,795)
after the reversal of (distributable) revenue reserves	202,023
after the reversal of (distributable) capital reserves	95,772
remains an accumulated profit of	**0**

Hybrid capital

In December 2020, a subordinated perpetual bond (hybrid capital) with a total volume of EUR 500,000 thousand and a coupon of 5.75 percent was issued. The hybrid capital had a perpetual tenor and could be called and redeemed by Lenzing AG between September 7 and December 7, 2025, at the earliest. This hybrid bond was completely replaced by a new hybrid bond in the financial year under review.

In July 2025, Lenzing AG successfully completed the placement of a new subordinated perpetual bond (hybrid capital) with a nominal amount of EUR 500,000 thousand and an annual interest rate of 9.0 percent. The existing holders of the hybrid bond from 2020 were offered an exchange into the new hybrid bond. This was accepted by 63.6 percent of the existing bondholders, as a result of which EUR 263,300 thousand were exchanged for the new hybrid bond, while EUR 54,700 thousand plus accrued interest were redeemed. New investors subscribed for an amount of EUR 236,700 thousand of the new hybrid bond. In September 2025, Lenzing AG exercised its contractual right to call and redeem the remaining outstanding portion of the old hybrid bond in the amount of EUR 182,000 thousand, plus accrued interest.

The terms of the new hybrid bond are based on those of the hybrid bond issued in 2020. Interest is payable semi-annually in arrears on January 9 and July 9 of each year, unless Lenzing AG elects to defer the relevant interest payment. Outstanding deferred interest must be paid under certain circumstances, in particular when the Annual General Meeting of Lenzing AG resolves to declare a dividend. The hybrid capital has a perpetual tenor and can be called and redeemed by Lenzing AG for the first time between April 9, 2028, and July 9, 2028. Investors have no call rights. If the hybrid capital is not called and redeemed, it will bear interest from July 9, 2028, at a revised, increased interest rate, calculated as the then applicable three-year swap rate plus a margin increased by 500 basis points.

The bond meets the criteria for equity under IAS 32 (Financial Instruments: Presentation). Accordingly, coupons are presented as part of appropriation of profits in the consolidated income statement. The new hybrid capital incurred directly attributable transaction costs in the amount of EUR 10,335 thousand, which were offset against equity.

Non-controlling interests

Non-controlling interests represent the investments held by third parties in consolidated group companies. The Group companies with non-controlling interests are listed in note 41 under "Consolidated companies". These are companies in which the Lenzing Group holds an interest of less than 100 percent.

Of the non-controlling interests as at December 31, 2025, EUR 329,226 thousand (December 31, 2024: EUR 341,556 thousand) related to LD Celulose S.A. (LDC), Indianópolis, Brazil including its wholly owned subsidiary, LD Celulose International GmbH (LDI), Vienna, which is allocated to the Division Pulp segment. As of December 31, 2025 the non-controlling shareholders held 49.0 percent (December 31, 2024: 49.0 percent) of the capital and voting rights of the non-listed LDC, and have a put option to sell their shares (see note 3 and note 35). LDC's core business consists of the production and sale of pulp.

The following table provides summarized financial information on LDC (including LDI) in accordance with IFRS (100 percent):

Summarized financial information on LDC (inclusive LDI) EUR '000

	31/12/2025	31/12/2024
Non-current assets	1,423,103	1,613,096
Current assets	288,648	252,156
Equity	671,891	697,054
Thereof equity attributable to shareholders of Lenzing AG	342,664	355,497
Thereof equity attributable to non-controlling interests	329,226	341,556
Non-current liabilities	903,162	1,037,534
Current liabilities	136,698	130,665
	2025	**2024**
Revenue	495,398	503,209
Earnings before tax (EBT)	77,244	47,921
Total comprehensive income	1,186	(6,279)
Thereof net profit/loss after tax	75,529	(18,393)
Net profit/loss after tax attributable to shareholders of Lenzing AG	38,520	(9,380)
Net profit/loss after tax attributable to non-controlling interests	37,009	(9,012)
Thereof other comprehensive income	(74,344)	12,114
Other comprehensive income attributable to shareholders of Lenzing AG	(37,915)	6,178
Other comprehensive income attributable to non-controlling interests	(36,428)	5,936
Cash flow from operating activities	247,672	219,778[1]
Cash flow from investing activities	(72,306)	(57,664)[1]
Cash flow from financing activities	(124,740)	(169,610)[1]
Change in cash and cash equivalents	50,626	(7,495)
Dividend resolved for distribution to non-controlling shareholders	10,529	0

1) Retroactive adjustment due to voluntary change in accounting policy. Details are explained in note 2.

The following shares of other comprehensive income are attributable to non-controlling interests in the subsidiaries of Lenzing AG:

Other comprehensive income attributable to non-controlling interests EUR '000

	2025	2024
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit liability	4	(10)
Income tax relating to these components of other comprehensive income	(4)	2
Items that may be reclassified to profit or loss		
Foreign operations – foreign currency translation differences arising during the period	(40,875)	17,938
Cash flow hedges – effective portion of changes in fair value recognized during the period and non-designated components	6,701	(18,530)
Income tax relating to these components of other comprehensive income	(2,278)	6,300
Other comprehensive income (net of tax)	**(36,453)**	**5,701**

Note 27. Government grants

The amount accrued under this item resulted primarily from grants for investments in environmental protection and for general investment support.

Investment grants are reported as liabilities and recognized in profit or loss on a straight-line basis over the useful life of the subsidized investments as “Income from the reversal of investment grants”.

Government grants for cost reimbursements are recognized as other income in the period in which the related costs are incurred, unless the receipt of the grant is contingent on conditions that are not yet sufficiently likely to occur. Receivables from funding commitments are reported in the consolidated statement of financial position under other assets.

Government grants of EUR 16,556 thousand were recognized in profit or loss in the reporting period (2024: EUR 15,067 thousand), resulting predominantly from promotion of research activities and energy topics. Any conditions attached to the grants were fulfilled and repayment, in full or in part, is therefore considered unlikely.

Government grants also included EUR 63,254 thousand of emission certificates as at December 31, 2025 (December 31, 2024: EUR 82,069 thousand). In accordance with Directive 2003/87/EC of the European Parliament and the European Council on a system for trading greenhouse gas emission certificates, a total of 366,189 EU-emission certificates and 25,517 UK-emission certificates were allocated free of charge to the relevant companies in the Lenzing Group for 2025 through national allocation plans (2024: 367,108 EU-emission certificates and 23,167 UK-emission certificates).

Emission certificates are capitalized at fair value at the time of allocation and reported under other current non-financial assets (see note 25). The difference between the fair value and the purchase price paid by the company for the emission certificates is recognized under government grants. At the end of each reporting period, a provision is recognized for the certificates used up to that date. The amount of the provision is based on the recognized asset value of the certificates if they are covered by certificates held by the company at this reporting date. If the certificates used exceed the certificates held, the provision is based on the fair value of the certificates (to be purchased subsequently) as at the relevant reporting date. Future laws and commitments on emissions, especially in the countries of the Lenzing Group's production sites, could lead to further precautionary measures in the future.

In the 2025 financial year, 600,000 EU emission certificates were sold (2024: 0 EU emission certificates), which had been allocated to the Lenzing Group free of charge. The income from the sale in the 2025 financial year amounted to EUR 45,147 thousand and is included in other operating income (see note 7).

In the 2025 financial year expenses for emission certificates amounted to EUR 24,193 thousand (2024: EUR 2,037 thousand).

Note 28. Loans and borrowings

The following table shows the composition of loans and borrowings as at December 31:

Loans and borrowings	31/12/2025				31/12/2024			EUR '000
	Currency	Nominal value	Carrying amount	Average effective interest in %	Currency	Nominal value	Carrying amount	Average effective interest in %
Bond								
Fixed interest	USD	650,000	542,622	8.0	USD	650,000	608,553	8.0
			542,622				**608,553**	
Private placements								
Fixed interest	EUR	102,000	101,906	1.2	EUR	170,500	170,345	1.5
Floating rate interest	EUR	164,000	163,931	3.2	EUR	164,000	163,864	4.9
			265,837				**334,208**	
Bank loans								
Loans:								
Fixed interest	EUR	156,106	156,106	1.5	EUR	333,175	254,725	1.6
Fixed interest	CNY	0	0	n/a	CNY	94,000	12,330	3.6
Floating rate interest	EUR	740,575	735,469	4.2	EUR	392,152	352,777	4.8
Floating rate interest	USD	300,000	240,389	7.7	USD	350,000	313,909	8.0
Operating loans[1]:								
Floating rate interest	CNY	490,000	59,566	2.7	CNY	410,000	53,782	3.1
Floating rate interest	USD	13,126	11,171	6.0	USD	21,721	20,798	6.6
			1,202,701				**1,008,322**	
Lease liabilities								
Fixed interest	EUR	128,488	128,488	12.1	EUR	123,862	123,862	12.0
			128,488				**123,862**	
Loans from other lenders								
Fixed interest	EUR	4,595	4,595	1.3	EUR	4,972	4,949	0.7
Fixed and floating rate interest	EUR	25,290	25,290	0.8	EUR	28,100	28,100	0.5
			29,885				**33,049**	
Total			**2,169,533**				**2,107,994**	
Thereof current			502,122				279,449	
Thereof non-current			1,667,411				1,828,545	

1) Revolving credit agreements and overdrafts

In the 2024 financial year, a bond with a final maturity in January 2032 and a fixed interest rate of 7.950% was issued. Details about this financing are presented in note 35 and note 37.

In the 2025 financial year, a syndicated loan agreement was concluded with the Group's main banks in the amount of EUR 545,000 thousand. This facility comprises a syndicated bullet loan of EUR 355,000 thousand and a syndicated revolving credit facility of EUR 190,000 thousand. Further details about this financing facility can be found in note 37.

Bank loans of EUR 783,012 thousand (December 31, 2024: EUR 922,462 thousand) are secured by pledged property, plant and equipment in the amount of EUR 985,819 thousand (December 31, 2024: EUR 1,109,094 thousand), and biological assets in the amount of EUR 176,639 thousand (December 31, 2024: EUR 192,217 thousand). In addition, the shares in LD Celulose S.A., Indianópolis, Brazil, were pledged.

Furthermore, of the reported financial liabilities, EUR 11,171 thousand (December 31, 2024: EUR 20,798 thousand) are secured by receivables.

The next interest rate adjustment for the floating rate loans and partially fixed rate loans will take place within the next six months, depending on the loan agreement. The conditions for loans that can be utilized multiple times (revolving loans) are fixed for a certain period and generally carry floating interest rates.

Other loans primarily involve obligations to the Austrian fund for the promotion of research in industry ("Forschungsförderungsfonds der gewerblichen Wirtschaft") and the ERP fund.

Note 29. Deferred taxes (deferred tax assets and liabilities) and current taxes

Deferred tax assets and liabilities relate to the following items on the statement of financial position:

Deferred tax assets	EUR '000	
	31/12/2025	31/12/2024
Intangible assets and property, plant and equipment	58,523	46,950
Other investments	38,316	37,889
Inventories	7,793	11,282
Other assets	4,264	1,196
Provisions	9,907	11,636
Investment grants	619	96
Lease liabilities	40,328	38,844
Other liabilities	11,041	50,960
Tax loss carryforwards	228,726	219,736
Interest carryforwards	1,293	1,293
Gross deferred tax assets – before valuation allowance	**400,811**	**419,882**
Valuation allowance on deferred tax assets	(316,353)	(298,587)
Thereof relating to tax loss carryforwards	(220,092)	(203,328)
Thereof relating to interest carryforwards	(1,293)	(1,293)
Thereof relating to temporary differences	(94,969)	(93,967)
Gross deferred tax assets	**84,457**	**121,295**
Offsettable against deferred tax liabilities	(81,566)	(116,964)
Net deferred tax assets	**2,891**	**4,331**

Deferred tax liabilities	EUR '000	
	31/12/2025	31/12/2024
Intangible assets and property, plant and equipment	50,603	97,867
Right-of-use assets	39,671	44,538
Biological assets	16,036	24,739
Other investments	0	14,647
Inventories	394	2,332
Other assets	3,086	7,001
Investment grants	264	199
Other liabilities	26,677	243
Gross deferred tax liabilities	**136,732**	**191,566**
Offsettable against deferred tax assets	(81,566)	(116,964)
Net deferred tax liabilities	**55,166**	**74,602**

Of the total gross deferred tax assets, EUR 22,020 thousand (December 31, 2024: EUR 30,819 thousand) are due within one year. Of the total gross deferred tax liabilities, EUR 14,952 thousand (December 31, 2024: EUR 8,528 thousand) are due within one year. The remaining amounts are due in more than one year.

Deferred taxes developed as follows:

Development of deferred taxes	EUR '000	
	2025	2024
As at 01/01	(70,271)	8,461
Recognized in profit or loss	16,592	(79,651)
Recognized in other comprehensive income or directly in equity	(3,550)	2,556
Currency translation adjustment	4,954	(1,638)
As at 31/12	**(52,275)**	**(70,271)**

The Group held tax loss carryforwards of EUR 1,013,826 thousand as at December 31, 2025 (December 31, 2024: EUR 966,073 thousand). The existing tax loss carryforwards can be utilized as follows:

Loss carryforwards (assessment basis)	EUR '000	
	31/12/2025	31/12/2024
Total	**1,013,826**	**966,073**
Thereof capitalized loss carryforwards	25,925	48,389
Thereof non-capitalized loss carryforwards	987,900	917,684
Possible expiration of non-capitalized loss carryforwards		
Within 1 year	40,921	79,328
Within 2 years	92,451	42,732
Within 3 years	113,445	141,299
Within 4 years	78,934	188,380
Within 5 years or longer	240,189	145,012
Unlimited carryforward	421,960	320,934

As of December 31 2025, deferred tax assets totaling EUR 2,891 thousand (December 31, 2024: EUR 4,331) were capitalized. Of this amount, EUR 524 (December 31, 2024: EUR 1,844 thousand) are attributable to deferred tax assets relating to Group units that generated losses in either the past or previous year. If there is no substantial evidence for recoverability, deferred tax assets are recognized to the extent that sufficient taxable temporary differences exist.

The valuation allowance on deferred tax assets relates mainly to companies based in Austria in the amount of EUR 123,794 thousand (December 31, 2024: EUR 96,723 thousand), in Indonesia in the amount of EUR 112,083 thousand (December 31, 2024: EUR 113,622 thousand), in Thailand in the amount of EUR 47,862 thousand (December 31, 2024: EUR 45,946 thousand), in China in the amount of EUR 25,415 thousand (December 31, 2024: EUR 33,340 thousand), and in the USA in the amount of EUR 7,199 thousand (December 31, 2024: EUR 7,668 thousand). Certain loss carryforwards were not capitalized because their usability is restricted. If all tax loss carryforwards could be utilized in full, the deferred tax assets on loss carryforwards would total EUR 228,726 thousand (December 31, 2024: EUR 219,736 thousand) instead of EUR 8,634 thousand (December 31, 2024: EUR 16,408 thousand).

The financial assets and other assets shown under deferred tax assets in the above table include amounts for outstanding partial write-downs to investments in accordance with Section 12 Para. 3 no. 2 of the Austrian Corporation Tax Act ("Siebentelabschreibung", the partial write-downs of investments over a period of seven years for tax purposes) corresponding to a measurement base of

EUR 130,653 thousand (December 31, 2024: EUR 179,362 thousand). Deferred tax assets on the total amount of outstanding partial write-downs to investments are recognized only to the extent that taxable temporary differences exist. Partial write-downs of EUR 34,091 thousand were utilized for tax purposes in 2025 (2024: EUR 34,200 thousand).

The recoverability of deferred tax assets is generally based on the positive taxable results expected in the future – after the deduction of taxable temporary differences – in line with the forecasts approved by the Managing Board. These forecasts are also used for impairment testing (see note 10). The assessment of unused tax loss carryforwards and tax credits also involves the consideration of utilization requirements.

Deferred tax liabilities were not recognized for temporary differences with a measurement base of EUR 324,139 thousand (December 31, 2024: EUR 396,234 thousand) in connection with investments in subsidiaries, joint ventures and associates and the related proportional share of net assets held by group companies because the Lenzing Group is able to control the timing of the reversal of the temporary difference and these differences are not expected to reverse in the foreseeable future.

Current tax assets include prepayments made to foreign taxation authorities. These amounts are recognized when the recoverability is probable, while valuation adjustments are made in all other cases. The gross carrying amount of non-current receivables from current taxes as at December 31, 2025 amounts to EUR 11,613 thousand (December 31, 2024: EUR 21,457 thousand). Payments are sometimes uncertain, especially the timing of payments due to the occasionally long duration of proceedings. For this reason, as at December 31, 2025, write-downs of EUR 6,561 thousand were recognized (December 31, 2024: EUR 4,596 thousand).

Current tax liabilities include a provision for uncertain tax items of EUR 9,157 thousand (December 31, 2024: EUR 13,380 thousand) in connection with regular tax audit procedures. In the 2025 financial year, an amount of EUR 3,359 thousand (2024: EUR 0 thousand) was utilized.

Following the retroactive withdrawal of Lenzing AG from the B&C tax group, a new tax group according to Section 9 of the Austrian Corporate Income Tax Act (öKStG) was established for the 2024 financial year, with Lenzing AG as the group parent and five subsidiaries of Lenzing AG as group members. In this context, a group and tax equalization agreement was concluded, under which tax profits and losses are offset between the group parent and the included group members. The deferred tax assets and deferred tax liabilities of the included group members are offset because of the consolidated tax assessment.

The Lenzing Group includes the effects of uncertain tax positions in the calculation of current and deferred taxes. Tax claims are recognized at the expected reimbursement amount in cases where the claim is sufficiently certain. The tax returns of the Lenzing Group's subsidiaries are reviewed regularly by the taxation authorities. Taking into account a variety of factors, including the interpretation, commentary and legal decisions relating to the respective tax jurisdiction, as well as past experience, appropriate provisions have been made for possible future tax liabilities. In addition, uncertain tax positions are evaluated on the basis of estimates and assumptions for future events. New information can become available in the future that leads the Group to change its assumptions regarding the appropriateness of tax positions. Any such changes will affect tax expense in the period in which they are identified.

Note 30. Provisions

The Lenzing Group's provisions are classified as follows:

Provisions						EUR '000
	Total		Thereof current		Thereof non-current	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Provisions for pensions and similar obligations						
Pensions and severance payments	63,590	75,864	6,452	7,584	57,138	68,280
Jubilee benefits	13,100	15,512	949	1,676	12,151	13,835
	76,689	**91,376**	**7,401**	**9,261**	**69,289**	**82,115**
Other provisions						
Restructuring measures	12,081	6,901	12,081	6,901	0	0
Anticipated losses and other risks	0	2,475	0	2,475	0	0
Emission certificates	13,080	8,803	13,080	8,803	0	0
Sundry	1,522	1,942	1,305	1,081	218	861
	26,683	**20,120**	**26,465**	**19,259**	**218**	**861**
Total	**103,372**	**111,496**	**33,866**	**28,520**	**69,507**	**82,976**

Provisions for pensions and similar obligations

Pensions and severance payments

The Lenzing Group has entered into obligations for pensions and severance payments from defined benefit plans, which are reported under provisions for pensions and severance payments, and from defined contribution plans.

Defined benefit plans (for pensions and severance payments)

The benefits resulting from the defined benefit plans for pensions and severance payments are dependent on the final salary or wage and the length of service. They do not require any contributions by employees.

The defined benefit pension plans are based on contractual obligations. The Lenzing Group's most important defined benefit pension plan is located in Austria. It applies to employees who joined the Group before January 1, 2000 and decided to remain in the plan. The claims generally arose after a vesting period of at least 10 or 15 service years. A retirement age of 58 to 63 years is assumed for the beneficiaries, depending on their gender. At present, the plan primarily covers employees who have already retired. Qualifying insurance policies were recognized as plan assets in some cases, while coverage for these obligations is also provided by securities that do not qualify as plan assets.

The defined benefit severance plans are based on statutory obligations and obligations under collective agreements. The Lenzing Group's most important defined benefit severance plan is located in Austria. This plan entitles employees whose employment relationship is governed by Austrian law and started before January 1, 2003 to a severance payment in specific cases, in particular when they reach the statutory retirement age and in the event of termination by the employer ("old severance payment system"). The amount of severance payment depends on the employee's salary or wage at the termination of employment and on the length of the employment relationship. There are similar major defined benefit severance plans in Indonesia and the Czech Republic, which apply to all employees irrespective of when they joined the respective company. The defined benefit severance plans are not covered by assets but are financed entirely through provisions.

In the 2025 financial year, portions of the provisions for defined benefit severance obligations were reclassified to other provisions for restructuring measures (see section "Other provisions").

In the 2023 and 2022 financial years, parts of provisions for accrued defined benefit severance plans were reclassified to other provisions for restructuring measures and reclassified back again in the 2024 financial year in the amount of EUR 3,796 thousand (see the section "Other provisions").

The defined benefit pension and severance plans are principally connected with the following risks that influence the amount of obligations to be recognized:

- **Investment risk**: A decline in the income from plan assets below the discount rate will result in a plan deficit and an increase in the obligations.
- **Interest rate risk**: A decrease in the discount rate due to lower bond interest rates on the capital market will result in an increase in the obligations.
- **Salary and pension trend**: An increase in the actual salary and pension trends over the expected future levels will result in an increase in the obligations.
- **Personnel turnover and departure risk**: A decline in the expected personnel turnover rates will result in an increase in the obligations.
- **Longevity risk**: An increase in the life expectancy of the beneficiaries will result in an increase in the obligations.

The Lenzing Group is also exposed to currency risks in connection with these plans.

The Lenzing Group takes various steps to reduce the risks from defined benefit plans. The related measures include, in particular, the external financing of defined benefit plans with plan assets or the coverage of obligations with securities that do not qualify as plan assets and the settlement of existing defined benefit plans with lump sum payments. In addition, pension and similar commitments are now only concluded as defined contribution commitments where possible and legally permissible.

The objectives of the investment policy are to create an optimal composition of plan assets and to ensure sufficient coverage for the existing claims of participating employees. The investment strategies (asset allocations) for the plan assets are contractually regulated. A reinsurance policy was concluded for part of the claims from the Austrian pension plan. It is reported as plan asset in the amount of EUR 2,101 thousand (December 31, 2024: EUR 2,221 thousand). This policy is a conventional life insurance policy which invests primarily in debt instruments that reflect the maturity profile of the underlying claims and are intended to maintain a high degree of investment security. The Lenzing Group makes no further contributions to this insurance policy.

The fair value of the insurance policy is not determined on an active market, but corresponds to the reported actuarial policy reserve. The plan assets do not include any financial instruments issued by or assets used by the Lenzing Group. The actual return on plan assets totaled EUR 164 thousand in 2025 (2024: EUR 161 thousand). The net interest expense from the defined benefit plans (expenses from the accrued interest on the obligations and the return on plan assets) is reported under financing costs.

The most important actuarial parameters applied to the defined benefit pension and severance plans are as follows:

Actuarial assumptions for defined benefit pension and severance plans p. a. in %

31/12/2025	Discount rate	Salary increase	Pension increase	Staff turnover deductions
Austria – pensions	3.7	3.0	0.0-3.0	0.0
Austria – severance payments	3.9	3.0	N/A	0.0
Indonesia	6.0	7.5	N/A	1.0-5.0
Czech Republic	3.8	4.0	N/A	1.6
31/12/2024				
Austria – pensions	3.3	3.0	0.0-3.0	0.0
Austria – severance payments	3.4	3.0	N/A	0.0
Indonesia	7.0	7.5	N/A	1.0-5.0
Czech Republic	3.4	4.2	N/A	1.6

The major obligations from the defined benefit plans are the obligations for pensions and severance payments in the Lenzing Group's Austrian companies. The discount rate for these obligations was derived from high-quality fixed-income corporate bonds with at least an AA rating based on an international actuary's standards. Bonds with significantly higher or lower interest rates than the other bonds in their risk class ("statistical outliers") were not included in the calculation. The currency and terms of the bonds used to derive the discount rate are based on the currency and expected terms of the obligations to be settled. The estimated salary and pension increases, which are also considered realistic for the future, were derived from the averages of recent years. Separate employee turnover rates were applied for each company depending on the composition of the workforce and the employees' length of service. The retirement age used for the calculation is based on the applicable legal regulations. Individual, country-specific assumptions were made for each of the other countries to determine the discount rate, salary increases, employee turnover rates and retirement age.

The parameters used to calculate the defined benefit pension plans in Austria included the biometric data from AVÖ 2018 P – the calculation base for pension insurance for salaried employees

The following biometric data and assumptions are used in other countries:

- Indonesia: Tabel Mortalita Indonesia (TMI 2019)
- Czech Republic: AVÖ 2018-P
- Other: No biometric assumptions were made because of the low number of beneficiaries.

The obligations (carrying amounts) from defined benefit pension and severance plans reported in the consolidated statement of financial position comprise the following:

Development of defined benefit plans **EUR '000**

	Present value of pension and severance payment obligation (DBO)		Fair value of plan assets		Carrying amounts of defined benefit pension and severance plans	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
As at 01/01	**78,085**	**80,982**	**2,221**	**2,344**	**75,864**	**78,638**
Service cost						
Current service cost	2,966	3,419	0	0	2,966	3,419
Gain/loss on curtailments of plan	(47)	0	0	0	(47)	0
Net interest	2,933	3,138	68	75	2,865	3,063
Income and expenses from defined benefit plans recognized in the income statement	**5,852**	**6,557**	**68**	**75**	**5,784**	**6,483**
Remeasurement during the reporting period						
On the basis of demographic assumptions	(7)	(599)	0	0	(7)	(599)
On the basis of financial assumptions	(909)	(175)	0	0	(909)	(175)
On the basis of experience adjustments	(779)	3,664	0	0	(779)	3,664
On the basis of income from plan assets, excl. amounts included in interest income	0	0	95	86	(95)	(86)
Remeasurement of defined benefit plans recognized in other comprehensive income	**(1,695)**	**2,891**	**95**	**86**	**(1,790)**	**2,805**
Cash flows						
Payments made from the plan	(283)	(283)	(283)	(283)	0	0
Direct payments and contributions by the employer	(11,526)	(12,219)	0	0	(11,526)	(12,219)
Currency translation adjustment	(2,164)	158	0	0	(2,164)	158
Other reconciliation items	**(13,973)**	**(12,345)**	**(283)**	**(283)**	**(13,690)**	**(12,061)**
As at 31/12	**68,269**	**78,085**	**2,101**	**2,221**	**66,168**	**75,864**
Thereof pensions in Austria	16,944	18,589	2,101	2,221	14,843	16,368
Thereof severance payments in Austria	29,359	39,831	0	0	29,359	39,831
Thereof pensions and severance payments in other countries	19,388	19,666	0	0	19,388	19,666
Thereof restructuring measures	2,578	0	0	0	2,578	0

Sensitivity analyses are performed to evaluate the risk of changes in the actuarial parameters used to measure the present value of the obligations from defined benefit plans. These sensitivity analyses show the effects on the present value of the obligations from hypothetical changes in key parameters that could have reasonably changed as at the reporting date. One parameter was changed for each analysis, while all other parameters were kept constant. The sensitivity analyses are based on the present values of the obligations as at the reporting date before the deduction of plan assets (gross obligation/DBO) and before reclassification from or to other provisions for restructuring measures.

The sensitivities of the parameters as at the reporting dates are as follows:

Sensitivity analysis of the defined benefit pension and severance payment obligations

31/12/2025	Change in parameters (percentage points)	Decrease in parameter/ change in present value of obligation in EUR '000	Increase in parameter/ change in present value of obligation in EUR '000
Discount rate	1.0	5,098	(4,492)
Salary increase	1.0	(3,565)	3,980
Pension increase	1.0	(943)	1,040

Sensitivity analysis of the defined benefit pension and severance payment obligations (previous year)

31/12/2024	Change in parameters (percentage points)	Decrease in parameter/ change in present value of obligation in EUR '000	Increase in parameter/ change in present value of obligation in EUR '000
Discount rate	1.0	5,991	(5,264)
Salary increase	1.0	(4,168)	4,658
Pension increase	1.0	(1,084)	1,201

The above sensitivity analyses represent hypothetical changes based on assumptions. Actual deviations from these assumptions will result in other effects. In particular, the parameters changed individually for the analysis may actually correlate with each other. The deduction of plan assets and of the amount reclassified from or to other provisions for restructuring will lead to a further reduction of the effects.

The weighted average terms (durations) of the defined benefit pension and severance payment obligations in years are as follows:

Weighted average durations of the defined benefit pension and severance payment obligations — Years

	31/12/2025	31/12/2024
Austria – pensions	6	7
Austria – severance payments	8-19	8-20
Indonesia	7	7
Czech Republic	8	8

Defined contribution plans (for pensions and severance payments)

The Lenzing Group makes payments to pension funds and similar external funds for defined contribution pension and severance plans. The most significant defined contribution pension and severance plans for the Lenzing Group are located in Austria ("new severance payment system" and individual contractual commitments).

The expenses for defined contribution plans are as follows:

Expenses for defined contribution plans — EUR '000

	2025	2024
Austria – pensions	2,004	2,224
Austria – severance payments	3,560	3,140
Other countries	6,311	6,088
Total	**11,875**	**11,452**

Provisions for jubilee benefits

Collective agreements require Lenzing AG and certain subsidiaries, particularly in Austria and the Czech Republic, to pay jubilee benefits to employees who have been with the company for a certain length of time. In the Austrian companies employees have the option to convert the jubilee benefits into time credits. No assets were segregated from the company and no contributions were made to a pension fund or any other external fund to cover these obligations. The jubilee benefits do not require any contributions by employees.

The obligations from jubilee benefits for employees (long-service bonuses) are considered other long-term employee benefits under IFRS. The net interest expense from jubilee benefits (expenses from the accrued interest on the obligations) is recorded under financing costs. The discount rate applied to the Austrian obligations is similar to the discount rate used for the other defined benefit plans. Employee turnover rates were determined separately for each company depending on the composition of the workforce and employees' length of service. Individual, country-specific assumptions were made regarding the discount rate, employee turnover rates and salary increases in the other countries.

The main actuarial parameters applied to the obligations for jubilee benefits are as follows:

Actuarial assumptions for the jubilee benefit obligations p. a. in %

31/12/2025	Discount rate	Salary increase	Staff turnover deductions
Austria	4.1	3.0	0.0-12.2
Czech Republic	3.8	4.0	1.6
31/12/2024			
Austria	3.5	3.0	0.0-10.5
Czech Republic	3.4	4.2	1.6

The following table shows the development of the obligation (provision) for jubilee benefits:

Development of the jubilee benefit obligation (provision) **EUR '000**

	2025	2024
As at 01/01	**15,512**	**14,766**
Service cost		
Current service cost	908	918
Net interest	518	507
Remeasurement during the reporting period		
On the basis of demographic assumptions	(912)	(568)
On the basis of financial assumptions	(828)	1
On the basis of experience adjustments	(549)	1,125
Income and expenses from jubilee benefit obligations recognized in the income statement	**(862)**	**1,982**
Cash flows		
Direct payments by employer	(1,544)	(1,237)
Currency translation adjustment	(5)	1
Other reconciliation items	**(1,549)**	**(1,236)**
As at 31/12	**13,100**	**15,512**

Other provisions

Other provisions developed as follows:

Development of other provisions **EUR '000**

2025	As at 01/01	Currency translation adjustment	Reclassification	Utilization	Reversal	Addition	As at 31/12	Thereof current	Thereof non-current
Restructuring measures	6,901	0	2,578	(4,227)	(2,674)	9,503	**12,081**	12,081	0
Anticipated losses and other risks	2,475	(276)	0	0	(2,199)	0	**0**	0	0
Emission certificates	8,803	19	0	(8,596)	(1)	12,855	**13,080**	13,080	0
Sundry	1,942	40	0	(1,415)	(97)	1,053	**1,522**	1,305	218
Total	**20,120**	**(216)**	**2,578**	**(14,238)**	**(4,971)**	**23,410**	**26,683**	**26,465**	**218**

Development of other provisions (previous year) **EUR '000**

2024	As at 01/01	Currency translation adjustment	Reclassification	Utilization	Reversal	Addition	As at 31/12	Thereof current	Thereof non-current
Restructuring measures	24,087	0	(3,796)	(12,681)	(1,308)	600	**6,901**	6,901	0
Anticipated losses and other risks	10,806	303	0	0	(9,096)	462	**2,475**	2,475	0
Emission certificates	9,972	(19)	0	(9,303)	(86)	8,239	**8,803**	8,803	0
Sundry	7,218	(77)	0	(3,938)	(2,999)	1,738	**1,942**	1,081	861
Total	**52,082**	**206**	**(3,796)**	**(25,922)**	**(13,489)**	**11,039**	**20,120**	**19,259**	**861**

The measurement of provisions is based on past experience, current cost and price information and estimates/appraisals by internal and external experts. The assumptions underlying the provisions are reviewed regularly. The actual values may differ from these assumptions if general conditions develop in contrast to expectations as at the reporting date. Changes are recognized in profit or loss when better information is available, and the premises are adjusted accordingly.

As in the previous year, other provisions for restructuring measures in the 2025 financial year relate particularly to provisions due to staff reductions as part of reorganization and cost-cutting programs. The provisions were formed particularly for resultant severance payments and termination benefits. As at December 31, 2025, provisions amounting to EUR 2,578 thousand (December 31, 2024: EUR 0 thousand), originating from provisions previously formed (in particular from the statutory provision for severance payments; see section "Defined benefit plans (for pensions and severance payments)"), were included in the provisions for restructuring measures. In the 2024 financial year, a reclassification back of EUR 3,796 thousand of provisions that had already been recognized as at December 31, 2023, was carried out (in particular from the statutory provision for severance payments; see the section "Defined benefit plans (for pensions and severance payments)"). The remaining amount of the necessary provisions of EUR 9,503 thousand (2024: EUR 600 thousand) was allocated mainly to personnel expenses and to other operating expenses (administrative expenses). The total provisions of EUR 12,081 thousand (December 31, 2024: EUR 6,901 thousand) are expected to be fully utilized within the next 12 months.

In the financial year 2024, other provisions for anticipated losses and other risks included, in particular, provisions for onerous procurement contracts of EUR 2,475 thousand and for other onerous contracts. These were completely reversed in the 2025 financial year. Other provisions for emission certificates comprise the equivalent value of the emission certificates used.

The other current provisions and accruals were expected to lead to an outflow of funds within the next twelve months. The outflow of funds arising from the long-term portion of other provisions is dependent on various factors (in particular, guarantee and warranty periods, contract terms and other events).

Note 31. Trade payables

The Lenzing Group participates in reverse factoring arrangements under which suppliers can elect to receive payment of their invoices earlier from a bank. Under this arrangement, the bank offers to pay invoices owed by the Lenzing Group to participating suppliers, and the Lenzing Group pays the bank at a later date.

These reverse factoring agreements enable the Lenzing Group to centralize the payment of trade payables to the bank and to enable efficient payment processes, rather than paying each supplier individually. In addition, participating suppliers can be offered early payment dates compared to the due date of the invoices concerned. From the Lenzing Group's perspective, the agreements do not significantly extend the payment period compared to normal payment periods with other not participating suppliers. However, the agreements offer participating suppliers the advantage of earlier payment. As a consequence, the amounts covered by these agreements are reported under trade payables, as the nature and function of these liabilities remain the same as for other trade payables.

The present value test and qualitative analyses indicate that these agreements do not significantly change the contract terms (in particular payment terms and interest rates). The agreements do not lead to the reclassification of the trade payables involved to another class of liability under civil law or IFRS regulations from the Lenzing Group's perspective. Consequently, there are no changes to the presentation on the consolidated statement of financial position (under trade payables) or the consolidated statement of cash flows (under cash flow from operating activities). The Lenzing Group has not derecognized the original trade payables subject to these agreements, as it has neither been legally released from the obligation nor has the liability been materially modified by entering into the agreement.

From the Lenzing Group's perspective, the payments made by banks to suppliers represent non-cash transactions. The payments rendered by the Lenzing Group to the banks are included in the cash flow from operating activities, as the factual connection to the original liability and thereby the financial background of the cash outflows remains. As in the previous year, the Lenzing Group has not provided any collateral.

Supplier Finance Arrangements **TEUR**

Reverse factoring agreements	31/12/2025	31/12/2024	Presentation in the consolidated statement of financial position
Carrying amount of liabilities affected by the agreements	110,002	114,059	Trade payables
thereof payments already effected by banks	98,682	99,792	
Payment services	**31/12/2025**	**31/12/2024**	**Presentation in the consolidated statement of financial position**
Carrying amount of liabilities affected by the agreements	100,529	64,480	Other financial liabilities
thereof payments already effected by payment services	100,529	64,480	

Range of due dates **in days**

	2025		2024	
	Affected by reverse factoring agreement	Not affected by reverse factoring agreement	Affected by reverse factoring agreement	Not affected by reverse factoring agreement
Austrian reverse factoring agreement	120 - 180	45 - 90	120 - 180	45 - 90
Brazilian reverse factoring agreement	10 - 90	10 - 150	10 - 90	10 - 150

In the 2024 financial year, a supplier financing program was concluded with a payment service provider for trade payables. Further details can be found in note 32.

The liquidity risk of the supplier finance agreements is a concentration since the supplier finance agreements currently in place have been made with only two financial institutions and one payment service provider, giving rise to the risk of a revocation of the supplier finance agreements by the same financial institution or the same payment service provider. The liabilities affected by these supplier finance agreements are settled in accordance with the agreed due date. The related, estimated outflows are taken into account in liquidity planning. The Lenzing Group assesses the risk concentration with regard to sufficient financing sources as rather low because the risk spread of the Lenzing Group's financing over different financial institutions is maintained. Furthermore, the supplier finance agreements include no material financing component. A potential discontinuation of these agreements would result in an increase in financing requirements. Liabilities relating to reverse factoring agreements amount to 34.0 percent as at the reporting date (December 31, 2024: 29.5 percent) relative to the group's total trade payables. Liabilities to payment service providers amounted to 52.0 percent (December 31, 2024: 38.8 percent) of other financial liabilities as at the balance sheet date . No non-cash changes occurred to the carrying amount of the financial liabilities covered by the supplier financing agreements.

Information regarding the liquidity and foreign currency risk of the group exposure is presented in note 37.

Note 32. Other liabilities

Other non-current liabilities comprise both financial and non-financial items. Other non-current financial liabilities as at December 31, 2025 are reported in the amount of EUR 12,218 thousand (December 31, 2024: EUR 5,254 thousand), and relate in particular to a dividend resolved for distribution to non-controlling shareholders in the amount of EUR 8,525 thousand (December 31, 2024: EUR 0 thousand) and to derivatives and other liabilities. The reported non-financial liabilities amount to EUR 4,369 thousand as at December 31, 2025 (December 31, 2024: EUR 4,542 thousand), and mainly include accrued items for personnel expenses and partial retirement obligations.

Other current liabilities consist of the following:

Other current liabilities		**EUR '000**
	31/12/2025	**31/12/2024**
Other current financial liabilities		
Supplier finance arrangements (payment services)	100,529	64,480
Other accruals	28,790	35,531
Interest accruals	25,575	20,413
Customer payments from factoring not yet forwarded	10,968	10,120
Contract liabilities - accruals for discounts and rebates (see note 5)	5,961	4,033
Derivatives not yet settled (open positions)	3,713	20,484
Dividend payable to non-controlling shareholders	2,085	0
Other current financial liabilities	3,465	6,054
	181,086	**161,115**
Other current non-financial liabilities		
Accruals for personnel expenses	35,445	84,035
Contract liabilities - down payments received (see note 5)	19,508	18,830
Wage and salary liabilities	9,667	9,452
Social security liabilities	8,199	8,391
Liabilities from other taxes	5,831	7,822
Deferred income and other	1,393	2,276
	80,043	**130,806**
Total	**261,129**	**291,921**

The other accruals mainly cover liabilities for the delivery of goods and the performance of services by third parties which have not yet been invoiced.

In the 2024 financial year, the Lenzing Group started supplier financing agreements with suppliers of individual Group companies. The payment service provider settles the original trade payables on the respective invoice due date, discharging the debt, which results in a change of presentation in the consolidated statement of financial position. Liabilities to the payment service provider are shown as other current financial liabilities. Under the supplier financing agreements, the Lenzing Group pays the payment service provider 61 days (2024: 60 days) after the invoice due date. The payments rendered to the payment service providers are included in the cash flow from operating activities, as the factual connection to the original liability and thereby the financial background of the cash outflows remains. The Lenzing Group regards the payments made by the payment service provider as non-cash transactions (see note 31).

The accruals for personnel costs consist primarily of liabilities for short-term claims by active and former employees (in particular, for unused vacation and compensation time, overtime and performance bonuses).

Note 33. Disclosures on the Consolidated Statement of Cash Flows

Liquid funds represent cash and cash equivalents as shown in the statement of financial position. Cash and cash equivalents include cash in hand and cash at banks, demand deposits, checks and short-term time deposits. Due to customer payments from factoring that have not yet been forwarded, cash and cash equivalents amounting to EUR 10,968 thousand (31 December 2024: EUR 10,120 thousand) are not freely available as at 31 December 2025 (see Note 32).

Other non-cash income and expenses in both the 2025 financial year and the previous year include the measurement of inventories as well as non-cash changes in provisions. Other non-cash income/expenses also contain unrealized net foreign exchange rate gains/losses and measurement effects from receivables.

Cash flows from investing activities (purchases of intangible assets, property, plant and equipment and biological assets) are adjusted either for payments not yet rendered to suppliers in the current period, or for payments rendered to suppliers for payables from prior periods. In the 2025 financial year, these mainly comprise payments not yet made to suppliers in the current period in the amount of EUR 12,350 thousand (2024: EUR 6,347 thousand).

Cash flow from financing activities includes repayments of hybrid capital in the amount of EUR 236,700 thousand and cash inflows from the issuance of hybrid capital in the amount of EUR 236,700 thousand (before deduction of transaction costs). For non-cash changes, please refer to note 26.

Reconciliation of loans and borrowings **EUR '000**

2025		Bond	Private placements	Subtotal bond and private placements	Bank loans	Loans from other lenders	Lease liabilities	Subtotal other financial liabilities	Total
As at 01/01		608,553	334,208	942,761	1,008,322	33,049	123,862	1,165,233	**2,107,994**
Cash flows	Increase in loans and borrowings	0	0	**0**	366,365	1,761	0	368,126	**368,126**
	Repayment of loans and borrowings	0	(68,500)	**(68,500)**	(136,809)	(4,925)	(25,983)[1]	(167,716)	**(236,216)**
Non-cash changes	Currency translation adjustment	(67,710)	0	**(67,710)**	(40,304)	0	(865)	(41,169)	**(108,879)**
	Discounting/accrued interest	1,780	129	**1,908**	5,126	0	15,420	20,547	**22,455**
	Additions to lease liabilities	0	0	**0**	0	0	16,388	16,388	**16,388**
	Other changes	0	0	**0**	0	0	(334)	(334)	**(334)**
As at 31/12		**542,622**	**265,837**	**808,459**	**1,202,701**	**29,885**	**128,488**	**1,361,074**	**2,169,533**

1) The repayment of lease liabilities comprises the repayment portion of lease payments in the amount of EUR 10,631 thousand, and interest payments in the amount of EUR 15,352 thousand.

Reconciliation of loans and borrowings (previous year) **EUR '000**

2024		Bond	Private placements	Subtotal bond and private placements	Bank loans	Loans from other lenders	Lease liabilities	Subtotal other financial liabilities	Total
As at 01/01		0	567,805	567,805	1,687,892	37,890	142,107	1,867,889	**2,435,694**
Cash flows	Increase in loans and borrowings	581,763	0	**581,763**	309,340	101	0	309,441	**891,204**
	Repayment of loans and borrowings	0	(236,431)	**(236,431)**	(1,062,069)	(4,941)	(26,149)[1]	(1,093,159)	**(1,329,590)**
Non-cash changes	Currency translation adjustment	26,311	2,607	**28,918**	30,060	(2)	(20,952)	9,107	**38,025**
	Discounting/accrued interest	479	227	**705**	43,099	0	15,958	59,056	**59,762**
	Additions to lease liabilities	0	0	**0**	0	0	13,153	13,153	**13,153**
	Other changes	0	0	**0**	0	0	(254)	(254)	**(254)**
As at 31/12		**608,553**	**334,208**	**942,761**	**1,008,322**	**33,049**	**123,862**	**1,165,233**	**2,107,994**

1) The repayment of lease liabilities comprises the repayment portion of lease payments in the amount of EUR 10,257 thousand, and interest payments in the amount of EUR 15,892 thousand.

Note 34. Capital risk management

General information

The overriding objective of equity and debt management in the Lenzing Group is to optimize the income, expenditures and assets of the individual operations/business units and of the Group as a whole in order to achieve and maintain sustainably strong economic performance and a sound balance sheet structure. An important role in this process is played by financial leverage capacity, the protection of sufficient liquidity at all times and a clear focus on key cash-related and performance indicators in line with the Group's strategic course and long-term goals. This protects the ability of the group companies to operate on a going concern basis. In addition, the authorized capital and contingent capital give Lenzing AG greater flexibility in raising additional equity in order to take advantage of future market opportunities.

The equity management strategy followed by the Lenzing Group is designed to ensure that Lenzing AG and the other group companies have an adequate equity base to meet local requirements.

Management uses an adjusted equity ratio for internal control purposes. Adjusted equity is calculated in accordance with IFRS and comprises equity as well as investment grants less the related deferred taxes. The adjusted equity ratio (= adjusted equity in relation to total assets) equaled 29.6 percent as at December 31, 2025 (December 31, 2024: 34.7 percent).

Adjusted equity is calculated as follows:

Adjusted equity		EUR '000
	31/12/2025	31/12/2024
Equity	1,305,342	1,652,001
+ Government grants	75,228	95,623
- Proportional share of deferred taxes on government grants	(17,047)	(21,700)
Total	**1,363,522**	**1,725,924**

The dividend policy of Lenzing AG, as the parent company of the Lenzing Group, is based on the principles of continuity and a long-term focus in order to support the future development of the company, to distribute dividends to shareholders in line with the company's opportunity and risk situation, and to appropriately reflect the interests of all other stakeholders who are decisive for the company's success.

Net financial debt

The Supervisory Board and Managing Board of Lenzing AG regularly review the development of net financial debt because this indicator is an extremely important benchmark not only for the Group's management, but also for the financing banks. The ratio of net financial debt to EBITDA is particularly relevant. The continued optimal development of the Lenzing Group is only possible with convincing internal financing strength as the basis for increased debt capacity.

Interest-bearing financial liabilities are classified as follows:

Interest-bearing loans and borrowings		EUR '000
	31/12/2025	31/12/2024
Non-current loans and borrowings	1,667,411	1,828,545
Current loans and borrowings	502,122	279,449
Total	**2,169,533**	**2,107,994**

Liquid assets consist of the following:

Liquid assets		EUR '000
	31/12/2025	31/12/2024
Cash and cash equivalents	675,007	442,297
Liquid bills of exchange (in trade receivables)	15,899	9,384
Total	**690,906**	**451,681**

Net financial debt in absolute terms and in relation to EBITDA is as follows:

Net financial debt (absolute)		EUR '000
	31/12/2025	31/12/2024
Interest-bearing loans and borrowings	2,169,533	2,107,994
- Liquid assets	(690,906)	(451,681)
Net financial debt incl. lease liabilities	**1,478,627**	**1,656,314**
- Current lease liabilities	(10,949)	(9,637)
- Non-current lease liabilities	(117,539)	(114,225)
Net financial debt	**1,350,139**	**1,532,452**

Net financial debt in relation to EBITDA		EUR '000
	31/12/2025	31/12/2024
EBITDA	413,029	395,426
Net financial debt / EBITDA	3.3	3.9

Note 35. Disclosures on financial instruments

Carrying amounts, fair values, measurement categories and measurement methods

The following table shows the carrying amounts and fair values of the financial assets and financial liabilities for each class and each IFRS 9 category and reconciles this information to the appropriate line items on the statement of financial position. The balance sheet items loans and borrowings (non-current and current) include lease liabilities that are to be regarded as financial liabilities but are not allocated to a measurement category in accordance with IFRS 9. They are reported in the “no financial instruments” column to enable a reconciliation to the balance sheet item. In addition, the (current) provisions balance sheet item is reported as a financial liability. However, this is also not allocated to an IFRS 9 measurement category and is consequently also reported in the "no financial instruments" column.

Carrying amounts, category, fair value and fair value hierarchy of financial instruments EUR '000

	Carrying amount						Fair value	
Financial assets as at 31/12/2025	**At amortized cost**	**At fair value through profit or loss**	**At fair value through other comprehensive income**		**No financial instrument**	**Total**	**Fair value**	**Fair value hierarchy**
			Equity instruments	**Cash flow hedges**				
Originated loans	55,523					**55,523**	54,506	Level 3
Non-current securities		6,906				**6,906**	6,906	Level 1
Other equity investments			12			**12**	12	[1]
Current securities			6,525			**6,525**	6,525	Level 1
Other investments (current and non-current)	**55,523**	**6,906**	**6,537**	**0**	**0**	**68,965**	**67,949**	
Trade receivables	**245,318**	**0**	**0**	**0**	**0**	**245,318**	**245,318**	[1]
Derivatives with a positive fair value (cash flow hedges)				324		**324**	324	Level 2
Derivatives with a positive fair value (cash flow hedges with the underlying already recognized in profit or loss)		1,159				**1,159**	1,159	Level 2
Other	33,570					**33,570**	33,570	[1]
Other financial assets (current and non-current)	**33,570**	**1,159**	**0**	**324**	**0**	**35,054**	**35,054**	
Cash and cash equivalents	**675,007**	**0**	**0**	**0**	**0**	**675,007**	**675,007**	[1]
Total	**1,009,419**	**8,065**	**6,537**	**324**	**0**	**1,024,345**	**1,023,328**	

	Carrying amount						Fair value	
Financial liabilities as at 31/12/2025	**At amortized cost**	**At fair value through profit or loss**	**At fair value through other comprehensive income**		**No financial instrument**	**Total**	**Fair value**	**Fair value hierarchy**
			Cash flow hedges/Fair value hedges	**Retained earnings**				
Bond	542,622					**542,622**	580,851	Level 1
Private placements	265,837					**265,837**	258,255	Level 3
Liabilities to banks	1,202,701					**1,202,701**	1,213,368	Level 3
Liabilities to other lenders	29,885					**29,885**	26,813	Level 3
Lease liabilities					128,488	**128,488**		
Loans and borrowings	**2,041,045**	**0**	**0**	**0**	**128,488**	**2,169,533**	**2,079,287**	
Trade payables	**323,583**	**0**	**0**	**0**	**0**	**323,583**	**323,583**	[1]
Provisions (current)	**0**	**0**	**0**	**0**	**33,866**	**33,866**		
Puttable non-controlling interests	**0**	**0**	**0**	**285,818**	**0**	**285,818**	**285,818**	Level 3
Derivatives with a negative fair value (cash flow hedges)			6,155			**6,155**	6,155	Level 2
Derivatives with a negative fair value (cash flow hedges with the underlying already recognized in profit or loss)		143				**143**	143	Level 2
Contingent consideration		10				**10**	10	Level 2
Other	186,996					**186,996**	186,996	[1]
Other financial liabilities (current and non-current)	**186,996**	**153**	**6,155**	**0**	**0**	**193,304**	**193,304**	
Total	**2,551,625**	**153**	**6,155**	**285,818**	**162,354**	**3,006,104**	**2,881,992**	

1) The carrying amount approximates fair value.

Carrying amounts, category, fair value and fair value hierarchy of financial instruments (previous year) **EUR '000**

	Carrying amount						Fair value	
Financial assets as at 31/12/2024	**At amortized cost**	**At fair value through profit or loss**	**At fair value through other comprehensive income**		**No financial instrument**	**Total**	**Fair value**	**Fair value hierarchy**
			Equity instruments	**Cash flow hedges**				
Originated loans	30,512					**30,512**	26,421	Level 3
Non-current securities		6,582				**6,582**	6,582	Level 1
Other equity investments			12			**12**	12	[1]
Current securities			11,301			**11,301**	11,301	Level 1
Other investments (current and non-current)	**30,512**	**6,582**	**11,314**	**0**	**0**	**48,407**	**44,317**	
Trade receivables	**318,182**	**0**	**0**	**0**	**0**	**318,182**	**318,182**	[1]
Derivatives with a positive fair value (cash flow hedges)				2,250		**2,250**	2,250	Level 2
Derivatives with a positive fair value (cash flow hedges with the underlying already recognized in profit or loss)		270				**270**	270	Level 2
Other	25,675					**25,675**	25,675	[1]
Other financial assets (current and non-current)	**25,675**	**270**	**0**	**2,250**	**0**	**28,195**	**28,195**	
Cash and cash equivalents	**442,297**	**0**	**0**	**0**	**0**	**442,297**	**442,297**	[1]
Total	**816,666**	**6,852**	**11,314**	**2,250**	**0**	**837,081**	**832,991**	

	Carrying amount						Fair value	
Financial liabilities as at 31/12/2024	**At amortized cost**	**At fair value through profit or loss**	**At fair value through other comprehensive income**		**No financial instrument**	**Total**	**Fair value**	**Fair value hierarchy**
			Cash flow hedges/Fair value hedges	**Retained earnings**				
Bond	608,553					**608,553**	624,701	Level 1
Private placements	334,208					**334,208**	333,340	Level 3
Liabilities to banks	1,008,322					**1,008,322**	1,030,105	Level 3
Liabilities to other lenders	33,049					**33,049**	32,453	Level 3
Lease liabilities					123,862	**123,862**		
Loans and borrowings	**1,984,132**	**0**	**0**	**0**	**123,862**	**2,107,994**	**2,020,599**	
Trade payables	**386,383**	**0**	**0**	**0**	**0**	**386,383**	**386,383**	[1]
Provisions (current)	**0**	**0**	**0**	**0**	**28,520**	**28,520**		
Puttable non-controlling interests	**0**	**0**	**0**	**230,954**	**0**	230,954	**230,954**	**Level 3**
Derivatives with a negative fair value (cash flow hedges)			15,213			**15,213**	15,213	Level 2
Derivatives with a negative fair value (cash flow hedges with the underlying already recognized in profit or loss)		7,729				**7,729**	7,729	Level 2
Contingent consideration		1,150				**1,150**	1,150	Level 2
Other	142,277					**142,277**	142,277	[1]
Other financial liabilities (current and non-current)	**142,277**	**8,878**	**15,213**	**0**	**0**	**166,369**	**166,369**	
Total	**2,512,793**	**8,878**	**15,213**	**230,954**	**152,382**	**2,920,220**	**2,804,305**	

1) The carrying amount approximates fair value.

Depending on the classification/measurement category, financial instruments are subsequently measured at (amortized) cost or fair value. The Lenzing Group uses the following measurement categories: "at amortized cost", "at fair value through profit or loss" and "at fair value through other comprehensive income". The measurement category "at fair value through profit or loss" is solely used for financial assets that are mandatorily measured at fair value.

The Lenzing Group accounts for reclassifications in the fair value hierarchy at the end of the reporting period in which the changes occur. In the 2025 and 2024 financial years, no shifts occurred between the various levels of the fair value hierarchy for financial instruments.

Where valuations of financial instruments are conducted by external institutions (banks), these are monitored by the Lenzing Group and subjected to a further review and, where appropriate, adopted for financial accounting purposes. The necessary market data are validated on the basis of the dual control principle.

In light of the varying influencing factors, the fair values presented can only be regarded as indicators of the values that could actually be realized on the market.

Financial assets

Securities are measured at fair value and, due to the exercise of the corresponding option, measurement is recognized directly in equity. In the 2025 financial year the entire interest in the company Spinnova OY, Jyväskylä, Finland, was divested (2024: partial disposal). In addition, some of the ordinary shares in Oberbank were sold in the 2025 and 2024 financial years (see note 22).

The fair values of loans are determined using the discounted cash flow method. This involves calculating the expected future contractual cash flows over the remaining term and discounting them at a current market interest rate observed on the market. The loans mainly result from the loan agreement between LD Celulose S.A. and LD Florestal S.A. (see note 38).

The fair value of shares is derived from the current stock exchange prices. These securities are assigned to the category "at fair value through other comprehensive income".

The fair value of investment funds is derived from the latest calculated value. These securities are assigned to the category "at fair value through profit or loss".

The other equity investments are classified as "at fair value through other comprehensive income".

Bond

The fair value of the bond issued is derived from the current market price, and its fair value changes are especially due to changes in market interest rates and the credit rating of LD Celulose International GmbH, Vienna, as well as of its guarantors LD Celulose S.A., Indianópolis, Brazil, and LD Florestal S.A. Indianópolis, Brazil.

Puttable non-controlling interests

The Dexco-Group has a put option and has the right to sell its shares in LD Celulose S.A., Indianópolis, Brazil, within certain periods, upon expiry of time or upon the occurrence of a contractually defined change of control regarding the owner of the Lenzing Group (change of control clause). This obligation is recognized under liabilities from puttable non-controlling interests. The liability from puttable non-controlling interests is subsequently measured at fair value directly through retained earnings (not in profit or loss). The fair value of these puttable non-controlling interests is determined based on the planned or projected cash flows less cost of disposal and net debt at the measurement date. The budget approved by the Management and Supervisory Boards and the medium-term plans approved by the Management Board are the starting point for the cash flow projections. After the detailed planning period of five years, a 25-year return based on a sustainable EBITDA margin is expected based on the assumptions for the last year. The planning period for the calculation of fair value is contractually limited to a maximum of 30 years. Cash flows are discounted to their present value with a discounted cash flow method. The applied discount rate represents a composite figure (weighted average cost of capital – WACC) that combines the average interest rate for debt and the anticipated return on equity employed. An after-tax WACC of 7.7 percent (December 31, 2024: 8.2 percent) was used at the measurement date. Fair value measurement is classified in full as level 3 of the fair value hierarchy because key input factors (in particular, cash flows) cannot be observed on the market.

Development of level 3 fair values of puttable non-controlling interest — **EUR '000**

	2025	2024
As at 01/01	230,954	249,418
Measurement of puttable non-controlling interest recognized directly in equity	54,864	(18,464)
As at 31/12	**285,818**	**230,954**

The determined fair value would increase (decrease) if the EBITDA increased (decreased) or if the after-tax WACC decreased (increased). A change of these unobservable input factors would have the following effects on the measurement of puttable non-controlling interests:

Sensitivity analysis of level 3 input factors for puttable non-controlling interest — **EUR '000**

	Measurement result offset against retained earnings			
	31/12/2025		31/12/2024	
Puttable non-controlling interests	**Increase**	**Decrease**	**Increase**	**Decrease**
EBITDA (+/- 1%)	8,548	(8,548)	9,058	(9,058)
Discount rate (WACC) after tax (+/- 0.25%)	(13,097)	13,516	(13,424)	13,876

The sensitivities are determined by conducting the measurements again using the changed parameters.

Other financial liabilities

The fair values of the other financial liabilities are determined in accordance with generally accepted valuation methods based on the discounted cash flow method. The most important input factor is the discount rate, which incorporates the available market data (risk-free interest rates) and the credit standing of the Lenzing Group, which is not observable on the market. The fair values of the financial guarantee contracts represent the estimated expected default arising from the maximum possible payment obligation and the expected loss.

The fair value of the contingent consideration is determined by means of option valuation using an arbitrage-free Monte Carlo model approach. The gas price (TTF ICE) is the main input factor in this context. This liability with a carrying amount of EUR 10 thousand (December 31, 2024: EUR 1,150 thousand) is assigned to the category "at fair value through profit or loss". The change was recognized under income from non-current and current financial assets and liabilities (see note 13).

Derivative financial instruments and hedges

Derivatives are measured at fair value. The fair value of derivatives is calculated using standard methods based on the market data available at the measurement date (in particular exchange rates and interest rates). Currency and commodity forwards are measured at the respective forward rate or price at the reporting date. These forward rates or prices are based on the spot rates or prices and include forward premiums and discounts. The Group's own models are used to estimate the measurement. The measurement of derivatives also includes the counterparty risk (credit risk/counterparty risk/non-performance risk) in the form of discounts to the fair value that would be used by a market participant for pricing.

Basically, the Lenzing Group applies the hedge accounting rules defined by IFRS 9 to the following derivative financial instruments. The retrospective hedging effect or ineffectiveness is evaluated with the dollar-offset method, which compares the accumulated changes in the fair value of the hedged items with the accumulated changes in the fair value of the hedges in line with the compensation method.

The measurement of the hedged item is offset by the hedge and is therefore effective. Risks of ineffectiveness include the credit risk of a counterparty, a significant change in the credit risk of a contractual party in the hedging relationship or the change of time of payment of the hedged item, reduction of the total invoice amount or price of the hedged item. Risks are always hedged in their entirety. The target hedging ratio for the hedged nominal values is about 67 percent.

The critical terms of payment of the hedged items and hedging instruments (in particular, the nominal value and time of payment) are generally identical or offset one another ("critical terms match"). Therefore, when forming a measurement unit, the Managing Board considers the offsetting of value changes of the hedged items and of the hedging instrument resulting from changes of the hedged risk as highly effective.

Cash flow hedge derivatives for currency risks

The Lenzing Group uses derivative financial instruments to hedge currency risks arising from the operating business. These derivative financial instruments serve to balance the variability of cash flows from future transactions. Hedges are determined in advance on the basis of the expected purchases and sales in the relevant foreign currency. In hedging future cash flows in foreign currencies (cash flow hedges), the Lenzing Group typically hedges the risk up to the time of the foreign currency payment. Hedge effectiveness is measured by grouping the hedged items and hedging instruments together in at least quarterly maturity ranges for each hedged risk. Cash flow hedges whose underlying hedged item was already recognized in profit or loss are used to hedge foreign currency receivables/liabilities that were recognized at the reporting date but do not impact cash until a later time.

Lenzing AG has arranged currency hedges to hedge USD loans issued to a subsidiary. Due to the early repayment of part of the loan, the currency hedge was sold to the bank ahead of schedule in the 2024 financial year. A nominal amount of USD 65,000 thousand was terminated early at a rate of 1.12 USD/EUR.

The nominal values and fair values of the cash flow hedges are as follows as at the reporting date:

Nominal value, fair value and hedging period of cash flow hedge derivatives for currency risks

			31/12/2025					EUR '000
		Nominal value in '000	Positive fair value	Negative fair value	Net fair value	Hedging period until	Average hedging rate	Change in fair value used to calculate ineffective-ness
Forward foreign exchange contracts								
BRL buy / USD sale	BRL	430,000	109	(400)	(290)	12/2026	5.73	349
USD-sale / EUR-buy	USD	37,500	215	0	215	12/2026	1.18	402
Total			**324**	**(400)**	**(76)**			**751**

Fair value: + = receivable, – = liability from the Lenzing Group's perspective
The hedging period represents the period for the expected cash flows and their recognition in profit or loss.

Nominal value, fair value and hedging period of cash flow hedge derivatives for currency risks (previous year)

			31/12/2024					EUR '000
		Nominal value in '000	Positive fair value	Negative fair value	Net fair value	Hedging period until	Average hedging rate	Change in fair value used to calculate ineffective-ness
Forward foreign exchange contracts								
CNY/CNH-sale / EUR-buy	CNY/CNH	408,300	0	(851)	(851)	09/2025	7.76	(1,195)
CNY/CNH-sale / GBP-buy	CNY/CNH	152,300	0	(146)	(146)	09/2025	9.15	(300)
BRL buy / USD sale	BRL	545,000	7	(6,339)	(6,331)	12/2025	5.94	(6,497)
USD-sale / CZK-buy	USD	81,400	0	(3,917)	(3,917)	09/2025	22.90	(3,166)
USD-sale / EUR-buy	USD	25,400	0	(1,142)	(1,142)	09/2025	1.10	(1,142)
Total			**7**	**(12,395)**	**(12,387)**			**(12,299)**

Fair value: + = receivable, – = liability from the Lenzing Group's perspective
The hedging period represents the period for the expected cash flows and their recognition in profit or loss.

The carrying amounts and the ineffectiveness of the hedged items (purchases and sales) designated as hedging instruments as of the balance sheet dates are as follows:

Disclosures on hedged items of cash flow hedge derivatives for currency risks - ineffectiveness **EUR '000**

	2025			2024		
Currency risks	**Change in fair value used to calculate ineffectiveness**	**Ineffectiveness**	**Line item in the income statement**	**Change in fair value used to calculate ineffectiveness**	**Ineffectiveness**	**Line item in the income statement**
Sales	402	0	Financial result	(5,802)	0	Financial result
Purchases	349	0	Financial result	(6,497)	0	Financial result
Total	**751**	**0**		**(12,299)**	**0**	

Cash flow hedge derivatives for combined interest rate/currency risks and interest rate risks

The Lenzing Group deploys derivative financial instruments in order to hedge interest rate/currency risks arising from private placements denominated in US dollars. Hedges are utilized to offset the variability of interest and principal payments resulting from the hedged item. These private placements expired on schedule in December 2024 and were repaid.

The Lenzing Group uses derivative financial instruments to hedge interest rate risks arising from loans taken out with variable interest rates. These hedges are used to offset the variability of cash flows from future interest payments resulting from the hedged item. Some of these hedges were repaid early in the 2024 financial year due to the refinancing of a Lenzing Group subsidiary. The nominal value at the time when the hedge accounting was terminated amounted to USD 395,032 thousand. Due to the early termination, income of EUR 17,377 thousand from the interest rate hedging reserve was reclassified to the consolidated income statement (Financial result).

The nominal values and fair values of the cash flow hedge derivatives for interest rate risks are as follows as at the reporting dates:

Nominal, fair value and hedging period of cash flow hedge derivatives for interest rate risks

	31/12/2025							EUR '000
	Nominal in EUR '000	Positive fair value	Negative fair value	Net fair value	Hedging period until	Average fixed interest rate	Average hedging rate	Change in fair value used to calculate ineffectiveness
Interest rate derivative								
Fixed purchase / variable sale	100,000	0	(1,455)	(1,455)	12/2028	2.98	-	(1,455)
Total	**100,000**	**0**	**(1,455)**	**(1,455)**				**(1,455)**

Fair value: + = receivable, – = liability from the Lenzing Group's perspective
The hedging period represents the period for the expected cash flows and their recognition in profit or loss.

Nominal, fair value and hedging period of cash flow hedge derivatives for interest rate risks (previous year)

	31/12/2024							EUR '000
	Nominal in EUR '000	Positive fair value	Negative fair value	Net fair value	Hedging period until	Average fixed interest rate	Average hedging rate	Change in fair value used to calculate ineffectiveness
Interest rate derivative								
Fixed purchase / variable sale	100,000	0	(2,457)	(2,457)	12/2028	2.98	-	(2,426)
Total	**100,000**	**0**	**(2,457)**	**(2,457)**				**(2,426)**

Fair value: + = receivable, – = liability from the Lenzing Group's perspective
The hedging period represents the period for the expected cash flows and their recognition in profit or loss.

The carrying amounts and the ineffectiveness of the hedged items (loans) designated as hedging instruments as at the balance sheet dates are as follows:

Disclosures relating to hedged items of cash flow hedge derivatives for interest rate risks - ineffectiveness **EUR '000**

	2025			2024		
	Change in fair value used to calculate ineffectiveness	Ineffectiveness	Line item in the income statement	Change in fair value used to calculate ineffectiveness	Ineffectiveness	Line item in the income statement
Interest rate derivative						
Fixed purchase / variable sale	(1,455)	0	Financial result	(2,426)	(32)	Financial result
Total	**(1,455)**	**0**		**(2,426)**	**(32)**	

Cash flow hedge derivatives for commodity price risks

In addition to physical purchase contracts, the Lenzing Group deploys derivative financial instruments in order to hedge against gas price risks. These hedges are used to offset the variability of cash flows from future gas price payments deriving from the hedged item.

The nominal values and fair values of the commodity hedges are as follows as at the reporting dates:

Nominal value, fair value and hedging period of cash flow hedge derivatives for commodity price risks

			31/12/2025					EUR '000
		Nominal in MWh	Positive fair value	Negative fair value	Net fair value	Hedging period until	Average hedging rate	Change in fair value used to calculate ineffectiveness
Commodity derivatives								
Gas purchase	EUR	12,048	0	(72)	(72)	03/2026	33.57	32
Gas purchase	EUR	29,231	0	(277)	(277)	12/2026	36.70	277
Gas purchase	GBP	68,838	0	(924)	(924)	03/2026	40.28	852
Gas purchase	GBP	61,947	0	(613)	(613)	06/2026	36.75	533
Gas purchase	GBP	70,372	0	(680)	(680)	09/2026	35.36	596
Gas purchase	GBP	60,167	0	(605)	(605)	12/2026	37.56	514
Gas purchase	GBP	56,627	0	(489)	(489)	03/2027	37.25	410
Gas purchase	GBP	34,962	0	(232)	(232)	06/2027	30.96	183
Gas purchase	GBP	27,238	0	(198)	(198)	09/2027	30.83	159
Gas purchase	GBP	20,435	0	(104)	(104)	12/2027	32.02	73
Gas purchase	GBP	11,103	0	(60)	(60)	03/2028	33.74	34
Gas purchase	GBP	4,996	0	(22)	(22)	06/2028	27.61	13
Gas purchase	GBP	5,674	0	(26)	(26)	09/2028	27.11	17
Total		**463,638**	**0**	**(4,300)**	**(4,300)**			**3,693**

Fair value: + = receivable, – = liability from the Lenzing Group's perspective
The hedging period represents the period for the expected cash flows and their recognition in profit or loss.

Nominal value, fair value and hedging period of cash flow hedge derivatives for commodity price risks (previous year)

			31/12/2024					EUR '000
		Nominal in MWh	Positive fair value	Negative fair value	Net fair value	Hedging period until	Average hedging rate	Change in fair value used to calculate ineffectiveness
Commodity derivatives								
Gas purchase	EUR	8,779	0	(35)	(35)	03/2025	51.60	35
Gas purchase	EUR	51,420	609	0	609	12/2025	34.03	(609)
Gas purchase	EUR	12,048	104	0	104	03/2026	33.57	(104)
Gas purchase	EUR	29,231	36	0	36	12/2026	36.70	(36)
Gas purchase	GBP	38,189	167	(134)	33	03/2025	48.22	(33)
Gas purchase	GBP	62,821	300	(156)	145	06/2025	45.84	(145)
Gas purchase	GBP	89,939	396	(37)	359	09/2025	43.20	(359)
Gas purchase	GBP	64,080	351	0	351	12/2025	40.66	(351)
Gas purchase	GBP	44,404	127	0	127	03/2026	42.42	(127)
Gas purchase	GBP	29,976	81	0	81	06/2026	34.95	(81)
Gas purchase	GBP	17,022	61	0	61	09/2026	32.63	(61)
Gas purchase	GBP	11,348	12	0	12	12/2026	37.03	(12)
Total		**459,257**	**2,242**	**(361)**	**1,882**			**(1,882)**

Fair value: + = receivable, – = liability from the Lenzing Group's perspective
The hedging period represents the period for the expected cash flows and their recognition in profit or loss.

The carrying amounts and the ineffectiveness of the hedged items designated as hedging instruments as at the balance sheet dates are as follows:

Disclosures relating to hedged items of cash flow hedge derivatives for commodity price risks - ineffectiveness EUR '000

	2025			2024		
Commodity derivatives	**Change in fair value used to calculate ineffectiveness**	**Ineffectiveness**	**Line item in the income statement**	**Change in fair value used to calculate ineffectiveness**	**Ineffectiveness**	**Line item in the income statement**
Commodity price risks						
Purchases	3,693	(64)	Cost of sales	(1,882)	0	Cost of sales
Total	**3,693**	**(64)**		**(1,882)**	**0**	

Hedging Reserve

The change in the hedging reserve is as follows:

Changes in the hedging reserve EUR '000

	2025			2024		
	Hedging reserve	**Cost of hedging**	**Total**	**Hedging reserve**	**Cost of hedging**	**Total**
Hedging reserve as at 01/01	**(28,876)**	**5,465**	**(23,411)**	**3,654**	**5,377**	**9,031**
Currency risks	34,308	0	34,308	(21,450)[1]	0	(21,450)
Combined interest rate/currency risks	0	0	0	3,238	0	3,238
Interest rate risks	283	0	283	(2,711)	0	(2,711)
Commodity price risks	(8,010)	0	(8,010)	2,964	0	2,964
Cash flow hedges - changes in fair value recognized during the year	**26,581**	**0**	**26,581**	**(17,960)**	**0**	**(17,960)**
Currency risks	(14,574)	187	(14,387)	3,682	254	3,935
Commodity price risks	1,771	0	1,771	6,444	0	6,444
Reclassification to earnings before interest and tax (EBIT)	**(12,803)**	**187**	**(12,616)**	**10,126**	**254**	**10,379**
Currency risks	(7,874)	639	(7,235)	4,781	(165)	4,615
Reclassification to inventories	**(7,874)**	**639**	**(7,235)**	**4,781**	**(165)**	**4,615**
Currency risks	1,170	0	1,170	0	0	0
Combined interest rate/currency risks	0	0	0	(3,032)	0	(3,032)
Interest rate risks	688	0	688	(25,059)	0	(25,059)
Reclassification to financial result	**1,857**	**0**	**1,857**	**(28,091)**	**0**	**(28,091)**
Reclassifications	0	0	0	(1,386)	0	(1,386)
Hedging reserve as at 31/12	**(21,115)**	**6,291**	**(14,824)**	**(28,876)**	**5,465**	**(23,411)**

1) This includes a gain of EUR 4,550 thousand from the early termination of a currency hedge.

Offsetting financial assets and liabilities

The Lenzing Group has concluded a number of framework netting agreements (in particular, master netting arrangements) with some credit institutions. The amounts owed by each counterparty under such agreements on a single day in the same currency based on the total outstanding transactions are aggregated into a single net amount to be paid by one party to the other.

The following tables present information on offsetting financial assets and liabilities in the consolidated statement of financial position on the basis of framework netting agreements. The (gross) amounts presented in the "Financial assets" and "Financial liabilities" columns correspond to the (net) financial assets and liabilities recognized in the statement of financial position. The column "effect of framework netting agreements" shows the amounts which result from these types of agreements, but which do not meet the criteria for offsetting in the IFRS consolidated statement of financial position.

Offsetting of financial instruments **EUR '000**

Financial assets as at 31/12/2025	Financial assets (gross=net)	Effect of framework netting agreements	Net amounts
Other financial assets - derivative financial instruments with a positive fair value	1,483	(398)	1,085
Financial assets as at 31/12/2024			
Other financial assets - derivative financial instruments with a positive fair value	2,520	(243)	2,276

Offsetting of financial instruments **EUR '000**

Financial liabilities as at 31/12/2025	Financial liabilities (gross=net)	Effect of framework netting agreements	Net amounts
Other financial liabilities - derivative financial instruments with a negative fair value	6,308	(398)	5,909
Financial liabilities as at 31/12/2024			
Other financial liabilities - derivative financial instruments with a negative fair value	24,091	(243)	23,848

Transfer of financial assets (sale of receivables/ factoring)

Factoring agreements are in place with banks for the purchase of certain trade receivables of the Lenzing Group. The Lenzing Group is entitled to sell these receivables. The agreements have indefinite terms, whereby each party has the right to cancel the agreements with notice period of three months to the calendar quarter and allow them to expire. As at December 31, 2025 the factoring agreements have a maximum usable nominal volume totaling EUR 90,000 thousand (December 31, 2024: EUR 90,000 thousand), of which USD 72,000 thousand (December 31, 2024: USD 72,000 thousand) is available in US dollars.

The risks relevant to the risk assessment of the receivables sold include credit default risk (del credere risk), foreign currency risk in the case of receivables denominated in foreign currencies, and the risk of late payments. Credit risk-related defaults and, in the case of receivables in foreign currencies, exchange rate fluctuations represent the main opportunities and risks associated with these receivables. The risk of late payments is borne by the Lenzing Group in all factoring agreements and is considered to be negligible.

The Lenzing Group assumes a default liability of 10 percent per payment default which, however, is partly reduced to 5 percent by collateral The remaining credit default risk (up to 90 percent per default) and – in the case of receivables not denominated in the reporting currency – foreign currency risk is assumed by the bank. The Lenzing Group has undertaken to take out credit insurance for the receivables sold and to assume responsibility for debtor management. The banks involved have the right to transfer overdue receivables back to the Lenzing Group for procedural reasons in the event of a legal dispute. However, this does not transfer the credit default risk back to the Lenzing Group and has no effect on the Lenzing Group's liquidity position.

For most receivables, essentially all opportunities and risks are transferred to the bank. For the remaining receivables in the portfolio that has been sold, control of the receivables is transferred to the bank. As at December 31, 2025, receivables under the factoring agreements totaling EUR 85,070 thousand (December 31, 2024: EUR 85,655 thousand) were sold and derecognized from the Lenzing Group's consolidated statement of financial position. As at December 31, 2025, the unadvanced amount was recognized under other current assets (financial) in the amount of EUR 8,507 thousand (December 31, 2024: EUR 8,566 thousand). The fair values correspond approximately to the stated carrying amounts, as in particular the remaining terms of the respective receivables are also categorized as current.

From the Lenzing Group's perspective, the unadvanced amount stated above corresponds to the theoretical maximum credit-risk-related loss for the assumption of the default liability. The fair value of this default liability amounts to EUR 11 thousand as at December 31, 2025 (December 31, 2024: EUR 10 thousand). An other current liability (financial) equivalent to the fair value of this contingent liability was recognized. For the obligations assumed and risks arising from the factoring agreements, EUR 1 thousand of other current receivables (financial) were recognized as at December 31, 2025 (December 31, 2024: EUR 14 thousand of other current liabilities (financial)). In the 2025 financial year, service fees amounting to EUR 185 thousand were expensed (2024: EUR 186 thousand) in the

other operating expenses. Since the start of the agreement, a cumulative amount of EUR 510 thousand has been expensed.

Payments received from customers in the period between the last advance and December 31 are deferred in other financial liabilities (current).

In the financial year under review, the Lenzing Group also sold letter of credit receivables due from customers to a bank. All opportunities and risks associated with the letter of credit receivables and the remaining trade receivables have been transferred to the bank. As a consequence, the trade receivables have been fully derecognized from the Lenzing Group's consolidated financial statements. As at December 31, 2025, due to the sale of letter of credit receivables, trade receivables amounting to EUR 34,369 thousand were derecognized from the Lenzing Group's consolidated statement of financial position (December 31, 2024: EUR 25,316 thousand).

Note 36. Net interest and net result from financial instruments and net foreign currency result

Net interest and net result

The following table shows the net interest and net result from financial instruments by class/measurement category in accordance with IFRS 9:

Net interest and net result from financial instruments EUR '000

2025	Interest and dividends income	Interest expense	Net interest	From subsequent measurement at fair value through profit or loss	From subsequent measurement at fair value through other comprehensive income	Measured at fair value through other comprehensive income and reclassified to profit or loss	From impairment/ reversal of an impairment loss	Result on disposal	Net result (total)
Financial assets measured at amortized cost	20,524	0	**20,524**	0	0	0	196	0	**20,720**
Financial assets measured at fair value through profit or loss	57	0	**57**	324	0	0	0	0	**381**
Equity instruments measured at fair value through other comprehensive income	156	0	**156**	0	687	0	0	0	**843**
Financial liabilities measured at amortized cost	0	(143,851)	**(143,851)**	0	0	0	0	0	**(143,851)**
Financial liabilities measured at fair value through profit or loss	0	0	**0**	1,140	0	0	0	0	**1,140**
Total	**20,737**	**(143,851)**	**(123,115)**	**1,463**	**687**	**0**	**196**	**0**	**(120,768)**

Net interest and net result from financial instruments (previous year) EUR '000

2024	Interest income	Interest expense	Net interest	From subsequent measurement at fair value through profit or loss	From subsequent measurement at fair value through other comprehensive income	Measured at fair value through other comprehensive income and reclassified to profit or loss	From impairment/ reversal of an impairment loss	Result on disposal	Net result (total)
Financial assets measured at amortized cost	27,443	0	**27,443**	0	0	0	(1,929)	0	**25,514**
Financial assets measured at fair value through profit or loss	39	0	**39**	118	0	0	0	0	**156**
Equity instruments measured at fair value through other comprehensive income	156	0	**156**	0	(334)	0	0	0	**(179)**
Financial liabilities measured at amortized cost	0	(164,004)	**(164,004)**	0	0	0	0	0	**(164,004)**
Financial liabilities measured at fair value through profit or loss	0	0	**0**	(273)	0	0	0	0	**(273)**
Total	**27,637**	**(164,004)**	**(136,366)**	**(155)**	**(334)**	**0**	**(1,929)**	**0**	**(138,785)**

The net result from financial instruments comprises the following: net interest (current interest income and expenses, including the amortization of premiums and discounts and dividends from companies not accounted for using the equity method), gains/losses on fair value measurement which are recognized in profit or loss or through other comprehensive income and the result of impairment losses (recognition and reversal of bad debt provisions/valuation adjustments) and on disposals. Income from equity and debt instruments measured at fair value through other comprehensive income includes gains/losses from remeasurement and from the reclassification of remeasurement gains/losses to profit or loss. Net result from financial instruments does not include exchange rate gains/losses (with the exception of financial instruments carried at fair value through profit or loss), commitment fees and gains/losses from hedging instruments (cash flow hedges).

The change in the bad debt provisions for receivables measured at amortized cost is mainly recognized under "income from non-current and current financial assets".

The component recognized directly in equity from the subsequent measurement of equity and debt instruments measured at fair value through other comprehensive income is reported under the "reserve for financial assets measured at fair value through other comprehensive income". The remaining components of the net result are included under "income from non-current and current financial assets" (see note 13) and in "financing costs" (see note 14).

Net foreign currency result

Net foreign currency gains/losses are included in other operating income/expenses in the amount of minus EUR 15,747 thousand (2024: EUR 10,202 thousand), in income from non-current and current financial assets in the amount of minus EUR 22,127 thousand (2024: EUR 7,422 thousand), and in financing costs in the amount of minus EUR 186 thousand (2024: minus EUR 164 thousand).

Note 37. Financial risk management

As an international company, the Lenzing Group is exposed to financial and other market risks. A company-wide risk management system, which is regulated comprehensively in guidelines, has been implemented to identify and assess potential risks at an early stage. This system is designed to achieve maximum risk transparency and provide high-quality information by quantifying all risk categories, with a particular emphasis on risk concentration. The efficiency of group-wide risk management is evaluated and monitored on an ongoing basis by both the internal control system (ICS) and the internal audit department.

The financial risks arising from financial instruments – credit risk, liquidity risk, currency risk (above all with regard to the BRL, CNY, CZK, HKD, IDR, THB and USD), commodity price risk and interest rate risk – are classified as relevant risks for the Lenzing Group. Corresponding hedging measures are used to minimize these risks wherever possible.

Credit risk

Credit risk represents the risk of asset losses that may result from the failure of individual business partners to meet their contractual obligations. The credit risk from transactions involving the provision of goods and services (in particular, trade receivables) is secured in part by credit insurance and bank security (guarantees, letters of credit, bills of exchange etc.). Outstanding receivables and customer limits are monitored on an ongoing basis. The credit risk from investments at banks (particularly cash and cash equivalents) and derivatives with positive market values is reduced by ensuring that transactions are only concluded with counterparties with good credit ratings, and that investment limits are defined and continuously monitored for these banks.

Receivables are measured individually. Individual bad debt provisions are recognized for receivables if there are indications of credit impairment (individual measurement) and if they are not expected to be collectible in full. This applies especially when the debtor has significant financial difficulties, is in default or has delayed payments or when there is an increased probability that the debtor will enter bankruptcy, and the involved receivable is not sufficiently collateralized. The expected loss is low because of the Lenzing Group's comprehensive receivables management (extensive collateralization with credit insurance and bankable security as well as continuous monitoring of accounts receivable and customer limits).

To determine the required impairment for trade receivables for which no individual bad debt provisions were recognized, the defaults of the past years were evaluated in the Lenzing Group. The analysis has shown that there is only an immaterial risk for receivables overdue for a certain period.

The loss ratios are based on historical default rates of the last ten years, whereby a distinction is drawn between companies and overdue periods. The default rates were multiplied by a macroeconomic factor weighted by geographical area in order to reflect the economic conditions over the expected term of the receivables.

For originated loans and other financial assets (current and non-current), which are measured at amortized cost, as well as cash and cash equivalents, the calculation of impairment is based on the average default rates. The impairment is based on the default rate per rating for the respective financial instrument. A significant change in credit risk is identified based on the rating and default of payment. Regarding instruments with a low credit risk, the Lenzing Group assumes that the credit risk has not increased significantly since the first recognition. Consequently, the twelve-month credit loss is always recognized for such instruments. Since the expected impairment is immaterial, no expected credit loss is recorded for these financial assets.

Due to the insolvency filing by Kelheim Fibres GmbH (KFG), a wholly owned subsidiary of EFB, in the 2024 financial year, there was an increased risk of default on receivables from these companies. In the 2025 financial year, an increased risk of default no longer existed in the 2025 financial year, as a final distribution of the outstanding receivables was made.

Trade receivables are considered defaulted when they are overdue for more than 270 days or when it is unlikely that the debtor can meet the obligations without the realization of collateral. This long period is due to the fact that around 90 percent of trade receivables are secured by credit insurance or bank collateral (guarantees, letters of credit, bills of exchange, etc.).

Financial assets are only derecognized directly if the contractual rights to payments cease to exist (particularly in the event of bankruptcy). An impairment loss is reversed up to amortized cost if the reasons for its recognition no longer exist.

The Group considers the risk concentration in trade receivables to be rather low because its customers are based in various countries, operate in different sectors and are active on largely independent markets. A rather small amount of the receivables is overdue and not individually impaired (see table "aging of receivables" below). Important effects for a change in bad debt provisions include possible default of payment by major customers or a general increase of receivables at the reporting date. During the 2025 financial year there was no significant increase in defaults.

The bad debt provisions developed as follows:

Development and reconciliation of bad debt provisions EUR '000

2025	Lifetime expected credit loss (portfolio measurement)	Lifetime expected credit loss (individual measurement)
Trade receivables		
Bad debt provisions as at 01/01	311	6,564
Utilization	0	(4,081)
Reversal	(73)	(950)
Addition	49	0
Currency translation adjustment	(13)	(263)
Bad debt provisions as at 31/12	**274**	**1,270**

Development and reconciliation of bad debt provisions (previous year) EUR '000

2024	Lifetime expected credit loss (portfolio measurement)	Lifetime expected credit loss (individual measurement)
Trade receivables		
Bad debt provisions as at 01/01	383	5,492
Utilization	0	(2)
Reversal	(120)	(2)
Addition	41	950
Currency translation adjustment	7	126
Bad debt provisions as at 31/12	**311**	**6,564**

Lifetime expected credit loss (individual measurement) EUR '000

	2025	2024
Originated loans at amortized cost		
Bad debt provisions as at 01/01	15,158	15,029
Reversal	(12)	0
Addition	39	100
Currency translation adjustment	(44)	29
Bad debt provisions as at 31/12	**15,141**	**15,158**
Other financial assets (non-current and current)		
Bad debt provisions as at 01/01	2,195	1,234
Reversal	0	0
Addition	752	961
Bad debt provisions as at 31/12	**2,947**	**2,195**

The bad debt provisions for trade receivables include bad debt provisions of EUR 0 thousand (December 31, 2024: EUR 950 thousand) for companies accounted for using the equity method. Impairment losses on loans include allowances for companies accounted for using the equity method and their subsidiaries in the amount of EUR 5,000 thousand (December 31, 2024: EUR 5,000 thousand).

The bad debt provisions for trade receivables are related primarily to bad debt provisions for overdue, uninsured receivables.

The age structure of the financial receivables is as follows:

Aging and expected credit loss for trade receivables EUR '000

31/12/2025	Gross carrying amount	Expected credit loss
Not overdue	230,896	178
Overdue up to 30 days	12,832	23
Overdue for 31 to 90 days	1,503	4
Overdue for 91 to 365 days	134	1
Overdue for more than one year	68	68
Credit impaired receivables (individual measurement)	1,430	1,270
Total	**246,862**	**1,544**

Aging and expected credit loss for trade receivables (previous year) EUR '000

31/12/2024	Gross carrying amount	Expected credit loss
Not overdue	297,312	235
Overdue up to 30 days	16,398	29
Overdue for 31 to 90 days	1,307	3
Overdue for 91 to 365 days	1,150	11
Overdue for more than one year	33	33
Credit impaired receivables (individual measurement)	8,857	6,564
Total	**325,057**	**6,875**

Aging of financial receivables		EUR '000
2025	Originated loans	Other financial receivables (current and non-current)
Gross carrying amount as at 31/12	70,663	38,001
Thereof not overdue	55,523	35,054
Thereof impaired	15,141	2,947

Aging of financial receivables (previous year)		EUR '000
2024	Originated loans	Other financial receivables (current and non-current)
Gross carrying amount as at 31/12	45,670	30,390
Thereof not overdue	30,512	28,195
Thereof impaired	15,158	2,195

Securities in the scope of the impairment rules of IFRS 9 as well as cash and cash equivalents have a rating between AAA and BBB.

There are currently no doubts concerning the collectability of financial assets that are neither past due nor impaired.

The maximum exposure to credit risk from recognized financial assets is as follows:

Maximum exposure to credit risk from recognized financial assets		EUR '000
	31/12/2025	31/12/2024
Carrying amount of asset financial instruments (see note 35)	1,024,345	837,081
Less risk reduction in relation to receivables due to		
Credit insurance received for trade receivables (not including deductibles)	(116,392)	(179,139)
Guarantees received for trade receivables	(31,605)	(34,053)
Total	**876,348**	**623,889**

The maximum exposure to credit risk from financial guarantee contracts and contingent liabilities is shown in note 40.

Liquidity risk

Liquidity risk represents the risk of not being able to obtain sufficient funds to settle incurred liabilities at all times. The management of liquidity risk has a high priority in the Lenzing Group. Corporate guidelines require uniform, proactive liquidity planning and medium-term planning throughout the entire Group. Ensuring solvency for current and future obligations at all times comprises a key objective of the Lenzing Group's risk management activities. For this reason, the risk of a potential liquidity shortfall is monitored constantly.

To secure short and medium-term liquidity, a reserve is held in the form of bank balances and unutilized credit lines at banks. If necessary, surplus liquid funds are invested in non-speculative, highly liquid financial instruments. These are mainly overnight money, fixed-term deposits and money market securities, which generally have a term of less than three months.

Liquidity risks are determined by rolling liquidity planning conducted throughout the Group. On the basis of the results of rolling liquidity planning and medium-term planning, appropriate financing and capital measures are planned and implemented at an early stage.

The Lenzing Group's refinancing options are determined by numerous financial, macroeconomic and other factors, which the Lenzing Group management takes into consideration as part of its short- and medium-term liquidity management.

The original loan agreements, which were concluded for the construction of the pulp mill in Brazil, were repaid in full in the fourth quarter of 2024. A loan agreement was concluded with banks, and a bond was issued for refinancing purposes (see note 28). The bond was issued by LD Celulose International GmbH, Vienna a wholly owned subsidiary of LD Celulose S.A., Indianópolis, Brazil. The loan is repayable in tranches until October 2029 and the bond matures in January 2032. As at December 31, 2025 the loan has a carrying amount of EUR 240,389 thousand (December 31, 2024: EUR 313,909 thousand) and contains a financial covenant at company level only, which relates to financial and liquidity ratios. This covenant is tested on a quarterly basis and may trigger a repayment obligation in relation to the financial liabilities in the event of non-compliance. The financial covenant stipulates that the total net debt of LD Celulose S.A., Indianópolis, Brazil and of LD Florestal S.A., Indianópolis, Brazil may not exceed a certain level of the total adjusted EBITDA of these companies as of each quarter-end (net leverage). This financial covenant is continuously monitored by both the company's local treasury function and the Corporate Treasury function. The relevant ratios were complied with in the 2025 financial year.

The syndicated loan agreement concluded in May 2025 has a carrying amount of EUR 355,000 thousand as at December 31, 2025. It contains three financial covenants relating to financial and liquidity ratios. These financial covenants are tested on a quarterly basis and may, if breached, trigger an obligation to repay the financial liabilities. The financial covenants include net leverage (net financial debt including lease liabilities/EBITDA), the interest coverage ratio (EBITDA/interest expenses), and minimum liquidity ratios. These metrics are continuously monitored by the Corporate Treasury.

The Lenzing Group expects that the aforementioned entities will comply with the covenants for at least 12 months after the reporting date.

The Lenzing Group had liquid assets totaling EUR 690,906 thousand (December 31, 2024: EUR 451,681 thousand) in the form of cash and cash equivalents including liquid bills of exchange as at the balance sheet date (see note 34). Unused credit facilities of EUR 219,103 thousand were available as at December 31, 2025 (December 31, 2024: EUR 198,075 thousand), thereof 92% (2024: 70%) in Europe and 8% (2024: 30%) in Asia to finance necessary working capital and to cover any shortfalls caused by economic cycles. Of the unused lines of credit as of December 31, 2025, an amount of EUR 190,000 thousand (December 31, 2024: EUR 0 thousand) has a term until May 2028, to which the aforementioned

financial covenants from the syndicated loan agreement concluded in May 2025 apply. The medium- and long-term financing for the Lenzing Group is provided by equity (incl. hybrid capital) and loans and borrowings, in particular bonds, private placements and bank loans. Current financial liabilities can regularly be extended or refinanced with other lenders. Trade payables provide short-term financing for the goods and services purchased. The liabilities covered by supplier finance agreements are settled in line with their agreed maturity, whereby the related cash outflows are included in liquidity planning. In connection with these programs, liquidity risks exist with regard to the concentration on a small number of business partners. Should the factor therefore terminate the program at short notice, this would have an impact on liquidity planning and, if necessary, result in an increase in financing requirements. Cash inflows for trade receivables covered by factoring agreements are included in liquidity planning.

The contractually agreed (undiscounted) interest and principal payments for primary financial liabilities (including financial guarantee contracts) are shown below:

Maturity analysis of non-derivative financial liabilities **EUR '000**

	Carrying amount as at 31/12/2025	Cash flows 2026	Cash flows 2027 to 2030	Cash flows from 2031
Bond	542,622	43,979	175,915	616,076
Private placements	265,837	249,391	20,469	13,933
Bank loans	1,202,701	304,998	1,053,398	0
Loans from other lenders	29,885	6,390	23,792	398
Lease liabilities	128,488	25,696	73,221	275,289
Trade payables	323,583	323,583	0	0
Puttable non-controlling interests	285,818	0	0	430,774
Other financial liabities[1]	186,996	179,201	7,795	0
Total	**2,965,931**	**1,133,237**	**1,354,590**	**1,336,470**
Thereof:				
Interest payments (fixed)		64,167	233,959	239,274
Interest payments (partly fixed)		182	299	0
Interest payments (variable)		57,856	86,907	0
Repayment		1,011,032	1,033,425	1,097,196

1) The above includes the maximum possible payment obligations from financial guarantee contracts. The amounts are assumed to be due in the first year.

Maturity analysis of non-derivative financial liabilities (previous year) **EUR '000**

	Carrying amount as at 31/12/2024	Cash flows 2025	Cash flows 2026 to 2029	Cash flows from 2030
Bond	608,553	40,270	197,913	746,062
Private placements	334,208	77,157	261,878	14,166
Bank loans	1,008,322	253,245	934,301	12,057
Loans from other lenders	33,049	5,083	25,794	2,821
Lease liabilities	123,862	23,420	66,135	277,444
Trade payables	386,383	386,383	0	0
Puttable non-controlling interests	230,954	0	0	356,133
Other financial liabities[1]	142,277	140,631	1,646	0
Total	**2,867,609**	**926,189**	**1,487,667**	**1,408,683**
Thereof:				
Interest payments (fixed)		61,081	256,313	301,666
Interest payments (partly fixed)		142	470	11
Interest payments (variable)		54,037	120,256	457
Repayment		810,928	1,110,628	1,106,549

1) The above includes the maximum possible payment obligations from financial guarantee contracts. The amounts are assumed to be due in the first year.

The above tables include all primary financial liabilities held at the reporting date but exclude estimated future liabilities. Foreign currency amounts were translated with the spot exchange rate in effect at the reporting date. Floating rate interest payments were calculated on the basis of the last interest rates set before the reporting date. Financial liabilities that are repayable at any time are always assigned to the earliest time period.

The contractually agreed (undiscounted) interest and principal payments for derivative financial instruments are as follows:

Maturity analysis of derivative financial instruments EUR '000

	Carrying amount as at 31/12/2025	Cash flows 2026	Cash flows 2027 to 2030	Cash flows from 2031
Currency, interest rate and commodity derivatives				
Derivatives with a positive fair value (cash flow hedges)	324	324	0	0
Derivatives with a positive fair value (cash flow hedges with the underlying already recognized in profit or loss)	1,159	1,159	0	0
Positive fair value	**1,483**	**1,483**	**0**	**0**
Derivatives with a negative fair value (cash flow hedges)	(6,155)	(3,570)	(2,585)	0
Derivatives with a negative fair value (cash flow hedges with the underlying already recognized in profit or loss) and contingent consideration	(153)	(143)	(10)	0
Negative fair value	**(6,308)**	**(3,713)**	**(2,595)**	**0**
Total	**(4,824)**	**(2,229)**	**(2,595)**	**0**

Cash flows consist solely of principal and do not include any interest components.
Fair value: + = receivable, - = liability from the Lenzing Group's perspective

Maturity analysis of derivative financial instruments (previous year) EUR '000

	Carrying amount as at 31/12/2024	Cash flows 2025	Cash flows 2026 to 2029	Cash flows from 2030
Currency, interest rate and commodity derivatives				
Derivatives with a positive fair value (cash flow hedges)	2,250	1,830	420	0
Derivatives with a positive fair value (cash flow hedges with the underlying already recognized in profit or loss)	270	270	0	0
Positive fair value	**2,520**	**2,099**	**420**	**0**
Derivatives with a negative fair value (cash flow hedges)	(15,213)	(12,756)	(2,457)	0
Derivatives with a negative fair value (cash flow hedges with the underlying already recognized in profit or loss) and contingent consideration	(8,878)	(7,729)	(1,150)	0
Negative fair value	**(24,091)**	**(20,484)**	**(3,607)**	**0**
Total	**(21,572)**	**(18,385)**	**(3,187)**	**0**

Cash flows consist solely of principal and do not include any interest components.
Fair value: + = receivable, - = liability from the Lenzing Group's perspective

Currency risk

Cash flows from capital expenditures and the operating business as well as investments and financing in foreign currencies expose the member companies of the Lenzing Group to currency risks. Risks arising from foreign currencies are partially hedged to the extent that they affect the Group's cash flows. In the operating business, the individual group companies are exposed to currency risk in connection with planned incoming and outgoing payments which are not denominated in their functional currency. Forward foreign exchange contracts, which are recognized at fair value, are used to hedge the exchange rate risk from foreign currency positions arising from expected future transactions in foreign currencies by group companies.

For companies with the same functional currency, the respective net foreign currency exposures are calculated for the following sales year as part of the budgeting process. Foreign currency purchases and sales are aggregated into separate groups for each currency. Approximately 49 percent of the budgeted net exposure for the following financial year was hedged for USD/BRL, the dominant currency pair in the Lenzing Group, as at December 31, 2025 (December 31, 2024: USD/BRL approximately 45 percent). The CNY also plays an important role. The resulting risk concentration at the reporting date can be seen in the following tables (especially the tables on "sensitivity analysis and risk exposure for foreign currency risks").

Translation risk is also regularly assessed and monitored at the Group level. Translation risk represents the risk arising from the consolidation of foreign investments whose functional currency is not the euro. The greatest risk exposure here is in relation to the US dollar.

Commodity risk

In addition to physical purchase contracts, the Lenzing Group deploys derivative financial instruments in order to hedge against gas price risks (see note 35). The Group uses OTC gas swaps as cash flow hedges to manage gas price risks. The hedging strategies are determined based on the planned gas consumption figures in the relevant currency and are compared with the current market prices on a monthly basis ("mark to market" assessment). The Lenzing Group is exposed to accounting-related price risks because of the gas swaps. These risks particularly relate to the possibility that fair value measurement of the gas swaps may result in a negative impact on other comprehensive income/equity in the event of an adverse change in market prices.

The Group is subject to the usual market price risks in connection with its business activities (especially relating to wood, chemicals, pulp and energy) which are not hedged with derivatives or financial instruments, but are protected through other measures (above all, long-term and short-term supply contracts with various suppliers). The Lenzing Group has concluded several long-term power purchase agreements for electricity generated from renewable energy sources in order to achieve its climate targets and hedge against fluctuating prices. The term amounts to 15 to 30 years. The contracted volume from 2026 onwards amounts to around 56 gigawatt hours. A fixed price was agreed for a significant part of the volume. Some of the electricity purchase agreements are leases where the payments are entirely variable and are consequently included in the variable lease payments (see note 20). The so-called "Own Use Exemption" is applied to the other part of the electricity purchase agreements. Provisions must be made for any contingent losses.

Interest rate risk

The Lenzing Group is exposed to interest rate risk through its business-related financing and investing activities. Interest rate risks arise through potential changes in the market interest rate. They can lead to a change in the fair value of fixed rate financial instruments and to fluctuations in the cash flows from interest payments for floating rate financial instruments. Interest rate risks and the resulting risk concentrations are managed by monitoring and adjusting the composition of fixed rate and floating rate primary financial instruments on an ongoing basis and by the selective use of derivative financial instruments. The level of the resulting risk concentration as at the reporting date is presented in the following tables (see section "Sensitivity analysis and exposure for interest rate risks").

Sensitivity analysis and exposure for currency risks

The Lenzing Group uses the following assumptions for its sensitivity analysis:

- The sensitivity of profit or loss is based on the receivables and liabilities recognized by the group companies which are denominated in a currency other than the functional currency of the relevant company and the open derivatives from cash flow hedges for currency risks in cases where the hedged item was already recognized in profit or loss as at the reporting date. The carrying amounts of the receivables and liabilities, respectively the nominal values of the derivatives, correspond to the exposure. The individual exposures are presented consistently in relation to the US dollar and euro for the aggregation to the Group's exposure.
- The sensitivity of other comprehensive income as at the reporting date is based on the open derivatives from cash flow hedges for currency risks in cases where the hedged item has not yet been recognized in profit or loss. The nominal value of the open derivatives corresponds to the exposure.

The following tables show the sensitivities and exposure for currency risk as at the reporting dates:

Sensitivity analysis and risk exposure for foreign currency risks (EUR) **EUR '000**

	31/12/2025			31/12/2024		
	Group exposure in relation to EUR	Sensitivity to 10% devaluation of the EUR	Sensitivity to 10% revaluation of the EUR	Group exposure in relation to EUR	Sensitivity to 10% devaluation of the EUR	Sensitivity to 10% revaluation of the EUR
EUR-USD	261,842	29,094	(23,804)	212,255[1]	23,584	(19,296)
EUR-GBP	(4,391)	(488)	399	(3,348)	(372)	304
EUR-CNY/CNH	106,001	11,778	(9,636)	61,474	6,830	(5,589)
EUR-CZK	2,337	260	(212)	(640)	(71)	58
EUR-HKD	(4,220)	(469)	384	(4,524)	(503)	411
Sensitivity of net profit or loss after tax (through receivables and payables)	**361,569**	**40,174**	**(32,870)**	**265,217**	**29,469**	**(24,111)**
Sensitivity of other comprehensive income after tax (through cash flow hedge derivatives)		(2,706)	2,218		(6,596)	5,418
Sensitivity of equity		**37,469**	**(30,652)**		**22,873**	**(18,692)**

Group exposure: + receivable, – liability; sensitivity: + increase in profit/other comprehensive income, - decrease in profit/other comprehensive income
1) The previous year's comparative figures were adjusted due to a data correction.

Sensitivity analysis and risk exposure for foreign currency risks (USD/GBP) **EUR '000**

	31/12/2025			31/12/2024		
	Group exposure in relation to USD/GBP	Sensitivity to 10% devaluation of the USD/GBP	Sensitivity to 10% revaluation of the USD/GBP	Group exposure in relation to USD/GBP	Sensitivity to 10% devaluation of the USD/GBP	Sensitivity to 10% revaluation of the USD/GBP
USD-IDR	(671)	(75)	61	(18,804)	(2,089)	1,709
USD-GBP	3,428	381	(312)	4,144	460	(377)
USD-CNY/CNH	39,226	4,358	(3,566)	39,343	4,371	(3,577)
USD-CZK	(19,890)	(2,210)	1,808	(11,668)	(1,296)	1,061
USD-THB	5,268	585	(479)	(2,739)	(304)	249
USD-BRL	(79,422)	(8,825)	7,220	(55,709)	(6,190)	5,064
GBP-CNY/CNH	9,901	1,100	(900)	1,863	207	(169)
Sensitivity of net profit or loss after tax (through receivables and payables)	**(42,161)**	**(4,685)**	**3,833**	**(43,570)**	**(4,841)**	**3,961**
Sensitivity of other comprehensive income after tax (through cash flow hedge derivatives)		4,655	(3,816)		(4,167)	4,787
Sensitivity of equity		**(29)**	**17**		**(9,008)**	**8,748**

Group exposure: + receivable, – liability; sensitivity: + increase in profit/other comprehensive income, - decrease in profit/other comprehensive income

Sensitivity analysis and exposure for commodity price risks

Sensitivity analyses are performed for the price change risk from gas swaps. They show the effects of hypothetical changes in gas prices on profit or loss/other comprehensive income/equity.

The Lenzing Group uses the following assumptions in its analysis:

- Open derivatives from cash flow hedges for commodity price risks as at the reporting date are used as the basis for the sensitivity.
- The exposure corresponds to the nominal values of the derivatives (not including the hedged items). In economic terms, the derivatives are used to hedge physical hedged items that will impact profit or loss in subsequent periods, meaning that from an economic perspective there is no risk exposure in combination with the hedged items.

If the market price level for gas had been 10% higher/lower as at December 31, 2025, this would have changed other comprehensive income (after tax) by plus/minus EUR 800 thousand (December 31, 2024: plus/minus EUR 1,520 thousand).

Sensitivity analysis and exposure for interest rate risks

The following tables show the exposure for interest rate risks at the reporting dates in the form of the carrying amounts of interest-bearing primary financial instruments:

Risk exposure for interest rate risks **EUR '000**

	31/12/2025				
	Fixed interest	**Fixed and floating rate interest**	**Floating rate interest**	**No interest**	**Total**
Cash and cash equivalents	410,917	0	264,091	0	675,007
Other investments	0	0	55,068	13,898	68,965
Loans and borrowings	(933,718)	(25,290)	(1,210,525)	0	(2,169,533)
Net risk position	**(522,801)**	**(25,290)**	**(891,367)**	**13,898**	**(1,425,560)**
Effects from derivative instruments (hedging)	(100,000)	0	100,000	0	0
Net risk position after hedging effect	**(622,801)**	**(25,290)**	**(791,367)**	**13,898**	**(1,425,560)**

+ Receivables, - Liabilities

Risk exposure for interest rate risks (previous year) **EUR '000**

	31/12/2024				
	Fixed interest	**Fixed and floating rate interest**	**Floating rate interest**	**No interest**	**Total**
Cash and cash equivalents	183,164	0	259,133	0	442,297
Other investments	0	0	29,871	18,537	48,407
Loans and borrowings	(1,174,764)	(28,100)	(905,130)	0	(2,107,994)
Net risk position	**(991,600)**	**(28,100)**	**(616,126)**	**18,537**	**(1,617,289)**
Effects from derivative instruments (hedging)	(100,000)	0	100,000	0	0
Net risk position after hedging effect	**(1,091,600)**	**(28,100)**	**(516,126)**	**18,537**	**(1,617,289)**

+ Receivables, - Liabilities

Sensitivity analyses are performed for the interest rate risks arising from floating rate financial instruments and from the fluctuation in the market values of cash flow hedge derivatives. They show the effects of hypothetical changes in interest rates on profit or loss, other comprehensive income and equity.

The Lenzing Group uses the following assumptions in its analysis of the interest rate risk arising from floating rate financial instruments:

- The sensitivity analysis includes all floating rate primary and derivative financial instruments as at the reporting date.
- The exposure corresponds to the carrying amount of the floating rate financial instruments.

The sensitivities and exposure for the interest rate risks arising from floating rate financial instruments are as follows as at the reporting dates:

Sensitivity analysis for interest rate risks from floating-rate primary and derivative financial instruments **EUR '000**

31/12/2025	Net risk position after hedging effect	Sensitivity to a 100 bp increase in the interest rate level	Sensitivity to a 100 bp decrease in the interest rate level[1]
Sensitivity of net profit or loss after tax	(791,367)	(5,361)	5,361
31/12/2024			
Sensitivity of net profit or loss after tax	(516,126)	(3,566)	3,566

1) A reduction in the basis points results in a proportional decrease in the sensitivity.

The Lenzing Group bases the sensitivity analysis for the interest rate risk from the fluctuation in market values of cash flow hedge derivatives for interest rate risks on the following assumptions:

- The sensitivity of other comprehensive income as at the reporting date is based on the open derivatives from cash flow hedges for interest rate risks in cases where the hedged item has not yet been recognized in profit or loss.
- The exposure corresponds to the nominal value of the derivative in the amount of EUR 100,000 thousand (December 31, 2024: EUR 100,000 thousand).

An increase in the interest rate level by 1 percentage point would lead to an increase in other comprehensive income (after taxes) of EUR 1,006 thousand (December 31, 2024: EUR 1,730 thousand). A decrease in the interest rate level by 1 percentage point would lead to a reduction in other comprehensive income (after taxes) of EUR 1,006 thousand (December 31, 2024: EUR 1,729 thousand). The interest rate sensitivity has no effect on profit or loss, as the measurement of interest rate derivatives is recognized in the hedging reserve with no effect on profit or loss.

Additional information on financial risk management and financial instruments is provided in the risk report of the Lenzing Group's management report as at December 31, 2025.

Note 38. Related party disclosures

Overview

Related parties of the Lenzing Group include, in particular, the member companies of the B&C Group together with its subsidiaries, joint ventures and associates and its corporate bodies (executive board/management and supervisory board, where applicable) as well as close relatives of the members of the corporate bodies and companies under their influence (see note 1, section "Description of the company and its business activities" and note 39). The amounts and transactions between Lenzing AG and its consolidated subsidiaries are eliminated through consolidation and are not discussed further in this section.

B&C Privatstiftung is managed by a board of trustees. No member of the Managing Board of Lenzing AG is a member of this board of trustees or the management/Managing Board of a subsidiary of B&C Privatstiftung, with the exception of subsidiaries of the Lenzing Group. The Lenzing Group has no influence over the business activities of B&C Privatstiftung.

The members of the corporate bodies of Lenzing AG (in particular, the Supervisory Board) and the above-mentioned entities are, in some cases, also members of the corporate bodies or shareholders of other companies with which Lenzing AG maintains ordinary business relationships. The Lenzing Group maintains ordinary business relationships with banks that involve financing, investing and derivatives.

Relationship with related companies

In the 2024 financial year, Lenzing AG retroactively withdrew from the tax group with the B&C Group with effect for the 2023 tax assessment period. In the 2025 financial year, an income tax expense arising from the tax allocation to the B&C Group was recognized in the amount of EUR 0 thousand (2024: EUR 23,019 thousand).

In the 2024 financial year, in connection with its withdrawal from the tax group, Lenzing AG paid a tax allocation of EUR 22,209 thousand, plus interest on arrears of EUR 1,280 thousand, to B&C Holding Österreich GmbH for losses of foreign group members of the tax group of Lenzing AG that had not yet been taxed. In addition, a tax allocation of EUR 810 thousand plus interest of EUR 65 thousand was paid to B&C Holding Österreich GmbH for the 2021 financial year due to an external audit that had been completed.

Relationships with companies accounted for using the equity method and their material subsidiaries

Transactions with companies accounted for using the equity method and their material subsidiaries relate primarily to:

Material relationships with companies accounted for using the equity method

TreeToTextile AB (TTT)	Provision of technical services, delivery of pulp
EQUI-Fibres Beteiligungsgesellschaft mbH and its subsidiaries (EFB)	Distribution of fibers, delivery of pulp, loan assignment
Lenzing Papier GmbH (LPP)	Provision of infrastructure and administrative services
RVL Reststoffverwertung Lenzing GmbH (RVL)	Operation of a recycling plant and purchase of the generated steam; letting of land
Gemeinnützige Siedlungsgesellschaft m.b.H. für den Bezirk Vöcklabruck (GSG)	Provision of infrastructure and administrative services
PT. Pura Golden Lion (PGL)	Holds an interest in a Lenzing Group subsidiary (see note 41)
Wood Paskov s.r.o. (LWP)	Purchase of wood
LD Florestal S.A. (LDF)	land use rights, purchase of mature timber, lending

The scope of material transactions and the outstanding balances with companies accounted for using the equity method and their major subsidiaries are as follows:

Relationships with companies accounted for using the equity method and their material subsidiaries **EUR '000**

2025	TTT	EFB	LPP	Other associates	LDF	Other joint ventures	Total
Land use rights	0	0	0	0	102,790	0	102,790
Goods and services provided	2,714	29,731	13,345	15	19,248	16,336	81,389
Goods and services received	0	0	1,337	54	19,484[1]	16,578	37,453
Receivables as at 31/12	568	0	4,545	0	15,460[2]	4	20,577
Liabilities as at 31/12	390	2,917	21	0	104,158	36	107,522

1) The interest expenses in connection with the land use rights are included in the goods and services received.
2) The long-term loan to LDF is not included in the receivables as at December 31.

Relationships with companies accounted for using the equity method and their material subsidiaries (previous year) **EUR '000**

2024	TTT	EFB	LPP	Other associates	LDF	Other joint ventures	Total
Land use rights	0	0	0	0	114,756	0	114,756
Goods and services provided	0	46,917	14,789	49	17,032	15,257	94,044
Goods and services received	0	0	1,300	57	18,964[1]	15,503	35,823
Receivables as at 31/12	0	2,459	4,763	1	9,880[2]	4	17,106
Liabilities as at 31/12	0	1,968	0	0	100,913	31	102,912

1) The interest expenses in connection with the land use rights are included in the goods and services received.
2) The long-term loan to LDF is not included in the receivables as at December 31.

LD Florestal S.A. received a long-term, unsecured loan of EUR 55,068 thousand (December 31, 2024: EUR 29,871 thousand) from the fully consolidated subsidiary LD Celulose S.A. The interest reflects standard bank rates. Interest income of EUR 6,603 thousand was recognized in the financial year under review (2024: EUR 2,500 thousand).

Kelheim Fibers GmbH, Kelheim, Germany, a subsidiary of the equity-accounted investee EQUI-Fibres Beteiligungsgesellschaft mbH, Kelheim, Germany, received a long-term, unsecured loan of EUR 5,000 thousand from Lenzing AG in 2017. The interest reflects standard bank rates. This loan, including unpaid interest, was written down in full (see note 21 and note 37).

Income of EUR 894 thousand (2024: expense of EUR 939 thousand) was recognized in the 2025 financial year from impairment losses (expense) and reversals of impairment losses (income) on trade receivables due from companies accounted for using the equity method.

There were no major transactions with the other non-consolidated subsidiaries in 2024 and 2025.

Relationships with members of the Managing Board and Supervisory Board of Lenzing AG

The remuneration expensed for key management personnel, which comprises the active members of the Managing Board and Supervisory Board of Lenzing AG, in line with their functions is summarized below (including changes in provisions):

Remuneration for key management personnel (expensed)	EUR '000	
	2025	**2024**
Remuneration for the Managing Board		
Basic salary	2,702	2,561
Benefits in kind and other benefits (in particular use of company vehicles)	77	55
Short-term variable performance bonus (short-term incentive; STI)	773	2,000
Other performance-based remuneration	67	3,306
Short-term employee benefits	**3,617**	**7,922**
Long-term variable performance bonus (long-term incentive; LTI)	133	591
Other performance-based remuneration	(179)	(421)
Other long-term employee benefits	**(46)**	**170**
Contributions to multiemployer pension fund	304	257
Post-employment benefits	**304**	**257**
Compensation for non-competition clauses and one-off gratuity	2,560	2,185
Termination benefits	**2,560**	**2,185**
Remuneration for the Managing Board	**6,435**	**10,534**
Remuneration for the Supervisory Board		
Short-term employee benefits	1,099	1,438
Total	**7,534**	**11,972**

The benchmark for the long-term bonus component of the members of the Managing Board (long-term incentive/LTI) consists of selected key indicators of the Lenzing Group, each over a three-year calculation period. In addition, the company's capital market performance is assessed in comparison with a group of selected listed companies during these periods.

The employee representatives on the Supervisory Board who were delegated by the Works Council are entitled to regular compensation (wage or salary plus severance and jubilee benefits) under their employment contracts in addition to the compensation for their activity on the Supervisory Board (in particular attendance fees). This compensation represents appropriate remuneration for their role/activities performed in the company.

Mr Rohit Aggarwal was Chairman of the Managing Board (CEO) of Lenzing AG from September 1, 2024, until January 31, 2026. Before taking up his position, payments were made to Mr. Rohit Aggarwal in the 2024 financial year for consulting services rendered in the amount of EUR 149 thousand, as well as payments for cost reimbursements in the amount of EUR 35 thousand. No liabilities are outstanding as at December 31, 2025 (December 31, 2024: EUR 0 thousand). These benefits were drawn on standard market terms.

Mr Walter Bickel was a member of the Managing Board of Lenzing AG from April 15, 2024, to March 31, 2025, and is Managing Director of Bickel Austria GmbH, Vienna. In the 2025 financial year, an amount of EUR 2,706 thousand was paid to Bickel Austria GmbH for consulting services rendered (2024: EUR 4,399 thousand). No liabilities are outstanding as at December 31, 2025 (December 31, 2024: EUR 0 thousand). As at December 31, 2025 , provisions were formed for other performance-related remuneration claims from this company amounting to EUR 0 thousand (December 31, 2024: EUR 1680 thousand). These benefits were drawn on standard market terms.

In line with customary market and corporate practice, Lenzing AG also grants additional benefits, which are considered non-cash benefits, to the members of the Managing Board, selected senior executives and Supervisory Board members. As an example, insurance coverage (D&O, accident, legal protection etc.) is provided, the costs of which are borne by the Lenzing Group. The insurers receive total premium payments, i.e. there is no specific allocation to the Managing Board and the Supervisory Board. In addition, the members of the Managing Board and selected senior executives are provided with company vehicles. The members of the Managing Board and the Supervisory Board are also reimbursed for certain costs incurred, above all travel expenses. The principles of the remuneration system for the Managing Board and the Supervisory Board are described in detail and disclosed in the 2025 remuneration report of the Lenzing Group.

The members of the Managing Board and Supervisory Board received no advances, loans or guarantees. The Lenzing Group has not entered into any contingencies on behalf of the Managing Board or Supervisory Board.

Expenses of EUR 285 thousand in total (2024: EUR 308 thousand) relating to post-employment benefits for former members of the Managing Board of Lenzing AG were recognized through profit or loss or as remeasurement in other comprehensive income. The present value of the pension provision recognized in this context, after deduction of the fair value of plan assets (net obligation), amounted to EUR 4,602 thousand as at December 31, 2025 (December 31, 2024: EUR 5,090 thousand).

Note 39. Executive Bodies

Members of the Supervisory Board

- Patrick Lackenbucher
  Chairman (since April 17, 2025)
- Carlos Aníbal de Almeida Junior (since October 10, 2024)
  First Deputy Chairman (since December 6, 2024)
- Stefan Fida
  Second Deputy Chairman (since October 10, 2024)
- Leonardo Barretto de Araujo Grimaldi (since April 17, 2025)
- Cornelius Baur (since April 18, 2024)
- Helmut Bernkopf
- Markus Fürst (up to April 18, 2024 and since October 10, 2024)
- Franz Gasselsberger
- Gerhard Schwartz
- Astrid Skala-Kuhmann

- Thomas Cord Prinzhorn
  Chairman (up to April 17, 2025)
- Marcelo Feriozzi Bacci (October 10, 2024 up to December 6, 2024)
  First Deputy Chairman (October 10, 2024 up to December 6, 2024)
- Christian Bruch (up to May 29, 2024)
- Nicole van der Elst Desai (up to October 10, 2024)
- Melody Harris-Jensbach (up to October 10, 2024)

Appointed by the Works Council

- Helmut Kirchmair (since November 10, 2025)
  Chairman of the Group Works Council
  Chairman of the Works Committee
  Chairman of the Works Council for Waged Employees
- Stephan Gruber
  Chairman of the Works Council for Salaried Employees
  Deputy Chairman of the Group Works Council
  Deputy Chairman of the Works Committee
- Michael Bichler (since November 10, 2025)
  Deputy Chairman of the Works Council for Salaried Employees
- Bonita Haag
  Deputy Chairwoman of the Works Council for Waged Employees (since November 10, 2025)
- Stefan Ertl (since April 18, 2024)

- Johann Schernberger (up to November 10, 2025)
  Chairman of the Group Works Council
  Chairman of the Works Council for Waged Employees
- Georg Liftinger (up to April 18, 2024)
  Chairman of the Works Council for Salaried Employees
  Deputy Chairman of the Group Works Council
  Deputy Chairman of the Works Committee

Members of the Managing Board

- Georg Kasperkovitz
  Chief Operations Officer (since June 1, 2025)
- Mathias Breuer
  Chief Financial Officer (since January 1, 2026)
- Christian Skilich
  Chief Pulp & Chief Technology Officer

- Rohit Aggarwal
  Chief Executive Officer (September 1, 2024 up to January 31, 2026)
- Nico Reiner
  Chief Financial Officer (up to December 31, 2025)
- Walter Bickel
  Chief Transformation Officer (April 15, 2024 up to March 31, 2025)
- Stephan Sielaff
  Chief Executive Officer (up to August 31, 2024)

Note 40. Financial guarantee contracts, contingent assets and liabilities, other financial obligations and legal risks

There are guarantees for which no liabilities have yet been recognized, in particular to secure claims from suppliers and for potential payment defaults by third parties outside the Group, amounting to EUR 10,019 thousand (December 31, 2024: EUR 10,324 thousand) and, to a lesser extent, guarantees granted in the form of retention amounts. The reported amounts represent the maximum payment obligation from the viewpoint of the Lenzing Group, and there is only a limited potential for recoveries.

There are lines of credit granted to third parties in the amount of EUR 0 thousand (December 31, 2024: EUR 1,376 thousand), which can be utilized until December 31, 2025, at the latest. These credit lines were not utilized as at December 31, 2025, and December 31, 2024 (see also note 21).

The Lenzing Group bears obligations for severance payments and anniversary benefits for former employees of certain sold equity investments up to the amount of the notional claims at the sale date. Provisions were recognized for these obligations as at the reporting date at an amount equal to their present value calculated in accordance with actuarial principles. Lenzing AG, in particular, has also assumed liabilities to secure third-party claims against consolidated companies; these claims are considered unlikely to be realized. The Managing Board is not aware of any other financial obligations with a significant impact on the financial position and financial performance of the Group

The obligations arising from outstanding orders for intangible assets and property, plant and equipment amounted to EUR 24,420 thousand as at December 31, 2025 (December 31, 2024: EUR 30,482 thousand). The Lenzing Group has long-term purchase obligations related to raw material supplies, in particular for wood, pulp, chemicals and energy.

As an international corporation, the Lenzing Group is exposed to a variety of legal and other risks. These risks are related, above all, to product defects, competition and antitrust law, patent law, tax law, employees and environmental protection. It is impossible to predict the outcome of pending or future legal proceedings. Consequently, rulings by the courts or government agencies or settlement agreements can lead to expenses that are not fully covered by insurance and hence could have a material impact on the group's future financial position and financial performance. Additional information can be found in the risk report in the Lenzing Group management report as at December 31, 2025.

Note 41. Group companies

In addition to Lenzing AG, the Lenzing Group includes the following companies (list of group companies in accordance with Section 245a Para. 1 in conjunction with Section 265 Para. 2 of UGB – Austrian Commercial Code):

Group companies		31/12/2025		31/12/2024	
	Currency	Share capital	Share in %	Share capital	Share in %
Consolidated companies					
Beech Investment s.r.o., Zlaté Moravce, Slovakia	EUR	6,639	100.00	6,639	100.00
BZL – Bildungszentrum Lenzing GmbH, Lenzing, Austria	EUR	43,604	75.00	43,604	75.00
LD Celulose International GmbH, Lenzing	EUR	10,000	51.00	10,000	51.00
LD Celulose S.A., Indianópolis, Brazil	BRL	3,299,821,457	51.00	3,299,821,457	51.00
Lenzing Biocel Paskov a.s., Paskov, Czech Republic	CZK	280,000,000	100.00	280,000,000	100.00
Lenzing Business Services s.r.o., Paskov, Czech Republic	CZK	200,000	100.00	200,000	100.00
Lenzing Elyaf Anonim Şirketi, Istanbul, Turkey	TRY	3,500,000	100.00	3,500,000	100.00
Lenzing Fibers (Shanghai) Co., Ltd., Shanghai, China	USD	200,000	100.00	200,000	100.00
Lenzing Fibers GmbH, Heiligenkreuz, Austria	EUR	363,364	100.00	363,364	100.00
Lenzing Fibers Grimsby Limited, Grimsby, UK	GBP	1	100.00	1	100.00
Lenzing Fibers Holding GmbH, Lenzing, Austria	EUR	35,000	100.00	35,000	100.00
Lenzing Fibers (Hongkong) Ltd., Hong Kong, China	HKD	30,300,000	100.00	30,300,000	100.00
Lenzing Fibers Inc., Axis, USA	USD	10	100.00	10	100.00
Lenzing Fibers India Private Limited, Coimbatore, India	INR	25,464,000	100.00	25,464,000	100.00
Lenzing Fibers Ltd., Manchester, UK	GBP	1	100.00	1	100.00
Lenzing France SARL, Paris, France	EUR	25,000	100.00	25,000	100.00
Lenzing Germany GmbH, Münchberg, Germany	EUR	25,000	100.00	25,000	100.00
Lenzing Global Finance GmbH, Munich, Germany	EUR	25,000	100.00	25,000	100.00
Lenzing Holding GmbH, Lenzing, Austria	EUR	35,000	100.00	35,000	100.00
Lenzing Italy S.r.l, Rome, Italy	EUR	25,000	100.00	25,000	100.00
Lenzing Korea Yuhan Hoesa, Seoul, Republic of Korea	KRW	280,000,000	100.00	280,000,000	100.00
Lenzing Land Holding LLC., Dover, USA	USD	10,000	100.00	10,000	100.00
Lenzing Modi Fibers India Private Limited, Mumbai, India	INR	1,210,985,270	96.59	1,204,588,370	96.57
Lenzing (Nanjing) Fibers Co., Ltd., Nanjing, China	USD	135,440,000	100.00	135,440,000	100.00
Lenzing Singapore Pte. Ltd., Singapore, Republic of Singapore	EUR	1,000,000	100.00	1,000,000	100.00
Lenzing Taiwan Fibers Ltd., Taipei, Taiwan	TWD	5,300,000	100.00	5,300,000	100.00
Lenzing (Thailand) Co., Ltd., Prachinburi, Thailand	THB	16,677,550,000	100.00	16,677,550,000	100.00
PT. South Pacific Viscose, Purwakarta, Indonesia[1]	IDR	4,308,723,453,000	99.88	4,308,723,453,000	99.88
Pulp Trading GmbH, Lenzing, Austria	EUR	40,000	100.00	40,000	100.00
Wasserreinhaltungsverband Lenzing – Lenzing AG, Lenzing, Austria[2]	EUR	0	Membership	0	Membership
Companies accounted for using the equity method					
Associates					
TreeToTextile, Stockholm, Sweden	SEK	549,254	22.60	-	-
EQUI-Fibres Beteiligungsgesellschaft mbH, Kelheim, Germany	EUR	2,000,000	20.00	2,000,000	20.00
Gemeinnützige Siedlungsgesellschaft m.b.H. für den Bezirk Vöcklabruck, Lenzing, Austria[3]	EUR	1,155,336	99.90	1,155,336	99.90
Lenzing Papier GmbH, Lenzing, Austria	EUR	35,000	40.00	35,000	40.00
PT. Pura Golden Lion, Jakarta, Indonesia	IDR	2,500,000,000	40.00	2,500,000,000	40.00
Joint ventures					
LD Florestal S.A., Indianópolis, Brazil	BRL	177,452,357	50.00	177,452,357	50.00
RVL Reststoffverwertung Lenzing GmbH, Lenzing, Austria	EUR	36,336	50.00	36,336	50.00
Wood Paskov s.r.o., Paskov, Czech Republic	CZK	2,000,000	50.00	2,000,000	50.00

Notes:

1) The share held directly by the Lenzing Group equals 99.80 percent (December 31, 2024: 99.80 percent). A further 0.2 percent (December 31, 2024: 0.2 percent) of the shares are held indirectly via PT. Pura Golden Lion, Jakarta, Indonesia, an associate of the Lenzing Group. The total calculated share therefore equals 99.88 percent (December 31, 2024: 99.88 percent).

2) The Lenzing Group participates through a membership. It holds 50 percent of the voting rights and can appoint half of the Managing Board members. Since all assets are attributable to the respective landowner under company law, the entity is notionally a separate company (a so-called "silo structure"). Assets located on the Lenzing Group's land are therefore included in the consolidation.

3) This investment is not included in the consolidated financial statements as a subsidiary, even though the Lenzing Group holds 99.9 percent of the voting rights in the company. In light of the given circumstances, the Lenzing Group does not control this company because its power is limited and because the returns hardly vary or can hardly be influenced by the Lenzing Group. The Lenzing Group exercises a significant influence on business and financial policy of this company, in particular through its representation on management bodies and its participation in decision-making processes.

Note 42. Significant events after the end of the reporting period

In February 2026, the Lenzing Group increased its existing interest (see note 21) in Swedish innovation company TreeToTextile AB (TTT) by 55.2 percent and thereby acquired a controlling majority. The agreed purchase price for the increase in interest on the acquisition date (translated at the closing rate of EUR/SEK 10.75095) amounted to EUR 24,184 thousand (of which EUR 22,334 thousand in cash and EUR 1,850 thousand as a non-cash contribution). A contingent consideration does not exist. TreeToTextile represents the next major technological advance in cellulose fiber production. The process offers a significantly improved sustainability profile, attractive cost benefits and broad applicability in textile and nonwoven markets. The transaction enables accelerated scaling of the new technology. Lenzing is planning a significant increase in production output at the existing demonstration plant in Nymölla, Sweden, and preparations for the first large-scale industrial plant. In addition, operational synergies are expected from closer collaboration.

Applying IFRS 3.B66, no further disclosures in accordance with IFRS 3.B64 are made for this acquisition in these financial statements, as the initial accounting for the business combination in accordance with IFRS 3.45 had not yet been completed at the time when the financial statements were prepared. The identification and measurement of the acquired intangible assets, in particular the acquired R&D projects and assets, require detailed technical analyses that were not yet fully available at this time. For this reason, the fair values of the identifiable acquired assets and liabilities cannot yet be reliably determined. The required disclosures will be made within the measurement period of up to 12 months from the date of acquisition, as permitted under IFRS 3.

The company is included in the consolidated financial statements of the Lenzing Group as a fully consolidated subsidiary from the date on which control is gained.

As of February 28, 2026, geopolitical tensions in the Middle East have tightened significantly. A large-scale US-Israeli attack on Iranian targets as well as extensive Iranian missile and drone attacks on Israel and several Gulf states have led to significant market reactions, in particular a rise in oil prices and disruptions to regional air and sea traffic. The potential impact of the Iran conflict on the Lenzing Group's financial position and financial performance is currently being analyzed and cannot be estimated at this time.

Other than that, the Lenzing Group is not aware of any significant events occurring after the reporting date of December 31, 2025 which would have led to a different presentation of its financial position and financial performance.

Note 43. Authorization of the consolidated financial statements

These consolidated financial statements were approved on March 5, 2026 (consolidated financial statements as at December 31, 2024: March 4, 2025) by the Managing Board for review by the Supervisory Board, presentation to the Annual General Meeting and subsequent publication. The Supervisory Board may require changes to the consolidated financial statements as part of its review.

Lenzing, March 5, 2026
Lenzing Aktiengesellschaft

The Managing Board

Georg Kasperkovitz
Chief Operations Officer

Mathias Breuer
Chief Financial Officer

Christian Skilich
Chief Pulp & Chief Technology Officer

Auditor's Report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of Lenzing Aktiengesellschaft, Lenzing, Austria, and its subsidiaries ("the Group"), which comprise the Consolidated Statement of Financial Position as at December 31, 2025, the Consolidated Income Statement, the Consolidated Statement of Cash Flows, the Consolidated Statement of Other Comprehensive Income and the Consolidated Statement of Changes in Equity for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

Basis for our Opinion

We conducted our audit in accordance with the Regulation (EU) No. 537/2014 ("EU Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Our liability as auditors is guided under Section 275 UGB (Austrian Commercial Code).

Key Audit Matters

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

Recoverability of the cash-generating units "Fiber Site Heiligenkreuz" and "Fiber Site Indonesia".
Refer to note 10

Risk for the Consolidated Financial Statements

In the 2025 financial year, Lenzing Aktiengesellschaft assessed that there is an indication, that the cash-generating units "Fiber Site Heiligenkreuz" and "Fiber Site Indonesia" may be impaired. The recoverable amount determined as a result (impairment test) led to the recognition of an impairment loss of EUR 82 million for "Fiber Site Indonesia," which was recognized in the consolidated income statement. For "Fiber Site Heiligenkreuz," sufficient coverag of the carrying amount was determined.

The measurement of the recoverable amount of cash-generating units requires assumptions and estimates, such as the estimated future cashflows, as well as the determination of the applicable discount rate.

For the consolidated financial statements, there is a risk that inappropriate assumptions and estimates used to measure the recoverable amount could have a significant impact on the recoverable amount and therefore the carrying amounts of the cash-generating units in the consolidated statement of financial position, as well as the operating results in the consolidated income statement.

Our Response

We have assessed the analyses conducted by the company regarding the presence of indications of impairment and, if such an indication was identified, the impairment tests prepared in this case, involving our valuation specialists, as follows:

- In order to assess whether there are indications of impairment, we evaluated whether Lenzing Aktiengesellschaft has appropriately identified existing indications primarily based on the deviation analyses from the planned values.
- In order to assess the appropriateness of cashflow projections used by management, we gained an understanding of the planning process and relevant internal controls, discussed the assumptions regarding growth rates and operational results with the relevant senior personnel within the Group. Additionally, we have compared these cashflow projections with the most recent budget approved by the supervisory board as well as the mid-term planning approved by the management board.
- In cases where the data used in the impairment tests deviated from the budget or medium-term planning, we obtained explanations from the Management Board for the reasons for such deviations and assessed their appropriateness.
- We conducted a comparison of the significant planning assumptions in prior periods with the actual values and analyzed whether historical deviations were appropriately considered by management in their planning assumptions.
- Our valuation experts reviewed and assessed the methodology used in the impairment tests to ensure compliance with relevant standards. The assumptions used to determine the cost of capital rates were compared by our valuation specialists with

market and industry-specific benchmarks, and the accuracy of the calculation scheme was verified.
- In addition, we reconciled the impairment loss recognized in the consolidated financial statements for the cash-generating unit "Fiber Site Indonesia" with the results of the impairment tests and verified whether the recognition of the impairment complied with IAS 36.
- Furthermore, we have evaluated whether the disclosures regarding the impairment tests of the cash-generating units "Fiber Site Heiligenkreuz" and "Fiber Site Indonesia" in the consolidated financial statements are appropriate.

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

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

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

If, on the basis of our work on the other information obtained before the date of the auditor's report, we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

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

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

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

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

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

Moreover:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representation or override of internal controls.
- We obtain an understanding of internal controls 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 controls.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, as well as whether the consolidated financial statements represent the underlying business transactions and events in a manner that achieves fair presentation.
- We plan and conduct the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence on the financial information of the components within the Group, in order to form an audit opinion. We are responsible for directing, supervising and reviewing the audit activities carried out for the purposes of auditing the consolidated financial statements. We remain solely responsible for our audit opinion.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal controls that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and

other events that could reasonably affect our independence and, where appropriate, the related safeguards.

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

Report on Other Legal and Regulatory Requirements

Group Management Report

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

It is our responsibility to determine whether the consolidated non-financial statement has been prepared as part of the group management report, to read it and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or otherwise appears to be materially misstated.

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

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

Opinion

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

Statement

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

Additional Information in accordance with Article 10 EU Regulation

We were elected as auditors at the Annual General Meeting on April 17, 2025 and were appointed by the supervisory board. on September 3, 2025 to audit the consolidated financial statements of the Company for the financial year ending on December 31, 2025.

We have been auditors of the Company, without interruption, since the consolidated financial statements as of December 31, 2017.

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

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

Engagement Partner

The engagement partner is Mr Gerold Stelzmüller.

Linz, March 5, 2026

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Gerold Stelzmüller
Austrian Chartered Accountant

This report is a translation of the original report in German, which is solely valid.
The consolidated financial statements, together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

Translations of the Audited Consolidated Financial Statements of the Company as of and for the financial year ended December 31, 2024, and Auditor's Report

Consolidated Income Statement

for the period from January 1 to December 31, 2024

EUR '000

	Note	2024	2023
Revenue	(5)	2,663,898	2,521,167
Cost of sales	(6)	(2,155,843)	(2,597,638)
Gross profit		**508,055**	**(76,471)**
Other operating income	(7)	61,770	108,653
Selling expenses	(6)	(300,501)	(274,874)
Administrative expenses	(6)	(146,715)	(144,678)
Research and development expenses	(6)	(29,156)	(69,076)
Other operating expenses	(7)	(4,949)	(19,982)
Earnings before interest and tax (EBIT)[1]		**88,503**	**(476,428)**
Income from investments accounted for using the equity method	(12)	0	6,728
Income from non-current and current financial assets and liabilities	(13)	33,830	(7,498)
Financing costs	(14)	(164,339)	(108,432)
Financial result		**(130,508)**	**(109,202)**
Earnings before tax (EBT)		**(42,005)**	**(585,630)**
Income tax expense	(15)	(96,273)	(7,322)
Net profit/loss after tax		**(138,278)**	**(592,953)**
Attributable to:			
Shareholders of Lenzing AG		(156,601)	(649,445)
Non-controlling interests		(10,427)	27,742
Share planned for hybrid capital owners	(16)	28,750	28,750
Earnings per share		**EUR**	**EUR**
Diluted = basic	(16)	(4.06)	(20.02)

1) EBIT: Operating result, resp. earnings before interest and tax.

Consolidated Statement of Comprehensive Income

for the period from January 1 to December 31, 2024

EUR '000

	Note	2024	2023
Net profit/loss after tax		(138,278)	(592,953)
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability	(30)	(2,805)	(4,384)
Financial assets measured at fair value through other comprehensive income (equity instruments) – net fair value gain/loss on remeasurement recognized during the period	(26)	(334)	(3,412)
Income tax relating to these components of other comprehensive income	(26)	(9,359)	1,770
Investments accounted for using the equity method - share of other comprehensive income (net of tax)	(21)	(36)	27
		(12,534)	(6,000)
Items that may be reclassified to profit or loss			
Foreign operations – foreign currency translation differences arising during the period	(26)	58,022	(44,988)
Foreign operations - reclassification of foreign currency translation differences due to loss of control		0	154
Cash flow hedges – effective portion of changes in fair value recognized during the period and non-designated components	(35)	(17,960)	(516)
Cash flow hedges – reclassification to profit or loss	(35)	(17,712)	(24,142)
Income tax relating to these components of other comprehensive income	(26)	13,516	8,476
Investments accounted for using the equity method - share of other comprehensive income (net of tax)	(26)	(2,696)	488
		33,170	(60,528)
Other comprehensive income (net of tax)		20,637	(66,527)
Total comprehensive income		(117,642)	(659,480)
Attributable to:			
Shareholders of Lenzing AG		(141,665)	(704,620)
Non-controlling interests		(4,727)	16,389
Share planned for hybrid capital owners		28,750	28,750

Lenzing AG

Consolidated Statement of Financial Position

as at December 31, 2024

EUR '000

Assets	Note	31/12/2024	31/12/2023
Intangible assets	(17)	23,835	26,728
Property, plant and equipment	(18)	2,870,931	2,865,713
Biological assets	(19)	192,217	194,759
Right-of-use assets	(20)	139,333	134,547
Investments accounted for using the equity method	(21)	24,954	31,045
Other investments	(22)	37,106	21,037
Deferred tax assets	(29)	4,331	48,559
Current tax assets	(29)	16,861	16,181
Other financial assets	(25)	1,409	26,580
Other non-financial assets	(25)	57,389	48,897
Non-current assets		**3,368,365**	**3,414,046**
Inventories	(23)	646,235	552,940
Trade receivables	(24)	318,182	294,480
Current tax assets	(29)	2,654	5,668
Other financial assets	(25)	26,786	35,448
Other non-financial assets	(25)	160,962	167,621
Other investments	(22)	11,301	18,721
Cash and cash equivalents	(33)	442,297	725,639
Current assets		**1,608,417**	**1,800,516**
Total assets		**4,976,782**	**5,214,563**

Equity and liabilities	Note	31/12/2024	31/12/2023
Share capital		40,108	40,108
Capital reserves		513,455	513,455
Hybrid capital		496,582	496,582
Other reserves		42,321	29,961
Retained earnings		217,361	360,281
Equity attributable to shareholders of Lenzing AG		**1,309,826**	**1,440,386**
Non-controlling interests		342,175	301,779
Equity	**(26)**	**1,652,001**	**1,742,165**
Loans and borrowings	(28)	1,828,545	1,906,702
Government grants	(27)	12,110	14,117
Current tax liabilities	(29)	0	48,001
Deferred tax liabilities	(29)	74,602	40,098
Provisions	(30)	82,976	89,091
Puttable non-controlling interests	(35)	230,954	249,418
Other financial liabilities	(32)	5,254	8,434
Other non-financial liabilities	(32)	4,542	5,125
Non-current liabilities		**2,238,983**	**2,360,988**
Loans and borrowings	(28)	279,449	528,992
Trade payables	(31)	386,383	296,322
Government grants	(27)	83,513	72,127
Current tax liabilities	(29)	16,011	32,125
Provisions	(30)	28,520	52,599
Other financial liabilities	(32)	161,115	66,769
Other non-financial liabilities	(32)	130,806	62,476
Current liabilities		**1,085,797**	**1,111,409**
Total equity and liabilities		**4,976,782**	**5,214,563**

Consolidated Statement of Changes in Equity

for the period from January 1 to December 31, 2024

		Equity attributable to shareholders of Lenzing AG and to hybrid capital owners							EUR '000
	Note	Share capital	Capital reserves	Hybrid capital	Other reserves[1]	Retained earnings	Total	Non-controlling interests	Equity
As at 01/01/2023		27,574	133,919	496,582	90,161	991,702	1,739,938	285,957	**2,025,895**
Net profit/loss after tax as per consolidated income statement		0	0	0	0	(620,695)	**(620,695)**	27,742	**(592,953)**
Other comprehensive income (net of tax)		0	0	0	(55,175)	0	**(55,175)**	(11,353)	**(66,527)**
Total comprehensive income		**0**	**0**	**0**	**(55,175)**	**(620,695)**	**(675,870)**	**16,389**	**(659,480)**
Hedging gains and losses and cost of hedging transferred to the cost of non-current assets and cost of inventory		**0**	**0**	**0**	**(2,420)**	**0**	**(2,420)**	**(1,597)**	**(4,017)**
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	(35)	**0**	**0**	**0**	**(2,605)**	**2,605**	**0**	**0**	**0**
Increase in capital	(26)	12,534	379,536	0	0	0	**392,069**	0	**392,069**
Acquisition/disposal of non-controlling interests and other changes	(3,27)	0	0	0	0	(1,248)	**(1,248)**	1,280	**31**
Measurement of puttable non-controlling interest recognized directly in equity	(35)	0	0	0	0	16,667	**16,667**	0	**16,667**
Dividends paid (including hybrid coupon)	(26)	0	0	0	0	(28,750)	**(28,750)**	(250)	**(29,000)**
Transactions with equity holders		**12,534**	**379,536**	**0**	**0**	**(13,331)**	**378,738**	**1,030**	**379,768**
As at 31/12/2023 = 01/01/2024		40,108	513,455	496,582	29,961	360,281	1,440,386	301,779	**1,742,165**
Net profit/loss after tax as per consolidated income statement		0	0	0	0	(127,851)	**(127,851)**	(10,427)	**(138,278)**
Other comprehensive income (net of tax)		0	0	0	14,936	0	**14,936**	5,701	**20,637**
Total comprehensive income		**0**	**0**	**0**	**14,936**	**(127,851)**	**(112,915)**	**(4,727)**	**(117,642)**
Hedging gains and losses and cost of hedging transferred to the cost of non-current assets and cost of inventory		**0**	**0**	**0**	**1,466**	**0**	**1,466**	**1,535**	**3,001**
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	(35)	**0**	**0**	**0**	**(4,042)**	**4,042**	**0**	**0**	**0**
Increase in capital	(26)	0	0	0	0	0	**0**	34,912	**34,912**
Acquisition/disposal of non-controlling interests and other changes	(3,26)	0	0	0	0	(8,825)	**(8,825)**	8,825	**0**
Measurement of puttable non-controlling interest recognized directly in equity	(35)	0	0	0	0	18,464	**18,464**	0	**18,464**
Dividends paid (including hybrid coupon)	(26)	0	0	0	0	(28,750)	**(28,750)**	(150)	**(28,900)**
Transactions with equity holders		**0**	**0**	**0**	**0**	**(19,111)**	**(19,111)**	**43,587**	**24,476**
As at 31/12/2024	**(26)**	**40,108**	**513,455**	**496,582**	**42,321**	**217,361**	**1,309,826**	**342,175**	**1,652,001**

1) Details of the other reserves are presented in Note 26.

Consolidated Statement of Cash Flows

for the period from January 1 to December 31, 2024

EUR '000

		Note	2024	2023
Net profit/loss after tax			**(138,278)**	**(592,953)**
+	Amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets and depletion of biological assets	(10)	308,764	781,771
+/–	Change in the fair value of biological assets	(19)	(32,199)	(80,102)
–	Income from the release of investment grants		(1,841)	(2,025)
+/–	Change in non-current provisions		(11,251)	(2,050)
–/+	Income / expense from deferred taxes		79,651	(62,895)
+/–	Change in current tax assets and liabilities		(60,972)	50,236
+/–	Income from investments accounted for using the equity method		3,360	(4,048)
–/+	Other non-cash income / expenses	(33)	(6,800)	553
Gross cash flow			**140,434**	**88,488**
+/–	Change in inventories		(39,567)	178,245
+/–	Change in receivables		29,823	34,751
+/–	Change in liabilities		191,813	(141,160)
Change in working capital			**182,069**	**71,836**
Cash flow from operating activities			**322,503**	**160,323**
–	Acquisition of intangible assets, property, plant and equipment and biological assets		(156,335)	(267,834)
–	Acquisition of corporate units	(3)	0	(15,731)
–	Acquisition/disbursement of other investments and investments accounted for using the equity method		(37,065)	(14,225)
+	Proceeds from the sale of intangible assets, property, plant and equipment and biological assets		880	436
+	Proceeds from the sale/repayment of other investments and the sale of investments accounted for using the equity method		7,548	5,846
Cash flow from investing activities			**(184,971)**	**(291,509)**
+	Cash proceeds from issuing shares	(26)	0	392,069
+	Capital injections to consolidated companies by non-controlling interests		34,912	0
–	Dividends paid (including hybrid coupon)	(26)	(28,900)	(29,000)
+	Investment grants		2,408	1,616
+	Increase of bonds and private placements	(33)	581,763	0
+	Increase in other loans and borrowings	(33)	309,441	226,640
–	Repayment of bonds and private placements	(33)	(236,431)	0
–	Repayment of other loans and borrowings	(33)	(1,093,159)	(170,232)
Cash flow from financing activities			**(429,965)**	**421,094**
Total change in liquid funds			**(292,433)**	**289,908**
Liquid funds at the beginning of the year			725,639	446,873
Currency translation adjustment relating to liquid funds			9,091	(11,142)
Liquid funds at the end of the year			**442,297**	**725,639**
Additional information on payments in the cash flow from operating activities:				
Interest payments received			24,081	15,262
Interest payments made			106,842	120,409
Income taxes paid			79,232	15,770
Distributions received from investments accounted for using the equity method			3,360	2,680

Notes to the Consolidated Financial Statements

as at December 31, 2024

General information

Note 1. Basic information

Description of the company and its business activities

Lenzing Aktiengesellschaft (Lenzing AG), which maintains its registered headquarters in 4860 Lenzing, Werkstrasse 2, Austria, is the parent company of the Lenzing Group (the "Group"). The shares of Lenzing AG are listed in the Prime Market Segment (since April 18, 2011) and in the ATX benchmark index (since September 19, 2011) of the Vienna Stock Exchange in Vienna, Austria.

As at December 31, 2024, Lenzing AG is controlled by the B&C Group, which directly and indirectly holds an interest of around 37.25 percent (December 31, 2023: around 52.25 percent) in the share capital of Lenzing AG. B&C KB Holding GmbH, Vienna, B&C Alpha Zweite Holding GmbH & Co KG, Vienna, and B&C Ares Holding GmbH, Vienna, hold direct interests in Lenzing AG. The next-higher parent company, which prepares and publishes consolidated financial statements that include the Lenzing Group, is B&C Holding Österreich GmbH, Vienna, Austria. The ultimate parent company of the B&C Group, and therefore also of Lenzing AG, is B&C Privatstiftung, Vienna.

On June 12, 2024, Suzano S.A. acquired a 15 percent interest in Lenzing AG from the B&C Group subject to a condition precedent. The transaction was closed on August 30, 2024. According to the syndicate agreement between the B&C Group and Suzano S.A., which also became effective on August 30, 2024, the B&C Group retains sole control of Lenzing AG.

The core business of the Lenzing Group is the production and marketing of regenerated cellulosic fibers. The pulp required for production is manufactured for the most part in the Group's own plants and is supplemented by external purchases.

Basis of Reporting

The consolidated financial statements for the period from January 1 to December 31, 2024 were prepared in accordance with the International Financial Reporting Standards (IFRSs) and interpretations which were endorsed in the EU and required mandatory application as of the reporting date. The additional requirements of Section 245a Para. 1 of the Austrian Commercial Code ("Unternehmensgesetzbuch") were also met.

The reporting currency is the euro (EUR), which is also the functional currency of Lenzing AG. The functional currency of the majority of the subsidiaries is the euro (EUR) or US-Dollar (USD). The figures shown in these consolidated financial statements and notes were rounded to the next thousand, unless indicated otherwise ("EUR '000"). The use of automatic data processing tools can lead to rounding differences in the addition of rounded amounts and percentage rates.

Measurement

Assets and liabilities are principally measured at amortized or depreciated cost. In contrast, other measurement methods are used for the following material positions:

- Biological assets are measured at their fair value.
- Provisions are measured at the present value of the expected settlement amount.
- Deferred tax assets and deferred tax liabilities are recognized at their nominal value. They are measured on the basis of the temporary differences existing as at the reporting date and the effective tax rate expected when the differences are realized.
- Derivative financial instruments and financial assets measured through profit or loss and through other comprehensive income are measured at their fair value.
- Puttable non-controlling interests are measured at fair value directly through retained earnings.

Estimation uncertainty and judgments

The Managing Board of Lenzing AG uses estimates, assumptions and judgments in preparing the IFRS consolidated financial statements. These estimates, assumptions and judgments are based on the circumstances as at the reporting date and have to some extent a significant effect on the presentation of the Group's financial position and financial performance. They involve the recognition and measurement of assets and liabilities, contingent receivables and

liabilities, the reporting of cash flows and income and expenses (including other comprehensive income) as well as the presentation of disclosures in the notes.

Assumptions and estimates

The following forward-looking assumptions and other major sources of estimation uncertainty as of the reporting date have a significant effect on these consolidated financial statements of the Lenzing Group:

- Intangible assets, property, plant and equipment and right-of-use assets (see note 10): determination of the recoverable amount in connection with impairment testing as defined in IAS 36 (impairment).
- Biological assets (see note 19): determination of fair value less costs to sell.
- Financial instruments (see note 35 and note 37): determination of fair values and expected credit losses.
- Provisions (see note 30): determination of the expected settlement amount and the net liability of the defined benefit pension and severance payment plans.
- Puttable non-controlling interests (see note 35): determination of fair value.
- Deferred taxes and receivables from current taxes (see note 29): assessment of the extent to which deferred tax assets (in particular, from loss carryforwards) can be utilized and assessment of the recoverability of receivables from current taxes.

Assumptions and estimates are based on experience and other factors that are considered relevant by the Managing Board. However, the amounts actually realized can deviate from these assumptions and estimates if general conditions develop in a different way than the expectations at the reporting date.

Judgments when applying accounting policies

The application of accounting policies by the Lenzing Group included the following major judgments that have a material effect on these consolidated financial statements:

- Receivables under factoring agreements (see note 35, section "Transfer of financial assets (sale of receivables/factoring)"): assessment of the requirements for derecognition as defined in IFRS 9.
- Liabilities under reverse factoring agreements (see note 31 and note 32): assessment of the requirements for derecognition as defined in IFRS 9 (financial instruments) and presentation in the statement of financial position and in the cash flow statement.
- Full consolidation and equity method (see note 3, note 35 and note 41): assessment of the existence of control over subsidiaries and assessment of the existence of joint control or significant influence. Application of the present access method to puttable non-controlling interests.
- Evidence of impairment (see note 10): evaluation of indications of impairment resp. for impaired cash-generating units evaluation of the occurrence of material changes in comparison with the previous year.

Impact of climate change on estimation uncertainties and judgments

The Lenzing Group is committed to the ecologically responsible production of fibers from the renewable raw material wood. Innovation, sustainability and the circular economy lie at the core of Lenzing's corporate strategy. The implementation of climate targets in line with the corporate strategy was one of the focus areas of the Lenzing Group's investment activities in the 2024 financial year. In this context, the Lenzing Group is continuously working on utilizing raw materials more efficiently, improving production processes and making recycled used textiles usable for fiber production. Current developments and measures relating to climate change and sustainability do not lead to fundamental changes to assumptions and estimates in terms of financial accounting. The Managing Board estimates the potential impact of climate-related opportunities and risks on the IFRS consolidated financial statements as follows:

- Useful lives of assets (see note 18): The Lenzing Group has evaluated the extent to which the useful lives of property, plant and equipment could be affected by climate-related risks. In particular, an assessment was made as to whether, on the basis of existing and announced legal and regulatory requirements, the potential pollution from individual industrial plants (for example, by exceeding emission limits) poses a risk for the granting of operating permits. No influence of external or internal obligations on useful lives was derived.
- Impairment of assets (see note 10, section "Impairment tests of intangible assets, property, plant and equipment, right-of-use assets and cash-generating units (CGUs)"): The short- and medium-term financial planning and consequently the impairment tests are based on the Lenzing Group's sustainable strategy and the sustainable business model. The short- and medium-term financial plans of the individual CGUs take appropriate account of assumptions regarding climate-related factors in capital expenditure programs (CAPEX), technologies and production processes for achieving the Group's internal climate targets, and the ecologically sustainable product mix based upon these.
- Provisions and contingent liabilities (see note 30 und note 40): In the 2024 financial year, no new obligations arose in the Lenzing Group from climate protection laws and/or climate regulations that would have required the formation of a provision or the disclosure of a contingent liability. No obligations exist to recultivate existing properties.
- Biological assets (see note 19): The measurement of the biological asset requires assumptions relating to the growth rates of mature timber. The growth rates are in turn dependent on the climatic conditions in the Minas Gerais region of Brazil. Climate change may lead to changes in the growth behavior of mature timber (e.g. accelerated or slowed growth), and thereby to the adjustment of growth assumptions in the valuation of the biological asset.

Note 2. Changes in accounting policies

The accounting policies applied by the Lenzing Group in 2024 remained unchanged in comparison with the previous financial year, with the exception of the changes described in this section.

Mandatory changes in accounting policies

The following new and amended standards and interpretations were adopted into EU law and required mandatory application by the Lenzing Group beginning with the 2024 financial year:

Standards/interpretations		Publication by the IASB	Mandatory application according to IASB for financial years from	Adopted by the EU as at 31/12/2024
IFRS 16	Lease Liability in a Sale and Leaseback	22/09/2022	01/01/2024	yes
IAS 1	Classification of liabilities as current or non-current	23/01/2020	01/01/2024	yes
IAS 1	Classification of debt with covenants as current or non-current	31/10/2022	01/01/2024	yes
IAS 7, IFRS 7	Disclosures on Supplier Finance Arrangements	25/05/2023	01/01/2024	yes

The new or amended standards and interpretations of IAS 1, IAS 7, and IFRS 7, which are to be applied from January 1, 2024, were implemented in these consolidated financial statements in notes 31, 32, and 37. Otherwise, the new or amended standards and interpretations do not lead to any material changes to the Lenzing Group's financial statements.

The following new or amended standards and interpretations had been published by the IASB prior to the preparation of these consolidated financial statements, but did not require mandatory application by the Lenzing Group for financial years beginning on or before January 1, 2024:

Standards/interpretations		Publication by the IASB	Mandatory application according to IASB for financial years from	Adopted by the EU as at 31/12/2024
IFRS 10, IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	11/09/2014	unknown[1]	no
IFRS 14	Regulatory Deferral Accounts	30/01/2014	01/01/2016	no[2]
IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	15/08/2023	01/01/2025	yes
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	30/05/2024	01/01/2026	no
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	18/12/2024	01/01/2026	no
Various	Annual Improvements to IFRS 2021-2023	18/07/2024	01/01/2026	no
IFRS 18	Presentation and Disclosures in Financial Statements	09/04/2024	01/01/2027	no
IFRS 19	Subsidiaries without Public Accountability: Disclosures	09/05/2024	01/01/2027	no

1) The IASB has deferred the effective date of this standard indefinitely.
2) The European Commission does not recommend the adoption of interim standard IFRS 14 into EU law at the present time.

The other aforementioned new or amended standards and interpretations were not adopted early by the Lenzing Group.

The Lenzing Group is currently evaluating the potential impact of the new standard IFRS 18 (Presentation and Disclosure in Financial Statements), particularly in relation to the structure of the consolidated income statement, the statement of cash flows, and the additional disclosure requirements for management-defined performance measures (MPMs). Furthermore, the impact on the way information is grouped in the financial statements, including items currently referred to as "other", are reviewed.

The other new or amended standards and interpretations mentioned above are either not relevant for the Group or have no material impact on the Lenzing Group's results, assets, liabilities, or statement of cash flows.

The application of these standards and interpretations is generally planned following their endorsement by the EU.

Voluntary changes in accounting policies

No voluntary changes to accounting policies were applied in the 2024 and 2023 financial years.

Note 3. Consolidation

Scope of consolidation

The consolidated financial statements of the Lenzing Group include Lenzing AG, as the parent company, and its subsidiaries, all on the basis of financial statements as at December 31, 2024.

The number of companies included in the scope of consolidation developed as follows:

Development of the number of consolidated companies (incl. parent company)

	2024		2023	
	Full-consolidation	Equity	Full-consolidation	Equity
As at 01/01	28	7	27	7
Included in consolidation for the first time during the year	3	0	2	0
Merged during the year	0	0	0	0
Deconsolidated during the year	0	0	(1)	0
As at 31/12	31	7	28	7
Thereof in Austria	8	3	7	3
Thereof abroad	23	4	21	4

A list of the group companies as at December 31, 2024 is provided in note 41. The most important group companies produce, and market regenerated cellulosic fibers (Segment Division Fiber) and, in some cases, pulp (Segment Division Pulp).

In January 2024, the subsidiary Lenzing Business Services s.r.o., Paskov, Czech Republic, was founded and included in the scope of consolidation.

In March 2024, the subsidiary Lenzing France SARL, Paris, France, was founded and included in the scope of consolidation.

In September 2024, the subsidiary LD Celulose International GmbH, Vienna, Austria, was founded and included in the scope of consolidation.

The previously fully consolidated subsidiary Lenzing E-commerce (Shanghai) Co, Ltd, Shanghai, China, was liquidated and deconsolidated in March 2023.

With effect as at June 1, 2023, the Lenzing Group acquired a biomass power plant to supply the Heiligenkreuz production site. This strategic investment reduces dependence on fossil fuels and strengthens the Heiligenkreuz site as an industrial location. With the acquisition of this biomass power plant, the Lenzing Group is accelerating its transition to renewable energies and thereby also speeds up the achievement of its climate targets in accordance with its sustainability strategy.

Fair value of the acquired assets and liabilities at the acquisition date	EUR '000
Intangible assets, property, plant and equipment, right-of-use assets	18,053
Inventories	1,130
Liabilities	(1,453)
Identifiable assets less liabilities (net assets)	**17,731**

The goodwill of EUR 719 thousand arising from the transaction reflects the expected strategic benefits from energy independence at the Heiligenkreuz production site and its contribution to carbon reduction, as anchored within the corporate strategy.

The output of the biomass power plant is harnessed internally and consequently does not generate any additional revenue for the Lenzing Group. In addition, the biomass power plant is fully integrated with the operational production site in Heiligenkreuz. As a consequence, it does not generate separate earnings.

The consideration transferred comprises the purchase price of EUR 17,731 thousand and a contingent consideration whose fair value on the acquisition date amounted to EUR 934 thousand. Of the purchase price in the amount of EUR 17,731 thousand, EUR 15,731 thousand was paid in cash in 2023. The remaining amount of EUR 2,000 thousand is due within the next financial year .

Under the contingent consideration agreement, the Lenzing Group is obligated to pay a capped amount to the former owner of the biomass power plant until 2026, depending on the future trend in the average gas price (TTF ICE). A minimum amount was not set, although the maximum amount was fixed at EUR 12,500 thousand. The fair value of the contingent consideration was estimated by means of option valuation using an arbitrage-free Monte Carlo model approach. The calculated fair value would increase (decrease) particularly if the gas price (TTF ICE) increased (decreased).

As of December 31, 2024, an increase in the contingent consideration of EUR 273 thousand was recognized in profit and loss under income from non-current and current financial assets and liabilities, as the fair value of the contingent consideration increased by this amount. As of December 31, 2023, a reduction in the contingent consideration of EUR 57 thousand was recognized in profit and loss as the fair value of the contingent consideration decreased by this amount (see note 13). The contingent consideration is recognized on the consolidated balance sheet under other liabilities.

In June 2023, the subsidiary Lenzing Germany GmbH, Münchberg, Germany, was founded and included in the scope of consolidation.

In July 2023, the subsidiary Lenzing Italy S.r.l., Rome, Italy, was founded and included in the scope of consolidation.

Basis of consolidation

Subsidiaries are companies controlled by the parent company. The Lenzing Group decides individually for each acquisition whether the non-controlling interests in the acquired subsidiary will be recognized at fair value or based on the proportional share of the acquired net assets. On acquisition, non-controlling interests are measured at fair value or the corresponding share of recognized

net assets and are reported under equity and comprehensive income as “non-controlling interests”.

Lenzing AG holds a majority interest of 51 percent and thereby controls LD Celulose S.A., Indianópolis, Brazil. The Dexco Group holds a 49 percent interest in LD Celulose S.A. and a put option to sell its shares (puttable non-controlling interests). Lenzing AG applies the present access method for the accounting of the liability deriving from puttable non-controlling interests. Accordingly, the Dexco Group’s non-controlling interest in LD Celulose S.A. continues to be recognized in equity, and additionally a financial liability for puttable non-controlling interests is recognized (see note 35). The liability is subsequently measured at fair value directly in retained earnings.

The investments in associates and joint ventures are accounted for by applying the equity method.

The Lenzing Group wholly owns an insurance cell of White Rock Insurance (Europe) Protected Cell Company Limited, Birkirkara, Malta. This company has an insurance concession and enables the Lenzing Group to administer its operationally necessary insurance policies more effectively. The insurance cell essentially holds cash and cash equivalents. It is classified as a structured entity, and fully consolidated.

Structured entities include those assets and liabilities that are held by the Lenzing Group

The reporting currency of Lenzing AG and the Lenzing Group is the euro. The subsidiaries prepare the annual financial statements in their functional currency. The functional currency is the currency of the primary economic environment in which the respective company operates. With the exception of the subsidiaries mentioned below, the functional currency is the currency of the country or region where the subsidiary is located. The US dollar is the functional currency for LD Celulose S.A., Indianópolis, Brazil, LD Celulose International GmbH, Vienna, Austria, Lenzing (Thailand) Co., Ltd, Prachinburi, Thailand, Lenzing Singapore Pte. Ltd, Singapore, Republic of Singapore, and PT. South Pacific Viscose, Purwakarta, Indonesia.

The following key exchange rates were used for translation into the reporting currency euro:

Exchange rates for key currencies

			2024		2023	
Unit	Currency		End of the year	Average	End of the year	Average
1 EUR	USD	US Dollar	1.0444	1.0821	1.1050	1.0816
1 EUR	GBP	British Pound	0.8295	0.8466	0.8691	0.8699
1 EUR	CZK	Czech Koruna	25.2260	25.1190	24.7240	24.0006
1 EUR	CNY	Renminbi Yuan	7.6234	7.7863	7.8509	7.6591
1 EUR	BRL	Brazilian Real	6.4760	5.8268	5.3618	5.4016

For the sales company Lenzing Elyaf Anonim Şirketi, Istanbul, Turkey, hyperinflation accounting in accordance with IAS 29 was applied for the first time for the 2023 financial year. The first-time adjustment of the carrying amounts of non-monetary assets and liabilities based on a general price index was recognized directly in retained earnings and amounted to EUR 31 thousand. Gains and losses deriving from ongoing hyperinflation effects on non-monetary assets and liabilities as well as equity are recognized in other operating income or expenses in the income statement. In the 2024 financial year a loss of EUR 360 thousand (2023:EUR 0 thousand) from ongoing hyperinflation effects was recognized. The financial statements are based on the historical cost concept. The price index in Turkey as at December 31, 2024, amounted to 3,746.52 (December 31, 2023: 2,915.02).

Note 4. Segment report

The reportable segments are the “Division Fiber”, “Division Pulp” and “Others”. The Lenzing Group classifies its segments based on the differences between their products, which require individual technologies and market strategies.

The Division Fiber produces all three generations of regenerated cellulosic fibers and markets them under the product brands TENCEL™, VEOCEL™, LENZING™ ECOVERO™ and LENZING™. The products made from lyocell, modal and viscose fibres are used for the production of textiles as well as nonwovens and special applications.

The Division Pulp produces and procures dissolving pulp, which is the necessary primary and intermediate product for fiber production. The pulp is used for the company’s own cellulosic fiber production and marketed externally. The fiber and pulp production systems are used and managed independently of each other.

“Others” mainly includes central headquarters functions, overarching activities and the business activities of BZL – Bildungszentrum Lenzing GmbH, Lenzing (training and personnel development).

Information on business segments **EUR '000**

2024	Division Fiber	Division Pulp	Other	Segment total	Reconciliation	Group
Revenue from external customers	2,033,002	627,557	3,339	**2,663,898**	0	**2,663,898**
Inter-segment revenue	469	543,558	0	**544,028**	(544,028)	**0**
Total revenue	**2,033,471**	**1,171,115**	**3,339**	**3,207,926**	**(544,028)**	**2,663,898**
EBITDA (segment result)	32,838	436,277	(52,495)	**416,619**	(21,193)	**395,426**
EBIT	(68,692)	243,696	(65,307)	**109,696**	(21,193)	**88,503**
Amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets and depletion of biological assets	(102,855)	(192,816)	(13,093)	**(308,764)**	0	**(308,764)**
Thereof impairment	(3,751)	0	0	**(3,751)**	0	**(3,751)**
Income from investments accounted for using the equity method	(25)	(662)	687	**0**	0	**0**
Other material non-cash income (+) and expenses (-)	33,531	42,199	(1,133)	**74,598**		**74,598**
CAPEX	78,977	75,984	1,274	**156,235**	100	**156,335**
EBITDA margin[1]	1.6%	37.3%	n/a	**13.0%**	-	**14.8%**
EBIT margin[2]	(3.4)%	20.8%	n/a	**3.4%**	-	**3.3%**

1) EBITDA margin = EBITDA (operating result before depreciation and amortization) in relation to total revenue (here: according to segment reporting).
2) EBIT margin = EBIT (operating result) in relation to total revenue (here: according to segment reporting).

Information on business segments (previous year) **EUR '000**

2023	Division Fiber	Division Pulp	Other	Segment total	Reconciliation	Group
Revenue from external customers	1,841,007	676,132	4,028	**2,521,167**	0	**2,521,167**
Inter-segment revenue	9,624	371,308	0	**380,932**	(380,932)	**0**
Total revenue	**1,850,630**	**1,047,440**	**4,028**	**2,902,099**	**(380,932)**	**2,521,167**
EBITDA (segment result)	(98,701)	462,097	(65,677)	**297,719**	5,599	**303,318**
EBIT	(683,765)	284,630	(82,894)	**(482,029)**	5,601	**(476,428)**
Amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets and depletion of biological assets	(586,571)	(177,691)	(17,512)	**(781,773)**	2	**(781,771)**
Thereof impairment	(464,906)	0	0	**(464,906)**	0	**(464,906)**
Income from investments accounted for using the equity method	(4,258)	2,803	8,183	**6,728**	0	**6,728**
Other material non-cash income (+) and expenses (-)	37,742	72,691	(24,521)	**85,912**	0	**85,912**
CAPEX	181,138	84,405	5,924	**271,466**	12,099	**283,565**
EBITDA margin[1]	(5.3)%	44.1%	n/a	**10.3%**	-	**12.0%**
EBIT margin[2]	(36.9)%	27.2%	n/a	**(16.6)%**	-	**(18.9)%**

1) EBITDA margin = EBITDA (operating result before depreciation and amortization) in relation to total revenue (here: according to segment reporting).
2) EBIT margin = EBIT (operating result) in relation to total revenue (here: according to segment reporting).

The other significant non-cash operating expenses and income relate to non-cash measurement effects from biological assets, receivables, inventories and provisions.

The performance of the segments and the Group is measured by EBITDA (earnings before interest, tax, amortization of intangible assets, depreciation on property, plant and equipment and right-of-use assets and depletion of biological assets and before income from the release of investment grants).

The following table shows the reconciliation of earnings before interest and tax (EBIT) to the earnings before interest, tax, depreciation and amortization (EBITDA) and to the earnings before tax (EBT):

Reconciliation of earnings before interest and tax (EBIT) to the earnings before interest, tax, depreciation and amortization (EBITDA) and to the earnings before tax (EBT) — EUR '000

	2024	2023
Earnings before interest and tax (EBIT)	**88,503**	**(476,428)**
Amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets and depletion of biological assets	308,764	781,771
Income from the release of investment grants	(1,841)	(2,025)
Earnings before interest, tax, depreciation and amortization (EBITDA)	**395,426**	**303,318**
Segment amortization and depreciation	(308,764)	(781,773)
Consolidation	0	2
Income from the release of investment grants	1,841	2,025
Earnings before interest and tax (EBIT)	**88,503**	**(476,428)**
Financial result	(130,508)	(109,202)
Earnings before tax (EBT)	**(42,005)**	**(585,630)**

The carrying amounts for segment reporting are based on the same accounting policies applied to the IFRS consolidated financial statements.

Information on products and services

Revenue from external customers can be classified by products and services as follows:

Revenue from external customers by products and services — EUR '000

	2024	2023
Regenerated cellulosic fibers	1,965,253	1,753,472
Co-products of fiber production	63,406	61,134
Mechanical and plant engineering, engineering services and others	4,343	26,401
Division Fiber	**2,033,002**	**1,841,007**
Pulp	456,732	529,458
Biorefinery-products and energy	111,613	110,209
Mechanical and plant engineering, engineering services, wood and others	59,212	36,465
Division Pulp	**627,557**	**676,132**
Other	3,339	4,028
Revenue as per consolidated income statement	**2,663,898**	**2,521,167**

No single external customer is responsible for more than 10 percent of external revenue.

Information on geographic regions

The following table provides a classification of revenue from external customers by sales market by geographic area.

Revenue from external customers by geographic regions — EUR '000

	2024	2023
Austria	88,155	94,179
Europe (excl. Austria, incl. Turkey)	751,711	625,909
Asia	1,571,470	1,563,430
America (North, Central and South America)	237,712	223,264
Rest of the world	14,850	14,386
Revenue as per consolidated income statement	**2,663,898**	**2,521,167**

Revenue is allocated according to the geographic region of the customer.

The following table shows non-current assets (excluding other investments and tax assets; reconciled to the consolidated figures for total non-current assets) by geographic region:

Information on non-current assets by geographic regions — EUR '000

	31/12/2024	31/12/2023
Austria	791,232	816,178
Europe (excl. Austria, incl. Turkey)	205,406	204,431
Asia	676,135	665,551
America (North, Central and South America)	1,637,294	1,642,109
Subtotal	**3,310,067**	**3,328,269**
Reconciliation to consolidated figures	58,298	85,778
Consolidated total	**3,368,365**	**3,414,046**

The above amounts cover all segments of the Lenzing Group. Additional information on the segments is provided in the management report of the Lenzing Group as at December 31, 2024.

Notes on the Consolidated Income Statement

Note 5. Revenue

The breakdown of revenue is shown in the segment report (see note 4, in particular information on products and services as well as geographic regions).

Revenue results exclusively from contracts with customers in accordance with IFRS 15 (Revenue from Contracts with Customers). Revenue comprises all income generated by the typical business activities of the Lenzing Group.

Income is recognized at a point in time, and thus when ownership of the product has been transferred to the customer (i.e. with the transfer of risks), the amount of income and the related costs can be reliably determined and the economic benefits from the transaction will probably flow to the Group.

Since all performance obligations in the Lenzing Group have a term of a maximum of one year, the remaining performance obligations are not disclosed.

Contract liabilities are presented under other liabilities and consist mainly of down payments received of EUR 18,830 thousand (December 31, 2023: EUR 12,198 thousand) and accruals for discounts and rebates of EUR 4,033 thousand (December 31, 2023: EUR 4,525 thousand) (see note 32). The amount of EUR 11,479 thousand included in contract liabilities as at December 31, 2023 has been recognized as revenue in 2024 (2023: EUR 12,113 thousand).

Note 6. Functional costs

Cost of sales

The cost of sales mainly relates to the cost of materials and other purchased manufacturing services, gains and losses from changes in the fair value of biological assets, personnel expenses, depreciation and amortization and other operating expenses, in particular expenses for maintenance and repair, other third-party services and expenses for waste disposal. The expenses for maintenance and repair amount to EUR 71,223 thousand (2023: EUR 63,187 thousand) and for maintenance material and cleaning to EUR 109,484 thousand (2023: EUR 113,942 thousand).

Selling expenses

Selling expenses mainly relate to personnel expenses and other operating expenses, particularly expenses for outbound freight as well as rental and leasing expenses.

Administrative expenses

Administrative expenses mainly relate to personnel expenses and other operating expenses, in particular legal, audit and consulting expenses.

Research and development expenses

Research and development expenses mainly relate to personnel expenses and other operating expenses, in particular filing and defense costs for patents and trademarks. Research and development expenses include amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets, and depletion of biological assets amounting to EUR 1,639 thousand (2023: EUR 53,482 thousand) and income from the release of investment grants amounting to EUR 143 thousand (2023: EUR 140 thousand).

Note 7. Other operating income and expenses

Other operating income consists of the following:

Other operating income		EUR '000
	2024	2023
Income from recharging of services and other products	24,468	20,448
Income from the release of deferred income for emission certificates and from subsidies and the sale of emission certificates	10,703	79,115
Rental income	6,121	5,901
Foreign currency gains	10,202	0
Compensation	4,250	0
Sundry	6,027	3,189
Total	**61,770**	**108,653**

EU emission certificates were sold in the 2023 financial year (see note 27).

The other operating expenses amounting to EUR 4,949 thousand (2023: EUR 19,982 thousand) mainly relate to asset disposals (2023: foreign currency losses of EUR 17,186 thousand).

Note 8. Cost of material and other purchased services

The cost of material and other purchased services comprises the following:

Cost of material and other purchased services	EUR '000	
	2024	2023
Material	1,159,992	1,190,680
Other purchased services	220,771	225,542
Total	**1,380,763**	**1,416,222**

The cost of material comprises primarily the input factors consumed, i.e. pulp (and wood for the internal production of pulp), key chemicals (particularly caustic soda, carbon disulfide, and sulphuric acid) and merchandise. The cost of purchased services is related mainly to the consumption of energy.

The cost of the raw material and supplies consumed during the year is based on the weighted average cost method.

Note 9. Personnel expenses

The following table shows the composition of personnel expenses:

Personnel expenses	EUR '000	
	2024	2023
Wages and salaries	422,317	354,310
Expenses for severance payments and gratuity	3,152	7,502
Retirement benefit expenses	10,072	9,716
Statutory social security expenses	100,208	89,829
Other employee-related costs	10,300	9,891
Total	**546,049**	**471,248**

In the 2024 financial year, no short-time working allowances were utilized in Austria. In the 2023 financial year, government grants of EUR 1,087 thousand in connection with short-term work assistance of Austria were offset against personnel expenses and recognized in profit or loss. The main condition for short-time working assistance is the temporary reduction of working hours of certain employees. In the 2023 financial year, the Lenzing Group utilized such grants from January to June.

The number of employees in the Lenzing Group is as follows:

Number of employees (Full-time equivalents)

	2024	2023
Average	7,747	7,751
As at 31/12	7,816	7,917

The following table shows the number of employees in Lenzing AG and the Austrian subsidiaries of the Lenzing Group:

Average number of employees in Austria (Full-time equivalents)

	2024	2023
Hourly workers	1,749	1,757
Salaried employees	1,340	1,411
Total	**3,089**	**3,168**

Note 10. Amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets and depletion of biological assets

Amortization of intangible assets and depreciation of property, plant and equipment, right-of-use assets and depletion of biological assets include the following:

Amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets and depletion of biological assets	EUR '000	
	2024	2023
Amortization and depreciation	241,976	265,589
Depletion (see note 19)	63,037	51,276
Impairment	3,751	464,906
Total	**308,764**	**781,771**

Impairment

The impairment losses in the 2024 financial year amounting to EUR 3,751 thousand are included in full in the administrative expenses. In the financial year 2023, of the impairment losses of EUR 464,906 thousand, EUR 413,583 thousand were recognized in the cost of sales, EUR 2,847 thousand in selling expenses, EUR 641 thousand in administrative expenses and EUR 47,835 thousand in research and development expenses.

The impairment losses recognized in the 2024 financial year relate to a right-of-use to asset for land at an Indian subsidiary that was established for the purpose of constructing a viscose fiber plant in India. This project was no longer pursued due to legal delays and the deterioration in the market environment. Alternative utilization options for the assets held by the company were evaluated. The recoverable amount (EUR 1,740 thousand) led to an impairment loss of EUR 3,751 thousand on land and buildings. The impairment is allocated to the Fiber segment.

Impairment of intangible assets, property, plant and equipment, right-of-use assets and cash-generating units (CGUs)

If there is an indication of impairment in accordance with IAS 36, intangible assets, property, plant and equipment and right-of-use assets as well as cash-generating units (CGUs) are tested for impairment. A qualitative and quantitative analysis is performed at the reporting dates for all consolidated financial statements and interim consolidated financial statements to determine whether there are any indications of impairment or any material year-on-year changes in impaired CGUs. This analysis is based on criteria defined by the management of Lenzing AG. Intangible assets, property, plant and equipment and right-of-use assets allocated to a CGU that includes goodwill are tested during the annual impairment testing of goodwill. The CGUs in the Lenzing Group represent, above all, the individual production sites.

The Lenzing Group initially determines the recoverable amount based on the applicable fair value less costs of disposal. The budget is approved by the Management Board and the Supervisory Board. The medium-term plans for the subsequent four years are approved by the Management Board and acknowledged by the Supervisory Board. These plans are the starting point for the cash flow projections on a post-tax basis to determine the fair value less costs of disposal. Basically, the management prepares planning accounts over a detailed planning period of five years. If the steady state is not already achieved at the end of the five-year detailed planning period, this period will be extended until a steady state of cash flows can be assumed. Subsequently, a perpetuity growth rate reflecting a sustainable long-term growth rate is applied after the detailed planning period. The estimate for the sustainable long-term growth rate generally equals half of the inflation rate expected in the relevant country during the next few years, as projected by an international economic research agency. This value usually tends to offset general inflation. A growth-related retention of financial surpluses in the perpetual annuity is taken into consideration in the planning calculations. The planned/projected cash flows are discounted to their present value with a discounted cash flow method. Fair value measurement is classified in full as level 3 of the fair value hierarchy because key input factors (in particular, cash flows) cannot be observed on the market. The applied discount rate is calculated on an individual basis using the capital asset pricing model (CAPM) and represents a composite figure (weighted average cost of capital – WACC) that combines the average interest rate for debt and the anticipated return on equity employed. After-tax WACCs ranging from 8.4 percent to 9.0 percent were used in 2024 (2023: 8.8 percent to 9.8 percent) for impairment tests of CGUs that include goodwill.

The WACCs were, for the most part, determined on the basis of externally available capital market data for comparable companies (in particular, to determine the risk premium). The planning and forecasts of free cash flows are based, above all, on internal and external assumptions for the expected development of selling prices and volumes (especially for fibers and cellulose) and the related costs (in particular, raw materials like cellulose, wood and energy plus labor and taxes), including the expected market environment and market positioning. Other input factors include anticipated investments and the changes in working capital. These internal assumptions are based on past experience, current operating results and the assessment of future developments. They are supplemented by external market assumptions such as sector-specific market studies and economic outlooks.

No impairments of CGUs in accordance with IAS 36 were recognized in the 2024 financial year. Due to capital markets trends, the fair value of the equity fell below its carrying amount in the fourth quarter of 2023, triggering an indication of impairment for all cash-generating units. In the 2023 financial year, a total of EUR 464,906 of impairment losses in accordance with IAS 36 were recognized for individual CGUs.

Impairment test of the CGU Fiber Site China

CGU Fiber Site China produces viscose and modal fibers in Nanjing, China. In the 2023 financial year, the deterioration of the market environment has led to substantial losses for the Fiber Site China CGU. The recoverable amount (EUR 129,021 thousand) resulted in an impairment requirement of EUR 22,605 thousand for the CGU. Land and buildings of EUR 8,353 thousand and technical equipment, machinery, operating and office equipment of EUR 14,252 thousand were impaired. All assets are allocated to the Fiber Division segment.

Impairment test of the CGU Fiber Site Indonesia

CGU Fiber Site Indonesia produces viscose fibers in Purwakarta, Indonesia. Due to an indication of impairment as per IAS 36, the recoverable amount of the CGU Fiber Site Indonesia was determined for the 2024 financial year. The recoverable amount was sufficient to cover the carrying amounts, which is mainly due to the reduction in the discount rate (WACC) from 10.4 percent to 9.8 percent, although this does not reflect a reversal of the impairment. The market environment remains difficult, resulting in no significant change compared to the previous year. The average EBITDA growth of the CGU Fiber Site Indonesia during the detailed planning period is a multiple of that in perpetuity.

The carrying amounts would increase/decrease in particular if planned EBITDA or the weighted average cost of capital (WACC) decreases (increases). A discount rate (WACC) of 9.8 percent (2023: 10.4 percent) is applied in order to calculate fair value less costs of disposal. In the event of an increase (decrease) in planned EBITDA by 1 percent, the calculated recoverable amount would increase (decrease) by EUR 3,738 thousand. If the weighted average cost of capital (WACC) decreases (increases) by 0.25 percentage points, the recoverable amount will increase by EUR 8,485 thousand or decrease by EUR 7,994 thousand.

In the financial year 2023, the deterioration of the market environment has led to substantial losses for the Fiber Site Indonesia CGU. The recoverable amount (EUR 149,480 thousand) resulted in an impairment requirement of EUR 209,591 thousand for the CGU. Land and buildings of EUR 64,708 thousand and technical equipment, machinery, operating and office equipment of EUR 144,885 thousand were impaired. All assets are allocated to the Fiber Division segment.

Impairment test of the CGU Fiber Site Lenzing

The CGU Fiber Site Lenzing produces viscose, modal, and lyocell fibers in Lenzing, Austria. In the financial year 2023, the deterioration of the market environment has led to substantial losses for the Fiber Site Lenzing CGU. The recoverable amount (EUR 845,315 thousand) resulted in an impairment requirement of EUR 70,883 thousand for the CGU. As the further development of additional lyocell fiber applications is no longer considered highly probable in the near future, an additional impairment requirement was identified for the internally generated intangible assets and property, plant and equipment recognized in this context. This is also the key assumption when determining the recoverable amount. As both the fair value less costs of disposal and the value in use are estimated at EUR 0 thousand for these assets, an impairment loss of EUR 95,469 thousand was recognized.

In the financial year 2023, in total, at the CGU Fiber Site Lenzing, internally generated intangible assets of EUR 21,204 thousand, concessions and rights of EUR 116 thousand, land and buildings of EUR 1,578 thousand, technical equipment, machinery, operating, and office equipment of EUR 126,438 thousand, and advance payments and assets under construction of EUR 17,016 thousand, were impaired. All assets are allocated to the Fiber Division segment.

Impairment test of the CGU Fiber Site Thailand

CGU Fiber Site Thailand produces lyocell fibers in Prachinburi, Thailand. In the financial year 2023, the deterioration of the market environment has led to substantial losses for the Fiber Site Thailand CGU. Furthermore, the expansion of additional lyocell fiber capacities in the near future was no longer considered highly probable. The recoverable amount (EUR 398,516 thousand) led to a shortfall of EUR 25,916 thousand in relation to carrying amounts. Moreover, an impairment requirement was identified in relation to down payments rendered and assets under construction, which were intended for the expansion of additional lyocell fiber capacities, which is however no longer considered highly probable in the near future. This is also the key assumption when determining the recoverable amount. As both the fair value less costs of disposal and the value in use are estimated at EUR 0 thousand for these assets, an impairment loss of EUR 19,927 thousand was recognized.

In the financial year 2023, in total, land and buildings of EUR 19,489 thousand, technical equipment, machinery, operating, and office equipment of EUR 6,426 thousand, and advance payments and assets under construction of EUR 19,927 thousand were impaired. All assets are allocated to the Fiber Division segment.

Impairment test of the CGU Fiber Site USA

Since the temporary halt to the construction of additional lyocell capacities in Mobile, Alabama, USA, in the 2018 financial year, the Managing Board has regularly evaluated whether any uncertainties exist regarding the future usability of the assets when the project is resumed. As the expansion of additional lyocell fiber capacities is no longer considered highly probable in the near future, in the financial year 2023, an impairment requirement was identified in relation to the assets under construction of the CGU Fiber Site USA, which were intended for this expansion. This is also the key assumption when determining the recoverable amount. As both the fair value less costs of disposal and the value in use are estimated at EUR 0 thousand for these assets, an impairment loss of EUR 20,516 thousand was recognized. All assets are allocated to the Fiber Division segment.

Impairment test of CGUs to which goodwill is allocated

Goodwill was allocated to the following segments/cash-generating units (CGUs) as at the reporting date:

Goodwill by segment/CGU	EUR '000	
	31/12/2024	31/12/2023
Segment Division Pulp		
CGU Pulp Site Czech Republic	10,469	10,682
Segment Divison Fiber		
Other CGUs	4,389	4,208
Total	**14,858**	**14,889**

The recoverable amount of the largest CGU with goodwill in 2024 – the CGU Pulp Site Czech Republic – was determined on the basis of fair value less costs of disposal. The measurement of fair value is classified in full under level 3 of the fair value hierarchy. The following individual assumptions from the most recent impairment tests were used for annual testing:

Assumptions for impairment testing of the largest CGU to which goodwill was allocated

	2024	2023
CGU Pulp Site Czech Republic		
Average annual operating margin in planning period	10.1%	8.6%
Long-term growth rate of perpetual yield	1.2%	1.3%
After-tax discount rate (WACC)	9.0%	9.8%

The average revenue growth of the Pulp Site Czech Republic during the detailed planning period equals 1.7 percent per year (2023: 2.3 percent per year).

The estimated fair value less costs of disposal of the CGU Pulp Site Czech Republic exceeds the carrying amount by EUR 199,054 thousand (2023: EUR 112,504 thousand). The following table shows a sensitivity analysis with hypothetical scenarios for the key assumptions as well as the possible changes in value as at the reporting date which, if they occurred, would result in the recoverable amount equaling the carrying amount of the CGU plus goodwill.

Sensitivity analysis of assumptions for impairment testing

	Values relating to key assumptions	Change in values relating to key assumptions for which the recoverable amount would equal the carrying amount
CGU Pulp Site Czech Republic		
Operating margin	10.1%	minus 7.4 percentage points
After-tax discount rate (WACC)	9.0%	plus 9.1 percentage points

Sensitivity analysis of assumptions for impairment testing (previous year)

	Values relating to key assumptions	Change in values relating to key assumptions for which the recoverable amount would equal the carrying amount
CGU Pulp Site Czech Republic		
Operating margin	8.6%	minus 4.0 percentage points
After-tax discount rate (WACC)	9.8%	plus 5.0 percentage points

The other CGUs with goodwill include the CGU Fiber Site UK, the CGU Fiber Site Heiligenkreuz, and the CGU Fiber Site USA. For these, a long-term growth rate of 1.0 percent to 1.2 percent (2023: of 1.0 percent to 1.2 percent) was taken into account as perpetual yield.

In addition to the annual impairment test for CGUs with goodwill, an indication of impairment in accordance with IAS 36 was also identified at the CGU Heiligenkreuz Fiber Site in the 2024 financial year, and the recoverable amount was determined on this basis. This resulted in sufficient coverage of the carrying amounts. The average EBITDA growth of the CGU Fiber Site Heiligenkreuz during the detailed planning period is a multiple of that in perpetuity. The operating margin of the CGU Fiber Site Heiligenkreuz amounts to 3.9 percent (2023: 12.3 percent) and could decrease by a maximum of 0.7 percentage points (2023: 5.4 percentage points) so that the carrying amounts are sufficiently covered by the recoverable amount. The discount rate (WACC) amounts to 8.4 percent (2023: 8.8 percent) and could increase by a maximum of 1.4 percentage points (2023: 6.3 percentage points).

Note 11. Auditors' fees

The fees expensed for services provided by KPMG Austria GmbH, Linz, comprise the following:

Auditors' fees expensed EUR '000

2024	Lenzing AG	Subsidiaries	Total
Audit of the annual financial statements (incl. consolidated financial statements)	626	170	796
Other assurance services	308	0	308
Other services	64	0	64
Total	**998**	**170**	**1,169**

Auditors' fees expensed (previous year) EUR '000

2023	Lenzing AG	Subsidiaries	Total
Audit of the annual financial statements (incl. consolidated financial statements)	483	209	691
Other assurance services	419	0	419
Other services	1,713	0	1,713
Total	**2,615**	**209**	**2,824**

The fees for other assurance services mainly relate to fees for the review of the consolidated half-year financial statements and the Sustainability Report, as well as the additional review of the interim consolidated financial statements as at March 31, 2023, in the 2023 financial year. In the 2023 financial year, the fees for other services mainly relate to fees for services in connection with the capital increase.

Note 12. Income from investments accounted for using the equity method

The result of minus EUR 0 thousand (2023: EUR minus 6,728 thousand) arises from the Group's share of the current result as well as the measurement of associated companies and joint ventures.

No impairment losses or reversals of impairment losses were recognized in the 2024 financial year. In the 2023 financial year, an impairment of EQUI-Fibres Beteiligungsgesellschaft mbH (EFB) in the amount of EUR minus 2,000 thousand and a reversal of impairment of Lenzing Papier GmbH (LPP) in the amount of EUR 4,192 thousand are included (see note 21).

Note 13. Income from non-current and current financial assets and liabilities

The income from non-current and current financial assets and liabilities consists of the following items:

Income from non-current and current financial assets and liabilities EUR '000

	2024	2023
Income from non-current and current financial assets		
Interest income from bank balances, originated loans and receivables	27,482	16,334
Income from dividends for equity instruments measured at fair value through other comprehensive income	156	203
Measurement of financial assets at fair value through profit or loss	118	1,628
Net foreign currency gains from financial assets	7,422	0
	35,177	**18,165**
Expenses from non-current and current financial assets		
Measurement and loss from the disposal of financial assets at amortized cost	(1,074)	(8,209)
Measurement and loss from the disposal of financial assets at fair value through profit or loss	0	(4,087)
Net foreign currency losses from financial assets	0	(13,424)
	(1,074)	**(25,720)**
Income and expenses from non-current financial liabilities		
Change in the fair value of contingent considerations	(273)	57
	(273)	**57**
Total	**33,830**	**(7,498)**

Note 14. Financing costs

Financing costs comprise the following:

Financing costs EUR '000

	2024	2023
Net foreign currency gains/losses from financial liabilities	(164)	1,982
Interest expense from bonds and private placements	(27,537)	(18,017)
Interest expense for bank loans, other interest and similar expenses	(153,881)	(113,891)
Capitalized borrowing costs for property, plant and equipment and biological assets	17,244	21,494
Total	**(164,339)**	**(108,432)**

Note 15. Income tax expense

This item includes current income tax expense as well as income/expense from deferred taxes (changes in deferred tax assets and deferred tax liabilities) and comprises the following:

Income tax expense by source	EUR '000	
	2024	2023
Current income tax expense		
Austria	(20,681)	34,659
Abroad	37,304	35,558
	16,623	**70,217**
Income/expense from deferred taxes	**79,651**	**(62,895)**
Total	**96,273**	**7,322**

Income tax expense by cause	EUR '000	
	2024	2023
Current income tax expense		
Tax expense for current year	44,398	58,081
Reduction due to the use of tax losses	0	(3,218)
Reduction due to the use of tax credits	(280)	(282)
Adjustment for prior-period income tax	(27,495)	15,637
	16,623	**70,217**
Income/expense from deferred taxes		
Recognition and reversal of temporary differences	67,248	(77,704)
Effects of changes in tax rates	0	4,168
Change in capitalized loss carryforwards	31,283	(46,312)
Effects of previously unrecognized temporary differences from prior periods	(29,272)	(858)
Changes in valuation adjustment to deferred tax assets (excl. loss carryforwards)	10,391	57,811
	79,651	**(62,895)**
Total	**96,273**	**7,322**

The item "Change in capitalized loss carryforwards" relates to the capitalization of loss carryforwards in the amount of EUR minus 16,094 thousand and a valuation allowance on deferred tax assets recognized in prior years for loss carryforwards not yet utilized amounting to EUR 47,377 thousand (2023: EUR minus 48,752 thousand). In the 2023 financial year tax loss carryforwards in the amount of EUR 2,439 were utilized.

The reconciliation of calculated income tax expense based on the Austrian corporate tax rate of 23 percent (December 31, 2023: 24 percent) to effective income tax expense is shown in the following table:

Tax reconciliation	EUR '000	
	2024	2023
Earnings before tax (EBT)	**(42,005)**	**(585,630)**
Calculated tax expense (23% of earnings before tax; previous year: 24% of earnings before tax)	(9,661)	(140,551)
Deductible distribution of hybrid coupon	(6,613)	(6,900)
Tax-free income and tax allowances (particularly research allowance)	(1,455)	(1,710)
Non-deductible expenses and similar permanent differences	5,962	3,628
Non-deductible withholding taxes	5,582	8,303
Income from investments accounted for using the equity method	0	(1,615)
Effect of different tax rates	6,655	21,952
Changes in tax rates	0	4,121
Taxes from prior periods	20,968	14,779
Exchange rate differences resulting from the translation of tax items from local into functional currency	47,480	(15,431)
Change in unrecognized deferred tax assets from loss carryforwards, interest carryforwards, tax credits and other temporary differences	26,586	119,691
Other	768	1,055
Effective tax expense	**96,273**	**7,322**

As in the previous year, the ratio of effective income tax expense to earnings before tax is disproportionate in the 2024 financial year. The Group reports significant reconciliation items arising from write-downs on tax assets (in particular from non-capitalized loss carryforwards arising in the Austrian tax group as well as in Indonesia, China, and Thailand). In addition, as in the 2023 financial year, a distribution to hybrid capital holders was realized that is tax deductible.

The "Taxes from prior periods" item includes an additional tax claim of EUR 23,019 thousand (2023: additional tax claim of EUR 4,490 thousand) of the former tax group with the B&C Group (see also notes 29 and 38). This additional tax claim arises from the retroactive withdrawal from the B&C tax group from the 2022 financial year onwards (EUR 22,209 thousand), and from correction of the tax allocation for the 2021 financial year in the amount of EUR 810 thousand. In the 2023 financial year this item included a provision for uncertain tax items of EUR 13,201 thousand in connection with regular tax audit procedures.

Lenzing AG and the Austrian subsidiaries of the Lenzing Group are subject to an income tax rate of 23 percent (December 31, 2023: 24 percent). The income tax rates for foreign companies range from 9.9 percent to 34 percent (December 31, 2023: from 9.9 percent to 34 percent).

The "Changes in tax rates" item in the 2023 financial year mainly comprises the statutory tax rate reduction in Austria and the tax rate increase in the Czech Republic. The income tax rate in Austria was gradually reduced from 25 percent to 24 percent with effect of January 1, 2023 and from 24 percent to 23 percent with effect of January 1, 2024. This resulted in tax expense of EUR 0 thousand

in the 2024 financial year (2023: expense of EUR 3,105 thousand) from the measurement of the Austrian group companies' deferred tax assets and deferred tax liabilities. The corporate income tax rate in the Czech Republic was raised from 19 percent to 21 percent from January 1, 2024. This resulted in tax expense of EUR 0 thousand in the 2024 financial (2023: tax expense of EUR 1,221 thousand) year from the measurement of deferred tax assets and deferred tax liabilities.

The OECD model rules for a global minimum taxation system (Pillar 2) were published in December 2021. The minimum taxation regime is intended to ensure that corporate groups with worldwide revenue of at least EUR 750,000 thousand are subject to an effective tax burden of at least 15 percent in those countries where they operate. In December 2022, Council Directive (EU) 2022/2523 was adopted to ensure an overall minimum level of taxation for multinational enterprise groups and large domestic groups within the EU, which was transposed into national law in Austria with the Minimum Tax Reform Act of December 30, 2023 and is to be applied by taxpayers from January 1, 2024. Numerous jurisdictions relevant to the Lenzing Group also introduced corresponding minimum tax regulations that are applicable as of January 1, 2024.

B&C Privatstiftung, Vienna, is the ultimate parent company of Lenzing AG and its subsidiaries for the purposes of the minimum taxation rules. In accordance with minimum taxation rules, Lenzing AG is a partially owned parent company.

An evaluation of the effects of the new minimum taxation rules for the Lenzing Group as a subgroup of the B&C Group was conducted. Due to the temporary safe harbor regulations and based on the minimum tax calculation, no material impact on the recognition and measurement of tax assets and liabilities was identified in a stand-alone analysis of the Lenzing Group subgroup for 2024. Insofar as minimum taxation rules are applied (as things currently stand in Hong Kong and Malta), the financial impact was evaluated for the 2024 financial year (primary supplementary tax in Austria). At EUR 1 thousand, no material effects were identified for the Lenzing Group.

The Lenzing Group applies the temporary, mandatory exemption with regard to the recognition of deferred taxes arising from the introduction of global minimum taxation and recognizes these as current tax expense/income when they arise.

Note 16. Earnings per share

Earnings per share are calculated as follows:

Earnings per share		EUR '000
	2024	2023
Net profit/loss after tax attributable to shareholders of Lenzing AG used in the calculation of earnings per share	(156,601)	(649,445)
Weighted average number of shares	38,618,180	32,435,304
	EUR	EUR
Diluted = basic	(4.06)	(20.02)

Earnings per share are calculated by dividing the share of net (after tax) income/loss for the year attributable to shareholders of Lenzing AG, reduced by the share of hybrid capital holders amounting to EUR 28,750 thousand (2023: EUR 28,750 thousand), by the weighted average number of shares outstanding during the year.

Notes to the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Changes in Equity

Note 17. Intangible assets

Development

Intangible assets developed as follows

Development of intangible assets **EUR '000**

2024	Goodwill	Concessions, industrial property rights, licenses and similar rights	Internally generated intangible assets	Total
Cost				
As at 01/01/2024	95,879	30,044	44,906	**170,829**
Currency translation adjustment	4,668	208	0	**4,876**
Addition	0	810	0	**810**
Disposals	0	(155)	(437)	**(592)**
As at 31/12/2024	100,547	30,907	44,469	**175,923**
Accumulated amortization				
As at 01/01/2024	(80,990)	(24,517)	(38,595)	**(144,102)**
Currency translation adjustment	(4,699)	(112)	0	**(4,812)**
Amortization	0	(2,033)	(1,146)	**(3,179)**
Disposals	0	4	0	**4**
As at 31/12/2024	(85,689)	(26,659)	(39,741)	(152,089)
Carrying amount as at 01/01/2024	14,889	5,528	6,311	26,728
Carrying amount as at 31/12/2024	**14,858**	**4,248**	**4,728**	**23,835**

Development of intangible assets (previous year) **EUR '000**

2023	Goodwill	Concessions, industrial property rights, licenses and similar rights	Internally generated intangible assets	Total
Cost				
As at 01/01/2023	**98,356**	**29,959**	**36,564**	**164,879**
Currency translation adjustment	(3,196)	(242)	0	**(3,438)**
Addition	719	372	8,341	**9,433**
Disposals	0	(44)	0	**(44)**
As at 31/12/2023	**95,879**	**30,044**	**44,906**	**170,829**
Accumulated amortization				
As at 01/01/2023	**(83,906)**	**(22,203)**	**(14,945)**	**(121,054)**
Currency translation adjustment	2,916	127	0	**3,043**
Amortization	0	(2,369)	(2,446)	**(4,815)**
Impairment	0	(116)	(21,204)	**(21,320)**
Disposals	0	44	0	**44**
As at 31/12/2023	**(80,990)**	**(24,517)**	**(38,595)**	**(144,102)**
Carrying amount as at 01/01/2023	14,450	7,756	21,619	**43,825**
Carrying amount as at 31/12/2023	**14,889**	**5,528**	**6,311**	**26,728**

Of the additions in the 2024 financial year, EUR 810 thousand (2023: EUR 372 thousand) relate to purchased intangible assets. In the 2024 financial year no goodwill (2023: EUR 719 thousand) (see note 3), and no internally generated intangible assets (2023: EUR 8,341 thousand) were acquired. Development costs are recognized as intangible assets if the specific requirements pursuant to IAS 38 are met, in particular, as to whether future economic benefits can be generated.

The revaluation option was not exercised. Amortization is calculated according to the straight-line method based on the estimated useful lives. The estimated useful lives of the major asset classes are as follows:

Useful lives for intangible assets

	Years
Software/computer programs	4 to 7
Licenses and other intangible assets	
Purchased	4 to 25
Internally generated	7 to 15

All items of intangible assets are tested for impairment in accordance with IAS 36 if there are any indications that these assets may be impaired (see note 10).

The amortization of concessions, industrial property rights, licenses, similar rights and internally generated intangible assets is presented in the cost of sales, selling expenses, administrative expenses as well as research and development expenses.

Note 18. Property, plant and equipment

Development

Property, plant and equipment developed as follows:

Development of property, plant and equipment EUR '000

2024	Land and buildings	Technical equipment and machinery, factory and office equipment	Down payments and assets under construction	Total
Cost				
As at 01/01/2024	**1,195,510**	**4,758,149**	**193,533**	**6,147,191**
Currency translation adjustment	37,321	121,349	4,612	**163,281**
Addition	11,068	64,493	56,721	**132,281**
Disposals	(54)	(10,077)	0	**(10,131)**
Reclassifications	26,264	86,785	(113,048)	**0**
As at 31/12/2024	**1,270,107**	**5,020,698**	**141,817**[1]	**6,432,622**
Accumulated depreciation				
As at 01/01/2024	**(497,379)**	**(2,759,313)**	**(24,786)**	**(3,281,478)**
Currency translation adjustment	(11,456)	(48,208)	(1,353)	**(61,017)**
Depreciation	(35,488)	(188,422)	0	**(223,910)**
Impairment	(3,751)	0	0	**(3,751)**
Disposals	0	8,464	0	**8,464**
As at 31/12/2024	**(548,073)**	**(2,987,479)**	**(26,139)**	**(3,561,691)**
Carrying amount as at 01/01/2024	698,131	1,998,835	168,747	**2,865,713**
Carrying amount as at 31/12/2024	**722,034**	**2,033,219**	**115,678**	**2,870,931**

1) The down payments amounted to EUR 3,798 thousand as at December 31, 2024. The decrease in down payments by EUR 2,348 thousand compared to December 31, 2023, arises from currency translation differences of EUR 79 thousand, and reductions in down payments rendered of EUR minus 2,428 thousand.

Development of property, plant and equipment (previous year)

EUR '000

2023	Land and buildings	Technical equipment and machinery, factory and office equipment	Down payments and assets under construction	Total
Cost				
As at 01/01/2023	**1,147,829**	**4,551,155**	**411,633**	**6,110,618**
Currency translation adjustment	(27,331)	(84,657)	(14,349)	**(126,337)**
Addition	27,438	106,473	97,392	**231,302**
Disposals	(18)	(10,780)	(57,595)	**(68,392)**
Reclassifications	47,591	195,958	(243,549)	**0**
As at 31/12/2023	**1,195,510**	**4,758,149**	**193,533**[1]	**6,147,191**
Accumulated depreciation				
As at 01/01/2023	**(372,433)**	**(2,299,382)**	**(25,697)**	**(2,697,512)**
Currency translation adjustment	7,280	32,506	911	**40,697**
Depreciation	(38,100)	(210,308)	0	**(248,408)**
Impairment	(94,127)	(292,000)	(57,458)	**(443,586)**
Disposals	0	9,871	57,458	**67,329**
As at 31/12/2023	**(497,379)**	**(2,759,313)**	**(24,786)**	**(3,281,478)**
Carrying amount as at 01/01/2023	775,396	2,251,773	385,936	**3,413,106**
Carrying amount as at 31/12/2023	**698,131**	**1,998,835**	**168,747**	**2,865,713**

1) The down payments rendered amounted to EUR 6.146 thousand as at December 31, 2023. The decrease in down payments of EUR 7.969 thousand compared to December 31, 2022, arises from reclassifications of EUR minus 6.493 thousand, currency translation differences of EUR (130) thousand and reductions in down payments of EUR (1.347) thousand.

Property, plant and equipment are measured at cost, including capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated according to the straight-line method based on the estimated useful lives. The estimated useful lives of the major asset classes are as follows:

Useful lives for property, plant and equipment

	Years
Land use rights	30 to 50
Buildings	10 to 50
Fiber and pulp production lines	5 to 15
Energy production plants	4 to 25
Other machinery	4 to 20
Vehicles	4 to 20
Office equipment and other fixtures and fittings	2 to 10
IT hardware	2 to 7

All items of property, plant and equipment are tested for impairment in accordance with IAS 36 if there are any indications that these assets may be impaired (see note 10).

Operating leases as a lessor

Operating leases are in place for land and buildings with acquisition cost of EUR 42,622 thousand as at December 31, 2024 (December 31, 2023: EUR 37,164 thousand). The carrying amount of this land and buildings is EUR 9,262 thousand as at December 31, 2024 (December 31, 2023: EUR 7,177 thousand). Depreciation of EUR 808 thousand was recognized on these assets in the 2024 financial year (2023: EUR 686 thousand). For further details on rental income from operating leases see note 20.

Capitalization of borrowing costs

Borrowing costs of EUR 2,574 thousand for property, plant and equipment were capitalized in 2024 (2023: EUR 5,928 thousand). The weighted average interest rate equaled 3.02 percent (2023: 2.97 percent)

The Lenzing Group defines qualifying assets as construction projects or other assets that require at least twelve months to be ready for their intended use or sale. The capitalization entries are recorded under “financing costs” and the respective asset account. All other borrowing costs are expenses in the period incurred and reported under financial result.

Note 19. Biological assets

Biological assets comprise standing trees of a plantation in Minas Gerais, Brazil, which are used as a raw material for pulp production. In accordance with IAS 41 (Agriculture), biological assets are presented at fair value in the consolidated statement of financial position. The plantation is recognized at level 3 of the fair value less estimated costs to sell at the harvest. It is assumed that fair values can be measured. Measurement of biological assets is monitored and reviewed by the Lenzing Group. The necessary market data are validated on the basis of the dual control principle.

The measurement is based on a discounted cash flow model on the basis of sustainable forest management plans, industry benchmarks for wood prices and delivery costs and taking into account the growth cycle. A wood price based on a multi-quarter average of industry benchmarks is used for the valuation. The annual harvest from the projected tree growth is multiplied by wood prices, and the forestry and harvesting costs are deducted. The fair value of the plantation is measured as the present value of the harvest from one growth cycle on the basis of the productive forest area, taking into account environmental restrictions and other reservations. In particular, the calculated fair value would increase (decrease) if both the timber price and the timber volume were to increase (decrease). The calculated fair value would decrease (increase) if the discount rate were to increase (decrease).

Young standing timber less than one year old is considered an immature asset and is recognized at cost. When harvested, biological assets are transferred to the item inventories of the consolidated statement of financial position. Changes in the fair value of hedging instruments in relation to the foreign exchange risk are recognized in the income statement under the cost of sales.

As at December 31, 2024, the plantation comprised approximately 40,817 hectares of eucalypt wood (December 31, 2023: 41,204 hectares) and 497 hectares of pine wood (December 31, 2023: 714 hectares). The wood is up to 15 years (December 31, 2023: 15 years) old. Wood amounting to EUR 15,736 thousand (December 31, 2023: EUR 9,893 thousand) is less than one year old and therefore considered an immature asset.

Biological assets developed as follows:

Development of biological assets EUR '000

	2024	2023
As at 01/01	194,759	127,735
Acquisition	7,259	0
Capitalized production costs	37,076	38,360
Depletion	(63,037)	(51,276)
Change in the fair value	5,195	85,997
Currency translation adjustment	10,965	(6,058)
As at 31/12	**192,217**	**194,759**

The capitalized production costs include capitalized borrowing costs of EUR 14,669 thousand (2023: EUR 15,566 thousand), the financing cost rate of which is 14.1 percent (2023: 14.1 percent). The depletion-based depreciation relates to reductions in biological assets as a result of the harvest. The gains and losses from the change in the fair value of biological assets in the amount of EUR 32,199 thousand (2023: EUR 80,102 thousand) are included in the cost of sales. They consist of the regular remeasurement of EUR 5,195 thousand (2023: EUR 85,997 thousand) and foreign currency gains/losses of EUR 27,004 thousand (2023: EUR minus 5,895 thousand) from the remeasurement of the lease liability for the land use right which is directly related to the plantation.

The following assumptions were made:

Assumptions of level 3 input factors for biological assets

	31/12/2024	31/12/2023
Market price EUR/m³	22.01	18.84
Discount rate	7.96%	7.63%
Wood volume m³	8,414,007	10,368,336

A change in key input factors which cannot be observed on the market would have the following effects on the measurement of biological assets:

Sensitivity analysis of level 3 input factors for biological assets as at 31/12/2024 EUR '000

	Increase	Decrease
Change in the market price (+/- 10%)	20,880	(20,880)
Discount rate (+/- 1%)	(2,285)	2,446
Wood volume (+/- 5%)	10,441	(10,441)

Sensitivity analysis of level 3 input factors for biological assets as at 31/12/2023(previous year) EUR '000

	Increase	Decrease
Change in the market price (+/- 10%)	20,349	(20,349)
Discount rate (+/- 1%)	(1,317)	1,404
Wood volume (+/- 5%)	10,175	(10,175)

Note 20. Right-of-use assets

The Lenzing Group as the lessee

The Lenzing Group has obligations from rental and lease agreements for property, plant and equipment, which are recognized as right-of-use-assets in the consolidated statement of financial position. The corresponding lease liabilities are reported as part of financial liabilities (see note 28).

The following table shows the development of right-of-use assets classified by type of asset:

Development of right-of-use assets			EUR '000
2024	**Land and buildings**	**Technical equipment and machinery, factory and office equipment**	**Total**
Carrying amount as at 01/01	120,017	14,531	**134,547**
Addition	5,071	8,026	**13,097**
Disposals	(126)	(65)	**(191)**
Depreciation fiscal year	(7,028)	(7,745)	**(14,773)**
Currency translation adjustment	6,435	216	**6,651**
Carrying amount as at 31/12	**124,369**	**14,964**	**139,333**

Development of right-of-use assets (previous year)			EUR '000
2023	**Land and buildings**	**Technical equipment and machinery, factory and office equipment**	**Total**
Carrying amount as at 01/01	58,401	14,360	**72,761**
Addition	71,978	6,488	**78,466**
Disposals	(1,088)	(647)	**(1,735)**
Depreciation fiscal year	(6,832)	(5,536)	**(12,367)**
Currency translation adjustment	(2,443)	(134)	**(2,577)**
Carrying amount as at 31/12	**120,017**	**14,531**	**134,547**

In the 2024 financial year, the main items included EUR 4,825 thousand of right-of-use assets recognized for wagons, EUR 2,720 thousand recognized for the index increase for land use rights, EUR 2,516 thousand for forklifts, cars and other vehicles, EUR 2,057 thousand for warehouses and open spaces and EUR 666 thousand for machinery.

In the 2023 financial year, the main items included EUR 68,015 thousand of right-of-use assets recognized for the index increase for land use rights, EUR 3,051 thousand recognized for wagons, EUR 2,392 thousand for buildings, and EUR 1,941 thousand for machinery. The disposals mainly relate to right-of-use assets of EUR 1,057 thousand for office premises and EUR 644 thousand for technical equipment.

The terms and conditions of the main leases can be summarized as follows:

- **Land use rights**: The biological assets (see note 19) are located on land which is not owned by the Lenzing Group. Land use rights are in place for this land. The lease has a term of 30 years, with an option to extend the lease by 19 years after 30 years. This extension option was not taken into account in estimating the expected term of the lease because the use of the biological assets in 30 years is not sufficiently certain from today's perspective. Price adjustment clauses exist.
- **Office and storage premises**: The leases have a term of up to five years and some contracts have an indefinite term. Ordinary useful lives were applied to office and storage premises with indefinite useful lives where economic exit barriers exist. These leases do not include an option to purchase the office and storage premises at the end of the contract term. Some of the leases include price adjustment clauses.
- **Wagons**: The leases have a term of up to 15 years. The option exists to terminate the contracts after a minimum term. Some of the leases have price adjustment clauses.
- **Wastewater treatment plant**: The lease agreement relates to a lease for an industrial primary clarifier and related expansion investments. The plant, including the land, will become the property of the Lenzing Group in the 2025 financial year in return for payment of a transfer fee.

Termination and extension options are considered when estimating the expected term of the leases if it is sufficiently certain that they will or will not be exercised. The Lenzing Group estimates that possible future cash outflows from extension options which were not taken into account in the measurement of the lease liability could result in an increase in the lease liability and the related future cash outflows by EUR 3,435 thousand (December 31, 2023: EUR 3,481 thousand).

The following expenses relating to leases were recognized in the consolidated income statement in the 2024 financial year.

Expenses from leases		EUR '000
	2024	**2023**
Expenses relating to short-term leases	8,548	9,216
Expenses relating to variable leases	12,631	12,995
Expenses relating to leases of low-value assets	1,963	1,351
Non-lease components	1,122	914
Rental and leasing expenses	**24,264**	**24,476**
Interest on lease liabilities = Financing costs	**15,909**	**17,914**

Short-term leases are leases with a term of less than one year. Where contracts have no term, leases are considered short-term leases if both parties have a right to terminate the contract, which can be exercised without the consent of the counterparty and no termination penalties or economic barriers exist. Leases for which only variable lease payments that are not coupled to an index or (interest) rate have been agreed are not capitalized as right-of-use assets.

Expenses relating to variable leases mainly include variable rental payments for warehouses based on monthly storage quantities.

The Lenzing Group has concluded several long-term power purchase agreements for electricity generated from renewable energy sources in order to achieve its climate targets and hedge against fluctuating prices (see note 37 "Commodity risk"). Some of the electricity purchase agreements are leases where the payments are entirely variable and are therefore included in the variable lease payments.

In the 2024 financial year, cash outflows for leases total EUR 49,225 thousand (2023: EUR 47,541 thousand). They include expenses relating to short-term and variable leases and to leases of low-value assets.

The rental and leasing expenses are fully cash-effective and included in cash flow from operating activities. The cash flows incurred in connection with the repayment of lease liabilities are explained in note 33.

All right-of-use assets are tested for impairment in accordance with IAS 36 if there are any indications that these assets may be impaired (see note 10).

The Lenzing Group as the lessor

The future undiscounted minimum lease payments during the non-cancellable term of the leases relate primarily to land and buildings and are as follows, classified by year:

Undiscounted annual minimum lease payments as lessor — **EUR '000**

	31/12/2024	31/12/2023
In the following year	3,990	3,972
In the following 1 to 2 years	3,680	3,637
In the following 2 to 3 years	3,680	3,637
In the following 3 to 4 years	3,674	3,637
In the following 4 to 5 years	3,670	3,637
Thereafter	0	1,325
Total	**18,695**	**19,844**

The most important lease involves land on which a recycling plant is operated. The lease payments are indexed. The lease was concluded for an indefinite term and can be canceled at the earliest as at December 31, 2029, subject to a six-year notice period.

Rental income for the 2024 financial year is shown in note 7.

The Lenzing Group classifies these leases as operating leases since the main risks and opportunities associated with ownership are retained.

Note 21. Investments accounted for using the equity method

Investments accounted for using the equity method comprise the following:

Carrying amounts of investments accounted for using the equity method — **EUR '000**

	31/12/2024	31/12/2023
Lenzing Papier GmbH (LPP)	6,982	9,651
Other associates	4,832	4,836
LD Florestal S.A. (LDF)	13,033	16,425
Other joint ventures	107	134
Total	**24,954**	**31,045**

The main investments accounted for using the equity method include, in particular, the interest in Lenzing Papier GmbH (LPP), Lenzing, which is allocated to the "Others" segment, and LD Florestal S.A. (LDF), Indianópolis, Brazil, which is allocated to the Pulp Division segment. For the strategic importance of the other investments accounted for using the equity method and their relationship with the Lenzing Group, please see note 38.

Investments accounted for using the equity method developed as follows:

Development of the carrying amounts of investments accounted for using the equity method **EUR '000**

2024	EFB	LPP	Other associates	LDF	Other joint ventures	Total
As at 01/01	0	9,651	4,836	16,425	134	**31,045**
Share in profit or loss of investments accounted for using the equity method	0	647	14	(676)	14	**0**
Other comprehensive income – remeasurement of defined benefit liability	0	(36)	0	0	0	**(36)**
Other comprehensive income – foreign currency translation differences arising during the year and other	0	0	22	(2,716)	(2)	**(2,696)**
Distributions	0	(3,280)	(40)	0	(40)	**(3,360)**
As at 31/12	**0**	**6,982**	**4,831**	**13,033**	**107**	**24,954**

Development of the carrying amounts of investments accounted for using the equity method (previous year) **EUR '000**

2023	EFB	LPP	Other associates	LDF	Other joint ventures	Total
As at 01/01	4,193	4,270	4,813	13,079	127	**26,483**
Result from remeasurement of investments accounted for using the equity method	(2,000)	4,192	0	0	0	**2,191**
Share in profit or loss of investments accounted for using the equity method	(2,342)	3,951	124	2,796	9	**4,537**
Other comprehensive income – remeasurement of defined benefit liability	149	(122)	0	0	0	**27**
Other comprehensive income – foreign currency translation differences arising during the year and other	0	0	(61)	550	(2)	**488**
Distributions	0	(2,640)	(40)	0	0	**(2,680)**
As at 31/12	**0**	**9,651**	**4,836**	**16,425**	**134**	**31,045**

The Lenzing Group recognizes both, measurement effects and the results from investments accounted for using the equity method, together in income from investments accounted for using the equity method.

The Lenzing Group, as at December 31, 2024, held 20 percent of capital and voting rights in Equi-Fibres Beteiligungsgesellschaft mbH (EFB) which is not publicly listed as (December 31, 2023: 20 percent). The core business of EFB is the production and marketing of regenerated cellulosic fibers. The relations between the Lenzing Group and this company are described in note 38.

In October 2024, Kelheim Fibres GmbH (KFG), Kelheim, Germany, a wholly owned subsidiary of EFB, filed for insolvency under provisional self-administration. Insolvency proceedings were opened on January 1, 2025, and self-administration was ordered. Due to a lack of financial information, it is currently not possible to assess further developments. The previous business relationships (pulp deliveries) will continue against advance payment until further notice. As EFB only holds Kelheim as a participating interest, the value of its assets is directly affected by this insolvency application. An impairment loss was recognized for trade receivables (see notes 37, Credit risk and note 38).

An impairment loss of EUR 2,000 thousand was applied to the shares in EFB in the 2023 financial year (see note 12). As a consequence, the carrying amount of the shares in EFB stands at EUR 0 thousand as at December 31, 2024 (December 31, 2023: EUR 0 thousand).

Further, in the 2023 financial year, an impairment loss of EUR 7,564 thousand was recognized on the outstanding purchase price receivables and non-current loans due from the acquirer of EFB (and its subsidiaries) (see note 37, Credit risk). As a consequence, the carrying amounts of the outstanding purchase price receivable and the long-term loan due from the acquirer of EFB (including its subsidiaries) amounted to EUR 0 thousand as of December 31, 2024 (December 31, 2023: EUR 0 thousand). In addition, a long-term performance-related purchase price component exists, which depends on the company's future profitability. This is discounted to present value in the amount of EUR 0 thousand as at December 31, 2024 (December 31, 2023: EUR 0 thousand).

In summary, the insolvency filing of KFG in the 2024 financial year has no impact on the Lenzing Group's financial statements, due to impairment losses having already been applied in previous years as well as the impairment loss recognized in 2024.

In the 2024 financial year, losses relating to shares in the associate EFB were not recognized, as the Lenzing Group has no obligation with regard to such losses and no financial information relating to EFB is available for the 2024 financial year.

The Lenzing Group holds a lien on the remaining shares of EFB. This lien can be realized in the event of non-payment on the due date of the outstanding purchase price claim and of the long-term loan. In addition, the buyer was granted a credit line of up to EUR 1,376 thousand (December 31, 2023: EUR 1.376 thousand), which can be utilized in the event of predefined adverse changes in EFB's general conditions on the sales market until December 31, 2025, at the latest. As of December 31, 2024, and in the previous year as at December 31, 2023 this credit line had not been utilized.

Due to holdup relating to the insolvency proceedings under provisional self-administration of EFB that were opened on January 1, 2025 no financial information was available until the preparation of the IFRS consolidated financial statements of the Lenzing Group. The following table provides summarized financial information on EFB in accordance with IFRS (100 percent) for the 2023 financial year:

Summarized financial information on EFB	**EUR '000**
	31/12/2023
Non-current assets	145,070
Current assets	58,968
Equity	52,016
Non-current liabilities	58,827
Current liabilities	93,195
	2023
Revenue	173,633
Earnings before tax (EBT)	(15,788)
Total comprehensive income	(10,964)
Thereof net profit/loss after tax	(11,710)
Thereof other comprehensive income	745

The reconciliation of equity to the carrying amount of the investment in EFB is as follows:

Reconciliation of equity to carrying amount of the investment in EFB	**EUR '000**
	31/12/2023
Equity	52,016
Thereof:	
Group's interest (20%; previous year: 20%)	10,403
Consolidation and other effects	(63)
Impairment	(10,340)
Carrying amount	**0**

The Lenzing Group held 40 percent of capital and voting rights in LPP as at December 31, 2024 (December 31, 2023: 40 percent). The core business of LPP, which is not publicly listed, is the production of cellulose-based products, in particular paper. The relations between the Lenzing Group and this company are described in note 38.

The following table provides summarized financial information on LPP in accordance with IFRS (100 percent):

Summarized financial information on LPP	**EUR '000**	
	31/12/2024	**31/12/2023**
Non-current assets	11,721	10,392
Current assets	27,925	30,779
Equity	17,735	24,406
Non-current liabilities	4,191	4,361
Current liabilities	17,721	12,403
	2024	**2023**
Revenue	95,443	102,064
Earnings before tax (EBT)	2,093	12,953
Total comprehensive income	1,529	9,956
Thereof net profit/loss after tax	1,618	9,878
Thereof other comprehensive income	(89)	78

The reconciliation of equity to the carrying amount of the investment in LPP is as follows:

Reconciliation of equity to carrying amount of the investment in LPP	**EUR '000**	
	31/12/2024	**31/12/2023**
Equity	17,735	24,406
Thereof:		
Group's interest (40%; previous year: 40%)	7,094	9,763
Consolidation and other effects	(112)	(112)
Impairment	0	0
Carrying amount	**6,982**	**9,651**

The Lenzing Group held 50 percent of the capital and voting rights in LDF as at December 31, 2024 (December 31, 2023: 50 percent). The core business of LDF, which is not publicly listed, is granting rights of use. The relations between the Lenzing Group and this company are described in note 38.

The following table provides summarized financial information on LDF in accordance with IFRS (100 percent):

Summarized financial information on LDF	EUR '000	
	31/12/2024	31/12/2023
Non-current assets	200,088	207,991
Current assets	3,809	921
Thereof cash and cash equivalents	385	550
Equity	26,067	32,849
Non-current liabilities	168,484	170,298
Thereof loans and borrowings (excluding trade payables, other liabilities and provisions)	168,484	170,298
Current liabilities	9,346	5,765
Thereof loans and borrowings (excluding trade payables, other liabilities and provisions)	1,047	1,030
	2024	2023
Revenue	3,575	0
Amortization and depreciation	(1,931)	(136)
Interest income	13,283	14,367
Interest expense	(15,574)	(14,917)
Income tax expense	596	(3)
Earnings before tax (EBT)	(1,743)	2,983
Total comprehensive income	(6,782)	6,692
Thereof net profit/loss after tax	(1,351)	5,591
Thereof other comprehensive income	(5,431)	1,101

The reconciliation of equity to the carrying amount of the investment in LDF is as follows:

Reconciliation of equity to carrying amount of the investment in LDF	EUR '000	
	31/12/2024	31/12/2023
Equity	26,067	32,849
Thereof:		
Group's interest (50%; previous year: 50%)	13,033	16,425
Carrying amount	**13,033**	**16,425**

The investments in associates represent shares in companies in which the Lenzing Group can exert significant influence over financial and operating policies. Joint ventures are joint arrangements managed by the Lenzing Group together with one or more partners, whereby the Lenzing Group has rights to the net assets of the arrangement.

In October 2024, the Lenzing Group acquired a minority interest in Swedish cellulose fiber company TreeToTextile AB (TTT). TTT is engaged in the research, production, and distribution of sustainably regenerated celullosic fibers. The transaction is subject to regulatory approvals and is expected to be completed by the first half of 2025. The Lenzing Group cannot exert any significant influence over TTT until official approval has been granted. As a consequence, the purchase price including incidental acquisition costs of EUR 16,015 thousand is reported under other current assets (note 25) as at December 31, 2024.

Note 22. Financial assets

Non-current financial assets comprise the following:

Non-current other investments	EUR '000	
	31/12/2024	31/12/2023
Non-current securities	6,582	6,464
Other equity investments	12	12
Originated loans	30,512	14,561
Total	**37,106**	**21,037**

Details about the loans can be found in note 37 and note 38.

Current financial assets include shares in the company Spinnova OY, Jyväskylä, Finland, in the amount of EUR 439 thousand (December 31, 2023: EUR 3,869 thousand) and Oberbank ordinary shares in the amount of EUR 10,863 thousand (December 31, 2023: EUR 14,852 thousand). In the 2023 and 2024 financial years, a partial disposal of the interest in Spinnova OY, Jyväskylä, Finland, was realized at fair value of EUR 2,155 thousand (2023: EUR 1,615 thousand). The realized gain of EUR 1,912 thousand (2023: EUR 1,479 thousand) was already included in other comprehensive income and was reclassified to retained earnings net of taxes of EUR 440 thousand (2023: EUR 355 thousand). In addition, some of the Oberbank ordinary shares were sold in the 2023 and 2024 financial year at a fair value of EUR 4,931 thousand (2023: EUR 3,000 thousand). The realized gain of EUR 3,337 thousand (2023: EUR 1,949 thousand) was already included in other comprehensive income and was reclassified to retained earnings net of taxes of EUR 768 thousand (2023: EUR 468 thousand).

In the 2024 financial year, Oberbank ordinary shares paid dividends of EUR 156 thousand (2023: EUR 203 thousand).

Note 23. Inventories

Inventories include the following components:

Inventories	EUR '000	
	31/12/2024	31/12/2023
Raw materials and supplies	386,964	285,329
Work in progress	11,323	9,184
Finished goods and merchandise	244,513	254,425
Advance payments made	3,434	4,002
Total	**646,235**	**552,940**

Raw materials and supplies consist primarily of wood for pulp production, pulp and chemicals for cellulosic fiber production and various incidentals. The cost of raw materials and supplies is calculated using the weighted average cost method. Finished goods and work in progress include cellulosic fibers, co-products of fiber production, pulp and biorefinery-products.

In the financial year under review, write-downs to reflect the net realizable value of inventories amount to EUR 8,085 thousand (2023: EUR 44,939 thousand). Expenses for inventories, which are included in the cost of material totaled EUR 1,159,992 thousand (2023: EUR 1,190,680 thousand).

Note 24. Trade receivables

Trade receivables comprise the following:

Trade receivables	EUR '000	
	31/12/2024	31/12/2023
Trade receivables (gross)	325,057	300,353
Bad debt provisions	(6,875)	(5,874)
Total	**318,182**	**294,480**

All trade receivables are classified as current assets. For further information on trade receivables, please refer to note 35 (section "Transfer of financial assets (sale of receivables/factoring)") and note 37 (section "Credit risk").

Note 25. Other assets

Other non-current assets comprise the following:

Other non-current assets	EUR '000	
	31/12/2024	31/12/2023
Other non-current financial assets (particularly from derivatives and other financial receivables)	1,409	26,580
Other non-current non-financial assets (particularly from other taxes)	57,389	48,897
Total	**58,798**	**75,477**

Other current assets comprise the following:

Other current assets	EUR '000	
	31/12/2024	31/12/2023
Other current financial assets		
Recharging of maintenance services	11,450	9,991
Unadvanced amount from factoring agreements	8,431	7,740
Derivatives not yet settled (open positions)	2,099	12,180
Sundry	4,804	5,537
	26,786	**35,448**
Other current non-financial assets		
Emission certificates	93,256	83,047
Receivables from other taxes and duties	37,285	72,428
Advance payments made	21,098	3,865
Prepaid expenses	8,242	8,017
Sundry	1,081	263
	160,962	**167,621**
Total	**187,747**	**203,069**

The advance payments as at December 31, 2024 include the acquisition of shares in TreeToTextile AB for an amount of EUR 16,015 thousand, including incidental acquisition costs (see note 21).

Note 26. Equity

Share capital and capital reserves

The share capital of Lenzing AG totaled EUR 40,107,738.37 as at December 31, 2024 (December 31, 2023: EUR 40,107,738.37) and is divided into 38,618,180 zero par value shares (December 31, 2023: 38,618,180 shares). The proportion of share capital attributable to one share equals roughly EUR 1.04. Each ordinary share represents an equal interest in capital and conveys the same rights and obligations, above all the right to a resolved dividend and the right to vote at the Annual General Meeting. The issue price of the shares is fully paid in. No other classes of shares have been issued.

By resolution of the Annual General Meeting on April 18, 2024, the Managing Board was again authorized, with Supervisory Board consent, to purchase treasury shares in a volume of up to 10 percent of the share capital for a maximum of 30 months from the date of the resolution. The same conditions concerning the purchase of treasury shares apply as in the Annual General Meeting resolution of April 26, 2022, which was revoked by the above resolution.

The Annual General Meeting on April 19, 2023 authorized the Managing Board – while at the same time canceling the resolutions regarding this matter of the Annual General Meeting of April 12, 2018 – subject to the approval of the Supervisory Board, to increase share capital by up to EUR 13,787,034.68 through the issue of up to 13,274,999 zero par value shares ("authorized capital") – also in tranches – in exchange for cash and/or contributions in kind, within five years from entry in the commercial register. The proportion of authorized capital attributable to one share equals roughly EUR 1.04. This authorized capital was recorded in the commercial register on May 26, 2023.

With effect from July 2023, Lenzing AG carried out a capital increase that had been approved by the Annual General Meeting on April 19, 2023. A total of 12,068,180 new shares were issued. The share capital was fully paid in. The change in share capital and capital reserves is attributable to this capital increase.

In addition, a resolution of the Annual General Meeting on April 19, 2023 authorized the Managing Board – while at the same time canceling the resolutions regarding this matter of the Annual General Meeting of April 12, 2018 – to issue, subject to the approval of the Supervisory Board, convertible bonds by April 19, 2028 in one or several tranches that grant or provide for the subscription or conversion right or a subscription or conversion obligation for up to 13,274,999 shares of the company ("contingent capital"). They can be serviced through the contingent capital and/or treasury shares.

The Managing Board did not utilize the authorizations existing on or before December 31, 2024, to issue convertible bonds and buy back treasury shares in the reporting period.

The capital reserves represent appropriated reserves of Lenzing AG that may only be used to offset an accumulated loss by Lenzing AG. These reserves were created from the inflow of funds received by Lenzing AG from shareholders in excess of share capital.

Other reserves

Other reserves include all accumulated other comprehensive income and consist of the foreign currency translation reserve, the reserve for financial assets measured at fair value through other comprehensive income, the hedging reserve and actuarial gains/losses.

Other reserves (Equity attributable to shareholders of Lenzing AG and to hybrid capital owners) **EUR '000**

	Foreign currency translation reserve	Financial assets measured at fair value through other comprehensive income	Hedging reserve and non-designated components	Actuarial gains/losses	Total
As at 01/01/2023	**97,517**	**15,635**	**16,473**	**(39,463)**	**90,161**
Other comprehensive income	(33,844)	(3,412)	(23,038)	(4,329)	(64,623)
Tax effect	2,061	751	5,623	1,013	9,448
After tax	**(31,783)**	**(2,662)**	**(17,415)**	**(3,315)**	**(55,175)**
Hedging gains and losses and cost of hedging transferred to the cost of non-current assets and cost of inventory	0	0	(3,276)	0	(3,276)
Tax effect	0	0	856	0	856
After tax	**0**	**0**	**(2,420)**	**0**	**(2,420)**
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	0	(3,428)	0	0	(3,428)
Tax effect	0	823	0	0	823
After tax	**0**	**(2,605)**	**0**	**0**	**(2,605)**
Other reclassification	0	0	0	0	0
As at 31/12/2023 = 01/01/2024	**65,733**	**10,368**	**(3,362)**	**(42,779)**	**29,961**
Other comprehensive income	37,388	(334)	(17,141)	(2,830)	17,082
Tax effect	2,260	1,889	4,956	(11,251)	(2,146)
After tax	**39,648**	**1,555**	**(12,186)**	**(14,081)**	**14,936**
Hedging gains and losses and cost of hedging transferred to the cost of non-current assets and cost of inventory	0	0	2,289	0	2,289
Tax effect	0	0	(823)	0	(823)
After tax	**0**	**0**	**1,466**	**0**	**1,466**
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	0	(5,250)	0	0	(5,250)
Tax effect	0	1,207	0	0	1,207
After tax	**0**	**(4,042)**	**0**	**0**	**(4,042)**
Other reclassification	366	0	(360)	(6)	0
As at 31/12/2024	**105,747**	**7,881**	**(14,441)**	**(56,867)**	**42,321**

The hedging reserve developed as follows:

Changes in the hedging reserve	EUR '000	
	2024	2023
Gains/losses recognized in the reporting period from the valuation of cash flow hedges		
From gas swaps	2,964	(18,268)
From forward foreign exchange contracts	(21,450)	13,911
From interest rate- and currency-interest rate swaps	526	3,841
	(17,960)	**(516)**
Reclassification to profit or loss of amounts relating to cash flow hedges		
From gas swaps	6,444	16,500
From forward foreign exchange contracts	3,935	(19,607)
From interest rate- and currency-interest rate swaps	(28,091)	(21,035)
	(17,712)	**(24,142)**
Total	**(35,672)**	**(24,658)**

The fair value changes from cash flow hedges recognized in the reporting period relate to hedging against currency risks from the operating business, hedging against interest rate/currency risks from taking out loans, and hedging against gas price risks (see note 35, section "Derivative financial instruments and hedges").

The above amounts from the reclassification to profit or loss of cash flow hedges from gas swaps and forward foreign exchange contracts are reported primarily as part of earnings before interest and tax (EBIT), mainly under revenue and cost of sales. The above amounts from the reclassification to profit or loss of cash flow hedges from interest rate- and currency-interest rate swaps are reported under financial result.

Retained earnings

Retained earnings comprise the following:

Retained earnings	EUR '000	
	31/12/2024	31/12/2023
Unappropriated revenue reserves of Lenzing AG under Austrian law (Austrian Commercial Code – öUGB)	202,023	284,907
Accumulated profits of Lenzing AG under Austrian law (Austrian Commercial Code – öUGB)	0	0
Earnings attributable to subsidiaries, including the effect of adjusting the financial statements of Lenzing AG and its subsidiaries from local regulations to IFRS	15,338	75,374
Total (excl. other reserves)	**217,361**	**360,281**

The unappropriated revenue reserves of Lenzing AG can be released at any time and distributed to shareholders as part of accumulated profits. Austrian law only permits the distribution of dividends from accumulated profits as stated in the approved annual financial statements of the parent company prepared in accordance with the Austrian Commercial Code.

No dividends were resolved and distributed to the shareholders of Lenzing AG for the 2024 and 2023 financial years.

The loss for the year according to the Austrian Commercial Code (UGB) for the 2024 financial year of Lenzing AG is to be appropriated as follows:

Appropriaton of the 2024 net loss	EUR '000
Lenzing AG closed the 2024 financial year with loss under the Austrian law (öUGB) of	(82,884)
after the reversal of (distributable) revenue reserves	82,884
remains an accumulated profit of	**0**

Hybrid capital

In December 2020, a subordinated perpetual bond (hybrid capital) with a total volume of EUR 500,000 thousand and a coupon of 5.75 percent was issued. The hybrid capital has a perpetual tenor and can be called or re-deemed by Lenzing AG on December 7, 2025 at the earliest. Investors have no call rights. If the hybrid capital is not called, the hybrid capital will carry a changed interest rate from December 8, 2025 (then applicable 5-year swap rate plus a margin of 11.208 percent).

Interest will be due and payable in arrears on December 7 of each year unless Lenzing AG decides to defer such interest payment. Outstanding deferred interest must be paid under certain circumstances, in particular when the Annual General Meeting of Lenzing AG resolves to pay a dividend.

The bond meets the criteria for equity pursuant to IAS 32 (Financial Instruments: Presentation). Accordingly, coupons are presented as part of appropriation of profits in the consolidated income statement.

Non-controlling interests

Non-controlling interests represent the investments held by third parties in consolidated group companies. The Group companies with non-controlling interests are listed in note 41 under "Consolidated companies". These are companies in which the Lenzing Group holds an interest of less than 100 percent.

Of the non-controlling interests as at December 31, 2024, EUR 341,556 thousand (December 31, 2023: EUR 308,186 thousand) related to LD Celulose S.A. (LDC), Indianópolis, Brazil including its wholly owned subsidiary, LD Celulose International GmbH (LDI), Vienna, which is allocated to the Pulp Division segment. As of December 31, 2024 the non-controlling shareholders held 49.0 percent (December 31, 2023: 49.0 percent) of the capital and voting rights of the non-listed LDC, and have a put option to sell their shares (see note 3 and note 35). LDC's core business consists of the production and sale of pulp.

The following table provides summarized financial information on LDC (including LDI) in accordance with IFRS (100 percent):

Summarized financial information on LDC (inclusive LDI) **EUR '000**

	31/12/2024	31/12/2023
Non-current assets	1,613,096	1,606,247
Current assets	252,156	221,524
Equity	697,054	628,951
Thereof equity attributable to shareholders of Lenzing AG	355,497	320,765
Thereof equity attributable to non-controlling interests	341,556	308,186
Non-current liabilities	1,037,534	929,861
Current liabilities	130,665	268,960

	2024	2023
Revenue	503,209	449,270
Earnings before tax (EBT)	47,921	117,452
Total comprehensive income	(6,279)	71,016
Thereof net profit/loss after tax	(18,393)	94,093
Net profit/loss after tax attributable to shareholders of Lenzing AG	(9,380)	47,987
Net profit/loss after tax attributable to non-controlling interests	(9,012)	46,105
Thereof other comprehensive income	12,114	(23,076)
Other comprehensive income attributable to shareholders of Lenzing AG	6,178	(11,769)
Other comprehensive income attributable to non-controlling interests	5,936	(11,307)
Cash flow from operating activities	171,112	102,438
Cash flow from investing activities	(62,606)	(57,815)
Cash flow from financing activities	(116,001)	(12,401)
Change in cash and cash equivalents	(7,495)	32,221
Dividends paid to non-controlling interests	0	0

The following shares of other comprehensive income are attributable to non-controlling interests in the subsidiaries of Lenzing AG:

Other comprehensive income attributable to non-controlling interests **EUR '000**

	2024	2023
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit liability	(10)	(29)
Income tax relating to these components of other comprehensive income	2	6
Items that may be reclassified to profit or loss		
Foreign operations – foreign currency translation differences arising during the year	17,938	(10,502)
Cash flow hedges – effective portion of changes in fair value recognized during the year and non-designated components	(18,530)	(1,620)
Income tax relating to these components of other comprehensive income	6,300	792
Other comprehensive income (net of tax)	**5,701**	**(11,353)**

Note 27. Government grants

The amount accrued under this item resulted primarily from grants for investments in environmental protection and for general investment support.

Investment grants are reported as liabilities and recognized in profit or loss on a straight-line basis over the useful life of the subsidized investments as "Income from the release of investment grants".

Government grants for cost reimbursements are recognized as other income in the period in which the related costs are incurred, unless the receipt of the grant is contingent on conditions that are not yet sufficiently likely to occur. Receivables from funding commitments are reported under other assets on the consolidated statement of financial position.

Government grants of EUR 15,067 thousand were recognized in profit or loss in the reporting period (2023: EUR 23,414 thousand), resulting predominantly from promotion of research activities and energy topics. Any conditions attached to the grants were fulfilled and repayment, in full or in part, is therefore considered unlikely.

Government grants also included EUR 82,069 thousand of emission certificates as at December 31, 2024 (December 31, 2023: EUR 70,501 thousand). In accordance with Directive 2003/87/EC of the European Parliament and the European Council on a system for trading greenhouse gas emission certificates, a total of 367,108 EU-emission certificates and 23,167 UK-emission certificates were allocated free of charge to the relevant companies in the Lenzing Group for 2024 through national allocation plans (2023: 374,539 EU-emission certificates and 23,167 UK-emission certificates).

Emission certificates are capitalized at fair value at the time of allocation and reported under other current assets (see note 25). The difference between the fair value and the purchase price paid by the company for the emission certificates is recorded under government grants. At the end of each reporting period, a provision is recognized for the certificates used up to that date. The amount of the provision is based on the recognized asset value of the certificates if they are covered by certificates held by the company at this reporting date. If the certificates used exceed the certificates held, the provision is based on the fair value of the certificates (to be purchased subsequently) as at the relevant reporting date. Future laws and commitments on emissions, especially in the countries of the Lenzing Group's production sites, could lead to further precautionary measures in the future.

No emission certificates were sold in the 2024 financial year. In the 2023 financial year, 500,000 EU emission certificates were sold, which had been allocated to the Lenzing Group free of charge. The income from the sale in the 2023 financial year amounted to EUR 40,653 thousand and is included in other operating income (see note 7).

In the 2024 financial year expenses for emission certificates amounted to EUR 2,037 thousand (2023: EUR 17,995 thousand).

Note 28. Financial liabilities

The following table shows the composition of financial liabilities as at December 31:

Loans and borrowings	31/12/2024				31/12/2023			EUR '000
	Currency	Nominal value	Carrying amount	Average effective interest in %	Currency	Nominal value	Carrying amount	Average effective interest in %
Bond								
Fixed interest	USD	650,000	608,553	7.9	EUR	0	0	n/a
			608,553				**0**	
Private placements								
Fixed interest	EUR	170,500	170,345	1.5	EUR	290,500	290,229	1.5
Floating rate interest	EUR	164,000	163,864	4.9	EUR	219,000	218,753	4.2
Floating rate interest	USD	0	0	0.0	USD	65,000	58,824	1.9
			334,208				**567,805**	
Bank loans								
Loans:								
Fixed interest	EUR	333,175	254,725	1.6	EUR	474,775	353,345	1.5
Fixed interest	USD	0	0	n/a	USD	147,200	108,439	3.3
Fixed interest	CNY	94,000	12,330	3.6	CNY	117,015	14,905	4.1
Floating rate interest	EUR	392,152	352,777	4.8	EUR	311,813	256,426	2.1
Floating rate interest	USD	350,000	313,909	8.0	USD	1,000,000	816,483	6.9
Operating loans[1]:								
Floating rate interest	CNY	410,000	53,782	3.1	CNY	390,000	49,676	3.4
Floating rate interest	USD	21,721	20,798	6.6	USD	98,254	88,619	8.1
			1,008,322				**1,687,892**	
Lease liabilities								
Fixed interest	EUR	123,862	123,862	12.0	EUR	142,107	142,107	16.9
			123,862				**142,107**	
Loans from other lenders								
Fixed interest	EUR	4,972	4,949	0.7	EUR	9,926	9,790	0.7
Fixed and floating rate interest	EUR	28,100	28,100	0.5	EUR	28,100	28,100	0.6
			33,049				**37,890**	
Total			**2,107,994**				**2,435,694**	
Thereof current			279,449				528,992	
Thereof non-current			1,828,545				1,906,702	

1) Revolving credit agreements and overdrafts

In the reporting year, a bond with a final maturity in January 2032 and a fixed interest rate of 7.950% was issued. Details about this financing are presented in note 35 and note 37.

Bank loans of EUR 922,462 thousand (December 31, 2023: EUR 924,922 thousand) are secured by pledged property, plant and equipment in the amount of EUR 1,109,094 thousand (December 31, 2023: EUR 758,869 thousand), and biological assets in the amount of EUR 192,217 thousand (December 31, 2023: EUR 204,856 thousand). In addition, the shares in LD Celulose S.A., Indianópolis, Brazil, have been pledged.

Furthermore, of the reported financial liabilities, EUR 20,798 thousand (December 31, 2023: EUR 53,259 thousand) are secured by receivables.

The next interest rate adjustment for the floating rate loans and partially fixed rate loans will take place within the next six months, depending on the loan agreement. The conditions for loans that can be utilized multiple times (revolving loans) are fixed for a certain period and generally carry floating interest rates.

Other loans primarily involve obligations to the Austrian fund for the promotion of research in industry ("Forschungsförderungsfonds der gewerblichen Wirtschaft") and the ERP fund.

Note 29. Deferred taxes (deferred tax assets and liabilities) and current taxes

Deferred tax assets and liabilities relate to the following items on the statement of financial position:

Deferred tax assets	EUR '000	
	31/12/2024	31/12/2023
Intangible assets and property, plant and equipment	46,950	74,628
Other investments	37,889	965
Inventories	11,282	12,149
Other assets	1,196	1,943
Provisions	11,636	17,217
Investment grants	96	121
Lease liabilities	38,844	45,030
Other liabilities	50,960	10,526
Loss carryforwards	219,736	180,427
Gross deferred tax assets – before valuation allowance	**418,589**	**343,005**
Valuation allowance on deferred tax assets	(297,295)	(197,441)
Thereof relating to tax loss carryforwards	(203,328)	(125,418)
Thereof relating to temporary differences	(93,967)	(72,023)
Gross deferred tax assets	**121,295**	**145,564**
Offsettable against deferred tax liabilities	(116,964)	(97,005)
Net deferred tax assets	**4,331**	**48,559**

Deferred tax liabilities	EUR '000	
	31/12/2024	31/12/2023
Intangible assets and property, plant and equipment	97,867	25,799
Right-of-use assets	44,538	42,834
Biological assets	24,739	23,324
Other investments	14,647	9,579
Inventories	2,332	603
Other assets	7,001	8,700
Investment grants	199	253
Other liabilities	243	26,011
Gross deferred tax liabilities	**191,566**	**137,103**
Offsettable against deferred tax assets	(116,964)	(97,005)
Net deferred tax liabilities	**74,602**	**40,098**

Of the total gross deferred tax assets, EUR 30,819 thousand (December 31, 2023: EUR 25,202 thousand) are due within one year. Of the total gross deferred tax liabilities, EUR 8,528 thousand (December 31, 2023: EUR 4,229 thousand) are due within one year. The remaining amounts are due in more than one year.

Deferred taxes developed as follows:

Development of deferred taxes	EUR '000	
	2024	2023
As at 01/01	8,461	(68,525)
Recognized in profit or loss	(79,651)	62,895
Recognized in other comprehensive income	2,556	12,748
Acquisition of corporate units	0	215
Currency translation adjustment	(1,638)	1,129
As at 31/12	**(70,271)**	**8,461**

The Group held tax loss carryforwards of EUR 966,073 thousand as at December 31, 2024 (December 31, 2023: EUR 808,080 thousand). The existing tax loss carryforwards can be utilized as follows:

Loss carryforwards (assessment basis)	EUR '000	
	31/12/2024	31/12/2023
Total	**966,073**	**808,080**
Thereof capitalized loss carryforwards	48,389	239,169
Thereof non-capitalized loss carryforwards	917,684	568,911
Possible expiration of non-capitalized loss carryforwards		
Within 1 year	79,328	51,485
Within 2 years	42,732	78,168
Within 3 years	141,299	40,565
Within 4 years	188,380	140,430
Within 5 years or longer	145,012	181,428
Unlimited carryforward	320,934	76,835

As of December 31 2024, deferred tax assets totaling EUR 4,331 thousand (December 31, 2023: EUR 48,559) were capitalized. Of this amount, EUR 1,844 (December 31, 2023: EUR 46,786 thousand) are attributable to deferred tax assets relating to Group units that generated losses in either the past or previous year. If there is no substantial evidence for recoverability, deferred tax assets are recognized to the extent that sufficient taxable temporary differences exist.

The valuation allowance on deferred tax assets relates mainly to companies based in Austria in the amount of EUR 96,723 thousand (December 31, 2023: EUR 16,519 thousand), in China in the amount of EUR 33,340 thousand (December 31, 2023: EUR 34,120 thousand), in Indonesia in the amount of EUR 113,622 thousand (December 31, 2023: EUR 104,881 thousand), in the USA in the amount of EUR 7,668 thousand (December 31, 2023: EUR 6,545 thousand) and in Thailand in the amount of EUR 45,946 thousand (December 31, 2023: EUR 35,428 thousand). Certain loss carryforwards were not capitalized because their usability is restricted. If all tax loss carryforwards could be utilized in full, the deferred tax assets on loss carryforwards would total EUR 219,736 thousand (December 31, 2023: EUR 180,427 thousand) instead of EUR 16,408 thousand (December 31, 2023: EUR 55,009 thousand).

The financial assets and other assets shown under deferred tax assets in the above table include amounts for outstanding partial write-downs to investments in accordance with Section 12 Para. 3 no. 2 of the Austrian Corporation Tax Act ("Siebentelabschreibung", the partial write-downs of investments over a period of seven years

for tax purposes) corresponding to a measurement base of EUR 179,362 thousand (December 31, 2023: EUR 7,335 thousand). Deferred tax assets on the total amount of outstanding partial write-downs to investments are recognized to the extent that taxable temporary differences exist. Partial write-downs of EUR 34,200 thousand were utilized for tax purposes in 2024 (2023: EUR 3,755 thousand).

The recoverability of deferred tax assets is generally based on the positive taxable results expected in the future – after the deduction of taxable temporary differences – in line with the forecasts approved by the Managing Board. These forecasts are also used for impairment testing (see note 10). The assessment of unused tax loss carryforwards and tax credits also involves the consideration of utilization requirements.

Deferred tax liabilities were not recognized for temporary differences with a measurement base of EUR 396,234 thousand (December 31, 2023: EUR 542,772 thousand) in connection with investments in subsidiaries, joint ventures and associates and the related proportional share of net assets held by group companies because the Lenzing Group is able to control the timing of the reversal of the temporary difference and these differences are not expected to reverse in the foreseeable future.

The receivables from current taxes include prepayments made to foreign taxation authorities. These amounts are recognized when the recoverability is probable, while valuation adjustments are made in all other cases. The gross carrying amount of non-current receivables from current taxes as at December 31, 2024 amounts to EUR 21,457 thousand (December 31, 2023: EUR 21,068 thousand). Payments are sometimes uncertain, especially the timing of payments due to the occasionally long duration of proceedings. For this reason, as at December 31, 2024, write-downs of EUR 4,596 thousand were recognized (December 31, 2023: EUR 4,887 thousand).

Current liabilities for current taxes include a provision for uncertain tax items of EUR 13,380 thousand (December 31, 2022: EUR 12,992 thousand) in connection with regular tax audit procedures.

On July 23, 2024, the B&C Group announced that a 25 percent interest in Lenzing AG had been transferred by way of an intragroup restructuring. This led to the withdrawal of Lenzing AG from the tax group with B&C Holding Österreich GmbH as the group parent and of Lenzing AG and further subsidiaries of Lenzing AG as group members pursuant to Section 9 of the Austrian Corporation Tax Act (ÖKStG).

As the financial link between B&C KB Holding GmbH and Lenzing AG ended retroactively during the year on December 1, 2023, the tax group of Lenzing AG was no longer financially linked to B&C KB Holding GmbH for its entire 2023 financial year. As a consequence, the group membership of all companies in the Lenzing AG tax group ended as at the end of the 2022 financial year, as this is the last financial year in which they were directly or indirectly financially linked to B&C KB Holding GmbH for their entire financial year. Until the 2023 financial year, a provision of EUR 48,001 thousand was formed for the obligation to retax the foreign losses recognized in the tax group's tax result. This provision was utilized in the course of the termination of the tax group with B&C Holding Österreich GmbH in the 2024 financial year in the amount of EUR 28,061 thousand and reversed in the amount of EUR 19,940 thousand. In addition, deferred tax assets were reversed in the 2024 financial year insofar as they were recognized on foreign loss carryforwards. Further details about the financial effects of the withdrawal from the tax group with B&C Holding Österreich GmbH are elucidated in note 38 (in the "Relationship with related companies" section).

Due to the retroactive withdrawal of Lenzing AG from the B&C tax group, no group taxation could be established for the former group members for the 2023 financial year. As a consequence, these companies are assessed individually for the 2023 financial year. For the 2024 financial year, a new tax group was established with Lenzing AG as the group parent and five subsidiaries of Lenzing AG as group members. As part of this, a group and tax equalization agreement was concluded, so that tax profits and losses are offset between the group parent and the group members that are included. The deferred tax assets and deferred tax liabilities of the group members that are included are also offset based on their joint tax assessment.

The Lenzing Group includes the effects of uncertain tax positions in the calculation of current and deferred taxes. Tax claims are recognized at the expected reimbursement amount in cases where the claim is sufficiently certain. The tax returns of the Lenzing Group's subsidiaries are reviewed regularly by the taxation authorities. Appropriate provisions have been recognized for possible future tax obligations based on a number of factors which include interpretations, commentaries and legal decisions relating to the respective tax jurisdiction and past experience. In addition, uncertain tax positions are evaluated on the basis of estimates and assumptions for future events. New information can become available in the future that leads the Group to change its assumptions regarding the appropriateness of tax positions. Any such changes will affect tax expense in the period in which they are identified.

Note 30. Provisions

The Lenzing Group's provisions are classified as follows:

Provisions						EUR '000
	Total		Thereof current		Thereof non-current	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Provisions for pensions and similar obligations						
Pensions and severance payments	75,864	74,842	7,584	6,149	68,280	68,693
Jubilee benefits	15,512	14,766	1,676	929	13,835	13,837
	91,376	**89,608**	**9,261**	**7,078**	**82,115**	**82,530**
Other provisions						
Restructuring measures	6,901	24,087	6,901	24,087	0	0
Anticipated losses and other risks	2,475	10,806	2,475	10,806	0	0
Emission certificates	8,803	9,972	8,803	9,972	0	0
Sundry	1,942	7,218	1,081	656	861	6,562
	20,120	**52,082**	**19,259**	**45,521**	**861**	**6,562**
Total	**111,496**	**141,690**	**28,520**	**52,599**	**82,976**	**89,091**

Provisions for pensions and similar obligations

Pensions and severance payments

The Lenzing Group has entered into obligations for pensions and severance payments from defined benefit plans, which are reported under provisions for pensions and severance payments, and from defined contribution plans.

Defined benefit plans (for pensions and severance payments)

The benefits resulting from the defined benefit plans for pensions and severance payments are dependent on the final salary or wage and the length of service. They do not require any contributions by employees.

The defined benefit pension plans are based on contractual obligations. The Lenzing Group's most important defined benefit pension plan is located in Austria. It applies to employees who joined the Group before January 1, 2000 and decided to remain in the plan. The claims generally arose after a vesting period of at least 10 or 15 service years. A retirement age of 58 to 63 years is assumed for the beneficiaries, depending on their gender. At present, the plan primarily covers employees who have already retired. Qualifying insurance policies were recognized as plan assets in some cases, while coverage for these obligations is also provided by securities that do not qualify as plan assets.

The defined benefit severance plans are based on statutory obligations and obligations under collective agreements. The Lenzing Group's most important defined benefit severance plan is located in Austria. This plan entitles employees whose employment relationship is governed by Austrian law and started before January 1, 2003 to a severance payment in specific cases, in particular when they reach the statutory retirement age and in the event of termination by the employer ("old severance payment system"). The amount of severance payment depends on the employee's salary or wage at the termination of employment and on the length of the employment relationship. There are similar major defined benefit severance plans in Indonesia and the Czech Republic, which apply to all employees irrespective of when they joined the respective company. The defined benefit severance plans are not covered by assets but are financed entirely through provisions.

In the 2023 and 2022 financial years, parts of provisions for accrued defined benefit severance plans were reclassified to other provisions for restructuring measures and reclassified back again in the 2024 financial year in the amount of EUR 3,796 thousand (see the section "Other provisions").

The defined benefit pension and severance plans are principally connected with the following risks that influence the amount of obligations to be recognized:

- **Investment risk**: A decline in the income from plan assets below the discount rate will result in a plan deficit and an increase in the obligations.
- **Interest rate risk**: A decrease in the discount rate due to lower bond interest rates on the capital market will result in an increase in the obligations.
- **Salary and pension trend**: An increase in the actual salary and pension trends over the expected future levels will result in an increase in the obligations.
- **Personnel turnover and departure risk**: A decline in the expected personnel turnover rates will result in an increase in the obligations.
- **Longevity risk**: An increase in the life expectancy of the beneficiaries will result in an increase in the obligations.

The Lenzing Group is also exposed to currency risks in connection with these plans.

The Lenzing Group takes various steps to reduce the risks from defined benefit plans. The related measures include, in particular, the external financing of defined benefit plans with plan assets or the coverage of obligations with securities that do not qualify as plan assets and the settlement of existing defined benefit plans with lump sum payments. In addition, pension and similar commitments are now only concluded as defined contribution commitments where possible and legally permissible.

The objectives of the investment policy are to create an optimal composition of plan assets and to ensure sufficient coverage for the existing claims of participating employees. The investment strategies (asset allocations) for the plan assets are contractually regulated. A reinsurance policy was concluded for part of the claims from the Austrian pension plan. It is reported as plan asset in the amount of EUR 2,221 thousand (December 31, 2023: EUR 2,344 thousand). This policy is a conventional life insurance policy which invests primarily in debt instruments that reflect the maturity profile of the underlying claims and are intended to maintain a high degree of investment security. The Lenzing Group makes no further contributions to this insurance policy.

The fair value of the insurance policy is not determined on an active market, but corresponds to the reported policy reserve. The plan assets do not include any financial instruments issued by or assets used by the Lenzing Group. The actual return on plan assets totaled EUR 161 thousand in 2024 (2023: EUR 158 thousand). The net interest expense from the defined benefit plans (expenses from the accrued interest on the obligations and the return on plan assets) is reported under financing costs.

The most important actuarial parameters applied to the defined benefit pension and severance plans are as follows:

Actuarial assumptions for defined benefit pension and severance plans p. a. in %

31/12/2024	Discount rate	Salary increase	Pension increase	Staff turnover deductions
Austria – pensions	3.3	3.0	0.0-3.0	0.0
Austria – severance payments	3.4	3.0	N/A	0.0
Indonesia	7.0	7.5	N/A	1.0-5.0
Czech Republic	3.4	4.2	N/A	1.6
31/12/2023				
Austria – pensions	3.4	3.0	0.0-3.0	0.0
Austria – severance payments	3.4	3.0	N/A	0.0
Indonesia	6.5	7.5	N/A	1.0-5.0
Czech Republic	3.9	4.5	N/A	1.6

The major obligations from the defined benefit plans are the obligations for pensions and severance payments in the Lenzing Group's Austrian companies. The discount rate for these obligations was derived from high-quality fixed-income corporate bonds with at least an AA rating based on an international actuary's standards. Bonds with significantly higher or lower interest rates than the other bonds in their risk class ("statistical outliers") were not included in the calculation. The currency and terms of the bonds used to derive the discount rate are based on the currency and expected terms of the obligations to be settled. The estimated salary and pension increases, which are also considered realistic for the future, were derived from the averages of recent years. Separate employee turnover rates were applied for each company depending on the composition of the workforce and the employees' length of service. The retirement age used for the calculation is based on the applicable legal regulations. Individual, country-specific assumptions were made for each of the other countries to determine the discount rate, salary increases, employee turnover rates and retirement age.

The parameters used to calculate the defined benefit pension plans in Austria included the biometric data from AVÖ 2018 P – the calculation base for pension insurance for salaried employees

The following biometric data and assumptions are used in other countries:

- Indonesia: Tabel Mortalita Indonesia (TMI 2019)
- Czech Republic: AVÖ 2018-P
- Other: No biometric assumptions were made because of the low number of beneficiaries.

The obligations (carrying amounts) from defined benefit pension and severance plans reported in the consolidated statement of financial position comprise the following:

Development of defined benefit plans **EUR '000**

	Present value of pension and severance payment obligation (DBO)		Fair value of plan assets		Carrying amounts of defined benefit pension and severance plans	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
As at 01/01	**80,982**	**85,847**	**2,344**	**2,469**	**78,638**	**83,377**
Current service cost	3,419	3,635	0	0	3,419	3,635
Net interest	3,138	3,769	75	95	3,063	3,674
Income and expenses from defined benefit plans recognized on the income statement	**6,557**	**7,404**	**75**	**95**	**6,483**	**7,309**
Remeasurement during the reporting period						
On the basis of demographic assumptions	(599)	(119)	0	0	(599)	(119)
On the basis of financial assumptions	(175)	3,673	0	0	(175)	3,673
On the basis of experience adjustments	3,664	893	0	0	3,664	893
On the basis of income from plan assets, excl. amounts included in interest income	0	0	86	62	(86)	(62)
Remeasurement of defined benefit plans included in other comprehensive income	**2,891**	**4,447**	**86**	**62**	**2,805**	**4,384**
Cash flows						
Payments made from the plan	(283)	(283)	(283)	(283)	0	0
Direct payments and contributions by the employer	(12,219)	(15,750)	0	0	(12,219)	(15,750)
Currency translation adjustment	158	(683)	0	0	158	(683)
Other reconciliation items	**(12,345)**	**(16,716)**	**(283)**	**(283)**	**(12,061)**	**(16,433)**
As at 31/12	**78,085**	**80,982**	**2,221**	**2,344**	**75,864**	**78,638**
Thereof pensions in Austria	18,589	19,243	2,221	2,344	16,368	16,899
Thereof severance payments in Austria	39,831	38,069	0	0	39,831	38,069
Thereof pensions and severance payments in other countries	19,666	19,874	0	0	19,666	19,874
Thereof restructuring measures	0	3,796	0	0	0	3,796

Sensitivity analyses are performed to evaluate the risk of changes in the actuarial parameters used to measure the present value of the obligations from defined benefit plans. These sensitivity analyses show the effects on the present value of the obligations from hypothetical changes in key parameters that could have reasonably changed as at the reporting date. One parameter was changed for each analysis, while all other parameters were kept constant. The sensitivity analyses are based on the present values of the obligations as at the reporting date before the deduction of plan assets (gross obligation/DBO) and before reclassification from or to other provisions for restructuring measures.

The sensitivities of the parameters as at the reporting dates are as follows:

Sensitivity analysis of the defined benefit pension and severance payment obligations

31/12/2024	Change in parameters (percentage points)	Decrease in parameter/ change in present value of obligation in EUR '000	Increase in parameter/ change in present value of obligation in EUR '000
Discount rate	1.0	5,991	(5,264)
Salary increase	1.0	(4,168)	4,658
Pension increase	1.0	(1,084)	1,201

Sensitivity analysis of the defined benefit pension and severance payment obligations (previous year)

31/12/2023	Change in parameters (percentage points)	Decrease in parameter/ change in present value of obligation in EUR '000	Increase in parameter/ change in present value of obligation in EUR '000
Discount rate	1.0	6,368	(5,587)
Salary increase	1.0	(4,431)	4,960
Pension increase	1.0	(1,144)	1,271

The above sensitivity analyses represent hypothetical changes based on assumptions. Actual deviations from these assumptions will result in other effects. In particular, the parameters changed individually for the analysis may actually correlate with each other. The deduction of plan assets and of the amount reclassified from or to other provisions for restructuring will lead to a further reduction of the effects.

The weighted average terms (durations) of the defined benefit pension and severance payment obligations in years are as follows:

Weighted average durations of the defined benefit pension and severance payment obligations — Years

	31/12/2024	31/12/2023
Austria – pensions	7	7
Austria – severance payments	8-20	8-21
Indonesia	7	7
Czech Republic	8	8

Defined contribution plans (for pensions and severance payments)

The Lenzing Group makes payments to pension funds and similar external funds for defined contribution pension and severance plans. The most significant defined contribution pension and severance plans for the Lenzing Group are located in Austria ("new severance payment system" and individual contractual commitments).

The expenses for defined contribution plans are as follows:

Expenses for defined contribution plans — EUR '000

	2024	2023
Austria – pensions	2,224	2,227
Austria – severance payments	3,140	2,861
Other countries	6,088	6,335
Total	**11,452**	**11,423**

Provisions for jubilee benefits

Collective agreements require Lenzing AG and certain subsidiaries, particularly in Austria and the Czech Republic, to pay jubilee benefits to employees who have been with the company for a certain length of time. In the Austrian companies employees have the option to convert the jubilee benefits into time credits. No assets were segregated from the company and no contributions were made to a pension fund or any other external fund to cover these obligations. The jubilee benefits do not require any contributions by employees.

The obligations from jubilee benefits for employees (long-service bonuses) are considered other long-term employee benefits under IFRS. The net interest expense from jubilee benefits (expenses from the accrued interest on the obligations) is recorded under financing costs. The discount rate applied to the Austrian obligations is similar to the discount rate used for the other defined benefit plans. Employee turnover rates were determined separately for each company depending on the composition of the workforce and employees' length of service. Individual, country-specific assumptions were made regarding the discount rate, employee turnover rates and salary increases in the other countries.

The main actuarial parameters applied to the obligations for jubilee benefits are as follows:

Actuarial assumptions for the jubilee benefit obligations p. a. in %

31/12/2024	Discount rate	Salary increase	Staff turnover deductions
Austria	3.5	3.0	0.0-10.5
Czech Republic	3.4	4.2	1.6
31/12/2023			
Austria	3.5	3.0	0.0-8.9
Czech Republic	3.9	4.5	1.6

The following table shows the development of the obligation (provision) for jubilee benefits:

Development of the jubilee benefit obligation (provision) **EUR '000**

	2024	2023
As at 01/01	**14,766**	**14,899**
Service cost		
Current service cost	918	875
Net interest	507	608
Remeasurement during the reporting period		
On the basis of demographic assumptions	(568)	(1,017)
On the basis of financial assumptions	1	1,131
On the basis of experience adjustments	1,125	(482)
Income and expenses from jubilee benefit obligations recognized on the income statement	**1,982**	**1,115**
Cash flows		
Direct payments by employer	(1,237)	(1,247)
Currency translation adjustment	1	(1)
Other reconciliation items	**(1,236)**	**(1,248)**
As at 31/12	**15,512**	**14,766**

Other provisions

Other provisions developed as follows:

Development of other provisions **EUR '000**

2024	As at 01/01	Currency translation adjustment	Reclassification	Utilization	Reversal	Addition	As at 31/12	Thereof current	Thereof non-current
Restructuring measures	24,087	0	(3,796)	(12,681)	(1,308)	600	**6,901**	6,901	0
Anticipated losses and other risks	10,806	303	0	0	(9,096)	462	**2,475**	2,475	0
Emission certificates	9,972	(19)	0	(9,303)	(86)	8,239	**8,803**	8,803	0
Sundry	7,218	(77)	0	(3,938)	(2,999)	1,738	**1,942**	1,081	861
Total	**52,082**	**206**	**(3,796)**	**(25,922)**	**(13,489)**	**11,039**	**20,120**	**19,259**	**861**

Development of other provisions (previous year) **EUR '000**

2023	As at 01/01	Currency translation adjustment	Reclassification	Utilization	Reversal	Addition	As at 31/12	Thereof current	Thereof non-current
Restructuring measures	21,125	0	(1,936)	(11,293)	(4,100)	20,291	**24,087**	24,087	0
Anticipated losses and other risks	23,545	(124)	0	(20)	(14,757)	2,163	**10,806**	10,806	0
Emission certificates	12,493	(4)	0	(10,813)	0	8,295	**9,972**	9,972	0
Sundry	8,134	(82)	0	(1,080)	(420)	666	**7,218**	656	6,562
Total	**65,297**	**(210)**	**(1,936)**	**(23,206)**	**(19,277)**	**31,415**	**52,082**	**45,521**	**6,562**

The measurement of provisions is based on past experience, current cost and price information and estimates/appraisals by internal and external experts. The assumptions underlying the provisions are reviewed regularly. The actual values may differ from these assumptions if general conditions develop in contrast to expectations as at the reporting date. Changes are recognized in profit or loss when better information is available, and the premises are adjusted accordingly.

As in the previous year, other provisions for restructuring measures in the 2024 financial year relate particularly to provisions due to staff reductions as part of reorganization and cost-cutting programs. The provisions were formed particularly for resultant severance payments and termination benefits. As of December 31, 2023, provisions of EUR 3,796 thousand arising from previously formed provisions (in particular from the statutory provision for severance payments; see the section "Defined benefit plans (for pensions and severance payments)") were reported under provisions for restructuring measures and were reclassified back again in their entirety in the 2024 financial year. The remaining amount of the necessary provisions of EUR 600 thousand (2023: EUR 20,291 thousand) was allocated mainly to personnel expenses and to other operating expenses (administrative expenses). The total provisions of EUR 6,901 thousand (December 31, 2023: EUR 24,087 thousand) are expected to be fully utilized within the next 12 months.

Other provisions for anticipated losses and other risks include, in particular, provisions for onerous procurement contracts of EUR 2,475 thousand (December 31, 2023: EUR 10,772 thousand) and for other onerous contracts. Other provisions for emission certificates comprise the equivalent value of the emission certificates used.

In the 2023 financial year, sundry other provisions mainly relate to obligations for litigation in the amount of EUR 3,208 thousand and include, in particular, provisions for legal defense costs in connection with a lawsuit in which, among other matters, Lenzing AG is being sued for damages (see note 40). The legal proceedings were concluded in the 2024 financial year and the corresponding provision of EUR 2,722 thousand was reversed.

The other current provisions and accruals were expected to lead to an outflow of funds within the next twelve months. The outflow of funds arising from the long-term portion of other provisions is dependent on various factors (in particular, guarantee and warranty periods, contract terms and other events).

Note 31. Trade payables

The Lenzing Group participates in reverse factoring arrangements under which suppliers can elect to receive payment of their invoices earlier from a bank. Under this arrangement, the bank offers to pay invoices owed by the Lenzing Group to participating suppliers, and the Lenzing Group pays the bank at a later date.

These reverse factoring agreements enable the Lenzing Group to centralize the payment of trade payables to the bank and to enable efficient payment processes, rather than paying each supplier individually. In addition, participating suppliers can be offered early payment dates compared to the due date of the invoices concerned. From the Lenzing Group's perspective, the agreements do not significantly extend the payment period compared to normal payment periods with other participating suppliers. However, the agreements offer participating suppliers the advantage of earlier payment. Furthermore, the Lenzing Group does not incur any additional interest for the payment of trade payables to the bank. As a consequence, the amounts covered by these agreements are reported under trade payables, as the nature and function of these liabilities remain the same as for other trade payables.

The present value test and qualitative analyses indicate that these agreements do not significantly change the contract terms (in particular payment terms and interest rates). The agreements do not lead to the reclassification of the trade payables involved to another class of liability under civil law or IFRS regulations from the Lenzing Group's perspective. Consequently, there are no changes to the presentation on the consolidated statement of financial position (under trade payables) or the consolidated statement of cash flows (under cash flow from operating activities). The Lenzing Group has not derecognized the original trade payables subject to these agreements, as it has neither been legally released from the obligation nor has the liability been materially modified by entering into the agreement.

From the Lenzing Group's perspective, the payments made by banks to suppliers represent non-cash transactions. The payments rendered by the Lenzing Group to the banks are included in the cash flow from operating activities, as the factual connection to the original liability and thereby the financial background of the cash outflows remains. As in the previous year, the Lenzing Group has not provided any collateral.

Supplier Finance Arrangements **EUR '000**

Reverse factoring agreements	31/12/2024	31/12/2023	As reported on the consolidated statement of financial position
Carrying amount of liabilities affected by the agreements	114,059	81,177	Trade payables
thereof payments already implemented by banks	99,792	65,349	

Payment services	31/12/2024	31/12/2023	As reported on the consolidated statement of financial position
Carrying amount of liabilities affected by the agreements	64,480	0	Other financial liabilities
thereof payments already implemented by payment services	64,480	0	

Range of due dates **Days**

	2024		2023	
	Affected by reverse factoring agreement	Not affected by reverse factoring agreement	Affected by reverse factoring agreement	Not affected by reverse factoring agreement
Austrian reverse factoring agreement	120 - 180	45 - 90	120 - 180	45 - 90
Brazilian reverse factoring agreement	10 - 90	10 - 150	10 - 90	10 - 150

In the 2024 financial year, a supplier financing program was concluded with a payment service provider for trade payables. Further details can be found in note 32.

The liquidity risk of the supplier finance agreements is a concentration since the supplier finance agreements currently in place have been made with only two financial institutions and one payment service provider, giving rise to the risk of a revocation of the supplier finance agreements by the same financial institution or the same payment service provider. The liabilities affected by these supplier finance agreements are settled in accordance with the agreed due date. The related, estimated outflows are taken into account in liquidity planning. The Lenzing Group assesses the risk concentration with regard to sufficient financing sources as rather low because the risk spread of the Lenzing Group's financing over different financial institutions is maintained. Furthermore, the supplier finance agreements include no material financing component, and their discontinuation would therefore also not result in a significant increase in financing requirements. Liabilities relating to reverse factoring agreements amount to 29.5 percent as at the reporting date (December 31, 2023: 27.4 percent) relative to the group's total trade payables. Liabilities to payment service providers amounted to 38,9 percent (December 31, 2023: 0.0 percent) of other financial liabilities as at the balance sheet date . No non-cash changes occurred to the carrying amount of the financial liabilities covered by the supplier financing agreements.

Information regarding the liquidity and foreign currency risk of the group exposure is presented in note 37.

Note 32. Other liabilities

Other non-current liabilities comprise both financial and non-financial items. Other non-current financial liabilities as at December 31, 2024 are reported in the amount of EUR 5,254 thousand (December 31, 2023: EUR 8,434 thousand), and relate in particular to derivatives and other liabilities. The reported non-financial liabilities amount to EUR 4,542 thousand as at December 31, 2024 (December 31, 2023: EUR 5,125 thousand), and mainly include accrued items for personnel expenses and partial retirement obligations.

Other current liabilities consist of the following:

Other current liabilities		**EUR '000**
	31/12/2024	**31/12/2023**
Other current financial liabilities		
Derivatives not yet settled (open positions)	20,484	8,315
Other accruals	35,531	33,672
Contract liabilities - accruals for discounts and rebates (see note 5)	4,033	4,525
Supplier finance arrangements (payment services)	64,480	0
Debtor payments from factoring not yet forwarded	10,120	9,438
Interest accruals	20,413	6,664
Other current financial liabilities	6,054	4,155
	161,115	**66,769**
Other current non-financial liabilities		
Liabilities from other taxes	7,822	6,503
Wage and salary liabilities	9,452	10,585
Social security liabilities	8,391	7,769
Contract liabilities - down payments received (see note 5)	18,830	12,198
Accruals for personnel expenses	84,035	24,018
Deferred income and other	2,276	1,403
	130,806	**62,476**
Total	**291,921**	**129,244**

The other accruals mainly cover liabilities for the delivery of goods and the performance of services by third parties which have not yet been invoiced.

In the 2024 financial year, the Lenzing Group started supplier financing agreements with suppliers of individual Group companies. The payment service provider settles the original trade payables on the respective invoice due date, discharging the debt, which results in a change of presentation on the consolidated statement of financial position. Liabilities to the payment service provider are shown as other current financial liabilities. Under the supplier financing agreements, the Lenzing Group pays the payment service provider 60 days after the invoice due date. The payments rendered to the payment service providers are included in the cash flow from operating activities, as the factual connection to the original liability and thereby the financial background of the cash outflows remains. The Lenzing Group regards the payments made by the payment service provider as non-cash transactions (see note 31).

The accruals for personnel costs consist primarily of liabilities for short-term claims by active and former employees (in particular, for unused vacation and compensation time, overtime and performance bonuses).

Note 33. Disclosures on the Consolidated Statement of Cash Flows

Liquid funds represent cash and cash equivalents as shown on the statement of financial position. Cash and cash equivalents include cash in hand and cash at banks, demand deposits, checks and short-term time deposits.

Other non-cash income and expenses both in the 2024 financial year and in the previous year include the measurement of inventories, financial assets, and other non-current financial assets. Other non-cash income/expenses also contain unrealized net exchange rate gains/losses and measurement effects from receivables.

Cash flows from investing activities (purchases of intangible assets, property, plant and equipment and biological assets) are adjusted either for payments not yet rendered to suppliers in the current period, or for payments rendered to suppliers for payables from prior periods. In the 2024 financial year, these mainly comprise payments not yet made to suppliers in the current period in the amount of EUR 6.347 thousand (2023: payments to suppliers from previous periods in the amount of EUR 29.821 thousand).

Reconciliation of loans and borrowings **EUR '000**

2024		Bond	Private placements	Subtotal bond and private placements	Bank loans	Loans from other lenders	Lease liabilities	Subtotal other financial liabilities	Total
As at 01/01		0	567,805	567,805	1,687,892	37,890	142,107	1,867,889	**2,435,694**
Cash flows	Increase in loans and borrowings	581,763	0	**581,763**	309,340	101	0	309,441	**891,204**
	Repayment of loans and borrowings	0	(236,431)	**(236,431)**	(1,062,069)	(4,941)	(26,149)	**(1,093,159)**	**(1,329,590)**
Non-cash changes	Currency translation adjustment	26,311	2,607	**28,918**	30,060	(2)	(20,952)	9,107	**38,025**
	Discounting/accrued interest	479	227	**705**	43,099	0	15,958	59,056	**59,762**
	Additions to lease liabilities	0	0	**0**	0	0	13,153	13,153	**13,153**
	Other changes	0	0	**0**	0	0	(254)	(254)	**(254)**
As at 31/12		**608,553**	**334,208**	**942,761**	**1,008,322**	**33,049**	**123,862**	**1,165,233**	**2,107,994**

Reconciliation of loans and borrowings (previous year) **EUR '000**

2023		Bond	Private placements	Subtotal bond and private placements	Bank loans	Loans from other lenders	Lease liabilities	Subtotal other financial liabilities	Total
As at 01/01		0	569,691	569,691	1,640,106	42,843	69,590	1,752,539	**2,322,230**
Cash flows	Increase in loans and borrowings	0	0	**0**	226,023	617	0	226,640	**226,640**
	Repayment of loans and borrowings	0	0	**0**	(140,711)	(5,542)	(23,979)	(170,232)	**(170,232)**
Non-cash changes	Currency translation adjustment	0	(2,118)	**(2,118)**	(42,473)	(49)	3,391	(39,131)	**(41,248)**
	Discounting/accrued interest	0	232	**232**	4,947	20	16,557	21,524	**21,756**
	Additions to lease liabilities	0	0	**0**	0	0	78,444	78,444	**78,444**
	Other changes	0	0	**0**	0	0	(1,895)	(1,895)	**(1,895)**
As at 31/12		**0**	**567,805**	**567,805**	**1,687,892**	**37,890**	**142,107**	**1,867,889**	**2,435,694**

Note 34. Capital risk management

General information

The overriding objective of equity and debt management in the Lenzing Group is to optimize the income, expenditures and assets of the individual operations/business units and of the Group as a whole in order to achieve and maintain sustainably strong economic performance and a sound balance sheet structure. An important role in this process is played by financial leverage capacity, the protection of sufficient liquidity at all times and a clear focus on key cash-related and performance indicators in line with the Group's strategic course and long-term goals. This protects the ability of the group companies to operate on a going concern basis. In addition, the authorized capital and contingent capital give Lenzing AG greater flexibility in raising additional equity in order to take advantage of future market opportunities.

The equity management strategy followed by the Lenzing Group is designed to ensure that Lenzing AG and the other group companies have an adequate equity base to meet local requirements. For further details to the financial covenants see note 37 ("Liquidity risk" section).

Management uses an adjusted equity ratio for internal control purposes. Adjusted equity is calculated in accordance with IFRS and comprises equity as well as investment grants less the related deferred taxes. The adjusted equity ratio (= adjusted equity in relation to total assets) equaled 34.7 percent as at December 31, 2024 (December 31, 2023: 34.7 percent).

Adjusted equity is calculated as follows:

Adjusted equity	EUR '000	
	31/12/2024	31/12/2023
Equity	1,652,001	1,742,165
+ Government grants	95,623	86,244
- Proportional share of deferred taxes on government grants	(21,700)	(19,338)
Total	**1,725,924**	**1,809,072**

The dividend policy of Lenzing AG, as the parent company of the Lenzing Group, is based on the principles of continuity and a long-term focus in order to support the future development of the company, to distribute dividends to shareholders in line with the company's opportunity and risk situation, and to appropriately reflect the interests of all other stakeholders who are decisive for the company's success.

Net financial debt

The Supervisory Board and Managing Board of Lenzing AG regularly review the development of net financial debt because this indicator is an extremely important benchmark not only for the Group's management, but also for the financing banks. The ratio of net financial debt to EBITDA is particularly relevant. The continued optimal development of the Lenzing Group is only possible with convincing internal financing strength as the basis for increased debt capacity.

Interest-bearing financial liabilities are classified as follows:

Interest-bearing loans and borrowings	EUR '000	
	31/12/2024	31/12/2023
Non-current loans and borrowings	1,828,545	1,906,702
Current loans and borrowings	279,449	528,992
Total	**2,107,994**	**2,435,694**

Liquid assets consist of the following:

Liquid assets	EUR '000	
	31/12/2024	31/12/2023
Cash and cash equivalents	442,297	725,639
Liquid bills of exchange (in trade receivables)	9,384	5,398
Total	**451,681**	**731,037**

Net financial debt in absolute terms and in relation to EBITDA (see note 4) is as follows:

Net financial debt (absolute)	EUR '000	
	31/12/2024	31/12/2023
Interest-bearing loans and borrowings	2,107,994	2,435,694
- Liquid assets	(451,681)	(731,037)
Net financial debt incl. lease liabilities	**1,656,314**	**1,704,657**
- Current lease liabilities	(9,637)	(9,783)
- Non-current lease liabilities	(114,225)	(132,324)
Net financial debt	**1,532,452**	**1,562,550**

Net financial debt in relation to EBITDA	EUR '000	
	31/12/2024	31/12/2023
EBITDA	395,426	303,318
Net financial debt / EBITDA	3.9	5.2

Note 35. Disclosures on financial instruments

Carrying amounts, fair values, measurement categories and measurement methods

The following table shows the carrying amounts and fair values of the financial assets and financial liabilities for each class and each IFRS 9 category and reconciles this information to the appropriate line items on the statement of financial position. The balance sheet item loans and borrowings (non-current and current) includes lease liabilities that are to be regarded as financial liabilities but are not allocated to a measurement category in accordance with IFRS 9. They are reported in the “no financial instruments” column to enable a reconciliation to the balance sheet item. In addition, the (current) provisions balance sheet item is reported as a financial liability. However, this is also not allocated to an IFRS 9 measurement category and is consequently also reported in the "no financial instruments" column.

Carrying amounts, category, fair value and fair value hierarchy of financial instruments EUR '000

Financial assets as at 31/12/2024	Carrying amount						Fair value	
	At amortized cost	At fair value through profit or loss	At fair value through other comprehensive income		No financial instrument	Total	Fair value	Fair value hierarchy
			Equity instruments	Cash flow hedges				
Originated loans	30,512					**30,512**	26,421	Level 3
Non-current securities		6,582				**6,582**	6,582	Level 1
Other equity investments			12			**12**	12	[1]
Current securities			11,301			**11,301**	11,301	Level 1
Other investments (current and non-current)	**30,512**	**6,582**	**11,314**	**0**	**0**	**48,407**	**44,317**	
Trade receivables	**318,182**	**0**	**0**	**0**	**0**	**318,182**	**318,182**	[1]
Derivatives with a positive fair value (cash flow hedges)				2,250		**2,250**	2,250	Level 2
Derivatives with a positive fair value (cash flow hedges with the underlying already recognized in profit or loss)		270				**270**	270	Level 2
Other	25,675					**25,675**	25,675	[1]
Other financial assets (current and non-current)	**25,675**	**270**	**0**	**2,250**	**0**	**28,195**	**28,195**	
Cash and cash equivalents	**442,297**	**0**	**0**	**0**	**0**	**442,297**	**442,297**	[1]
Total	**816,666**	**6,852**	**11,314**	**2,250**	**0**	**837,081**	**832,991**	

Financial liabilities as at 31/12/2024	Carrying amount						Fair value	
	At amortized cost	At fair value through profit or loss	At fair value through other comprehensive income		No financial instrument	Total	Fair value	Fair value hierarchy
			Cash flow hedges/Fair value hedges	Retained earnings				
Bond	608,553					**608,553**	624,701	Level 1
Private placements	334,208					**334,208**	333,340	Level 3
Liabilities to banks	1,008,322					**1,008,322**	1,030,105	Level 3
Liabilities to other lenders	33,049					**33,049**	32,453	Level 3
Lease liabilities					123,862	**123,862**		
Loans and borrowings	**1,984,132**	**0**	**0**	**0**	**123,862**	**2,107,994**	**2,020,599**	
Trade payables	**386,383**	**0**	**0**	**0**	**0**	**386,383**	**386,383**	[1]
Provisions (current)	**0**	**0**	**0**	**0**	**28,520**	**28,520**		
Puttable non-controlling interests	**0**	**0**	**0**	**230,954**	**0**	**230,954**	**230,954**	**Level 3**
Derivatives with a negative fair value (cash flow hedges)			15,213			**15,213**	15,213	Level 2
Derivatives with a negative fair value (cash flow hedges with the underlying already recognized in profit or loss)		7,729				**7,729**	7,729	Level 2
Contingent consideration		1,150				**1,150**	1,150	Level 2
Other	142,277					**142,277**	142,277	[1]
Other financial liabilities (current and non-current)	**142,277**	**8,878**	**15,213**	**0**	**0**	**166,369**	**166,369**	
Total	**2,512,793**	**8,878**	**15,213**	**230,954**	**152,382**	**2,920,220**	**2,804,305**	

1) The carrying amount approximates fair value.

Carrying amounts, category, fair value and fair value hierarchy of financial instruments (previous year) **EUR '000**

	Carrying amount						Fair value	
Financial assets as at 31/12/2023	**At amortized cost**	**At fair value through profit or loss**	**At fair value through other comprehensive income**		**No financial instrument**	**Total**	**Fair value**	**Fair value hierarchy**
			Equity instruments	**Cash flow hedges**				
Originated loans	14,561					**14,561**	12,500	Level 3
Non-current securities		6,464				**6,464**	6,464	Level 1
Other equity investments			12			**12**	12	[1]
Current securities			18,721			**18,721**	18,721	Level 1
Other investments (current and non-current)	**14,561**	**6,464**	**18,734**	**0**	**0**	**39,759**	**37,698**	
Trade receivables	**294,480**	**0**	**0**	**0**	**0**	**294,480**	**294,480**	[1]
Derivatives with a positive fair value (cash flow hedges)				30,817		**30,817**	30,817	Level 2
Derivatives with a positive fair value (cash flow hedges with the underlying already recognized in profit or loss)		7,113				**7,113**	7,113	Level 2
Other	24,098					**24,098**	24,098	[1]
Other financial assets (current and non-current)	**24,098**	**7,113**	**0**	**30,817**	**0**	**62,028**	**62,028**	
Cash and cash equivalents	**725,639**	**0**	**0**	**0**	**0**	**725,639**	**725,639**	[1]
Total	**1,058,777**	**13,577**	**18,734**	**30,817**	**0**	**1,121,905**	**1,119,844**	

	Carrying amount						Fair value	
Financial liabilities as at 31/12/2023	**At amortized cost**	**At fair value through profit or loss**	**At fair value through other comprehensive income**		**No financial instrument**	**Total**	**Fair value**	**Fair value hierarchy**
			Cash flow hedges/Fair value hedges	**Retained earnings**				
Bond	0					**0**		
Private placements	567,805					**567,805**	560,533	Level 3
Liabilities to banks	1,687,892					**1,687,892**	1,743,524	Level 3
Liabilities to other lenders	37,890					**37,890**	36,800	Level 3
Lease liabilities					142,107	**142,107**		
Loans and borrowings	**2,293,587**	**0**	**0**	**0**	**142,107**	**2,435,694**	**2,340,857**	
Trade payables	**296,322**	**0**	**0**	**0**	**0**	**296,322**	**296,322**	[1]
Provisions (current)	**0**	**0**	**0**	**0**	**52,599**	**52,599**		
Puttable non-controlling interests	**0**	**0**	**0**	**249,418**	**0**	**249,418**	**249,418**	**Level 3**
Derivatives with a negative fair value (cash flow hedges)			11,534			**11,534**	11,534	Level 2
Derivatives with a negative fair value (cash flow hedges with the underlying already recognized in profit or loss)		142				**142**	142	Level 2
Contingent consideration		877				**877**	877	Level 2
Other	62,650					**62,650**	62,650	[1]
Other financial liabilities (current and non-current)	**62,650**	**1,019**	**11,534**	**0**	**0**	**75,203**	**75,203**	
Total	**2,652,559**	**1,019**	**11,534**	**249,418**	**194,706**	**3,109,237**	**2,961,800**	

1) The carrying amount approximates fair value.

Depending on the classification/measurement category, financial instruments are subsequently measured at (amortized) cost or fair value. The Lenzing Group uses the following measurement categories: "at amortized cost", "at fair value through profit or loss" and "at fair value through other comprehensive income". The measurement category "at fair value through profit or loss" is solely used for financial assets that are mandatorily measured at fair value.

The Lenzing Group accounts for reclassifications in the fair value hierarchy at the end of the reporting period in which the changes occur. In the 2024 and 2023 financial years, no shifts occurred between the various levels of the fair value hierarchy for financial instruments.

Where valuations of financial instruments are conducted by external institutions (banks), these are monitored by the Lenzing Group and subjected to a further review and, where appropriate, adopted for financial accounting purposes. The necessary market data are validated on the basis of the dual control principle.

In light of the varying influencing factors, the fair values presented can only be regarded as indicators of the values that could actually be realized on the market.

Financial assets

Securities are measured at fair value and are recognized directly in equity due to the exercise of the corresponding option. In the 2024 and 2023 financial years, some of the shares in Spinnova OY, Jyväskylä, Finland, and some of the ordinary shares in Oberbank, were divested (see note 22).

The fair value of shares is derived from the current stock exchange prices. These securities are assigned to the category "at fair value through other comprehensive income".

The fair value of investment funds is derived from the latest calculated value. These securities are assigned to the category "at fair value through profit or loss".

The other equity investments are classified as "at fair value through other comprehensive income".

Other financial assets

Other financial assets from earn-out agreements are classified "at fair value through profit or loss". The fair value of these other financial assets is determined based on an income approach. It is to be categorized in level 3 of the fair value hierarchy. The measurement model is based on the planned EBITDA, the weighted average cost of capital (WACC) after tax and the repayment terms.

Due to the medium-term planning provided and the resultant budgeted EBITDAs, realistically expected changes in the discount rate (WACC) after taxes and the repayment terms do not lead to a positive fair value. For this reason, a sensitivity analysis was not conducted as at December 31, 2024 and as at December 31, 2023.

Development of level 3 fair values of other financial assets EUR '000

	2024	2023
As at 01/01	0	4,087
Gain/loss included in financial result	0	(4,087)
As at 31/12	**0**	**0**

Bond

The fair value of the bond issued is derived from the current market price, and its fair value changes are especially due to changes in market interest rates and the credit rating of LD Celulose International GmbH, Vienna, as well as of its guarantors LD Celulose S.A., Indianópolis, Brazil, and LD Florestal S.A. Indianópolis, Brazil.

Puttable non-controlling interests

The Dexco-Group has a put option and has the right to sell its shares in LD Celulose S.A., Indianópolis, Brazil if a change of control occurs regarding the owner of the Lenzing Group (change of control clause). This obligation is recognized under liabilities from puttable non-controlling interests. The liability from redeemable non-controlling interests is subsequently measured at fair value directly through retained earnings (not in profit or loss). The fair value of these puttable non-controlling interests is determined based on the planned or projected cash flows less cost of disposal and net debt at the measurement date. The budget approved by the Management and Supervisory Boards and the medium-term plans approved by the Management Board are the starting point for the cash flow projections. After the detailed planning period of five years, a 25-year return based on a sustainable EBITDA margin is expected based on the assumptions for the last year. The planning period for the calculation of fair value is contractually limited to a maximum of 30 years. Cash flows are discounted to their present value with a discounted cash flow method. The applied discount rate represents a composite figure (weighted average cost of capital – WACC) that combines the average interest rate for debt and the anticipated return on equity employed. An after-tax WACC of 8.2 percent (December 31, 2023: 8.2 percent) was used at the measurement date. Fair value measurement is classified in full as level 3 of the fair value hierarchy because key input factors (in particular, cash flows) cannot be observed on the market.

Development of level 3 fair values of puttable non-controlling interest EUR '000

	2024	2023
As at 01/01	249,418	266,085
Measurement of puttable non-controlling interest recognized directly in equity	(18,464)	(16,667)
As at 31/12	**230,954**	**249,418**

The determined fair value would increase (decrease) if the EBITDA increased (decreased) or if the after-tax WACC decreased (increased). A change of these unobservable input factors would have the following effects on the measurement of puttable non-controlling interests:

Sensitivity analysis of level 3 input factors for puttable non-controlling interest **EUR '000**

	Measurement result offset against retained earnings			
	31/12/2024		31/12/2023	
Puttable non-controlling interests	**Increase**	**Decrease**	**Increase**	**Decrease**
EBITDA (+/- 1%)	9,058	(9,058)	8,879	(8,879)
Discount rate (WACC) after tax (+/- 0.25%)	(13,424)	13,876	(16,142)	16,649

The sensitivities are determined by conducting the measurements again using the changed parameters.

Other financial liabilities

The fair values of the other financial liabilities (derivatives with a negative market value) are determined in accordance with generally accepted valuation methods based on the discounted cash flow method. The most important input factor is the discount rate, which incorporates the available market data (risk-free interest rates) and the credit standing of the Lenzing Group, which is not observable on the market. The fair values of the financial guarantee contracts represent the estimated expected default arising from the maximum possible payment obligation and the expected loss.

The fair value of the contingent consideration is determined by means of option valuation using an arbitrage-free Monte Carlo model approach. The gas price (TTF ICE) is the main input factor in this context. This liability with a carrying amount of EUR 1,150 thousand (December 31, 2023: EUR 877 thousand) is assigned to the category "at fair value through profit or loss". The change was recognized in profit and loss under income from non-current and current financial assets and liabilities (see note 13).

Derivative financial instruments and hedges

Derivatives are measured at fair value. The fair value of derivatives is calculated using standard methods based on the market data available at the measurement date (in particular exchange rates and interest rates). Currency and commodity forwards are measured at the respective forward rate or price at the reporting date. These forward rates or prices are based on the spot rates or prices and include forward premiums and discounts. The Group's own models are used to estimate the measurement. The measurement of derivatives also includes the counterparty risk (credit risk/counterparty risk/non-performance risk) in the form of discounts to the fair value that would be used by a market participant for pricing.

Basically, the Lenzing Group applies the hedge accounting rules defined by IFRS 9 to the following derivative financial instruments. The retrospective hedging effect or ineffectiveness is evaluated with the dollar-offset method, which compares the accumulated changes in the fair value of the hedged items with the accumulated changes in the fair value of the hedges in line with the compensation method.

The measurement of the hedged item is offset by the hedge and is therefore effective. Risks of ineffectiveness include the credit risk of a counterparty, a significant change in the credit risk of a contractual party in the hedging relationship or the change of time of payment of the hedged item, reduction of the total invoice amount or price of the hedged item. Risks are always hedged in their entirety. The target hedging ratio for the hedged nominal values is about 67 percent.

The critical terms of payment of the hedged items and hedging instruments (in particular, the nominal value and time of payment) are generally identical or offset one another ("critical terms match"). Therefore, when forming a measurement unit, the Managing Board considers the offsetting of value changes of the hedged items and of the hedging instrument resulting from changes of the hedged risk as highly effective.

Cash flow hedge derivatives for currency risks

The Lenzing Group uses derivative financial instruments to hedge currency risks arising from the operating business. These derivative financial instruments serve to balance the variability of cash flows from future transactions. Hedges are determined in advance on the basis of the expected purchases and sales in the relevant foreign currency. In hedging future cash flows in foreign currencies (cash flow hedges), the Lenzing Group typically hedges the risk up to the time of the foreign currency payment. Hedge effectiveness is measured by grouping the hedged items and hedging instruments together in at least quarterly maturity ranges for each hedged risk. Cash flow hedges whose underlying hedged item was already recognized in profit or loss are used to hedge foreign currency receivables/liabilities that were recognized at the reporting date but do not impact cash until a later time.

Lenzing AG has arranged currency hedges to hedge USD loans issued to a subsidiary. Due to the early repayment of part of the loan, the currency hedge was sold to the bank ahead of schedule. A nominal amount of kUSD 65,000 was terminated early at a rate of 1.12 USD/EUR.

The nominal values and fair values of the cash flow hedges are as follows as at the reporting date:

Nominal value, fair value and hedging period of cash flow hedge derivatives for currency risks

			31/12/2024					EUR '000
		Nominal value in '000	Positive fair value	Negative fair value	Net fair value	Hedging period until	Average hedging rate	Change in fair value used to calculate ineffectiveness
Forward foreign exchange contracts								
CNY/CNH-sale / EUR-buy	CNY/CNH	408,300	0	(851)	(851)	09/2025	7.76	(1,195)
CNY/CNH-sale / GBP-buy	CNY/CNH	152,300	0	(146)	(146)	09/2025	9.15	(300)
BRL buy / USD sale	BRL	545,000	7	(6,339)	(6,331)	12/2025	5.94	(6,497)
USD-sale / CZK-buy	USD	81,400	0	(3,917)	(3,917)	09/2025	22.90	(3,166)
USD-sale / EUR-buy	USD	25,400	0	(1,142)	(1,142)	09/2025	1.10	(1,142)
Total			**7**	**(12,395)**	**(12,387)**			**(12,299)**

Fair value: + = receivable, – = liability from the Lenzing Group's perspective
The hedging period represents the period for the expected cash flows and their recognition in profit or loss.

Nominal value, fair value and hedging period of cash flow hedge derivatives for currency risks (previous year)

			31/12/2023					EUR '000
		Nominal value in '000	Positive fair value	Negative fair value	Net fair value	Hedging period until	Average hedging rate	Change in fair value used to calculate ineffectiveness
Forward foreign exchange contracts								
CNY/CNH-sale / EUR-buy	CNY/CNH	614,700	1,223	(116)	1,107	11/2024	7.70	936
CNY/CNH-sale / GBP-buy	CNY/CNH	172,300	291	(27)	264	11/2024	8.79	256
BRL buy / USD sale	BRL	265,000	1,429	0	1,429	09/2024	5.08	1,305
USD-sale / CZK-buy	USD	111,300	429	(1,802)	(1,373)	12/2024	22.21	(3,051)
USD-sale / EUR-buy	USD	33,200	329	(72)	257	12/2024	1.10	255
Total			**3,702**	**(2,018)**	**1,684**			**(299)**

Fair value: + = receivable, – = liability from the Lenzing Group's perspective
The hedging period represents the period for the expected cash flows and their recognition in profit or loss.

The carrying amounts and the ineffectiveness of the hedged items (purchases and sales) designated as hedging instruments as of the balance sheet dates are as follows:

Disclosures on hedged items of cash flow hedge derivatives for currency risks - ineffectiveness **EUR '000**

	2024			2023		
Currency risks	**Change in fair value used to calculate ineffectiveness**	**Ineffectiveness**	**Line item in the income statement**	**Change in fair value used to calculate ineffectiveness**	**Ineffectiveness**	**Line item in the income statement**
Sales	(5,802)	0	Financial result	(1,604)	0	Financial result
Purchases	(6,497)	0	Financial result	1,305	0	Financial result
Total	**(12,299)**	**0**		**(299)**	**0**	

Cash flow hedge derivatives for combined interest rate/currency risks and interest rate risks

The Lenzing Group deploys derivative financial instruments in order to hedge interest rate/currency risks arising from private placements denominated in US dollars. Hedges are utilized to offset the variability of interest and principal payments resulting from the hedged item. These private placements expired on schedule in December 2024 and were repaid.

The Lenzing Group uses derivative financial instruments to hedge interest rate risks arising from loans taken out with variable interest rates. These hedges are used to offset the variability of cash flows from future interest payments resulting from the hedged item. Some of these hedges were repaid early in the 2024 financial year due to the refinancing of a Lenzing Group subsidiary. The nominal value at the time when the hedge accounting was terminated amounted to USD 395,032 thousand. Due to the early termination, income of EUR 17,377 thousand from the interest rate hedging reserve was reclassified to the consolidated income statement (Financial result).

The nominal values and fair values of the cash flow hedge derivatives for combined interest rate/currency risks and interest rate risks are as follows as at the reporting dates:

Nominal, fair value and hedging period of cash flow hedge derivatives for combined interest rate/currency risks and interest rate risks

	31/12/2024							EUR '000
	Nominal in EUR '000	**Positive fair value**	**Negative fair value**	**Net fair value**	**Hedging period until**	**Average fixed interest rate**	**Average hedging rate**	**Change in fair value used to calculate ineffectiveness**
Interest rate and currency derivatives								
Fixed purchase / variable sale USD purchase / EUR sale	0	0	0	0	-	0.00	-	0
	0	**0**	**0**	**0**				**0**
Interest rate derivative								
Fixed purchase / variable sale	100,000	0	(2,457)	(2,457)	12/2028	2.98	-	(2,426)
Fixed purchase / variable sale	0	0	0	0	-	0.00	-	0
	100,000	**0**	**(2,457)**	**(2,457)**				**(2,426)**
Total	**100,000**	**0**	**(2,457)**	**(2,457)**				**(2,426)**

Fair value: + = receivable, – = liability from the Lenzing Group's perspective
The hedging period represents the period for the expected cash flows and their recognition in profit or loss.

Nominal, fair value and hedging period of cash flow hedge derivatives for combined interest rate/currency risks and interest rate risks (previous year)

	31/12/2023							EUR '000
	Nominal in EUR '000	Positive fair value	Negative fair value	Net fair value	Hedging period until	Average fixed interest rate	Average hedging rate	Change in fair value used to calculate ineffective-ness
Interest rate and currency derivatives								
Fixed purchase / variable sale USD purchase / EUR sale	58,824	2,012	0	2,012	12/2024	0.75	1.10	2,143
	58,824	**2,012**	**0**	**2,012**				**2,143**
Interest rate derivative								
Fixed purchase / variable sale	100,000	0	(2,109)	(2,109)	12/2028	2.98	-	(2,099)
Fixed purchase / variable sale	393,213	25,103	0	25,103	06/2029	1.83	-	25,233
	493,213	**25,103**	**(2,109)**	**22,994**				**23,134**
Total	**552,036**	**27,116**	**(2,109)**	**25,006**				**25,276**

Fair value: + = receivable, – = liability from the Lenzing Group's perspective
The hedging period represents the period for the expected cash flows and their recognition in profit or loss.

The carrying amounts and the ineffectiveness of the hedged items (loans) designated as hedging instruments as at the balance sheet dates are as follows:

Disclosures relating to hedged items of cash flow hedge derivatives for combined interest rate/currency risks and interest rate risks - ineffectiveness EUR '000

	2024			2023		
	Change in fair value used to calculate ineffectiveness	Ineffectiveness	Line item in the income statement	Change in fair value used to calculate ineffectiveness	Ineffectiveness	Line item in the income statement
Combined interest/currency rate						
Fixed purchase / variable sale USD purchase / EUR sale	0	0	Financial result	2,143	0	Financial result
	0	**0**		**2,143**	**0**	
Interest rate derivative						
Fixed purchase / variable sale	(2,426)	(32)	Financial result	23,134	(10)	Financial result
	(2,426)	**(32)**		**23,134**	**(10)**	
Total	**(2,426)**	**(32)**		**25,276**	**(10)**	

Cash flow hedge derivatives for commodity price risks

In addition to physical purchase contracts, the Lenzing Group deploys derivative financial instruments in order to hedge against gas price risks. These hedges are used to offset the variability of cash flows from future gas price payments deriving from the hedged item.

The nominal values and fair values of the commodity hedges are as follows as at the reporting dates:

Nominal value, fair value and hedging period of cash flow hedge derivatives for commodity price risks

		31/12/2024						EUR '000
		Nominal in MWh	Positive fair value	Negative fair value	Net fair value	Hedging period until	Average hedging rate	Change in fair value used to calculate ineffectiveness
Commodity derivatives								
Gas purchase	EUR	8,779	0	(35)	(35)	03/2025	51.60	(35)
Gas purchase	EUR	51,420	609	0	609	12/2025	34.03	609
Gas purchase	EUR	12,048	104	0	104	03/2026	33.57	104
Gas purchase	EUR	29,231	36	0	36	12/2026	36.70	36
Gas purchase	GBP	38,189	167	(134)	33	03/2025	48.22	33
Gas purchase	GBP	62,821	300	(156)	145	06/2025	45.84	145
Gas purchase	GBP	89,939	396	(37)	359	09/2025	43.20	359
Gas purchase	GBP	64,080	351	0	351	12/2025	40.66	351
Gas purchase	GBP	44,404	127	0	127	03/2026	42.42	127
Gas purchase	GBP	29,976	81	0	81	06/2026	34.95	81
Gas purchase	GBP	17,022	61	0	61	09/2026	32.63	61
Gas purchase	GBP	11,348	12	0	12	12/2026	37.03	12
		459,257	**2,242**	**(361)**	**1,882**			**1,882**

Fair value: + = receivable, – = liability from the Lenzing Group's perspective
The hedging period represents the period for the expected cash flows and their recognition in profit or loss.

Nominal value, fair value and hedging period of cash flow hedge derivatives for commodity price risks (previous year)

		31/12/2023						EUR '000
		Nominal in MWh	Positive fair value	Negative fair value	Net fair value	Hedging period until	Average hedging rate	Change in fair value used to calculate ineffectiveness
Commodity derivatives								
Gas purchase	EUR	33,699	0	(665)	(665)	09/2024	52.00	(661)
Gas purchase	EUR	8,779	0	(118)	(118)	03/2025	51.60	(118)
Gas purchase	GBP	17,206	0	(256)	(256)	09/2024	40.63	(256)
Gas purchase	GBP	250,702	0	(5,234)	(5,234)	12/2024	46.93	(5,200)
Gas purchase	GBP	16,642	0	(235)	(235)	03/2025	47.44	(235)
Gas purchase	GBP	33,871	0	(436)	(436)	06/2025	43.86	(436)
Gas purchase	GBP	45,342	0	(464)	(464)	09/2025	40.05	(464)
		406,243	**0**	**(7,407)**	**(7,407)**			**(7,369)**

Fair value: + = receivable, – = liability from the Lenzing Group's perspective
The hedging period represents the period for the expected cash flows and their recognition in profit or loss.

The carrying amounts and the ineffectiveness of the hedged items designated as hedging instruments as at the balance sheet dates are as follows:

Disclosures relating to hedged items of cash flow hedge derivatives for commodity price risks - ineffectiveness EUR '000

	2024			2023		
Commodity derivatives	**Change in fair value used to calculate ineffectiveness**	**Ineffectiveness**	**Line item in the income statement**	**Change in fair value used to calculate ineffectiveness**	**Ineffectiveness**	**Line item in the income statement**
Commodity price risks						
Purchases	1,882	0	Cost of sales	(7,369)	(38)	Cost of sales
Total	**1,882**	**0**		**(7,369)**	**(38)**	

Hedging Reserve

The change in the hedging reserve is as follows:

Changes in the hedging reserve EUR '000

	2024			2023		
	Hedging reserve	**Cost of hedging**	**Total**	**Hedging reserve**	**Cost of hedging**	**Total**
Hedging reserve as at 01/01	**3,654**	**5,377**	**9,031**	**28,609**	**10,776**	**39,385**
Currency risks	(21,450)[1]	0	(21,450)	13,911	0	13,911
Combined interest rate/currency risks	3,238	0	3,238	3,241	(3,417)	(176)
Interest rate risks	(2,711)	0	(2,711)	4,017	0	4,017
Commodity price risks	2,964	0	2,964	(18,268)	0	(18,268)
Cash flow hedges - changes in fair value recognized during the year	**(17,960)**	**0**	**(17,960)**	**2,901**	**(3,417)**	**(516)**
Currency risks	3,682	254	3,935	(17,749)	(1,858)	(19,607)
Commodity price risks	6,444	0	6,444	16,500	0	16,500
Reclassification to earnings before interest and tax (EBIT)	**10,126**	**254**	**10,379**	**(1,249)**	**(1,858)**	**(3,107)**
Currency risks	4,781	(165)	4,615	(5,571)	(125)	(5,696)
Reclassification to inventories	**4,781**	**(165)**	**4,615**	**(5,571)**	**(125)**	**(5,696)**
Combined interest rate/currency risks	(3,032)	0	(3,032)	(3,740)	0	(3,740)
Interest rate risks	(25,059)	0	(25,059)	(17,295)	0	(17,295)
Reclassification to financial result	**(28,091)**	**0**	**(28,091)**	**(21,035)**	**0**	**(21,035)**
Reclassifications	(1,386)	0	(1,386)	0	0	0
Hedging reserve as at 31/12	**(28,876)**	**5,465**	**(23,411)**	**3,654**	**5,377**	**9,031**

1) This includes a gain of EUR 4,550 thousand from the early termination of a currency hedge

Offsetting financial assets and liabilities

The Lenzing Group has concluded a number of framework netting agreements (in particular, master netting arrangements) with some credit institutions. The amounts owed by each counterparty under such agreements on a single day in the same currency based on the total outstanding transactions are aggregated into a single net amount to be paid by one party to the other.

The following tables present information on offsetting financial assets and liabilities in the consolidated statement of financial position on the basis of framework netting agreements. The (gross) amounts presented in the "Financial assets" and "Financial liabilities" columns correspond to the (net) financial assets and liabilities recognized in the statement of financial position. The column "effect of framework netting agreements" shows the amounts which result from these types of agreements, but which do not meet the criteria for offsetting in the IFRS consolidated statement of financial position.

Offsetting of financial instruments **EUR '000**

Financial assets as at 31/12/2024	Financial assets (gross=net)	Effect of framework netting agreements	Net amounts
Other financial assets - derivative financial instruments with a positive fair value	2,520	(243)	2,276
Financial assets as at 31/12/2023			
Other financial assets - derivative financial instruments with a positive fair value	37,930	(885)	37,045

Offsetting of financial instruments **EUR '000**

Financial liabilities as at 31/12/2024	Financial liabilities (gross=net)	Effect of framework netting agreements	Net amounts
Other financial liabilities - derivative financial instruments with a negative fair value	24,091	(243)	23,848
Financial liabilities as at 31/12/2023			
Other financial liabilities - derivative financial instruments with a negative fair value	12,553	(885)	11,668

Transfer of financial assets (sale of receivables/ factoring)

Factoring agreements are in place which require the banks to purchase certain trade receivables from the Lenzing Group for a revolving monthly nominal amount. The Lenzing Group is entitled to sell these receivables. The agreements have indefinite terms, whereby each party has the right to cancel the agreements with notice period of three months to each calendar quarter and allow them to expire. As at December 31, 2024 the factoring agreements have a maximum usable nominal volume totaling EUR 90,000 thousand (December 31, 2023: EUR 90,000 thousand), of which USD 72,000 thousand (December 31, 2023: USD 33,000 thousand) in US dollars can be utilized.

The risks relevant to the risk assessment of the receivables sold include credit default risk (del credere risk), foreign currency risk in the case of receivables denominated in foreign currencies, and the risk of late payments. Credit risk-related defaults and, in the case of receivables in foreign currencies, exchange rate fluctuations represent the main opportunities and risks associated with these receivables. The risk of late payments is borne by the Lenzing Group in all factoring agreements and is considered to be negligible.

The Lenzing Group assumes a default liability of 10 percent per payment default. This amount, which cannot be reimbursed by another party, is not advanced by the bank. The remaining credit default risk (90 percent per default) and – in the case of receivables not denominated in the reporting currency – foreign currency risk is assumed by the bank. Consequently, the main opportunities and risks were divided between the Lenzing Group and the bank; however, the power of disposal over the receivables was transferred to the bank. The Lenzing Group has undertaken to take out credit insurance for the receivables sold and to assume responsibility for debtor management. The banks involved have the right to transfer overdue receivables back to the Lenzing Group for procedural reasons in the event of a legal dispute. However, this does not transfer the credit default risk back to the Lenzing Group and has no effect on the Lenzing Group's liquidity position.

As at December 31, 2024, receivables under the factoring agreements totaling EUR 85,655 thousand (December 31, 2023: EUR 77,442 thousand) were sold and derecognized from the Lenzing Group's consolidated statement of financial position. As at December 31, 2024, the unadvanced amount was recognized under other current assets (financial) in the amount of EUR 8,566 thousand (December 31, 2023: EUR 7,744 thousand). The fair values correspond approximately to the stated carrying amounts, as in particular the remaining terms of the respective receivables are also categorized as current.

From the Lenzing Group's perspective, the unadvanced amount stated above corresponds to the theoretical maximum credit-risk-related loss for the assumption of the default liability. The fair value of this default liability amounts to EUR 10 thousand as at December 31, 2024 (December 31, 2023: EUR 12 thousand). An other current liability (financial) equivalent to the fair value of this contingent liability was recognized. For the obligations assumed and risks arising from the factoring agreements, EUR 14 thousand other current liabilities (financial) were recognized as at December 31, 2024 (December 31, 2023: EUR 20 thousand). In the 2024 financial year, service fees amounting to EUR 186 thousand were expensed (2023:

EUR 172 thousand) in the other operating expenses. Since the start of the agreement, a cumulative amount of EUR 525 thousand has been expensed. At the time of the transfer of the receivables, a total of EUR 315 thousand was expensed.

Payments received from customers in the period between the last advance and December 31 are deferred in other financial liabilities (current).

In the financial year under review, the Lenzing Group also sold letter of credit receivables due from customers to a bank. All opportunities and risks associated with the letter of credit receivables and the remaining trade receivables have been transferred to the bank. As a consequence, the trade receivables have been fully derecognized from the Lenzing Group's consolidated financial statements. As at December 31, 2024, due to the sale of letter of credit receivables, trade receivables amounting to EUR 25,316 thousand were derecognized from the Lenzing Group's consolidated statement of financial position (December 31, 2023: EUR 0 thousand).

Note 36. Net interest and net result from financial instruments and net foreign currency result

Net interest and net result

The following table shows the net interest and net result from financial instruments by class/measurement category in accordance with IFRS 9:

Net interest and net result from financial instruments EUR '000

2024	Interest income	Interest expense	Net interest	From subsequent measurement at fair value through profit or loss	From subsequent measurement at fair value through other comprehensive income	Measured at fair value through other comprehensive income and reclassified to profit or loss	From impairment/ reversal of an impairment loss	Result on disposal	Net result (total)
Financial assets measured at amortized cost	27,443	0	27,443	0	0	0	(1,929)	0	**25,514**
Financial assets measured at fair value through profit or loss	39	0	39	118	0	0	0	0	**156**
Equity instruments measured at fair value through other comprehensive income	156	0	156	0	(334)	0	0	0	**(179)**
Financial liabilities measured at amortized cost	0	(164,004)	(164,004)	0	0	0	0	0	**(164,004)**
Financial liabilities measured at fair value through profit or loss	0	0	0	(273)	0	0	0	0	**(273)**
Total	**27,637**	**(164,004)**	**(136,366)**	**(155)**	**(334)**	**0**	**(1,929)**	**0**	**(138,785)**

Net interest and net result from financial instruments (previous year)

EUR '000

2023	Interest income	Interest expense	Net interest	From subsequent measurement at fair value through profit or loss	From subsequent measurement at fair value through other comprehensive income	Measured at fair value through other comprehensive income and reclassified to profit or loss	From impairment/ reversal of an impairment loss	Result on disposal	Net result (total)
Financial assets measured at amortized cost	16,270	0	16,270	0	0	0	(6,534)	0	**9,737**
Financial assets measured at fair value through profit or loss	64	0	64	1,628	0	0	(4,087)	0	**(2,395)**
Equity instruments measured at fair value through other comprehensive income	203	0	203	0	(3,412)	0	0	0	**(3,209)**
Financial liabilities measured at amortized cost	0	(124,091)	(124,091)	0	0	0	0	0	**(124,091)**
Financial liabilities measured at fair value through profit or loss	0	0	0	57	0	0	0	0	**57**
Total	**16,537**	**(124,091)**	**(107,553)**	**1,685**	**(3,412)**	**0**	**(10,621)**	**0**	**(119,902)**

The net result from financial instruments comprises the following: net interest (current interest income and expenses, including the amortization of premiums and discounts and dividends from companies not accounted for using the equity method), gains/losses on fair value measurement which are recognized in profit or loss or through other comprehensive income and the result of impairment losses (recognition and reversal of bad debt provisions/valuation adjustments) and on disposals. Income from equity and debt instruments measured at fair value through other comprehensive income includes gains/losses from remeasurement and from the reclassification of remeasurement gains/losses to profit or loss. Net result from financial instruments does not include exchange rate gains/losses (with the exception of financial instruments carried at fair value through profit or loss), commitment fees and gains/losses from hedging instruments (cash flow hedges).

The change in the bad debt provisions for receivables measured at amortized cost is mainly recognized under "income from non-current and current financial assets".

The component recognized directly in equity from the subsequent measurement of equity and debt instruments measured at fair value through other comprehensive income is reported under the "reserve for financial assets measured at fair value through other comprehensive income". The remaining components of the net result are included under "income from non-current and current financial assets" (see note 13) and in "financing costs" (see note 14).

Net foreign currency result

Net foreign currency gains/losses are included in other operating income/expenses in the amount of EUR plus 10,202 thousand (2023: EUR minus 17,186 thousand), in income from non-current and current financial assets in the amount of EUR plus 7,422 thousand (2023: EUR minus 13,424 thousand), and in financing costs in the amount of EUR minus 164 thousand (2023: EUR plus 1,982 thousand).

Note 37. Financial risk management

As an international company, the Lenzing Group is exposed to financial and other market risks. A company-wide risk management system, which is regulated comprehensively in guidelines, has been implemented to identify and assess potential risks at an early stage. This system is designed to achieve maximum risk transparency and provide high-quality information by quantifying all risk categories, with a particular emphasis on risk concentration. The efficiency of group-wide risk management is evaluated and monitored on an ongoing basis by both the internal control system (ICS) and the internal audit department.

The financial risks arising from financial instruments – credit risk, liquidity risk, currency risk (above all with regard to the BRL, CNY, CZK, HKD, IDR, THB and USD), commodity price risk and interest rate risk – are classified as relevant risks for the Lenzing Group. Corresponding hedging measures are used to minimize these risks wherever possible.

Credit risk

Credit risk represents the risk of asset losses that may result from the failure of individual business partners to meet their contractual obligations. The credit risk from transactions involving the provision of goods and services (in particular, trade receivables) is secured in part by credit insurance and bank security (guarantees, letters of credit, bills of exchange etc.). Outstanding receivables and customer limits are monitored on an ongoing basis. The credit risk from investments at banks (particularly cash and cash equivalents) and derivatives with positive market values is reduced by ensuring that transactions are only concluded with counterparties with good credit ratings, and that investment limits are defined and continuously monitored for these banks.

Receivables are measured individually. Individual bad debt provisions are recognized for receivables if there are indications of credit impairment (individual measurement) and if they are not expected to be collectible in full. This applies especially when the debtor has significant financial difficulties, is in default or has delayed payments or when there is an increased probability that the debtor will enter bankruptcy, and the involved receivable is not sufficiently collateralized. The expected loss is low because of the Lenzing Group's comprehensive receivables management (extensive collateralization with credit insurance and bankable security as well as continuous monitoring of accounts receivable and customer limits).

To determine the required impairment for trade receivables for which no individual bad debt provisions were recognized, the defaults of the past years were evaluated in the Lenzing Group. The analysis has shown that there is only an immaterial risk for receivables overdue for a certain period.

The loss ratios are based on historical default rates of the last ten years, whereby a distinction is drawn between companies and overdue periods. The default rates were multiplied by a macroeconomic factor weighted by geographical area in order to reflect the economic conditions over the expected term of the receivables.

For originated loans and other financial assets (current and noncurrent), which are measured at amortized cost, as well as cash and cash equivalents, the calculation of impairment is based on the average default rates. The impairment is based on the default rate per rating for the respective financial instrument. A significant change in credit risk is identified based on the rating and default of payment. Regarding instruments with a low credit risk, the Lenzing Group assumes that the credit risk has not increased significantly since the first recognition. Consequently, the twelve-month credit loss is always recognized for such instruments. Since the expected impairment is immaterial, no expected credit loss is recorded for these financial assets.

Due to the insolvency application filed by Kelheim Fibres GmbH (KFG), a wholly owned subsidiary of EFB, an increased risk exists of default on receivables from these companies. The expected credit losses were calculated on the basis of the difference between the contractual payments and all future payments anticipated by the management.

Trade receivables are considered defaulted when they are overdue for more than 270 days or when it is unlikely that the debtor can meet the obligations without the realization of collateral. This long period is due to the fact that around 90 percent of trade receivables are secured by credit insurance or bank collateral (guarantees, letters of credit, bills of exchange, etc.).

Financial assets are only derecognized directly if the contractual rights to payments cease to exist (particularly in the event of bankruptcy). An impairment loss is reversed up to amortized cost if the reasons for its recognition no longer exist.

The Group considers the risk concentration in trade receivables to be rather low because its customers are based in various countries, operate in different sectors and are active on largely independent markets. A rather small amount of the receivables is overdue and not individually impaired (see table "aging of receivables" below). Important effects for a change in bad debt provisions include possible default of payment by major customers or a general increase of receivables at the reporting date. During the 2024 financial year there was no significant increase in defaults.

The bad debt provisions developed as follows:

Development and reconciliation of bad debt provisions **EUR '000**

2024	Lifetime expected credit loss (portfolio measurement)	Lifetime expected credit loss (individual measurement)
Trade receivables		
Bad debt provisions as at 01/01	383	5,492
Utilization	0	(2)
Reversal	(120)	(2)
Addition	41	950
Currency translation adjustment	7	126
Bad debt provisions as at 31/12	**311**	**6,564**

Development and reconciliation of bad debt provisions (previous year) **EUR '000**

2023	Lifetime expected credit loss (portfolio measurement)	Lifetime expected credit loss (individual measurement)
Trade receivables		
Bad debt provisions as at 01/01	328	7,605
Utilization	0	(98)
Reversal	(63)	(1,772)
Addition	123	42
Currency translation adjustment	(5)	(284)
Bad debt provisions as at 31/12	**383**	**5,492**

Lifetime expected credit loss (individual measurement) EUR '000

	2024	2023
Originated loans at amortized cost		
Bad debt provisions as at 01/01	**15,029**	**8,234**
Reversal	0	(800)
Addition	100	7,616
Currency translation adjustment	29	(21)
Bad debt provisions as at 31/12	**15,158**	**15,029**
Other financial assets (non-current and current)		
Bad debt provisions as at 01/01	**1,234**	**1,209**
Reversal	0	(561)
Addition	961	587
Bad debt provisions as at 31/12	**2,195**	**1,234**

The bad debt provisions for trade receivables include bad debt provisions of EUR 950 thousand (December 31, 2023: EUR 0 thousand) for companies accounted for using the equity method. Impairment losses on loans include impairment losses on companies accounted for using the equity method and their subsidiaries in the amount of EUR 5,000 thousand (December 31, 2023: EUR 5,000 thousand).

The bad debt provisions for trade receivables are related primarily to bad debt provisions for overdue, uninsured receivables.

The age structure of the financial receivables is as follows:

Aging and expected credit loss for trade receivables EUR '000

31/12/2024	Gross carrying amount	Expected credit loss
Not overdue	297,312	235
Overdue up to 30 days	16,398	29
Overdue for 31 to 90 days	1,307	3
Overdue for 91 to 365 days	1,150	11
Overdue for more than one year	33	33
Credit impaired receivables (individual measurement)	8,857	6,564
Total	**325,057**	**6,875**

Aging and expected credit loss for trade receivables (previous year) EUR '000

31/12/2023	Gross carrying amount	Expected credit loss
Not overdue	276,739	255
Overdue up to 30 days	16,196	55
Overdue for 31 to 90 days	1,646	9
Overdue for 91 to 365 days	58	3
Overdue for more than one year	61	61
Credit impaired receivables (individual measurement)	5,654	5,492
Total	**300,355**	**5,875**

Aging of financial receivables EUR '000

2024	Originated loans	Other financial receivables (current and non-current)
Gross carrying amount as at 31/12	45,670	30,390
Thereof not overdue	30,512	28,195
Thereof impaired	15,158	2,195

Aging of financial receivables (previous year) EUR '000

2023	Originated loans	Other financial receivables (current and non-current)
Gross carrying amount as at 31/12	29,590	63,262
Thereof not overdue	14,561	62,028
Thereof impaired	15,029	1,234

Securities in the scope of the impairment rules of IFRS 9 as well as cash and cash equivalents have a rating between AAA and BBB.

There are currently no doubts concerning the collectability of financial assets that are neither past due nor impaired.

The maximum exposure to credit risk from recognized financial assets is as follows:

Maximum exposure to credit risk from recognized financial assets **EUR '000**

	31/12/2024	31/12/2023
Carrying amount of asset financial instruments (see note 35)	837,081	1,121,905
Less risk reduction in relation to receivables due to		
Credit insurance received for trade receivables (not including deductibles)	(179,139)	(138,717)
Guarantees received for trade receivables	(34,053)	(24,856)
Total	**623,889**	**958,332**

The maximum exposure to credit risk from financial guarantee contracts and contingent liabilities is shown in note 40.

Liquidity risk

Liquidity risk represents the risk of not being able to obtain sufficient funds to settle incurred liabilities at all times. The management of liquidity risk has a high priority in the Lenzing Group. Corporate guidelines require uniform, proactive liquidity planning and medium-term planning throughout the entire Group. Ensuring solvency for current and future obligations at all times comprises a key objective of the Lenzing Group's risk management activities. For this reason, the risk of a potential liquidity shortfall is monitored constantly.

To secure short and medium-term liquidity, a reserve is held in the form of bank balances and unutilized credit lines at banks. If necessary, surplus liquid funds are invested in non-speculative, highly liquid financial instruments. These are mainly overnight money, fixed-term deposits and money market securities, which generally have a term of less than three months.

Liquidity risks are determined by rolling liquidity planning conducted throughout the Group. On the basis of the results of rolling liquidity planning and medium-term planning, appropriate financing and capital measures are planned and implemented at an early stage.

The Lenzing Group's refinancing options are determined by numerous financial, macroeconomic and other factors, which the Lenzing Group management takes into consideration as part of its short- and medium-term liquidity management.

The original loan agreements, which were concluded for the construction of the pulp mill in Brazil, were repaid in full in the fourth quarter of 2024. A loan agreement was concluded with banks, and a bond was issued for refinancing purposes (see note 28). The bond was issued by LD Celulose International GmbH, Vienna a wholly owned subsidiary of LD Celulose S.A., Indianópolis, Brazil. The loan is repayable in tranches until October 2029 and the bond matures in January 2032. The loan has a carrying amount of EUR 313,909 thousand as at December 31, 2024, and contains a financial covenant at company level only, which relates to financial and liquidity ratios. This covenant is tested on a quarterly basis and may trigger a repayment obligation in relation to the financial liabilities in the event of non-compliance. The financial covenant stipulates that the total net debt of LD Celulose S.A., Indianópolis, Brazil and of LD Florestal S.A., Indianópolis, Brazil may not exceed a certain level of the total adjusted EBITDA of these companies as of each quarter-end. For the reporting period, this ratio was set at a multiple of 4.5, which will decrease in subsequent years as the company's debt is reduced in accordance with planning. This financial covenant is continuously monitored by both the company's local treasury function and the Corporate Treasury function. The relevant ratios were complied with in the reporting year 2024. The Lenzing Group assumes that the respective companies mentioned above will comply with the requirements for a period of at least 12 months after the balance sheet date.

The Lenzing Group had liquid assets totaling EUR 451,681 thousand (December 31, 2023: EUR 731,037 thousand) in the form of cash and cash equivalents including money market funds and liquid bills of exchange as at the balance sheet date (see note 34). Unused credit facilities of EUR 198,075 thousand were available as at December 31, 2024 (December 31, 2023: EUR 202,990 thousand) to finance necessary working capital and to cover any shortfalls caused by economic cycles. The medium- and long-term financing for the Lenzing Group is provided by equity (incl. hybrid capital) and financial liabilities, in particular bonds, private placements and bank loans. Current financial liabilities can regularly be extended or refinanced with other lenders. Trade payables provide short-term financing for the goods and services purchased. The liabilities covered by supplier finance agreements are settled in line with their agreed maturity, whereby the related cash outflows are included in liquidity planning. Cash inflows for trade receivables covered by factoring agreements are included in liquidity planning.

The contractually agreed (undiscounted) interest and principal payments for primary financial liabilities (including financial guarantee contracts) are shown below:

Maturity analysis of non-derivative financial liabilities **EUR '000**

	Carrying amount as at 31/12/2024	Cash flows 2025	Cash flows 2026 to 2029	Cash flows from 2030
Bond	608,553	40,270	197,913	746,062
Private placements	334,208	77,157	261,878	14,166
Bank loans	1,008,322	253,245	934,301	12,057
Loans from other lenders	33,049	5,083	25,794	2,821
Lease liabilities	123,862	23,420	66,135	277,444
Trade payables	386,383	386,383	0	0
Puttable non-controlling interests	230,954	0	0	356,133
Other financial liabities[1]	142,277	140,631	1,646	0
Total	**2,867,609**	**926,189**	**1,487,667**	**1,408,683**
Thereof:				
Interest payments (fixed)		61,081	256,313	301,666
Interest payments (partly fixed)		142	470	11
Interest payments (variable)		54,037	120,256	457
Repayment		810,928	1,110,628	1,106,549

1) The above includes the maximum possible payment obligations from financial guarantee contracts. The amounts are assumed to be due in the first year.

Maturity analysis of non-derivative financial liabilities (previous year) **EUR '000**

	Carrying amount as at 31/12/2023	Cash flows 2024	Cash flows 2025 to 2028	Cash flows from 2029
Bond	0	0	0	0
Private placements	567,805	249,334	328,667	28,712
Bank loans	1,687,892	370,140	1,298,770	356,830
Loans from other lenders	37,890	5,139	25,104	8,494
Lease liabilities	142,107	26,318	77,048	344,065
Trade payables	296,322	296,322	0	0
Puttable non-controlling interests	249,418	0	0	385,657
Other financial liabities[1]	62,650	58,454	4,195	0
Total	**3,044,084**	**1,005,707**	**1,733,785**	**1,123,758**
Thereof:				
Interest payments (fixed)		31,776	89,903	232,410
Interest payments (partly fixed)		143	559	64
Interest payments (variable)		82,940	176,299	26,654
Repayment		890,849	1,467,023	864,631

1) The above includes the maximum possible payment obligations from financial guarantee contracts. The amounts are assumed to be due in the first year.

The above tables include all primary financial liabilities held at the reporting date but exclude estimated future liabilities. Foreign currency amounts were translated with the spot exchange rate in effect at the reporting date. Floating rate interest payments were calculated on the basis of the last interest rates set before the reporting date. Financial liabilities that are repayable at any time are always assigned to the earliest time period.

The contractually agreed (undiscounted) interest and principal payments for derivative financial instruments are as follows:

Maturity analysis of derivative financial instruments EUR '000

	Carrying amount as at 31/12/2024	Cash flows 2025	Cash flows 2026 to 2029	Cash flows from 2030
Currency, combined currency/interest rate and interest rate derivatives and commodity derivatives				
Derivatives with a positive fair value (cash flow hedges)	2,250	1,830	420	0
Derivatives with a positive fair value (cash flow hedges with the underlying already recognized in profit or loss)	270	270	0	0
Positive fair value	**2,520**	**2,099**	**420**	**0**
Derivatives with a negative fair value (cash flow hedges)	(15,213)	(12,756)	(2,457)	0
Derivatives with a negative fair value (cash flow hedges with the underlying already recognized in profit or loss) and contingent consideration	(8,878)	(7,729)	(1,150)	0
Negative fair value	**(24,091)**	**(20,484)**	**(3,607)**	**0**
Total	**(21,572)**	**(18,385)**	**(3,187)**	**0**

Cash flows consist solely of principal and do not include any interest components.
Fair value: + = receivable, - = liability from the Lenzing Group's perspective

Maturity analysis of derivative financial instruments (previous year) EUR '000

	Carrying amount as at 31/12/2023	Cash flows 2024	Cash flows 2025 to 2028	Cash flows from 2029
Currency, combined currency/interest rate and interest rate derivatives and commodity derivatives				
Derivatives with a positive fair value (cash flow hedges)	30,817	5,714	0	25,103
Derivatives with a positive fair value (cash flow hedges with the underlying already recognized in profit or loss)	7,113	6,466	0	647
Positive fair value	**37,930**	**12,180**	**0**	**25,750**
Derivatives with a negative fair value (cash flow hedges)	(11,534)	(8,173)	(3,362)	0
Derivatives with a negative fair value (cash flow hedges with the underlying already recognized in profit or loss) and contingent consideration	(1,019)	(142)	(877)	0
Negative fair value	**(12,553)**	**(8,315)**	**(4,239)**	**0**
Total	**25,377**	**3,865**	**(4,239)**	**25,750**

Cash flows consist solely of principal and do not include any interest components.
Fair value: + = receivable, - = liability from the Lenzing Group's perspective

Currency risk

Cash flows from capital expenditures and the operating business as well as investments and financing in foreign currencies expose the member companies of the Lenzing Group to currency risks. Some foreign currency risks are hedged insofar as they affect the Group's cash flows. In the operating business, the individual group companies are exposed to currency risk in connection with planned incoming and outgoing payments which are not denominated in their functional currency. Forward foreign exchange contracts, which are recognized at fair value, are used to hedge the exchange rate risk from foreign currency positions arising from expected future transactions in foreign currencies by group companies.

For companies with the same functional currency, the respective net foreign currency exposures are calculated for the following sales year as part of the budgeting process. Foreign currency purchases and sales are aggregated into separate groups for each currency. Approximately 45 percent of the budgeted net exposure for the following financial year was hedged for USD/BRL, the dominant currency pair in the Lenzing Group, as at December 31, 2024 (December 31, 2023: EUR/CNY approximately 33 percent). The CNY also plays an important role. The resulting risk concentration at the reporting date can be seen in the following tables (especially the tables on "sensitivity analysis and risk exposure for foreign currency risks").

Translation risk is also regularly assessed and monitored at the Group level. Translation risk represents the risk arising from the consolidation of foreign investments whose functional currency is not the euro. The greatest risk exposure here is in relation to the US dollar.

Commodity risk

In addition to physical purchase contracts, the Lenzing Group deploys derivative financial instruments in order to hedge against gas price risks (see note 35). The Group uses OTC gas swaps as cash flow hedges to manage gas price risks. The hedging strategies are determined based on the planned gas consumption figures in the relevant currency and are compared with the current market prices on a monthly basis ("market to market" assessment). The Lenzing Group is exposed to accounting-related price risks because of the gas swaps. These risks particularly relate to the possibility that fair value measurement of the gas swaps may result in a negative impact on other comprehensive income/equity in the event of an adverse change in market prices.

The Group is subject to the usual market price risks in connection with its business activities (especially relating to wood, chemicals, pulp and energy) which are not hedged with derivatives or financial instruments, but are protected through other measures (above all, long-term and short-term supply contracts with various suppliers). The Lenzing Group has concluded several long-term power purchase agreements for electricity generated from renewable energy sources in order to achieve its climate targets and hedge against fluctuating prices. The term amounts to 15 to 30 years. The contracted volume from 2025 onwards amounts to around 56 gigawatt hours. A fixed price was agreed for a significant part of the volume. Some of the electricity purchase agreements are leases where the payments are entirely variable and are consequently included in the variable lease payments (see note 20). The so-called "Own Use Exemption" is applied to the other part of the electricity purchase agreements. Provisions must be made for any contingent losses .

Interest rate risk

The Lenzing Group is exposed to interest rate risk through its business-related financing and investing activities. Interest rate risks arise through potential changes in the market interest rate. They can lead to a change in the fair value of fixed rate financial instruments and to fluctuations in the cash flows from interest payments for floating rate financial instruments. Interest rate risks and the resulting risk concentrations are managed by monitoring and adjusting the composition of fixed rate and floating rate primary financial instruments on an ongoing basis and by the selective use of derivative financial instruments. The level of the resulting risk concentration as at the reporting date is presented in the following tables (see section "Sensitivity analysis and exposure for interest rate risks").

Sensitivity analysis and exposure for currency risks

The Lenzing Group uses the following assumptions for its sensitivity analysis:

- The sensitivity of profit or loss is based on the receivables and liabilities recognized by the group companies which are denominated in a currency other than the functional currency of the relevant company and the open derivatives from cash flow hedges for currency risks in cases where the hedged item was already recognized in profit or loss as at the reporting date. The carrying amounts of the receivables and liabilities, respectively the nominal values of the derivatives, correspond to the exposure. The individual exposures are presented consistently in relation to the US dollar and euro for the aggregation to the Group's exposure.
- The sensitivity of other comprehensive income as at the reporting date is based on the open derivatives from cash flow hedges for currency risks in cases where the hedged item has not yet been recognized in profit or loss. The nominal value of the open derivatives corresponds to the exposure.

The following tables show the sensitivities and exposure for currency risk as at the reporting dates:

Sensitivity analysis and risk exposure for foreign currency risks (EUR) **EUR '000**

	31/12/2024			31/12/2023		
	Group exposure in relation to EUR	Sensitivity to 10% devaluation of the EUR	Sensitivity to 10% revaluation of the EUR	Group exposure in relation to EUR	Sensitivity to 10% devaluation of the EUR	Sensitivity to 10% revaluation of the EUR
EUR-USD	656,587	72,954	(59,690)	538,335	59,815	(48,940)
EUR-GBP	(3,348)	(372)	304	(295)	(33)	27
EUR-CNY/CNH	61,474	6,830	(5,589)	49,812	5,535	(4,528)
EUR-CZK	(640)	(71)	58	(660)	(73)	60
EUR-HKD	(4,524)	(503)	411	(3,881)	(431)	353
Sensitivity of net profit or loss after tax (through receivables and payables)	**709,549**	**78,839**	**(64,504)**	**583,311**	**64,812**	**(53,028)**
Sensitivity of other comprehensive income after tax (through cash flow hedge derivatives)		(6,596)	5,418		(9,193)	7,760
Sensitivity of equity		**72,243**	**(59,086)**		**55,619**	**(45,269)**

Group exposure: + receivable, – liability; sensitivity: + increase in profit/other comprehensive income, - decrease in profit/other comprehensive income

Sensitivity analysis and risk exposure for foreign currency risks (USD/GBP) **EUR '000**

	31/12/2024			31/12/2023		
	Group exposure in relation to USD/GBP	Sensitivity to 10% devaluation of the USD/GBP	Sensitivity to 10% revaluation of the USD/GBP	Group exposure in relation to USD/GBP	Sensitivity to 10% devaluation of the USD/GBP	Sensitivity to 10% revaluation of the USD/GBP
USD-IDR	(18,804)	(2,089)	1,709	(20,259)	(2,251)	1,842
USD-GBP	4,144	460	(377)	559	62	(51)
USD-CNY/CNH	39,343	4,371	(3,577)	39,108	4,345	(3,555)
USD-CZK	(11,668)	(1,296)	1,061	(14,958)	(1,662)	1,360
USD-THB	(2,739)	(304)	249	602	67	(55)
USD-BRL	(55,709)	(6,190)	5,064	(75,311)	(8,368)	6,846
GBP-CNY/CNH	1,863	207	(169)	9,283	1,031	(844)
Sensitivity of net profit or loss after tax (through receivables and payables)	**(43,570)**	**(4,841)**	**3,961**	**(60,975)**	**(6,775)**	**5,543**
Sensitivity of other comprehensive income after tax (through cash flow hedge derivatives)		(4,167)	4,787		5,754	(5,165)
Sensitivity of equity		**(9,008)**	**8,748**		**(1,021)**	**378**

Group exposure: + receivable, – liability; sensitivity: + increase in profit/other comprehensive income, - decrease in profit/other comprehensive income

Sensitivity analysis and exposure for commodity price risks

Sensitivity analyses are performed for the price change risk from gas swaps. They show the effects of hypothetical changes in gas prices on profit or loss/other comprehensive income/equity.

The Lenzing Group uses the following assumptions in its analysis:

- Open derivatives from cash flow hedges for commodity price risks as at the reporting date are used as the basis for the sensitivity.
- The exposure corresponds to the nominal values of the derivatives (not including the hedged items). In economic terms, the derivatives are used to hedge physical hedged items that will impact profit or loss in subsequent periods, meaning that from an economic perspective there is no risk exposure in combination with the hedged items.

If the market price level for gas had been 10% higher/lower as at December 31, 2024, this would have changed other comprehensive income (after tax) by EUR plus/minus 1,520 thousand (December 31, 2023: EUR plus/minus 1,163 thousand).

Sensitivity analysis and exposure for interest rate risks

The following tables show the exposure for interest rate risks at the reporting dates in the form of the carrying amounts of interest-bearing primary financial instruments:

Risk exposure for interest rate risks **EUR '000**

	31/12/2024				
	Fixed interest	**Fixed and floating rate interest**	**Floating rate interest**	**No interest**	**Total**
Cash and cash equivalents	183,164	0	259,133	0	**442,297**
Other investments	0	0	29,871	18,537	**48,407**
Loans and borrowings	(1,174,764)	(28,100)	(905,130)	0	**(2,107,994)**
Net risk position	**(991,600)**	**(28,100)**	**(616,126)**	**18,537**	**(1,617,289)**
Effects from derivative instruments (hedging)	(100,000)	0	100,000	0	**0**
Net risk position after hedging effect	**(1,091,600)**	**(28,100)**	**(516,126)**	**18,537**	**(1,617,289)**

+ Receivables, - Liabilities

Risk exposure for interest rate risks (previous year) **EUR '000**

	31/12/2023				
	Fixed interest	**Fixed and floating rate interest**	**Floating rate interest**	**No interest**	**Total**
Cash and cash equivalents	436,617	0	289,022	0	**725,639**
Other investments	0	0	13,679	26,079	**39,759**
Loans and borrowings	(918,815)	(28,100)	(1,488,780)	0	**(2,435,694)**
Net risk position	**(482,198)**	**(28,100)**	**(1,186,078)**	**26,079**	**(1,670,297)**
Effects from derivative instruments (hedging)	(552,036)	0	552,036	0	0
Net risk position after hedging effect	**(1,034,234)**	**(28,100)**	**(634,042)**	**26,079**	**(1,670,297)**

+ Receivables, - Liabilities

Sensitivity analyses are performed for the interest rate risks arising from floating rate financial instruments and from the fluctuation in the market values of cash flow hedge derivatives. They show the effects of hypothetical changes in interest rates on profit or loss, other comprehensive income and equity.

The Lenzing Group uses the following assumptions in its analysis of the interest rate risk arising from floating rate financial instruments:

- The sensitivity analysis includes all floating rate primary and derivative financial instruments as at the reporting date.
- The exposure corresponds to the carrying amount of the floating rate financial instruments.

The sensitivities and exposure for the interest rate risks arising from floating rate financial instruments are as follows as at the reporting dates:

Sensitivity analysis for interest rate risks from floating-rate primary and derivative financial instruments **EUR '000**

31/12/2024	Net risk position after hedging effect	Sensitivity to a 100 bp increase in the interest rate level	Sensitivity to a 100 bp decrease in the interest rate level[1]
Sensitivity of net profit or loss after tax	(516,126)	(3,566)	3,566
31/12/2023			
Sensitivity of net profit or loss after tax	(634,042)	(4,424)	4,424

1) A reduction in the basis points results in a proportional decrease in the sensitivity.

The Lenzing Group bases the sensitivity analysis for the interest rate risk from the fluctuation in market values of cash flow hedge derivatives for interest rate risks on the following assumptions:

- The sensitivity of other comprehensive income as at the reporting date is based on the open derivatives from cash flow hedges for interest rate risks in cases where the hedged item has not yet been recognized in profit or loss.
- The exposure corresponds to the nominal value of the derivative in the amount of EUR 100,000 thousand (December 31, 2023: EUR 493,213 thousand).

An increase in the interest rate level by 1 percentage point would lead to an increase in other comprehensive income (after taxes) of EUR 1,730 thousand (December 31, 2023: EUR 7,513 thousand). A decrease in the interest rate level by 1 percentage point would lead to a reduction in other comprehensive income (after taxes) of EUR 1,729 thousand (December 31, 2023: EUR 7,653 thousand). The interest rate sensitivity has no effect on profit or loss, as the measurement of interest rate derivatives is recognized in the hedging reserve with no effect on profit or loss.

Additional information on financial risk management and financial instruments is provided in the risk report of the Lenzing Group's management report as at December 31, 2024.

Disclosures on Related Parties and Executive Bodies

Note 38. Related party disclosures

Overview

Related parties of the Lenzing Group include, in particular, the member companies of the B&C Group together with its subsidiaries, joint ventures and associates and its corporate bodies (executive board/management and supervisory board, where applicable) as well as close relatives of the members of the corporate bodies and companies under their influence (see note 1, section "Description of the company and its business activities" and note 39). The amounts and transactions between Lenzing AG and its consolidated subsidiaries are eliminated through consolidation and are not discussed further in this section

B&C Privatstiftung is managed by a board of trustees. No member of the Managing Board of Lenzing AG is a member of this board of trustees or the management/Managing Board of a subsidiary of B&C Privatstiftung, with the exception of subsidiaries of the Lenzing Group. The Lenzing Group has no influence over the business activities of B&C Privatstiftung.

The members of the corporate bodies of Lenzing AG (in particular, the Supervisory Board) and the above-mentioned entities are, in some cases, also members of the corporate bodies or shareholders of other companies with which Lenzing AG maintains ordinary business relationships. The Lenzing Group maintains ordinary business relationships with banks that involve financing, investing and derivatives.

Relationship with related companies

Lenzing AG dropped out of the tax group with the B&C Group in the 2024 financial year (see note 29). This led to subsequent taxation of the recognized losses of foreign group members in Austria, and a valuation allowance on the previously capitalized loss carryforwards.

In the 2024 financial year, the tax allocation led to the recognition of a tax expense of EUR 23,019 thousand (2023: EUR 4,501 thousand) for the B&C Group. A deferred tax asset on tax losses in the amount of EUR 0 thousand (2023: EUR 48,020 thousand) was recognized, as Lenzing AG dropped out of the B&C tax group retroactively as at the end of 2022. From the tax allocation, the Lenzing Group recognized a liability to the B&C Group of EUR 0 thousand as at December 31, 2024 (December 31, 2023: EUR 4,759 thousand).

As part of the termination of the tax group, the Lenzing Group was required to pay a tax allocation for the 2022 financial year to the group parent in accordance with the group tax allocation agreement. The termination agreement negotiated on the occasion of the withdrawal of Lenzing AG from the tax group of B&C Holding Österreich GmbH was signed on September 10, 2024. Lenzing AG paid a tax allocation of EUR 22,209 thousand plus interest of EUR 1,280 thousand to B&C Holding Österreich GmbH for losses of the foreign group members of the tax group of Lenzing AG that have not yet been taxed. In addition, a tax allocation of EUR 810 thousand plus interest of EUR 65 thousand was paid to B&C Holding Österreich GmbH for the 2021 financial year due to an external audit that had been completed.

Relationships with companies accounted for using the equity method and their material subsidiaries

Transactions with companies accounted for using the equity method and their material subsidiaries relate primarily to:

Material relationships with companies accounted for using the equity method

EQUI-Fibres Beteiligungsgesellschaft mbH and its subsidiaries (EFB)	Distribution of fibers, delivery of pulp, loan assignment
Lenzing Papier GmbH (LPP)	Provision of infrastructure and administrative services
RVL Reststoffverwertung Lenzing GmbH (RVL)	Operation of a recycling plant and purchase of the generated steam; letting of land
Gemeinnützige Siedlungsgesellschaft m.b.H. für den Bezirk Vöcklabruck (GSG)	Provision of infrastructure and administrative services
PT. Pura Golden Lion (PGL)	Holds an interest in a Lenzing Group subsidiary (see note 41)
Wood Paskov s.r.o. (LWP)	Purchase of wood
LD Florestal S.A. (LDF)	Land use rights, purchase of mature timber, lending

The scope of material transactions and the outstanding balances with companies accounted for using the equity method and their major subsidiaries are as follows:

Relationships with companies accounted for using the equity method and their material subsidiaries **EUR '000**

2024	EFB	LPP	Other associates	LDF	Other joint ventures	Total
Land use rights	0	0	0	114,756	0	**114,756**
Goods and services provided	46,917	14,789	49	17,032	15,257	**94,044**
Goods and services received	0	1,300	57	18,964[1]	15,503	**35,823**
Receivables as at 31/12	2,459	4,763	1	9,880	4	**17,106**
Liabilities as at 31/12	1,968	0	0	100,913	31	**102,912**

1) The interest expenses in connection with the land use rights are included in the goods and services received.

Relationships with companies accounted for using the equity method and their material subsidiaries (previous year) **EUR '000**

2023	EFB	LPP	Other associates	LDF	Other joint ventures	Total
Land use rights	0	0	0	110,121	0	**110,121**
Goods and services provided	42,434	13,409	49	10,674	11,150	**77,717**
Goods and services received	0	1,661	54	15,886[1]	11,399	**29,000**
Receivables as at 31/12	5,017	1,613	6	18,418	4	**25,058**
Liabilities as at 31/12	0	21	5	117,677	15	**117,717**

1) The interest expenses in connection with the land use rights are included in the goods and services received.

LD Florestal S.A. received a long-term, unsecured loan of EUR 29,871 thousand (December 31, 2023: EUR 13,679 thousand) from the fully consolidated subsidiary LD Celulose S.A. The interest reflects standard bank rates. Interest income of EUR 2.500 thousand was recognized in the financial year under review (2023: EUR 542 thousand).

Kelheim Fibers GmbH, Kelheim, Germany, a subsidiary of the equity-accounted investee EQUI-Fibres Beteiligungsgesellschaft mbH, Kelheim, Germany, received a long-term, unsecured loan of EUR 5,000 thousand from Lenzing AG in 2017. The interest reflects standard bank rates. This loan, including unpaid interest, was written down in its entirety (see notes 21 and 37).

In relation to trade receivables due from companies accounted for at-equity, an expense of EUR 939 thousand (2023: income of EUR 1,720 thousand) was recognized from impairment losses (expense) and reversals of impairment losses (income). EUR 0 thousand (2023: expense of EUR 3,583 thousand) were recognized on loans to companies accounted for at- equity, and their subsidiaries.

There were no major transactions with the other non-consolidated subsidiaries in 2023 and 2024.

Relationships with members of the Managing Board and Supervisory Board of Lenzing AG

The remuneration expensed for key management personnel, which comprises the active members of the Managing Board and Supervisory Board of Lenzing AG, in line with their functions is summarized below (including changes in provisions):

Remuneration for key management personnel (expensed)	EUR '000	
	2024	**2023**
Remuneration for the Managing Board		
Basic salary	2,561	2,076
Benefits in kind and other benefits (in particular use of company vehicles)	55	60
Short-term variable performance bonus (short-term incentive; STI)	2,000	0
Other performance-based remuneration	3,306	1,215
Short-term employee benefits	**7,922**	**3,351**
Long-term variable performance bonus (long-term incentive; LTI)	591	(204)
Other performance-based remuneration	(421)	1,430
Other long-term employee benefits	**170**	**1,226**
Contributions to multiemployer pension fund	257	233
Post-employment benefits	**257**	**233**
Compensation for non-competition clauses and one-off gratuity	2,185	403
Termination benefits	**2,185**	**403**
Remuneration for the Managing Board	**10,534**	**5,213**
Remuneration for the Supervisory Board		
Short-term employee benefits	1,438	1,221
Total	**11,972**	**6,434**

The benchmark for the long-term bonus component of the members of the Managing Board (long-term incentive/LTI) consists of selected key indicators of the Lenzing Group, each over a three-year calculation period. In addition, the company's capital market performance is assessed in comparison with a group of selected listed companies during these periods.

The employee representatives on the Supervisory Board who were delegated by the Works Council are entitled to regular compensation (wage or salary plus severance and jubilee benefits) under their employment contracts in addition to the compensation for their activity on the Supervisory Board (in particular attendance fees). This compensation represents appropriate remuneration for their role/activities performed in the company.

Walter Bickel is Managing Director of Bickel Austria GmbH, Vienna, and has been a member of the Managing Board of Lenzing AG since April 15, 2024. In the 2024 financial year, an amount of EUR 4,399 thousand (2023: EUR 0 thousand) was paid to Bickel Austria GmbH for consulting services rendered. No liabilities are outstanding as at December 31, 2024. For this company's other performance-based remuneration claims, provisions amounting to EUR 1.680 thousand were made as of December 31, 2024. These benefits were drawn on standard market terms.

Mr. Rohit Aggarwal has been Chairman of the Managing Board (CEO) of Lenzing AG since September 1, 2024. Before taking up his position, payments were made to Mr. Rohit Aggarwal in the 2024 financial year for consulting services rendered in the amount of EUR 149 thousand (2023: EUR 0 thousand), as well as payments for cost reimbursements in the amount of EUR 35 thousand (2023: EUR 0 thousand). No liabilities are outstanding as at December 31, 2024. These benefits were drawn on standard market terms.

In line with customary market and corporate practice, Lenzing AG also grants additional benefits, which are considered non-cash benefits, to the members of the Managing Board, selected senior executives and Supervisory Board members. One example of such benefits is insurance coverage (D&O, accident, legal protection etc.), whereby the costs are carried by the Lenzing Group. The insurers receive total premium payments, i.e. there is no specific allocation to the Managing Board and the Supervisory Board. In addition, the members of the Managing Board and selected senior executives are provided with company vehicles. The members of the Managing Board and the Supervisory Board are also reimbursed for certain costs incurred, above all travel expenses. The principles of the remuneration system for the Managing Board and the Supervisory Board are described in detail and disclosed in the 2024 remuneration report of the Lenzing Group.

The members of the Managing Board and Supervisory Board received no advances, loans or guarantees. The Lenzing Group has not entered into any contingencies on behalf of the Managing Board or Supervisory Board.

Expenses of EUR 308 thousand in total (2023: EUR 1,469 thousand) were recognized through profit or loss or as revaluation through other comprehensive income with relation to post-employment benefits for former members of the Managing Board of Lenzing AG. The present value of the pension provision recognized in this context, after deduction of the fair value of plan assets (net obligation), amounted to EUR 5,090 thousand as at December 31, 2024 (December 31, 2023: EUR 5,548 thousand).

Note 39. Executive Bodies

Members of the Supervisory Board

- Thomas Cord Prinzhorn
  Chairman
- Carlos Aníbal de Almeida Junior (since October 10, 2024)
  First Deputy Chairman (since December 6, 2024)
- Stefan Fida
  Second Deputy Chairman (since October 10, 2024)
- Cornelius Baur (since April 18, 2024)
- Helmut Bernkopf
- Markus Fürst (up to April 18, 2024 and since October 10, 2024)
- Franz Gasselsberger
- Gerhard Schwartz (since April 19, 2023)
- Astrid Skala-Kuhmann

- Marcelo Feriozzi Bacci (October 10, 2024 up to December 6, 2024)
  First Deputy Chairman (October 10, 2024 up to December 6, 2024)
- Christian Bruch (up to May 29, 2024)
- Nicole van der Elst Desai (April 19, 2023 up to October 10, 2024)
- Melody Harris-Jensbach (up to October 10, 2024)
- Patrick Prügger (up to April 19, 2023)

Appointed by the Works Council

- Johann Schernberger
  Chairman of the Group Works Council
  Chairman of the Works Council for Waged Employees
- Helmut Kirchmair
  Chairman of the Works Committee
  Deputy Chairman of the Works Council for Waged Employees
- Stephan Gruber (since April 19, 2023)
  Chairman of the Works Council for Salaried Employees
  Deputy Chairman of the Group Works Council
  Deputy Chairman of the Works Committee
- Stefan Ertl (since April 18, 2024)
- Bonita Haag (since April 19, 2023)

- Georg Liftinger (up to April 18, 2024)
  Chairman of the Works Council for Salaried Employees
  Deputy Chairman of the Group Works Council
  Deputy Chairman of the Works Committee
- Herbert Brauneis (up to April 19, 2023)
  Deputy Chairman of the Works Council for Waged Employees
- Daniela Födinger (up to April 19, 2023)
  Deputy Chairwoman of the Works Council for Salaried Employees

Members of the Managing Board

- Rohit Aggarwal
  Chief Executive Officer (since September 1, 2024)
- Nico Reiner
  Chief Financial Officer (since January 1, 2023)
- Christian Skilich
  Chief Pulp Officer & Chief Technology Officer
- Walter Bickel
  Chief Transformation Officer (since April 15, 2024)
- Stephan Sielaff
  Chief Executive Officer (up to August 31, 2024)
- Robert van de Kerkhof
  Chief Commercial Officer (up to Dezember 31, 2023)

Note 40. Financial guarantee contracts, contingent assets and liabilities, other financial obligations and legal risks

The Lenzing Group has entered into contingent liabilities of EUR 10,324 thousand (December 31, 2023: EUR 8,590 thousand), above all to secure claims related to the sale of certain equity investments and claims by suppliers and for claims by third parties outside the Group. Less important contingent liabilities involve granted retentions. The reported amounts represent the maximum payment obligation from the viewpoint of the Lenzing Group, and there is only a limited potential for recoveries.

The Lenzing Group provides committed credit lines of EUR 1,376 thousand (December 31, 2023: EUR 1,376 thousand) to third parties. These credit lines were not used as at December 31, 2024 and December 31, 2023 (also see note 21).

The Lenzing Group carries obligations for severance payments and anniversary benefits for former employees of certain sold equity investments up to the amount of the notional claims at the sale date. Provisions were recognized for these obligations as at the reporting date at an amount equal to their present value calculated in accordance with actuarial principles. Lenzing AG, in particular, has also assumed liabilities to secure third-party claims against consolidated companies; these claims are considered unlikely to be realized. The Managing Board is not aware of any other financial obligations with a significant impact on the financial position and financial performance of the Group

The obligations arising from outstanding orders for intangible assets and property, plant and equipment amounted to EUR 30,482 thousand as at December 31, 2024 (December 31, 2023: EUR 48,828 thousand). The Lenzing Group has long-term purchase obligations related to raw material supplies, in particular for wood, pulp, chemicals and energy.

In the 2021 financial year, a lawsuit was filed in a US court against Lenzing AG for unspecified claims for damages in connection with a former investment. Lenzing AG has rejected these claims. The legal proceedings were concluded in the 2024 financial year and the provision for legal defense costs was reversed.

As an international corporation, the Lenzing Group is exposed to a variety of legal and other risks. These risks are related, above all, to product defects, competition and antitrust law, patent law, tax law, employees and environmental protection. It is impossible to predict the outcome of pending or future legal proceedings. Consequently, rulings by the courts or government agencies or settlement agreements can lead to expenses that are not fully covered by insurance and hence could have a material impact on the group's future financial position and financial performance. Additional information can be found in the risk report in the Lenzing Group management report as at December 31, 2024.

Note 41. Group companies

In addition to Lenzing AG, the Lenzing Group includes the following companies (list of group companies in accordance with Section 245a Para. 1 in conjunction with Section 265 Para. 2 of the Austrian Commercial Code):

Group companies		31/12/2024		31/12/2023	
	Currency	Share capital	Share in %	Share capital	Share in %
Consolidated companies					
Beech Investment s.r.o., Zlaté Moravce, Slovakia	EUR	6,639	100.00	6,639	100.00
BZL – Bildungszentrum Lenzing GmbH, Lenzing, Austria	EUR	43,604	75.00	43,604	75.00
LD Celulose International GmbH, Vienna	EUR	10,000	51.00	-	-
LD Celulose S.A., Indianópolis, Brazil	BRL	3,299,821,457	51.00	2,913,721,980	51.00
Lenzing Biocel Paskov a.s., Paskov, Czech Republic	CZK	280,000,000	100.00	280,000,000	100.00
Lenzing Business Services s.r.o., Paskov, Czech Republic	CZK	200,000	100.00	-	-
Lenzing Elyaf Anonim Şirketi, Istanbul, Turkey	TRY	3,500,000	100.00	3,500,000	100.00
Lenzing Fibers (Shanghai) Co., Ltd., Shanghai, China	USD	200,000	100.00	200,000	100.00
Lenzing Fibers GmbH, Heiligenkreuz, Austria	EUR	363,364	100.00	363,364	100.00
Lenzing Fibers Grimsby Limited, Grimsby, UK	GBP	1	100.00	1	100.00
Lenzing Fibers Holding GmbH, Lenzing, Austria	EUR	35,000	100.00	35,000	100.00
Lenzing Fibers (Hongkong) Ltd., Hong Kong, China	HKD	30,300,000	100.00	30,300,000	100.00
Lenzing Fibers Inc., Axis, USA	USD	10	100.00	10	100.00
Lenzing Fibers India Private Limited, Coimbatore, India	INR	25,464,000	100.00	25,464,000	100.00
Lenzing Fibers Ltd., Manchester, UK	GBP	1	100.00	1	100.00
Lenzing France SARL, Paris, France	EUR	25,000	100.00	-	-
Lenzing Germany GmbH, Münchberg, Germany	EUR	25,000	100.00	25,000	100.00
Lenzing Global Finance GmbH, Munich, Germany	EUR	25,000	100.00	25,000	100.00
Lenzing Holding GmbH, Lenzing, Austria	EUR	35,000	100.00	35,000	100.00
Lenzing Italy S.r.l, Rome, Italy	EUR	25,000	100.00	25,000	100.00
Lenzing Korea Yuhan Hoesa, Seoul, Republic of Korea	KRW	280,000,000	100.00	280,000,000	100.00
Lenzing Land Holding LLC., Dover, USA	USD	10,000	100.00	10,000	100.00
Lenzing Modi Fibers India Private Limited, Mumbai, India	INR	1,204,588,370	96.57	1,192,164,940	96.54
Lenzing (Nanjing) Fibers Co., Ltd., Nanjing, China	USD	135,440,000	100.00	135,440,000	100.00
Lenzing Singapore Pte. Ltd., Singapore, Republic of Singapore	EUR	1,000,000	100.00	1,000,000	100.00
Lenzing Taiwan Fibers Ltd., Taipei, Taiwan	TWD	5,300,000	100.00	5,300,000	100.00
Lenzing (Thailand) Co., Ltd., Prachinburi, Thailand	THB	16,677,550,000	100.00	5,368,463,500	100.00
PT. South Pacific Viscose, Purwakarta, Indonesia[1]	IDR	4,308,723,453,000	99.88	150,068,343,000	96.53
Pulp Trading GmbH, Lenzing, Austria	EUR	40,000	100.00	40,000	100.00
Wasserreinhaltungsverband Lenzing – Lenzing AG, Lenzing, Austria[2]	EUR	0	Membership	0	Membership
Companies accounted for using the equity method					
Associates					
EQUI-Fibres Beteiligungsgesellschaft mbH, Kelheim, Germany	EUR	2,000,000	20.00	2,000,000	20.00
Gemeinnützige Siedlungsgesellschaft m.b.H. für den Bezirk Vöcklabruck, Lenzing, Austria[3]	EUR	1,155,336	99.90	1,155,336	99.90
Lenzing Papier GmbH, Lenzing, Austria	EUR	35,000	40.00	35,000	40.00
PT. Pura Golden Lion, Jakarta, Indonesia	IDR	2,500,000,000	40.00	2,500,000,000	40.00
Joint ventures					
LD Florestal S.A., Indianópolis, Brazil	BRL	177,452,357	50.00	177,452,357	50.00
RVL Reststoffverwertung Lenzing GmbH, Lenzing, Austria	EUR	36,336	50.00	36,336	50.00
Wood Paskov s.r.o., Paskov, Czech Republic	CZK	2,000,000	50.00	2,000,000	50.00

Notes:

1) The share held directly by the Lenzing Group equals 99.80 percent (December 31, 2023: 94.22 percent). A further 0.2 percent (December 31, 2023: 5.78 percent) of the shares are held indirectly via PT. Pura Golden Lion, Jakarta, Indonesia, an associate of the Lenzing Group. The total calculated share therefore equals 99.88 percent (December 31, 2023: 96.53 percent).

2) The Lenzing Group participates through a membership. It holds 50 percent of the voting rights and can appoint half of the Managing Board members. Since all assets are attributable to the respective landowner under company law, the entity is notionally a separate company (a so-called "silo structure"). Assets located on the Lenzing Group's land are therefore included in the consolidation.

3) This investment is not included in the consolidated financial statements as a subsidiary, even though the Lenzing Group holds 99.9 percent of the voting rights in the company. In light of the given circumstances, the Lenzing Group does not control this company because its power is limited and because the returns hardly vary or can hardly be influenced by the Lenzing Group. Significant influence is exercised by the Lenzing Group over the financial and operating policies of this company, in particular through representation on management bodies and participation in decision-making processes.

Note 42. Significant events after the end of the reporting period

In October 2024, the Lenzing Group acquired a minority interest in Swedish cellulose fiber company TreeToTextile AB (TTT). The closing of this transaction occurred in February 2025. However, this has no financial impact as the purchase price was already paid in the 2024 financial year (see Notes 21 and 25).

Other than that, the Lenzing Group is not aware of any significant events occurring after the reporting date on December 31, 2024 which would have resulted in a different presentation of its financial position and financial performance.

Note 43. Authorization of the consolidated financial statements

These consolidated financial statements were approved on March 4, 2025 (consolidated financial statements as at December 31, 2023: February 28, 2024) by the Managing Board for review by the Supervisory Board, presentation to the Annual General Meeting and subsequent publication. The Supervisory Board may require changes to the consolidated financial statements as part of its review.

Lenzing, March 4, 2025
Lenzing Aktiengesellschaft

The Managing Board

Rohit Aggarwal
Chief Executive Officer

Nico Reiner
Chief Financial Officer

Christian Skilich
Chief Pulp Officer & Chief Technology Officer

Walter Bickel
Chief Transformation Officer

Auditor's Report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of Lenzing Aktiengesellschaft, Lenzing, Austria, and its subsidiaries ("the Group"), which comprise the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Financial Position as at December 31, 2024, the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

Basis for our Opinion

We conducted our audit in accordance with the Regulation (EU) No. 537/2014 („AP Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the „Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Our liability as auditors is guided under Section 275 UGB.

Key Audit Matters

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

Impairment of cash-generating units "Fiber Site Heiligenkreuz" and "Fiber Site Indonesia"
Refer to note 10

Risk for the Consolidated Financial Statements

In the financial year 2024, Lenzing Aktiengesellschaft assessed that there is an indication, that the cash-generating units "Fiber Site Heiligenkreuz" and "Fiber Site Indonesia" may be impaired. The estimated recoverable amounts (impairment test) exceeded their carrying amounts.

The measurement of the recoverable amount of cash-generating units in accordance with IAS 36 requires assumptions and estimates, such as the estimated future cash flows, as well as the determination of the applicable discount rate.

For the consolidated financial statements, there is a risk that inappropriate assumptions and estimates used to measure the recoverable amount could have a significant impact on the recoverable amount and therefore the carrying amounts of the cash-generating units in the consolidated statement of financial position, as well as the operating results in the consolidated income statement.

Our Response

We have assessed the analyses conducted by the company regarding the presence of indications of impairment and, if such an indication was identified, the impairment tests prepared in this case, involving our valuation specialists, as follows:

- In order to assess whether there are indications of impairment, we have gained an understanding of the planning assumptions as well as the relevant processes and internal controls through discussions with management and evaluated whether Lenzing Aktiengesellschaft has appropriately identified existing indications based on the deviation analyses from the planned values.
- In order to assess the appropriateness of cash flow projections used by management to measure the recoverable amount, we gained an understanding of the planning process, discussed the assumptions regarding growth rates and operational results with the relevant senior personnel within the Group. Additionally, we have compared these cash flow projections with the most recent budget approved by the supervisory board as well as the mid-term planning approved by the management board.
- We conducted a comparison of the significant planning assumptions in prior periods with the actual values and analyzed whether historical deviations were appropriately considered by management in their planning assumptions.
- Our valuation experts reviewed and assessed the methodology used in the impairment tests to ensure compliance with relevant standards. The assumptions used to determine the cost of capital rates were compared by our valuation specialists with market and industry-specific benchmarks, and the accuracy of the calculation scheme was verified.

- Furthermore, we have evaluated whether the disclosures regarding the impairment tests of the cash-generating units "Fiber Site Heiligenkreuz" and "Fiber Site Indonesia" in the consolidated financial statements are appropriate.

Valuation of Biological Assets
Refer to note 19.

Risk for the Consolidated Financial Statements
Lenzing Aktiengesellschaft recognized biological assets (timber plantations) in Brazil amounting to EUR 192,217 thousand in the consolidated statement of financial position as at December 31, 2024.

Timber plantations are measured at fair value less costs of disposal according to IAS 41 and IFRS 13. The fair value measurement is classified as Level 3 in the fair value measurement hierarchy under IFRS 13. The valuation of timber plantations requires assumptions and estimates, such as sales prices for mature timber and the growth of the plantation.

For the consolidated financial statements, there is a risk that inappropriate assumptions and estimates could have a material effect on the fair value of the timber plantations and thus on the valuation of biological assets in the consolidated statement of financial position and the valuation result in the consolidated income statement.

Our Response
We assessed the valuation of the fair value less costs to sell, prepared by the company, involving our specialists for the valuation of timber plantations in Brazil, as follows:

- We gained an understanding of the valuation process and assessed management's actions to monitor this process.
- We assessed whether the valuation model chosen to determine the fair value is consistent with the requirements of IAS 41 and IFRS 13.
- We assessed the key assumptions and estimates in determining fair value, including assumptions about selling prices, growth, costs and discount rates.
- Furthermore, we considered the adequacy and appropriateness of the Group's disclosures in respect of the valuation of plantations in accordance with IAS 41 and IFRS 13

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

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

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

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

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

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

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

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

Moreover:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We plan and conduct the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence on the financial information of the components within the Group, in order to form an audit opinion. We are responsible for directing, supervising and reviewing the audit activities carried out for the purposes of auditing the consolidated financial statements. We remain solely responsible for our audit opinion.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Report on Other Legal Requirements

Group Management Report

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

It is our responsibility to determine whether the consolidated non-financial statement has been prepared as part of the group management report, to read and assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

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

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

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

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

Additional Information in accordance with Article 10 AP Regulation
We were elected as auditors at the Annual General Meeting on April 18, 2024 and were appointed by the supervisory board on April 18, 2024 to audit the financial statements of Company for the financial year ending on December 31, 2024.

We have been auditors of the Company, without interruption, since the consolidated financial statements as at December 31, 2017.

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

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

Engagement Partner

The engagement partner is Mr Gerold Stelzmüller.

Linz, March 5, 2025

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Gerold Stelzmüller
Austrian Chartered Accountant

This report is a translation of the original report in German, which is solely valid.
The consolidated financial statements, together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

22 GLOSSARY

2024 Audited Consolidated Financial Statements	Translations of the audited consolidated financial statements of Lenzing Aktiengesellschaft and its subsidiaries for the financial year ended December 31, 2024, including comparative figures for the financial year ended December 31, 2023
2025 Audited Consolidated Financial Statements	Translations of the audited consolidated financial statements of Lenzing Aktiengesellschaft and its subsidiaries for the financial year ended December 31, 2025, including comparative figures for the financial year ended December 31, 2024
Admission to Trading	(x) The admission to trading of the Rights and (y) the listing and admission to trading of the Offered Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange
APM	Alternative performance measures
Articles of Association	The Company's Articles of Association (*Satzung*)
Audited Consolidated Financial Statements	The 2025 Audited Consolidated Financial Statements and the 2024 Audited Consolidated Financial Statements
Austrian Stock Corporation Act	Austrian Stock Corporation Act (*Aktiengesetz*)
B&C Entities	B&C Private Foundation, B&C KB Holding GmbH, B&C Ares Holding GmbH and B&C Zeta
B&C Group	B&C Privatstiftung, together with its wholly-owned subsidiaries
B&C Zeta	B&C Zeta Zweite Holding GmbH, a direct wholly owned subsidiary of B&C Privatstiftung
BNP PARIBAS	BNP PARIBAS, with its registered office at 16, boulevard des Italiens, 75009 Paris, France, LEI: R0MUWSFPU8MPRO8K5P83
B&C Private Foundation	B&C Privatstiftung
Brazilian real/BRL	The legal currency of Brazil
Capital Increase	The ordinary increase in the Company's registered share capital from EUR 40,107,738.37 by EUR 36,096,964.53 to EUR 76,204,702.90 against cash contribution, as authorized by the extraordinary general meeting on August 25, 2026 and subsequently resolved by the Management Board on October 1, 2026 with the approval of the Special Committee on October 1, 2026
CEO	Chief Executive Officer (*Vorstandsvorsitzender)*
CEST	Central European Summer Time
CFO	Chief Financial Officer
Commercial Code	Austrian Commercial Code (*Unternehmensgesetzbuch*)
COMMERZBANK	COMMERZBANK Aktiengesellschaft, with its registered office at Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Germany, LEI: 851WYGNLUQLFZBSYGB56
Companies Register	Austrian companies register (*Firmenbuch*)
Company	Lenzing Aktiengesellschaft
Company Internal Analysis	The Group's analysis and aggregation of local management feedback on market position and ongoing market developments, adjusted and supplemented where necessary by a combination of publicly available and non-public data
CPO	Chief Pulp Officer
CTO	Chief Technology Officer

CSRD/ EU Corporate Sustainability Reporting Directive	Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting
Dexco	Dexco S.A.
Division Fiber	The segment that produces all three generations of WBF and markets them under the product brands TENCEL™, VEOCEL™, LENZING™ ECOVERO™ and LENZING™
Division Other	The segment that mainly includes central headquarters functions, overarching activities and the business activities of BZL (Bildungszentrum Lenzing GmbH, Lenzing an der Ager), which handles training and personnel development
Division Pulp	The segment that produces and procures DWP
DWP	Dissolving wood pulp
EBIT	Earnings before interest and tax
EBITDA	EBIT, plus amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets, and depletion of biological assets, impairment charges and before income from the reversal of investment grants
EBT	Earnings before tax
EEA	European Economic Area
Erste Group	Erste Group Bank AG, with its registered office at Am Belvedere 1, 1100 Vienna, Austria, LEI: PQOH26KWDF7CG10L6792
ESG	Environmental, social and governance
ETS	Emission trading systems
ETS Directives	Directive 2003/87/EC, as amended
EU	European Union
Euro/EUR	The single currency of the participating member states of the European Union participating in the third stage of the economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended or supplemented from time to time
European Commission	The European Union's executive arm, responsible for implementing the decisions of the European Union's Parliament and Council, including managing the day-to-day business of the European Union, implementing its policies, running its programs and spending its funds
EU ETS	European ETS
European Union/EU	International organization comprising 27 European countries and governing common economic, social, and security policies
EVI	The electronic announcement and information platform of the federal government (*elektronische Verlautbarungs- und Informationsplattform des Bundes*).
Existing Shares	All existing issued no-par value bearer shares of the Company as of the date of this Prospectus
FMA	Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*)
FSC	Forest Stewardship Council
GAAP	Generally Accepted Accounting Principles
Group/Lenzing Group	Company, together with its consolidated subsidiaries

H1 2025	The six months ended June 30, 2025
H1 2026	The six months ended June 30, 2026
Higg Index	The Higg Index is the core driver of the Sustainable Apparel Coalition (SAC), an association of leading companies in the textile and chemical industry, non-profit organizations as well as research and educational experts aiming to create a more sustainable international textile industry. This suite of self-assessment tools empowers brands, retailers and facilities of all sizes to measure their environmental, social and labor impacts at every stage in their sustainability journey, and identify areas for improvement. The Higg Index provides a holistic overview of the sustainability performance of a product or company – a big-picture perspective that is essential for progress to be made.
Higg MSI Database	The Materials Sustainability Index is the quantitative part of the Higg Index, scoring materials according to their environmental impacts on global warming, eutrophication, water scarcity, and abiotic resource depletion (fossil fuels), and according to chemistry applied.
Hybrid Securities	The Company's subordinated perpetual bond (hybrid capital) issued in July of 2025 with a total volume of EUR 500.0 million and an annual interest rate of 9.0%
IAS 34	International Accounting Standard 34 on Interim Financial Reporting
IFRS	IFRS Accounting Standards issued by the International Accounting Standards Board (IASB), as adopted by the EU For reporting periods before 2025: International Financial Report Standards (IFRSs) issued by the International Accounting Standards Board (IASB), as adopted by the EU
IMF	International Monetary Fund
IP	Intellectual Property
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
IT	Information Technology
Joint Bookrunner	Raiffeisen Bank International
Joint Global Coordinators	BNP PARIBAS, UniCredit Bank GmbH, COMMERZBANK and Erste Group
KPMG	KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Kudlichstraße 41, 4020 Linz, Austria
LD Celulose	LD Celulose S.A.
LD Florestal	LD Florestal S.A.
LEI	Legal entity identifier
Listing Rules	Listing rules of the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange
Major Shareholders	B&C Privatstiftung and Suzano S.A.
Management Board	The management board of the Company (*Vorstand*)
Manager(s)	The Joint Global Coordinator(s) and the Joint Bookrunner
MAR	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC

Member States	EU member states
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended
MiFID II Product Governance Requirements	local implementing measures of MiFID II
NMMO	N-methyl-morpholine-N-oxide
NN Shareholders	Nationale-Nederlanden Levensverzekering Maatschappij N.V, Nationale-Nederlanden Schadeverzekering Maatschappij N.V, and NN Re (Netherlands) N.V.
OeKB	Oesterreichische Kontrollbank AG
OeKB CSD GmbH	OeKB CSD GmbH, Strauchgasse 1-3, 1010 Vienna, Austria
Offer Price	EUR 8.65 per Offered Share in the Rights Offering
Offered Shares	No-par value bearer shares to be issued within the Offering
Offering	(i) the Rights Offering, in which the Shareholders who hold Existing Shares will receive Rights to subscribe on a *pro rata* basis for Offered Shares, and (ii) a subsequent international offering, in which Offered Shares in respect of which Rights have not been validly exercised during the Rights Exercise Period may be offered to institutional investors in private placements
Paris Agreement	An agreement covering climate change mitigation, adaptation and finance, which became effective in November of 2016, signed by nearly 200 countries at the 2015 United Nations Framework Convention on Climate Change in Paris
PEFC	Programme for the Endorsement of Forest Certification, an international non-profit organization located in Geneva, Switzerland
Placement Agreement	Placement agreement between the Company and the Managers dated October 1, 2026
Prospectus	This prospectus dated October 1, 2026 together with any supplements hereto
Prospectus Regulation	Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended
Public Offering in Austria	The public offering in Austria
QIBs	Qualified institutional buyers as defined in Rule 144A under the Securities Act
R&D	Research and development
Raiffeisen Bank International	Raiffeisen Bank International AG, with its registered office at Am Stadtpark 9, 1030 Vienna, Austria, LEI: 9ZHRYM6F437SQJ6OUG95
Regulation S	Regulation S under the Securities Act
Renminbi/RMB	The legal currency of China
Rights	Rights of the Shareholders who hold Existing Shares, as of 11:59 p.m. CEST on October 1, 2026 to subscribe on a *pro rata* basis for the Offered Shares
Rights Exercise Period	Period from (and including) October 6, 2026 to (and including) October 20, 2026
Rights Offering	Rights offering, in which the Shareholders who hold Existing Shares will receive Rights to subscribe on a *pro rata* basis for Offered Shares

Rights Trading Period	Period from (and including) October 6, 2026 up to (and including) October 14, 2026
ROE	The Group's EBT as a percentage of the Group's average adjusted equity from January 1 and December 31
ROI	The Group's EBIT as a percentage of the Group's average total assets from January 1 and December 31
Rule 144A	Rule 144A under the Securities Act
Rump Shares	Offered Shares in respect of Rights that have not been validly exercised during the Rights Exercise Period
Securities Act	U.S. Securities Act of 1933
Share(s)	The Offered Share(s), together with Existing Shares
Share Placement	International offering, in which Offered Shares in respect of which Rights have not been validly exercised during the Rights Exercise Period may be offered to institutional investors in private placements
Shareholder(s)	Existing shareholder(s) of the Company
Shareholders' Meeting	Shareholders' meeting of the Company
Special Committee	The special committee of the Supervisory Board established and empowered to provide all further approvals of the Supervisory Board required in connection with the capital increase
Staple Fibers	Cotton, synthetic and WBF
Stick Shares	Any Rump Shares which have not been sold by the Managers in the Share Placement or over a stock exchange or in OTC sales
Subscription Ratio	10 Rights will entitle its holder thereof to acquire 9 Offered Shares against payment of the Offer Price during the Rights Exercise Period
Supervisory Board	Supervisory board of the Company (*Aufsichtsrat*)
Suzano International Trade	Suzano International Trade GmbH
Syndicate	The B&C Entities and Suzano International Trade
Takeover Act	Austrian Takeover Act (*Übernahmegesetz*)
Target Market Assessment	Product approval process, which has determined that the Rights and Offered Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II
Unaudited Condensed Consolidated Interim Financial Statements	Translations of the unaudited condensed consolidated interim financial statements of Lenzing Aktiengesellschaft and its subsidiaries as of and for the six months ended June 30, 2026
UniCredit Bank GmbH	UniCredit Bank GmbH, with its registered office at Arabellastraße 12, 81925 Munich, Germany, LEI: 2ZCNRR8UK83OBTEK2170
United States/U.S./U.S.A.	United States of America
U.S. dollars/USD	The legal currency of the United States of America
WBF	Wood-based fibers

23 INCORPORATION BY REFERENCE OF MANAGEMENT REPORTS

The English language translations of the Group's management reports including the sustainability reports for the years ended December 31, 2024 (included on pages 20 to 39 and on pages 45 to 234, respectively, of the Annual and Sustainability Report 2024) and December 31, 2025 (included on pages 24 to 45 and on pages 51 to 187, respectively, of the Annual and Sustainability Report 2025), each forming part of the Group's Annual and Sustainability Reports for the respective years are hereby incorporated by reference. Any information not incorporated by reference into this Prospectus but contained in one of the documents mentioned as source documents is either not relevant for the investor or covered in another part of this Prospectus. The Annual and Sustainability Reports are accessible on the following websites of the Group:

Annual and Sustainability Report 2025	https://reports.lenzing.com/annual-and-sustainability-report/2025/_assets/downloads/entire-lenzing-ar25.pdf?h=IJgqV9r8
Annual and Sustainability Report 2024	https://reports.lenzing.com/annual-and-sustainability-report/2024/_assets/downloads/entire-lenzing-ar24.pdf?h=IJgqV9r8

The combined group management reports have been prepared by the Company's management in accordance with the Austrian Commercial Code (*Unternehmensgesetzbuch*) at respective preparation dates which are prior to the date of this Prospectus and shall be read in conjunction with this Prospectus. Each combined group management report is as of the date of such document, and its incorporation by reference of such document shall not create any implication that there has been no change in the Group's affairs since the date thereof or that the information contained therein is current as of any time subsequent to its date. Accordingly, the group management reports should not be read in isolation but together with this Prospectus. To the extent that any statement contained in this Prospectus or in a subsequently dated document incorporated by reference herein modifies or is contrary to a previous statement in a combined management report, the Prospectus or such subsequently dated document incorporated by reference herein shall prevail. Furthermore, the respective "Risk Reports" included in the management reports have not been prepared in accordance with the ESMA Guidelines on Risk Factors under the Prospectus Regulation, applicable to prospectus disclosure. Accordingly, the risk factors discussed in this Prospectus (see "*3. Risk Factors*") supersede the "Risk Reports" from the management reports.

24 RECENT DEVELOPMENTS AND OUTLOOK

24.1 Recent Developments

Following the Supervisory Board's resolution on July 27, 2026, the Group announced the key steps in its strategic transformation. The strategic focus is on expanding the nonwoven fibers business, realigning the textile fibers business, and further strengthening the pulp business. The measures include, in particular, the phase-out of production at the Group's fiber plants in Heiligenkreuz and in Grimsby, further headcount reductions, and the optimization of the global production network. In this context, impairment charges on long-term assets of up to EUR 150 million and restructuring expenses of up to EUR 40 million are expected for the financial year 2026. For further information, please see Note 10 to the Unaudited Condensed Consolidated Interim Financial Statements.

24.2 Outlook for the Group's Business

The Company expects that its focus on its strategic realignment ("Grow Nonwovens, Reset Textiles") will lead to a decline in revenue in the short term, though not more than approximately 15% below historical levels. Over the medium term, the Company's strategic ambition is to return to revenue growth with an EBITDA uplift of approximately EUR 150 million, while achieving an EBITDA margin of 20%-25% and reducing leverage to below 2.5x (which would indicate a credit profile in line with investment grade parameters). To deliver on these ambitions, the Company intends to deploy a set of strategic levers, including disciplined capital allocation, rigorous selling, general and administrative (SG&A) management and sustained margin expansion.

At the Group level, the Group expects average selling prices for textiles and nonwovens to grow moderately in the medium term, slightly ahead of long-term global growth in gross domestic product (GDP), reflecting the Group's planned shift to a higher-value product mix. Within its textile business specifically, the Group expects sales volumes and revenues to decline more significantly as a consequence of the Group working to exit the generic viscose market and the low-margin volumes associated with it. The Group aims to achieve substantial organic growth of its nonwovens business.

The Group's medium-term ambition is to grow nonwovens and pulp to approximately 30% each of the Group's total sales mix, while reducing its share of Group sales derived from its textiles business to approximately 30%, with the remaining approximately 10% aimed to consist of other sales (which also include central headquarters functions, cross divisional activities and the business activities of BZL – Bildungszentrum Lenzing GmbH).

The Group's further outlook is based on a number of assumptions, including, among others:

- The Russia-Ukraine conflict and conflicts in the Middle East, including the Iran conflict, do not result in a further deterioration in the global economy or international trade and global supply chains remain stable.
- Customer demand for WBF and DWP increases, in particular in emerging and developing Asian markets.
- The Group is able to implement its strategic realignment, including growing its nonwovens business and redefining its textiles business, and performance program for cost savings according to its planned timeline.
- No major macroeconomic or geopolitical developments undermine the specific market conditions under which the Group operates, the broader global economy or the capital and financing markets.
- No significant change occurs in the Group's competitive environment.
- No unexpected changes occur in the legal and regulatory framework in which the Group operates.
- The prices of key raw materials, in particular caustic soda (although not natural gas and electricity) in Europe, experience a gradual decline.
- The price of externally sourced wood is expected to normalize compared to recent high levels.

	**Unterzeichner**	Österreichische Finanzmarktaufsichtsbehörde
	Datum/Zeit-UTC	2026-10-01T11:18:19+02:00
	Prüfinformation	Informationen zur Prüfung des elektronischen Siegels bzw. der elektronischen Signatur finden Sie unter: https://www.signaturpruefung.gv.at Informationen zur Prüfung des Ausdrucks finden Sie unter: https://www.fma.gv.at/amtssignatur
Hinweis	Dieses Dokument wurde amtssigniert. Auch ein Ausdruck dieses Dokuments hat gemäß § 20 E-Government-Gesetz die Beweiskraft einer öffentlichen Urkunde.	