



CONSOLIDATED FINANCIAL STATEMENTS

2024

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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

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

	Note	Equity attributable to shareholders of Lenzing AG and to hybrid capital owners						EUR '000	
		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 interpreta-

tions 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-	Equity	Full-	Equity
	consolidation		consolidation	
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

Unit	Currency	2024		2023	
		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, İstanbul, 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	Recon- ciliation	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	Recon- ciliation	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

	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 Division 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 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.

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).

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/m ³	22.01	18.84
Discount rate	7.96%	7.63%
Wood volume m ³	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**

	Land and buildings	Technical equipment and machinery, factory and office equipment	Total
2024			
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**

	Land and buildings	Technical equipment and machinery, factory and office equipment	Total
2023			
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 celulosic 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:

Appropriation 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					31/12/2023				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 loans¹⁾:									
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

	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
31/12/2024			
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)

	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
31/12/2023			
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

	31/12/2024	31/12/2023	As reported on the consolidated statement of financial position
Reverse factoring agreements			
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			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).

Notes to the Consolidated Statement of Cash Flows

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

Notes on Risk Management

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	
Trade receivables	318,182	0	0	0	0	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	
Cash and cash equivalents	442,297	0	0	0	0	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	¹
Provisions (current)	0	0	0	0	28,520	28,520	
Puttable non-controlling interests	0	0	0	230,954	0	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	
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 Internacional 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 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.

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 ineffective- ness
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

Currency risks	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
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 ineffectiveness
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

Commodity derivatives	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
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 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 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

	Lifetime expected credit loss (portfolio measurement)	Lifetime expected credit loss (individual measurement)
2024		
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

	Lifetime expected credit loss (portfolio measurement)	Lifetime expected credit loss (individual measurement)
2023		
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 liabilities 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 liabilities 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

	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
31/12/2024			
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 Liftingner (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 December 31, 2023)

Other Disclosures

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 real-

ized. 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 intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities

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.

Declaration of the Managing Board

Declaration of the Managing Board according to Section 124 (1) No. 3 of the Stock Exchange Act

We confirm to the best of our knowledge that the consolidated financial statements of the Lenzing Group as at December 31, 2024 that were prepared in accordance with the applicable accounting standards pursuant to International Financial Reporting Standards (IFRSs) give a true and fair view of the assets, liabilities, financial position and profit or loss of the Lenzing Group and that the group management report gives a true and fair view of the development and performance of the business and the position of the Lenzing Group, together with a description of the principal risks and uncertainties the Lenzing Group faces.

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

Lenzing Group Five-Year Overview

Key earnings and profitability figures

EUR mn	2024	2023	2022	2021	2020
Revenue	2,663.9	2,521.2	2,565.7	2,194.6	1,632.6
EBITDA (earnings before interest, tax, depreciation and amortization)	395.4	303.3	241.9	362.9	192.3 ¹
EBITDA margin	14.8%	12.0%	9.4%	16.5%	11.8% ¹
EBIT (earnings before interest and tax)	88.5	(476.4)	16.5	200.6	33.9 ¹
EBIT margin	3.3%	(18.9)%	0.6%	9.1%	2.1% ¹
EBT (earnings before tax)	(42.0)	(585.6)	(10.1)	182.9	22.3
Net profit/loss after tax	(138.3)	(593.0)	(37.2)	127.7	(10.6)
Earnings per share in EUR	(4.06)	(20.02)	(2.75)	4.16	0.24
ROCE (return on capital employed)	3.6%	(14.2)%	2.0%	5.4%	(0.5) % ¹
ROE (return on equity)	(2.4)%	(30.1)%	(0.5)%	9.1%	1.3%
ROI (return on investment)	1.7%	(8.9)%	0.3%	4.2%	0.9% ¹

Key cash flow figures

EUR mn	2024	2023	2022	2021	2020
Gross cash flow	140.4	88.5	244.8	372.0	126.8
Cash flow from operating activities	322.5	160.3	(43.2)	394.0	48.9
Free cash flow	167.0	(122.8)	(740.7)	(445.5)	(614.8)
CAPEX	156.3	283.6	698.9	844.3	668.8
Liquid assets as at 31/12	451.7	731.0	453.3	1,124.1	1,081.1
Unused credit facilities as at 31/12	198.1	203.0	232.3	454.5	1,031.4

Key balance sheet figures

EUR mn as at 31/12	2024	2023	2022	2021	2020
Total assets	4,976.8	5,214.6	5,525.0	5,322.8	4,163.0
Adjusted equity	1,725.9	1,809.1	2,088.6	2,115.7	1,907.0
Adjusted equity ratio	34.7%	34.7%	37.8%	39.7%	45.8%
Net financial debt	1,532.5	1,562.6	1,799.4 ²	913.6 ²	410.5 ²
Net financial debt / EBITDA	3.9	5.2	7.4 ²	2.5 ²	2.1 ^{1, 2}
Net financial debt incl. lease liabilities	1,656.3	1,704.7	1,869.0	977.0	471.4
Net debt	1,732.2	1,779.5	1,946.6	1,079.3	575.0
Net gearing	88.8%	86.4%	86.2% ²	43.2% ²	21.5% ²
Trading working capital	578.0	551.1	570.7	387.4	383.8
Trading working capital to annualized group revenue	20.5%	21.0%	24.0%	16.0%	21.9%

Key stock market figures

EUR	2024	2023	2022	2021	2020
Market capitalization in mn as at 31/12	1,139.2	1,372.9	1,454.9	3,239.1	2,198.3
Share price as at 31/12	29.50	35.55	54.80	122.00	82.80
Dividend per share	0.00	0.00	0.00	4.35	0.00
Employees	2024	2023	2022	2021	2020
Full-time equivalents (FTE) as at 31/12 ³	7,816	7,917	7,931	7,585	6,992

1) Reclassification of capitalized borrowing costs, net interest from defined benefit plans and commitment fees from EBIT/EBITDA to the financial result (see note 2 of the consolidated financial statements as at December 31, 2022).

2) Since the second quarter of the 2023 financial year, net financial debt is presented excluding lease liabilities (see the supplement to the management report "Notes on the Financial Performance Indicators of the Lenzing Group").

3) The number of employees has been reported on a full-time equivalent basis since the third quarter of the 2023 financial year. Until the third quarter of the 2023 financial year, the figure was based on the number of individuals.

The above financial indicators are derived primarily from the IFRS consolidated financial statements of the Lenzing Group. Additional details are provided in the section "Notes on the financial performance indicators of the Lenzing Group", in the glossary to the Annual Report and in the consolidated financial statements of the Lenzing Group. Rounding differences can occur in the presentation of rounded amounts and percentage rates.