

IMPORTANT NOTICE

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY TO ANY U.S. PERSON (AS DEFINED IN REGULATION S OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT")) OR ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES OF AMERICA, ITS TERRITORIES AND POSSESSIONS (COLLECTIVELY, THE UNITED STATES) OR IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO RELEASE, PUBLISH OR DISTRIBUTE THE ATTACHED EXCHANGE OFFER MEMORANDUM.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached Exchange Offer Memorandum (the "**Exchange Offer Memorandum**"), whether received by email or otherwise received as a result of electronic communication, and you are therefore required to read this disclaimer page carefully before reading, accessing or making any other use of the attached Exchange Offer Memorandum. In accessing, reading or making any other use of the attached Exchange Offer Memorandum, you agree (in addition to the representation given below) to be bound by the following terms and conditions, including any modifications made to them from time to time, each time you receive any information from BNP PARIBAS, Erste Group Bank AG, J.P. Morgan SE, Raiffeisen Bank International AG or UniCredit Bank GmbH (the "**Dealer Managers**"), Lenzing Aktiengesellschaft (the "**Company**") or Kroll Issuer Services Limited (the "**Exchange Agent**") as a result of such access. Capitalised terms used but not otherwise defined in this disclaimer shall have the meaning given to them in the attached Exchange Offer Memorandum.

THE ATTACHED EXCHANGE OFFER MEMORANDUM IS PERSONAL TO THE RECIPIENT AND SHOULD NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND SHOULD NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, SHOULD NOT BE FORWARDED TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES OF AMERICA OR TO A U.S. PERSON (AS DEFINED IN THE SECURITIES ACT). ANY SUCH FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED EXCHANGE OFFER MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTION MAY RESULT IN A VIOLATION OF THE SECURITIES ACT, THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND OTHER APPLICABLE LAWS AND REGULATIONS OF THE UNITED STATES OF AMERICA OR OTHER RELEVANT JURISDICTIONS.

Confirmation of your representation: You have been sent the attached Exchange Offer Memorandum at your request and on the basis that (i) you have confirmed to the relevant Dealer Manager or the Exchange Agent, as the case may be, being the sender of the attached Exchange Offer Memorandum and (ii) by accepting, reading or making any other use of the Exchange Offer Memorandum, you represent to each of the Dealer Managers, the Exchange Agent and the Company that:

- (a) you are a holder or a beneficial owner of the €500,000,000 Undated Subordinated Resettable Fixed Rate Notes with a First Reset Date in 2025 (ISIN: XS2250987356) issued by the Company (the "**Existing Notes**");
- (b) you are not a person to whom it is unlawful to send the attached Exchange Offer Memorandum or for the Company to make an invitation under the Exchange Offer under applicable laws and regulations (including, but not limited to, the Offer Restrictions set out below);
- (c) neither you nor any beneficial owner of the Existing Notes nor any other person on whose behalf you are acting, either directly or indirectly, is a U.S. person (as defined in the Securities Act) or a person located or resident in the United States;

- (d) you are not a Sanctions Restricted Person (as defined in the attached Exchange Offer Memorandum), save that this paragraph (d) shall not apply if and to the extent that such provision would result in a violation of, or conflict with, Council Regulation (EC) No. 2271/96 of 22 November 1996 (or any similar law or regulation in any Member State of the European Union or the United Kingdom) or any similar blocking or anti-boycott law or a violation of or conflict with the German Foreign Trade Regulation (*Außenwirtschaftsverordnung* or AWW), each as amended from time to time;
- (e) you consent to delivery of the attached Exchange Offer Memorandum to you by electronic transmission;
- (f) the email address that you have given to the relevant Dealer Manager and/or the Exchange Agent and to which the attached Exchange Offer Memorandum has been delivered is not located in the United States; and
- (g) you have understood and agreed to the terms set forth in this disclaimer.

The attached Exchange Offer Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, the Dealer Managers, the Exchange Agent or any person who controls, or is a director, officer, employee, agent or affiliate of, any such person accepts any liability or responsibility whatsoever in respect of any difference between the attached Exchange Offer Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Dealer Managers or the Exchange Agent.

You are reminded that the attached Exchange Offer Memorandum has been delivered to you on the basis that you are a person into whose possession the Exchange Offer Memorandum may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located or resident and you may not, nor are you authorised to, deliver, transmit, forward or otherwise distribute the Exchange Offer Memorandum, directly or indirectly, to any other person.

Custodians should submit an Instruction Notice (in accordance with the process described in the attached Exchange Offer Memorandum under the heading "*Procedure for submitting Offers to Participate*") in respect of each beneficial holding of Existing Notes and should not aggregate such holdings into a composite instruction. Failure to comply may result in significant difficulties in delivering the correct consideration on the Settlement Date.

Offer Restrictions: Nothing in the attached Exchange Offer Memorandum or this electronic transmission constitutes an offer to buy or the solicitation of an offer to sell securities in the United States or any other jurisdiction in which such offer or solicitation would be unlawful. The Exchange Offer is subject to offer restrictions in, amongst other jurisdictions, the United States, the European Economic Area (the "**EEA**"), the United Kingdom (the "**UK**"), Italy, Belgium and France.

The information contained in this email message and any files transmitted with it are confidential information intended only for the use of the individual or entity to whom it is addressed. Distribution of the electronic copy of the attached Exchange Offer Memorandum to any person other than (a) the person receiving this electronic transmission from the Dealer Managers or the Exchange Agent and (b) any person retained to advise the person receiving this electronic transmission with respect to the Exchange Offer contemplated by the attached Exchange Offer Memorandum (each, an "**Authorised Recipient**") is unauthorised. Any photocopying, disclosure or alteration of the contents of the attached Exchange Offer Memorandum and any forwarding of a copy of the attached Exchange Offer Memorandum or any portion thereof by electronic mail or any other means to any person other than an Authorised Recipient is prohibited. By accepting delivery of the attached Exchange Offer Memorandum, each recipient hereof agrees to the foregoing.

Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No EEA or UK PRIIPs key information document has been prepared as the Exchange Notes will not be made available to retail investors in the EEA or the UK.

Insofar as the communication in the attached Exchange Offer Memorandum and such documents and/or materials is made to or directed at relevant persons, any investment or investment activity to which it relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on the attached Exchange Offer Memorandum or any of its contents.

The materials relating to the Exchange Offer do not constitute, and may not be used in connection with, any form of offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the Exchange Offer be made by a licensed broker or dealer and the Dealer Managers or any affiliate thereof is a licensed broker or dealer in that jurisdiction, the Exchange Offer shall be deemed to be made by the Dealer Managers or such affiliate on behalf of the Company in that jurisdiction.

The distribution of the attached Exchange Offer Memorandum may be restricted by law in certain jurisdictions. Persons into whose possession the Exchange Offer Memorandum comes are required by the Company, the Dealer Managers and the Exchange Agent to inform themselves about, and to observe, any such restrictions.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY TO ANY U.S. PERSON AS DEFINED IN REGULATION S OF THE SECURITIES ACT 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES OF AMERICA, ITS TERRITORIES AND POSSESSIONS (COLLECTIVELY, THE "UNITED STATES") OR IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS EXCHANGE OFFER MEMORANDUM.

The Exchange Offer Memorandum and the Preliminary Prospectus (as defined herein) contain and incorporate by reference important information which should be read carefully before any decision is made to participate in the Exchange Offer. If you are in any doubt as to the action you should take, you are recommended to seek your own financial, legal, regulatory and investment advice, including in respect of any tax consequences, immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser or legal adviser.

This Exchange Offer Memorandum is dated 16 June 2025.

This Exchange Offer Memorandum is important and requires immediate attention.

Invitation by



Innovative by nature

Lenzing Aktiengesellschaft

(a stock company established under the laws of Austria)

(the "Company")

to the Qualifying Holders (as defined herein) of its outstanding:

€500,000,000 Undated Subordinated Resettable Fixed Rate Notes

with a First Reset Date in 2025

(ISIN: XS2250987356)

(the "Existing Notes")

to offer to exchange any and all of the Existing Notes for

Euro-Denominated Undated Subordinated Resettable Fixed Rate Notes

with a First Reset date in 2028

to be issued by the Company at an issue price of 100% of their aggregate principal amount

(the "Exchange Notes")

and a Cash Consideration

subject to the satisfaction or waiver of the Minimum Condition and the other conditions described herein

(the "Exchange Offer")

The Exchange Offer:

Description of the Existing Notes	ISIN / Common Code	Outstanding Principal Amount	First Call Date / First Reset Date	Coupon Frequency	Current Fixed Rate of Interest	Exchange Consideration being the sum of:		Amount subject to the Offer
						Principal Amount of Exchange Notes per Qualifying Holder	Cash Consideration per Qualifying Holder	
€500,000,000 Undated Subordinated Resettable Fixed Rate Notes with a first reset date in 2025	XS2250987 356 / 225098735	€500,000,000	7 September 2025 / 7 December 2025	Annual	5.750% <i>per annum</i>	90% × aggregate principal amount of Existing Notes accepted for exchange pursuant to the Exchange Offer ⁽¹⁾	An amount in cash equal to 10% × aggregate principal amount of Existing Notes accepted for exchange pursuant to the Exchange Offer ^{(1) (2)}	Any and all, subject to the Maximum Cash Amount

- (1) Subject to rounding as further described herein. As a result of any such rounding, the proportion of Exchange Notes and Cash Consideration constituting the Exchange Consideration will vary between Qualifying Holders. Any such rounding will be final and binding on the relevant Qualifying Holders, absent manifest error.
- (2) In addition to the applicable Cash Consideration, the Company will pay the accrued and unpaid interest to, but excluding, the Settlement Date on the Existing Notes that are accepted for exchange pursuant to the Exchange Offer. The calculation of accrued and unpaid interest will be made by or on behalf of the Company and such calculations will be final and binding on the relevant Qualifying Holders, absent manifest error.

Description of the Exchange Notes	Issue Price	Coupon Frequency	Initial Fixed Rate of Interest	First Call Date / First Reset Date	Reset Rate of Interest	Maturity
Euro denominated Undated Subordinated Resettable Fixed Rate Notes with a first reset date in 2028	100%	Semi-Annual on each 9 July and 9 January	To be determined pursuant to the Exchange Offer in a range between 9.0 % and 9.5 % <i>per annum</i>	First Call Date: 9 April 2028 First Reset Date: 9 July 2028	Euro mid swap rate for the relevant reset period plus initial margin + 500bps step-up	Perpetual

In the event of a dissolution, liquidation or insolvency of the Issuer, the Exchange Notes will rank senior to the Existing Notes. Consequently, should the Issuer decide to defer interest payments under the Existing Notes in accordance with the conditions of the Existing Notes, any payment of interest under the Exchange Notes will not result in an obligation for the Issuer to also pay any such deferred interest under the Existing Notes.

Concurrently with this Exchange Offer, the Company is proposing to issue euro-denominated undated subordinated resettable fixed rate notes with a first reset date in 2028 (the "**New Money Notes**") and, together with the Exchange Notes, the "**New Notes**") in a separate offering (the "**New Money Notes Offering**"), for cash consideration.

The Exchange Notes and the New Money Notes, if any, will have identical terms and form a single series of notes issued on the Settlement Date.

If successful, any proceeds from the New Money Notes Offering will also be used for (i) general corporate purposes and (ii) the payment of the Cash Consideration as well as accrued and unpaid interest on Existing Notes accepted for exchange in the Exchange Offer.

The occurrence of the Settlement Date will be conditioned upon the completion of the issue of Exchange Notes and New Money Notes, if issued, in a combined aggregate principal amount equal to € 300,000,000 (the "**Minimum Condition**"), as may be amended, modified or waived.

CAPITALISED TERMS USED IN THIS EXCHANGE OFFER MEMORANDUM AND NOT OTHERWISE DEFINED HEREIN SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE SECTION ENTITLED "*DEFINITIONS*" OF THIS EXCHANGE OFFER MEMORANDUM.

THE EXCHANGE OFFER IS MADE ON THE TERMS AND SUBJECT TO THE CONDITIONS SET OUT IN THIS EXCHANGE OFFER MEMORANDUM.

UNDER THE EXCHANGE OFFER, THE COMPANY INVITES (SUBJECT TO THE OFFER RESTRICTIONS SET OUT BELOW) QUALIFYING HOLDERS OF EXISTING NOTES TO PARTICIPATE IN THE EXCHANGE OFFER, ON THE TERMS AND SUBJECT TO THE CONDITIONS SET FORTH HEREIN. THE COMPANY RESERVES THE RIGHT TO EXTEND, WITHDRAW, TERMINATE OR AMEND THE TERMS AND CONDITIONS OF THE EXCHANGE OFFER AT ANY TIME FOLLOWING THE ANNOUNCEMENT OF THE EXCHANGE OFFER, AS DESCRIBED HEREIN.

THE EXCHANGE OFFER WILL COMMENCE ON 16 JUNE 2025 AND WILL EXPIRE AT 5:00 P.M. (CEST) ON 2 JULY 2025, UNLESS EXTENDED, WITHDRAWN, AMENDED OR TERMINATED AT THE SOLE AND ABSOLUTE DISCRETION OF THE COMPANY.

THE DEADLINE SET BY ANY INTERMEDIARY OR CLEARING SYSTEM FOR DELIVERY AND/OR RECEIVING ORDERS AND/OR OTHERWISE COMPLYING WITH THE PROCESS OF THE EXCHANGE OFFER WILL BE EARLIER THAN THIS DEADLINE. PLEASE NOTE THAT THE DEADLINES FOR THE RELEVANT CLEARING SYSTEM TO RECEIVE ORDERS FROM PARTICIPANTS WILL BE EARLIER THAN THE APPLICABLE EXPIRATION TIME SPECIFIED IN THIS EXCHANGE OFFER MEMORANDUM.

THE INDICATIVE TERMS AND CONDITIONS OF THE EXCHANGE NOTES ARE DESCRIBED IN THE ATTACHED PRELIMINARY PROSPECTUS. APPLICATION WILL BE MADE TO LIST AND ADMIT TO TRADING THE EXCHANGE NOTES ON THE EURO MTF MARKET OPERATED BY THE LUXEMBOURG STOCK EXCHANGE.

THIS EXCHANGE OFFER MEMORANDUM DOES NOT COMPRISE A PROSPECTUS FOR THE PURPOSES OF REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 14 JUNE 2017, AS AMENDED (THE "PROSPECTUS REGULATION") AND HAS NOT BEEN APPROVED, FILED OR REVIEWED BY ANY COMPETENT AUTHORITY, NOR HAS ANY COMPETENT AUTHORITY ISSUED ANY REPORT REGARDING THE ACCURACY OR ADEQUACY OF THIS EXCHANGE OFFER MEMORANDUM.

PRIOR TO MAKING A DECISION AS TO WHETHER TO PARTICIPATE IN THE EXCHANGE OFFER, QUALIFYING HOLDERS SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION IN THIS EXCHANGE OFFER MEMORANDUM AND, IN PARTICULAR, THE RISK FACTORS DESCRIBED IN THE SECTION ENTITLED "*RISK FACTORS*" IN THIS EXCHANGE OFFER MEMORANDUM AND IN THE ATTACHED PRELIMINARY PROSPECTUS (THE "PRELIMINARY PROSPECTUS RISK FACTORS").

Lead Dealer Managers

BNP PARIBAS

UNICREDIT

Dealer Managers

ERSTE GROUP

J.P. MORGAN

**RAIFFEISEN BANK
INTERNATIONAL**

This Exchange Offer Memorandum (including the Preliminary Prospectus set out in Annex 1) contains important information that Qualifying Holders are urged to read before any decision is made with respect to their participation in the Exchange Offer. Qualifying Holders must make their own decision as to whether to participate in the Exchange Offer, and if so, the principal amount of Existing Notes with which to participate. Qualifying Holders should consult their own tax, accounting, financial, legal, regulatory and investment advisers as they deem appropriate regarding the suitability of the tax, accounting, financial, legal, regulatory and investment consequences of participating or declining to participate in the Exchange Offer.

Qualifying Holders wishing to participate in the Exchange Offer should do so in accordance with the procedures described herein under the heading "*Procedure for submitting Offers to Participate*". Qualifying Holders may contact the Dealer Managers for assistance in answering questions concerning the terms of the Exchange Offer and the Exchange Notes at the respective addresses set forth on the back cover page of this Exchange Offer Memorandum. Questions relating to the procedures for participating in the Exchange Offer, including the blocking of Existing Notes with Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream**") (as applicable) should be addressed exclusively to the Exchange Agent at the address set forth on the back cover page of this Exchange Offer Memorandum.

Beneficial owners of Existing Notes are advised to check with any bank, securities broker or other intermediary through which they hold Existing Notes when such intermediary would need to receive their instructions in order to participate in the Exchange Offer by the deadlines specified in this Exchange Offer Memorandum.

The deadlines set by any such intermediary, Euroclear and Clearstream for the submission of Instruction Notices will be earlier than the relevant deadlines specified in this Exchange Offer Memorandum.

No dealer, salesperson or other person has been authorised to give any information or to make any representation not contained in this Exchange Offer Memorandum (including the Preliminary Prospectus set out in Annex 1), and, if given or made, such information or representation may not be relied upon as having been authorised by the Company, the Exchange Agent or the Dealer Managers.

None of the Dealer Managers or the Exchange Agent has independently verified, makes any representation or warranty, express or implied, regarding, or assumes any responsibility for, the accuracy or adequacy of the information provided herein.

The Exchange Agent is an agent of the Company and none of the Exchange Agent or any of the Dealer Managers owe, or shall be deemed to owe, any duty to any Qualifying Holder of Existing Notes.

None of the Company, the Dealer Managers, the Exchange Agent or their respective affiliates (or their respective directors, officers, employees, agents or advisers) expresses any opinion about the terms of the Exchange Offer or makes any recommendation as to whether or not Qualifying Holders should make or refrain from making an Offer to Participate (as defined below) in respect of Existing Notes held by them and no person has been authorised by the Company, the Dealer Managers or the Exchange Agent or any of their respective affiliates (or any of their respective directors, officers, employees, agents or advisers) to make such recommendation.

No person has been authorised to give any information or to make any representation about the Company (together with its consolidated subsidiaries taken as a whole, the "**Group**"), the Existing Notes, the Exchange Notes or the Exchange Offer other than as contained in this Exchange Offer Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Company, the Dealer Managers, the Exchange Agent or their respective affiliates (or any of their respective directors, officers, employees, agents or advisers).

The Exchange Offer does not constitute an offer to buy, sell or exchange or the solicitation of an offer to buy, sell or exchange the Existing Notes in any jurisdiction in which such offer or solicitation would be unlawful or would not be in compliance with the laws or regulations of such jurisdiction. Offers to Participate will not be accepted from Qualifying Holders located or resident in any jurisdiction in which such solicitation or offer would be unlawful. In particular, the distribution of this Exchange Offer Memorandum in certain jurisdictions may be restricted by law (as more fully disclosed in "*Offer Restrictions*" below).

Neither the delivery of this Exchange Offer Memorandum, any acceptance of an Offer to Participate nor any acquisition of Existing Notes shall, under any circumstances, create any implication that the information contained herein is current as of any time subsequent to the date of such information or that there has been no change in the information set out in it or in the affairs of the Company or the Group since the date of this Exchange Offer Memorandum.

No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any of the Dealer Managers, the Exchange Agent, their respective affiliates (or their respective directors, officers, employees, agents or advisers) as to the accuracy or completeness of the information contained in this Exchange Offer Memorandum or any other information provided by the Company in connection with the Exchange Offer. None of the Dealer Managers, the Exchange Agent, their respective affiliates (or their respective directors, officers, employees, agents or advisers) accept any liability with respect to any Qualifying Holder in relation to the information contained in this Exchange Offer Memorandum or any other information provided by the Company in connection with the Exchange Offer.

In the ordinary course of their respective businesses, the Dealer Managers, the Exchange Agent and/or their respective affiliates are entitled to hold positions in the Existing Notes either for their own account or for the account, directly or indirectly, of third parties. The Dealer Managers, the Exchange Agent and their respective affiliates are entitled to continue to hold or dispose of, in any manner they may elect, any Existing Notes they may hold as at the date of this Exchange Offer Memorandum or, from such date, to acquire further Existing Notes, subject to applicable laws, and may or may not submit Offers to Participate in respect of such Existing Notes. No such submission or non-submission by any of the Dealer Managers, the Exchange Agent or their respective affiliates should be taken by any Existing Noteholder or any other person as any recommendation or otherwise by the Dealer Managers, the Exchange Agent or their respective affiliates, as the case may be, as to the merits of participating or not participating in the Exchange Offer.

Qualifying Holders who do not participate in the Exchange Offer, or whose Existing Notes are not accepted by the Company, will continue to hold their Existing Notes, subject to the terms and conditions of such Existing Notes.

All references in this Exchange Offer Memorandum to "**euro**", "**EUR**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended.

For the avoidance of doubt, nothing in this Exchange Offer Memorandum or the electronic transmission thereof constitutes an offer to sell or the solicitation of an offer to buy the New Money Notes.

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TERMS OF THE EXCHANGE OFFER

Introduction to the Exchange Offer

On the terms and subject to the conditions contained in this Exchange Offer Memorandum, including the offer restrictions contained herein, the Company invites Qualifying Holders, in respect of any and all of the Existing Notes, to offer to exchange such Existing Notes in the Exchange Offer for the Exchange Consideration (as further described below), subject to the satisfaction or waiver of the Minimum Condition and the other conditions described herein.

Subject to the conditions contained in this Exchange Offer Memorandum, the Company will accept all Offers to Participate that are validly made and not validly withdrawn.

In the event of a dissolution, liquidation or insolvency of the Issuer, the Exchange Notes will rank senior to the Existing Notes. Consequently, should the Issuer decide to defer interest payments under the Existing Notes in accordance with the conditions of the Existing Notes, any payment of interest under the Exchange Notes will not result in an obligation for the Issuer to also pay any such deferred interest under the Existing Notes.

Concurrently with this Exchange Offer, the Company is proposing to issue euro-denominated undated subordinated resettable fixed rate notes with a first reset date in 2028 (the "**New Money Notes**" and, together with the Exchange Notes, the "**New Notes**") in a separate offering (the "**New Money Notes Offering**"), for cash consideration.

The Exchange Notes and the New Money Notes, if any, will have identical terms and form a single series of notes issued on the Settlement Date.

Qualifying Holders should refer to the section "*Key Terms of the Existing Notes and the Exchange Notes*" for further information.

If successful, any proceeds from the New Money Notes Offering will be used for (i) general corporate purposes and (ii) the payment of the Cash Consideration as well as accrued and unpaid interest on Existing Notes accepted for exchange in the Exchange Offer.

The occurrence of the Settlement Date will be conditioned upon the completion of the issue of Exchange Notes and to the extent completed, the New Money Notes.

Rationale for the Exchange Offer

The Company is undertaking the concurrent transactions to optimize its debt profile and improve its financing cost.

Any Existing Notes accepted and exchanged by the Company pursuant to the Exchange Offer will be cancelled and will not be reissued or resold. Existing Notes which have not been validly submitted, accepted and exchanged by the Company pursuant to the Exchange Offer will remain outstanding.

Exchange Consideration

Subject to the conditions contained in this Exchange Offer Memorandum, including the satisfaction or waiver of the Minimum Condition, the Exchange Consideration to be delivered by the Company on the Settlement Date to a Qualifying Holder for Existing Notes which have been validly offered for exchange by such Qualifying Holder and accepted by the Company will consist of a combination of (a) Exchange Notes in an

aggregate principal amount equal to 90 per cent. of the aggregate principal amount of such Existing Notes (see "*Principal Amount of Exchange Notes per Qualifying Holder*" below for further information) and (b) the relevant Cash Consideration (see "*Cash Consideration*" below for further information).

Principal Amount of Exchange Notes per Qualifying Holder

Subject to the conditions contained in this Exchange Offer Memorandum, including the satisfaction or waiver of the Minimum Condition, each Qualifying Holder whose Existing Notes have been validly offered for exchange and accepted by the Company will be entitled to receive the relevant Principal Amount of Exchange Notes per Qualifying Holder as part of the Exchange Consideration, on the Settlement Date (as defined below).

The Principal Amount of Exchange Notes per Qualifying Holder in respect of Existing Notes validly offered for exchange and accepted by the Company (the "**Principal Amount of Exchange Notes per Qualifying Holder**") will be calculated as follows:

Principal Amount of Exchange Notes per Qualifying Holder

(in € and rounded down to (i) the nearest €100,000 or (ii) in respect of any Principal Amount of Exchange Notes that is less than €100,000, €0) =

$90\% \times$ aggregate principal amount of Existing Notes validly offered for exchange by the Qualifying Holder and accepted for exchange by the Company pursuant to the Exchange Offer

To ensure that the Principal Amount of Exchange Notes per Qualifying Holder to be received by the Qualifying Holder under the Exchange Offer will be at least €100,000 (being the minimum denomination of the Exchange Notes) and multiples thereof, the relevant Principal Amount of Exchange Notes per Qualifying Holder will be rounded down to (i) the nearest €100,000 or (ii) in respect of any Principal Amount of Exchange Notes that is less than €100,000, €0.

In compensation for any such rounding, the related Cash Consideration per Qualifying Holder will be increased by an amount equal to the amount by which the relevant Principal Amount of Exchange Notes per Qualifying Holder is rounded down.

Any such rounding will be final and binding on the relevant Qualifying Holder, absent manifest error.

Cash Consideration

Subject to the conditions contained in this Exchange Offer Memorandum, including the satisfaction or waiver of the Minimum Condition, each Qualifying Holder whose Existing Notes have been validly offered for exchange and accepted by the Company will be entitled to receive the relevant Cash Consideration per Qualifying Holder as part of the Exchange Consideration on the Settlement Date.

The Cash Consideration per Qualifying Holder in respect of Existing Notes validly offered for exchange and accepted by the Company (the "**Cash Consideration per Qualifying Holder**") will be calculated as follows:

Cash Consideration per Qualifying Holder

(in € and rounded to the nearest €0.01, with half a cent being rounded upwards) =

$10\% \times$ aggregate principal amount of Existing Notes validly offered for exchange by the Qualifying Holder and accepted for exchange by the Company pursuant to the Exchange Offer

Where the Principal Amount of Exchange Notes per Qualifying Holder is subject to rounding as described above, the relevant Cash Consideration per Qualifying Holder will be increased by an amount equal to the amount by which the related Principal Amount of Exchange Notes per Qualifying Holder is rounded down.

For the avoidance of doubt: The Cash Consideration will always constitute at least 10% of the nominal value of the total Exchange Consideration.

Different proportion of Exchange Notes and Cash Consideration

As a result of any such rounding, the proportion of Exchange Notes and Cash Consideration constituting the Exchange Consideration will vary between Qualifying Holders.

Acceptance, Maximum Cash Amount and Scaling

Subject to the Maximum Cash Amount (as described below), the Company may accept for exchange any and all of the Existing Notes tendered.

The Company reserves the right to reject or accept any Existing Notes submitted in the Exchange Offer pursuant to this Exchange Offer Memorandum in its sole and absolute discretion.

The Company may reject Offers to Participate that it considers, in its sole and absolute discretion, not to have been validly made and the Company is under no obligation to any Qualifying Holder to provide any reason or justification for refusing to accept any such Offers to Participate.

Rejection of Existing Notes due to splitting of Instruction Notices

Should the Company conclude, in its absolute discretion, that a Qualifying Holder has specifically split its nominal amount of Existing Notes held to submit multiple Instruction Notices in order to increase the total Cash Consideration and reduce the principal amount of Exchange Notes to be delivered as a result of the rounding of the Cash Consideration, the Company reserves the right to reject all Instruction Notices from such Qualifying Holder.

Maximum Cash Amount, Final Acceptance Amount and Scaling

The total share of the Aggregate Cash Consideration in the aggregate Exchange Consideration under the Exchange Offer cannot be determined in advance due to the rounding of individual Cash Considerations per Qualifying Holder as described above.

The maximum available Aggregate Cash Consideration under the Exchange Offer is limited to €50,000,000 (excluding Accrued Interest) (the "**Maximum Cash Amount**"), subject to the right of the Company to modify the Maximum Cash Amount in its sole and absolute discretion.

Should the Company, in its sole and absolute discretion, determine that the Aggregated Cash Consideration for all Existing Notes validly tendered for exchange pursuant to the Exchange Offer would exceed the Maximum Cash Amount, the Company may decide to accept Existing Notes for exchange on a *pro rata* basis.

Such *pro rata* acceptance will be calculated by multiplying the aggregate principal amount of Existing Notes represented by each valid Offer to Participate by a factor (the "**Pro-Ration Factor**") derived from (i) the final principal amount of Existing Notes accepted by the Company for exchange pursuant to, and subject to the terms and conditions of, the Exchange Offer (the "**Final Acceptance Amount**") divided by (ii) the aggregate principal

amount of Existing Notes validly tendered for exchange in the Exchange Offer, subject to adjustments from rounding described below.

The Final Acceptance Amount will be determined by the Company in its sole and absolute discretion in such a way, the Aggregate Cash Consideration under the Exchange Offer will not exceed the Maximum Cash Amount.

Each Instruction Notice that is scaled pursuant to the Pro-Ration Factor will be rounded down to the nearest €100,000 in principal amount. In addition, in the event of any such scaling, the Company intends to apply *pro rata* scaling to each valid Instruction Notice that is scaled in such a manner as will result in both (a) the relevant Qualifying Holder transferring Existing Notes to the Company in an aggregate principal amount of at least €100,000 (being the minimum denominations of the Existing Notes), and (b) the relevant Qualifying Holder's residual amount of the Existing Notes (being the principal amount of the Existing Notes the subject of the Instruction Notice that are not accepted for purchase by virtue of such scaling) amounting to either (i) at least €100,000 or (ii) €0, and the Company therefore intends to adjust the Scaling Factor applicable to any relevant Instruction Notice accordingly.

Exchange Notes

The indicative terms of the Exchange Notes are described in the Preliminary Prospectus attached hereto as **Annex 1**.

The initial fixed rate of interest on the Exchange Notes until the first reset date (the "**Initial Fixed Rate of Interest**") will be determined following the Expiration Deadline in a range between 9.0 % and 9.5 % *per annum*. The Initial Fixed Rate of Interest will be announced as soon as reasonably practicable after the pricing of the New Notes (please see "*Publications and Announcements*" below).

Interest on the Exchange Notes will accrue from the Settlement Date in accordance with their terms.

The Exchange Notes will not be fungible with the Existing Notes. Accordingly, the Exchange Notes and the Existing Notes will trade under separate ISINs and Common Codes.

This Exchange Offer Memorandum does not constitute an offer to buy or exchange, or a solicitation of an offer to exchange or buy, any New Notes (and tenders of Existing Notes for exchange pursuant to the Exchange Offer will not be accepted from Holders) in any circumstances in which such offer or solicitation is unlawful. Any investment decision in relation to the New Notes should be made solely on the basis of the information contained in the Final Prospectus and no reliance is to be placed on any representations other than those contained in the Final Prospectus.

For the avoidance of doubt, the ability to purchase New Money Notes is subject to all applicable securities laws and regulations in force in any relevant jurisdiction (including the jurisdiction of the relevant investor and the selling restrictions set out in the Final Prospectus). It is the sole responsibility of each investor to satisfy itself that it is eligible to purchase the New Money Notes.

The New Notes are not being, and will not be, offered or sold in the United States. Nothing in this Exchange Offer Memorandum constitutes an offer to exchange or the solicitation of an offer to buy the New Notes in the United States or any other jurisdiction. The New Notes may not be offered, sold or delivered in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")) absent registration under, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of, the Securities Act and in accordance with all applicable securities laws of any state of the United States or any other jurisdiction. The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States.

Compliance information for the New Notes:

EU MiFID II professionals/ECPs-only/No EU PRIIPs or UK PRIIPs KID – eligible counterparties and professional clients only (all distribution channels). No sales to EEA or UK retail investors; no key information document has been or will be prepared.

No action has been or will be taken in any jurisdiction in relation to the New Notes that would permit a public offering of securities where such public offering would lead to a requirement to publish a prospectus or a similar requirement, and the minimum denomination of the New Notes will be €100,000.

Please refer to the section “Offer Restrictions” below and the Final Prospectus for further information.

Accrued Interest

In addition to the Cash Consideration, the Company will pay the Accrued Interest (as defined below) to, but excluding, the Settlement Date on the Existing Notes that are validly tendered and not validly withdrawn on or prior to the Expiration Time and accepted in the Exchange Offer. The calculation of Accrued Interest will be made by or on behalf of the Company and such calculations will be final and binding on the Qualifying Holders, absent manifest error. The payment of the Accrued Interest is made pursuant to the Exchange Offer and not the terms of the Existing Notes.

Offer Period, Expiration Deadline

The “**Offer Period**” will start on 16 June 2025 and end at 5:00 p.m. CEST on 2 July 2025 (the “**Expiration Time**”), unless extended, withdrawn, amended or terminated by the Company, in which case an announcement to that effect will be made by the Company. Qualifying Holders are invited to participate in the Exchange Offer from 16 June 2025 up to the Expiration Time, subject to earlier deadlines set by the Clearing Systems.

The Company will (subject to the conditions contained in this Exchange Offer Memorandum, including the Minimum Condition and the right of the Company to extend, terminate, withdraw or amend the terms and conditions of the Exchange Offer, as described herein) transfer (or procure the transfer of) on 9 July 2025 (the “**Settlement Date**”) the Exchange Consideration and any Accrued Interest, to each Qualifying Holder of Existing Notes who has validly participated in the Exchange Offer and whose Offer to Participate has been accepted.

Any Existing Notes accepted and exchanged by the Company pursuant to the Exchange Offer will be cancelled and will not be reissued or resold. Existing Notes which have not been validly submitted, accepted and exchanged by the Company pursuant to the Exchange Offer will remain outstanding.

In addition to the termination right provided below in “*Amendment, Withdrawal, Termination or Extension*”, the Company may terminate or withdraw the Exchange Offer at any time, if there has been threatened, instituted or pending any action or proceeding before any court or governmental, regulatory or administrative body that (i) makes or seeks to make illegal the exchange for, or acceptance of exchange for, any of the Existing Notes pursuant to the Exchange Offer; (ii) would or might result in a delay in, or restrict, the ability of the Company, to accept for exchange or to exchange for any of the Existing Notes; or (iii) imposes or seeks to impose limitations on the ability of the Company, to exchange or cancel the Existing Notes.

None of the Company, the Dealer Managers or the Exchange Agent or any of their respective affiliates (or any of their directors, officers, employees, agents or advisers) makes any recommendation as to whether or not Qualifying Holders should participate in the Exchange Offer.

EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED BELOW IN "MINIMUM CONDITION" AND AS DESCRIBED UNDER THE HEADING "AMENDMENT, WITHDRAWAL, TERMINATION OR EXTENSION", INSTRUCTION NOTICES, ONCE SUBMITTED, MAY NOT SUBSEQUENTLY BE WITHDRAWN OR REVOKED.

QUALIFYING HOLDERS ARE ADVISED TO CHECK WITH THE INTERMEDIARY THROUGH WHICH THEY HOLD THEIR EXISTING NOTES WHETHER SUCH INTERMEDIARY WOULD REQUIRE TO RECEIVE OFFERS TO PARTICIPATE IN THE EXCHANGE OFFER PRIOR TO THE DEADLINES SPECIFIED IN THIS EXCHANGE OFFER MEMORANDUM.

NONE OF THE COMPANY, THE DEALER MANAGERS OR THE EXCHANGE AGENT SHALL BE RESPONSIBLE FOR ANY FAILURE BY THE QUALIFYING HOLDERS OR ANY INTERMEDIARY TO TAKE ANY SUCH ACTION IN A TIMELY MANNER AND/OR IN COMPLIANCE WITH ALL APPLICABLE RULES, CONDITIONS OR REQUIREMENTS OF ANY SUCH INTERMEDIARY RESULTING IN THE EXISTING NOTES NOT BEING VALIDLY SUBMITTED PURSUANT TO THE EXCHANGE OFFER WITHIN THE APPLICABLE DEADLINES.

Minimum Condition

The occurrence of the Settlement Date will be conditioned upon, the completion of the issue of Exchange Notes and if successful, the New Money Notes in a combined aggregate principal amount equal to €300,000,000 (the "**Minimum Condition**"), as may be amended, modified or waived.

Without prejudice to the right of the Company to allow Qualifying Holders to revoke their Instruction Notice(s) in certain circumstances as further described in the section "*Amendment, Withdrawal, Termination or Extension*", if the Company modifies or waives the Minimum Condition, Qualifying Holders that submit Offers to Participate in the Exchange Offer prior to the announcement of such modification or waiver will have the right to withdraw such Offers to Participate for a period of (2) two business days starting on the date of such announcement (if the announcement is made by 9:00 a.m. CEST), or starting on the immediately following business day (if the announcement is made later than 9:00 a.m. CEST), which will in turn delay the Settlement Date by the same period. Subject to the provisions of section "*Amendment, Withdrawal, Termination or Extension*", no withdrawal rights will be available in any other circumstances.

Settlement Date

On the Settlement Date, which is expected to be the 5th Business Day following the Expiration Time, if the Minimum Condition has been satisfied or waived on or prior to such date, the Company will deliver the Cash Consideration and pay the Accrued Interest and issue the Exchange Notes in exchange for the Existing Notes validly tendered (and not validly withdrawn) on or before the Expiration Time and accepted in the Exchange Offer.

No Existing Notes will be exchanged into Exchange Notes, no Exchange Notes will be delivered, and no payment of Cash Consideration will be made if the Minimum Condition is not satisfied or waived or the Exchange Offer is terminated.

On and after the Settlement Date, the tendering Qualifying Holders whose Existing Notes have been exchanged by the Company will cease to be entitled to receive interest on such Existing Notes.

The Company will deliver the Cash Consideration and pay the Accrued Interest for each Qualifying Holder's validly tendered and not validly withdrawn and accepted Existing Notes by depositing the cash in immediately available funds therefor to the Clearing Systems for credit to the accounts of the relevant Qualifying Holders.

Under no circumstances will any additional interest be payable because of any delay in the transmission of funds with respect to accepted Existing Notes or otherwise.

Publications and Announcements

Please refer to the section entitled "*Expected Timetable*" below for details of expected dates of certain announcements to be made in connection with the Exchange Offer.

Announcements in connection with the Exchange Offer will be made by the Company by the delivery of notices to the Clearing Systems for communication to Direct Participants. Such announcements may also be made (a) on the relevant Informa IGM Screen Insider service and/or (b) on the website of the Luxembourg Stock Exchange and/or (c) by the issue of a press release to a Notifying News Service. Copies of all announcements, notices and press releases can also be obtained from the Exchange Agent, whose contact details are on the last page of this Exchange Offer Memorandum.

Qualifying Holders are informed that significant delays may be experienced in receiving notices through the Clearing Systems and Qualifying Holders are therefore urged to contact the Exchange Agent at the telephone numbers specified on the back cover of this Exchange Offer Memorandum for any relevant announcements during the Offer Period. All announcements will be made available upon their release at the offices of the Exchange Agent.

Participation by the Dealer Managers

Each of the Dealer Managers may, subject to the Offer Restrictions (see "*Offer Restrictions*"), submit Instruction Notices in respect of any Existing Notes that it holds either for its own account or for the account of any third party for which it holds, directly or indirectly, such Existing Notes.

Other actions affecting the Existing Notes

Whether or not the Exchange Offer is completed, the Company or its affiliates may from time to time following the expiration of the Exchange Offer take other actions that affect the Existing Notes, including:

- (i) acquiring Existing Notes, other than pursuant to the Exchange Offer, through open-market purchases, privately negotiated transactions, other exchange offers, tender offers or otherwise, upon such terms and at such prices as they may determine, which may be more or less than the prices to be paid pursuant to the Exchange Offer and could be for cash or other consideration; or
- (ii) redeeming the Existing Notes pursuant to the terms thereof.

The effect of any of these actions may directly or indirectly affect the price of any Existing Notes that remain outstanding after the completion of the Exchange Offer.

Costs and Expenses

Any charges, costs and expenses charged by an Existing Noteholder's Intermediary shall be borne by such Existing Noteholder.

Taxation

Qualifying Holders should consult their own tax advisers as to the tax consequences resulting from their participation in the Exchange Offer.

Governing law

This Exchange Offer Memorandum and each Instruction Notice and any non-contractual obligations arising in respect thereof shall be governed by and construed in accordance with German law. By submitting an Instruction Notice, a Qualifying Holder and the relevant Direct Participant irrevocably and unconditionally agree for the benefit of the Company, the Dealer Managers and the Exchange Agent that the competent courts of Germany are to have jurisdiction to settle any disputes that may arise out of or in connection with such Instruction Notice, this Exchange Offer Memorandum or the transactions contemplated thereby, and that, accordingly, any suit, action or proceedings arising out of or in connection with the foregoing may be brought in such courts.

EXPECTED TIMETABLE

Please note the following important dates and times relating to the Exchange Offer. Each is indicative only and is subject to the right of the Company to extend, amend, terminate and/or withdraw the Exchange Offer. Accordingly, the actual timetable may differ significantly from the expected timetable set out below.

None of the Company, the Exchange Agent or the Dealer Managers warrants that any or all of the events referred to below will take place as and/or when described including, in particular, in the case of any publications or announcements made through or via any Clearing System or a Notifying News Service, nor shall they be liable for any failure of any Clearing System to deliver any notices to Direct Participants or Existing Noteholders or of any Notifying News Service to publish a notice or announcement.

Events	Times and dates (All times are CEST)
Launch of the Exchange Offer Commencement of the Exchange Offer (and the New Money Notes Offering). The notice of the Exchange Offer is made available to Qualifying Holders on the website of the Luxembourg Stock Exchange and is submitted to the Clearing Systems. The Exchange Offer Memorandum is made available to Qualifying Holders via the Exchange Agent.	16 June 2025
Expiration Time The final deadline for Qualifying Holders to validly tender their Existing Notes for exchange. The Clearing Systems may, in accordance with their normal procedures, establish earlier deadlines for the tender of Existing Notes for exchange from Direct Participants.	5:00 p.m. on 2 July 2025 (unless otherwise extended, re-opened, amended or earlier terminated)
Pricing of New Notes Determination of the Initial Fixed Rate of Interest on the New Notes, which will be announced in the Exchange Offer Results Announcement	Expected on 3 July 2025
Exchange Offer Results Announcement Date Announcement of (i) whether the Company will accept valid Offers to Participate and, if so (ii) whether the Minimum Condition has been satisfied or waived and, if so (iii) the Initial Fixed Rate of Interest on the New Notes, (iv) the Final Acceptance Amount and (v) the final aggregate principal amount of Exchange Notes to be issued (vi) the Aggregate Cash Consideration to be paid to Qualifying Holders and (vii) any Pro-Ration Factor.	As soon as reasonably practicable after the Pricing of the New Notes
Settlement Date Assuming the Minimum Condition has been satisfied or waived on or prior to such date, the date on which the Cash Consideration and accrued and unpaid interest will be paid, and the Exchange Notes will be issued, in each case, in exchange for the Existing Notes validly tendered on or before the Expiration Time and accepted in the Exchange Offer.	Following the Expiration Time; the Company currently anticipate this date would be 9 July 2025 (which is expected to be 5 Business Days after the Expiration Time)

Qualifying Holders are advised to check with the bank, securities broker or any other intermediary through which they hold their Existing Notes whether any such bank, securities broker or other intermediary would need to receive instructions to participate in, or withdraw their instruction to participate in, the Exchange Offer prior to the deadlines set out above. The deadlines set by each Clearing System for the submission of Instruction Notices will be earlier than the relevant deadlines set out above, in which case Qualifying Holders should follow the deadlines imposed by the relevant Clearing Systems.

Significant delays may be experienced where notices are delivered through the Clearing Systems and Qualifying Holders are urged to contact the Dealer Managers or the Exchange Agent at the telephone numbers specified on the back cover of this Exchange Offer Memorandum to access the relevant announcements made by the Company during the Offer Period. All announcements will be made available upon release at the office of the Exchange Agent.

KEY TERMS OF THE EXISTING NOTES AND THE EXCHANGE NOTES

There are a number of differences between the Existing Notes and the Exchange Notes into which they would be exchanged under the Exchange Offer, and Existing Noteholders should carefully consider all such differences before any decision is made with respect to the Exchange Offer. The indicative terms and conditions of the Exchange Notes are set out in the Preliminary Prospectus attached hereto as **Annex 1**.

Capitalised terms used in this section but not defined herein shall, unless the context otherwise requires, have the meanings set out in (i) the prospectus dated 3 December 2020, in the case of the Existing Notes (the "**Existing Notes Prospectus**") or (ii) the Preliminary Prospectus, in the case of the Exchange Notes, as applicable.

For Existing Noteholders' convenience, the key terms of (i) the Existing Notes and (ii) the Exchange Notes are set out in the table below. The information contained in the table is a summary only and should not be deemed to be a complete description of the particular provision summarised. The summary below is qualified by reference to the relevant terms and conditions of the Existing Notes and the Exchange Notes, respectively. Existing Noteholders are advised to review such documents in their entirety.

	Existing Notes	Exchange Notes
	<i>Capitalised terms used in this column but not defined herein shall, unless the context otherwise requires, have the meanings set out in the Existing Notes Prospectus.</i>	<i>Capitalised terms used in this column but not defined herein shall, unless the context otherwise requires, have the meanings set out in the Preliminary Prospectus.</i>
Issuer	Lenzing Aktiengesellschaft	Lenzing Aktiengesellschaft
Maturity	The Existing Notes are undated securities with no specified maturity date.	The Exchange Notes are undated securities with no specified maturity date.
Status	<p>The obligations of the Issuer under the Notes constitute direct, unsecured and subordinated obligations of the Issuer ranking</p> <p>(a) subordinated to all unsubordinated and subordinated obligations of the Issuer which do not fall under (b) or (c),</p> <p>(b) <i>pari passu</i> amongst themselves and <i>pari passu</i> with all other unsecured obligations of the Issuer ranking subordinated to all unsubordinated and</p>	<p>The obligations of the Issuer under the Notes constitute direct, unsecured and subordinated obligations of the Issuer ranking:</p> <p>(a) subordinated to all Senior Obligations of the Issuer,</p> <p>(b) <i>pari passu</i> amongst themselves and with the rights and claims of creditors in respect of any Parity Obligations; and</p>

	Existing Notes	Exchange Notes
	<p><i>Capitalised terms used in this column but not defined herein shall, unless the context otherwise requires, have the meanings set out in the Existing Notes Prospectus.</i></p> <p>subordinated obligations of the Issuer (including any Parity Security), except for any subordinated obligations required to be preferred by mandatory provisions of law; and</p> <p>(c) senior only to the rights and claims of holders of Junior Securities such as ordinary shares and alike.</p>	<p><i>Capitalised terms used in this column but not defined herein shall, unless the context otherwise requires, have the meanings set out in the Preliminary Prospectus.</i></p> <p>(c) senior only to the rights and claims of creditors in respect of Junior Obligations (including the Existing Notes)</p>
Denomination	€100,000	€100,000
Early Redemption	<p>Callable with effect as of any date during the period from and including 7 September 2025 to and including the First Reset Date and on every interest payment date thereafter.</p> <p>Callable upon Gross-up Event, Tax Event, Accounting Event or in case of minimal outstanding aggregate principal amount.</p> <p>Callable upon a Change of Control.</p>	<p>Callable with effect as of any date during the period from 9 April 2028 to and including the First Reset Date and on every interest payment date thereafter</p> <p>Callable upon Gross-up Event, Tax Event, Accounting Event or in case of minimal outstanding aggregate principal amount.</p> <p>Callable upon a Change of Control</p>
Make-whole Redemption	Yes, as of any date prior to 7 September 2025.	Yes, as of any date prior to the first optional call date.
Interest	<p>Fixed Interest of 5.750% <i>per annum</i> until 7 December 2025 ("First Reset Date").</p> <p>Thereafter, annual interest at a rate equal to reference rate for relevant reset period plus margin of 1,120.8 basis points.</p>	<p>Fixed Interest in a range between 9.0 % and 9.5 % <i>per annum</i> until 9 July 2028 ("First Reset Date") as determined following the Expiration Deadline.</p> <p>Thereafter, annual interest at a rate equal to reference rate for relevant reset period plus the initial margin and plus a 500bps step-up.</p>

	Existing Notes	Exchange Notes
	<i>Capitalised terms used in this column but not defined herein shall, unless the context otherwise requires, have the meanings set out in the Existing Notes Prospectus.</i>	<i>Capitalised terms used in this column but not defined herein shall, unless the context otherwise requires, have the meanings set out in the Preliminary Prospectus.</i>
	Interest payable <u>annually</u> in arrear on 7 December each year.	Interest payable <u>semi-annually</u> in arrear on 9 July and 9 January each year.
Interest Deferral	Yes, optional deferral by Issuer. Deferral will not constitute event of default.	Yes, optional deferral by Issuer. Deferral will not constitute event of default.
Negative Pledge	No	No
No Events of Default	There are no events of default.	There are no events of default.
Issuer Substitution Provisions	Yes	Yes
Amendments to Terms and Conditions by Majority Consent	Yes	Yes
Listing and admission to trading	The Existing Notes are admitted to the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market of the Luxembourg Stock Exchange.	Application will be made for the Exchange Notes to be admitted to the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market of the Luxembourg Stock Exchange.
Ratings	Unrated	Unrated
Governing law	German law, except for the status provision, which is governed by the laws of the Republic of Austria.	German law, except for the status provision, which is governed by the laws of the Republic of Austria.

OFFER RESTRICTIONS

This Exchange Offer Memorandum does not constitute an invitation to participate in the Exchange Offer in or from any jurisdiction in or from which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws. The distribution of this Exchange Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this Exchange Offer Memorandum comes are required by each of the Company, the Dealer Managers and the Exchange Agent to inform themselves about and to observe, any such restrictions.

The Company has not filed this Exchange Offer Memorandum with, and it has not been reviewed by, any federal or state securities commission or regulatory authority of any jurisdiction.

Offers to Participate may be submitted only by, or on behalf of, Qualifying Holders that are (or hold on behalf of beneficial owners that are) eligible to submit such Offers to Participate and to receive Exchange Notes in accordance with the offer and distribution restrictions set forth below, and that can make the representations set forth herein under "*Procedures for submitting Offers to Participate*". Offers to Participate submitted by, or on behalf of, holders or beneficial owners of Existing Notes that are not Qualifying Holders will not be accepted, and Exchange Notes will not be issued or delivered to, or for the account of, such holders or beneficial owners.

United States

The Exchange Notes have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States.

The Exchange Offer is not being made and will not be made directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, email and other forms of electronic transmission) of interstate or foreign commerce of, or any facility of a national securities exchange in the United States or to U.S. Persons as defined in Regulation S of the U.S. Securities Act of 1933, as amended (the "**Securities Act**") (each a "**U.S. Person**") and the Existing Notes may not be submitted into the Exchange Offer by any such use, means, instrumentality or facility from or within the United States, by persons located or resident in the United States or by U.S. Persons.

Accordingly, copies of this Exchange Offer Memorandum and any documents or materials related to the Exchange Offer is not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any persons located or resident in the United States.

Any purported Offer to Participate in response to this Exchange Offer Memorandum resulting directly or indirectly from a violation of these restrictions will be invalid and Offers to Participate made by a person located or resident in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or any U.S. Person will not be accepted.

This Exchange Offer Memorandum is not an offer of securities for sale in the United States or to U.S. persons. Securities may not be offered or sold in the United States absent registration or an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. The Exchange Notes have not been, and will not be, registered under the Securities Act, or the securities laws of any state or jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to or for the account or benefit of U.S. persons. The purpose of this Exchange Offer Memorandum is limited to the Exchange Offer and this Exchange Offer Memorandum may not be sent or given to any person other than a non-U.S. person in an offshore transaction in accordance with Regulation S under the Securities Act.

For the purposes of the above paragraph, "**United States**" means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

European Economic Area

This Exchange Offer Memorandum does not constitute a prospectus for the purposes of the Prospectus Regulation.

In any European Economic Area ("**EEA**") member state (each, a "**Member State**"), this Exchange Offer Memorandum and any other documents or materials relating to the Exchange Offer are only addressed to and is only directed at qualified investors, within the meaning of the Prospectus Regulation, in that Member State.

This Exchange Offer Memorandum has been prepared on the basis that the Exchange Offer in any Member State will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus.

Each person in a Member State who receives any communication in respect of the Exchange Offer contemplated in this Exchange Offer Memorandum will be deemed to have represented, warranted and agreed to and with each of the Dealer Managers and the Company that it is a qualified investor within the meaning of Article 2(e) of the Prospectus Regulation.

United Kingdom

This Exchange Offer Memorandum and any other documents or materials relating to the Exchange Offer are only addressed to and is only directed at qualified investors, within the meaning of the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**").

Neither the communication of this Exchange Offer Memorandum nor any other documents or materials relating to the Exchange Offer is being made or directed at, and this Exchange Offer Memorandum has not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, this Exchange Offer Memorandum and/or such other offer material is not being distributed to or directed at, and must not be passed on to, the general public in the United Kingdom. Rather, the communication of this Exchange Offer Memorandum is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 43 or Article 49(2)(a) to (e) of the Financial Promotion Order (all such persons together being referred to as "**Relevant Persons**"). The Exchange Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Exchange Notes will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Exchange Offer Memorandum or any of its contents.

Italy

None of the Exchange Offer, this Exchange Offer Memorandum or any other documents or materials relating to the Exchange Offer have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**"), pursuant to applicable Italian laws and regulations.

The Exchange Offer may only be carried out in Italy pursuant to an exemption under article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "**Issuers' Regulation**").

Existing Noteholders that are resident or located in Italy can participate in the Exchange Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each Intermediary must comply with the applicable laws and regulations concerning information duties vis-a-vis its clients in connection with the Existing Notes or the Exchange Offer.

Belgium

The Exchange Offer is not being made, and will not be made or advertised, directly or indirectly, to any individual in Belgium qualifying as a consumer within the meaning of Article I.1, 2o of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and this Exchange Offer Memorandum or any other documents or materials relating to the Exchange Offer have not been and shall not be distributed, directly or indirectly, in Belgium to Belgian Consumers.

France

The Exchange Offer is not being made, directly or indirectly, to the public in the Republic of France. This Exchange Offer Memorandum and any other document or offering material relating to the Exchange Offer may not be distributed, directly or indirectly, in the Republic of France except to qualified investors (*investisseurs qualifiés*) as defined in Article 2(e) of Regulation (EU) 2017/1129, as amended. This Exchange Offer Memorandum has not been and will not be submitted for clearance to, nor has it been approved by the Autorité des Marchés Financiers.

General

This Exchange Offer Memorandum does not constitute an offer to buy or the solicitation of an offer to sell Exchange Notes, and Offers to Participate will not be accepted from Qualifying Holders in any circumstances in which such offer or solicitation is unlawful.

In addition to the representations referred to above in respect of the United States, each holder of Existing Notes participating in the Exchange Offer will also be deemed to give certain representations in respect of the other jurisdictions referred to above and generally as set out in "*Procedure for submitting Exchange Offer to Participate*". Any Offer to Participate from a Qualifying Holder that is unable to make these representations will not be accepted. Each of the Company, the Dealer Managers and the Exchange Agent reserves the right, in its sole and absolute discretion, to investigate, in relation to Offers to Participate, whether any such representation given by a Qualifying Holder is correct and, if such investigation is undertaken and as a result the Company or the Exchange Agent on the Company's behalf determines (for any reason) that such representation is not correct, such Offer to Participate shall not be accepted.

None of the Company, the Dealer Managers or the Exchange Agent or any of their respective affiliates (or any of their respective directors, officers, employees, agents or advisers) makes any recommendation whatsoever regarding this Exchange Offer Memorandum or the Exchange Offer.

None of the Company, the Dealer Managers, the Exchange Agent or any of their respective affiliates (or any of their respective directors, officers, employees, agents or advisers) makes any recommendation as to whether or not Qualifying Holders should participate in the Exchange Offer.

RISK FACTORS

*Prior to making a decision as to whether to participate in the Exchange Offer, Existing Noteholders should consider carefully, in light of their own financial circumstances and investment objectives, all the information set forth in this Exchange Offer Memorandum and the Preliminary Prospectus attached in **Annex 1** hereto in evaluating whether to participate in the Exchange Offer.*

Existing Noteholders should make such inquiries as they think appropriate regarding the terms of the Exchange Offer and the Company as applicable, all without relying on the Company, the Dealer Managers, the Exchange Agent or any other person. The following section and the Preliminary Prospectus Risk Factors do not describe all of the risks of participating in the Exchange Offer for Existing Noteholders.

The Exchange Notes will rank senior to the Existing Notes and payments under the Exchange Notes will not trigger a mandatory payment of deferred interest under Existing Notes

In the event of a dissolution, liquidation or insolvency of the Issuer, the Exchange Notes will rank senior to the Existing Notes. Consequently, should the Issuer decide to defer interest payments under the Existing Notes in accordance with the conditions of the Existing Notes, any payment of interest under the Exchange Notes will not result in an obligation for the Issuer to also pay any such deferred interest under the Existing Notes.

Qualifying Holders should refer to the section "*Key Terms of the Existing Notes and the Exchange Notes*" for further information.

Uncertainty as to the trading market of outstanding Existing Notes after completion of the Exchange Offer

The Existing Notes accepted for exchange or purchase by the Company pursuant to the Exchange Offer will be cancelled promptly thereafter and will not be re-issued or re-sold. Although the Existing Notes will continue to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the Euro MTF Market operated by the Luxembourg Stock Exchange, the trading market for the Existing Notes that remain outstanding following completion of the Exchange Offer may be significantly more limited. Such remaining Existing Notes may command a lower price than a comparable issue of securities with greater market liquidity. A reduced market value and liquidity may also make the trading price of such remaining Existing Notes more volatile. As a result, the market price for Existing Notes that remain outstanding after the completion of the Exchange Offer may be adversely affected as a result of the Exchange Offer. None of the Company, the Dealer Managers or the Exchange Agent (or any of their respective affiliates) has any duty to make a market in any such remaining Existing Notes.

Uncertainty as to the trading market for Exchange Notes

While the Company intends to apply for admission of the Exchange Notes on the official list of the Luxembourg Stock Exchange and to trading on the Euro MTF Market operated by the Luxembourg Stock Exchange, this does not ensure that a trading market in the Exchange Notes will develop. Although the Exchange Notes are the type of securities for which there may currently be a trading market, there can be no assurance of future liquidity. There is no obligation to make a market in the Exchange Notes.

No obligation to accept Offers to Participate by the Company

No assurance can be given that any Existing Notes validly submitted in the Exchange Offer will be accepted by the Company. The acceptance of any Existing Notes validly submitted in the Exchange Offer is at the sole and

absolute discretion of the Company and the Company reserves the absolute right not to accept any Existing Notes validly submitted pursuant to the Exchange Offer. The Company shall have no liability to any person for any refusal to accept an Offer to Participate and the Company is under no obligation to Qualifying Holders to furnish any reason or justification for refusing to accept any such Offer to Participate. In particular, Offers to Participate may be rejected if the Minimum Condition is not satisfied or waived, the Exchange Offer is terminated or withdrawn, if the Exchange Offer does not comply with the relevant laws or requirements of a particular jurisdiction, or for any other reason.

Rejection of Offers to Participate due to splitting of Instruction Notices

Should the Company conclude, in its absolute discretion, that a Qualifying Holder has specifically split its nominal amount of Existing Notes held to submit multiple Instruction Notices in order to increase the total Cash Consideration and reduce the amount of Exchange Notes to be delivered as a result of the rounding of the Cash Consideration, the Company reserves the right to reject all Instruction Notices from such Qualifying Holder.

Offers to Participate may be accepted on a Pro Rata Basis

Should the Company, in its sole and absolute discretion, determine that the Aggregate Cash Consideration for all Existing Notes validly tendered for exchange pursuant to the Exchange Offer would exceed the Maximum Cash Amount, the Company may decide to accept Existing Notes for exchange on a pro rata basis.

Such pro rata acceptance will be calculated as described in "*Terms of the Exchange Offer - Acceptance, Maximum Cash Amount and Scaling*" above.

In such event, an Existing Noteholder shall continue to hold the Existing Notes that are not accepted for exchange.

Minimum Condition and completion, termination and amendment of the Exchange Offer

Prior to the announcement by the Company of the result of the Exchange Offer, no assurance can be given that the Exchange Offer will be completed.

Completion of the Exchange Offer is conditional upon the satisfaction or waiver of the Minimum Condition set forth herein. As a consequence, in the event that Minimum Conditions is not satisfied, the Company reserves the absolute right to terminate the Exchange Offer or proceed with the Exchange Offer.

It should be noted that, if the Company modifies or waives the Minimum Condition, Qualifying Holders that submit Offers to Participate prior to the announcement of such modification or waiver will have the right to withdraw such Offers to Participate for a period of (2) two business days starting on the date of such announcement (if made by 9:00 a.m. CEST), or starting on the immediately following business day (if the announcement is made later than 9:00 a.m. CEST), which will in turn delay the Settlement Date.

In addition, subject to applicable law and as provided herein, the Company may, in its sole and absolute discretion, terminate, withdraw, amend or extend the terms of the Exchange Offer at any time prior to the announcement of the final results of the Exchange Offer.

Existing Notes that are not validly submitted and accepted by the Company pursuant to the Exchange Offer will remain outstanding after the Settlement Date.

The Exchange Consideration will vary depending on the circumstances

Subject to the conditions contained in this Exchange Offer Memorandum, including the satisfaction or waiver of the Minimum Condition, the Exchange Consideration to be delivered by the Company on the Settlement Date to each Qualifying Holder for Existing Notes which have been validly offered for exchange by such Qualifying Holder and accepted by the Company will consist of a combination of (a) Exchange Notes in an aggregate principal amount equal to the relevant Principal Amount of Exchange Notes per Qualifying Holder and (b) the relevant Cash Consideration. The Principal Amount of Exchange Notes per Qualifying Holder will be rounded down to (i) the nearest €100,000 or (ii) in respect of any Principal Amount of Exchange Notes that is less than €100,000, zero. In compensation for such rounding down, the related Cash Consideration will be increased by an equivalent amount. As a result of such rounding, the proportion of Exchange Notes and Cash Consideration constituting the Exchange Consideration will vary between Qualifying Holders.

Price of the Exchange Notes

Existing Noteholders will not know the market value and price of the Exchange Notes at the time they submit Offers to Participate. To the extent that the Exchange Notes are traded, prices of the Exchange Notes may fluctuate greatly depending on the trading volume and the balance between buy and sell orders.

Differences between the Existing Notes and the Exchange Notes

There are a number of differences between the Existing Notes and the Exchange Notes (please refer to the information set out in the section entitled "*Key Terms of the Existing Notes and the Exchange Notes*").

In particular, the Exchange Notes will rank senior to Junior Obligations of the Company as defined in the Preliminary Prospectus, which includes the Existing Notes (please see also "*The Exchange Notes will rank senior to the Existing Notes and payments under the Exchange Notes will not trigger a mandatory payment of deferred interest under Existing Notes*" above).

Qualifying Holders should carefully review the Preliminary Prospectus and consider the terms and conditions of the Existing Notes and the indicative terms and conditions of the Exchange Notes before deciding whether to participate in the Exchange Offer. In particular, attention is also drawn to the Preliminary Prospectus Risk Factors.

No assurance of exercise of future call options

In respect of call options of the Existing Notes, the Company will continue to make decisions on an economic basis, taking into account prevailing factors at the time including, but not limited to, the funding value of the Existing Notes and accounting treatment of the Existing Notes. No assurance can be given that the Company will exercise any such call option(s) in the future. As the Existing Notes do not have a fixed maturity, the Existing Noteholders who do not participate in the Exchange Offer, or whose Offers to Participate are not accepted by the Company, will – unless they otherwise dispose of their Existing Notes – bear the financial risks of an investment in the Existing Notes for an indefinite period and may not recover their investment in a foreseeable future.

Responsibility for assessing the merits of the Exchange Offer

Existing Noteholders are responsible for assessing the merits of the Exchange Offer. None of the Company, the Dealer Managers or the Exchange Agent or any of their respective affiliates (or any of their directors, officers,

employees, agents or advisers) has made or will make any assessment of the merits of the Exchange Offer or the impact of the Exchange Offer on the interests of Existing Noteholders, either as a class or as individuals.

Existing Noteholders should consult their own accounting, financial, tax, legal, regulatory and investment advisers regarding the suitability of participating in the Exchange Offer and the investment in the Exchange Notes. Each Existing Noteholder must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that participation in the Exchange Offer and investment in the Exchange Notes are fully consistent with its financial needs, objectives and condition, comply and are fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it. Existing Noteholders may not rely on any of the Company, the Dealer Managers, the Exchange Agent or any of their respective affiliates (or any of their directors, officers, employees, officers, agents or advisers) in connection with the determination as to the legality of their participation in the Exchange Offer and the investment in the Exchange Notes or as to the other matters referred to above.

Responsibility for complying with the procedures of the Exchange Offer

Existing Noteholders are solely responsible for complying with all of the procedures of the Exchange Offer set out in this Exchange Offer Memorandum, in particular with ensuring that all procedures required to be taken by or through Intermediaries through which their Existing Notes are held can be and are taken and/or complied with in order for such Intermediaries to process such procedures by the required deadlines.

In addition, all of the procedures of the Exchange Offer are not exhaustively set out in this Exchange Offer Memorandum. Therefore, the Existing Noteholders should check with their Intermediaries for any further information regarding the procedures of the Exchange Offer.

None of the Company, the Dealer Managers and/or the Exchange Agent or any of their respective affiliates (or any of their directors, officers, employees, agents or advisers) assumes any responsibility for informing Existing Noteholders of potential irregularities that may occur with respect to their participation in Exchange Offer or for any failure by any Qualifying Holder or any Intermediary to ensure that all such procedure have been taken and/or complied with in a timely manner, in accordance with the relevant rules, requirements or procedures of any such Intermediary and/or relevant Clearing System or for informing Qualifying Holders of Existing Notes of any irregularities with respect to Instruction Notices from the Qualifying Holders.

QUALIFYING HOLDERS ARE ADVISED TO CHECK WITH THE INTERMEDIARY THROUGH WHICH THEY HOLD THEIR EXISTING NOTES WHETHER SUCH INTERMEDIARY WOULD REQUIRE RECEIVING OFFERS TO PARTICIPATE PRIOR TO THE DEADLINES SET OUT IN THIS EXCHANGE OFFER MEMORANDUM, AS WELL AS WHETHER SUCH INTERMEDIARY APPLIES DIFFERENT DEADLINES FOR ANY OF THE EVENTS SPECIFIED IN THIS EXCHANGE OFFER MEMORANDUM, AND THEN TO ALLOW FOR SUCH DEADLINES IF DEADLINES SET BY SUCH PERSONS ARE PRIOR TO THE DEADLINES SET OUT IN THIS EXCHANGE OFFER MEMORANDUM.

Instruction Notice irrevocable

The submission of a valid Instruction Notice will be irrevocable, except in the limited circumstances in which the withdrawal of an Instruction Notice is specifically permitted in accordance with the terms of the Exchange Offer.

Blocking of Existing Notes

When considering whether to participate in the Exchange Offer, Qualifying Holders who hold Existing Notes through Euroclear or Clearstream should take into account that restrictions on the transfer of the Existing Notes by Qualifying Holders will apply from the time of submission of an Instruction Notice. A Qualifying Holder of Existing Notes held through Euroclear or Clearstream or a relevant Direct Participant will, upon the submission of an Instruction Notice, agree that its Existing Notes held through Euroclear or Clearstream will be blocked in the relevant Clearing System from the date the Instruction Notice is submitted until the earlier of (i) the time of settlement on the Settlement Date; (ii) the date of the termination of the Exchange Offer (including where such Existing Notes are not accepted by the Company); and (iii) the date on which the Instruction Notice is validly revoked, in the limited circumstances in which withdrawal of the Instruction Notice is permitted in accordance with the terms of the Exchange Offer.

Fees, if any, which may be charged by the relevant Clearing System to a Direct Participant (or by any other Intermediary to an Existing Noteholder) in connection with the blocking (or unblocking) of the Existing Notes or otherwise must be borne by such Direct Participant (or such Existing Noteholder) or as otherwise agreed between the relevant Direct Participant (or Intermediary) and Existing Noteholder. For the avoidance of doubt, Direct Participants, Intermediaries and Existing Noteholders shall have no recourse to the Company, the Dealer Managers or the Exchange Agent with respect to such costs.

Other purchases or redemption of Existing Notes

Whether or not the Exchange Offer is completed, the Company may, to the extent permitted by applicable law, continue to acquire, from time to time after the Exchange Offer, Existing Notes other than pursuant to the Exchange Offer, including through open market purchases, privately negotiated transactions, exchange offers, tender offers or otherwise for cash or other consideration and upon such terms and at such prices (which terms and prices may be more or less favourable than the terms and prices contemplated by the Offer) as they determine appropriate.

Redemption of Existing Notes due to Minimum Outstanding Amount

Under the terms of the Existing Notes, the Company may redeem all of the then outstanding Existing Notes at their principal amount, together with accrued but unpaid interest, if any, to (but excluding) the relevant redemption date, if after the Settlement Date cancellations and/or redemptions should have been effected in respect of 75 per cent or more of the originally issued aggregate principal amount of the Existing Notes.

Tax consequences

In view of the number of different jurisdictions where tax laws may apply to Qualifying Holders, this Exchange Offer Memorandum does not discuss the tax consequences for such Qualifying Holders arising from participation in the Exchange Offer. Qualifying Holders are urged to consult their own professional advisers regarding the possible tax consequences that may arise under the laws of the jurisdictions that apply to them in connection with the Exchange Offer. Qualifying Holders are liable for their own taxes and have no recourse against the Company, the Dealer Managers or the Exchange Agent or any of their respective affiliates (or any of their directors, officers, employees, agents or advisers) with respect to taxes arising in connection with the Exchange Offer.

Compliance with Offer Restrictions

Existing Noteholders are referred to the Offer Restrictions set forth in this Exchange Offer Memorandum under "*Offer Restrictions*". Non-compliance with the Offer Restrictions by an Existing Noteholder could result in, among other things, it not qualifying as a Qualifying Holder and therefore an inability to validly participate in the Exchange Offer, the unwinding of trades and/or heavy penalties.

Offers to Participate by Sanctions Restricted Persons will not be accepted.

A holder or a beneficial owner of the Existing Notes who is, or who is believed by the Company to be, a Sanctions Restricted Person (as defined herein) may not participate in the Exchange Offer. No steps taken by a Sanctions Restricted Person to participate in the Exchange Offer will be accepted by the Company and such Sanctions Restricted Person will not be eligible to receive the Exchange Consideration in any circumstances.

The restrictions described in the above paragraph shall not apply to the extent that they would result in a violation of Regulation (EC) No 2271/1996 of 22 November 1996 (the "**EU Blocking Regulation**") (or any similar law or regulation in any Member State of the European Union) and/or any associated and applicable national law, instrument or regulation similar to the EU Blocking Regulation which may be implemented by the United Kingdom.

Conflicts of interest

Each of the Dealer Managers and/or their respective affiliates is involved in a wide range of commercial banking, investment banking and other activities out of which conflicting interests or duties may arise. The Dealer Managers and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Existing Notes. Such activities and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, the provision of financial advisory services and the exercise of creditor rights. None of the Dealer Managers or any of their subsidiaries and affiliates has any obligation to disclose any such information. The Dealer Managers and any of their subsidiaries and affiliates (and their respective directors, officers, employees, agents and advisers) may engage in any such activities without regard to the Existing Notes or the effect that such activities may directly or indirectly have on any of the Existing Notes.

For further information on the risk factors relating to the Exchange Notes and the Company, please refer to the Preliminary Prospectus Risk Factors.

DOCUMENTS INCORPORATED BY REFERENCE

This Exchange Offer Memorandum should be read and construed in conjunction with the following documents incorporated by reference (the "**Documents Incorporated by Reference**"), which shall be deemed to form part of this Exchange Offer Memorandum:

- (i) the Preliminary Prospectus dated 16 June 2025 relating to the issue of the New Notes attached hereto as **Annex 1**; and
- (ii) all of the information and documents themselves incorporated by reference into the Preliminary Prospectus mentioned in paragraph (i) above.

Copies of the Documents Incorporated by Reference are available, free of charge, on request from the Exchange Agent, the contact details for which are on the last page of this Exchange Offer Memorandum. Holders of Existing Notes should assess each such document before deciding whether to participate in the Exchange Offer.

DEFINITIONS

Capitalised terms used but not defined in this Exchange Offer Memorandum shall, unless the context otherwise requires, have the meanings set out in the terms and conditions of the Existing Notes.

"Accrued Interest"

In respect of the Existing Notes, interest accrued and unpaid, if any, on such Existing Notes from (and including) the immediately preceding interest payment date up to (but excluding) the Settlement Date, calculated in accordance with the terms and conditions of the Existing Notes.

"Aggregate Cash Consideration"

The aggregate of all Cash Considerations that may be paid in cash on the Settlement Date by the Company as part of the Exchange Consideration (as the case may be and as further described in the section entitled "*The Terms of the Exchange Offer*"), subject to the conditions contained in this Exchange Offer Memorandum, including the satisfaction or waiver of the Minimum Condition.

"Cash Consideration per Qualifying Holder"

Subject to the conditions contained in this Exchange Offer Memorandum, including the satisfaction or waiver of the Minimum Condition, the cash amount to be delivered to a Qualifying Holder whose Existing Notes have been validly offered for exchange and accepted by the Company as part of the Exchange Consideration, on the Settlement Date and which will be calculated as follows:

Cash Consideration per Qualifying Holder (in € and rounded to the nearest €0.01, with half a cent being rounded upwards) = $10\% \times$ aggregate principal amount of Existing Notes validly offered for exchange by the Qualifying Holder and accepted for exchange by the Company pursuant to the Exchange.

The Cash Consideration per Qualifying Holder will be increased by an amount equal to the amount by which the related Principal Amount of Exchange Notes per Qualifying Holder is rounded down.

"Cash Consideration"

The Cash Consideration per Qualifying Holder as part of the Exchange Consideration.

"Clearing System Notice"

In respect of Euroclear and Clearstream, the "Deadlines and Corporate Events" form or similar form of notice to be sent to Direct Participants by each of Euroclear or Clearstream on or about the date of this Exchange Offer Memorandum informing Direct Participants of the procedures to be followed in order to participate in the Exchange Offer.

"Clearing Systems"

Euroclear and Clearstream or any other clearing system in which the Existing Notes are cleared and held through the relevant Direct Participants.

"Clearstream"

Clearstream Banking, S.A.

"Company"

Lenzing Aktiengesellschaft

"Dealer Managers"	BNP PARIBAS, Erste Group Bank AG, J.P. Morgan SE, Raiffeisen Bank International AG and UniCredit Bank GmbH
"Direct Participant"	Each direct account holder with any relevant Clearing System shown in the records of such relevant Clearing System as being a Qualifying Holder.
"Euroclear"	Euroclear Bank SA/NV
"Exchange Agent"	Kroll Issuer Services Limited.
"Exchange Consideration"	A combination of (a) Exchange Notes in an aggregate principal amount equal to the Principal Amount of Exchange Notes per Qualifying Holder and (b) the Cash Consideration per Qualifying Holder to be received on the Settlement Date by each Qualifying Holder for Existing Notes which have been (or have been deemed to be) validly offered for exchange by such Qualifying Holder and accepted by the Company pursuant to the Exchange Offer, subject to the conditions contained in this Exchange Offer Memorandum, including the satisfaction or waiver of the Minimum Condition and as further described in the section entitled <i>"Terms of the Exchange Offer"</i>
"Exchange Notes"	Euro denominated Undated Subordinated Resettable Fixed Rate Notes to be issued by the Company, as more fully described on an indicative basis in the Preliminary Prospectus, subject to the conditions contained in this Exchange Offer Memorandum.
"Exchange Offer"	The invitation by the Company (subject to the restrictions set out in the section entitled <i>"Offer Restrictions"</i> in this Exchange Offer Memorandum) to Qualifying Holders, in respect of any and all of the Existing Notes, to offer to exchange such Existing Notes for the Exchange Consideration.
"Existing Noteholder"	A holder of Existing Notes.
"Existing Notes Prospectus"	The prospectus dated 3 December 2020 in respect of the Existing Notes.
"Existing Notes"	The €500,000,000 Undated Subordinated Resettable Fixed Rate Notes with a First Reset Date in 2025 (ISIN: XS2250987356) issued by the Company
"Expiration Time"	5:00 p.m. (CEST) on 2 July 2025, or such later date as may be notified by the Exchange Agent or the Dealer Managers on behalf of the Company to the Existing Noteholders, subject to the right of the Company to extend, terminate, withdraw or amend the terms and conditions of the Exchange Offer, as described herein.
"Final Acceptance Amount"	The final principal amount of Existing Notes accepted by the Company for exchange pursuant to, and subject to the terms and conditions of, the Exchange Offer. The Final Acceptance Amount will be determined by the Company in its sole and absolute discretion in such a way, the Aggregate Cash

	Consideration under the Exchange Offer will not exceed the Maximum Cash Amount.
"Group"	The Company together with its consolidated subsidiaries taken as a whole.
"Ineligible Holder"	Has the meaning given in the section headed " <i>Procedure for submitting Offers to Participate</i> " in this Exchange Offer Memorandum.
"Initial Fixed Rate of Interest"	The initial fixed rate of interest on the New Notes until the first reset date of the New Notes, which will be determined following the Expiration Deadline in a range between 9.0 % and 9.5 % <i>per annum</i> .
"Instruction Notice"	The electronic exchange and blocking instruction to be submitted through Euroclear or Clearstream, as applicable, in the form of an authenticated SWIFT message, Euclid or Creation Instruction to Euroclear or Clearstream, as applicable (or such other form as may be specified in the relevant Clearing System Notice), for submission by each person who is shown in the records of the relevant Clearing System as being a Qualifying Holder to the Exchange Agent via the relevant Clearing System and in accordance with the requirements of such Clearing System by the Expiration Time in order for Qualifying Holders to be able to participate in the Exchange Offer.
"Intermediary"	Any broker, dealer, bank, custodian, trust company, nominee, service procedure or other Direct Participant who holds Existing Notes or an interest in Existing Notes on behalf of another person.
"Maximum Cash Amount"	The maximum Aggregate Cash Consideration available under the Exchange Offer, being € 50,000,000, subject to the right of the Company to modify the Maximum Cash Amount in its sole and absolute discretion.
"Minimum Condition"	The completion of the issue of Exchange Notes and New Money Notes in a combined aggregate principal amount equal to €300,000,000, as may be amended, modified or waived.
"New Money Notes"	Euro-denominated undated subordinated resettable fixed rate notes with a first reset date in 2028 proposed to be issued by the Company in connection with the New Money Notes Offering.
"New Money Notes Offering"	The concurrent but separate offering of the New Money Notes by the Company for cash consideration.
"New Notes"	The Exchange Notes together with the New Money Notes.
"Notifying News Service"	Such recognised news service or services (e.g. Informa IGM Screen Insider service/Bloomberg), as selected by the Company and the Dealer Managers.

"Offer Period"	The period beginning on 16 June 2025 and expiring at the Expiration Time, subject to any extension, termination, amendment or withdrawal of the Exchange Offer by the Company.
"Offer Restrictions"	The offer and distribution restrictions set out in the section headed " <i>Offer Restrictions</i> ".
"Offer to Participate"	<p>An Instruction Notice validly completed and submitted by or on behalf of a Qualifying Holder to the Exchange Agent through and in accordance with the procedures described in the section titled "<i>Procedure for submitting Offers to Participate</i>" below constituting a binding offer to submit the Existing Notes held by such Qualifying Holder in the Exchange Offer.</p> <p><i>Qualifying Holders should note that Instruction Notices must be submitted in accordance with the deadlines of the relevant Clearing System (which may be earlier than the deadlines described herein).</i></p>
"Preliminary Prospectus Risk Factors"	The risk factors disclosed in the Preliminary Prospectus.
"Preliminary Prospectus"	The preliminary Prospectus relating to the Exchange Notes, annexed in <u>Annex 1</u> hereto (including all information incorporated by reference therein).
"Principal Amount of Exchange Notes per Qualifying Holder"	<p>Subject to the conditions contained in this Exchange Offer Memorandum, including the satisfaction or waiver of the Minimum Condition, the aggregate principal amount of Exchange Notes to be delivered by the Company as part of the Exchange Consideration on the Settlement Date to each Qualifying Holder whose Existing Notes are accepted for exchange by the Company and which will be calculated as follows:</p> <p>Principal Amount of Exchange Notes per Qualifying Holder (in € and rounded down to (i) the nearest €100,000 or (ii) in respect of any Principal Amount of Exchange Notes that is less than €100,000, zero) =</p> $90\% \times \text{aggregate principal amount of Existing Notes validly offered for exchange by the Qualifying Holder and accepted by the Company.}$ <p>In compensation for any such rounding, the related Cash Consideration per Qualifying Holder will be increased by an amount equal to the amount by which the relevant Principal Amount of Exchange Notes per Qualifying Holder is rounded down.</p>
"Pro-Ration Factor"	In case of any pro-rata acceptance, the factor derived from (i) Final Acceptance Amount divided by (ii) the aggregate principal amount of Existing Notes validly tendered for

	exchange in the Exchange Offer, subject to adjustments from rounding.
"Qualifying Holder"	Has the meaning ascribed to it in <i>"Procedure for submitting Offer to Participate – Eligibility Criteria"</i> .
"Sanctions Authority"	<ul style="list-style-type: none"> (i) the Security Council of the United Nations; (ii) the respective governmental institutions and agencies of the United States, the United Kingdom, the European Union or a member state of the European Union including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United States Department of Commerce and His Majesty's Treasury; or (iii) any other equivalent governmental or regulatory authority, institution or agency which administers the Sanctions.
"Sanctions Restricted Person"	<p>A person that is, or is owned or controlled by a person that is,</p> <ul style="list-style-type: none"> (a) described or designated as a "specially designated national" or "blocked person" in the most current U.S. Treasury Department list of "Specially Designated National and Blocked Persons" (which as of the date hereof can be found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf); or (b) currently the subject of, or in violation of, any sanctions under (x) the laws and regulations that have been officially published and are administered or enforced by the U.S. Government (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State), or any enabling legislation or executive order relating thereto; or (y) any equivalent sanctions or measures officially published and imposed by the European Union, any member state of the European Union, His Majesty's Treasury, the United Nations or any other relevant sanctions authority, including sanctions imposed against certain states, organisations and individuals under the European Union's Common Foreign & Security Policy (together, the "Sanctions").
"Settlement Date"	Subject to satisfaction or waiver of the Minimum Condition and the other conditions contained in this Exchange Offer Memorandum, the Company currently anticipate this date would be 9 July 2025 (which is expected to be 5 Business Days after the Expiration Time)

PROCEDURE FOR SUBMITTING OFFERS TO PARTICIPATE

Qualifying Holders who are not Direct Participants in Clearstream or Euroclear must contact their authorised Intermediaries in order that they procure that such Intermediary will comply with the following procedures on their behalf. A separate Offer to Participate must be completed on behalf of each beneficial owner of Existing Notes. Existing Noteholders are advised to check with their Intermediary through which they hold their Existing Notes as to the deadline by which such Intermediary will require receipt of instructions to participate in the Exchange Offer, in order to meet the corresponding deadlines set by the relevant Clearing System. None of the Company, Dealer Managers or the Exchange Agent or any of their respective affiliates (or any of their directors, officers, employees, agents or advisers) shall be responsible for any failure by the Existing Noteholders or any Intermediary to take any such action in a timely manner and/or in compliance with all applicable rules, conditions or requirements of any such Intermediary resulting in the procedure for the Exchange Offer (including any relevant deadlines) not being complied with.

A separate Instruction Notice must be submitted on behalf of each beneficial owner.

Procedure for an Offer to Participate

- (a) A Qualifying Holder wishing to participate in the Exchange Offer must submit, or arrange for a Direct Participant to submit on its behalf, before the Expiration Time and before the deadlines set by each Clearing System (unless the Exchange Offer is terminated earlier or withdrawn), a duly completed Instruction Notice in the form of an authenticated SWIFT message, Euclid server or Creation Instruction to the relevant Clearing System. Qualifying Holders should check with the Intermediary through which they hold their Existing Notes whether such Intermediary will apply different deadlines for participation to those set out in this Exchange Offer Memorandum and, if so, should follow those deadlines.
- (b) The submission of an Offer to Participate by a Qualifying Holder will be deemed to have occurred upon receipt by the relevant Clearing System of a valid Instruction Notice in accordance with the requirements of such Clearing System. The receipt of such Instruction Notice by the relevant Clearing System will be acknowledged in accordance with the standard practices of such Clearing System and will result in the blocking of the relevant Existing Notes in the relevant Clearing System so that no transfers may be effected in relation to such Existing Notes. Upon receipt of such Instruction Notice, the relevant Clearing System will send, or arrange to send, by SWIFT message, on behalf of the Direct Participant or the Direct Participant's clients, the Instruction Notice to the Exchange Agent.
- (c) Qualifying Holders and Direct Participants must take the appropriate steps through the relevant Clearing System to ensure that no transfers may be effected in relation to such blocked Existing Notes at any time after such date, in accordance with the requirements of the relevant Clearing System and the deadlines required by such Clearing System. By blocking the Existing Notes in the relevant Clearing System, each Direct Participant will be deemed to consent to have the relevant Clearing System provide details concerning such relevant Direct Participant's identity to the Exchange Agent and the Dealer Managers.
- (d) Only Direct Participants may submit Instruction Notices. If the Qualifying Holder is not a Direct Participant, it must arrange for the Direct Participant through which it holds the Existing Notes to submit an Instruction Notice on its behalf to the relevant Clearing System prior to the deadlines specified by the relevant Clearing System.
- (e) The Qualifying Holder whose Existing Notes are held in the name of a broker, dealer, bank, trust company or other nominee or custodian should contact such entity sufficiently in advance of the Expiration Time if they wish to participate in the Exchange Offer and procure that the Existing Notes

are blocked in accordance with the normal procedures of the relevant Clearing System and the deadlines imposed by such Clearing System.

- (f) The Offer to Participate by a Qualifying Holder, or the relevant Direct Participant on its behalf, may be revoked by such Qualifying Holder, or the relevant Direct Participant on its behalf, only in the limited circumstances described herein by submitting an electronic withdrawal instruction to the relevant Clearing System in accordance with the standard procedures of the relevant Clearing System.
- (g) By submitting a valid Instruction Notice to the relevant Clearing System in accordance with the standard procedures of the relevant Clearing System, Qualifying Holders and the relevant Direct Participant on their behalf shall be deemed to make the acknowledgements, representations, warranties and undertakings set forth below to the Company, the Dealer Managers and the Exchange Agent on each of the date of submission of such Instruction Notice, the Expiration Time and the Settlement Date. If the relevant holder of the Existing Notes, or the relevant Direct Participant on its behalf, is unable to give such representations, warranties and undertakings, such holder of the Existing Notes or the relevant Direct Participant on its behalf should contact the Exchange Agent immediately.

Acknowledgements, Representations, Warranties and Undertakings

Each Noteholder that submits an Offer to Participate acknowledges, represents, warrants and undertakes as follows on each of the date on which it submits an Instruction Notice to the Exchange Agent, at the Expiration Time and the Settlement Date that:

- (a) It is a Qualifying Holder (as defined below).
- (b) It has received and reviewed the content of this Exchange Offer Memorandum, including but not limited to the risks described in the section titled "*Risk Factors*" above and, in relation to the Exchange Notes, the Preliminary Prospectus Risk Factors and the indicative terms and conditions of the Exchange Notes as set out in the Preliminary Prospectus, and it accepts the terms of the Exchange Offer described in this Exchange Offer Memorandum.
- (c) It accepts all the risks inherent to its participation in the Exchange Offer and has undertaken all the appropriate analysis of the implications of the Exchange Offer without reliance on the Company, the Dealer Managers or the Exchange Agent or any of their respective affiliates (or any of their directors, officers, employees, agents or advisers).
- (d) By submitting an Offer to Participate, it will be deemed to consent to have the relevant Clearing System provide details concerning the relevant Direct Participant's identity to the Exchange Agent and the Dealer Managers.
- (e) Upon the terms and subject to the conditions of the Exchange Offer, it submits the principal amount of Existing Notes in its account with the relevant Clearing System in the Exchange Offer.
- (f) Subject to and effective upon completion of the Exchange Offer, it renounces all right, title and interest in and to all Existing Notes validly submitted in the Exchange Offer, blocked in the relevant Clearing System and accepted by or at the direction of the Company and waives and releases any rights or claims it may have against the Company with respect to any such Existing Notes and the Exchange Offer.
- (g) It understands that acceptance of Existing Notes validly offered by it pursuant to the Exchange Offer will constitute a binding agreement between it and the Company, in accordance with and subject to the terms and conditions of the Exchange Offer.

- (h) All authority conferred or agreed to be conferred pursuant to its representations, warranties and undertakings and all of its obligations shall be binding upon its successors, assigns, heirs, executors and legal representatives and shall not be affected by, and shall survive, its death or incapacity.
- (i) None of the Company, the Dealer Managers or the Exchange Agent or any of their respective affiliates (or any of their respective directors, officers, employees, agents or advisers) has given it any information with respect to the Exchange Offer save as expressly set out in this Exchange Offer Memorandum and the Preliminary Prospectus nor has any of them made any recommendation to it as to whether it should submit Existing Notes in the Exchange Offer and it has made its own decision with regard to participating in the Exchange Offer based on such accounting, legal, tax or financial advice as it has deemed it necessary to seek.
- (j) No information has been provided to it by the Company, the Dealer Managers or the Exchange Agent or any of their respective affiliates (or any of their respective directors, officers, employees, agents or advisers) with regard to the tax consequences to Qualifying Holders arising from participating in the Exchange Offer and it hereby acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in the Exchange Offer and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Company, the Dealer Managers, the Exchange Agent or any of their respective affiliates (or any of their respective directors, officers, employees, agents or advisers) or any other person in respect of such taxes and payments.
- (k) It is not a person to whom it is unlawful to make an invitation under the Exchange Offer under applicable securities laws, it has not distributed or forwarded this Exchange Offer Memorandum (including the Preliminary Prospectus set out in Annex 1) or any other documents or materials relating to the Exchange Offer to any such person and it has (before submitting, or arranging for the submission on its behalf, as the case may be, the Instruction Notice in respect of the Existing Notes it is submitting in the Exchange Offer) complied with all laws and regulations applicable to it for the purposes of its participation in the Exchange Offer.
- (l) The Exchange Notes are not being offered and sold in transactions involving a public offering of securities in the United States within the meaning of the Securities Act, and the Exchange Notes have not been and will not be registered under the Securities Act or any other applicable U.S. federal or state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. In addition, it understands that the offer and sale of the Exchange Notes is subject to the offer restrictions relating to the U.S. and other jurisdictions set out in this Exchange Offer Memorandum, including the attached Preliminary Prospectus. Terms used in this paragraph that are defined in Regulation S under the Securities Act are used as defined in Regulation S.
- (m) It has full power and authority to submit the Existing Notes pursuant to the Exchange Offer and, if such Existing Notes are accepted by the Company, such Existing Notes will be transferred to, or to the order of, the Company with full title free from all mortgages, pledges, privileges, liens, charges and encumbrances, not subject to any adverse claim or other third party rights and together with all rights attached thereto. It will, upon request, execute and deliver any additional documents and/or do such other things deemed by the Company to be necessary or desirable to complete the transfer and cancellation of such Existing Notes or to evidence such power and authority.
- (n) In the case of Existing Notes held through Euroclear or Clearstream, it holds and will hold, until the time of settlement on the Settlement Date, the Existing Notes blocked in the relevant Clearing System and, in accordance with the requirements of the relevant Clearing System and by the deadline required by the relevant Clearing System, it has submitted, or has caused to be submitted, an Instruction Notice to the

relevant Clearing System to authorise the blocking of the submitted Existing Notes with effect on and from the date thereof so that, at any time pending the transfer of such Existing Notes on the Settlement Date to the Company, or to its agent on its behalf, and the cancellation thereof, no transfers of such Existing Notes may be effected.

- (o) It is not a Sanctions Restricted Person.
- (p) The terms and conditions of the Exchange Offer shall be deemed to be incorporated in, and form a part of, the Instruction Notice which shall be read and construed accordingly and that the information given by or on behalf of such Existing Noteholder in the Instruction Notice is true and will be true in all respects on the Settlement Date.
- (q) It acknowledges and accepts that the Company is under no obligation to accept Offers to Participate, and accordingly that such Offers to Participate may be accepted or rejected by the Company, in its sole and absolute discretion and for any reason, and that the Company is entitled at its sole and absolute discretion to extend and/or amend or terminate or withdraw the Exchange Offer in accordance with the terms and conditions of the Exchange Offer.
- (r) The information given by it or on its behalf in the relevant Instruction Notice is in all respects true, accurate and not misleading and will in all respects be true, accurate and not misleading on the Settlement Date.
- (s) It acknowledges and accepts that the Company, the Dealer Managers or the Exchange Agent or any of their respective affiliates will rely on the truth and accuracy of the foregoing acknowledgements, agreements, representations, warranties and undertakings and it shall indemnify, the Company, the Dealer Managers or the Exchange Agent or any of their respective affiliates against all and any losses, costs, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach by it of any of the terms of, or any of the agreements, representations, warranties and/or undertakings given by it in connection with the Exchange Offer.
- (t) It understands that a separate Instruction Notice must be submitted on behalf of each beneficial owner; save that paragraph (o) above shall not apply if and to the extent that such provision would result in a violation of, or conflict with, Council Regulation (EC) No. 2271/96 of 22 November 1996 (or any similar law or regulation in any Member State of the European Union or the United Kingdom) or any similar blocking or anti-boycott law or a violation of or conflict with the German Foreign Trade Regulation (*Außenwirtschaftsverordnung* or AWW), each as amended from time to time.

The receipt from a Qualifying Holder of Existing Notes, or a Direct Participant on its behalf, of an Instruction Notice by the relevant Clearing System will constitute instructions to debit the securities in such Qualifying Holder's account on the Settlement Date in respect of any and all of its Existing Notes, upon receipt by the relevant Clearing System of an instruction from the Exchange Agent on behalf of the Company to receive those Existing Notes for the account of the Company and against credit of the Exchange Consideration and Accrued Interest, subject to the automatic withdrawal of those instructions in the event that the Exchange Offer is terminated by the Company, on or prior to the announcement of the acceptance of any Existing Notes submitted pursuant to the Exchange Offer or the withdrawal of such Qualifying Holder's Instruction Notice in accordance with the procedure set out herein.

Eligibility Criteria

The Exchange Offer is only being made to Qualifying Holders. Any person who is not a Qualifying Holder (being an "**Ineligible Holder**") may not participate in the Exchange Offer.

A "**Qualifying Holder**" is an Existing Noteholder who:

- (a) either (a) (i) is the owner of Existing Notes and (ii) is located outside the United States and is not a U.S. person (as defined in Regulation S of the Securities Act) or (b) (i) is acting on behalf of the owner of the Existing Notes and has been duly authorised to so act and (ii) such owner has confirmed to it that it is located outside the United States and it is not a U.S. person (as defined in Regulation S of the Securities Act);
- (b) if it is resident or located in the United Kingdom, (i) is a "qualified investor" within the meaning of the UK Prospectus Regulation and (ii) has professional experience in matters relating to investments falling within Article 19(5) of the Financial Promotion Order, is a person falling within Article 43 of the Financial Promotion Order or is a person to whom the Exchange Offer can be made in circumstances in which section 21 of the Financial Services and Markets Act 2000 does not apply;
- (c) if it is resident or located in an EEA Member State (each, a "**Member State**"), is a "qualified investor" within the meaning of the Prospectus Regulation in that Member State;
- (d) if it is located in Italy, is an authorised person or is offering the Existing Notes through an authorised person (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority;
- (e) if it is resident or located in France, is a qualified investor (*investisseurs qualifiés*) as defined in Article 2(e) of Regulation (EU) 2017/1129, as amended;
- (f) if it is resident or located in Belgium, is not a Belgian Consumer.

Responsibility for delivery of Instruction Notices

- (a) None of the Company, the Dealer Managers or the Exchange Agent will be responsible for the communication of exchanges and corresponding Instruction Notices by:
 - beneficial owners to the Direct Participant through which they hold Existing Notes; or
 - the Direct Participant to the relevant Clearing System to the Exchange Agent.
- (b) If a Qualifying Holder of Existing Notes holds its Existing Notes through a Direct Participant, such Qualifying Holder should contact that Direct Participant to discuss the manner in which exchanges and transmission of the corresponding Instruction Notice and, as the case may be, transfer instructions may be made on its behalf.
- (c) In the event that the Direct Participant through which a Qualifying Holder holds its Existing Notes is unable to submit an Instruction Notice on its behalf, such Qualifying Holder should telephone the Dealer Managers or the Exchange Agent for assistance.
- (d) In any case, Qualifying Holders are responsible for arranging the timely delivery of their Instruction Notice.

- (e) If a Qualifying Holder holds Existing Notes or wishes to participate in the Exchange Offer through a Direct Participant, such Qualifying Holder should consult with that Direct Participant as to whether it will charge any service fees in connection with participation in the Exchange Offer.

Irregularities

All questions as to the validity, form and eligibility (including time of receipt) of any Instruction Notice, Offer to Participate in relation to Existing Notes or revocation or revision thereof or delivery of Existing Notes, will be determined by the Company in its sole and absolute discretion, which determination will be final and binding. The Company reserves the absolute right to reject any and all Instruction Notices not in proper form or for which any corresponding agreement by the Company would, in its opinion, be unlawful. The Company also reserves the absolute right to waive any of the conditions of the Exchange Offer or defects in Instruction Notices with regard to any Existing Notes. The Company, the Dealer Managers and the Exchange Agent shall be under no duty to give notice to Qualifying Holders of any irregularities in Instruction Notices, nor shall any of them incur any liability for failure to give such notice.

Amendment, Withdrawal, Termination or Extension

Subject as provided herein, the Company, may, in its sole and absolute discretion, (i) amend the terms of or the duration of the Exchange Offer; or (ii) terminate or withdraw the Exchange Offer (including, but not limited to, when the Minimum Condition has not been satisfied or waived), including with respect to Instruction Notices submitted before the time of such termination, at any time prior to the announcement by the Company of whether it accepts any Existing Notes pursuant to the Exchange Offer, (iii) delay the acceptance of Instruction Notices validly submitted in the Exchange Offer until satisfaction or waiver of the conditions of the Exchange Offer, even if the Exchange Offer has expired or (iv) waive or modify the Minimum Condition.

In addition to the withdrawal right in case of modification or waiver of the Minimum Condition (as further described in the section titled "*Terms of the Exchange Offer*" above), if the Exchange Offer is amended in any way that, in the opinion of the Company (in consultation with the Dealer Managers), is materially prejudicial to Qualifying Holders that have validly submitted Instruction Notices, then the Company will allow Qualifying Holders to revoke such Instruction Notice and will announce, at the same time as the announcement of the amendment, a revocation deadline (subject to any earlier deadlines imposed by the Clearing Systems and any Intermediary through which Qualifying Holders hold their Existing Notes). An Instruction Notice validly submitted in accordance with the procedures set forth in the section titled "*Procedure for submitting Offers to Participate*" above, as applicable, is otherwise irrevocable.

For the avoidance of doubt, any extension of the Exchange Offer (including any amendment in relation to the Expiration Time and/or Settlement Date) as described in this section "*Amendment, Withdrawal, Termination or Extension*" shall not be considered materially prejudicial.

Qualifying Holders wishing to exercise any such right of revocation should do so in accordance with the procedures set out in the section titled "*Procedure for submitting Offers to Participate*" above, as applicable. Beneficial owners of Existing Notes that are held through an Intermediary are advised to check with such Intermediary as to when it would require to receive instructions to revoke an Instruction Notice in order to meet the deadline indicated above. Any Qualifying Holder who does not exercise any such right of revocation before the revocation deadline in the circumstances and in the manner specified above, shall be deemed to have waived such right of revocation and its original Instruction Notice will remain effective.

Any Instruction Notice submitted before the amendment of the Exchange Offer is made will be valid and binding (subject always to the revocation rights described above), provided that the terms of the amended

Exchange Offer are considered by the Company in its sole and absolute discretion to be no less favourable to Qualifying Holders.

THE DEALER MANAGERS AND THE EXCHANGE AGENT

The Company has retained BNP PARIBAS, Erste Group Bank AG, J.P. Morgan SE, Raiffeisen Bank International AG and UniCredit Bank GmbH (the "**Dealer Managers**") to act as the Dealer Managers for the Exchange Offer and Kroll Issuer Services Limited (the "**Exchange Agent**") to act as Exchange Agent. The Company and the Dealer Managers have entered into a Dealer Manager Agreement dated 16 June 2025 which contains certain provisions regarding payment of fees, expense reimbursement and indemnity arrangements relating to the Exchange Offer. The Exchange Agent will receive a fee for its services, as well as reimbursement of expenses as separately agreed with the Company.

The Dealer Managers and their respective affiliates may contact Qualifying Holders regarding the Exchange Offer and may request Intermediaries to forward this Exchange Offer Memorandum and related materials to Qualifying Holders.

The Dealer Managers and their respective affiliates have provided and continue to provide certain investment banking services to the Company and the Group for which they have received and will receive compensation that is customary for services of such nature.

The Dealer Managers and/or their respective affiliates may have a holding in, or may from time to time provide advice or other investment services in relation to, or engage in transactions involving, the Existing Notes. Further, the Dealer Managers may (i) submit Offers to Participate for their own account and (ii) submit Offers to Participate (subject always to the offer and distribution restrictions set out in the section "*Offer Restrictions*") on behalf of other Qualifying Holders.

None of the Dealer Managers, the Exchange Agent or any of their respective affiliates (or any of their respective directors, officers, employees, agents or advisers) assume any responsibility for the accuracy or completeness of the information concerning the Company, its subsidiaries and affiliates and the Existing Notes contained in this Exchange Offer Memorandum or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of such information.

The Dealer Managers are acting exclusively for the Company and no one else in connection with the arrangements described in this Exchange Offer Memorandum and will not be responsible to anyone other than the Company for providing the protections afforded to customers of the Dealer Managers or for advising any other person in connection with the arrangements described in this Exchange Offer Memorandum.

None of the Dealer Managers, the Exchange Agent or any of their respective affiliates (or any of their respective directors, officers, employees, agents or advisers) make any representation or recommendation whatsoever regarding this Exchange Offer Memorandum or the Exchange Offer, or any recommendation as to whether Qualifying Holders should offer their Existing Notes in the Exchange Offer.

The Exchange Agent is the agent of the Company and owes no duty to any Existing Noteholder.

ANNEX 1 – PRELIMINARY PROSPECTUS

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PRELIMINARY PROSPECTUS

IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached preliminary prospectus (the "**Preliminary Prospectus**") accessed from this page or otherwise received as a result of such access and you are therefore advised to read this disclaimer page carefully before reading or accessing, or making any other use of, the Preliminary Prospectus. In accessing the Preliminary Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of your representation: You have been sent the Preliminary Prospectus on the basis that you have confirmed to either BNP PARIBAS, Commerzbank Aktiengesellschaft, Erste Group Bank AG, J.P. Morgan SE, Raiffeisen Bank International AG or UniCredit Bank GmbH (together, the "**Managers**"), being the joint senders of the Preliminary Prospectus, that:

- (i) you are a person into whose possession the Preliminary Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located;
- (ii) the electronic mail (or e-mail) address to which it has been delivered is not located in the United States of America, its territories and possessions, any State of the United States and the District of Columbia (and "**possessions**" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands);
- (iii) you consent to delivery of the Preliminary Prospectus by electronic transmission;
- (iv) you are a prospective investor in the securities referred to in the Preliminary Prospectus (the "**Securities**") or you are a person authorised by the Managers to receive the Preliminary Prospectus;
- (v) you will not transmit the Preliminary Prospectus (or any copy of it, in whole or in part) or disclose, whether orally or in writing, any of its contents to any other person; and
- (vi) you acknowledge that the Preliminary Prospectus is in draft of preliminary form only, that it is not complete and contains information that may be subject to change and does not constitute an offer of or an invitation to offer to subscribe for or purchase any of the Securities.

If this document has been sent to you by email, you should not reply by e-mail to this announcement. Any reply by e-mail, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature. Documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Managers nor any person who controls any of them, nor any director, officer, employee or agent of any of them, nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Preliminary Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Managers.

Restrictions:

You are reminded that the Preliminary Prospectus has been delivered to you on the basis that you are a person into whose possession the Preliminary Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and, accordingly, you are not authorised to deliver the Preliminary Prospectus to any other person:

In particular:

- (i) Nothing in this electronic transmission constitutes an offer of securities for sale in the United States or to any US person or in any other jurisdiction where it is unlawful to make the offer. Any securities to be issued will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be sold unless such securities are registered under the Securities Act or are offered or sold pursuant to an available exemption from the registration requirement and are subject to U.S. tax law requirements. The securities are being offered and sold outside of the United States only in accordance with Regulation S of the Securities Act.
- (ii) No action has been or will be taken in any jurisdiction by the Managers or the Issuer that would or is intended to, permit a public offering of the securities, or possession or distribution of the Preliminary Prospectus or any other offering or publicity material relating to the securities, in any country or jurisdiction where action for that purpose is required.

**PRELIMINARY PROSPECTUS DATED 16 JUNE 2025,
SUBJECT TO CHANGE AND COMPLETION**

Prospectus dated [●] 2025



Lenzing Aktiengesellschaft

(Lenzing, Republic of Austria)

EUR [●] Undated Subordinated Resettable Fixed Rate Notes

ISIN [●], Common Code [●]

Issue Price: [●] per cent.

Lenzing Aktiengesellschaft (the "**Issuer**" and together with its consolidated subsidiaries, "**Lenzing**" or the "**Group**") will issue on [●] 2025 (the "**Issue Date**") EUR [●] Undated Subordinated Resettable Fixed Rate Notes (the "**Notes**") in the denomination of EUR 100,000 each.

Concurrently with the offer of the Notes to institutional investors for cash consideration (such Notes placed with investors, the "**New Money Notes**"), the Issuer is offering to exchange, through a separate exchange offer, Existing Notes (as defined herein) for Notes (such Notes delivered in exchange for Existing Notes, the "**Exchange Notes**") and a cash consideration plus accrued and unpaid interest. The Exchange Notes and the New Money Notes will have identical terms and form a single series of notes issued on the Issue Date. It is expected that the offering of the New Money Notes and the Exchange Offer will settle simultaneously on the Issue Date.

The Notes will be governed by the laws of the Federal Republic of Germany ("**Germany**"), except for the provisions on the status of the Notes which will be governed by the laws of the Republic of Austria ("**Austria**").

The Notes will bear interest from and including [●] 2025 (the "**Interest Commencement Date**") to but excluding [●] (the "**First Reset Date**") at a rate of [●] per cent. *per annum*. Thereafter, unless previously redeemed, the Notes will bear interest from and including the First Reset Date at a rate *per annum* equal to the Reference Rate for the relevant Reset Period (each as defined in § 3 of the terms and conditions of the Notes (the "**Terms and Conditions**")) plus a margin of [●] basis points *per annum*.

Interest on the Notes will, subject to the Issuer's entitlement to defer interest payments under the Notes as set out in § 4 of the Terms and Conditions, be payable semi-annually in arrear on [●] and [●] of each year (each an "**Interest Payment Date**"), commencing on [●].

The Issuer is entitled to defer interest payments under the Notes under certain circumstances (as set out in § 4(1) of the Terms and Conditions, such payments the "**Deferred Interest Payments**"). Such Deferred Interest Payments will not bear interest. The Issuer may pay such Deferred Interest Payments (in whole or in part) at any time upon due notice (as set out in § 4(2) of the Terms and Conditions) and will be required to pay such Deferred Interest Payments (in whole, but not in part) under certain other circumstances (as set out in § 4(3) of the Terms and Conditions).

The Notes have no final maturity date. The Issuer may redeem the Notes (in whole but not in part) with effect as of any date during the period from and including [●] (the "**First Optional Redemption Date**") to and including the First Reset Date or on any Interest Payment Date thereafter.

The Issuer may call the Notes for redemption (in whole but not in part) with effect as of any date prior to but excluding the First Optional Redemption Date at the Make-Whole Amount. The "**Make-Whole Amount**" will be the higher of the Specified Denomination of the Notes or their Present Value (all as defined and further described in the Terms and Conditions).

The Issuer may further redeem the Notes (in whole but not in part) at any time upon occurrence of a (i) Gross-up Event, (ii) a Tax Event, (iii) an Accounting Event, (iv) in case of minimal outstanding aggregate principal amount or (v) upon occurrence of a Change of Control (all as defined and further described in the Terms and Conditions). If a Change of Control occurs and the Issuer does not redeem the Notes in whole, the applicable rate of interest will be subject to an additional 500 basis points *per annum* above the otherwise applicable prevailing rate of interest.

The Notes will initially be represented by a temporary global note in bearer form (the "**Temporary Global Note**"). Interests in the Temporary Global Note will be exchangeable, in whole or in part, for interests in a corresponding permanent global note in bearer form (the "**Permanent Global Note**" and together with the Temporary Global Note, the "**Global Notes**") not earlier than 40 days after the Issue Date (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership. The Global Notes will be deposited with a common depository for Clearstream Banking S.A and Euroclear Bank SA/NV (together, the "**Clearing System**").

This prospectus (the "**Prospectus**") does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of 14 June 2017 (as amended, the "**Prospectus Regulation**"). Neither the Luxembourg Financial Supervisory Authority, the *Commission de Surveillance du Secteur Financier*, nor any other "competent authority" (as defined in the Prospectus Regulation) has approved this Prospectus or reviewed information contained in this Prospectus.

This Prospectus constitutes a prospectus for the purpose of Part IV of the Luxembourg Law of 16 July 2019 on Prospectuses for Securities. Application has been made to list the Notes on the official list (the "**Official List**") of the Luxembourg Stock Exchange and for admission to trading of the Notes on the Euro MTF Market operated by the Luxembourg Stock Exchange, which is a multilateral trading facility for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended, ("**MiFID II**"), and, therefore, not an EU-regulated market.

This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.luxse.com).

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, the Notes in any jurisdiction where such offer or solicitation is unlawful.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") and the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"), the United Kingdom (the "UK") or anywhere else.

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. Investing in the Notes involves certain risks. Please review the section entitled "*Risk Factors*" beginning on page 9 of this Prospectus.

Structuring Agent to the Issuer

BNP PARIBAS

Global Coordinators and Joint Bookrunners

BNP PARIBAS

UNICREDIT

Joint Bookrunners

COMMERZBANK

ERSTE GROUP

J.P. MORGAN

RAIFFEISEN BANK INTERNATIONAL

RESPONSIBILITY STATEMENT

The Issuer with its registered office in Lenzing, Austria, accepts sole responsibility for the information contained in this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Issuer further confirms that (i) this Prospectus contains all information with respect to the Issuer, the Group and the Notes which is material in the context of the issue and offering of the Notes, including all information which, according to the particular nature of the Issuer and the Notes is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Group and of the rights attached to the Notes; (ii) the statements contained in this Prospectus relating to the Issuer, the Group and the Notes are in every material respect true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the Group and the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Prospectus misleading in any material respect; and (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

NOTICE

No person is authorized to give any information or to make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of the Issuer or BNP PARIBAS, Commerzbank Aktiengesellschaft, Erste Group Bank AG, J.P. Morgan SE, Raiffeisen Bank International AG or UniCredit Bank GmbH (the "**Joint Bookrunners**").

This Prospectus should be read and understood in conjunction with any supplement hereto and any documents incorporated herein or therein by reference.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer or the Joint Bookrunners to purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Joint Bookrunners to a recipient hereof and thereof that such recipient should purchase any Notes.

This Prospectus reflects the status as of its date. The offering, sale and delivery of the Notes and the distribution of this Prospectus and any other information supplied in connection with the issue of the Notes may not be taken as an implication that the information contained herein or therein is accurate and complete subsequent to the date hereof or thereof or that there has been no adverse change in the financial condition of the Issuer since the date hereof.

To the extent permitted by the laws of any relevant jurisdiction, neither any Joint Bookrunner nor any of their respective affiliates nor any other person mentioned in this Prospectus, except for the Issuer, accepts responsibility for the accuracy and completeness of the information contained in this Prospectus or any document incorporated by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents. The Joint Bookrunners have not independently verified any such information and accept no responsibility for the accuracy thereof.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. For a description of the restrictions see the section "*Subscription and Sale of the Notes – Selling Restrictions*" below. In particular, the Notes have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States of America or to U.S. persons as defined in Regulation S under the Securities Act

("Regulation S"). Any investor participating in the Exchange Offer (as defined in "Use of Proceeds" below) is solely responsible for ensuring that any offer or resale of the Notes occurs in compliance with applicable laws and regulations.

For the avoidance of doubt the content of any website referred to in this Prospectus does not form part of this Prospectus and the information on such websites has not been scrutinized or approved by the Luxembourg Stock Exchange.

The legally binding language of this Prospectus is English. In respect of the Terms and Conditions German is the controlling and legally binding language.

In this Prospectus all references to "€", "EUR" or "Euro" are to the currency introduced at the start of the third stage of the European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET: PROFESSIONAL INVESTORS AND ECPS ONLY

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the manufacturers' target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPS REGULATION / PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 (as amended, the "**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (as amended, the "**PRIIPS Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the IDD, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 of 26 November 2014 on key information documents for packaged retail and insurance-based investment products as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or the Joint Bookrunners the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION

In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

BENCHMARK REGULATION: STATEMENT ON REGISTRATION OF BENCHMARK ADMINISTRATOR

Following the First Reset Date, interest amounts payable under the Notes are to be calculated by reference to the annual swap rate for swap transactions denominated in EUR with a term of 3 years, which appears on the Reuters Screen Page "[●]" (or any successor page) under the heading "11:00 a.m." (or any successor heading) on the Interest Determination Date, and which is provided by ICE Benchmark Administration Limited ("IBA"). The annual swap rate for swap transactions denominated in Euro is calculated by reference to the Euro Interbank Offered Rate ("EURIBOR") which is provided by the European Money Market Institute ("EMMI"). As at the date of this Prospectus, EMMI appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to Article 36 of Regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, as amended (the "Benchmark Regulation"), while IBA does not appear on the ESMA register.

STABILISATION

IN CONNECTION WITH THE ISSUE OF THE NOTES, BNP PARIBAS (THE "STABILISING MANAGER") (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

FORWARD-LOOKING STATEMENTS

This Prospectus includes certain "*forward-looking statements*". All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding the Issuer's and the Group's financial positions, business strategies, plans and objectives of management for future operations, are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "*aim*", "*anticipate*", "*believe*", "*continue*", "*could*", "*estimate*", "*expect*", "*forecast*", "*guidance*", "*intend*", "*may*", "*plan*", "*project*", "*probability*", "*target*", "*goal*", "*objective*", "*should*" or "*will*" or, in each case, their negative, or other variations or comparable terminology. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Issuer or the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's or the Group's, as applicable, present and future business strategies and the environment in which the Issuer or the Group, as applicable, will operate in the future. In addition, even if their financial condition, results of

operations and cash flows, and the development of the industry in which they operate, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Any forward-looking statements in this Prospectus speak only as of the date on which they are made. The Issuer and the Group expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in their respective expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

ALTERNATIVE PERFORMANCE MEASURES

This Prospectus contains non-IFRS measures and ratios which are not required by, or presented in accordance with, International Financial Reporting Standards ("**IFRS**") as adopted by the EU or the accounting standards of any other jurisdiction. The non-IFRS measures may not be comparable to other similarly titled measures of other companies and should be considered together with the Group's IFRS results and liabilities. Non-IFRS measures and ratios are not measurements of the Group's operating performance or liabilities under IFRS and investors should bear this in mind when considering non-IFRS measures as alternatives to earnings before interest and taxes (EBIT) or group net profit or other performance measures derived in accordance with IFRS or any other generally accepted accounting principles, or as alternatives to cash flow from operating, investing or financing activities or to liabilities. Investors should rely on the Group's IFRS results, supplemented by its non-IFRS measures, to evaluate the Group's performance.

The Issuer presents non-IFRS measures to measure operating performance, the level of net debt and as a basis for its strategic planning and forecasting, as well as monitoring the retained cash flows. The Issuer also believes that non-IFRS measures and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of operating performance and financial standing.

For additional information see "*Description of the Issuer and the Group – Financial Information – Other Financial Measures*".

ESG RATINGS

The Issuer's exposure to Environmental, Social and Governance ("**ESG**") risks and the related management arrangements established to mitigate those risks has been assessed by several agencies, upon which they have allocated a rating to the Issuer ("**ESG Ratings**"). For more information on the Issuer's ESG Ratings see "*Description of the Issuer and the Group – Sustainability – ESG Ratings*".

ESG ratings may vary amongst ESG rating agencies as the methodologies used to determine ESG ratings may differ.

The Issuer's ESG ratings are not necessarily indicative of its current or future operating or financial performance, or any future ability to service the Notes and are only current as of the dates on which they were initially issued. Prospective investors must determine for themselves the relevance of any such ESG ratings information contained in this Prospectus or elsewhere in making an investment decision. Furthermore, ESG ratings shall not be deemed to be a recommendation by the Issuer, the Joint Bookrunners or any other person to buy, sell or hold the Notes. As of the date of this Prospectus, the providers of such ESG ratings are not subject to any regulatory or other similar oversight in respect of their determination and award of ESG ratings. For more information regarding the assessment methodologies used to determine ESG ratings, please refer to the relevant agency's website (which does not form a part of, nor is incorporated by reference in, this Prospectus).

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RISK FACTORS

Before deciding to purchase the Notes, investors should carefully review and consider the following risk factors, and the other information contained in this Prospectus. Should one or more of the risks described below materialize, this may have a material adverse effect on the business, prospects, shareholders' equity, assets, financial position and results of operations (Vermögens-, Finanz- und Ertragslage) or general affairs of the Issuer or the Group. Moreover, if any of these risks occur, the market value of the Notes and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Notes may decrease, in which case the holders of the Notes (the "Noteholders") could lose all or part of their investments. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons than those described below. Additional risks of which the Group is not presently aware could also affect the business operations of the Group and have a material adverse effect on the Group's business activities and financial condition and results of operations. Prospective investors should read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

The following risk factors are classified into categories according to their nature.

The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on the business, financial condition and results of the operations of the Group.

Words and expressions defined in the Terms and Conditions of the Notes below shall have the same meanings in this section.

Potential investors should, among other things, consider the following:

Risks relating to the Issuer and the Group

Risks Related to the Group's Business and Industry

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

As an internationally active business, the Group's sales depend significantly on economic and political conditions globally and in its key markets, especially Asia. In particular, the Group's sales are subject to global market demand for and supply of regenerated cellulosic fibers ("RCF"). Demand for RCF is driven by the needs of the textile and nonwovens industry, which relies on these fibers for a wide range of applications, including clothing, medical and hygiene products. In 2024, sales of the Group's segment that produces all three generations of RCF and markets them under the product brands TENCEL™, VEOCEL™, LENZING™ ECOVERO™ and LENZING™ (the "**Division Fiber**") accounted for 76.3% (December 31, 2023: 73.0%) of the Group's total external sales to customers and, due to the high energy and raw material costs, contributed an EBIT of EUR -68.7 million (December 31, 2023: EUR -683.8 million) to the Group's EBIT. Price movements in these fibers can therefore have a substantial impact on the Group's revenues. Although the Group also sells dissolving wood pulp ("DWP") and biorefinery products, such sales are significantly smaller than its RCF sales. In addition, such pulp is used, both by the Group and its external pulp customers, mainly for the production of RCF. Therefore, demand for DWP is also dependent on demand for RCF. The Group's segment that mainly produces and procures DWP (the "**Division Pulp**") contributed 23.6% of the Group's total external sales to customers in 2024 (December 31, 2023: 26.8%) and EUR 243.7 million to the Group's EBIT in 2024 (December 31, 2023: EUR 284.6 million), given that the DWP production is net energy positive and was thus not significantly affected by high energy prices.

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

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

On an industry level, the development of the prices for textile RCF and, to a lesser extent also for nonwoven RCF has historically been cyclical due to macroeconomic effects. In 2024, the global economy has demonstrated resilience overall following eruption of geopolitical conflicts, such as the military conflict in Ukraine (the "**Russia-Ukraine Conflict**") and the Israel-Gaza conflict, the European energy crisis and high inflation in many parts of the world, and extreme weather events that disrupted global supply chains. The negative supply shocks caused by the Russia-Ukraine Conflict and the Covid-19 pandemic have had lasting effects on output and inflation, with varied impacts across individual countries and country groups. The sharpest contrasts are between advanced and developing economies. Whereas the former have caught up with activity and inflation projected before the pandemic, the latter remain more vulnerable to such surges in commodity prices. The expected recovery in markets relevant for the Group has failed to materialize to date. Increases in raw material and energy costs on the one hand and subdued demand on the other had a negative impact on the Group's business trends in 2023 and 2024.

The market environment in the textile segment was again characterized by uncertainty and subdued demand in 2024. Wars and conflicts as well as the general economic situation had a negative impact on consumer confidence in Europe and China. The USA was the only region where consumer sentiment was positive. As a consequence, companies along the textile value chain are continuing to place orders at very short notice.

Viscose prices in China rose by 9% over the course of the year to RMB 13,750 per tonne. However, the average year-on-year increase in 2024 was moderate at just 3%. In the three months ended March 31, 2025 ("**Q1 2025**"), the Chinese viscose prices declined by 3% to RMB 13,300 per ton at the end of the quarter. Cotton and polyester are also quoted on commodity exchanges and also influence global fiber prices. The Group's fibers are a blending partner and also a potential substitute for cotton and synthetic fibers on many submarkets. Consequently, price trends for cotton and to a lesser extent polyester also influence the prices of the Group's fibers. The Cotlook A index started the year 2024 at 91 US cents per pound and rose to as high as 107 US cents per pound in February 2024 and it was down 14% over the course of the year to 79 US cents per pound as of December 31, 2024, following a slight recovery in the fall (December 31, 2023: 91 US cents per pound). In Q1 2025, cotton prices experienced strong fluctuations and by the end of the quarter returned to a level similar to the start of the quarter. In the current 2024/25 cotton season, the reduction in demand is expected to be higher than the reduction in supply caused by lower harvests in the U.S. and Pakistan. Cotton prices remain volatile and, as many other agricultural products, are susceptible to macroeconomic developments.

The price of polyester staple fiber in China also decreased over the course of the year 2024. Although it reached a high of RMB 7,940 per tonne in July 2024 due to higher costs for crude oil and the intermediate products required for fiber production, it then fell to RMB 6,980 per tonne by the end of the year (December 31, 2023: RMB 7,325). Over the year as a whole, this represents a reduction of 5%.

In Q1 2025, prices of polyester staple fiber in China declined by 2% to RMB 6,820 per ton at the end of the quarter. As a result of demand and price volatility in its industry, prices for the Group's products may not remain at current levels or may again decrease significantly in the future. Furthermore, there may not be sufficient demand for the Group's RCF, which could result in increased pressure on their prices. A sustained period of weak demand for or excess supply of RCF would adversely affect prices for the Group's products. This development would, in turn, have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

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

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

Raw materials and energy constitute a large proportion of the Group's total costs. This proportion relative to the Group's revenue has also grown during the period under review. Material costs (comprised primarily of pulp and wood for the internal production of pulp, key chemicals and merchandise) were equal to 43.5 % of Group revenue 2024 (December 31, 2023: 47.2%) and other purchased services (related mainly to energy) comprised 8.3% in 2024 (December 31, 2023: 8.9%). In consequence, the Group's exposure to fluctuations in the prices of raw materials and energy is significant and may increase going forward.

Raw material and energy prices, though decreasing, have remained elevated in Q1 2025 after having increased significantly beginning in 2022, driven mainly by strong demand at the beginning of 2022, exacerbated by supply constraints and the effects of the Russia-Ukraine Conflict. See *"Regional conflicts, such as the Russia-Ukraine Conflict and the Israel-Palestine conflict and pandemics have had, and may continue to have, adverse impacts on the global economy, the global capital markets, international trade, supply chains, energy prices and supplies and the price and availability of raw materials, any of which could negatively impact the Group's operations."* In 2024, natural gas prices for non-household consumers in Europe decreased from its peak of EUR 0.0818 per kWh in the first half of 2023, to an average of EUR 0.0616 per kWh, and electricity prices for non-household consumers decreased by 7% compared to the second half of 2023 (sources: Eurostat, European Commission, Natural gas prices statistics, October 2024 and Eurostat, European Commission, Electricity prices statistics, October 2024).

The sharp rise in energy prices due to the pandemic and the Russia-Ukraine Conflict also led to supply shortages and significant price increases on global commodity markets reaching into 2024. Given the Group's dependence on certain key suppliers, these circumstances presented a significant risk to the Group. See also *"The raw materials and services that the Group requires to produce wood-based cellulosic fibers may be difficult to obtain, and the Group relies on a limited number of key suppliers, some of which are struggling to meet demand due to supply chain disruptions."* Caustic soda prices recorded a moderate trend in the first few months of 2024, but rose continuously in all regions in the second half of the year. This was due to relatively stable demand from nickel and aluminum production, coupled with a shortage of supply due to diminishing demand for chlorine. Sulphur prices were stable in the first half of 2024 but recorded a significant increase towards the year-end due to the strong growth in demand for sulphuric acid and fertilizers. With the exception of minimal corrections, the Chinese import price for dissolving wood pulp, the key raw material for regenerated cellulosic fiber production, rose continuously over the course of 2024 and, at USD 970 per tonne as of December 31, 2024, stood 10% higher than at the start of the year (2023: USD 880 per tonne). In Q1 2025, the price of imported dissolving wood pulp declined by 7% to USD 900 per tonne at the end of the quarter. The negative trends in energy markets (lower availability and higher prices) due to the Russia-Ukraine Conflict also had a significant impact on the wood market. Higher demand for firewood, pellets and forest biomass significantly limited the availability of industrial wood, which is used in the production of DWP, causing prices to rise sharply.

Although the Group has nominal capacity at the plantation and pulp mill in Brazil of approximately 500,000 tons of DWP per year, as well as 605,000 tons at its pulp mills in Europe, it still sources some DWP from external suppliers to acquire certain special grades of DWP which it needs to achieve optimal process and product performance (while selling its own excess DWP). Therefore, a substantial portion of the Group's remaining demand for wood, and in certain cases DWP, is still being met via external suppliers. Wood prices are at risk of increasing further due to climate change, growing global biomass demand, and alternative land use. Growing competition for land use and natural resources is affecting long-term structural biomass prices.

When the Group is unable to pass on higher raw material and energy costs to its customers, to increase sales or otherwise lower its average operating costs sufficiently to offset higher costs, this can have a significant effect on the Group's results of operations. Even if the Group is able to pass on raw material and energy price increases to customers, the increase in selling prices may result in decreased demand and lower sales volume as customers reduce their purchases or shift to substitute products. Following a decrease in Total Revenue in 2023 by 1.7% to EUR 2,521.2 million compared to 2022, driven by continued increases in raw material and energy costs on the one hand and subdued demand on the other, the Group implemented a reorganization and cost reduction with a volume in excess of EUR 70 million. Furthermore, the Group implemented a capital increase of around EUR 400 million and extended debt terms in a volume of around EUR 250 million in 2023 to strengthen the Group's balance sheet ratios and liquidity positions. In 2024 Total Revenue grew by 5.7% year-on-year to EUR 2,663.9 million, due to a revenue increase in the Division Fiber by 10.4% year-on-year to EUR 2,033.0 million.

The positive effects of the performance program were the main factor driving the operating earnings trend. Earnings before interest, tax, depreciation and amortization ("EBITDA") rose by 30.4% year-on-year to EUR 395.4 million in 2024. The EBITDA margin increased from 12.0% to 14.8%. In Q1 2025, the Group's EBITDA rose by 118.6% to EUR 156.1 million compared to the three months ended March 31, 2024 ("Q1 2024") (Q1 2024: EUR 71.4 million) and the EBITDA margin rose to 22.6% in Q1 2025 (Q1 2024: 10.8%).

Due to the existing uncertainties with regard to the occurrence, volume and duration of possible raw material and energy shortages, potential gas stoppages, rationing or other disruptions and volatilities, it is currently not possible to make reliable statements with regard to the probability of such occurrences or their exact impact on the Group. Any of the foregoing risks, if they materialize, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Regional conflicts, such as the Russia-Ukraine Conflict and the Israel-Palestine conflict and pandemics have had and may alongside escalating protectionist trade measures continue to have, adverse impacts on the global economy, the global capital markets, international trade, supply chains, energy prices and supplies and the price and availability of raw materials, any of which could negatively impact the Group's operations.

The Russia-Ukraine Conflict has prompted the European Union and numerous countries to impose sanctions on a wide range of Russian and Belarusian state and corporate entities and individuals, including extensive trade embargoes, travel bans, asset freezes and the exclusion of certain Russian and Belarusian banks from the global financial system, among other measures. In response, Russia has sanctioned persons and entities within so-called "non-friendly" countries and terminated gas supply contracts to several countries and entities in Europe. The unpredictable nature of the conflict means that further sanctions, against Russia and Belarus or Russian and Belarusian entities, and further retaliatory actions by Russia and Belarus against the imposing countries, may be forthcoming.

In October 2023, armed conflict broke out and has since escalated in the Middle East between Israel and Palestine, involving other regional powers. As a result of this escalation, various nations, including the United States, have been monitoring the situation closely. Though a ceasefire has recently been signed, it is unclear whether such ceasefire will hold or de-escalate the region. In particular, the conflict has led to disruptions in the supply routes over the Red Sea. Additionally, rising tensions in the Taiwan strait may increase and further contribute to supply route disruptions.

The Russia-Ukraine Conflict and the related sanctions and the tensions in the Middle East have created significant global economic uncertainty and have threatened to exacerbate pre-existing global economic challenges, increasing inflation in food, commodity and energy prices and slowing economic growth. The negative supply shocks caused by the Russia-Ukraine Conflict and the Covid-19 pandemic have had lasting effects on output and inflation, with varied impacts across individual countries and country groups. The sharpest contrasts are between advanced and developing economies. Whereas the former have caught up with activity and inflation projected before the pandemic, the latter remain more vulnerable to such surges in commodity prices. Such developments may lead to a decline in the willingness or ability of the Group's customers to purchase its products for use in their downstream industries such as textiles and nonwovens.

The conflicts and the related sanctions have also caused and may continue to cause volatility in oil and natural gas prices and consequently also wood, which could potentially lead to shortages of these resources. In Austria, where the Group

maintains significant production facilities, the public electricity grid and the Group's Heiligenkreuz, Austria site in particular rely to a significant extent on natural gas and plans to reduce this exposure are requiring an extended period of time to take effect. Russia has cut exports of natural gas to various European countries and has progressively reduced, or paused entirely, deliveries of natural gas to certain European countries. As of the year beginning in 2025, following the cancellation of the transit agreement by Ukraine and termination of long-term gas supply contracts by one of Austria's major importers, Austria no longer imports natural gas from Russia over Ukraine. Since the beginning of the Russia-Ukraine Conflict, the European Union has progressively restricted energy imports from Russia, including seaborne crude oil and refined petroleum products, all forms of Russian coal, issuing import bans for liquified petroleum gas and banning future investment in and exports to liquified natural gas projects under construction in Russia. These developments have caused and may continue to cause significant increases in energy prices and potential energy shortages throughout Europe as well as adversely impacting European economies and manufacturers such as the Group and its Europe-based suppliers, which rely on affordable energy and supplies of various raw materials dependent on affordable energy for their production, to carry on their operations. Volatility on energy markets caused by the Russia-Ukraine Conflict have also led to a substantial increase in the use of wood for biomass energy generation along with stockpiling of firewood and hardwood export restrictions, all of which has had a significant impact on the essential input for the Group's products, which are primarily wood-based. For more detail on the potential impacts these risks could have on the Group and its suppliers, see *"The Group's business, which depends on the timely availability of raw materials and energy at reasonable prices is currently facing, and may continue to face, delays, shortages and price volatility as a result of global supply chain disruptions and other factors."*

Other consequences of the regional conflicts and related sanctions which have adversely impacted, and will likely continue to adversely impact, manufacturers, including the Group, as well as the suppliers they rely on, include increased bottlenecks in global supply chains, shortages of laborers necessary to harvest raw materials (such as forest workers from Ukraine) as well as price volatility for raw materials (including chemicals which require natural gas or significant amounts of energy to produce). Although the Group has implemented strategies to manage the impact of these shortages and price volatility, such measures can be costly and may not always succeed. For example, in early 2023, the Group began implementing a hedging strategy that encompasses a mixture of financial and physical hedging strategies in Europe and North America, expected to focus mainly on gas but also in limited cases on electricity. For 2024, the Group hedged approximately 38% (2023: 30%) of its expected electricity demand in Austria, as well as approximately 46% of the expected natural gas demand of its relevant sites in the United States, the United Kingdom and Austria. However, hedging measures may not always fully protect the Group from volatility in energy prices and the impact it can have on the Group's profitability. Such measures could even have a negative effect on the Group's costs, for instance, by leading to comparatively higher costs for the hedged positions during an otherwise downward trend in market prices.

Since January 2025, a series of new tariff measures by the United States and countermeasures by its trading partners have been announced and implemented, ending up in near-universal US tariffs on April 2, 2025, raising effective tariff rates to levels not seen in a century. Global growth is projected to drop to 2.6% in 2025 and 3% in 2026 – down from 3.3% for both years projected in January 2025 (source: *International Monetary Fund World Economic Outlook, April 2025*). As a globally active company, such tariff measures can have an impact on the Group, as they make imports of raw materials for its US manufacturing site in Mobile, Alabama more expensive, and they come with uncertainty from secondary effects, which are difficult to estimate. Intensifying downside risks, including ratcheting up of a trade war, elevated trade policy uncertainty, a resurgence of or an escalation in regional conflicts, monetary policy remaining tight for too long, a possible resurgence of financial market volatility with adverse effects on sovereign debt markets, a deeper growth slowdown in China may further reduce near- and long-term growth. The tightening of global trade sanctions could increase import restrictions or other logistical or sales-related implications in the markets relevant to the Group. Increased borrowing costs faced by the Group's customers could result in decreased demand for the Group's products.

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

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

The Group requires significant financial resources to implement its business plan and strategy. The Group is currently party to a range of financing agreements with various financial institutions pursuant to which it has significant borrowings and other financial liabilities. As of March 31, 2025, the Group's net financial debt (defined as the Group's interest-bearing loans and borrowings (*i.e.*, non-current and current loans and borrowings) less liquid assets (*i.e.*, cash and cash equivalents plus liquid bills of exchange) and excluding lease liabilities (*i.e.*, non-current and current lease liabilities)) amounted to EUR 1,499.3 million (December 31, 2024: EUR 1,532.5 million; March 31, 2024: EUR 1,477.1 million; December 31, 2023: EUR 1,562.6 million). As of March 31, 2025, the Group's non-current loans and borrowings amounted to EUR 1,794.8 million (December 31, 2024: EUR 1,828.5 million; March 31, 2024: EUR 1,917.3 million; December 31, 2023: EUR 1,906.7 million) and its current loans and borrowings (loans and borrowings due within one year) amounted to EUR 280.7 million (December 31, 2024: EUR 279.4 million; March 31, 2024: EUR 545.3 million; December 31, 2023: EUR 529.0 million). As of December 31, 2024, the Group had contractually agreed (undiscounted) principal payments for financial liabilities (consisting of private placements and liabilities to banks, liabilities to other lenders and lease liabilities) which comprised expected cash outflows of EUR 187.6 million and EUR 1,096.9 million from 2026 to 2029. The timing of the Group's cash outflows for contractually agreed (undiscounted) interest and principal payments may be subject to change as a consequence of amendments to its financing agreements.

The Group's financing agreements include a financing agreement between two of the Issuer's Brazilian joint ventures, LD Celulose S.A. ("**LD Celulose**") including its wholly-owned Austrian subsidiary LD Celulose International GmbH ("**LDI**") and LD Florestal S.A. ("**LD Florestal**") and various financial institutions concerning an aggregate financing of USD 1 billion (the "**LD Celulose Financing 2024**") available for the refinancing of an export term loan facility agreement which in turn was made available to finance exports of goods by LD Celulose. The LD Celulose Financing 2024 includes covenants such as restrictions on the incurrence of additional financial indebtedness by any of the joint ventures and their subsidiaries as well as other financial covenants, conditions for disbursement of loans under such loan agreements, prepayment provisions, and events of default.

The LD Celulose Financing 2024 comprises the issuance of USD 650,000,000 green senior secured notes due 2032 with an interest coupon of 7.950% by LDI the proceeds of which were upstreamed and used for the repayment of indebtedness of LD Celulose. Although the Issuer is of the opinion that the upstreaming and the use of the proceeds by LDI for the repayment of indebtedness of LD Celulose does not constitute a repayment of capital contributions (*Einlagenrückgewähr*), a violation would result in the invalidity of the underlying contract. As a result, LD Celulose could be required to return any amounts received in violation of these restrictions. This could have an adverse impact on the Issuer's financial position.

The Group entered into a senior facilities agreement with an initial term of three years consisting of a term loan facility and a revolving credit facility. The revolving facility may be extended, subject to lenders' approval, to a maximum term of five years. The facilities agreement comprises (i) a EUR 355,000,000 term loan facility with a term of three years from the date of signing and a bullet repayment on the final maturity date, and (ii) a EUR 190,000,000 revolving credit facility, initially available for three years, with options to extend the term up to a maximum of five years. The proceeds from the term loan have been used to refinance previously existing indebtedness and related expenses, while the revolving facility replaces approximately EUR 130 million in bilateral revolving credit facilities and its proceeds will be utilized for general corporate purposes, including working capital requirements. The facilities agreement includes customary terms, conditions, and covenants as agreed with the lenders. The Group's other financing agreements include a subordinated perpetual bond (hybrid capital) with a total volume of EUR 500.0 million and a coupon of 5.75% (the "**Existing Notes**"), several German law *Schuldscheindarlehen* (unrated, senior unsecured private placements) with outstanding nominal values of EUR 334.5 million as of December 31, 2024 (December 31, 2023: EUR 506.5 million and USD 65.0 million), as well as several loan agreements based on issued bill guarantee commitments (*Wechselbürgschaftszusagen*) of the Republic of Austria and refinancing commitments (*Refinanzierungszusagen*) of the

Oesterreichische Kontrollbank AG with outstanding nominal values of EUR 601.5 million as of December 31, 2024 (December 31, 2023: EUR 601.5 million) (the "**OeKB Loan Agreements**"). Certain of these financing agreements contain a number of covenants, including financial covenants, which limit the Group's financial and operational flexibility.

Although the Issuer is of the opinion that the Group is in a position to meet its payment obligations that become due within at least the next 12 months from the date of this Prospectus, including its financial liabilities that come due during that period, over the longer term the Group will likely need to further reduce its leverage and obtain new financing in order to refinance its existing financial obligations as they come due. To do so, it will need to satisfy the financial requirements and other conditions contained in its existing financing agreements including those described above, which it may fail to do. Even where it satisfies such conditions and requirements, it is not clear that the Group will be able to secure the necessary financing from financial institutions on acceptable terms or at all. The Group's ability to obtain financing will depend on conditions in credit markets generally, the Group's creditworthiness at the time it seeks to refinance existing debt, its relationships with lenders and other factors. Should the Group fail to obtain such financing as and when needed, it will be unable to refinance its financial obligations when they come due. Furthermore, if the Group is unable to call or redeem the Existing Notes on December 7, 2025, the hybrid capital will carry a changed interest rate from December 8, 2025 onwards, which will be equal to the then applicable 5-year swap rate plus a margin of 11.208% instead of the currently applicable 5.75% coupon. This would expose the Group to the interest rate environment in December of 2025 and the attendant risk of high interest payments. The inability to call or redeem the Existing Notes presents a substantial refinancing risk to the Group and a resulting increase in the interest payments may pose a risk to the Group to repay its financial liabilities.

The failure by the Group to refinance or repay its financial liabilities as they come due would not only result in a default under those liabilities, but also in a cross-default under other agreements to which the Group is party. The breach of a financial or other covenant or the failure to meet any of the obligations under the financing agreements governing the Group's debt would result in a default or event of default under such agreements, which in turn could result in a number of adverse consequences including the acceleration of the outstanding amounts requiring immediate repayment of the related debt in part or in whole, prohibiting the Group from rolling over the loans under the existing credit facilities or drawing additional funds, significant increases in interest rates and other financing costs. If the debt under the Group's material financing arrangements were to be accelerated, the Group's assets may be insufficient to service the Group's debt and it may become insolvent.

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

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

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

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

The concept of the "cellulose gap" is based on the assumption that global demand for fibers is expected to increase between roughly 2% and 3% per year as a result of, among other matters, increasing population, rising wages and increasing disposable income in emerging markets (*source: TFY, "The Fiber Year 2024"*). In addition, arable land for the cotton industry may not be sufficient to service the increasing demand for fibers due to competition for land uses,

such as to grow food or crops that they believe will be more profitable and can be used as alternative energy sources. Climate change and the expected increase in flooding may further reduce existing arable land for cotton. However, if cotton prices continue to increase as they have increased in the recent past, farmers may choose to switch from planting crops used as alternative energy sources, which currently is a more financially attractive strategy, back to planting cotton. Furthermore, other man-made fibers such as polyester or polypropylene may benefit from factors such as potentially decreasing oil prices or continued price advantages compared to the Group's RCF, including specialty fibers, or new fiber types may be developed that are better substitutes for cotton than the Group's fibers. In any of these cases, the so-called "cellulose gap" may not materialize to the extent and in the timeframe that the Group expects it to materialize, or at all. Consequently, the growth of the specialty fibers industry predicted by studies may also not materialize.

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

Inflationary price pressures on raw materials, labor, transportation, energy or other inputs used by the Group and its suppliers, as well as the effects of rising interest rates, have negatively impacted, and could continue to negatively impact, the Group's business and results of operations.

The Group's operating environment has been impacted by inflation and rising interest rates. Increases in the price of raw materials, labor, wages, energy or other inputs that the Group or its suppliers use in manufacturing and supplying products, along with logistics and other related costs, has led to higher production and shipping costs for the Group's products. Increases in the cost of inputs to the Group's production has led to higher costs for the Group's products in both its Division Fiber and Division Pulp and has negatively impacted and may continue to negatively impact the Group's operating results and future profitability. General inflation, including rising energy prices, interest rates and wages, currency volatility and monetary, fiscal and policy interventions by national or regional governments in reaction to such events could continue to have negative impacts on the Group's business by increasing the Group's operating costs and its borrowing costs as well as decreasing the capital available for the Group's customers to purchase its products.

Global headline inflation is expected to decline at a pace that is slightly slower than what was expected in January 2025, reaching 4.3% in 2025 and 3.6% in 2026 (*source: International Monetary Fund World Economic Outlook, April 2025*). The inflation rate in the European Union was 2.2% for April 2025, compared with 2.7% for December 2024 and 3.4% for December 2023 (*source: Eurostat, April 2025*). The impact of inflation could reduce consumer confidence and decrease consumer discretionary spending, including spending on textiles and nonwoven products which the Group supplies to these industries, and negatively affect trends in consumer purchasing patterns due to changes in consumers' disposable income, credit availability and debt levels. The impact of high inflation and the Group's premium pricing for certain of its products relative to more conventional fiber solutions have caused and could continue to cause the Group's customers to trade down into cheaper fiber products. A decline in demand for RCF would also eventually reduce demand for DWP.

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

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

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

Although the Group has nominal capacity at the plantation and pulp mill in Brazil of approximately 500,000 tons per year, as well as 605,000 tons at its pulp mills in Europe, it still sources some DWP from external suppliers in order to acquire certain special grades of DWP which it needs to achieve optimal process and product performance (while selling its own excess DWP). Therefore, if one of these suppliers fails to deliver DWP, for example as a result of production disruptions, temporary plant closures, civil unrest or otherwise, the Group could be forced to seek alternative, more expensive sources for its DWP. The Group may not be able to identify such alternative sources at acceptable prices, or

at all. Mid- to long-term shortages or other interruptions in the supply of DWP could limit its ability to produce RCF. In addition, the Group may be unable to extend certain supply agreements or may only be able to do so at higher prices that the Group might not be able to pass on to its customers.

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

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

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

The Group relies on third-party suppliers for the timely delivery of raw materials and services for the manufacture of its products, including DWP and chemicals which comprise the primary inputs for the Group's production of RCF, including specialty fibers. Prior to processing, the Group sources its wood from certain suppliers that are able to certify that the wood has come from responsibly managed forests. In terms of DWP, in 2023 and 2024 the Group covered more than 60% of its requirements with its own production. The remainder of the DWP that the Group consumes is largely sourced on the basis of mid- to long-term contracts from a limited number of suppliers. See also "*The Group relies on mid- to long-term requirement contracts for a material amount of the dissolving wood pulp it needs to manufacture its products.*" Chemicals such as caustic soda, carbon disulfide and sulphuric acid, which are essential to the Group's RCF production, are also purchased from a small number of suppliers. The number of suppliers which are able to comply with the Group's sustainability strategy is also limited. Any shortage in the supply of, or increase in the demand for, wood, DWP and the range of chemicals that the Group uses in its production could result in increases in raw material costs or even interruption of the Group's production.

Furthermore, the Group is working towards reducing its emissions, including, among others, carbon, sulphur and wastewater, and this, together with external regulatory requirements, could require the Group to procure a greater share of CO₂-optimized (*i.e.*, with a lower carbon footprint than traditional methods) or otherwise sustainably sourced raw materials (such as caustic soda and wood) and energy in the future. However, the Group, directly or through its suppliers, may not always be able to procure such raw materials or energy, especially as demand among other manufacturers with similar requirements intensifies. The Group may also suffer reputational damage if it is not able to obtain sufficient amounts of such raw materials and energy. See also "*The Group's success is dependent on the image of its brand name and its underlying product brands, in particular their sustainability characteristics and credentials, as well as the brand image and reputation of its strategic partners.*"

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

- economic changes due to world-wide demand;
- changes to environmental and supply chain regulations;
- capacity allocation by the supplier to other customers or financial distress of the supplier;
- shortages of logistics services, including truck drivers and shipping capacity;
- fluctuations in market prices;

- catastrophic events such as forest fires, forest degradation (e.g., due to disease, pest infestation, excessive rain or droughts), industrial accidents, earthquakes or flooding;
- production shortfalls or delivery problems of suppliers due to lack of replanting, pandemic-related illness and restrictions, strikes, riots, general civil unrest or other production incidents; or
- fluctuations in exchange rates.

Should one or more key suppliers be unable or unwilling to fulfill delivery obligations, the Group faces a risk of production downtime, inventory backlogs, delays in deliveries to customers or the inability to complete the sale of ordered products. The Group's supply issues were also exacerbated by the Russia-Ukraine Conflict. The related rise in energy prices has severely affected the Group's supply chain. Among other things, the Group has experienced difficulties sourcing wood and certain chemicals from its key suppliers, including due to regional logistical strains. The risk of supplier financial distress could become more acute if energy prices continue to increase or remain elevated, or if energy supplies are threatened. See also *"The Group's business, which depends on the timely availability of raw materials and energy at reasonable prices is currently facing, and may continue to face, delays, shortages and price volatility as a result of global supply chain disruptions and other factors."* Furthermore, the supply disruptions caused by regional conflicts and the Covid-19 pandemic continue to have an impact on the Group's supply chain. See also *"Regional conflicts, such as the Russia-Ukraine Conflict and the Israel-Palestine conflict and pandemics have had, and may continue to have, adverse impacts on the global economy, the global capital markets, international trade, supply chains, energy prices and supplies and the price and availability of raw materials, any of which could negatively impact the Group's operations."*

As the Group's raw materials and its finished products are typically in transit for prolonged periods of time via sea routes, disruptions to its supply chain and logistics can result in extended delays to deliveries as shipments become backed up. Port closures in China due to the Covid-19 pandemic and in South Africa due to civil unrest have, for instance, affected the Group during the period under review.

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

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

The Group may not be able to compete in the highly competitive specialty fibers industry and may be affected by the availability of alternative products or new technologies.

The Group operates primarily in the specialty RCF industry. Specialty fibers consist primarily of lyocell and modal fibers, as opposed to viscose fibers which are generally considered standard fibers (other than certain viscose fibers such as LENZING™ ECOVERO™ which are considered specialty fibers due to their ecological properties). This industry is highly competitive. The Group currently competes with fiber producers globally, in particular in Asia. The Group is often in direct competition in wood- and cellulose-based fibers (both generic and specialty) with Chinese producers, and

more generally in competition with the wider fiber markets (polyester and cotton). DWP competitors exist mainly in Brazil, South Africa and the United States. The Group competes on the basis of quality, technical specifications, technical support and services, distribution network and price. The Group could lose business to its competitors if, among others:

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

Some of the Group's competitors may have greater financial and operating resources than it does or may be based primarily in countries that generally have lower cost levels. They may be able to gain access to raw materials at lower costs, implement more efficient production processes, be subject to less stringent environmental requirements, develop more sophisticated products and/or access financing on more advantageous conditions than are available to the Group. In addition, if competitors that do not currently have the capacity and expertise to produce and market products such as lyocell fibers of a quality comparable to the fibers produced by the Group successfully implement the required processes and know-how, or if the technology needed to manufacture products at that quality level becomes more accessible or affordable, the Group would face increased competition from existing industry participants as well as potential new market entrants. Furthermore, Asian specialty fiber suppliers may, irrespective of the economic developments in the Asian markets, expand their marketing and sales activities into European and American markets, whether as part of a strategically motivated regional expansion, or to take advantage of producing in a country where production costs are lower than in Europe or the United States or that offer currency-based competitive advantages. In addition, pricing in the markets for DWP could motivate existing producers of paper pulp to enter the DWP market and compete more directly with the Group. Any of the foregoing risks could have a significant impact on the Group's competitive position and adversely affect its sales and net earnings.

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

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

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

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

The Group's success is dependent to a certain extent on its good reputation and image in the market as well as that of its various brands such as TENCEL™, LENZING™, LENZING™ ECOVERO™ and VEOCEL™. To this end, the Group must earn customers' confidence by providing products and services that meet customer demand and appeal to customers' preferences, and subsequently such customers' own base of consumers in the textile markets for instance, especially with respect to sustainability, innovation, quality and reliability. As the Group sells to customers that generally buy unbranded products, the brand and reputation of the Lenzing Group itself is particularly important. In recent years, the Group has expended significant efforts to gain global recognition as a driving force for sustainability in its markets and end-markets. The Group's reputation and image is moreover based on innovation, long-term relationships and closeness to customer needs. If the Group is unable to effectively maintain and develop its brands and its brands' image, for example as a result of an inability to provide safe, high-quality, sustainably sourced and manufactured products and services, sales or sale prices might decrease, or consumers might perceive the Group's brands negatively. If the Group fails to be seen as a strong market participant, both in terms of sustainability and product quality, the Group could be replaced by competitors or may not be able to command premium prices for certain products. Moreover, the Group's success is also dependent on its image with other stakeholders, including consumers. Key factors affecting the Group's public perception include its approach to environmental sustainability, labor practices and social matters, including human rights, as well as government proceedings and litigation to which it may become subject (see "*The Group is subject to risks arising from legal disputes and government proceedings.*"). In addition, any loss of rights by the Group to freely use its brands in marketing and sales could hamper the Group's ability to sell its products (see "*The Group cannot guarantee adequate protection of its intellectual property rights and know-how.*").

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

For instance, the Group's plantation with joint venture partner Dexco S.A. ("**Dexco**") in Brazil, encompassing approximately 70,000 hectares of forest area (when completed) and supplying all of the wood for the Group's Brazilian pulp mill with a nominal capacity of 500,000 tons per year, is certified by the Forest Stewardship Council (the "**FSC**"), an international non-profit organization for wood certification. It could lose such certification if the Group were to fail an FSC audit. Losing such certification could prevent the Group from marketing certain of its products as FSC-certified. Further, certification bodies such as the FSC, or the Programme for the Endorsement of Forest Certification (the "**PEFC**") to which the Group's wood supplies also adhere in certain cases, could fall out of favor with the Group's customers or consumers. For instance, the Group's FSC-certified or a supplier's PEFC-certified forests could be considered to lack the biodiversity demanded by certain non-governmental organizations ("**NGOs**"). A loss in standing for the FSC or the PEFC certification could reduce demand for the Group's FSC- or PEFC-certified products. Any of these events could cause severe reputational damage for the Group and have a material impact on its sales. See also "*The Group's future success is dependent on the successful execution of its business strategy, including its sustainability ambitions.*" Furthermore, while the Group has converted aspects of certain production sites to a more renewable energy basis, other major production sites still utilize fossil fuels to a large extent, including coal at the site in Purwakarta, Indonesia and fuel oil at the site in Indianópolis, Brazil. Although the Group has been working to phase out coal at its production site in Nanjing, China in favor of natural gas, the project has been delayed due to prolonged negotiations and prior Covid-19-related restrictions. Continued use of fossil fuel energy sources at its production sites could be seen critically by the Group's customers or consumers. Incidents related to production or wastewater treatment could also adversely affect the Group's reputation and wider business. See also "*The Group's production facilities are exposed to*

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

Moreover, should the Group, directly or through its suppliers, be unable to source the requisite amounts of raw materials or energy per its sustainability requirements, it may be required to offset the sourcing of less optimized raw materials and energy by purchasing carbon emissions credits or investing in other projects for reducing carbon emissions. This could result not only in increased costs but also reputational damage for the Group, since consumers and the Group's customers may view such offsetting policies unfavorably. See also *"The Group's future success is dependent on the successful execution of its business strategy, including its sustainability ambitions."*

Relatedly, the Group's brands could be negatively impacted by the additional sustainability disclosure requirements imposed by the European Union's ("EU") Directive 2022/2464 (the **"EU Corporate Sustainability Reporting Directive"** or **"CSRD"**), which entered into force on January 1, 2024. Should the Group fail to comply with the requirements or should the disclosures made by the Group be found to be inaccurate, this could damage the Group's reputation. Further, the European Union's Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the **"EU Taxonomy Regulation"**), which entered into force on July 12, 2020, has been applicable since January of 2022 with respect to the environmental objectives "climate change mitigation" and "climate change adaptation" and has been applicable in respect of four additional environmental objectives since January 1, 2023. While the four additional objectives exclude chemical and chemical products and thus the core business of the Group, RCF and DWP production, is not eligible to be reported, a small portion of the Group's business, namely Energy, is eligible so far. The EU Taxonomy Regulation requires that companies which are subject to non-financial reporting under EU Directive 2014/95/EU amending Directive RL 2013/34/EU on non-financial and diversity information (the **"Non-Financial Reporting Directive"**), which has been replaced by the EU Corporate Sustainability Reporting Directive, include information in their non-financial statements on how and to what extent the company's activities are environmentally sustainable. The EU Taxonomy Regulation and the delegated acts adopted thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case.

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

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

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

Production facilities in the cellulosic fiber industry, especially concerning the production of specialty fibers, require large upfront investments and significant ongoing maintenance and modernization expenses and expertise. The conversion of a standard viscose staple fiber plant into a specialty fiber plant requires large investments. For instance, since 2021 the Group has invested more than EUR 200 million in its sites in Nanjing, China and Purwakarta, Indonesia to convert existing capacity for conventional viscose into capacity for specialty fibers in the furtherance of the Group's sustainability strategy, and because it is currently shifting its production emphasis away from standard fibers to specialty fibers, which generally carry higher prices and are more profitable than standard fibers. All of the Issuer's facilities also require investment in modernization on an ongoing basis, in particular for environmental, health and safety

modernizations and to support the Group's sustainability strategy, for instance via conversion of sites to renewable energy.

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

- obtain and renew licenses;
- obtain new or extend existing emission permissions;
- negotiate the construction of new infrastructure on and around Group facilities;
- recruit, train and retain skilled employees;
- develop new industrial processes;
- improve its operational and financial systems;
- adapt and enhance its internal controls and procedures; and
- agree with its joint venture partners in the case of its plants in Brazil and Indonesia.

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

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

For instance, the Group's work to phase out coal at its production site in Nanjing, China in favor of natural gas has been delayed due to prolonged negotiations and prior Covid-19-related restrictions. With the commissioning of two gas turbines, a milestone was reached in 2024 in the conversion of energy supplies from coal to natural gas in Nanjing, China.

Furthermore, the Group's efforts with strategic partner Södra to develop a recycled pulp with a share of post-consumer waste on an industrial scale are ongoing and start-up of a plant is targeted for 2025. Nonetheless, the Group has faced challenges in adapting the recycled pulp for industrial fiber production and securing the supply of recycled pulp at a requisite quality for cellulose fibers. These challenges, among others, have already led to the plant's start of production being delayed by at least one year. The Group's efforts on the project with Södra and other sustainability-oriented projects within the Group may therefore not achieve the targeted results or be successful at all.

The Group's business may be harmed in a number of ways if it cannot successfully implement conversions of production capacity. Sites for which conversions cannot be successfully completed may no longer be economically viable. Without the capacity of successfully converted sites, the Group's production capacity could be insufficient to satisfy market demand and it may become vulnerable to competitors that are able to match demand. It may also be unable to participate in, and benefit from, growth in its markets.

The Group also faces the converse risk that market demand may prove insufficient for full utilization of its converted, or recently expanded, capacity as the Group in most cases does not enter into long-term customer commitments. In 2023, the Group completed the conversion of its production sites in Nanjing, China and Purwakarta, Indonesia to produce higher value specialty fibers. Future market demand may prove insufficient to allow the Group to recoup its investments or lead to a decrease of the value of the Group's assets.

In addition, competitors are also in the process of increasing their capacity, which could also lead to excess supply of RCF, including specialty fibers. Other factors, such as the lack of product competitiveness, could also cause expanded capacity to be underutilized. See *"The Group may not be able to compete in the highly competitive specialty fibers industry and may be affected by the availability of alternative products or new technologies."*

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

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

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

Lenzing implemented a cost-cutting program at the end of 2022 and building on this, the Management Board has implemented a performance program since 2023 with the over-riding objective of achieving long-term resilience to crises and greater agility in the face of market changes. The program initiatives are aimed primarily at an improvement in EBITDA and free cash flow generation.

Other initiatives include working capital improvement measures designed to enhance liquidity in order to ensure that current assets and liabilities are utilized most effectively, as well as the reduction of fiber and pulp inventory levels; the reduction of capital expenditures, given that the conversion of the Group's sites in China and Indonesia were completed in 2023; and a reassessment of the Group's foreign exchange risk management and energy hedging policies, including the development of an effective risk management strategy to address the impact of future foreign exchange movements and energy cost developments.

Implementation of these or future operational performance and cost-saving measures is a complex exercise involving multiple jurisdictions across Asia, America and Europe, and is subject to a number of interdependencies and uncertainties. For example, changes in the personnel or operating structure, increase in the use of service centres and reductions in headcount for purposes of personnel cost reductions could negatively affect morale within the Group's workforce, damage the image of the Group as a preferred employer, undermine its ability to attract and retain talent, as well as disrupt internal processes. Initiatives to reach cost reduction targets in the procurement and supply chain structure could also face logistical hurdles. Furthermore, performance initiatives of the scale and breadth targeted by the Group require significant management time and attention, which could disrupt or otherwise negatively affect ongoing business operations. The failure to provide sufficient management capacity to implement the Group's operational performance and cost-saving measures could both impede the success of the initiatives and adversely affect the Group's business.

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

As a result of any of the factors above, these operational performance and cost-saving measures, or components thereof, may not deliver the intended benefits within the time frame that the Group targets. This may result in implementation costs in excess of those originally planned by the Group and the actual results of the initiatives may differ materially from the targets. These initiatives may fail to be successful. If the targeted operational performance and cost-saving measures are not fully realized or achieved within the intended time frames, this could have a material adverse effect on the Group's profit margins and more generally on its business, results of operations, financial condition and prospects.

Global pandemics have negatively affected the Group and remain a risk to the global economy and to the Group's business, results of operations, financial condition and prospects.

The Group operates globally and as such is both directly and indirectly exposed to various risks related to public health events, including epidemics, pandemics and other outbreaks, in particular the global outbreak of the Covid-19 pandemic. The Covid-19 pandemic led many countries worldwide to adopt measures to contain and combat the spread of Covid-19, including travel bans, quarantines, "stay-at-home" orders, restrictions on business activities and similar requirements for individuals to restrict daily activities, and has negatively impacted global supply chains, including those of relevance to the Group. The scale and duration of the Covid-19 pandemic and the measures undertaken to contain it severely impacted regional and global economies during the period under review, including those in several of the Group's key markets.

Consequences of the Covid-19 pandemic that have adversely affected, and may continue to adversely affect, the Group include delays or disruptions in the supply chain of raw materials, industrial parts, components and other materials and bottlenecks in the Group's distribution channels as well as a shift in focus of private households regarding their investments, leading to reduced demand for home textiles in China.

Global retail apparel sales in 2024 (after adjusting for price effects) grew at a low single-digit percentage rate year-on-year, according to preliminary estimates. While demand stagnated in China and even decreased in Europe, it proved to be more stable than expected in the USA.

Following a reduction in stock levels in the clothing retail sector over the course of the previous year, stocks were built up again in 2024, which was at least partly due to orders being brought forward in light of the threat of US import tariffs. Meanwhile, stock levels in the upstream production stages barely rose.

Demand for home textiles in 2024 continued to be negatively impacted by reduced levels of construction activities due to high interest rates and investments brought forward during the Covid pandemic.

The extent of impacts global pandemics may have on the Group's business, results of operations, financial condition and prospects going forward depend on future developments, including their duration and scope globally, together with the resulting impact on the Group's customers and suppliers and general economic conditions. The Group cannot predict with any certainty if or when any further disruptions will occur due to global pandemics. Even though the Covid-19 pandemic itself has subsided, and restrictions have been lifted, the Group may continue to experience material adverse impacts from any of the events described above on its business, results of operations, financial condition and prospects.

The Group's future success is dependent on the successful execution of its business strategy, including its sustainability ambitions.

The Group's future success is dependent on the successful execution of the Group's strategy of further building on its position as a wood-based cellulosic specialty fiber and DWP manufacturer. Central to this strategy is the Group's aim to play a leading role in sustainable specialty fibers, for instance under its brands TENCEL™, LENZING™ ECOVERO™ and VEOCEL™. The Group is targeting what it anticipates will be strong growth in the demand for environmentally responsible cellulosic fibers from the textile and clothing industries as well as from the hygiene and medical sectors. The Group's ability to achieve its strategic goals is subject to a number of risks. The development of the Group's sustainable product portfolio and the market for such cellulosic fibers is uncertain due to a number of factors, including the degree of customer acceptance, supply shortages, evolving sustainability requirements, disruptive technologies and technological hurdles, including those arising from environmental laws and regulations.

The manufacture, and ultimately sale and delivery of, sustainable specialty fibers is highly dependent on the timely availability of raw materials, which are subject to ongoing shortages and supply bottlenecks and could impede the Group's strategy. Additionally, should the Group be unable to source the amounts of CO₂-optimized or sustainably sourced raw materials and renewable energy it may need in the future, it may be required to offset the sourcing of traditional raw materials and energy by purchasing carbon emissions credits to an even greater extent than planned. The price of such carbon emissions credits could increase in the future due to competitive price pressure as more companies focus on offsetting the environmental impact of their operations. Although the Group aims to lower its reliance on carbon

offsets in the future, it may not succeed. To the extent that the Group has to purchase more such offsets, such price increases could negatively impact the Group's profitability. See also *"The Group's business, which depends on the timely availability of raw materials and energy at reasonable prices is currently facing, and may continue to face, delays, shortages and price volatility as a result of global supply chain disruptions and other factors."* and *"The raw materials and services that the Group requires to produce wood-based cellulosic fibers may be difficult to obtain and the Group relies on a limited number of key suppliers, some of which are struggling to meet demand due to supply chain disruptions."*

Moreover, in order to qualify its product portfolio as sustainable, the Group's ambitions are subject to progress made in individual levers, such as technological advances in recycling and circular production processes that have yet to be fully developed, as well as other factors, such as regulatory or economic developments, which may be out of the Group's control. The Group's ambitions also depend on the conversion of certain existing facilities from more traditional methods to more sustainable methods of production. See also *"The Group's plans to convert or expand production capacity expose it to additional risk and it may be unable to achieve such conversions. Moreover, market demand may be insufficient to fully utilize the recently converted or expanded capacity."*

In addition, the Group sets its sustainability strategy and measures its progress based on specific methodologies. Inputs include, inter alia, data provided by the Group's suppliers and third-party data providers which are often generic in nature. Such inputs may not always be accurate. The Group's methodologies are unable to capture every factor in their various models and may employ generic data based on averages, unrepresentative sampling or outdated results. If the Group were to use inaccurate or incorrect inputs for its sustainability goals and reporting, it could set incorrect targets when defining its further sustainability strategy. This could have an adverse effect on the Group's operations by leading to misinformed business decisions or on the Group's profitability, for instance by leading to the purchase of incorrect amounts of carbon emissions credits. It could also lead to allegations that the Group has exaggerated or otherwise incorrectly depicted certain sustainability-related achievements, which could harm the Group's reputation and potentially subject it to legal claims. Any failure by the Group to successfully execute its business strategy could have a material adverse effect on its business, results of operations, financial condition and prospects.

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

The Group cannot eliminate the risk of operational delays and disruptions at its production facilities or its plantations. Operational disruptions may result from external factors beyond the Group's control, for example natural disasters such as flooding, cyclones, windstorms, mud slides or earthquakes, forest fires, other types of fires resulting from dry and excessively hot temperatures, tree diseases, pest infestation or excessive rain in Brazil, hurricanes in the United States, or acts of terrorism, or from internal accidents or other failures in the course of operations, for example explosions, the release of toxic or hazardous substances or equipment malfunctions. In particular, the Group uses highly explosive chemicals such as carbon disulfide in its RCF production processes which have caused exothermal reactions at the Group's sites in the past. In early 2023, the Group experienced a general operational delay at its DWP plant in Brazil as well as a wash press malfunction that resulted in temporary shutdowns. In such cases, there is also a risk of personal injury, damage to third-party property and damage to the environment, which may lead to considerable financial cost and even criminal liability. Certain risks associated with its operations may in addition cause consequential loss of profits or environmental damage. These developments could delay or disrupt the Group's operations or result in the imposition of civil or criminal penalties that may not be covered by the Group's insurance policies or such insurance coverage may not be sufficient.

In addition, in line with its strategy to make use of efficiently integrated production, the Group has focused a substantial portion of its production at a limited number of locations. Any operational delays or disruptions at one of these locations, for example in Lenzing, Austria, Purwakarta, Indonesia, Minas Gerais, Brazil or Prachinburi, Thailand, some of its largest sites by capacity, would affect a substantial amount of its activities. In certain cases, the Group's facilities have been in operation for several decades and certain parts at such facilities are reaching the end of their lifecycle or are subject to accelerated corrosion due to their exposure to acidic conditions inherent to the Group's production processes. Replacement parts may be difficult to source or no longer available on the market.

Any resulting production loss or stoppage or payments for damages due to any of the factors described above that are not compensated by insurance payouts could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

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

The Group relies on a relatively limited number of key customers for a significant portion of its revenue, with approximately 50% of the revenues from its Division Fiber in 2024 being generated with a mid-double-digit number of customers. Customer concentration in the Division Pulp is also comparatively higher than in the Division Fiber. This is, to some extent, due to the fact that it is an important part of the Group's strategy to foster close and long-standing customer relationships, which increases the Group's exposure to certain key customers. A decrease in sales to these major customers, or the loss of one or more major customers without an immediate replacement, represents a risk to the Group's performance. This risk is exacerbated because most of the Group's sales are on a quarterly or short-term basis rather than under long-term contracts. See also "*The Group relies on mid- to long-term requirement contracts for a material amount of the dissolving wood pulp it needs to manufacture its products.*"

Customers may, although satisfied with the Group's products and services, unilaterally reduce, delay, or cancel their orders. They may also try to leverage their importance in their business dealings with the Group. Customer decisions may be based on factors that are beyond the Group's control, such as internal supply risk management (diversification of supply sources, dual-source strategy of larger accounts), an ambition for vertical integration or portfolio management measures.

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

Markets, in particular in Asia, may fail to develop as predicted by market reports, and the Group may fail to benefit from any growth these markets do achieve.

Growth in Asian market demand, as is predicted by various market reports, is an important assumption underlying the Group's strategy. To implement this strategy, the Group has made substantial investments in Asia, having invested more than EUR 200 million in its sites in Nanjing, China and Purwakarta, Indonesia, beginning in 2021 to convert existing capacity for conventional viscose into capacity for specialty fibers in the furtherance of the Group's sustainability strategy.

A significant proportion of the Group's revenue is generated in Asia, with sales in the region representing 59.0%, and 62.2% of the Group's revenue from external customers in 2024 and 2023. Demand for the Group's products in the Asian markets has been and will continue to be driven primarily by Asia's role as a global textiles manufacturing and clothing exports hub. If growth in the overall Asian market, or important individual markets within the region, suffers setbacks or is otherwise below the Group's current projections, sales volume and prices would likely fall short of the Group's targets, adversely affecting sales, net earnings and margins. Demand for RCF within Asian markets could also be disrupted by global geopolitical events, including ongoing tensions in eastern Asia.

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

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

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

The Group has engaged and may in the future engage in significant partnerships and joint ventures, the commercial and operational success of which is difficult to predict. In particular, the Group maintains partnerships and joint ventures with several strategic partners and associates as part of its strategy of expansion and vertical integration of its value chain. The most significant of these joint ventures is LD Celulose in which the Issuer holds a 51% stake and Dexco (previously Duratex), a publicly listed Brazilian company with its main business in the production of wood products, sanitary vitreous chinaware and metal fittings, obtained a 49% stake in January 2020. LD Celulose was established for construction of a pulp mill with a nominal capacity of 500,000 tons per year and is intended to bolster the Group's self-sufficiency in DWP. The DWP sourced from the Brazilian pulp mill is transported via sea, rail and road to the respective Group's sites and to customers. Representing the largest investment in the Group's history, the construction costs for the DWP mill amounted to approximately USD 1.38 billion. To provide raw materials for the plant at the scale necessary, LD Celulose secured the biomass and LD Florestal S.A. (a 50/50 joint venture among the Issuer and Dexco) also secured over 44,000 hectares of land rights to commercial forest, and leased additional land, in order to have approximately 70,000 hectares of forest area when completed.

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

- the Group's business and legal interests may not always be aligned with those of its partners and any of the Group's current or future joint ventures or partnerships may fail to be successful, achieve their planned objectives or meet their targeted timelines;
- joint ventures and partnerships may require an investment of considerable management, financial and operational resources to establish sufficient infrastructure such as risk management, compliance or other processes, to meet strategic or production targets or to be scaled in a commercially viable manner;
- joint ventures and partnerships may require outside financing, including via fund-raising efforts in which the Group may need to participate on a pro-rata basis to its stake, and such financing may not always be available on acceptable terms or at all;
- issues with integrating assets and personnel contributed to a joint venture or partnership by the Group or a partner, which could negatively affect the commercial viability of the joint venture or partnership;
- joint venture and strategic partners may take actions contrary to the Group's instructions or requests or contrary to its policies or objectives, act in contrast to the Group's sustainability goals, be unable or unwilling to fulfill their obligations under the relevant joint venture or strategic partnership agreement, including compliance with reporting obligations and anti-corruption laws or adherence to restrictions on the use of the Group's assets, including intellectual property ("IP") rights, or have financial difficulties;
- disputes among joint venture and strategic partners may give rise to litigation or other legal proceedings;
- joint ventures and partnerships may be structurally complicated by the parties involved being required to anticipate and address issues of governance, control, dispute resolution and ownership, use of or rights to other assets, among many other matters;
- the Group may not have the level of strategic control, in general or as a result of the Group's stake being diluted by other investors, over the joint venture or its strategic partner that it requires to fulfill its long-term goals or to prevent quality control issues, inefficiencies or other operational problems;
- a joint venture partner may sell its stake in the joint venture to a buyer who is unattractive to the Group;
- joint ventures may not succeed commercially, resulting in the Group recording an impairment; and
- joint ventures and partnerships may result in restrictions on the Group's ability to compete.

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

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

The Group has received certain ESG ratings from third parties in the past, and the Group expects that, following the Offering, providers of ESG ratings to the general public, such as Institutional Shareholder Services, MSCI and Sustainalytics, will continue to publish their own ESG ratings of the Group. Such ESG ratings can affect investor and customer perception of the Group in the market. In addition, the impact of the Group's ESG-related risks and practices, including with respect to various ESG matters in the Group's business, has been and will continue to be independently assessed by non-accredited ratings organizations and various stakeholders in the ESG community. These rating organizations and stakeholders may not view the Group's various ESG policies, achievements and ambitions as being sufficiently transparent or consistent with their performance standards or goals. As a consequence, the Group's reputation could be damaged, in particular if such views were shared in the broader ESG or investor communities. This could, in certain cases, effectively limit the Group's access to capital markets and result in elevated scrutiny regarding the Group's commitment to its ESG principles and standards. Furthermore, negative customer perception of the Group's ESG efforts might reduce demand or willingness of potential customers to pay commercially acceptable prices for the products of the Group.

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

Because ESG ratings are issued by third parties external to the Group, no assurance can be given that an ESG rating will remain constant for any given period of time or that an ESG rating will not be lowered or withdrawn entirely by the ESG rating provider if, in its judgment, circumstances (either at the Group or otherwise) in the future so warrant. For example, in 2024 the Group received a "platinum" rating by EcoVadis for the fourth consecutive time but such rating could be revised in the future by EcoVadis for any number of reasons, some of which could be outside the Group's influence or control. Any negative change, or an indication of a possible negative change, in any ESG ratings of the Group, whether solicited or unsolicited, from time to time could impair or preclude the Group from accessing certain financial markets and products, thereby adversely affecting the Group's liquidity. Furthermore, any negative change, or an indication of a possible negative change, in the Group's ESG ratings may adversely affect the Group's reputation or reflect operational weaknesses at the Group, including those associated with the Group's pursuit of its sustainability ambitions, its financial condition or its prospects, and investors may also be required or choose to sell their holdings in the Issuer due to their own ESG investment criteria, which could have a negative impact on the Group's share price and make it more difficult for the Group to access capital markets in the future.

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

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

The Group has made acquisitions, for instance by acquiring a 43-megawatt biomass power plant located in Heiligenkreuz, Austria, near the Group's existing production site there in 2023 with the aim to reduce its dependence on fossil energy at the production site. Furthermore, the Group acquired a minority interest in the Swedish company TreeToTextile. Lenzing thereby joins existing owners H&M Group, Inter IKEA Group, Stora Enso, and LSCS Invest. TreeToTextile was founded in 2014 as a joint venture to develop a more sustainable process for the production of cellulosic fibers. The Group may continue to enter into such transactions in the future. However, the Group may not be able to identify suitable acquisition candidates or execute disposals on commercially reasonable terms going forward. For instance, even if the Group does identify a suitable acquisition candidate, it may not be able to finance such acquisition on favorable terms or at all. Diligence reviews of acquisition targets may not identify all of the material issues necessary to accurately estimate the cost or potential loss contingencies with respect to a particular transaction, including potential exposure to regulatory sanctions resulting from an acquisition target's previous activities. The Group may incur unanticipated costs or expenses, including post-closing asset impairment charges, expenses associated with eliminating duplicate facilities, litigation and other liabilities, including related to warranties. The Group may also encounter difficulties in integrating acquisitions with its operations, applying its internal controls processes to these acquisitions or managing strategic investments. Target companies may be located in countries in which the underlying legal, economic, political and cultural conditions do not correspond to those customary in the European Union or have other national peculiarities with which the Group is not familiar. Moreover, any planned acquisition may be subject to review and approval by the antitrust and other regulatory authorities of a number of jurisdictions, which may impede a planned transaction.

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

the Group's profitability may fail to do so, or the Group could be subject to potential liabilities resulting from contractual warranties and indemnities, as well as regulatory risks of not being able to obtain required approvals.

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

Risks Related to the Group's General Operations

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

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

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

In particular, the Group has substantial operations and generates significant revenue in Asia. In 2024, the Group generated 59.0% of its total revenue from external customers in Asia (December 31, 2023: 62.2%). The most important markets in terms of revenue in 2024 were China, Bangladesh, India, Indonesia, Pakistan and Türkiye. In addition to exporting a substantial amount of the DWP it produces at its plant in Brazil, which has a nominal production capacity

of 500,000 tons per year, to China, the Group also exports lyocell from its new plant in Thailand, which has a nominal capacity of 100,000 tons per year, to China. The Group therefore has exposure to the import regime of the Chinese government, among others. In general, the Group is subject to risks relating to regulatory, economic, social and political uncertainties in all of these jurisdictions.

Each of the above-mentioned countries is to a certain degree characterized by political instability due to a number of factors, including the significant impact of the Covid-19 pandemic and related government countermeasures, ongoing labor and social disputes, as well as a perceived lack of transparency in the application of regulations and government policies. The Group's business, results of operations, financial condition and prospects may also be adversely affected by changes in such policies, as well as fluctuations in the exchange rate of the respective local currencies against the Euro, changes in interest rates, liquidity of the domestic markets for capital and loans, controls on foreign exchange and limitations on international trade.

Moreover, as laws and regulations in each of these jurisdictions are gradually evolving, including with regard to CO2 emissions, there may be uncertainty in their interpretation and enforcement. The administrative and court authorities in China, for instance, have significant discretion in interpreting and implementing statutory terms. Thus, it may be more difficult for the Group to evaluate the outcome of administrative and court proceedings in China, should they arise, than in more developed legal systems. Furthermore, the Indian government has recently instituted a new set of quality control regulations, which require fiber importers, including the Group, to obtain certain certifications and comply with other obligations. These certifications have proven difficult to obtain for certain of the Group's production sites to be able to export their products to India, such that it is uncertain whether the Group will be able to export to India from those sites in the future or whether it would have to export to India from other Group production sites, which could result in higher costs for the Group and may make the Group's products in India less competitive. In addition, the Group is exposed to the risk of restrictions on the repatriation of cash from certain of these jurisdictions, which may impact its ability to repatriate dividends from its subsidiaries there.

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

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

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

The Group is exposed to transaction risk when it generates sales in one currency but incurs related costs in a different currency. The Group is exposed to translation risk when the revenues, assets or liabilities of the companies in which it holds interests are denominated in a currency other than the euro. Because these amounts are translated into Euro in the consolidated financial statements using the relevant exchange rate, fluctuations in that rate can have a negative effect on the Group's consolidated results of operations and financial condition even if there has been no decline at the local, unconsolidated level. A positive or negative change of 10% in the average exchange rate of the Euro to the yuan in 2024 would have had a direct effect on the Group's net profit or loss of negative EUR 5.6 million or positive EUR 6.8 million, respectively. A positive or negative change of 10% in the average exchange rate of the Euro to the U.S. dollar in 2024

would have had a direct effect on the Group's net profit or loss of negative EUR 59.7 million or positive EUR 72.9 million, respectively, without taking into account hedging instruments.

The Group seeks to hedge its currency risks if they influence the Group's cash flows. The Group's hedging strategy aims to hedge two-thirds of budgeted net exposures of material subsidiaries on a quarterly rolling basis for the next four quarters. As at December 31, 2024, there were no hedges for the euro/U.S. dollar budgeted net exposure but approximately 45% of the Euro/Brazilian real budgeted net exposure was hedged. Hedging can also prevent or reduce gains from otherwise advantageous currency movements. In addition, currency hedging transactions can be very costly. As a result, the assumptions of the management board of the Issuer (the "**Management Board**") about and its assessment of future exchange rate developments and relative level of risk avoidance or risk tolerance will have a substantial impact on the success of its hedging policy. Such measures may not offset the adverse financial impact resulting from currency variation, which may in turn have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

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

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

The Group relies heavily on information technology systems and networks to support its entire value chain. The consistent, efficient and secure operation of the Group's IT systems is therefore critical to the successful performance of its business. Despite IT maintenance and security measures, the Group's IT systems and networks (and those of the third-party vendors and service providers it relies on) are exposed to the risk of malfunctions and interruptions from a variety of sources, including unauthorized access, cyber-attacks, equipment damage, power outages, computer viruses and a range of other hardware, software and network problems. Recently, ransomware attacks, in which malware from cryptovirology threatens to block access to systems and data via encryption unless a ransom is paid to the attacker, have been on the rise and have caused a number of companies to suspend operations and pay ransoms. The risk of cybersecurity attacks may also be heightened as a result of the Russia-Ukraine Conflict. The occurrence of any system malfunction, attack or failure could result in the loss or corruption of data and interruptions in the availability of systems. In addition, the implementation of new digitalization initiatives or the migration to new enterprise resource planning and other systems carries the risk of errors and malfunctions.

The Group is implementing more stringent layers of security measures to protect the confidentiality, integrity and availability of its IT systems and the data stored on them. Those controls already implemented are monitored and routinely tested. Despite these efforts, the Group and its vendors have been the targets of cybersecurity attacks and remain subject to the threat of cybersecurity incidents that could have a security impact. Any future cyber incidents could materially disrupt operational systems, result in loss of trade secrets or other proprietary or competitively sensitive information, compromise personally identifiable information regarding customers, suppliers or employees, delay the Group's ability to deliver products to customers, or jeopardize the security of its facilities and the safety of the Group's products.

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

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

The Group's success depends substantially on its ability to attract, hire, train, retain and replace experienced management and personnel. The Group's management team has substantial expertise and industry experience and the loss of key members of management could adversely affect the Group's ability to implement its strategic objectives. Further, the

Group is also dependent on personnel that are highly skilled and qualified in engineering, sales and marketing and other specialist fields. The Group's success in attracting and retaining such personnel depends on a variety of factors, including its compensation and benefit programs, work environment, working culture and leadership, career development opportunities, commitment to diversity and public image.

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

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

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

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

A number of applicable collective agreements also impose certain obligations and restrictions on the Group that may adversely affect its flexibility to undertake adjustments to its workforce, to reduce its labor costs and to implement restructurings, reorganizations or similar corporate actions. Other provisions of the collective agreements that could have similar restrictive effects include, among others, commitments to offer certain contingents of fixed-term employees' permanent employment, obligations to hire fixed contingents of apprentices per year and to subsequently offer them

permanent employment, commitments to develop and expand certain business areas and an obligation to consult with the works council before concluding contracts with external service providers.

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

Legal, regulatory and tax risks

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

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

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

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

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

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

Certain of the Group's sites and their production processes are required to comply with the European Directive 2010/75/EU on industrial emissions, and rules and thresholds on the prevention and control of pollution from industrial activities. The thresholds, operational conditions and other descriptions of industrial processes for various industrial activities are further set forth in so-called Best Available Techniques Reference Documents ("**BREFs**"), adopted, inter alia, under the 2010 directive. A number of BREFs such as polymer BREF 2007, pulp, paper and board BREF 2016 and chemical industry wastewater treatment BREF 2016 are the basis for the current environmental permit for the Group's EU production sites. As the BREFs are continuously reviewed and updated to correspond with new developments, e.g.,

the waste gas treatment of chemical industry BREF 2023 which will form basis for the permit update expected at the latest in 2027 and will impact the permit of the viscose production site in Lenzing, Austria, compliance with the updates require significant capital expenditure to be incurred by the Group. In addition, the Group has also opted to comply with a voluntary labelling scheme under the EU Ecolabel directive. All Group production sites and all Group textile and nonwoven fiber products, with certain exceptions, are currently certified under the EU Ecolabel for textile products (2014). Similar to the BREF updates, these criteria under the EU Ecolabel directive are also subject to frequent revisions, which may require the Group to incur expenses to maintain certification. Such permit approvals and certificates may also cause the Group to incur significantly higher costs than anticipated or may not be successful at all.

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

Wastewater discharge at its production sites is also subject to environmental permits. For instance, since the site in Lenzing, Austria discharges its process water into the Ager River, which is relatively small, it is subject to a particularly stringent monitoring and reporting regime. In the event of exceptional meteorological or operational circumstances, the Group may not be able to always fully comply with emission limit values. See also *"The Group is subject to risks arising from legal disputes and government proceedings."*

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

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

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

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

Globally, the Group's operations are increasingly subject to regulations that seek to reduce emissions of greenhouse gases ("GHGs"), such as carbon dioxide. At the 2015 United Nations Framework Convention on Climate Change in Paris, nearly 200 countries, including countries where the Group manufactures its products, entered into the Paris Agreement. The Paris Agreement sets a goal of limiting the increase in global average temperature to well below 2 degrees Celsius and pursuing efforts to limit the increase to 1.5 degrees Celsius above pre-industrial levels, with global greenhouse gas emissions to peak and begin to decline as soon as possible. In order to operationalize the Paris Agreement, more detailed rules, procedures and guidelines were adopted at the UN climate conference (COP24) in

December of 2018. In response, jurisdictions where the Group operates significant production facilities have implemented and continue to tighten measures to address GHG emissions.

The Group is subject in particular to European and national emission trading systems ("ETS"). These systems are based on "cap and trade" principles designed to reduce greenhouse gas emissions by limiting the number of emission allowances (cap) required for certain facilities and allowing for the purchase of any shortfall or for the sale of surplus emission allowances (trade). Although the Group currently receives sufficient allocations of free emissions certificates via annual allotments in the EU and the United Kingdom which cover its annual ETS requirements, these annual allotments will decrease over time under the EU and United Kingdom ETS regimes. Such decreases in allotments may increase the Group's costs in the future. For instance, the general legal framework for the European ETS ("EU ETS") is provided in Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the European Union, as amended (together, the "ETS Directives"). Under the ETS Directives as in force until recent amendments in 2023, the overall number of emission allowances were to decline at an annual rate of 2.2% during the allocation period of 2021 to 2030. Such emission cuts were intended to be part of the European Union's contribution to the Paris Agreement. To align the EU ETS with the increased reduction targets under the European Union Climate Law (Regulation (EU) 2021/1119), as part of the "Fit for 55" package, Directive (EU) 2023/959, which entered into force in June of 2023, provides for amendments to the ETS Directives in July of 2021, including, inter alia, steeper annual cuts of 4.3% (2024 through 2027) and 4.4% (2028 through 2030) to the overall number of emission allowances, as well as a one-off reduction of the overall emissions cap by 90 million allowances in 2024 and 27 million allowances in 2026 ("**re-basing**"), and strengthening the market stability reserve. The Member States shall implement the amendments in their respective national law until the end of 2023. In Indonesia, where the Group operates a significant production site, plans for a carbon tax have recently been announced and an ETS is expected to be instituted in the future.

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

The Group is subject to risks arising from legal disputes and government proceedings.

From time to time, the Group may be involved in, or be threatened with, legal disputes and proceedings with suppliers, customers, employees or other third parties concerning, among other things, customer and supplier contractual relationships, warranty and other product-related claims, employment, safety and environmental matters, as well as investor litigation. Furthermore, the Group may become subject to proceedings by governmental authorities in connection with its compliance with laws and regulatory requirements, including in the areas of antitrust, tax, environmental and safety matters, as well as a class action filed by the public prosecutor of the State of Minas Gerais in connection with LD Celulose's pulp mill operations' release of effluents. In 2024, the trial court dismissed the case without addressing the merits based on lack of factual and legal grounds. As of the date of this Prospectus, this proceeding is pending the judgment of an appeal by the appellate court of the state of Minas Gerais, and it is uncertain when it will be reviewed by such court.

The outcome of pending or potential future legal or regulatory proceedings is, as a general matter, difficult to predict. If such proceedings are resolved against the Group, the Group may be subject to civil, criminal or other penalties, damages or other payment obligations, which may exceed any provisions set aside or any available insurance coverage. The Group may also be required to undertake recalls of its products or change its business practices. Even if the Group ultimately prevails in legal and regulatory proceedings, defending such actions can be costly and result in diversion of management's attention away from the Group's business. Adverse publicity surrounding legal or regulatory proceedings,

government investigations or allegations, including proceedings against former affiliates, may also harm the Group's brand and reputation (see "*The Group's success is dependent on the image of its brand name and its underlying product brands, in particular their sustainability characteristics and credentials, as well as the brand image and reputation of its strategic partners.*").

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

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

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

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

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

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

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

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

significant damages. In addition, in the event that a manufacturer of end products would be required to recall its products because of defects alleged to be caused by deficiencies in the Group's products, this could expose the Group to significant liability for costs and reputational damage and also cause reputational loss to the Group itself. The Group's product liability insurance coverage may not be adequate for any liabilities that may ultimately be incurred or may not continue to be available on terms acceptable to the Group. A successful claim brought against the Group in excess of its available insurance coverage may have a materially adverse effect on the Group's business, results of operations, financial condition and prospects.

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

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

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

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

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

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

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

The Group's operations may be restricted by economic sanction programs imposed by multiple authorities, such as the United Nations, the European Union and the United States through the Office of Foreign Assets Control. Such economic sanctions programs may restrict the Group's ability to engage in business dealings with certain sanctioned countries, persons or companies. For example, the imposition of enhanced export controls and economic sanctions on transactions

with Russia and Russian entities and persons by the United States, the United Kingdom, the European Union and other countries in relation to the Russia-Ukraine Conflict has prevented and could in the future prevent the Group from performing existing contracts, recognizing revenue and/or receiving payment for products already supplied and services already performed with Russian or Russia-related customers (see "*Regional conflicts, such as the Russia-Ukraine Conflict and the Israel-Palestine conflict and pandemics have had, and may continue to have, adverse impacts on the global economy, the global capital markets, international trade, supply chains, energy prices and supplies and the price and availability of raw materials, any of which could negatively impact the Group's operations.*"). It is difficult to anticipate the extent to which current or future sanctions could increase the Group's costs, disrupt supplies, reduce sales or otherwise affect the Group's operations.

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

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

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

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

The Group's insurance coverage may not be adequate to protect against all potential losses to which it may be subject, and uninsured losses could have a material adverse impact on the Group's business, and premiums may increase.

The Group has insurance coverage in place in relation to a number of risks associated with its business activities, including general liability, credit, product liability, property damage and business interruption, cargo, cyber and director and officer's insurance.

The Group's objective with respect to insurance management is to minimize the risk of financial loss at a reasonable cost and with appropriate premiums and deductibles and the Group believes that its insurance coverage is adequate for its operations. However, because the Group's insurance coverage is subject to exclusions and deductions, there may be claims in respect of which the liability for damages and costs falls to the Group before being met or reimbursed by any insurance underwriter. There may also be claims in excess of the Group's insurance coverage or claims which are not covered by the insurance due to other policy limitations or exclusions or failure by the insurer of the Group to comply with the terms of the policy. Furthermore, the Group may not be able to obtain adequate insurance coverage in the future on commercially acceptable terms, or at all, e.g. in the case of repeating or accumulating claims.

Any inability to obtain insurance coverage commercially or similar to that presently covering the Group, the Group having to pay higher premiums for or encountering restrictions on insurance coverage or the Group sustaining damages for which there is no, or insufficient coverage could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Risks relating to the Notes

Risk related to the nature of the Notes

The Notes may not be a suitable investment for all investors.

Potential investors should consider whether an investment in the Notes is appropriate in their respective circumstances and should consult with their legal, business, and tax advisors to determine the consequences of an investment in the Notes and to make their own assessment about the investment.

An investment in the Notes is only suitable for investors who

- possess the required knowledge and experience in financial and business matters to evaluate the chances and risks of an investment in the Notes and the information contained or incorporated by reference into the Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate such chances and risks in the context of the potential investor's particular financial situation and to evaluate the impact the Notes will have on their overall investment portfolio;
- understand thoroughly the terms of the Notes (in particular the Terms and Conditions) and are familiar with the behavior of the financial markets;
- are capable of bearing the economic risk of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- know that it may not be possible to dispose of the Notes for a substantial period of time, if at all; and
- are able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and ability to bear the applicable risks.

The Notes are undated securities in which an investment constitutes a financial risk for an indefinite period.

The Issuer is under no obligation to redeem the Notes.

The Noteholders have no right to call for redemption of the Notes. Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Notes for an indefinite period and may not recover their investment in the foreseeable future, if at all.

The Notes are subordinated to Senior Obligations of the Issuer.

The obligations of the Issuer under the Notes will be unsecured subordinated obligations of the Issuer which, in the event of the dissolution, liquidation, insolvency or any proceeding to avoid insolvency of the Issuer, rank:

- (i) senior only to the rights and claims of creditors in respect of Junior Obligations (for example, the Existing Notes; and
- (ii) *pari passu* amongst themselves and with the rights and claims in respect of creditors of any Parity Obligations; and
- (iii) subordinated to all Senior Obligations of the Issuer, such that in the event of the dissolution, liquidation, insolvency or any proceeding to avoid insolvency of the Issuer, no amounts shall be payable in respect of the Notes until the claims of all creditors of such Senior Obligations of the Issuer shall have first been satisfied in full.

According to the Terms and Conditions, in an insolvency or liquidation of the Issuer, no payments under the Notes will be made to the Noteholders unless the Issuer has discharged or secured in full (*i.e.* not only with a quota) all claims that rank senior to the Notes.

In a liquidation, insolvency or any other proceeding for the avoidance of insolvency of the Issuer, the Noteholders may recover proportionately less than the holders of other liabilities of the Issuer or may recover nothing at all. Potential investors should take into consideration that liabilities ranking senior to the Notes may also arise out of events that are not reflected on the Issuer's balance sheet, including, without limitation, the issuance of guarantees or other payment undertakings. Claims of beneficiaries under such guarantees or other payment undertakings will, in liquidation or insolvency proceedings of the Issuer, become liabilities which will be paid in full before any payments are made to the Noteholders.

The Terms and Condition contain no limitation on issuing further debt ranking senior to, or pari passu with, the Notes.

Neither the Issuer nor any of its subsidiaries will be restricted from incurring additional secured or unsecured debt or other liabilities, including debt ranking senior to or *pari passu* with the obligations under or in connection with the Notes.

If the Issuer incurs additional debt or liabilities, the Issuer's ability to pay its obligations under the Notes could be adversely affected. Such issuance of further debt could further reduce the amount recoverable by the Noteholders upon insolvency or liquidation of the Issuer or may increase the likelihood that the Issuer is required or permitted to defer payments of interest under the Notes.

Noteholders will not be protected under the terms of the Notes in the event of a highly leveraged transaction, a reorganization or a restructuring, merger or similar transaction that may adversely affect Noteholders.

The Notes do not include express events of default or a cross default.

The Noteholders should be aware that the Terms and Conditions of the Notes do not contain any express event of default provisions. There will also not be any cross default under the Notes.

The Notes may be called and redeemed at the option of the Issuer (in whole but not in part) on certain dates and at any time upon the occurrence of certain events. If the Notes are so redeemed, Noteholders are exposed to the risk of a lower yield than expected and might not be able to reinvest the proceeds in a comparable security.

The Issuer may redeem the Notes during the period from and including [●] (the "**First Optional Redemption Date**") to and including the First Reset Date or on any Interest Payment Date thereafter.

The Issuer may call the Notes for redemption (in whole but not in part) with effect as of any date prior to but excluding the First Optional Redemption Date at the Make-Whole Amount. The "**Make-Whole Amount**" will be the higher of the Specified Denomination of the Notes and their Present Value (as defined in the Terms and Conditions).

The Issuer may further redeem all outstanding Notes at any time upon occurrence of a (i) Gross-up Event, (ii) a Tax Event, (iii) an Accounting Event, (iv) in case of minimal outstanding aggregate principal amount or (v) upon occurrence of a Change of Control (all as defined and further described in the Terms and Conditions). The redemption of the Notes by the Issuer or the perception that the Issuer will exercise its optional redemption right might negatively affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

Noteholders are exposed to the risk that due to any such redemption their investment will have a lower-than-expected yield. In such circumstances, the investor might not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

Noteholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments.

Any person who purchases the Notes is relying on the creditworthiness of the Issuer and has no rights against any other person. Noteholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. The worse the creditworthiness of the Issuer the higher the

risk of loss (see also *"Risks relating to the Issuer and the Group"* above). A materialization of the credit risk may result in partial or total failure of the Issuer to make interest and/or redemption payments under the Notes.

The Issuer may also defer the payment of interest and could be obligated to do so. A deferral of interest will not constitute a default by the Issuer under the Notes (see *"Payments under the Notes may be deferred at the option of the Issuer."*).

In addition, even if the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless be of that opinion. Market participants may in particular be of such opinion if market participants' assessment of the creditworthiness of corporate debtors in general or debtors operating in the industries sector adversely change. If any of these risks occur, third parties would only be willing to purchase the Notes for a lower price than before the materialization of said risk. The market value of the Notes may therefore decrease

The Noteholders have no voting rights at general meetings of the Issuer and the Issuer's interests may not be aligned with those of investors in the Notes.

The Notes are non-voting with respect to general meetings of the Issuer. Consequently, the Noteholders cannot influence any decisions by the Issuer to defer interest payments or to optionally settle such Deferred Interest Payments or any other decisions concerning the capital structure or any other matters relating to the Issuer.

The Issuer and/or other entities of the Group will have no obligation to consider the interests of the Noteholders in connection with their strategic decisions, including in respect of capital management.

Such decisions could cause Noteholders to lose all or part of their investment in the Notes.

The current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change which may result in the occurrence of an Accounting Event.

In June 2018, the International Accounting Standards Board ("**IASB**") published the discussion paper DP/2018/1 on *"Financial Instruments with Characteristics of Equity"* (the "**DP/2018/1 Paper**") and the *"Financial Instruments with Characteristics of Equity"* project was recently moved to standard setting.

In November 2023, the IASB issued an exposure draft on the proposed amendments proposed by the DP/2018/1 Paper (the "**Exposure Draft**"). Whilst the proposals set out in the DP/2018/1 Paper would not, in their current form, result in any changes to the current IFRS accounting classification of financial instruments such as the Notes as equity instruments, such exposure draft is, however, subject to receipt of comments, the deadline for which was 29 March 2024. The IASB met on 23 October 2024 to discuss feedback on the Exposure Draft and potential changes to the proposed presentation and disclosure requirements in response to the feedback. The IASB was not asked to make any decisions, and it will further discuss the proposed presentation and disclosure requirements. If alternative changes are proposed and implemented, the current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change and this may result in the occurrence of an "Accounting Event" (as described in the Terms and Conditions). In such an event, the Issuer will have the option to redeem, in whole but not in part, the Notes in accordance with the Terms and Conditions. The implementation of any of the proposals set out in the DP/2018/1 Paper or any other similar proposals that may be made in the future, including the extent and timing of any such implementation, if at all, is still uncertain.

Accordingly, no assurance can be given as to the future classification of the Notes from an accounting perspective or whether any such change may result in the occurrence of an Accounting Event, thereby providing the Issuer with the option to redeem the Notes pursuant to the Terms and Conditions. The occurrence of an Accounting Event may result in Noteholders receiving a lower-than-expected yield.

Certain rights of the Noteholders under the Terms and Conditions may be amended or reduced or even cancelled by Noteholders' resolutions and any such resolutions will be binding for all Noteholders. Any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the Notes outstanding.

Since the Terms and Conditions provide for meetings of Noteholders or the taking of votes without a meeting, the Terms and Conditions may be amended by majority resolution of the Noteholders and a Noteholder is subject to the risk of being outvoted by a majority resolution of the Noteholders. The rules pertaining to resolutions of Noteholders are set out in the German Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz* – "**SchVG**") and are for the most part mandatory. According to the SchVG the relevant majority for Noteholder resolutions is generally based on votes cast, rather than on the aggregate principal amount of the relevant Notes outstanding, therefore, any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the Notes outstanding. As such majority resolution is binding on all Noteholders, certain rights of such Noteholders against the Issuer under the Terms and Conditions may be amended or reduced or even cancelled.

If a joint representative will be appointed, the Noteholders may be deprived of their individual right to pursue and enforce their rights under the Terms and Conditions against the Issuer.

Since the Terms and Conditions provide that the Noteholders are entitled to appoint a joint representative by a majority resolution of such Noteholders, it is possible that a Noteholder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, such right passing to the joint representative who is then exclusively responsible to claim and enforce the rights of all the Noteholders.

Risk related to interest payments

Payments under the Notes may be deferred at the option of the Issuer.

Noteholders should be aware that the Issuer is entitled to defer the relevant payment of interest in whole or in part subject to giving notice to the Noteholders on such deferral in accordance with the Terms and Conditions. Interest not due and payable in accordance with the Terms and Conditions will constitute deferred interest payments ("**Deferred Interest Payments**"). The Issuer will be entitled to pay outstanding Deferred Interest Payments in whole or in part at any time on giving notice to the Noteholders in accordance with the Terms and Conditions. Failure to pay interest as a result of an interest deferral will not constitute a default of the Issuer or a breach of any other obligations under the Notes or for any other purposes. The Noteholders will not receive any additional interest or compensation for the deferral of payment. In particular, the resulting Deferred Interest Payments will not bear interest.

Any deferral of interest payments will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

The Noteholders are exposed to risks relating to fixed interest rate notes.

Until the First Reset Date, the Notes bear interest at a fixed rate for the initial fixed rate period. A Noteholder of a fixed interest rate Note carries the risk that the prices of the Notes can fall as a result of changes in the interest rate on the market. While the nominal interest rate of the Notes is fixed for the entire initial fixed rate period of the Notes and thereafter will be reset every five years to the reference rate plus the relevant margin specified in the Terms and Conditions, the current interest rate on the capital market ("**market interest rate**") typically changes on a daily basis. As the market interest rate changes, the price of a Note with a fixed interest rate also changes – but in the opposite direction. If the market interest rate increases, the price of a Note with a fixed interest rate typically falls until the yield of such a Note approximately equals the market interest rate. If the market interest rate decreases, the price of a fixed interest rate Note typically increases, until the yield of such Note is approximately equal to the market interest rate. Noteholders should be aware that movements of the market interest rate can adversely affect the market price of the Notes and can lead to losses for Noteholders if they sell their Notes.

In addition, the credit spread of the Issuer, on which the initial fixed interest rate and the margins applicable with regard to the determination of the interest rate for each Reset Period were based, may change. A credit spread is the margin payable by the Issuer to the Noteholders as a premium for the assumed credit risk of the Issuer. Credit spreads are offered and sold as premiums on current risk-free interest rates or as discounts on the price. Factors influencing the credit spread include, among other things, the creditworthiness and rating of the Issuer, probability of default, recovery rate, remaining term to maturity of obligations under any collateralization or guarantee and declarations as to any preferred payment or subordination. The liquidity situation, the general level of interest rates, overall economic developments, and the currency, in which the relevant obligation is denominated may also have a positive or negative effect.

Investors are exposed to the risk that the credit spread of the Issuer widens, resulting in a decrease in the price of the Notes.

Noteholders are exposed to risks relating to the reset of interest rates linked to the 3-year Swap Rate.

Starting with the end of the initial fixed interest rate period on the First Reset Date, the Notes bear interest at a rate which will be determined on each respective reset date at the 3-year swap rate for the relevant reset period plus a margin.

Investors should be aware that the performance of the 3-year swap rate and the interest income on the Notes cannot be anticipated.

Due to varying interest income, investors are not able to determine a definite yield of the Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods.

Investors in the Notes should bear in mind that neither the current nor the historical level of the 3-year swap rate is an indication of the future development of such 3-year swap rate.

Furthermore, during each Reset Period, it cannot be ruled out that the price of the Notes may fall as a result of changes in the market interest rate, as the market interest rate fluctuates. During each of these periods, the investor is exposed to the risk as described under "*The Noteholders are exposed to risks relating to fixed interest rate notes.*".

Risks associated with the reform of interest rate benchmarks.

Following the First Reset Date, interest amounts payable under the Notes are calculated by reference to the annual swap rate for swap transactions denominated in Euro with a term of 3 years, which appears on the Reuters Screen Page [●].

This swap rate, the underlying Euro Interbank Offered Rate ("EURIBOR") and other interest rates or other types of rates and indices which are deemed "benchmarks" (each a "**Benchmark**" and together, the "**Benchmarks**") have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Notes.

International proposals for reform of Benchmarks include the European Council's regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**").

The Benchmark Regulation could have a material impact on the Notes, including in any of the following circumstances:

- a rate or index which is a Benchmark may only be used if its administrator obtains authorization or is registered and in case of an administrator which is based in a non-EU jurisdiction, if the administrator's legal benchmark system is considered equivalent (Article 30 Benchmark Regulation), the administrator is recognized (Article 32 Benchmark Regulation) or the relevant Benchmark is endorsed (Article 33 Benchmark Regulation) (subject to applicable transitional provisions). If this is not the case, Notes linked to such Benchmarks could be impacted; and
- the methodology or other terms of the Benchmark could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or

affecting the volatility of the published rate or level, and could have an impact on the Notes, including determination of the rate by the Issuer, the Calculation Agent or an independent adviser, as the case may be.

In addition to the aforementioned Benchmark Regulation, there are numerous other proposals, initiatives and investigations which may impact Benchmarks.

Following the implementation of any such potential reforms, the manner of administration of Benchmarks may change, with the result that they may perform differently than in the past, or Benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted.

Any changes to a Benchmark as a result of the Benchmark Regulation or other initiatives, could have a material adverse effect on the costs of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Investors should be aware that any changes to a relevant Benchmark may have a material adverse effect on the value of the Notes.

Under the Terms and Conditions of the Notes, certain benchmark replacement provisions will apply in case a Benchmark (or any component part thereof) used as a reference for the calculation of interest amounts payable under the Notes were to be discontinued or otherwise unavailable:

If a Benchmark Event occurs, the Issuer shall endeavor to appoint an independent adviser, which must be an independent financial institution of international repute or other independent financial adviser with relevant expertise. Such independent adviser will be tasked with determining whether an officially recognized successor rate to the discontinued Benchmark exists. If that is not the case, the independent adviser will attempt to find an alternative rate which, possibly after application of adjustments or spreads, can replace the discontinued Benchmark. If the independent adviser determines a successor rate or alternative rate (the "**New Benchmark Rate**"), such rate will replace the previous Benchmark for purposes of determining the relevant rate of interest (with consequential changes made to the Terms and Conditions of the Notes without the consent of Noteholders). Such determination will be binding on the Issuer, the Calculation Agent, the Paying Agents and the Noteholders. Any amendments pursuant to these fallback provisions will apply with effect from the respective effective date specified in the terms and conditions of the Notes. Such adjustments or spreads are intended to be applied in order to produce an industry-accepted replacement benchmark rate. However, the relevant adjustments or spreads may not be successful in doing so and the Notes may still perform differently than if the original Benchmark had continued to be used.

If the Issuer fails to appoint an independent adviser or if the adviser fails to determine a New Benchmark Rate following a discontinuation of a relevant Benchmark, the reference rate applicable to the immediately following reset period shall be the original benchmark rate determined on the last preceding interest determination date, provided, however, that, in case of the first reset period, the reference rate shall be [●]% *per annum*.

The replacement of a Benchmark could have adverse effects on the economic return of the Noteholder compared to the applicable original benchmark rate.

Market risks

Risk of change in market value.

The market value of the Notes is influenced by a change in the creditworthiness (or the perception thereof) of the Issuer and a number of other factors including, but not limited to, market interest and rate of return and certain market expectations with regard to the Issuer making use of a right to call the Notes for redemption.

The value of the Notes depends on a number of interacting factors, including, but not limited to, economic and political events in Austria, Europe or elsewhere, factors affecting the capital markets in general and the stock exchanges on which the Notes are traded. The price at which a Noteholder can sell the Notes might be considerably below the issue price or the purchase price paid by such Noteholder.

There is no active public trading market for the Notes.

There is currently no secondary market for the Notes.

Application has been made to the Luxembourg Stock Exchange to list the Notes on the Official List of the Luxembourg Stock Exchange and for admission to trading of the Notes on the Euro MTF Market operated by the Luxembourg Stock Exchange, which is a multilateral trading facility for the purposes of MiFID II, and, therefore, not an EU-regulated market.

There can, however, be no assurance regarding the future development of a liquid secondary market for the Notes or the ability of Noteholders to sell their Notes or the price at which Noteholders may be able to sell their Notes. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, the Issuer's operating results, the market for similar securities and other factors, including general economic conditions, performance and prospects, as well as recommendations of securities analysts. The liquidity of, and the trading market for, the Notes may also be adversely affected by declines in the market for debt securities generally. Such a decline may affect any liquidity and trading of the Notes independent of the Issuer's financial performance and prospects. In an illiquid market, an investor might not be able to sell the Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.

An investment in the Notes may be subject to the risk of inflation.

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on the Notes. If the inflation rate is equal to or higher than the nominal yield, the real yield is zero or even negative.

Other risks relating to the Notes

Noteholders may face difficulties in protecting their interests and enforcing their rights under the Notes.

The Issuer is incorporated in Austria. Consequently, in the event of an insolvency, insolvency proceedings are likely to be initiated in Austrian courts and their relevant laws would then govern such proceedings. Insolvency laws in Austria may differ materially from, and be less favorable than, equivalent procedures in other jurisdictions. This may affect the ability of Noteholders to recover in full if the Issuer becomes bankrupt, insolvent or reorganizes.

An Austrian court could appoint a trustee for the Notes to exercise the rights and represent the interests of Noteholders on their behalf in which case the ability of Noteholders to pursue their rights under the Notes individually may be limited.

Pursuant to the Austrian Notes Trustee Act (*Kuratorengesetz*) and the Austrian Notes Trustee Supplementation Act (*Kuratorenergänzungsgesetz*), a trustee (*Kurator*) could be appointed by an Austrian court upon the request of any interested party (e.g. a Noteholder) or upon the initiative of a competent court, for the purposes of representing the common interests of the Noteholders in matters concerning their collective rights to the extent the rights are endangered due to a lack of joint representation. In particular, this may occur if insolvency proceedings are initiated against the Issuer, in connection with any amendments to the Terms and Conditions of the Notes or changes relating to the Issuer, or under other similar circumstances.

Even though the applicability of the Austrian Notes Trustee Act is excluded in the Terms and Conditions, it cannot be excluded that an Austrian court rejects the exclusion of the applicability of the Austrian Notes Trustee Act and appoints a trustee, because the Issuer is an Austrian company. If a trustee is appointed, it will exercise the collective rights and represent the interests of the Noteholders and will be entitled to make statements on their behalf which shall be binding on all Noteholders. Where a trustee represents the interests of and exercises the rights of Noteholders, this may conflict with or otherwise adversely affect the interests of individual or all Noteholders. The role of an appointed trustee may also conflict with provisions of the Terms and Conditions related to majority resolutions of the Noteholders pursuant to the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) as set forth by the Terms and Conditions (which are governed by German law, save for clause 2 on the status of the Notes governed by Austrian law). On the other hand, investors should not rely on the protection afforded by the Austrian Notes Trustee

Act, as its application has been excluded in the Terms and Conditions and an Austrian court is expected give effect to such disapplication.

No assurance can be given as to the impact of any possible judicial decision or change of laws or administrative practices after the date of this Prospectus.

The Terms and Conditions of the Notes are based on German and, in case of the status provisions, Austrian law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to German or Austrian law or administrative practice or the official application or interpretation of German or Austrian law after the date of this Prospectus.

There may be transaction costs and/or charges in connection with the purchase or sale of the Notes.

When the Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the purchase or sale price of the Notes. Credit institutions as a rule charge commissions which are either fixed minimum commissions or pro-rata commissions, depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). These incidental costs may significantly reduce or eliminate any profit from holding the Notes.

The income under the Notes may be reduced by taxes.

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where they are tax resident, where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor.

A potential investor may not rely on the Issuer, the Joint Bookrunners or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes.

Each potential investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A potential investor may not rely on the Issuer, the Joint Bookrunners or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Without independent review and advice, an investor may not adequately understand the risks inherent with an investment in the Notes and may lose parts or all of its capital invested without taking such or other risks into consideration before investing in the Notes.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Notes will be represented by one or more Global Notes. Such Global Notes will be deposited with a common depository for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Investors will not be entitled to receive definitive notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors

will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in the Global Notes must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of beneficial interests in, the Global Notes.

Exchange rate risks and exchange controls.

The Notes are denominated in Euro. Potential investors should bear in mind that an investment in the Notes involves currency risks. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the investor's currency) other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of the Euro or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. An appreciation in the value of the investor's currency relative to the Euro would decrease (i) the investor's currency-equivalent yield on the Notes, (ii) the investor's currency equivalent value of the principal payable on the Notes and (iii) the investor's currency-equivalent market value of the Notes.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, Noteholders may receive less interest or principal than expected, or no interest or principal.

USE OF PROCEEDS

On 16 June 2025, the Issuer has invited the holders of its outstanding EUR 500,000,000 Undated Subordinated Resettable Fixed Rate Notes with a First Reset Date in 2025 (ISIN: XS2250987356) (the "**Existing Notes**") to exchange their Existing Notes for the Exchange Notes and a Cash Consideration (as defined in the exchange offer memorandum dated 16 June 2025 (the "**Exchange Offer Memorandum**")), subject to the satisfaction or waiver of the Minimum Condition (as defined in the Exchange Offer Memorandum) and the other conditions described therein (the "**Exchange Offer**").

As the Exchange Notes will only be issued to holders of Existing Notes upon settlement of the Exchange Offer against delivery of Existing Notes by such participating holders, the Issuer will not receive any funds in connection with the Exchange Offer.

Any proceeds from the offering of the New Money Notes will be used for (i) general corporate purposes and (ii) the payment of the Cash Consideration as well as accrued and unpaid interest on Existing Notes accepted for exchange in the Exchange Offer.

TERMS AND CONDITIONS OF THE NOTES

Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung dient nur zur Information.

These Terms and Conditions are written in the German language and provided with an English language translation. The German text will be the only legally binding version. The English language translation is provided for convenience only.

§ 1

VERBRIEFUNG UND NENNBETRAG

- (1) *Währung, Gesamtnennbetrag und Festgelegter Nennbetrag.* Diese Emission der Lenzing Aktiengesellschaft (die "**Emittentin**") von nachrangigen Schuldverschreibungen ohne feste Laufzeit im Gesamtnennbetrag von Euro [●] (in Worten: Euro [●]) ist eingeteilt in auf den Inhaber lautende Schuldverschreibungen (die "**Schuldverschreibungen**") im festgelegten Nennbetrag von EUR 100.000 je Schuldverschreibung (der "**Festgelegte Nennbetrag**").
- (2) *Vorläufige Globalurkunde, Dauerglobalurkunde, Austausch.*
- (a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die Vorläufige Globalurkunde wird gegen eine Dauerglobalurkunde (die "**Dauerglobalurkunde**"; die Vorläufige Globalurkunde und die Dauerglobalurkunde zusammen die "**Globalurkunde**") ohne Zinsscheine ausgetauscht. Die Globalurkunden tragen jeweils die Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Hauptzahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.
- (b) Die Vorläufige Globalurkunde wird frühestens an einem Tag gegen die Dauerglobalurkunde austauschbar, der 40 Tage nach dem Tag der Begebung der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen liegt. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen gemäß U.S.

§ 1

FORM AND DENOMINATION

- (1) *Currency, Aggregate Principal Amount and Specified Denomination.* This issue by Lenzing Aktiengesellschaft (the "**Issuer**") of subordinated undated bearer notes in the aggregate principal amount of Euro [●] (in words: Euro [●]) is divided into bearer notes (the "**Notes**") in a specified denomination of EUR 100,000 per Note (the "**Specified Denomination**").
- (2) *Temporary Global Note, Permanent Global Note, Exchange.*
- (a) The Notes are initially represented by one temporary global note (the "**Temporary Global Note**") without interest coupons. The Temporary Global Note shall be exchangeable for a permanent global note (the "**Permanent Global Note**"; the Permanent Global Note and the Temporary Global Note together the "**Global Note**") without interest coupons. The Global Notes shall each be signed by authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Principal Paying Agent. Definitive notes and interest coupons shall not be issued.
- (b) The Temporary Global Note shall be exchangeable for the Permanent Global Note at the earliest from the date falling 40 days after the issue date of the Notes represented by the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes

Steuerrecht erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S. Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zahlungen von Zinsen oder Zinsrückstände auf durch eine Vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen nur nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist für jede solche Zahlung von Zinsen oder Zinsrückständen erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Begebung der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen eingeht, wird als ein Ersuchen behandelt werden, diese Vorläufige Globalurkunde gemäß diesem § 1(2)(b) auszutauschen. Schuldverschreibungen, die im Austausch für die Vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten geliefert werden.

"Vereinigte Staaten" bezeichnet die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und der Northern Mariana Islands).

- (3) *Clearingsystem.* Die Globalurkunde wird solange von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. **"Clearingsystem"** bezeichnet jeweils Folgendes: Clearstream Banking S.A. ("CBL") und Euroclear Bank S.A./ N.V. ("Euroclear") sowie jeder Funktionsnachfolger (CBL und Euroclear zusammen die **"ICSDs"**).

Die Schuldverschreibungen werden in Form einer Classical Global Note ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.

represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions) as required by U.S. tax law. Payment of interest and Deferred Interest Payments, if any, on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest or Deferred Interest Payment. Any such certification received on or after the 40th day after the issue date of the Notes represented by the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this § 1(2)(b). Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States.

"United States" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

- (3) *Clearing System.* The Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. **"Clearing System"** means each of the following: Clearstream Banking S.A. ("CBL") and Euroclear Bank SA/NV ("Euroclear") and any successor in such capacity (CBL and Euroclear together, the **"ICSDs"**).

The Notes are issued in classical global note form and are kept in custody by a common depositary on behalf of both ICSDs.

- (4) *Anleihegläubiger, Übertragbarkeit.* "**Anleihegläubiger**" bezeichnet jeden Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen, der oder die nach Maßgabe des anwendbaren Rechts und der jeweils geltenden Regelwerke des Clearingsystems übertragen werden können.

§ 2

STATUS DER SCHULDVERSCHREIBUNGEN, AUFRECHNUNGSVERBOT

- (1) *Status der Schuldverschreibungen.* Die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen begründen direkte, nicht besicherte und nachrangige Verbindlichkeiten der Emittentin, die im Fall der Auflösung, der Liquidation, der Insolvenz oder eines der Abwendung der Insolvenz der Emittentin dienenden Verfahrens
- (a) im Rang nur den Ansprüchen und Rechten von Gläubigern von Nachrangigen Verbindlichkeiten der Emittentin (wie nachstehend definiert) vorgehen; und
 - (b) untereinander und mit den Ansprüchen und Rechten von Gläubigern etwaiger Gleichrangiger Verbindlichkeiten der Emittentin gleichrangig sind; und
 - (c) im Rang gegenüber allen Vorrangigen Verbindlichkeiten der Emittentin (wie nachstehend definiert) nachgehen, so dass im Fall der Auflösung, der Liquidation, der Insolvenz oder eines der Abwendung der Insolvenz der Emittentin dienenden Verfahrens Zahlungen auf die Schuldverschreibungen erst dann erfolgen, wenn die Ansprüche aller Gläubiger aus den Vorrangigen Verbindlichkeiten der Emittentin zuvor vollständig berichtet worden sind.

"**Gleichrangige Verbindlichkeit**" bezeichnet jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das (i) von der Emittentin begeben ist und gleichrangig mit den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen ist oder als im Verhältnis zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen

- (4) *Noteholder, Transferability.* "**Noteholder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes, which is transferable in accordance with applicable law and applicable rules of the Clearing System.

§ 2

STATUS OF THE NOTES, PROHIBITION OF SET-OFF

- (1) *Status of the Notes.* The obligations of the Issuer under the Notes constitute direct, unsecured and subordinated obligations of the Issuer which, in the event of the dissolution, liquidation, insolvency or any proceeding to avoid insolvency of the Issuer, rank
- (a) senior only to the rights and claims of creditors in respect of Junior Obligations (as defined below); and
 - (b) *pari passu* amongst themselves and with the rights and claims of creditors in respect of any Parity Obligations (as defined below); and
 - (c) subordinated to all Senior Obligations of the Issuer (as defined below), such that in the event of the dissolution, liquidation, insolvency or any proceeding to avoid insolvency of the Issuer, no amounts shall be payable in respect of the Notes until the claims of all creditors of such Senior Obligations of the Issuer shall have first been satisfied in full.

"**Parity Obligation**" means any present or future security, registered security or other instrument which (i) is issued by the Issuer and ranks or is expressed to rank *pari passu* with the obligations of the Issuer under the Notes, or (ii) is issued by a Subsidiary of the Issuer and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability, where the Issuer's obligations

gleichrangig vereinbart ist, oder (ii) von einer Tochtergesellschaft der Emittentin begeben und von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die Verpflichtungen der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme im Verhältnis zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen gleichrangig sind.

"Nachrangige Verbindlichkeit" bezeichnet

- (i) die Stammaktien der Emittentin und jede Aktie einer anderen Gattung von Aktien; und
- (ii) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das (A) von der Emittentin begeben ist und nachrangig zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen ist oder als im Verhältnis zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen nachrangig vereinbart ist, oder (B) von einer Tochtergesellschaft der Emittentin begeben und von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die Verpflichtungen der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme im Verhältnis zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen nachrangig sind; und
- (iii) die EUR 500,000,000 Undated Subordinated Resettable Fixed Rate Notes (ISIN: XS2250987356) der Emittentin.

"Vorrangige Verbindlichkeiten" bezeichnet

- (i) alle bestehenden und zukünftigen nicht nachrangigen Verbindlichkeiten der Emittentin; und
- (ii) alle bestehenden und zukünftigen gesetzlich nachrangigen Verbindlichkeiten der Emittentin i.S.v. § 57a österreichische Insolvenzordnung und
- (iii) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes

under the relevant guarantee or other assumption of liability rank *pari passu* with the Issuer's obligations under the Notes.

"Junior Obligation" means

- (i) the ordinary shares (*Stammaktien*) and any share of any other class of shares of the Issuer; and
- (ii) any present or future security, registered security or other instrument which (A) is issued by the Issuer and ranks or is expressed to rank junior to the obligations of the Issuer under the Notes, or (B) is issued by a Subsidiary of the Issuer and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability, where the Issuer's obligations under the relevant guarantee or other assumption of liability rank junior to the Issuer's obligations under the Notes; and
- (iii) the Issuer's EUR 500,000,000 Undated Subordinated Resettable Fixed Rate Notes (ISIN: XS2250987356);

"Senior Obligations" means

- (i) all present and future unsubordinated obligations of the Issuer; and
- (ii) all present and future statutorily subordinated obligations of the Issuer within the meaning of § 57a Austrian Insolvency Code (*Österreichische Insolvenzordnung*); and
- (iii) any present or future security, registered security or other instrument which (A) is

andere Instrument, das (A) von der Emittentin begeben ist und vorrangig zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen ist oder als im Verhältnis zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen vorrangig vereinbart ist, oder (B) von einer Tochtergesellschaft der Emittentin begeben und von der Emittentin dergestalt garantiert ist oder für die die Emittentin dergestalt die Haftung übernommen hat, dass die Verpflichtungen der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme im Verhältnis zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen vorrangig sind; und

- (iv) alle sonstigen bestehenden und zukünftigen nachrangigen Verbindlichkeiten der Emittentin, die aufgrund zwingender gesetzlicher Bestimmungen gegenüber den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen vorrangig sind.

"Tochtergesellschaft" bezeichnet jede Gesellschaft, an der die Emittentin direkt oder indirekt mehrheitlich beteiligt ist und die von der Emittentin im Sinne von IFRS beherrscht wird.

- (2) *Aufrechnungsverbot.* Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen etwaige Forderungen der Emittentin gegen sie aufzurechnen. Die Emittentin ist nicht berechtigt, etwaige Forderungen, welche sie gegen einen Anleihegläubiger hat, gegen Forderungen dieses Anleihegläubigers aus den Schuldverschreibungen aufzurechnen.

§ 3 ZINSEN

- (1) *Zinslauf.* In dem Zeitraum ab dem [●] 2025 (der "**Zinslaufbeginn**") (einschließlich) bis zum Zinslaufende gemäß § 3(3) wird jede Schuldverschreibung bezogen auf ihren Festgelegten Nennbetrag in Höhe des Zinssatzes (wie nachstehend definiert) verzinst.

Zinsen für jede Zinsperiode sind halbjährlich nachträglich am [●] und [●] eines jeden Jahres zur Zahlung vorgesehen, erstmals am [●],

issued by the Issuer and ranks or is expressed to rank senior to the obligations of the Issuer under the Notes, or (B) is issued by a Subsidiary of the Issuer and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability, where the Issuer's obligations under the relevant guarantee or other assumption of liability rank senior to the Issuer's obligations under the Notes; and

- (iv) all other present and future subordinated obligations of the Issuer which rank senior to the obligations of the Issuer under the Notes pursuant to mandatory statutory provisions.

"Subsidiary" means an entity in which the Issuer holds directly or indirectly a majority interest and which is controlled by the Issuer within the meaning of IFRS.

- (2) *Prohibition of Set-off.* The Noteholders may not set off any claim arising under the Notes against any claim that the Issuer may have against any of them. The Issuer may not set off any claims it may have against any Noteholder against any claims of such Noteholder under the Notes.

§ 3 INTEREST

- (1) *Interest accrual.* In the period from and including [●] 2025 (the "**Interest Commencement Date**") to the cessation of interest accrual in accordance with § 3(3) each Note bears interest on its Specified Denomination at the Rate of Interest (as defined below).

Interest for each Interest Period is scheduled to be paid semi-annually in arrear on [●] and [●] of each year, commencing on [●] (subject to

vorbehaltlich einer Rückzahlung oder eines Rückkaufs und anschließender Entwertung (jeweils ein "**Zinszahlungstag**"), und werden nach Maßgabe der in § 4(1) dargelegten Bedingungen fällig.

"**Zinsperiode**" bezeichnet jeden Zeitraum ab dem Zinslaufbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und nachfolgend ab jedem Zinszahlungstag (einschließlich) bis zu dem jeweils nächstfolgenden Zinszahlungstag (ausschließlich).

(2) *Verzinsung.*

(a) Der "**Zinssatz**" entspricht

- (i) ab dem Zinslaufbeginn (einschließlich) bis zum [●] (der "**Erste Zinsanpassungstag**") (ausschließlich) einem Zinssatz in Höhe von jährlich [●] %; und
- (ii) in Bezug auf jeden Zinsanpassungszeitraum, der an oder nach dem Ersten Zinsanpassungstag beginnt, dem Reset-Zinssatz für den betreffenden Zinsanpassungszeitraum.

(b) Der "**Reset-Zinssatz**" ist der Referenzsatz für den betreffenden Zinsanpassungszeitraum zuzüglich [●]¹ Basispunkte *per annum*, wobei diese Summe gemäß Marktkonvention von einer jährlichen auf eine halbjährliche Basis umgerechnet wird.

(c) Die Berechnungsstelle wird den anwendbaren Reset-Zinssatz für die Schuldverschreibungen an dem betreffenden Zinsfeststellungstag bestimmen und veranlassen, dass dieser der Emittentin, der Hauptzahlstelle und jeder Börse, an der die Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, sowie den Anleihegläubigern gemäß § 13 unverzüglich, aber keinesfalls später als am achten auf dessen

redemption or repurchase and cancellation) (each an "**Interest Payment Date**"), and will be due and payable (*fällig*) in accordance with the conditions set out in § 4(1).

"**Interest Period**" means each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and thereafter from and including each Interest Payment Date to but excluding the next following Interest Payment Date.

(2) *Interest.*

(a) The "**Rate of Interest**" will be

- (i) from and including the Interest Commencement Date to but excluding [●] (the "**First Reset Date**") a rate of [●] per cent. *per annum*; and
- (ii) in respect of any Reset Period commencing on or after the First Reset Date, the Reset Interest Rate for the relevant Reset Period.

(b) The "**Reset Interest Rate**" will be the Reference Rate for the relevant Reset Period plus [●]² basis points *per annum*, with such sum converted from an annual basis to a semi-annual basis in accordance with market convention.

(c) The Calculation Agent will, on the relevant Interest Determination Date, determine the Reset Interest Rate, as applicable, and cause the same to be notified to the Issuer, the Principal Paying Agent and, if required by the rules of any stock exchange on which the Notes are then listed, to such stock exchange, and to the Noteholders in accordance with § 13 without undue delay, but, in any case, not later than on the eighth Business Day after its determination.

¹ Dies entspricht der ursprünglichen Kreditmarge im Zeitpunkt der Preisfindung plus 500 Basispunkte.

² This equals the initial credit spread at the time of pricing plus 500 bps.

Bestimmung folgenden Geschäftstag mitgeteilt wird.

"Geschäftstag" bezeichnet jeden Tag (außer einem Samstag oder Sonntag), an dem das von dem Eurosystem betriebene Real-time Gross Settlement-System (T2) oder ein Nachfolge- oder Ersatzsystem ("**T2**") und das Clearing-System für die Abwicklung von Zahlungen in Euro geöffnet sind.

- (d) Wenn ein Kontrollwechsel (wie in § 6(5)(c) definiert) eintritt und die Emittentin die Schuldverschreibungen nicht insgesamt gemäß § 6(5)(b) an dem Kontrollwechsel-Stichtag (wie in § 6(5)(c) definiert) zurückzahlt, erhöht sich der für die Berechnung der Zinsen ansonsten anwendbare Zinssatz ab dem Kontrollwechsel-Stichtag um zusätzliche 500 Basispunkte per annum. Für den Fall, dass in dem Zeitraum zwischen dem Eintritt des ersten Kontrollwechsels und dem Tag, an dem die Kontrollwechsel-Mitteilung (wie in § 6(5)(a) definiert) in Bezug auf diesen ersten Kontrollwechsel veröffentlicht wird, mehr als ein Kontrollwechsel eintritt, erhöht sich der für die Berechnung der Zinsen ansonsten anzuwendende Zinssatz jedoch nur einmal.
- (e) Die Zinsen für einen beliebigen Zeitraum werden auf der Grundlage des Zinstagequotienten berechnet.

"Zinstagequotient" bezeichnet bei der Berechnung des Zinsbetrages für eine Schuldverschreibung für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**"):

- (i) wenn der Zinsberechnungszeitraum der Feststellungsperiode entspricht, in die er fällt, oder kürzer als diese ist, die Anzahl von Tagen in dem Zinsberechnungszeitraum dividiert durch die Anzahl von Tagen in der betreffenden Feststellungsperiode; und

"Business Day" means any day (other than Saturday or Sunday) on which the real-time gross settlement system operated by the Eurosystem (T2), or any successor or replacement system ("**T2**"), and the Clearing System are open for the settlement of payments in Euro.

- (d) If a Change of Control (as defined in § 6(5)(c)) occurs and the Issuer does not redeem the Notes in whole in accordance with § 6(5)(b) on the Change of Control Effective Date (as defined in § 6(5)(c)), the applicable Rate of Interest will be subject to an additional 500 basis points per annum above the otherwise applicable prevailing Rate of Interest from the Change of Control Effective Date, provided however that, in case more than one Change of Control has occurred in the period from the occurrence of the first Change of Control to and including the day on which the Change of Control Notice (as defined in § 6(5)(a)) with regard to such first Change of Control is published, the otherwise applicable Rate of Interest will only be increased once.

- (e) Interest for any period of time will be calculated on the basis of the Day Count Fraction.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):

- (i) if the Calculation Period is equal to or shorter than the Determination Period in which it falls, the number of days in the Calculation Period divided by the number of days in such Determination Period; and

(ii) wenn der Zinsberechnungszeitraum länger als eine Feststellungsperiode ist, die Summe aus

(A) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in der der Zinsberechnungszeitraum beginnt, dividiert durch die Anzahl der Tage in der betreffenden Feststellungsperiode; und

(B) die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die nachfolgende Feststellungsperiode fallen, dividiert durch die Anzahl der Tage in der betreffenden Feststellungsperiode.

Dabei gilt Folgendes:

"Feststellungsperiode" bezeichnet jede Periode ab einem Feststellungstermin (einschließlich), der in ein beliebiges Jahr fällt, bis zum nächsten Feststellungstermin (ausschließlich).

"Feststellungstermin" bezeichnet jeden [●] und [●].

(3) *Zinslaufende.* Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem ihr festgelegter Nennbetrag zur Rückzahlung fällig wird. Sollte die Emittentin eine Zahlung von Kapital auf die Schuldverschreibungen bei Fälligkeit nicht leisten, endet die Verzinsung der Schuldverschreibungen mit Beginn des Tages der tatsächlichen Zahlung. Der in einem solchen Fall jeweils anzuwendende Zinssatz wird gemäß diesem § 3 bestimmt.

(4) *Feststellung des Referenzsatzes.* Die Berechnungsstelle bestimmt an jedem Zinsfeststellungstag den betreffenden Referenzsatz nach Maßgabe dieses § 3(4).

(ii) if the Calculation Period is longer than one Determination Period, the sum of:

(A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the number of days in such Determination Period; and

(B) the number of days in such Calculation Period falling in the next Determination Period divided by the number of days in such Determination Period.

Where:

"Determination Period" means each period from and including a Determination Date in any year to but excluding the next Determination Date.

"Determination Date" means each [●] and [●].

(3) *Cessation of interest accrual.* The Notes will cease to bear interest from the beginning of the day their Specified Denomination is due for repayment. If the Issuer fails to make any payment of principal under the Notes when due, the Notes will cease to bear interest from the beginning of the day on which such payment is made. In such case the applicable rate of interest will be determined pursuant to this § 3.

(4) *Determination of the Reference Rate.* The Calculation Agent will determine the relevant Reference Rate in accordance with this § 3(4) on each Interest Determination Date.

Der **"Referenzsatz"** für einen Zinsanpassungszeitraum wird von der Berechnungsstelle an dem betreffenden Zinsfeststellungstag (wie nachstehend definiert) vor dem Zinsanpassungstag, an dem der betreffende Zinsanpassungszeitraum beginnt (der **"Referenz-Zinsanpassungstag"**), wie folgt festgelegt:

- (a) Für jeden Zinsanpassungszeitraum, der vor dem Eintritt des jeweiligen Stichtags (wie in § 3(5)(g) definiert) beginnt, entspricht der Referenzsatz dem Ursprünglichen Benchmarksatz an dem betreffenden Zinsfeststellungstag.

Falls der Ursprüngliche Benchmarksatz zu dem betreffenden Zeitpunkt an dem betreffenden Zinsfeststellungstag nicht auf der Bildschirmseite angezeigt wird, entspricht der "Referenzsatz" dem durch die Berechnungsstelle festgelegten Ursprünglichen Benchmarksatz, welcher zuletzt auf der Bildschirmseite verfügbar war.

- (b) Für jeden Zinsanpassungszeitraum, der an oder nach dem jeweiligen Stichtag beginnt, wird der "Referenzsatz" gemäß § 3(5) bestimmt.

"Ursprünglicher Benchmarksatz" an einem Tag bezeichnet (vorbehaltlich § 3(5)) den jährlichen Euro-Mid-Swapsatz (ausgedrückt als Prozentsatz per annum) um 11:00 Uhr (Frankfurter Zeit), wie er auf der Bildschirmseite gegen 11:00 Uhr (Frankfurter Zeit) (oder zu einer späteren Uhrzeit, zu welcher der Euro-Mid-Swapsatz auf der Bildschirmseite verfügbar wird) an dem betreffenden Tag angezeigt wird.

Für diese Zwecke bezeichnet **"Euro-Mid-Swapsatz"** das arithmetische Mittel der nachgefragten (*bid*) und angebotenen (*offered*) Sätze für den jährlichen Festzinszahlungsstrom einer fest- bis variabel (*fixed-for-floating*) Zinsswap-Transaktion in Euro, (x) die eine 3-jährige Laufzeit hat, und (y) deren variabler Zahlungsstrom auf dem 6-Monats-EURIBOR-Satz (berechnet auf einer Actual/360 Tage-Berechnungsbasis) beruht.

Dabei gilt Folgendes:

The **"Reference Rate"** for a Reset Period will be determined by the Calculation Agent on the relevant Interest Determination Date (as defined below) prior to the Reset Date on which the relevant Reset Period commences (the **"Reference Reset Date"**) as follows:

- (a) For each Reset Period beginning prior to the occurrence of the relevant Effective Date (as defined in § 3(5)(g)), the Reference Rate will be equal to the Original Benchmark Rate on the relevant Interest Determination Date.

If the Original Benchmark Rate does not appear on the Screen Page as at such time on the relevant Interest Determination Date, the "Reference Rate" will be equal to the last Original Benchmark Rate available on the Screen Page as determined by the Calculation Agent.

- (b) For each Reset Period commencing on or after the relevant Effective Date, the "Reference Rate" will be determined in accordance with § 3(5).

"Original Benchmark Rate" on any day means (subject to § 3(5)) the annual Euro Mid Swap Rate (expressed as a percentage per annum) as at 11:00 a.m. (Frankfurt time), as displayed on the Screen Page at or around 11:00 a.m. (Frankfurt time) (or, if later, at or around such time at which the Euro Mid Swap Rate becomes available on the Screen Page) on such day.

For these purposes **"Euro Mid Swap Rate"** means the arithmetic mean of the bid and offered rates for the annual fixed leg of a fixed-for-floating interest rate swap transaction in Euro which (x) has a term of 3 years and (y) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis).

Where:

"Bildschirmseite" bezeichnet die Reuters Bildschirmseite "[●]" (oder eine Nachfolgeside) unter der Überschrift "11:00 AM" (oder einer Nachfolgeüberschrift) (die **"Ursprüngliche Bildschirmseite"**). Wenn die Ursprüngliche Bildschirmseite dauerhaft eingestellt wird, oder wenn darauf die Quotierung des Ursprünglichen Benchmarksatzes dauerhaft eingestellt wird, jedoch diese Quotierung von einem anderen Anbieter und/oder auf einer anderen Bildschirmseite, der bzw. die von der Emittentin nach billigem Ermessen ausgewählt worden ist, verfügbar ist (die **"Ersatzbildschirmseite"**), dann bezeichnet der Begriff "Bildschirmseite" zum Zweck der Festlegung des Ursprünglichen Benchmarksatzes die Ersatzbildschirmseite, und zwar ab dem Tag, an dem die Emittentin die Ersatzbildschirmseite auswählt.

"T2-Geschäftstag" bezeichnet einen Tag, an dem T2 für die Abwicklung von Zahlungen in Euro geöffnet ist.

"Zinsanpassungstag" bezeichnet den Ersten Zinsanpassungstag und danach jeden dritten Jahrestag des vorausgegangenen Zinsanpassungstags.

"Zinsanpassungszeitraum" bezeichnet den Zeitraum ab dem Ersten Zinsanpassungstag (einschließlich) bis zum nächstfolgenden Zinsanpassungstag (ausschließlich) und nachfolgend den Zeitraum ab einem Zinsanpassungstag (einschließlich) bis zu dem jeweils nächstfolgenden Zinsanpassungstag (ausschließlich).

"Zinsfeststellungstag" bezeichnet den zweiten T2-Geschäftstag vor dem betreffenden Referenz-Zinsanpassungstag.

- (5) *Benchmark-Ereignis.* Wenn ein Benchmark-Ereignis (wie in § 3(5)(f) definiert) in Bezug auf den Ursprünglichen Benchmarksatz eintritt, gilt für die Bestimmung des betreffenden Referenzsatzes und die Verzinsung der Schuldverschreibungen gemäß § 3 Folgendes:
- (a) *Unabhängiger Berater.* Die Emittentin wird sich nach besten Kräften bemühen, sobald dies (nach billigem Ermessen der Emittentin) nach Eintritt des Benchmark-Ereignisses und vor dem nächsten

"Screen Page" means Reuters Screen Page "[●]" (or any successor page) under the heading "11:00 AM" (or any successor heading) (the **"Original Screen Page"**). If the Original Screen Page permanently ceases to exist or permanently ceases to quote the Original Benchmark Rate but such quotation is available from another provider and/or page selected by the Issuer in its reasonable discretion (the **"Replacement Screen Page"**), the term "Screen Page" for purposes of the determination of the Original Benchmark Rate shall be the Replacement Screen Page with effect from the date on which the Replacement Screen Page is selected by the Issuer.

"T2 Business Day" means a day on which T2 is open for the settlement of payments in Euro.

"Reset Date" means the First Reset Date and thereafter each third anniversary of the immediately preceding Reset Date.

"Reset Period" means the period from and including the First Reset Date to but excluding the next following Reset Date and thereafter each period from and including a Reset Date to but excluding the next following Reset Date.

"Interest Determination Date" means the second T2 Business Day prior to the relevant Reference Reset Date.

- (5) *Benchmark Event.* If a Benchmark Event (as defined in § 3(5)(f)) occurs in relation to the Original Benchmark Rate, the relevant Reference Rate and the interest on the Notes in accordance with § 3 will be determined as follows:
- (a) *Independent Adviser.* The Issuer shall, as soon as this is (in the discretion of the Issuer, acting reasonably) required following the occurrence of the Benchmark Event and prior to the next Interest

Zinsfeststellungstag erforderlich ist, einen Unabhängigen Berater (wie in § 3(5)(f) definiert) zu benennen, der einen Neuen Benchmarksatz (wie in § 3(5)(f) definiert), die Anpassungsspanne (wie in § 3(5)(f) definiert) und etwaige Benchmark-Änderungen (gemäß § 3(5)(d)) festlegt.

- (b) *Ausweichsatz (Fallback Rate)*. Wenn vor dem 10. Geschäftstag vor dem betreffenden Zinsfeststellungstag
- (i) die Emittentin keinen Unabhängigen Berater ernannt hat; oder
 - (ii) der ernannte Unabhängige Berater keinen Neuen Benchmarksatz, keine Anpassungsspanne und/oder keine Benchmark-Änderungen (sofern erforderlich) gemäß diesem § 3(5) festgelegt hat,

dann entspricht der "Referenzsatz" für den nächsten Zinsanpassungszeitraum dem an dem letzten zurückliegenden Zinsfeststellungstag festgestellten Referenzsatz.

Falls dieser § 3(5)(b) bereits an dem Zinsfeststellungstag für den Ersten Zinsanpassungstag angewendet werden muss, entspricht der Referenzsatz für den ersten Zinsanpassungszeitraum [●] % *per annum*.³

Falls der gemäß diesem § 3(5)(b) bestimmte Ausweichsatz (*Fallback Rate*) zur Anwendung kommt, wird § 3(5) erneut angewendet, um den Referenzsatz für den nächsten nachfolgenden Zinsanpassungszeitraum (und, sofern notwendig, weitere nachfolgende Zinsanpassungszeiträume) zu bestimmen.

- (c) *Nachfolge-Benchmarksatz oder Alternativ-Benchmarksatz*. Falls der Unabhängige Berater nach billigem Ermessen feststellt,

Determination Date, use its best efforts to appoint an Independent Adviser (as defined in § 3(5)(f)), who will determine a New Benchmark Rate (as defined in § 3(5)(f)), the Adjustment Spread (as defined in § 3(5)(f)) and any Benchmark Amendments (in accordance with § 3(5)(d)).

- (b) *Fallback rate*. If, prior to the 10th Business Day prior to the relevant Interest Determination Date,
- (i) the Issuer has not appointed an Independent Adviser; or
 - (ii) the Independent Adviser appointed by it has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined the Benchmark Amendments (if required) in accordance with this § 3(5),

then the "Reference Rate" applicable to the next Reset Period shall be the Reference Rate determined on the last preceding Interest Determination Date.

If this § 3(5)(b) is to be applied on the Interest Determination Date for the First Reset Date, the Reference Rate applicable to the first Reset Period shall be [●] per cent. *per annum*.⁴

If the fallback rate determined in accordance with this § 3(5)(b) is to be applied, § 3(5) will be operated again to determine the Reference Rate applicable to the next subsequent (and, if required, further subsequent) Reset Period(s).

- (c) *Successor Benchmark Rate or Alternative Benchmark Rate*. If the Independent Adviser determines in its reasonable discretion that:

³ Entspricht dem zum Zeitpunkt der Preisfindung ermittelten 3-Jahres- Euro-Mid-Swapsatz .

⁴ Equal to the 3-year Euro Mid Swap Rate determined at the time of pricing.

- (i) dass es einen Nachfolge-Benchmarksatz gibt, dann ist dieser Nachfolge-Benchmarksatz der Neue Benchmarksatz; oder
- (ii) dass es keinen Nachfolge-Benchmarksatz aber einen Alternativ-Benchmarksatz gibt, dann ist dieser Alternativ-Benchmarksatz der Neue Benchmarksatz.

In beiden Fällen entspricht der "Referenzsatz" für den unmittelbar nachfolgenden Zinsanpassungszeitraum und alle folgenden Zinsanpassungszeiträume dann (x) dem Neuen Benchmarksatz an dem betreffenden Zinsfeststellungstag zuzüglich (y) der Anpassungsspanne.

- (d) *Benchmark-Änderungen.* Wenn ein Neuer Benchmarksatz und die entsprechende Anpassungsspanne gemäß diesem § 3(5) festgelegt werden, und wenn der Unabhängige Berater feststellt, dass resultierend aus den vorgenannten Festlegungen Änderungen der Bedingungen für die Feststellungen des anwendbaren Zinssatzes notwendig sind, um die ordnungsgemäße Anwendung des Neuen Benchmarksatzes und der entsprechenden Anpassungsspanne zu gewährleisten (diese Änderungen, die "**Benchmark-Änderungen**"), dann wird der Unabhängige Berater die Benchmark-Änderungen feststellen, und wird die Emittentin diese durch eine Mitteilung gemäß § 3(5)(e) bekanntmachen.

Diese Benchmark-Änderungen können insbesondere Änderungen folgender Regelungen in diesen Anleihebedingungen erfassen:

- (i) den Referenzsatz einschließlich der "Bildschirmseite" und/oder die Methode zur Bestimmung des Ausweichsatzes (sog. *Fallback Rate*) für den Referenzsatz; und/oder
- (ii) die Definitionen der Begriffe "Geschäftstag", "Zinszahlungstag",

- (i) there is a Successor Benchmark Rate, then such Successor Benchmark Rate shall subsequently be the New Benchmark Rate; or
- (ii) there is no Successor Benchmark Rate but that there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall subsequently be the New Benchmark Rate.

In either case the "Reference Rate" for the immediately following Reset Period and all following Reset Periods will then be (x) the New Benchmark Rate on the relevant Interest Determination Date plus (y) the Adjustment Spread.

- (d) *Benchmark Amendments.* If any relevant New Benchmark Rate and the applicable Adjustment Spread are determined in accordance with this § 3(5), and if the Independent Adviser determines that, resulting from the aforementioned determinations, amendments to the conditions for the determination of the applicable Rate of Interest are necessary to ensure the proper operation of such New Benchmark Rate and the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**"), then the Independent Adviser will determine the Benchmark Amendments and the Issuer will give notice thereof in accordance with § 3(5)(e).

The Benchmark Amendments may include, without limitation, amendments to the following conditions of these Terms and Conditions:

- (i) the Reference Rate including the "Screen Page" and/or the method for determining the fallback rate in relation to the Reference Rate; and/or
- (ii) the definitions of the terms "Business Day", "Interest Payment Date",

"Zinsperiode", "Zinstagequotient" und/oder "Zinsfeststellungstag" (einschließlich der Festlegung ob der Referenzsatz vorwärts- oder rückwärtsgerichtet bestimmt wird); und/oder

"Interest Period", "Day Count Fraction" and/or "Interest Determination Date" (including the determination whether the Reference Rate will be determined on a forward looking or a backward-looking basis); and/or

(iii) der Geschäftstagekonvention gemäß § 5(4).

(iii) the business day convention in § 5(4).

(e) *Mitteilungen, etc.*

(e) *Notices, etc.*

(i) Die Emittentin wird einen Neuen Benchmarksatz, die Anpassungsspanne, etwaige Benchmark-Änderungen und den betreffenden Stichtag gemäß diesem § 3(5) bzw. den Ausweichsatz gemäß § 3(5)(b) der Hauptzahlstelle, der Berechnungsstelle und den Zahlstellen in Form einer von zwei Unterschriftsberechtigten der Emittentin unterzeichneten Bescheinigung mitteilen, und zwar sobald eine solche Mitteilung bzw. Bescheinigung (nach Ansicht der Emittentin) nach deren Feststellung erforderlich ist, spätestens jedoch an dem 10. Geschäftstag vor dem betreffenden Zinsfestsetzungstag.

(i) The Issuer will notify any New Benchmark Rate, the Adjustment Spread, the Benchmark Amendments (if any) and the relevant Effective Date determined in accordance with this § 3(5) or the fallback rate in accordance with § 3(5)(b), as the case may be, to the Principal Paying Agent, the Calculation Agent and the Paying Agents in the form of a certificate signed by two authorised signatories of the Issuer as soon as such notification or certification is (in the Issuer's view) required following the determination thereof, but in any event not later than on the 10th Business Day prior to the relevant Interest Determination Date.

(ii) Die Emittentin wird einen Neuen Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen gemäß diesem § 3(5) bzw. den Ausweichsatz gemäß § 3(5)(b) den Gläubigern gemäß § 13 mitteilen, und zwar sobald wie praktikabel nach der Mitteilung gemäß Ziffer (i). Eine solche Mitteilung ist unwiderruflich und hat den Stichtag zu benennen.

(ii) The Issuer will notify any New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined in accordance with this § 3(5) or the fallback rate in accordance with § 3(5)(b), as the case may be, to the Noteholders in accordance with § 13 as soon as practicable following the notice in accordance with clause (i). Such notice shall be irrevocable and shall specify the Effective Date.

Der Neue Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen bzw. der Ausweichsatz sowie der betreffende Stichtag, die jeweils in der Mitteilung benannt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Hauptzahlstelle,

The New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) or the fallback rate, as the case may be, and the relevant Effective Date, each as specified in such notice, will (in the absence of manifest error) be binding on the Issuer, the Principal Paying

die Zahlstellen, die Berechnungsstelle und die Anleihegläubiger bindend.

- (iii) Die Anleihebedingungen gelten ab dem Stichtag als durch den Neuen Benchmarksatz, die Anpassungsspanne und die etwaigen Benchmark-Änderungen geändert.

- (f) *Definitionen.* Zur Verwendung in diesem § 3(5):

Die "**Anpassungsspanne**", die positiv, negativ oder gleich Null sein kann, wird in Basispunkten ausgedrückt und bezeichnet entweder (a) die Spanne oder (b) das Ergebnis der Anwendung der Formel oder Methode zur Berechnung der Spanne, die

- (1) im Fall eines Nachfolge-Benchmarksatzes formell im Zusammenhang mit der Ersetzung des Ursprünglichen Benchmarksatzes durch den Nachfolge-Benchmarksatz von dem Nominierungsgremium empfohlen wird; oder
- (2) (sofern keine Empfehlung abgegeben wurde oder im Fall eines Alternativ-Benchmarksatzes) üblicherweise an den internationalen Anleihekapitalmärkten auf den Neuen Benchmarksatz angewendet wird, um einen industrieweit akzeptierten Ersatz-Benchmarksatz für den Ursprünglichen Benchmarksatz zu erzeugen, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden; oder
- (3) (sofern der Unabhängige Berater nach billigem Ermessen feststellt, dass keine solche Spanne üblicherweise angewendet wird, und dass das Folgende für die Schuldverschreibungen angemessen ist) als industrieweiter Standard für Over-the-Counter Derivatetransaktionen, die sich auf

Agent, the Paying Agents, the Calculation Agent and the Noteholders.

- (iii) The Terms and Conditions shall be deemed to have been amended by the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) with effect from the Effective Date.

- (f) *Definitions.* As used in this § 3(5):

The "**Adjustment Spread**", which may be positive, negative or zero, will be expressed in basis points and means either (a) the spread, or (b) the result of the operation of the formula or methodology for calculating the spread, which

- (1) in the case of a Successor Benchmark Rate, is formally recommended in relation to the replacement of the Original Benchmark Rate with the Successor Benchmark Rate by any Relevant Nominating Body; or
- (2) (if no such recommendation has been made, or in the case of an Alternative Benchmark Rate) is customarily applied to the New Benchmark Rate in the international debt capital markets to produce an industry-accepted replacement benchmark rate for the Original Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion; or
- (3) (if the Independent Adviser in its reasonable discretion determines that no such spread is customarily applied and that the following would be appropriate for the Notes) is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Benchmark

den Ursprünglichen Benchmarksatz beziehen, anerkannt und bestätigt ist, wenn der Ursprüngliche Benchmarksatz durch den Neuen Benchmarksatz ersetzt worden ist, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden.

"Alternativ-Benchmarksatz" bezeichnet eine alternative Benchmark oder einen alternativen Bildschirmsatz, die bzw. der üblicherweise an den internationalen Anleihekapitalmärkten zur Bestimmung von Reset-Zinssätzen bzw. Mid-Swap-Sätzen in Euro angewendet wird, wobei sämtliche Feststellungen durch den Unabhängigen Berater vorgenommen werden.

Ein **"Benchmark-Ereignis"** tritt ein, wenn:

- (1) der Ursprüngliche Benchmarksatz nicht mehr regelmäßig veröffentlicht wird oder nicht mehr erstellt wird; oder
- (2) eine öffentliche Erklärung des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, wonach dieser die Veröffentlichung des Ursprünglichen Benchmarksatzes dauerhaft oder auf unbestimmte Zeit eingestellt hat oder einstellen wird (in Fällen in denen kein Nachfolgeadministrator ernannt worden ist, der die Veröffentlichung des Ursprünglichen Benchmarksatzes vornehmen wird); oder
- (3) eine öffentliche Erklärung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, wonach der Ursprüngliche Benchmarksatz dauerhaft oder auf unbestimmte Zeit nicht mehr fortgeführt wird oder nicht mehr fortgeführt werden wird; oder
- (4) eine öffentliche Erklärung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes

Rate, where the Original Benchmark Rate has been replaced by the New Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

"Alternative Benchmark Rate" means an alternative benchmark or screen rate which is customarily applied in the international debt capital markets for the purpose of determining reset rates of interest or mid swap rates in Euro, provided that all determinations will be made by the Independent Adviser.

A **"Benchmark Event"** occurs if:

- (1) the Original Benchmark Rate ceases to be published on a regular basis or ceases to exist; or
- (2) a public statement by the administrator of the Original Benchmark Rate is made that it has ceased or that it will cease publishing the Original Benchmark Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue the publication of the Original Benchmark Rate); or
- (3) a public statement by the supervisor of the administrator of the Original Benchmark Rate is made that the Original Benchmark Rate has been or will be permanently or indefinitely discontinued; or
- (4) a public statement by the supervisor of the administrator of the Original Benchmark Rate is made as a

veröffentlicht wird, so dass der Ursprüngliche Benchmarksatz allgemein oder in Bezug auf die Schuldverschreibungen nicht mehr verwendet werden darf; oder

- (5) die Verwendung des Ursprünglichen Benchmarksatzes zur Berechnung jedweder Zahlungen an Anleihegläubiger für die Zahlstellen, die Berechnungsstelle, die Emittentin oder jeden Dritten rechtswidrig geworden ist; oder
- (6) eine öffentliche Erklärung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, mit der bekanntgegeben wird, dass der Ursprüngliche Benchmarksatz nicht mehr repräsentativ ist; oder
- (7) sich die Methode für die Feststellung des Ursprünglichen Benchmarksatzes gegenüber der Methode, die der Administrator des Ursprünglichen Benchmarksatzes bei Zinslaufbeginn anwendete, wesentlich ändert.

"Nachfolge-Benchmarksatz" bezeichnet einen Nachfolger oder Ersatz des Ursprünglichen Benchmarksatzes, der formell durch das Nominierungsgremium empfohlen wurde.

"Neuer Benchmarksatz" bezeichnet den jeweils gemäß diesem § 3(5) bestimmten Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz.

"Nominierungsgremium" bezeichnet in Bezug auf die Ersetzung des Ursprünglichen Benchmarksatzes:

- (1) die Zentralbank für die Währung, in der die Benchmark oder der Bildschirmsatz dargestellt wird, oder eine Zentralbank oder andere Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist; oder

consequence of which the Original Benchmark Rate will be prohibited from being used either generally, or in respect of the Notes; or

- (5) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Benchmark Rate; or
- (6) a public statement by the supervisor for the administrator of the Original Benchmark Rate is made announcing that the Original Benchmark Rate is no longer representative; or
- (7) the methodology for the determination of the Original Benchmark Rate is materially altered compared to the methodology as used by the administrator of the Original Benchmark Rate at the Interest Commencement Date.

"Successor Benchmark Rate" means a successor to or replacement of the Original Benchmark Rate which is formally recommended by any Relevant Nominating Body.

"New Benchmark Rate" means the Successor Benchmark Rate or, as the case may be, the Alternative Benchmark Rate determined in accordance with this § 3(5).

"Relevant Nominating Body" means, in respect of the replacement of the Original Benchmark Rate:

- (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

- (2) jede Arbeitsgruppe oder jeden Ausschuss gefördert durch, geführt oder mitgeführt von oder gebildet von (a) der Zentralbank für die Währung in der die Benchmark oder der Bildschirmsatz dargestellt wird, (b) einer Zentralbank oder anderen Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist, (c) einer Gruppe der zuvor genannten Zentralbanken oder anderer Aufsichtsbehörden oder (d) dem Finanzstabilitätsrat (*Financial Stability Board*) oder Teilen davon.

"Unabhängiger Berater" bezeichnet ein von der Emittentin ernanntes unabhängiges Finanzinstitut mit internationalem Ansehen oder einen anderen unabhängigen Finanzberater mit einschlägiger Expertise.

- (g) *Stichtag*. Der Stichtag für die Anwendung des Neuen Benchmarksatzes, der Anpassungsspanne und der etwaigen Benchmark-Änderungen gemäß diesem § 3(5) (der "**Stichtag**") ist der Zinsfeststellungstag, der auf den frühesten der folgenden Tage fällt oder diesem nachfolgt:
- (i) den Tag des Eintritts des Benchmark-Ereignisses, wenn das Benchmark-Ereignis aufgrund der Absätze (1), (6) oder (7) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder
 - (ii) den Tag, an dem die Veröffentlichung des Ursprünglichen Benchmarksatzes eingestellt wird bzw. an dem der Ursprüngliche Benchmarksatz eingestellt wird, wenn das Benchmark-Ereignis aufgrund der Absätze (2) oder (3) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder
 - (iii) den Tag, ab dem der Ursprüngliche Benchmarksatz nicht mehr verwendet werden darf, wenn das Benchmark-Ereignis aufgrund der Absätze (4)

- (2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"Independent Adviser" means an independent financial institution of international reputation or other independent financial adviser with relevant expertise, in each case appointed by the Issuer.

- (g) *Effective Date*. The effective date for the application of the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined under this § 3(5) (the "**Effective Date**") will be the Interest Determination Date falling on or after the earliest of the following dates:
- (i) if the Benchmark Event has occurred as a result of clauses (1), (6) or (7) of the definition of the term "Benchmark Event", the date of the occurrence of the Benchmark Event; or
 - (ii) if the Benchmark Event has occurred as a result of clauses (2) or (3) of the definition of the term "Benchmark Event", the date of cessation of publication of the Original Benchmark Rate or of the discontinuation of the Original Benchmark Rate, as the case may be; or
 - (iii) if the Benchmark Event has occurred as a result of clauses (4) or (5) of the definition of the term "Benchmark

oder (5) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist.

- (h) Wenn ein Benchmark-Ereignis in Bezug auf einen Neuen Benchmarksatz eintritt, gilt dieser § 3(5) entsprechend für die Ersetzung des Neuen Benchmarksatzes durch einen neuen Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz. In diesem Fall gilt jede Bezugnahme in diesem § 3 auf den Begriff Ursprünglicher Benchmarksatz als Bezugnahme auf den zuletzt verwendeten Neuen Benchmarksatz.
- (i) In diesem § 3(5) schließt jede Bezugnahme auf den Begriff "Ursprünglicher Benchmarksatz" gegebenenfalls auch eine Bezugnahme auf jede etwaige Teilkomponente des Ursprünglichen Benchmarksatzes ein, wenn in Bezug auf diese Teilkomponente ein Benchmark-Ereignis eingetreten ist.

§ 4

FÄLLIGKEIT VON ZINSAZHLUNGEN; AUFSCHUB VON ZINSAZHLUNGEN; ZAHLUNG AUFGESCHOBENER ZINSAZHLUNGEN

- (1) *Fälligkeit von Zinszahlungen; wahlweiser Zinsaufschub.*
 - (a) Zinsen werden für jede Zinsperiode an dem unmittelbar auf diese Zinsperiode folgenden Zinszahlungstag fällig, sofern sich die Emittentin nicht durch eine Bekanntmachung an die Anleihegläubiger gemäß § 13 innerhalb einer Frist von nicht weniger als sieben und nicht mehr als 10 Geschäftstagen vor dem betreffenden Zinszahlungstag dazu entscheidet, die betreffende Zinszahlung insgesamt oder teilweise aufzuschieben.

Wenn sich die Emittentin an einem Zinszahlungstag insgesamt oder teilweise zum Aufschub aufgelaufener Zinsen entscheidet, dann ist sie insoweit nicht verpflichtet, an dem betreffenden Zinszahlungstag Zinsen zu zahlen. Eine Entscheidung zum Zinsaufschub begründet

Event", the date from which the prohibition applies.

- (h) If a Benchmark Event occurs in relation to any New Benchmark Rate, § 3(5) shall apply *mutatis mutandis* to the replacement of such New Benchmark Rate by any new Successor Benchmark Rate or Alternative Benchmark Rate, as the case may be. In this case, any reference in this § 3 to the term Original Benchmark Rate shall be deemed to be a reference to the New Benchmark Rate that last applied.
- (i) Any reference in this § 3(5) to the term Original Benchmark Rate shall be deemed to include a reference to any component part thereof, if any, in respect of which a Benchmark Event has occurred.

§ 4

DUE DATE FOR INTEREST PAYMENTS; DEFERRAL OF INTEREST PAYMENTS; PAYMENT OF DEFERRED INTEREST PAYMENTS

- (1) *Due date for interest payments; optional interest deferral.*
 - (a) Interest for each Interest Period will be due and payable (*fällig*) on the Interest Payment Date immediately following such Interest Period, unless the Issuer elects, by giving not less than seven and not more than 10 Business Days' notice to the Noteholders prior to the relevant Interest Payment Date in accordance with § 13, to defer the relevant payment of interest in whole or in part.

If the Issuer elects to defer accrued interest in whole or in part on an Interest Payment Date, then it will not have any obligation to pay interest to such extent on such Interest Payment Date. Any such election to defer interest in whole or in part will not constitute a default of the Issuer or any

keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

Nach Maßgabe dieses § 4(1)(a) nicht fällig gewordene Zinsen sind aufgeschobene Zinszahlungen ("**Aufgeschobene Zinszahlungen**").

(b) Aufgeschobene Zinszahlungen werden nicht verzinst.

(2) *Freiwillige Zahlung von Aufgeschobenen Zinszahlungen.* Die Emittentin ist berechtigt, ausstehende Aufgeschobene Zinszahlungen jederzeit insgesamt oder teilweise nach Bekanntmachung an die Anleihegläubiger gemäß § 13 unter Einhaltung einer Frist von nicht weniger als sieben und nicht mehr als 14 Geschäftstagen nachzuzahlen, wobei eine solche Bekanntmachung (i) den (gegebenenfalls anteiligen) Betrag an Aufgeschobenen Zinszahlungen, der gezahlt werden soll, und (ii) den für diese Zahlung festgelegten Termin (der "**Freiwillige Nachzahlungstermin**") enthalten muss.

(3) *Pflicht zur Zahlung von Aufgeschobenen Zinszahlungen.* Die Emittentin ist verpflichtet, ausstehende Aufgeschobene Zinszahlungen insgesamt und nicht nur teilweise am nächsten Pflichtnachzahlungstag zu zahlen.

"**Pflichtnachzahlungstag**" bezeichnet den frühesten der folgenden Tage:

- (i) den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem ein Obligatorisches Nachzahlungsereignis eingetreten ist;
- (ii) den Tag, an dem die Emittentin vorgesehene Zinsen auf die Schuldverschreibungen zahlt;
- (iii) den Tag an dem die Emittentin die Schuldverschreibungen gemäß diesen Anleihebedingungen zurückzahlt oder den Tag, an dem die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) Schuldverschreibungen zurückkauft oder anderweitig erwirbt; und

other breach of its obligations under the Notes or for any other purpose.

Interest not due and payable in accordance with this § 4(1)(a) will constitute deferred interest payments ("**Deferred Interest Payments**").

(b) Deferred Interest Payments will not bear interest.

(2) *Optional Settlement of Deferred Interest Payments.* The Issuer will be entitled to pay outstanding Deferred Interest Payments in whole or in part at any time on giving not less than seven and not more than 14 Business Days' notice to the Noteholders in accordance with § 13 which notice will specify (i) the (partial) amount of Deferred Interest Payments to be paid and (ii) the date fixed for such payment (the "**Optional Settlement Date**").

(3) *Mandatory payment of Deferred Interest Payments.* The Issuer must pay outstanding Deferred Interest Payments (in whole but not in part) on the next Mandatory Settlement Date.

"**Mandatory Settlement Date**" means the earliest of:

- (i) the date falling five Business Days after the date on which a Compulsory Settlement Event has occurred;
- (ii) the date on which the Issuer pays scheduled interest on the Notes;
- (iii) the date on which the Issuer redeems the Notes in accordance with these Terms and Conditions, or the date on which the Issuer or any Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) Notes; and

- (iv) den Tag, an dem eine Entscheidung hinsichtlich der Abwicklung der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge einer Verschmelzung, einer Umstrukturierung oder Sanierung geschieht, bei der die Emittentin noch zahlungsfähig ist und bei der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt),

mit der Maßgabe, dass

- (A) in dem vorgenannten Fall (ii) kein Pflichtnachzahlungstag vorliegt, wenn sich die Emittentin gemäß § 4(1)(a) dazu entscheidet, eine vorgesehene Zinszahlung nur teilweise aufzuschieben, und die Emittentin den nicht aufgeschobenen Anteil an den vorgesehenen Zinsen zahlt;
- (B) in dem vorgenannten Fall (iii) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin oder die betreffende Tochtergesellschaft (jeweils direkt oder indirekt) Schuldverschreibungen (insgesamt oder teilweise) nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot mit einer unter dem Nennwert liegenden Gegenleistung je Schuldverschreibung zurückkauft oder anderweitig erwirbt; und
- (C) kein Pflichtnachzahlungstag vorliegt, wenn die betreffenden Zahlungen auf oder in Bezug auf die Schuldverschreibungen Konzerninterne Zahlungen sind.

Dabei gilt Folgendes:

"Konzerninterne Zahlungen" sind Zahlungen, die von der Emittentin an eine Tochtergesellschaft und/oder von einer Tochtergesellschaft an die Emittentin und/oder von einer Tochtergesellschaft an eine andere erfolgen.

Ein **"Obligatorisches Nachzahlungsereignis"** bezeichnet vorbehaltlich des nachstehenden Satzes 2 jedes der folgenden Ereignisse:

- (i) die Hauptversammlung der Emittentin beschließt, eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf

- (iv) the date on which an order is made for the liquidation of the Issuer (other than for the purposes of or pursuant to a merger, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer),

provided that

- (A) in the case (ii) above no Mandatory Settlement Date occurs if the Issuer in accordance with § 4(1)(a) has elected to defer the scheduled payment of interest only in part, and the Issuer pays the proportion of that scheduled interest that the Issuer does not defer;
- (B) in the case (iii) above no Mandatory Settlement Date occurs if the Issuer or the relevant Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any Notes (in whole or in part) in a public tender offer or public exchange offer at a consideration per Note below its par value; and
- (C) no Mandatory Settlement Date occurs if the relevant payments on, or in respect of, the Notes are Intra-Group Payments.

Where:

"Intra-Group Payments" means payments made by the Issuer to a Subsidiary and/or by a Subsidiary to the Issuer and/or by one Subsidiary to another.

"Compulsory Settlement Event" means any of the following events, subject to the provisions in sentence 2 below:

- (i) the general meeting of shareholders (*ordentliche Hauptversammlung*) of the Issuer resolves on the payment of any

eine Aktie einer beliebigen Gattung der Emittentin zu zahlen;

- (ii) die Emittentin oder eine Tochtergesellschaft leistet eine Zahlung oder zahlt eine Ausschüttung auf eine Gleichrangige Verbindlichkeit (mit Ausnahme der Schuldverschreibungen und mit Ausnahme einer Zahlung in Form von Aktien einer beliebigen Gattung der Emittentin);
- (iii) die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) zahlt oder kauft eine Gleichrangige Verbindlichkeit zurück oder erwirbt diese auf andere Weise; oder
- (iv) die Emittentin oder eine Tochtergesellschaft zahlt eine Ausschüttung oder leistet eine sonstige Zahlung auf eine Nachrangige Verbindlichkeit (jeweils mit Ausnahme einer Dividende, Ausschüttung oder Zahlung in Form von Aktien einer beliebigen Gattung); oder
- (v) die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) zahlt oder kauft eine Nachrangige Verbindlichkeit zurück oder erwirbt sie auf andere Weise.

In dem Fall der vorgenannten Ziffer (ii) tritt jedoch kein Obligatorisches Nachzahlungsereignis ein, wenn

- (A) gleichzeitig mit einer teilweisen Nachzahlung von Aufgeschobenen Zinszahlungen auf die Schuldverschreibungen gemäß § 4(2) auch aufgeschobene Zinszahlungen auf eine Gleichrangige Verbindlichkeit (mit Ausnahme der Schuldverschreibungen) teilweise nachgezahlt werden, vorausgesetzt, der anteilige Betrag der teilweisen Nachzahlung aufgeschobener Zinszahlungen auf eine Gleichrangige Verbindlichkeit (mit Ausnahme der Schuldverschreibungen) entspricht höchstens dem Anteil an den dann ausstehenden Aufgeschobenen

dividend, other distribution or other payment on any share of any class of the Issuer;

- (ii) the Issuer or any Subsidiary makes a payment or pays any distribution in respect of any Parity Obligation (other than the Notes and other than a payment which is made in the form of shares of any class of the Issuer);
- (iii) the Issuer or any Subsidiary redeems, repurchases or otherwise acquires (in each case directly or indirectly) any Parity Obligation; or
- (iv) the Issuer or any Subsidiary pays any distribution or makes any other payment in respect of any Junior Obligation (in each case other than a dividend, distribution or payment which is made in the form of shares of any class); or
- (v) the Issuer or any Subsidiary redeems, repurchases or otherwise acquires (in each case directly or indirectly) any Junior Obligation.

In the case of clause (ii) above no Compulsory Settlement Event occurs if

- (A) any partial payment of deferred interest on a Parity Obligation (other than the Notes) is made concurrently with a partial settlement of any Deferred Interest Payments on the Notes in accordance with § 4(2), provided that such partial payment of deferred interest on a Parity Obligation (other than the Notes) does not exceed the proportion of the then outstanding Deferred Interest Payments on the Notes that is being settled in accordance with § 4(2); or

Zinszahlungen auf die Schuldverschreibungen, der gemäß § 4(2) nachgezahlt wird; oder

- (B) die Emittentin oder die betreffende Tochtergesellschaft nach Maßgabe der Bedingungen der betreffenden Gleichrangigen Verbindlichkeit oder gesetzlich zu der Zahlung verpflichtet ist; oder
- (C) die betreffenden Zahlungen auf oder in Bezug auf eine Gleichrangige Verbindlichkeit Konzerninterne Zahlungen sind.

In dem Fall der vorgenannten Ziffer (iii) tritt jedoch kein Obligatorisches Nachzahlungsereignis ein, wenn

- (A) die Emittentin oder die betreffende Tochtergesellschaft (jeweils direkt oder indirekt) eine Gleichrangige Verbindlichkeit oder Schuldverschreibungen (insgesamt oder teilweise) nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot mit einer unter dem Nennwert liegenden Gegenleistung je Gleichrangiger Verbindlichkeit bzw. je Schuldverschreibung zurückkauft oder anderweitig erwirbt; oder
- (B) die Emittentin oder die betreffende Tochtergesellschaft nach Maßgabe der Bedingungen der betreffenden Gleichrangigen Verbindlichkeit oder gesetzlich zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist; oder
- (C) die betreffenden Zahlungen auf oder in Bezug auf eine Gleichrangige Verbindlichkeit Konzerninterne Zahlungen sind.

In den Fällen der vorgenannten Ziffern (iv) und (v) tritt jedoch kein Obligatorisches Nachzahlungsereignis ein, wenn

- (A) die Emittentin oder die betreffende Tochtergesellschaft nach Maßgabe der Bedingungen der betreffenden

- (B) the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Parity Obligation or under applicable law to make such payment, such redemption, such repurchase or such other acquisition; or

- (C) the relevant payments on, or in respect of, any Parity Obligation are Intra-Group Payments.

In the case of clause (iii) above no Compulsory Settlement Event occurs if

- (A) the Issuer or the relevant Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any Parity Obligation or any Notes (in whole or in part) in a public tender offer or public exchange offer at a consideration per Parity Obligation or, as applicable, per Note below its par value; or
- (B) the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Parity Obligation or under applicable law to make such payment, such redemption, such repurchase or such other acquisition; or
- (C) the relevant payments on, or in respect of, any Parity Obligation are Intra-Group Payments.

In the cases of clauses (iv) and (v) above no Compulsory Settlement Event occurs if

- (A) the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Junior Obligation or under applicable

Nachrangigen Verbindlichkeit oder gesetzlich zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist;

- (B) die Emittentin oder die betreffende Tochtergesellschaft eine Aktie einer beliebigen Gattung der Emittentin oder eine Nachrangige Verbindlichkeit nach Maßgabe eines bestehenden oder zukünftigen Aktienoptions- oder Aktienbeteiligungsprogramms oder ähnlichen Programms für Mitglieder des Vorstands oder des Aufsichtsrats (oder, im Falle verbundener Unternehmen, ähnlicher Gremien) oder Mitarbeiter der Emittentin oder mit ihr verbundener Unternehmen (jeweils direkt oder indirekt) zurückkauft oder anderweitig erwirbt; oder
- (C) die betreffenden Zahlungen auf oder in Bezug auf eine Nachrangige Verbindlichkeit Konzerninterne Zahlungen sind.

§ 5 ZAHLUNGEN

- (1) *Zahlungen von Kapital und Zinsen.* Zahlungen von Kapital in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden § 5(2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.

Die Zahlung von Zinsen in Bezug auf die Schuldverschreibungen erfolgt nach Maßgabe des nachstehenden § 5(2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems und im Fall von Zinsen und Zinsrückständen auf Schuldverschreibungen, die durch die Vorläufige Globalurkunde verbrieft sind, nach ordnungsgemäßer Bescheinigung gemäß § 1(2)(b).

- (2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in Euro.

law to make such payment, such redemption, such repurchase or such other acquisition;

- (B) the Issuer or the relevant Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any share of any class of the Issuer or any Junior Obligation pursuant to the obligations of the Issuer under any existing or future stock option or stock ownership programme or similar programme for any members of the executive board or supervisory board (or, in the case of affiliates, comparable boards) or employees of the Issuer or any of its affiliates; or
- (C) the relevant payments on, or in respect of, any Junior Obligation are Intra-Group Payments.

§ 5 PAYMENTS

- (1) *Payment of Principal and Interest.* Payments of principal in respect of the Notes shall be made, subject to § 5(2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

Payments of interest in respect of the Notes shall be made, subject to § 5(2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System and, in the case of payments of interest and Deferred Interest Payments on Notes represented by the Temporary Global Note, upon due certification as provided in § 1(2)(b).

- (2) *Method of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in Euro.

- (3) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearingsystem oder dessen Order von ihrer Zahlungspflicht befreit.
- (4) *Geschäftstagekonvention.* Falls ein Fälligkeitstag für die Zahlung von Kapital und/oder Zinsen kein Geschäftstag ist, erfolgt die Zahlung erst am nächstfolgenden Geschäftstag; die Anleihegläubiger sind nicht berechtigt, Zinsen oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.

§ 6

RÜCKZAHLUNG UND RÜCKKAUF

- (1) *Keine Endfälligkeit.* Die Schuldverschreibungen haben keinen Endfälligkeitstag und werden, außer gemäß den Bestimmungen in diesem § 6, nicht zurückgezahlt.
- (2) *Rückkauf.* Die Emittentin oder eine Tochtergesellschaft können, soweit gesetzlich zulässig, jederzeit Schuldverschreibungen auf dem freien Markt oder anderweitig sowie zu jedem beliebigen Preis kaufen. Derartig erworbene Schuldverschreibungen können entwertet, gehalten oder wieder veräußert werden.
- (3) *Rückzahlung nach Wahl der Emittentin.*
 - (a) *Rückzahlung nach Wahl der Emittentin zu pari.* Die Emittentin ist berechtigt, durch Erklärung gemäß § 6(6) die Schuldverschreibungen (insgesamt und nicht nur teilweise) mit Wirkung zu jedem Tag während des Zeitraums ab dem [●] (der "**Erste Optionale Rückzahlungstag**") (einschließlich) bis zum Ersten Zinsanpassungstag (einschließlich) und danach mit Wirkung zu jedem nachfolgenden Zinszahlungstag zurückzuzahlen. Im Falle einer solchen Erklärung hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin zu ihrem Festgelegten Nennbetrag zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3)

- (3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
- (4) *Business Day Convention.* If the due date for any payment of principal and/or interest is not a Business Day, the payment will be made only on the next Business Day. The Noteholders will have no right to claim payment of any interest or other indemnity in respect of such delay in payment.

§ 6

REDEMPTION AND REPURCHASE

- (1) *No Scheduled Redemption.* The Notes have no final maturity date and shall not be redeemed, except in accordance with the provisions set out in this § 6.
- (2) *Repurchase.* Subject to applicable laws, the Issuer or any Subsidiary may at any time purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.
- (3) *Redemption at the Option of the Issuer.*
 - (a) *Redemption at the Option of the Issuer at par.* The Issuer may, upon giving notice in accordance with § 6(6), call the Notes for redemption (in whole but not in part) with effect as of any date during the period from and including [●] (the "**First Optional Redemption Date**") to and including the First Reset Date and thereafter with effect as of any Interest Payment Date thereafter. In the case such notice is given, the Issuer will redeem the remaining Notes at their Specified Denomination plus any accrued and unpaid interest on the Notes to but excluding the date of redemption and, for the avoidance of doubt, any Deferred Interest Payments payable pursuant to § 4(3) on the specified redemption date.

fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

- (b) *Vorzeitige Rückzahlung nach Wahl der Emittentin zum Make-Whole-Rückzahlungsbetrag.* Die Emittentin ist berechtigt, durch Erklärung gemäß § 6(6) die Schuldverschreibungen (insgesamt und nicht nur teilweise) mit Wirkung zu jedem Tag bis Ersten Optionalen Rückzahlungstag (ausschließlich) zurückzuzahlen. Die Erklärung hat den festgelegten Rückzahlungstermin (der "**Wahl-Rückzahlungstag (Make-Whole)**") anzugeben. Im Falle einer solchen Erklärung hat die Emittentin die Schuldverschreibungen am Wahl-Rückzahlungstag (Make-Whole) zum Make-Whole-Betrag zuzüglich der bis zum Wahl-Rückzahlungstag (Make-Whole) in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

Der "**Make-Whole-Betrag**" je Schuldverschreibung entspricht dem höheren der folgenden Beträge:

- (i) des Festgelegten Nennbetrags; oder
- (ii) des Abgezinsten Marktwerts.

Der Make-Whole-Betrag wird von der Make-Whole-Berechnungsstelle berechnet.

Der "**Abgezinsten Marktwert**" entspricht der Summe der Abgezinsten Marktwerte aus

- (i) dem auf den Wahl-Rückzahlungstag (Make-Whole) auf halbjährlicher Basis abgezinsten Wert der Festgelegten Stückelung, der ansonsten am Ersten Optionalen Rückzahlungstag fällig werden würde (wobei unterstellt wird, dass die Schuldverschreibungen am diesem Ersten Optionalen Rückzahlungstag zurückgezahlt werden würden); und

- (b) *Redemption at the Option of the Issuer at the Make-Whole Amount.* The Issuer may, upon giving notice in accordance with § 6(6), call the Notes for redemption (in whole but not in part) with effect as of any date prior to but excluding the First Optional Redemption Date. The notice shall specify the date of redemption (the "**Call Redemption Date (Make-Whole)**"). In the case such notice is given, the Issuer will redeem the Notes at the Make-Whole Amount plus any accrued and unpaid interest on the Notes to but excluding the Call Redemption Date (Make-Whole) and, for the avoidance of doubt, any Deferred Interest Payments payable pursuant to § 4(3), on the Call Redemption Date (Make-Whole).

The "**Make-Whole Amount**" per Note shall be the higher of the following amounts:

- (i) the Specified Denomination; or
- (ii) the Present Value.

The Make-Whole Amount shall be calculated by the Make-Whole Calculation Agent.

The "**Present Value**" will be the sum of the present values of:

- (i) the Specified Denomination to be redeemed on the First Optional Redemption Date (assuming for this purpose that the Notes would be redeemed on such First Optional Redemption Date) discounted on a semi-annual basis to the Call Redemption Date (Make-Whole); and

- (ii) dem Gesamtbetrag der jeweils auf den Wahl-Rückzahlungstag (Make-Whole) auf halbjährlicher Basis abgezinsten Werte der verbleibenden Zinszahlungen (berechnet auf der Grundlage des ab dem Wahl-Rückzahlungstag (Make-Whole) anwendbaren Zinssatzes (einschließlich), die ansonsten an jedem Zinszahlungstag nach dem Wahl-Rückzahlungstag (Make-Whole) bis zum Ersten Optionalen Rückzahlungstag (einschließlich) fällig werden würden (wobei für diese Zwecke unterstellt wird, dass der Zinslauf an diesem Ersten Optionalen Rückzahlungstag endet);

abzüglich etwaiger aufgelaufener Zinsen bis zum Wahl-Rückzahlungstag (Make-Whole) (ausschließlich).

Die Make-Whole-Berechnungsstelle errechnet den Abgezinsten Marktwert gemäß der Marktkonvention auf einer Grundlage, die der Berechnung von Zinsen gemäß § 3 entspricht, wobei sie die Benchmark-Rendite zuzüglich [●] %⁵ zugrunde legt.

Die "**Benchmark-Rendite**" bezeichnet (i) die auf dem Bundesbank-Referenzpreis der Referenzanleihe für den Make-Whole-Betrag-Berechnungstag basierende Rendite, wie sie am Make-Whole-Betrag-Berechnungstag auf der Make-Whole-Bildschirmseite für die Referenzanleihe erscheint oder (ii) sollte die Benchmark-Rendite so nicht festgestellt werden können, die auf dem Mittelkurs der Referenzanleihe basierende Rendite, wie sie am Make-Whole-Betrag-Berechnungstag um 12.00 Uhr (Frankfurter Zeit) auf der Make-Whole-Bildschirmseite angezeigt wird.

"**Make-Whole-Bildschirmseite**" bezeichnet Bloomberg QR (unter Verwendung der Preisquelle "FRNK") (oder jede Nachfolge-seite oder Nachfolge-Preisquelle) für

- (ii) the aggregate amount of remaining interest payments (determined on the basis of the Rate of Interest applicable to the Notes from and including the Call Redemption Date (Make-Whole)) which would otherwise become due on each Interest Payment Date falling after the Call Redemption Date (Make-Whole) to and including the First Optional Redemption Date (assuming for this purpose that interest would cease to accrue from such First Optional Redemption Date), discounted on a semi-annual basis to the Call Redemption Date (Make-Whole);

minus any interest accrued to but excluding the Call Redemption Date (Make-Whole).

The Make-Whole Calculation Agent will calculate the Present Value in accordance with market convention on a basis which is consistent with the calculation of interest as set out in § 3, using the Benchmark Yield plus [●] per cent.⁶

The "**Benchmark Yield**" means (i) the yield based upon the Bundesbank reference price (*Bundesbank-Referenzpreis*) for the Benchmark Security in respect of the Make-Whole Amount Calculation Date as appearing on the Make-Whole Amount Calculation Date on the Make-Whole Screen Page in respect of the Benchmark Security, or (ii) if the Benchmark Yield cannot be so determined, the yield based upon the mid-market price for the Benchmark Security as appearing at noon Frankfurt time on the Make-Whole Amount Calculation Date on the Make-Whole Screen Page in respect of the Benchmark Security.

The "**Make-Whole Screen Page**" means Bloomberg QR (using the pricing source "FRNK") (or any successor page or successor pricing source) for the

⁵ Entspricht 15% der zum Pricing festgesetzten Kreditmarge mit einer Obergrenze bei 50 Basispunkten.

⁶ Equal to 15 per cent. of the credit spread fixed at pricing, capped at 50 basis points.

die Referenzanleihe, oder, falls diese Bloomberg-Seite oder Preisquelle nicht verfügbar ist, eine andere Seite (falls vorhanden) eines Informationsanbieters, die weitgehend ähnliche Daten anzeigt, wie von der Make-Whole-Berechnungsstelle für angemessen erachtet.

"Referenzanleihe" bezeichnet die Euro-Referenz-Anleihe der Bundesrepublik Deutschland fällig [●] (ISIN: [●]), oder, wenn diese Schuldverschreibung am Make-Whole-Betrag-Berechnungstag nicht mehr ausstehend ist, eine Ersatz-Referenzanleihe, die üblicherweise verwendet wird bei der Preisbildung von Neuemissionen mit ähnlicher Laufzeit und einem Fälligkeitsdatum am oder um den Ersten Optionalen Rückzahlungstag.

"Make-Whole-Berechnungsstelle" bezeichnet eine unabhängige international anerkannte Bank oder eine unabhängige Finanzberaterin mit einschlägiger Expertise, die von der Emittentin rechtzeitig vor Ausübung des Kündigungsrechts gemäß diesem § 6(3)(b) ausgewählt und bestellt werden wird.

"Make-Whole-Betrag-Berechnungstag" ist der sechste Geschäftstag vor dem Wahl-Rückzahlungstag (Make-Whole).

(4) *Rückzahlung nach Eintritt eines Gross-up-Ereignisses, eines Steuerereignisses, eines Rechnungslegungsereignisses oder bei geringem ausstehenden Gesamtnennbetrag.*

(a) *Gross-up-Ereignis, geringer ausstehender Gesamtnennbetrag.*

Wenn

- (i) ein Gross-up-Ereignis eintritt; oder
- (ii) die Emittentin oder eine Tochtergesellschaft Schuldverschreibungen im Volumen von 75 % oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen (einschließlich etwaiger weiterer gemäß § 11 begebener

Benchmark Security, or, if such Bloomberg page or pricing source is not available, such other page (if any) from such other information provider displaying substantially similar data as may be considered to be appropriate by the Make-Whole Calculation Agent.

The **"Benchmark Security"** means the euro denominated benchmark debt security of the Federal Republic of Germany due [●] (ISIN: [●]), or, if such security is no longer outstanding on the Make-Whole Amount Calculation Date, a substitute benchmark security that would customarily be used in the pricing of new issues with a similar tenor having a maturity date on or about the First Optional Redemption Date.

"Make-Whole Calculation Agent" means an independent bank of international standing or an independent financial adviser with relevant expertise, which will be selected and appointed by the Issuer in good time prior to the exercise of the call right in accordance with this § 6(3)(b).

"Make-Whole Amount Calculation Date" means the sixth Business Day prior to the Call Redemption Date (Make-Whole).

(4) *Redemption following a Gross-up Event, a Tax Event, an Accounting Event or in case of minimal outstanding aggregate principal amount.*

(a) *Gross-up Event, minimal outstanding aggregate principal amount.*

If

- (i) a Gross-up Event occurs; or
- (ii) the Issuer or any Subsidiary has purchased and subsequently cancelled Notes equal to or in excess of 75 per cent. of the aggregate principal amount of the Notes initially issued (including any further Notes issued pursuant to § 11),

Schuldverschreibungen) erworben und im Anschluss gekündigt hat,

dann ist die Emittentin berechtigt, durch Erklärung gemäß § 6(6) die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit mit Wirkung zu dem in der Erklärung für die Rückzahlung festgelegten Tag zurückzuzahlen. Im Falle einer solchen Erklärung hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin zu ihrem Festgelegten Nennbetrag zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

Ein "**Gross-up-Ereignis**" tritt ein, wenn der Emittentin an oder nach dem Tag der Begebung der Schuldverschreibungen ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin der Hauptzahlstelle eine Kopie davon gibt), aus dem hervorgeht, dass die Emittentin aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Gesetzesänderung (oder einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Änderung von darunter erlassenen Bestimmungen und Vorschriften) des Landes, in dem die Emittentin ihren Hauptsitz oder Steuersitz hat, oder einer deren Gebietskörperschaften oder Behörden oder als Folge einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Änderung der offiziellen Auslegung oder Anwendung dieser Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen) verpflichtet ist oder verpflichtet sein wird,

the Issuer may, upon giving notice in accordance with § 6(6), call the Notes for redemption (in whole but not in part) at any time with effect as of the date fixed for redemption in the notice. In the case such notice is given, the Issuer will redeem the remaining Notes on the specified redemption date at their Specified Denomination plus any accrued and unpaid interest on the Notes to but excluding the date of redemption and, for the avoidance of doubt, any Deferred Interest Payments payable pursuant to § 4(3).

A "**Gross-up Event**" will occur if on or after the date of issue of the Notes an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Principal Paying Agent with a copy thereof) stating that the Issuer has or will become obliged by a legislative body, a court or any authority to pay Additional Amounts pursuant to § 8 as a result of any change in or amendment to the laws (or any rules or regulations thereunder) of the country in which the Issuer has its domicile or tax residence, or any of the respective political subdivisions or taxing authorities, or as a result of any change in, or amendment to, any official interpretation or application of those laws or rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), in each case with such change or amendment becoming effective on or after the date of issue of the Notes, and that obligation cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate.

zusätzliche Beträge gemäß § 8 zu zahlen und die Emittentin diese Verpflichtung nicht abwenden kann, indem sie zumutbare Maßnahmen ergreift, die sie nach Treu und Glauben für angemessen hält.

Die Bekanntmachung der Rückzahlung nach Eintritt eines Gross-up-Ereignisses darf nicht früher als 90 Tage vor dem Tag erfolgen, an dem die Emittentin erstmals verpflichtet wäre, zusätzliche Beträge gemäß § 8 zu zahlen.

(b) *Steuerereignis, Rechnungslegungsereignis.*

Wenn

(i) ein Rechnungslegungsereignis eintritt; oder

(ii) ein Steuerereignis eintritt,

dann ist die Emittentin berechtigt, durch Erklärung gemäß § 6(6) die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit mit Wirkung zu dem in der Erklärung für die Rückzahlung festgelegten Tag zurückzuzahlen. Im Falle einer solchen Erklärung hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin (i) zu 101 % ihres Festgelegten Nennbetrages, falls die Rückzahlung vor dem Ersten Optionalen Rückzahlungstermin erfolgt, und (ii) zu ihrem Festgelegten Nennbetrag, falls die Rückzahlung an oder nach dem Ersten Optionalen Rückzahlungstermin erfolgt, jeweils zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3) fälligen Aufgeschobenen Zinszahlungen, zurückzuzahlen.

Ein "**Rechnungslegungsereignis**" liegt vor, wenn eine anerkannte Wirtschaftsprüfungsgesellschaft, die im Auftrag der Emittentin handelt, der Emittentin ein Gutachten übermittelt, wonach aufgrund einer Änderung der Rechnungslegungsgrundsätze oder deren Anwendung (die

No such notice of redemption following the occurrence of a Gross-up Event may be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay the Additional Amounts pursuant to § 8.

(b) *Tax Event, Accounting Event.*

If

(i) an Accounting Event occurs; or

(ii) a Tax Event occurs,

the Issuer may, upon giving notice in accordance with § 6(6), call the Notes for redemption (in whole but not in part) at any time with effect as of the date fixed for redemption in the notice. In the case such notice is given, the Issuer will redeem the remaining Notes on the specified redemption date (i) at 101 per cent. of their Specified Denomination if the redemption occurs prior to the First Optional Redemption Date and (ii) at their Specified Denomination if the redemption occurs on or after the First Optional Redemption Date, in each case plus any accrued and unpaid interest on the Notes to but excluding the date of redemption and, for the avoidance of doubt, any Deferred Interest Payments payable pursuant to § 4(3).

An "**Accounting Event**" will occur if a recognised accountancy firm, acting upon instructions of the Issuer, has delivered an opinion to the Issuer, stating that as a result of a change in accounting principles (or the application thereof) (the "**Accounting Change**") which has been officially adopted on or after the date of issue of the

"Rechnungslegungsänderung"), die am oder nach dem Tag der Begebung der Schuldverschreibungen offiziell übernommen worden ist (der Tag der Übernahme der Rechnungslegungsänderung, nachstehend der **"Änderungstag")**, die Schuldverschreibungen nicht oder nicht mehr als "Eigenkapital" gemäß den International Financial Reporting Standards (**"IFRS"**) bzw. anderen nationalen oder internationalen Rechnungslegungsstandards, die die Emittentin für die Erstellung ihrer konsolidierten Abschlüsse anstelle der IFRS anwenden kann, ausgewiesen werden dürfen.

Der Zeitraum, in dem die Emittentin die Rückzahlung der Schuldverschreibungen infolge des Eintretens eines Rechnungslegungsereignisses mitteilen kann, beginnt an dem Änderungstag. Zur Klarstellung, diese Frist umfasst jede Übergangszeit zwischen dem Tag, an dem die Rechnungslegungsänderung offiziell übernommen wird, und dem Tag, an dem sie in Kraft tritt.

Ein **"Steuerereignis"** liegt vor, wenn an oder nach dem Tag der Begebung der Schuldverschreibungen der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin der Zahlstelle eine Kopie davon gibt), aus dem hervorgeht, dass aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Gesetzesänderung (oder einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Änderung von darunter erlassenen Bestimmungen und Vorschriften) des Landes, in dem die Emittentin ihren Hauptsitz oder Steuersitz hat, oder einer dessen Gebietskörperschaften oder Steuerbehörden, oder als Folge einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Änderung der offiziellen Auslegung oder Anwendung solcher Gesetze,

Notes (such date, the **"Change Date"**) the Notes must not or must no longer be recorded as "equity" pursuant to the International Financial Reporting Standards (**"IFRS"**) or any other national or international accounting standards that may replace IFRS for the purposes of drawing up the consolidated financial statements of the Issuer.

The period during which the Issuer may notify the redemption of the Notes as a result of the occurrence of an Accounting Event shall start on the Change Date. For the avoidance of doubt, such period shall include any transitional period between the date on which the Accounting Change is officially published and the date on which it comes into effect.

A **"Tax Event"** will occur if on or after the date of issue of the Notes an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Paying Agent with a copy thereof) stating that, as a result of any change in, or amendment to, the laws (or any rules or regulations thereunder) of the country in which the Issuer has its domicile or tax residence, any of its political subdivisions or taxing authorities, or as a result of any change in, or amendment to, any official interpretation or application of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), in each case with such change or amendment becoming effective on or after the date of issue of the Notes, the interest expense in respect of the

Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), der Zinsaufwand aus den Schuldverschreibungen nicht mehr für Zwecke der Ertragsteuer voll abzugsfähig ist bzw. nicht mehr voll abzugsfähig sein wird und die Emittentin dieses Risiko nicht abwenden kann, indem sie zumutbare Maßnahmen ergreift, die sie nach Treu und Glauben für angemessen hält.

(5) *Kündigungsrecht der Emittentin nach Eintritt eines Kontrollwechsels.*

- (a) Wenn ein Kontrollwechsel eintritt, hat die Emittentin binnen 20 Geschäftstagen den Kontrollwechsel-Stichtag zu bestimmen und den Kontrollwechsel und den Kontrollwechsel-Stichtag gemäß § 13 anzuzeigen (die "**Kontrollwechsel-Mitteilung**").
- (b) Bei Eintritt eines Kontrollwechsels ist die Emittentin berechtigt, die Schuldverschreibungen (insgesamt, jedoch nicht teilweise) durch Erklärung gemäß dem nachstehenden Satz 3 mit Wirkung zu dem Kontrollwechsel-Stichtag zu kündigen und zurückzuzahlen.

Wenn die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt, ist die Emittentin verpflichtet, die Schuldverschreibungen am Kontrollwechsel-Stichtag zu ihrem Festgelegten Nennbetrag zuzüglich der bis zum Kontrollwechsel-Stichtag (ausschließlich) in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

Die Emittentin kann ihr Recht zur Kündigung und Rückzahlung der Schuldverschreibungen gemäß diesem § 6(5) durch eine Bekanntmachung an die Anleihegläubiger gemäß § 13 nur innerhalb

Notes is no longer, or will no longer be, fully deductible for income tax purposes, and that risk cannot be avoided by the Issuer taking such reasonable measures as it (acting in good faith) deems appropriate.

(5) *Issuer Call Right following a Change of Control.*

- (a) If a Change of Control occurs, the Issuer will fix the Change of Control Effective Date and give notice in accordance with § 13 of the Change of Control and the Change of Control Effective Date within 20 Business Days (the "**Change of Control Notice**").
- (b) If a Change of Control occurs, the Issuer may call and redeem the Notes (in whole but not in part) by giving notice in accordance with the following sentence 3 with effect as of the Change of Control Effective Date.

If the Issuer exercises its call right in accordance with sentence 1, the Issuer will redeem, on the Change of Control Effective Date, each Note at its Specified Denomination plus any accrued and unpaid interest on the Notes to but excluding the Change of Control Effective Date and, for the avoidance of doubt, any Deferred Interest Payments payable pursuant to § 4(3) on the Change of Control Effective Date.

The Issuer may give notice to the Noteholders of the call and redemption pursuant to this § 6(5) only within five Business Days after the publication of the Change of Control Notice in accordance

einer Frist von nicht mehr als fünf Geschäftstagen nach der Veröffentlichung der Kontrollwechsel-Mitteilung ausüben. Die Kündigungserklärung kann auch zeitgleich mit oder in der Kontrollwechsel-Mitteilung erfolgen

(c) In diesem § 6(5) gilt Folgendes:

Ein "**Kontrollwechsel**" gilt jedes Mal in einem der folgenden Fälle als eingetreten, wenn eine Drittperson oder mehrere gemeinsam vorgehende Drittpersonen oder Personen, welche im Namen einer solchen Drittperson oder solcher Drittpersonen handeln-, zu irgendeiner Zeit direkt oder indirekt eine kontrollierende Beteiligung an Lenzing Aktiengesellschaft im Sinne des Österreichischen Übernahmegesetzes in der jeweils geltenden Fassung (wobei dies auch eine etwaige in der Satzung der Emittentin vorgesehene niedrigere Schwelle erfasst) erwerben (eine "**kontrollierende Beteiligung**"), wodurch ein Pflichtangebot ausgelöst wird.

„**Drittperson**“ gemäß diesem § 6(5)(c) ist jede Person, die zum Tag der Begebung der Schuldverschreibungen weder zu Suzano S.A. und die mit ihr verbundenen Unternehmen noch zu der Gruppe gemeinsam vorgehender Rechtsträger zählt, die , zum relevanten Zeitpunkt, eine kontrollierende Beteiligung hält.

"**Kontrollwechsel-Stichtag**" bezeichnet den von der Emittentin in der Kontrollwechsel-Mitteilung festgelegten Tag, der (i) falls zum betreffenden Zeitpunkt nicht nachrangige Fremdkapitalwertpapiere der Lenzing Aktiengesellschaft ausstehen, der fünfte Geschäftstag nach dem Tag sein muss, an dem solche Wertpapiere aufgrund einer Kündigung der Gläubiger dieser Wertpapiere wegen des gleichen Kontrollwechsels (oder eines vergleichbaren Konzepts) fällig werden können; und (ii) falls zum betreffenden Zeitpunkt keine nicht nachrangigen Fremdkapitalwertpapiere der Lenzing Aktiengesellschaft ausstehen, ein

with § 13. Such notice may be given simultaneously with or in the Change of Control Notice.

(c) In this § 6(5) the following applies:

A "**Change of Control**" shall be deemed to have occurred at each time that any Third Person or any persons acting in concert with or persons acting on behalf of any such Third Person(s) at any time directly or indirectly acquire(s) a controlling participation in Lenzing Aktiengesellschaft pursuant to the Austrian Takeover Act (*Österreichisches Übernahmegesetz*), as amended, (whereby this also includes a lower threshold provided for in the Issuer's articles of association, if any) (a "**Controlling Participation**") which triggers a mandatory takeover bid.

"**Third Person**" pursuant to this § 6(5)(c) is any person which, as of the issue date of the Notes, is neither Suzano S.A. or any of its affiliates nor a member of the group of persons acting in concert that holds, at the relevant time, a Controlling Participation.

"**Change of Control Effective Date**" means the date fixed by the Issuer in the Change of Control Notice, which (i) must, if at the relevant time any senior debt securities of Lenzing Aktiengesellschaft are outstanding, be the fifth Business Day following the date on which such securities may become payable due to put notices of the holders of such securities in respect of the same Change of Control (or a similar concept); and (ii) must, if at the relevant time no senior debt securities of Lenzing Aktiengesellschaft are outstanding, be a Business Day which falls not more than 40 days after publication of the Change of Control Notice.

Geschäftstag sein muss, der nicht mehr als 40 Tage nach Bekanntmachung der Kontrollwechsel-Mitteilung liegen darf.

- (6) *Bekanntmachung der Rückzahlung.* Die Emittentin kann ein Recht zur Rückzahlung gemäß § 6(3) und (4) durch eine Bekanntmachung an die Anleihegläubiger gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 60 Tagen ausüben. Die Bekanntmachung hat in den Fällen von § 6(3)(b) den Namen und die Geschäftsstelle der Institution, welche durch die Emittentin als Make-Whole-Berechnungsstelle ernannt wurde, bzw. in den Fällen des § 6(4) diejenigen Tatsachen zu enthalten, auf welche die Emittentin ihr Rückzahlungsrecht stützt, und den für die Rückzahlung festgelegten Tag bezeichnen.

§ 7

ZAHLSTELLEN UND BERECHNUNGSSTELLE

- (1) *Bestellung.* Die Emittentin hat die BNP Paribas, Succursale de Luxembourg als Hauptzahlstelle in Bezug auf die Schuldverschreibungen (die "**Hauptzahlstelle**" und gemeinsam mit jeder etwaigen von der Emittentin nach § 7(2) bestellten zusätzlichen Zahlstelle, die "**Zahlstellen**") bestellt.

Die Emittentin hat die BNP Paribas, Succursale de Luxembourg als Berechnungsstelle in Bezug auf die Schuldverschreibungen (die "**Berechnungsstelle**" und, gemeinsam mit den Zahlstellen, die "**Verwaltungsstellen**") bestellt.

Die Geschäftsräume der BNP Paribas, Succursale de Luxembourg befinden sich unter der folgenden Adresse:

BNP Paribas,
Succursale de Luxembourg
60, avenue J.F. Kennedy
L-1855 Luxembourg
Großherzogtum Luxemburg

- (2) *Änderung oder Beendigung der Bestellung.* Die Emittentin behält sich das Recht vor, jederzeit die Ernennung einer Zahlstelle oder der Berechnungsstelle zu verändern oder zu beenden und Nachfolger- bzw. zusätzliche Zahlstellen oder eine Nachfolger-Berechnungsstelle zu

- (6) *Notification of Redemption.* The Issuer will give not less than 10 nor more than 60 days' notice to the Noteholders in accordance with § 13 of any redemption pursuant to § 6(3) and (4). In the case of § 6(3)(b) such notice will set forth the name and address of the institution appointed by the Issuer as Make-Whole Calculation Agent and in the cases of § 6(4) such notice will set forth the underlying facts of the Issuer's right to redemption and specify the date fixed for redemption.

§ 7

PAYING AND CALCULATION AGENT

- (1) *Appointment.* The Issuer has appointed BNP Paribas, Succursale de Luxembourg as principal paying agent with respect to the Notes (the "**Principal Paying Agent**" and, together with any additional paying agent appointed by the Issuer in accordance with § 7(2), the "**Paying Agents**").

The Issuer has appointed BNP Paribas, Succursale de Luxembourg as calculation agent with respect to the Notes (the "**Calculation Agent**" and, together with the Paying Agents, the "**Agents**").

The address of the specified offices of BNP Paribas, Succursale de Luxembourg is:

BNP Paribas,
Succursale de Luxembourg
60, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

- (2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent or the Calculation Agent and to appoint successor or additional Paying Agents or a successor Calculation Agent. Notice of any change in the

ernennen. Den Anleihegläubigern werden Änderungen in Bezug auf die Zahlstellen oder die Berechnungsstelle und deren angegebene Geschäftsstellen umgehend gemäß § 13 bekannt gemacht.

- (3) *Status der beauftragten Stellen.* Die Verwaltungsstellen handeln ausschließlich als Vertreter der Emittentin und übernehmen keine Verpflichtungen gegenüber den Anleihegläubigern; es wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet. Die Verwaltungsstellen sind von den Beschränkungen des § 181 BGB befreit.
- (4) *Unabhängiger Berater.* Wenn die Emittentin gemäß § 3(5)(a) einen Unabhängigen Berater bestellt, dann ist § 7(3) auf den Unabhängigen Berater entsprechend anzuwenden.
- (5) *Make-Whole-Berechnungsstelle.* Wenn die Emittentin gemäß § 6(3)(b) eine Make-Whole-Berechnungsstelle bestellt, dann ist § 7(3) auf die Make-Whole-Berechnungsstelle entsprechend anzuwenden.

§ 8 STEUERN

- (1) Kapital und Zinsen werden von der Emittentin ohne Abzug oder Einbehalt gegenwärtiger oder zukünftiger Steuern, Abgaben oder amtlicher Gebühren gleich welcher Art gezahlt, die von oder in dem Land, in dem die Emittentin ihren Hauptsitz oder Steuersitz hat, oder für dessen Rechnung oder von oder für Rechnung einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde auferlegt, erhoben oder eingezogen werden, es sei denn, ein solcher Abzug oder Einbehalt an der Quelle ist gesetzlich vorgeschrieben. Sofern die Emittentin gesetzlich zu einem solchen Einbehalt oder Abzug verpflichtet ist, wird sie die zusätzlichen Beträge ("**zusätzlichen Beträge**") an Kapital und Zinsen zahlen, die erforderlich sind, damit der dem Anleihegläubiger nach diesem Abzug oder Einbehalt an der Quelle zufließende Nettobetrag jeweils den Beträgen an Kapital und Zinsen entspricht, die ihm zustehen würden, wenn der Abzug oder Einbehalt nicht erforderlich wäre. Solche zusätzlichen Beträge sind jedoch nicht

Paying Agents or the Calculation Agent or in the specified office of any Paying Agent or the Calculation Agent will promptly be given to the Noteholders pursuant to § 13.

- (3) *Status of the Agents.* The Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of contract, agency or trust for or with any of the Noteholders. The Agents are exempt from the restrictions of § 181 of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*).
- (4) *Independent Adviser.* If the Issuer appoints an Independent Adviser in accordance with § 3(5)(a), § 7(3) shall apply *mutatis mutandis* to the Independent Adviser.
- (5) *Make-Whole Calculation Agent.* If the Issuer appoints a Make-Whole Calculation Agent in accordance with § 6(3)(b), § 7(3) shall apply *mutatis mutandis* to the Make-Whole Calculation Agent.

§ 8 TAXATION

- (1) Principal and interest shall be payable by the Issuer without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or collected by or in or on behalf of the country in which the Issuer has its domicile or tax residence or by or on behalf of any political subdivision or authority therein having power to tax, unless such deduction or withholding at source is required by law. If the Issuer is required by law to make such withholding or deduction, it shall pay such additional amounts (the "**Additional Amounts**") of principal and interest as may be necessary in order that the net amounts received by the Noteholder after such deduction or withholding at source equal the respective amounts of principal and interest which would have been receivable had no such deduction or withholding been required. No such Additional Amounts shall, however, be payable on account of any taxes, duties or governmental charges which:

zahlbar aufgrund von Steuern, Abgaben oder amtlicher Gebühren, die

- (a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise als durch Einbehalt oder Abzug von zahlbaren Beträgen zu entrichten sind; oder
- (b) wegen gegenwärtiger oder früherer persönlicher oder geschäftlicher Beziehungen des Anleihegläubigers zu dem Land, in dem die Emittentin ihren Hauptsitz oder Steuersitz hat, zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in dem Land, in dem die Emittentin ihren Hauptsitz oder Steuersitz hat, stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (c) aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung, eines zwischenstaatlichen Abkommens oder einer zwischenstaatlichen Verständigung über deren Besteuerung, an der das Land, in dem die Emittentin ihren Hauptsitz oder Steuersitz hat, oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung, Vereinbarung, Abkommen oder Verständigung umsetzt oder befolgt, abzuziehen oder einzubehalten sind, oder
- (d) nicht abgezogen oder einbehalten hätten werden müssen, wenn der Anleihegläubiger (oder ein Dritter im Interesse des Anleihegläubigers) ordnungsgemäße Dokumentation oder Beweise zur Erlangung einer Befreiung von der Steuer (oder Reduktion der Steuer) vorgelegt hätte; oder
- (e) deshalb einzubehalten oder abzuziehen sind, weil der Anleihegläubiger nicht zugleich der wirtschaftliche Eigentümer der Schuldverschreibungen oder nicht zugleich der Nutzungsberechtigte der

- (a) are payable by a Custodian or the creditor's collection agent or otherwise than by withholding or deduction from amounts payable; or
- (b) are payable by reason of the Noteholder having, or having had, some personal or business connection with the country in which the Issuer has its domicile or tax residence, and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the country where the Issuer has its domicile or tax residence; or
- (c) are to be withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which the country where the Issuer has its domicile or tax residence or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty, agreement or understanding, or
- (d) would not have had to be deducted or withheld if the Noteholder (or a third party on behalf of the Noteholder) had duly submitted documentation or evidence to qualify for a tax exemption (or reduction); or
- (e) are to be withheld or deducted because the Noteholder is not at the same time the economic owner of the Notes or not at the same time the beneficial owner of the relevant payments under the Notes.

betreffenden Zahlungen unter den Schuldverschreibungen ist.

- (2) Die Emittentin ist keinesfalls verpflichtet, zusätzliche Beträge in Bezug auf einen Einbehalt oder Abzug von Beträgen zu zahlen, die gemäß Sections 1471 bis 1474 des U.S. Internal Revenue Code (in der jeweils geltenden Fassung oder gemäß Nachfolgebestimmungen), gemäß zwischenstaatlicher Abkommen, gemäß den in einer anderen Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem Internal Revenue Service geschlossenen Verträgen von der Emittentin, der jeweiligen Zahlstelle oder einem anderen Beteiligten abgezogen oder einbehalten wurden ("**FATCA-Steuerabzug**") oder Anleger in Bezug auf einen FATCA-Steuerabzug schadlos zu halten.

§ 9

VORLEGUNGSFRIST

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist der Schuldverschreibungen wird auf zehn Jahre verkürzt.

§ 10

ERSETZUNG

- (1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Anleihegläubiger jede andere Gesellschaft, deren stimmberechtigte Anteile zu mehr als 90% direkt oder indirekt von der Emittentin gehalten werden, an Stelle der Emittentin als Hauptschuldnerin (die "**Nachfolgeschuldnerin**") für alle Verpflichtungen aus und im Zusammenhang mit dieser Emission einzusetzen, vorausgesetzt, dass:
- (a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;
 - (b) die Nachfolgeschuldnerin berechtigt ist, an das Clearingsystem oder die Hauptzahlstelle die zur Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen zahlbaren Beträge

- (2) In any event, the Issuer will have no obligation to pay additional amounts deducted or withheld by the Issuer, the relevant Paying Agent or any other party in relation to any withholding or deduction of any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA Withholding**") or indemnify any investor in relation to any FATCA Withholding.

§ 9

PRESENTATION PERIOD

The period for presentation of the Notes provided in § 801 paragraph 1, sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*) will be reduced to 10 years.

§ 10

SUBSTITUTION

- (1) *Substitution.* The Issuer may, without the consent of the Noteholders, if no payment of principal of or interest on any of the Notes is in default, at any time substitute for the Issuer any other company more than 90 percent of the voting share or other equity interests of which are directly or indirectly owned by the Issuer as principal debtor in respect of all obligations arising from or in connection with the Notes (the "**Substitute Debtor**") provided that:
- (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes;
 - (b) the Substitute Debtor may transfer to the Clearing System or to the Principal Paying Agent in Euro and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the

in Euro zu zahlen, ohne verpflichtet zu sein, jeweils in dem Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat, erhobene Steuern oder andere Abgaben jeder Art abzuziehen oder einzubehalten;

- (c) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Anleihegläubiger hinsichtlich solcher Quellensteuern, Abgaben oder behördlichen Lasten freizustellen, die einem Anleihegläubiger bezüglich der Ersetzung auferlegt werden;
 - (d) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge auf nachrangiger Basis zu Bedingungen garantiert, die sicherstellen, dass jeder Anleihegläubiger wirtschaftlich mindestens so gestellt wird, wie er ohne die Ersetzung stehen würde; und
 - (e) der Hauptzahlstelle jeweils ein Rechtsgutachten bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt werden, die bestätigen, dass die Bestimmungen in den vorstehenden Buchstaben (a), (b), (c) und (d) erfüllt wurden.
- (2) *Bekanntmachung.* Jede Ersetzung ist gemäß § 13 bekanntzumachen.
- (3) *Änderung von Bezugnahmen.* Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat.

Außerdem gilt im Falle der Ersetzung in § 8 und § 6(4)(a) und (b) eine alternative Bezugnahme auf die Republik Österreich als aufgenommen zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf das Land, in dem die

country in which the Substitute Debtor has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;

- (c) the Substitute Debtor has agreed to indemnify and hold harmless each Noteholder against any withholding tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution;
 - (d) the Issuer irrevocably and unconditionally guarantees on a subordinated basis in favour of each Noteholder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms which ensure that each Noteholder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place; and
 - (e) there shall have been delivered to the Principal Paying Agent an opinion or opinions of lawyers of recognized standing to the effect that clauses (a), (b), (c) and (d) above have been satisfied.
- (2) *Notice.* Notice of any such substitution shall be published in accordance with § 13.
- (3) *Change of References.* In the event of any such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor.

Furthermore, in the event of such substitution, in § 8 and § 6(4)(a) and (b) an alternative reference to the Republic of Austria shall be deemed to have been included in addition to the reference according to the preceding sentence to the

Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat.

Klarstellend sei erwähnt, dass dies nur gilt, soweit sich nicht aus Sinn und Zweck der jeweiligen Bedingung ergibt, dass die Bezugnahme entweder weiterhin nur auf die Lenzing Aktiengesellschaft erfolgen soll (also insbesondere im Hinblick auf Ziffer (i) der Definition des Begriffs Obligatorisches Nachzahlungsereignis), oder dass die Bezugnahme auf die Nachfolgeschuldnerin und gleichzeitig auch auf die Lenzing Aktiengesellschaft, im Hinblick auf deren Verpflichtungen aus der Garantie gemäß § 10(1)(d), erfolgen soll (Gross-up-Ereignis, Steuerereignis und § 8).

Die Emittentin ist berechtigt, die Globalurkunde und die Anleihebedingungen ohne Zustimmung der Anleihegläubiger anzupassen, soweit dies erforderlich ist, um die Wirkungen der Ersetzung nachzuvollziehen. Entsprechend angepasste Globalurkunden oder Anleihebedingungen werden bei dem oder für das Clearing System hinterlegt.

§ 11 WEITERE EMISSIONEN

Die Emittentin kann ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen begeben, die in jeder Hinsicht (mit Ausnahme der ersten Zinszahlung) die gleichen Bedingungen wie die Schuldverschreibungen dieser Anleihe haben und die zusammen mit den Schuldverschreibungen dieser Anleihe eine einzige Anleihe bilden.

§ 12 ÄNDERUNG DER ANLEIHEBEDINGUNGEN; GEMEINSAMER VERTRETER

- (1) *Änderung der Anleihebedingungen.* Die Emittentin kann die Anleihebedingungen mit Zustimmung aufgrund Mehrheitsbeschlusses der Anleihegläubiger nach Maßgabe der §§ 5 ff. SchVG ändern. Eine Änderung der Anleihebedingungen ohne Zustimmung der Emittentin scheidet aus.

country of domicile or residence for taxation purposes of the Substitute Debtor.

For the avoidance of doubt this will apply only to the extent that the meaning and purpose of the relevant condition requires that the relevant reference will continue to be a reference only to Lenzing Aktiengesellschaft (*i.e.* in particular in relation to clause (i) of the definition of the term Compulsory Settlement Event), or that the reference will be to the Substitute Debtor and Lenzing Aktiengesellschaft, in relation to the obligations of Lenzing Aktiengesellschaft under the guarantee pursuant to § 10(1)(d), at the same time (Gross-up Event, Tax Event and § 8).

The Issuer is authorized to adapt the global note and the Terms and Conditions without the consent of the Noteholders to the extent necessary to reflect the changes resulting from the substitution. Appropriately adjusted global notes or Terms and Conditions will be deposited with or on behalf of the Clearing System.

§ 11 FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders, create and issue further Notes of the series having the same terms and conditions as the Notes in all respects (except for the first payment of interest) so as to form a single series with the Notes of the series.

§ 12 AMENDMENTS TO THE TERMS AND CONDITIONS; JOINT REPRESENTATIVE

- (1) *Amendment of the Terms and Conditions.* The Issuer may amend the Terms and Conditions with the consent of a majority resolution of the Noteholders pursuant to §§ 5 et seq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – SchVG*) (the "**SchVG**"). There will be no amendment of the Terms and Conditions without the Issuer's consent.

Die Anleihegläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen mit den in dem nachstehenden § 12(2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger verbindlich.

- (2) *Mehrheitserfordernisse.* Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Anleihegläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen, insbesondere in den Fällen des § 5 Absatz 3 Nummer 1 bis 9 SchVG, geändert wird, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**"). Das Stimmrecht ruht, solange die Schuldverschreibungen der Emittentin oder einem mit ihr verbundenen Unternehmen (§ 271 Absatz 2 HGB) zustehen oder für Rechnung der Emittentin oder eines mit ihr verbundenen Unternehmens gehalten werden.
- (3) *Beschlüsse.* Beschlüsse der Anleihegläubiger werden entweder in einer Gläubigerversammlung nach § 12(3)(a) oder im Wege der Abstimmung ohne Versammlung nach § 12(3)(b) getroffen, die von der Emittentin oder einem gemeinsamen Vertreter, sofern vorhanden, einberufen wird. Anleihegläubiger, deren Schuldverschreibungen zusammen 5 % des jeweils ausstehenden Gesamtnennbetrags der Schuldverschreibungen erreichen, können gemäß § 9 Absatz 1 S. 2 SchVG schriftlich die Einberufung einer Anleihegläubigerversammlung oder Abstimmung ohne Versammlung mit einer gemäß § 9 Absatz 1 S. 2 SchVG zulässigen Begründung verlangen.
 - (a) Beschlüsse der Anleihegläubiger im Rahmen einer Gläubigerversammlung werden nach §§ 9 ff. SchVG getroffen. Die Einberufung der Gläubigerversammlung regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Einberufung der

In particular, the Noteholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5(3) SchVG by resolutions passed by such majority of the votes of the Noteholders as stated under § 12(2) below. A duly passed majority resolution will be binding upon all Noteholders.

- (2) *Majority requirements.* Except as provided by the following sentence and provided that the quorum requirements are being met, the Noteholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5(3) numbers 1 through 9 SchVG, may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**"). The voting right is suspended as long as any Notes are attributable to the Issuer or any of its affiliates (within the meaning of § 271(2) of the German Commercial Code (*Handelsgesetzbuch – HGB*)) or are being held for the account of the Issuer or any of its affiliates.
- (3) *Resolutions.* Resolutions of the Noteholders will be made either in a Noteholders' meeting in accordance with § 12(3)(a) or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 12(3)(b), in either case convened by the Issuer or a joint representative, if any. Pursuant to § 9(1) sentence 2 SchVG, Noteholders holding Notes in the total amount of 5 per cent. of the outstanding aggregate principal amount of Notes may in writing request to convene a Noteholders' meeting or vote without a meeting for any of the reasons permitted pursuant to § 9(1) sentence 2 SchVG.
 - (a) Resolutions of the Noteholders in a Noteholders' meeting will be made in accordance with § 9 et seq. SchVG. The convening notice of a Noteholders' meeting will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the

- Gläubigerversammlung werden in der Tagesordnung die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.
- (b) Beschlüsse der Anleihegläubiger im Wege der Abstimmung ohne Versammlung werden nach § 18 SchVG getroffen. Die Aufforderung zur Stimmabgabe durch den Abstimmungsleiter regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Aufforderung zur Stimmabgabe werden die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.
- (4) *Zweite Gläubigerversammlung.* Wird die Beschlussfähigkeit bei der Abstimmung ohne Versammlung nach § 12(3)(b) nicht festgestellt, kann der Abstimmungsleiter eine Gläubigerversammlung einberufen, welche als zweite Gläubigerversammlung im Sinne des § 15 Absatz 3 Satz 3 SchVG gilt.
- (5) *Anmeldung.* Die Stimmrechtsausübung ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor der Gläubigerversammlung im Falle einer Gläubigerversammlung (wie in § 12(3)(a) oder § 12(4) beschrieben) bzw. vor dem Beginn des Abstimmungszeitraums im Falle einer Abstimmung ohne Versammlung (wie in § 12(3)(b) beschrieben) unter der in der Aufforderung zur Stimmabgabe angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Anleihegläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung ihrer Depotbank in Textform und die Vorlage eines Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis zu dem angegebenen Ende der Versammlung (einschließlich) bzw. dem Ende des Abstimmungszeitraums (einschließlich) nicht übertragen werden können.
- proposed resolutions will be notified to Noteholders in the agenda of the meeting.
- (b) Resolutions of the Noteholders by means of a voting not requiring a physical meeting (*Abstimmung ohne Versammlung*) will be made in accordance § 18 SchVG. The request for voting as submitted by the chairman (*Abstimmungsleiter*) will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders together with the request for voting.
- (4) *Second noteholders' meeting.* If it is ascertained that no quorum exists for the vote without meeting pursuant to § 12(3)(b), the chairman (*Abstimmungsleiter*) may convene a meeting, which shall be deemed to be a second meeting within the meaning of § 15(3) sentence 3 SchVG.
- (5) *Registration.* The exercise of voting rights is subject to the registration of the Noteholders. The registration must be received at the address stated in the request for voting no later than the third day prior to the meeting in the case of a Noteholders' meeting (as described in § 12(3)(a) or § 12(4)) or the beginning of the voting period in the case of voting not requiring a physical meeting (as described in § 12(3)(b)), as the case may be. As part of the registration, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of their respective Custodian in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting or day the voting period ends, as the case may be.

- | | |
|---|--|
| <p>(6) <i>Gemeinsamer Vertreter.</i> Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung und Abberufung eines gemeinsamen Vertreters, die Aufgaben und Befugnisse des gemeinsamen Vertreters, die Übertragung von Rechten der Anleihegläubiger auf den gemeinsamen Vertreter und eine Beschränkung der Haftung des gemeinsamen Vertreters bestimmen. Die Bestellung eines gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt wird, wesentlichen Änderungen der Anleihebedingungen gemäß § 12(1) zuzustimmen.</p> | <p>(6) <i>Joint representative.</i> The Noteholders may by majority resolution provide for the appointment or dismissal of a joint representative, the duties and responsibilities and the powers of such joint representative, the transfer of the rights of the Noteholders to the joint representative and a limitation of liability of the joint representative. Appointment of a joint representative may only be passed by a Qualified Majority if such joint representative is to be authorised to consent to a material change in the substance of the Terms and Conditions in accordance with § 12(1) hereof.</p> |
| <p>(7) <i>Bekanntmachungen.</i> Bekanntmachungen betreffend diesen § 12 erfolgen gemäß den §§ 5ff. SchVG sowie nach § 13.</p> | <p>(7) <i>Notices.</i> Any notices concerning this § 12 will be made in accordance with § 5 et seq. SchVG and § 13.</p> |
| <p>(8) <i>Änderung der Garantie.</i> Im Fall einer Schuldnerersetzung gemäß § 10 gilt dieser § 12 entsprechend für Änderungen der Garantie gemäß § 10(1)(d), und Änderungen der Anleihebedingungen und der Garantie sind nur mit Zustimmung der Nachfolgeschuldnerin und der Lenzing Aktiengesellschaft als Garantin zulässig.</p> | <p>(8) <i>Amendments to the Guarantee.</i> In the event of a substitution pursuant to § 10, this § 12 shall apply <i>mutatis mutandis</i> for any amendment of the guarantee pursuant to § 10(1)(d), and the Terms and Conditions and such guarantee may only be amended with the consent of the Substitute Debtor and Lenzing Aktiengesellschaft as guarantor.</p> |

§ 13 BEKANNTMACHUNGEN

- (1) *Veröffentlichungen auf der Internet-Seite der Luxemburger Wertpapierbörse.*
- (a) Alle Mitteilungen, die die Schuldverschreibungen betreffen, werden vorbehaltlich des nachstehenden § 13(1)(b) auf der Internetseite der Luxemburger Wertpapierbörse (derzeit www.luxse.com) veröffentlicht, solange die Schuldverschreibungen zum Handel an der Luxemburger Wertpapierbörse zugelassen sind und die Regeln der Luxemburger Wertpapierbörse dies vorsehen
- (b) Soweit die Regeln der Luxemburger Wertpapierbörse dies zulassen, kann die Emittentin eine Veröffentlichung nach § 13(1)(a) durch eine Mitteilung nach § 13(2) ersetzen.
- (2) *Mitteilungen an das Clearingsystem.* Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearingsystem

§ 13 NOTICES

- (1) *Publications on the website of the Luxembourg Stock Exchange.*
- (a) Subject to § 13(1)(b) below, for so long as the Notes are admitted to trading on the Luxembourg Stock Exchange at the initiative of the Issuer and the rules of the Luxembourg Stock Exchange so require, all notices concerning the Notes shall be published on the website of the Luxembourg Stock Exchange (currently www.luxse.com).
- (b) To the extent the rules of the Luxembourg Stock Exchange so permit, the Issuer may deliver the relevant notice in accordance with § 13(2) instead of publication pursuant § 13(1)(a).
- (2) *Notification to Clearing System.* The Issuer will deliver all notices concerning the Notes to the

zur Weiterleitung seitens des Clearingsystems an die Anleihegläubiger übermitteln.

- (3) *Wirksamkeit.* Eine Mitteilung gemäß § 13(1) bis (2) gilt mit dem Tag als wirksam erfolgt, an dem sie erstmalig veröffentlicht oder wirksam an das Clearingsystem übermittelt wurde.

§ 14

SCHLUSSBESTIMMUNGEN

- (1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Anleihegläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht und sollen ausschließlich nach deutschem Recht ausgelegt werden, mit Ausnahme von § 2 dieser Anleihebedingungen, der dem Recht der Republik Österreich unterliegt.
- (2) *Gerichtsstand.* Vorbehaltlich eines zwingend vorgeschriebenen Gerichtsstands für bestimmte Verfahren nach dem SchVG sind nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren (die "**Rechtsstreitigkeiten**") die Gerichte in Frankfurt am Main.
- (3) *Geltendmachung von Rechten.* Jeder Anleihegläubiger ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Anleihegläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen geltend zu machen gegen Vorlage:
- (a) einer Bescheinigung der Depotbank, die
- (i) den vollen Namen und die volle Anschrift des Anleihegläubigers bezeichnet, (ii) den Gesamtnennbetrag von Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung den bei dieser Depotbank bestehenden Depots dieses Anleihegläubigers gutgeschrieben sind und (iii) bestätigt, dass die Depotbank dem Clearingsystem und der Hauptzahlstelle eine schriftliche Mitteilung gemacht hat, die die Angaben gemäß (i) und (ii) enthält und Bestätigungsvermerke des Clearingsystems sowie des betroffenen

Clearing System for communication by the Clearing System to the Noteholders.

- (3) *Effectiveness.* A notice in accordance with § 13(1) to (2) above will be deemed to be effective on the date on which such notice is first published or validly submitted to the Clearing System.

§ 14

FINAL PROVISIONS

- (1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer shall be governed by and construed exclusively in accordance with German law, except for § 2 of these Terms and Conditions, which shall be governed by the laws of the Republic of Austria.
- (2) *Submission to Jurisdiction.* Subject to any mandatory jurisdiction for specific proceedings under the SchVG, the courts of Frankfurt am Main shall have non-exclusive jurisdiction for any action or other legal proceedings (the "**Proceedings**") arising out of or in connection with the Notes.
- (3) *Enforcement of Rights.* Any Noteholder may in any proceedings against the Issuer or to which the Noteholder and the Issuer are parties protect and enforce in its own name its rights arising under its Notes on the basis of:
- (a) a certificate issued by its Custodian
- (i) stating the full name and address of the Noteholder, (ii) specifying an aggregate principal amount of Notes credited on the date of such statement to such Noteholder's securities account(s) maintained with its Custodian and (iii) confirming that its Custodian has given a written notice to the Clearing System and the Principal Paying Agent containing the information specified in (i) and (ii) and bearing acknowledgements of the Clearing System

Kontoinhabers bei dem Clearingsystem trägt sowie

- (b) einer von einem Vertretungsberechtigten des Clearingsystems oder der Hauptzahlstelle bestätigten Ablichtung der Globalurkunde; oder
- (c) eines anderen, in Rechtsstreitigkeiten in dem Land der Geltendmachung zulässigen Beweismittels.

"Depotbank" bezeichnet ein Bank- oder sonstiges Finanzinstitut, bei dem der Anleihegläubiger Schuldverschreibungen im Depot verwahren lässt und das ein Konto bei dem Clearingsystem hat, einschließlich des Clearingsystems.

- (4) *Ausschluss KuratorenG.* Die Anwendbarkeit des österreichischen KuratorenG (RGI 1874/49 zuletzt geändert durch BGBl 1991/10) und des österreichischen Kuratoren-ErgänzungsG (RGI 1877/111 idF 1929/222) wird ausgeschlossen.

§ 15 SPRACHE

Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung dient nur zur Information.

and the relevant account holder in the Clearing System and

- (b) a copy of the Global Note relating to the Notes, certified as being a true copy by a duly authorised officer of the Clearing System or the Principal Paying Agent; or
- (c) any other means of evidence permitted in legal proceedings in the country of enforcement.

"Custodian" means any bank or other financial institution with which the Noteholder maintains a securities account in respect of any Notes and having an account maintained with the Clearing System, including the Clearing System.

- (4) *Inapplicability of the Austrian Curators Act.* The applicability of the Austrian Curators Act (KuratorenG, RGI 1874/49 last amended by BGBl 1991/10) and the Austrian Act on the Amendment of the Curators Act (Kuratoren-ErgänzungsG, RGI 1877/111 in the version of 1929/222) is excluded.

§ 15 LANGUAGE

These Terms and Conditions are written in the German language and provided with an English language translation. The German text will be the only legally binding version. The English language translation is provided for convenience only.

DESCRIPTION OF THE ISSUER AND THE GROUP

Information on the Issuer and the Group

Information on the Issuer

The legal name of the Issuer is "Lenzing Aktiengesellschaft", the commercial name is "Lenzing AG". The Issuer is a stock corporation (*Aktiengesellschaft*) incorporated under Austrian law, with its seat in Lenzing, Austria and registered in the Companies Register of the Commercial Court of Wels Regional Court, under the Commercial register number FN 96499k.

Address and telephone number of registered office:

Werkstraße 2,
4860 Lenzing, Austria
Telephone number:
+43 7672 701 0.

The principal place of business and the registered office are identical.

The website of the Issuer is: www.lenzing.com.

The information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus (see "*Documents Incorporated by Reference*").

The LEI of the Issuer is: 529900BKFJBI0QRDJH63.

History and Development of the Issuer

The Issuer was founded as "Zellwolle Lenzing AG" in 1938 and changed its name to "Lenzing Aktiengesellschaft" in 1984. Production of viscose fibers in Lenzing, Austria, began in 1939. In 1969, the Issuer acquired the pulp and paper plant on-site in Lenzing, Austria. In 1985, the Issuer's shares were first listed on the Vienna Stock Exchange (AT0000644505).

The Group's expansion to Asia began in 1980, when construction of PT South Pacific Viscose's plant in Purwakarta, Indonesia was started. In May 2004, Lenzing AG acquired the TENCEL® group of companies, the only other large-scale manufacturer of lyocell fibers, thus acquiring plants in Mobile, United States and Grimsby, United Kingdom, the TENCEL™ trademark and various property rights and patents relating to the lyocell process. In 2007, the Group completed construction of its viscose plant in Nanjing, China. In addition, the Group acquired a paper pulp mill in Paskov, Czech Republic in 2010, which was later converted into the dissolving wood pulp mill as part of Lenzing's efforts towards backward integration.

In 2015, the Group began focusing on the expansion of capacities for the production of specialty fibers and the increase in the Group's self-supply with DWP. In line with this new strategic direction, important investment decisions were made in 2019 after several years of planning and preparation: the decisions to build the first lyocell fiber plant in Asia, specifically in Thailand, and to build a DWP plant in Brazil.

The launch of the LENZING™ ECOVERO™ brand in 2017 resulted in a strong position for the Group in the production and commercialization of environmentally responsible viscose fibers. Furthermore, after years of research and development, the Group launched its first filament yarn production, sold under the TENCEL™ Luxe brand, in 2017. When it commercially launched the REFIBRA™ technology in 2017, the Group achieved an important milestone for commercialized chemical recycled cellulose fiber in textiles. TENCEL™ with REFIBRA™ technology branded lyocell fibers are the first cellulosic fibers that use wood as well as scraps left over from the production of cotton clothing as the base material. In 2019, the Group became among the first wood-based fiber producers with approved Science Based Targets (SBT), including a commitment to production without CO₂ emissions.

In 2022, the Group opened a new lyocell fiber production plant in Thailand to further strengthen its portfolio of specialty fibers. In the same year, a joint venture in which the Group holds 51% of the equity opened what the Group believes to be the world's largest dissolving pulp line of its kind in Indianópolis, Brazil in its pursuit of backward integration of its value chain. The Group also commissioned the largest ground-mounted photovoltaics plant in the state of Upper Austria at its headquarters in Lenzing.

In 2023, the Group successfully implemented reconstruction and modernization measures at Purkwarta, Indonesia to convert to specialty viscose and significantly reduce specific emissions. Viscose fibers produced at the site under the LENZING™ ECOVERO™ and VEOCEL™ brands are marked with the EU Ecolabel, an internationally recognized eco label for environmentally responsible products and services. In Nanjing, China, the conversion of a production line to TENCEL™ modal fibers for textiles and apparel was successfully completed in the first quarter of 2023.

In 2024, with the commissioning of two gas turbines in Nanjing, China, a further milestone was reached in the conversion of energy supplies from coal to natural gas with the aim of reducing carbon emissions.

Major Shareholders

The share capital of the Issuer totalled EUR 40,107,738.37 as of December 31, 2024 and is divided into 38,618,180 no-par-value shares. The B&C Group is the majority shareholder with an investment in voting rights of 37.25% alongside Suzano S.A. with an investment in voting rights of 15%. B&C Group and Suzano S.A. have signed a syndicated agreement pursuant to which B&C Group retains sole control and Suzano S.A. has the right to hold two seats in the Supervisory Board of the Issuer. Until the end of September 2028, Suzano S.A. has the option to acquire another 15% stake from B&C Group. B&C Group covers B&C Privatstiftung and all its 100% direct and indirect subsidiaries. The direct shareholders of Lenzing are B&C Privatstiftung (10.00%), B&C KB Holding GmbH (25.00% plus two shares), B&C Ares Holding GmbH (2.25%) and Suzano International Trade GmbH (15.00%), a 100% subsidiary of Suzano S.A.. The Goldman Sachs Group, Inc. holds 6.97% of the shares. The free float amounts to 40.78% and is held by Austrian and international investors. The Group holds no treasury shares.

Organizational Structure

Short Description of the Group and the Issuer's position within the Group

The Issuer is the ultimate holding company of the Group and an operative company. In addition to the principal place of business in Lenzing, Austria, the Issuer currently has consolidated subsidiaries in Slovakia, Austria, Brazil, Czech Republic, China, Türkiye, United Kingdom, the United States, India, Germany, Italy, Republic of Korea, Republic of Singapore, Taiwan, Thailand and Indonesia. Certain subsidiaries in Austria, Brazil, China, the Czech Republic, Indonesia, Thailand, the United Kingdom and the United States carry out production activities. In certain jurisdictions the Group maintains subsidiaries which fulfil non-production functions, in particular operating sales offices.

The following table sets forth information about the Issuer's material subsidiaries as of December 31, 2024, accounting for 57.0% of the Group's consolidated external revenue: The Issuer accounts for 32.2% of the Group's consolidated external revenue

Company	Head office	Percentage of shares held as of December 31, 2024
Pulp Trading GmbH	Lenzing, Austria	100%
Lenzing Fibers Inc.	Axis, U.S.A.	100%
Lenzing Fibers Grimsby Limited	Grimsby, United Kingdom	100%
Lenzing Fibers GmbH	Heiligenkreuz, Austria	100%
PT. South Pacific Viscose	Purwakarta, Indonesia	99.88%
Lenzing (Thailand) Co., Ltd.	Prachinburi, Thailand	100%
LD Celulose S.A.	Indianópolis, Brazil	51%
Lenzing Biocel Paskov a.s.	Paskov, Czech Republic	100%

Company	Head office	Percentage of shares held as of December 31, 2024
Lenzing (Nanjing) Fibers Co., Ltd.	Nanjing, China	100%

(Source: Internal information of the Issuer)

For further information on the Group companies, see Note 41 of the 2024 Audited Consolidated Financial Statements.

Dependency upon other Entities within the Group

The Issuer is not dependent on other entities within the Group.

Business Overview

The Group is the leading producer of lyocell and modal fibers and one of the top five producers of viscose fibers which comprise the three generations of regenerated cellulosic fibers (RCF), as measured by both production capacity and volume produced in 2024. The Group is also one of the three leading global producers of regenerated cellulosic fibers overall as measured by both production capacity and volume produced in 2023 and 2024 (*source: Issuer Internal Analysis*). Moreover, with its backward-integrated value chain, the Group produces and sells dissolving wood pulp ("DWP"), which is mainly used in the manufacture of RCF, and biorefinery and co-products as well as bio-based energy. Headquartered in Lenzing, Austria, the Group has nine production sites in major markets around the world and a global network of sales and planning offices. The Group markets its specialty RCF for the textile and nonwoven industry under its TENCEL™, VEOCEL™, LENZING™ and LENZING™ ECOVERO™ brands.

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

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

Combining consistent customer orientation with high standards in quality, innovation and technology, the Group focuses on specialty products and cost-efficient production. Its main production site is located in Lenzing, Austria, with a nominal RCF production capacity of 358,000 tons per year, which includes an integrated DWP mill with a nominal capacity of 320,000 tons per year. In 2022, the Group started production in its new state-of-the-art lyocell fiber plant at its Prachinburi site in Thailand with a nominal capacity of 100,000 tons per year and completed the ramp-up phase of a new pulp mill in Indianópolis, Brazil, owned by a joint venture among the Issuer and Dexco S.A. (formerly known as Duratex S.A.) ("Dexco"), which has a nominal capacity of 500,000 tons per year of dissolving pulp. The Group further operates RCF production sites in Nanjing, China (nominal capacity of 143,000 tons per year as of December 31, 2024), Heiligenkreuz, Austria (nominal capacity of 90,000 tons per year as of December 31, 2024), Mobile, Alabama in the United States (nominal capacity of 51,000 tons per year as of December 31, 2024) and Grimsby, United Kingdom (nominal capacity of 45,000 tons per year as of December 31, 2024) as well as a DWP mill in Paskov, Czech Republic, with a nominal capacity of 285,000 tons per year (as of December 31, 2024). The Group also operates a viscose fiber plant in Purwakarta, Indonesia, with a nominal capacity of 323,000 tons per year (as of December 31, 2024). Lenzing successfully completed reconstruction and modernization measures to convert this site to specialty viscose and significantly reduce specific emissions

The Group is committed to advancing principles of sustainable production and high environmental standards, developing innovative products along the value chain to achieve an ecologically responsible production of RCF. As the Group strives

for the efficient utilization and processing of its raw materials, it offers solutions to help redirect the textile and nonwoven sector towards a closed loop economy, in which materials are recycled and repurposed to reduce or eliminate waste, through collaborations with partners along the value chain and intensive communication with its innovation centers in Lenzing, Austria, Hong Kong, China and Purwakarta, Indonesia. The Group made various investments in its existing sites to help reduce its emissions (including, among others, carbon, sulphur and wastewater), such as those to convert its Indonesian and Chinese sites to renewable energy.

The Group recorded revenue of EUR 2,521.2 million and EUR 2,663.9 million in 2023 and 2024, respectively, and EUR 690.2 million and EUR 658.4 million in Q1 2025 and Q1 2024, respectively. The Group's Earnings before interest, tax, depreciation and amortization ("**EBITDA**") increased 30.4% to EUR 395.4 million in 2024 from EUR 303.3 million in 2023, and increased 118.6% in Q1 2025, from EUR 71.4 million in Q1 2024 to EUR 156.1 million in Q1 2025. EBITDA margin was 12.0% and 14.8% in 2023 and 2024, respectively, and 10.8% and 22.6% in Q1 2024 and Q1 2025, respectively.

The Group's Operating Divisions

The Group classifies its segments based on the differences between their products, which require individual technologies and market strategies. The Group's operations have been organized into three segments: Division Fiber, Division Pulp and Division Others.

The tables below set forth the percentage contribution to the Group's revenue from external customers and EBIT by each segment for 2023 and 2024.

	As of December 31, 2024	% Contribution
	<i>(audited)</i>	<i>(unaudited)</i>
	<i>(EUR millions)</i>	
Division Fiber	2,033.0	76.3%
Division Pulp	627.6	23.6%
Division Others.....	3.3	0.1%
Group Revenue	2,663.9	100%

	As of December 31, 2024	% Contribution
	<i>(audited)</i>	<i>(unaudited)</i>
	<i>(EUR millions)</i>	
Division Fiber	(68.7)	(77.6)%
Division Pulp	243.7	275.4%
Division Others.....	(65.3)	(73.8)%
Reconciliation.....	(21.2)	(23.9)%
Group Earnings before interest and tax (EBIT)	88.5	100%

(Source: 2024 Audited Consolidated Financial Statements, 2023 Audited Consolidated Financial Statements)

	As of December 31, 2023	% Contribution
	<i>(audited)</i>	<i>(unaudited)</i>
	<i>(EUR millions)</i>	
Division Fiber	1,841.0	73.0%
Division Pulp	676.1	26.8%

	As of December 31, 2023	% Contribution
	(audited)	(unaudited)
	(EUR millions)	
Division Others.....	4.0	0.2%
Revenue	2,521.1	100%

	As of December 31, 2023	% Contribution
	(audited)	(unaudited)
	(EUR millions)	
Division Fiber.....	(683.8)	143.5%
Division Pulp.....	284.6	(59.7)%
Division Others.....	(82.9)	17.4%
Reconciliation.....	5.6	(1.2)%
Group Earnings before interest and tax (EBIT)	(476.4)	100%

(Source: Audited Consolidated Financial Statements, 2023 Audited Consolidated Financial Statements)

Division Fiber produces all three generations of RCF, from standard viscose fibers to specialty modal and specialty lyocell fibers. RCF are used in a wide range of textile and nonwoven products. See "*Lenzing Fiber applications.*" Division Fiber produces its RCF at its plants in Lenzing, Austria, Purwakarta, Indonesia, Nanjing, China, Heiligenkreuz, Austria, Grimsby, the United Kingdom, Mobile, Alabama, the United States, and at its newly opened plant in Prachinburi, Thailand. The Group markets its fibers globally under its TENCEL™, VEOCEL™, LENZING™ and LENZING™ ECOVERO™ brands, operates globally several sales offices and maintains a network of sales agents. The Division Fiber recorded revenue from external customers of EUR 2,033.0 million in 2024 (2023: EUR 1,841.0 million), approximately 65% of which was attributable to textile fibers and approximately 35% to fibers for nonwovens and special applications. The share of specialty fibers in Division Fiber's revenues increased to 92.6% in 2024 from 78.9% in 2023 as the Group continues to shift its production focus to specialty fibers, which generally carry higher prices and are more profitable than standard fibers. The Division Fiber's EBITDA amounted to EUR 32.8 million in 2024 (2023: EUR -98.7 million). RCF are sold primarily to textile customers, namely clothing/fashion brands and retailers, and to nonwovens customers such as producers of care and cleaning products.

Division Pulp produces, procures and sells DWP, which is the necessary primary and intermediates product for fiber production, and also produces certain biorefinery products. The division comprises all Group business activities from wood procurement through to the production of DWP and biorefinery products. The pulp produced and procured by Division Pulp is sold internally to Division Fiber for use in the Group's own cellulosic fiber production as well as being marketed and sold externally. The Group produces its DWP at its plants in Lenzing, Austria, Paskov, Czech Republic, and, beginning in March 2022, a newly opened DWP mill in Indianópolis, Brazil, which is owned by a joint venture in which the Group holds 51% of the equity, and which the Group believes is the largest of its kind in the world. In addition to DWP, the Group's biorefineries also produce and market biorefinery products so that further components of the valuable raw material wood are utilized. Customers from the food, animal feed, pharmaceutical and chemical industries rely on biobased products from the Group. The Division Pulp's revenue from external customers amounted to EUR 627.6 million in 2024 (2023: EUR 676.1 million). Additional EUR 543.6 million revenue were generated internally between the divisions. The level of backward integration with Division Pulp supplying Division Fiber for use in the Group's own cellulosic fiber production is the result of the backward integration strategy, with Division Pulp being exposed to lower volatility of sales prices and higher margins than Division Fiber. Overall, its EBITDA amounted to EUR 436.3 million (2023: EUR 462.1 million).

The Division Others mainly includes central headquarters functions, overarching activities and the business activities of *BZL – Bildungszentrum Lenzing GmbH*, Lenzing, which undertakes training and personnel development.

The Group's Brands, Products and Services

The Group's Brands

The focus of the Lenzing brand design is based on retail and consumer facing branding for TENCEL™, LENZING™, LENZING™ ECOVERO™ and VEOCEL™ RCF, featuring plausible brand messages targeted at retailer and consumer needs. The Group's brand world seeks to tell a uniform, consistent and globally communicated story which, for customers, conveys a visible and perceptible message about the Group's sustainability efforts and the benefits of its specialty fibers.

The architecture for the product brands is based on a simple system. With TENCEL™, LENZING™ ECOVERO™ and VEOCEL™, consumers find clearly distinct product brands for the applications of RCF produced by the Group in textiles and nonwovens, respectively.

The master brand, LENZING™ provides over-arching support for these product brands. Below these four key brand names, the product specifications for the Group's customers are structured by category, such as technology, product type and process.

TENCEL™

TENCEL™ is the Group's premium textile brand and is suitable for a wide range of applications. The Group believes that its TENCEL™ brand's promise, "Feel good with a natural touch," conveys the value of the TENCEL™ brand offering to the broad and diverse range of textile manufacturers who form the brand's customer base. TENCEL™ stands for the characteristics of the Group's modal and lyocell RCF that are most important to end customers: soft to the skin, smooth to the touch, high breathability and fashionable draping properties, as well as their sustainability features. TENCEL™ represents a sustainable production process with less impact on the environment, botanic origin and wood sourced from sustainably managed forests. The TENCEL™ brand covers textile segments like Footwear, Home and Intimate as well as Luxe, represented by the Group's lyocell filament.

LENZING™ ECOVERO™

LENZING™ ECOVERO™ branded viscose fibers are an innovative specialty fiber brand developed by the Group and launched in 2017 which, compared with standard viscose fibers, has a more sustainable production process with a substantially smaller environmental footprint. According to Higg MSI data from May of 2023, greenhouse gas emissions from the production of LENZING™ ECOVERO™ branded viscose fibers are more than 50% lower than those of standard viscose (*source: Higg MSI Database*). Further, the fibers are obtained from certified, sustainably managed wood sources and are in compliance with high environmental standards (certified with the EU Ecolabel and USDA Certified Biobased / BioPreferred® by the USDA). Despite being viscose fibers, LENZING™ ECOVERO™ branded fibers are considered specialty fibers due to their ecological properties.

VEOCEL™

VEOCEL™ is marketed to nonwoven producers and consumers who value a natural approach to care and cleaning products. The Group's marketing focus is also on the end consumers who choose care and cleaning products containing VEOCEL™ Beauty, Body, Intimate and Surface fibers because they consider them safe for everyday use (according to substantiating tests such as Standard 100 by OEKO-TEX® and FKT label "medically tested – tested for toxins"). Like TENCEL™ and LENZING™ ECOVERO™, VEOCEL™ represents a sustainable production process with less impact on the environment. VEOCEL™ fibers are also biodegradable, a crucial quality for single-use products. The Group believes that this natural approach differentiates VEOCEL™ from other nonwovens in the market.

LENZING™

Lenzing fibers are also ideally suited for technical applications like tea bags, coffee pads and filter fibers or as substitutes for synthetic fibers in packaging. For these applications, which the Group believes benefit from the fibers' natural origins,

fibers are marketed under the LENZING™ brand. Specialty fibers that offer protection from heat are marketed under the LENZING™ for Protective Wear brand. The LENZING™ FR fibers used for this purpose provide protection from fire, radiant heat, electric arcs, liquid metals and flammable liquids. LENZING™ FR fibers are inherently flame-resistant cellulosic fiber based on the modal production process and meet the definition of "inherently flame retardant and resistant fibers" as specified by the European Man-made Fibers Association (CIRFS). In addition, biorefinery and co-products are also marketed under the LENZING™ brand.

Co-branding programs

The Group aims to further enhance the awareness and visibility of its brands by fostering co-branding partnerships. A co-branding partnership with the Group allows a customer brand to distinguish its own brands and products and set a price premium by demonstrating to consumers that their products are made with high quality fibers and/or fibers with special qualities such as higher levels of environmental sustainability than other fibers. The Group offers a comprehensive branding service that grants customers access to consumer-facing branding materials such as swing tickets and grants brands the right to use the Group's logos and/or brands on their own marketing materials and packaging. The Group's partners include large international brands which in turn helps the Group gain visibility on a global scale.

The Lenzing product portfolio

RCF can be divided into three generations, or technologies, namely viscose, modal and lyocell, depending on when the technology underlying them was developed. Viscose fibers, the oldest technology, are generally considered standard, or generic, fibers, whereas modal and lyocell fibers are specialty fibers. An exception to this is LENZING™ ECOVERO™ viscose fibers which are considered specialty fibers due to their ecological properties. See "LENZING™ ECOVERO™." Specialty fibers generally carry higher prices than standard fibers. In 2024, 92.6% of the RCF produced by the Group were specialty fibers (2023: 78.9%), a proportion that the Group expects to increase as it shifts its production focus to specialty fibers.

The origin of all Lenzing fibers is cellulose, a component of the renewable natural raw material wood. RCF are therefore a natural product that the Group has used for more than 80 years in innovating solutions to produce textiles and nonwovens. Lenzing fibers are used primarily for clothing, home textiles and hygiene products, but can be found in a wide array of other products. See "*Lenzing Fiber applications*." Biological degradability is inherent to Lenzing fibers. Lenzing fibers combine the biological properties of natural fibers, such as absorbency and breathability, with the processing advantages of industrially produced fibers, such as their purity, uniformity, and clearly defined quality.

Lenzing Lyocell Fibers

The Group is the leading global producer of lyocell fibers as measured by both production capacity and volume produced in 2024 (*source: Issuer Internal Analysis*). Lyocell fiber production itself is particularly environmentally compatible thanks to closed loop processing, which refers to a process in which materials are recycled and repurposed in a continual loop to reduce waste. Thus, in the Group's lyocell fiber production process approximately 99.8% of the solvent used is recovered and recycled, which compares favorably to the production of other fibers. Products made of Lenzing lyocell fibers have a smooth surface, giving the textiles a gentle feel and making them suitable for sensitive skin. The fibers also offer color brilliance and sheen as well as good wrinkle recovery, showing less wrinkles after washing. They are deployed in a wide range of applications that include sportswear, home textiles and mattresses as well as hygiene articles such as wet wipes and baby wipes. Lenzing lyocell fibers are marketed primarily under the TENCEL™ and VEOCEL™ brands.

Lenzing Modal Fibers

The Group is the leading global producer of modal fibers as measured by both production capacity and volume produced in 2024 (*source: Issuer Internal Analysis*). The Group's modal fibers are derived from the natural resource wood, harvested from certified and controlled sources to protect ancient and endangered forests. The fibers are produced in Lenzing, Austria and Nanjing, China. Low fiber rigidity and modal cross-section make the fiber a natural softening agent. The modal fibers keep their softness even after repeated household washing and they can be blended with all

types of fibers and processed using conventional machinery. They are deployed in a wide range of applications that include underwear, loungewear and other clothing, botanic nets, coated and car seat fabrics. These fibers are marketed primarily under the TENCEL™ brand.

Lenzing Viscose Fibers

The Group is one of the top five viscose fibers producers globally, as measured by both production capacity and volume produced in 2024 (*source: Issuer Internal Analysis*). The Group has been producing standard viscose fiber for more than 80 years. Like lyocell and modal fibers, they are made from wood. They absorb moisture well and garments made using them are pleasant to wear. Lenzing viscose fibers are premium products on the global market and are used in clothing and hygiene articles. They are a preferred fiber for fashion clothing fabrics. In the hygiene sector, where purity and absorbency are ascribed top priority, they are utilized in products such as wipes, feminine care products (sanitary napkins, panty liners, tampons) and adult incontinence products. The Group also produces specialty viscose fibers which it sells to textile industry customers under its LENZING™ ECOVERO™ brand. See "LENZING™ ECOVERO™." In nonwovens, viscose is marketed under the VEOCEL™ brand.

Innovations and new products

LENZING™ ECOVERO™ fibers with REFIBRA™ technology

Due to the development and scaling of production, LENZING™ ECOVERO™ fibers with REFIBRA™ technology are available to customers worldwide. In addition to the environmentally responsible benefits of the LENZING™ ECOVERO™ brand, the new viscose fibers with REFIBRA™ technology contain up to 20% pre-and post-consumer textile waste, which is obtained from cellulose-rich materials or polyester-cotton blends. The waste is collected and sorted in collaboration with selected partners in the post-consumer recycling area.

New resource-efficient dyeing approach for TENCEL™ lyocell fibers

The Group has introduced a new approach that harnesses yarn pretreatment and a knitting technique to achieve an aesthetic that resembles the washed-out look of conventional dyeing processes in ready-to-wear and knitwear. To counteract the environmental pollution caused by dyeing and finishing in the textile industry, this new approach exhibits a significantly lower environmental impact, and is ideal for pre-treated fabrics and yarns made from TENCEL™ lyocell fibers. It also complements the wet processing and production facilities of fabric mills and thereby offers further advantages to the Group's partners along the value chain.

New industry-wide innovation that reduces discoloration of cellulose-based garments during thermoplastic molding processes

Lenzing introduced a new processing solution that reduces the yellowing of garments and fabrics made from wood-based cellulosic fibers during high-temperature manufacturing processes. This new solution will initially be introduced for underwear and subsequently also for outerwear and ready-to-wear goods, making Lenzing the first company in the sector to tackle this technical challenge during the molding process. Lenzing is already examining further potential applications, such as welded seams on garments and seamless manufacturing, where hot melt tapes and bonding machines are replacing traditional sewing methods.

Hydrophobic cellulosic fibers for sustainable nonwovens

Due to their ability to pass liquids over their surface, hydrophobic lyocell fibers (LENZING™ Lyocell Dry) offer new product solutions for hygiene products that could previously only be achieved by using synthetic fibers. The new Lenzing fiber is not classified as "plastic" under the Directive (EU) 2019/904 of the European Parliament and of the Council of 5 June 2019 on the reduction of the impact of certain plastic products on the environment and offers a very soft and environmentally responsible cellulose-based alternative for brands and manufacturers looking to develop plastic-free feminine and personal care products.

Sustainable protection of glaciers

Lenzing field-tested nonwovens made from LENZING™ branded fibers to protect snow and ice from melting in a small area on the Stubai glacier in Austria. Using this method, four meters of ice were saved from melting. Previously nonwovens used for this purpose were made from fossil-based fibers, which had the effect that microplastics remained after the summer and then flowed downstream into valleys where they could enter the food chain via small organisms and animals. Nonwovens made from LENZING™ cellulosic fibers avoid this issue. The successful field test led to an expansion of the project starting in 2023 to field trials on all Austrian glaciers used for tourism. After the nonwovens have been used, the geotextiles could be recycled after use and ultimately utilized to produce yarn for textile products.

Lenzing Fiber applications

RCF are used in a wide range of textile and nonwoven products, from casual wear to haute couture, from sportswear as quick-drying, breathable T-shirts with reduced odor based on good moisture management, fleece jackets and shoes to the household in mattresses, pajamas, bed linens, towels, beauty masks and hygienic wipes for babies and skin cleansing, tea bags, coffee pads and other filtering purposes. RCF also form an essential component in protective clothing guarding against heat and fire and are used in electrical separators for applications such as lithium ion batteries, supercapacitors (*i.e.*, energy storage devices) and electrolytic condensers, especially for the automotive industry, including filter media, such as oil, fuel and air filters. As the automotive industry seeks to reduce its environmental footprint, LENZING™ Lyocell and Modal botanic fibers – produced from wood sourced from sustainably managed forests, – offer alternative materials for car seats, vehicle carpets and other interior applications.

Pulp and Co-Products

Dissolving Wood Pulp

Much of the DWP the Group uses for its fibers is produced in its own DWP plants. Although the Group has the nominal capacity to produce 100 % of its total pulp needs in its own plants, it still sources some DWP from external suppliers in order to acquire certain special grades of DWP which it needs to achieve optimal process and product performance (while selling its own excess DWP), as well as to maintain certain supplier relationships. In 2024, more than 75% of the DWP which the Group used that year was produced in its own plants, a figure which is expected to increase with the full ramp-up of the Group's majority owned DWP mill in Brazil. The DWP is transported by sea, rail and road to the respective Lenzing factory sites and to customers. The Group procures sustainably forested wood for pulp production at its sites in Lenzing, Austria, Paskov, Czech Republic, and Indianópolis, Brazil. More than half of the raw material the DWP plant in Lenzing, Austria procures comes from Austrian forests, with a smaller part coming from other European countries. The wood procured for the Paskov site is sourced from sustainably managed local forests and in Brazil the wood is sourced from sustainably managed plantations owned by LD Florestal S.A., a joint venture between the Issuer and Dexco. For decades, the Group has been a reliable and supportive partner to the European forestry sector as shown through the various offtake agreements the Group has with various state forest organizations. The wood supplies come from forestry operations that are certified according to recognized sustainability criteria, such as the Forest Stewardship Council ("FSC") standards, and the PEFC standards by the Programme for the Endorsement of Forest Certification, an international non-profit organization located in Geneva, Switzerland. All wood suppliers, totaling more than 600 in 2024, in all sourcing countries are assessed once a year by a scoring system utilizing PEFC or FSC Controlled wood criteria. In addition to the captive use of DWP, the Group has established itself as a regular supplier in the global pulp market.

Biorefinery and Co-Products

A biorefinery is a facility for sustainable processing of biomass into a spectrum of marketable biobased products and bioenergy.

DWP production at all of the Group's pulp sites is not only self-sufficient in terms of meeting its own energy demand; the process actually generates more energy than needed. This surplus green energy is used on site, for instance for fiber production, or for export to the local grid. The production of biobased energy and biorefinery products such as acetic acid, furfural and magnesium lignosulphonate helps to increase the total material yield from wood as well as creating additional economic and environmental value. The Group produces LENZING™ sodium sulphate as a co-product at all

locations where viscose or modal fibers are made. It is used in the detergent and construction industries and for the production of food and animal feed.

Production

Production Facilities

The table below lists the Group's global production sites, the type of products manufactured at each site and each site's annual capacity as of December 31, 2024.

Plant location	Products	Annual capacity <i>(tons)</i>
Lenzing, Austria	Dissolving wood pulp	320,000
	Lenzing Lyocell	74,000
	Lenzing Viscose and Lenzing Modal	284,000
Indianópolis, Brazil	Dissolving wood pulp	500,000
Purwakarta, Indonesia	Lenzing Viscose	323,000
Paskov, Czech Republic	Dissolving wood pulp	285,000
Nanjing, China.....	Lenzing Viscose and Lenzing Modal	143,000
Prachinburi, Thailand	Lenzing Lyocell	100,000
Heiligenkreuz, Austria	Lenzing Lyocell	90,000
Mobile, United States	Lenzing Lyocell	51,000
Grimsby, UK.....	Lenzing Lyocell	45,000

Production Capacity by Product

The table below sets out the Group's total annual production capacity (in metric tons) by product as of December 31, 2024, of each product indicated.

Products	Annual production capacity <i>(unaudited)</i> <i>(in tons)</i>
Lenzing Viscose and Lenzing Modal (including Lenzing FR)	750,000
Lenzing Lyocell	360,000
Total wood-based cellulose fiber production	1,110,000
Dissolving wood pulp	1,105,000
Total Dissolving wood pulp production	1,105,000

(source: Internal information of Issuer)

Production Process

DWP

In the pulping process, logs are debarked, chipped and treated in a cooking liquor. Cellulose is a major component of wood – around 40% of the wood substance – and is separated as raw pulp in this process. This pulp is then washed and screened to remove the residual cooking liquor, knots, and impurities. The raw pulp is bleached in a totally chlorine-free (TCF) process and turned into pulp sheets or flakes. The other wood constituents remain within the thin liquor together with other cooking chemicals. The cooking chemicals are recovered and recycled from the remaining liquor and the organic components are converted into bioenergy (steam and electricity).

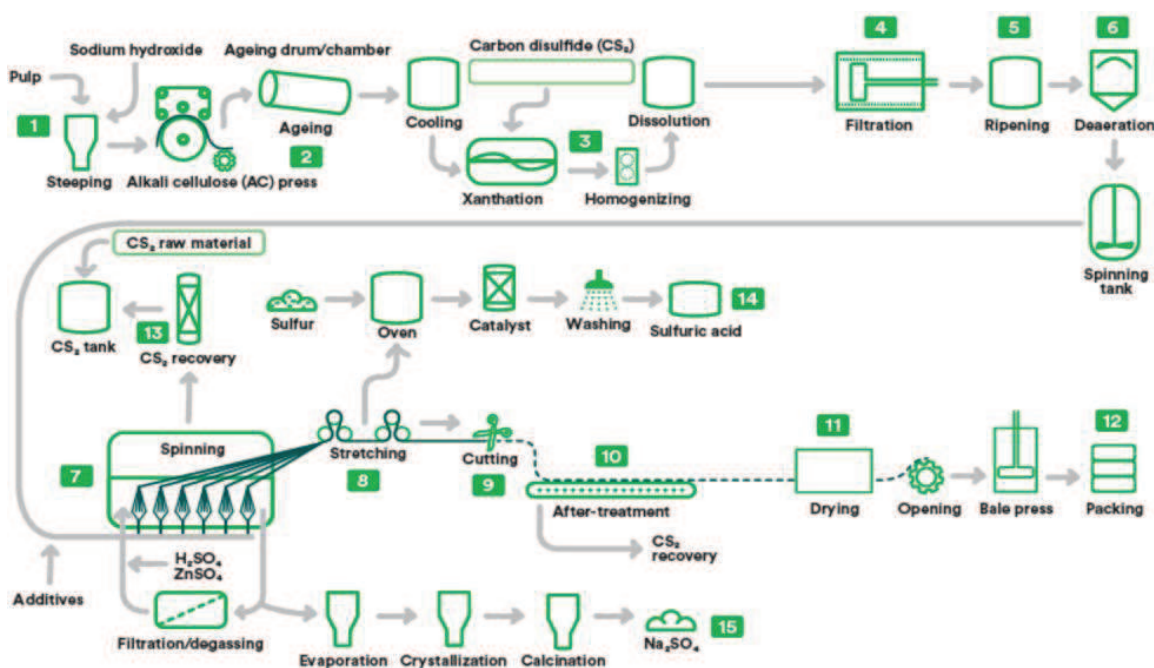
Bleaching is necessary to yield a dissolving pulp quality suitable for regenerated cellulosic fibers, such as viscose, modal, and lyocell. Most dissolving wood pulp producers use elemental chlorine-free (ECF) pulp bleaching processes. The Group's three biorefineries produce pulp using a TCF (totally chlorine-free) bleaching process without using any chemicals containing chlorine, but with oxygen-based substances. Dissolving wood pulp produced by the Group has less impact on the environment and human health (e.g., by the elimination of chlorine in the bleaching process) and also ensures the high quality required for fiber production. The technology at the Lenzing and Paskov plants complies with the "Best Available Techniques" (EU-BAT) standard.

RCF

RCF are produced from wood in a two-stage process. In the first stage pulp is produced, very similar to the production of paper. In a second stage, pulp is dissolved and cellulosic fibers are regenerated from the solution into a shape suitable in diameter and length for use in textile and nonwoven applications.

Lenzing's viscose and modal production process

The following diagram gives an overview of the production process for viscose and modal fibers.



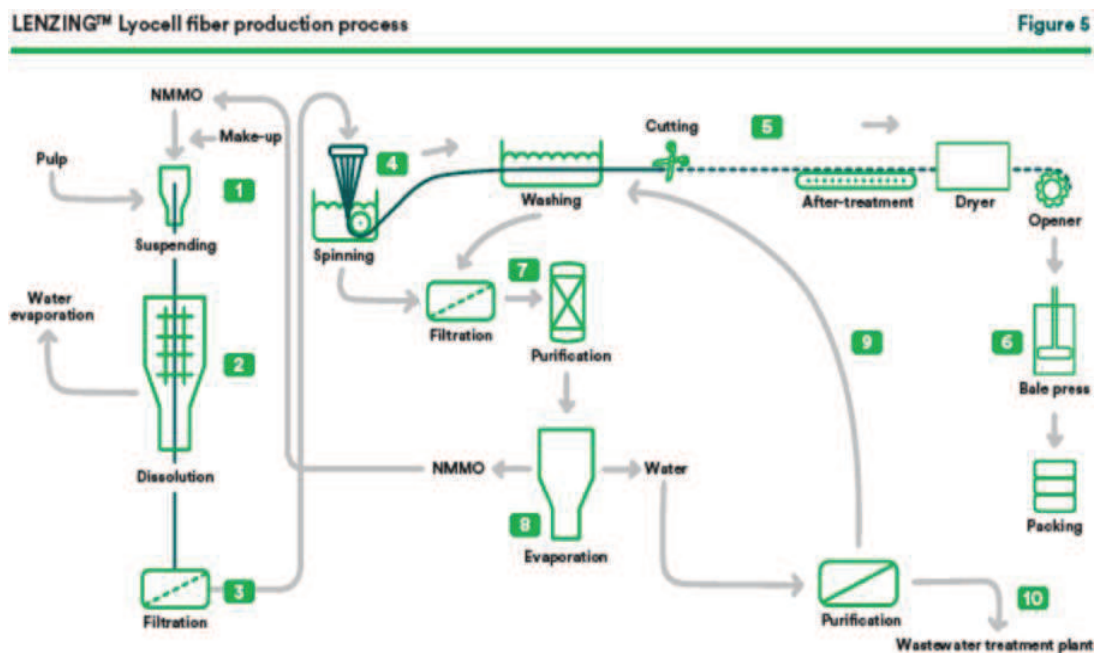
Viscose fibers were the first generation of wood-based fibers produced on an industrial scale, beginning in the late 19th century, and are produced in a multi-step process. The cellulose in the viscose process needs to be derivatized by a chemical reaction (xanthation with carbon disulfide) prior to being dissolved in sodium hydroxide solution.

Modal fibers are produced in a modified viscose process using an integrated production process in which the raw material pulp is produced at the same site as the fiber itself.

As described in the diagram above for the production of viscose and modal fibers, in the first step, pulp is steeped in a sodium hydroxide solution and is converted to alkali cellulose (AC) after pressing out excess lye (1). The AC is then aged in a drum or chamber (2) prior to being reacted with carbon disulfide in a reaction chamber (3). The resulting xanthate is then dissolved in lye prior to being filtered (4). The resulting deep orange and highly viscous cellulose solution (hence the name) is then ripened (5) and deaerated (6) before the viscose enters the spinning process. The cellulose solution is pressed through a number of orifices into an acidic spin bath where a plurality of single filaments (tow) is formed (7). After stretching of the tow (8) it is cut into the desired staple fiber length (9). In the after-treatment (10) the staple fibers are desulphurized, repeatedly washed and bleached and finally a finish agent is applied. After drying (11) of the viscose fibers they are pressed into bales and finally packed (12). Carbon disulfide is recovered from different waste gas streams (13) and is fed back into the system. Sulphur compounds containing waste gas streams are also converted into sulphuric acid in several process steps and are reused in the process (14). Zinc is precipitated and recovered from the wastewater. Sodium sulphate, generated as a reaction product of sulphuric acid and sodium hydroxide in the spin bath, is isolated as a co-product in a multi-step process (15) and is sold to other industries.

Lenzing's lyocell production process

The following diagram gives an overview of the production process for lyocell fibers.



The initial goal in developing the lyocell process was to derive cellulose fibers from pulp without relying on the chemically complex viscose process.

Similar to viscose fiber production, the raw material pulp is derived from renewable wood or to a certain extent from alternative sources such as cotton scraps. In contrast to the traditional chemical viscose process, the lyocell process directly dissolves cellulose in the organic solvent NMMO without the need to derivatize the cellulose. This means that, in contrast to the viscose process, no carbon disulfide is used and the overall production process for lyocell fibers is therefore simplified.

Waste generation in the production process is minimized thanks to the closed loop process employed for lyocell production and lower consumption as well as higher utilization of chemicals.

The lyocell production process starts by suspending pulp in water and NMMO in order to get a homogenous slurry (1). In the next process step, water is removed and cellulose is thereby dissolved to form a solution called dope (2). Prior to spinning, the cellulosic solution is filtered in order to remove undesired particles and undissolved material (3). The heart

of the production is the spinning process (4) where the cellulosic solution is pressed through a number of very small orifices thereby forming cellulosic filaments. These filaments are cut into staple fibers of desired length and then enter the after-treatment zone where the fibers are washed and a finishing agent is applied (5). The wet staple fibers are then dried, opened, pressed into bales and finally packed to obtain the final product (6). The recovery starts with filtration and pre-purification steps (7) of the spin bath before water is removed by evaporation (8) to obtain NMMO and the whole cycle can start again after minor solvent losses are compensated with make-up NMMO. Water that is obtained from the evaporation step is also fed back into the process (9) and only a small amount of water is sent to the wastewater treatment plant (10).

Procurement

The Group depends on the supply of raw materials. Key components in the Group's production of RCF are DWP, chemicals such as caustic soda and sulphur, NMMO, and wood for its dissolving pulp mills. Caustic soda is a by-product of chlorine production, and an important primary product for the production of viscose and modal fibers, whereas sulphur is an important starting material for the production of carbon disulfide and sulphuric acid, both of which are used in the process of viscose production. Although the Group relies on supplies of DWP for its fiber production, these are secured in the long term due to continuous capacity expansions, in particular its pulp mill in Brazil, and the Group also maintains procurement of DWP in the global market, mostly under long-term supply contracts. In addition, as the production of RCF is an energy-intensive process, the Group relies on various sources of energy, including natural gas, biomass and electricity (e.g., from photovoltaic sources), as well as coal and fuel oil, for its operations. Prices for raw materials and energy have fluctuated significantly in the past and will likely continue to do so, impacting the Group's cost of sales.

Wood purchasing, pulp purchasing, and chemicals purchasing are handled by three different teams within the Group (Wood Procurement, Pulp Trading GmbH, and Global Purchasing), whereas energy needs are handled by the Energy Procurement team. Globally, the Group's procurement teams collectively manage relationships with several hundred suppliers. The Group aims to reduce purchasing risks such as major price fluctuations and supply bottlenecks through long-, mid- and short-term supply relationships and active supplier management.

The Group's most relevant suppliers are those that have an increased significance due to their size and volume. These suppliers represent approximately 80% of global purchasing volume including DWP but excluding wood in recent years. 80% of all purchased chemicals were sourced from fewer than 50 suppliers in 2024. See *"The raw materials and services that the Group requires to produce wood-based cellulosic fibers may be difficult to obtain and the Group relies on a limited number of key suppliers, some of which are struggling to meet demand due to supply chain disruptions."*

The Group does not hedge its exposure to market price risk for raw materials such as chemicals or wood. Because the Group's procurement strategy for wood entails long-term master agreements, for example, it was able to supply its pulp sites with sufficient wood at relatively stable prices during 2022. In 2023 and 2024, the Group covered more than 60% of its pulp requirements with its own production. Despite these efforts, the prices of raw materials are frequently volatile, and this was especially the case in recent years as a result of the Covid-19 pandemic and the Russia-Ukraine Conflict. The Group experienced significant increases in raw material costs other than wood when they contributed to higher cost of sales and lower profitability.

The Group did not hedge its exposure to energy price risks in the past, relying instead on the energy spot market. In early 2023, however, to limit the impact of high volatility in Europe's energy markets, the Group began implementing a hedging strategy that encompasses a mixture of financial and physical hedging strategies, depending on location, expected to focus mainly on gas but also in limited cases on electricity. The new hedging strategy will be limited to Europe and North America, since Asian energy markets are tighter regulated and, as a result, significantly less volatile. For 2024, the Group hedged approximately 38% (2023: 30%) of its expected electricity demand in Austria, as well as approximately 46% (2023: 49%) of the expected natural gas demand of its relevant sites in the United States, the United Kingdom and Austria. However, these measures may not always fully protect the Group from volatility in gas prices and the impact it can have on the Group's profitability, particularly in situations like the spike in gas prices and market fears over the integrity of gas supplies which emerged after Russia's invasion of Ukraine. Such measures could even

have a negative effect on the Group's costs, for instance, by leading to comparatively higher costs for the hedged positions during an otherwise downward trend in market prices.

All of the Group's suppliers must comply with the Lenzing Global Supplier Code of Conduct, which emphasizes best practices in respect of health and safety at work, labor and human rights, environmental protection, ethics and management. To ensure compliance with Lenzing's Global Supplier Code of Conduct, suppliers are required to carry out assessments through supplier assessment tools. In addition to the code, wood and pulp suppliers must comply with the Group's Wood and Pulp Policy, pursuant to which the Group gives preference to suppliers compliant with FSC or PEFC standards.

All key suppliers are evaluated for sustainability in the production chain. The Group conducts regular audits as well as specific evaluations of both new and established suppliers for sustainability including compliance with environmental and safety standards. Suppliers are interviewed and evaluated under environmental and safety aspects with the support of external experts. A final assessment is then conducted. This final assessment affects the overall supplier assessment and constitutes a major criterion for long-term cooperation with suppliers. Active negotiations with suppliers regarding their engagement for sustainability assessments are in progress, implementing a minimum acceptable score through its EcoVadis rating system in 2023. If a supplier drops below such minimum score, a corrective action plan is automatically demanded.

Wood and Dissolving Wood Pulp

Wood and DWP are the Group's most important raw materials. The Group takes responsibility by focusing on sustainable sourcing covered by certifications, responsible consumption, and the highly efficient use of these valuable resources. Lenzing sources wood and DWP from semi-natural forests (as defined by the Food and Agriculture Organization of the United Nations (FAO), which include naturally regenerating and planted forests of similar species composition as the natural forests in the area), and plantations, as all defined by FAO, which are not from primary, natural or ancient and endangered forests.

Precise figures for the absolute volumes of wood purchased and DWP sourced are not provided for confidentiality reasons. As an indicative estimate, a total fiber sale of, for example, one million tons require a pulp input of around the same amount. The amount of wood required for the production of this DWP cannot be stated exactly, especially given the different processes and species of wood that the Group's suppliers use.

Dissolving wood pulp

Processing wood into fibers requires a special quality of pulp called dissolving wood pulp. The Group's current DWP capacities are 320,000 tons at the Lenzing site, 285,000 tons at the Paskov site and 500,000 tons at the production site in Indianópolis, Brazil. The Group's previous long-term strategy was to increase its own DWP capacities to 75% of its planned fiber production requirements, which has been achieved. In 2024, the nominal capacity of the Group's own DWP accounted for 100%, same as at the end of 2023, of the DWP volume required for its fiber production. However, in addition to its own DWP production, the Group maintains procurement of DWP in the global market, mostly under long-term supply contracts, to acquire certain special grades of DWP which it needs to achieve optimal process and product performance, as well as to maintain certain supplier relationships. In 2024, more than 75% of the DWP which the Group used that year was produced in its own plants and the excess was sold on the global DWP market.

Regional Wood Supply in Europe

The Lenzing site (Austria) mainly uses beech wood plus small amounts of other hardwoods and spruce, whereas the Paskov plant (Czech Republic) mainly uses spruce. Lenzing is committed to the cascading use of wood, and primarily makes use of timber generated from small trees through thinning and sections of large trees that are unsuitable for high-grade products, such as furniture or construction.

To ensure short transportation distances and short delivery times, almost all the wood required originates regionally. Regional wood accounted for 97.1% in 2024 and 96.5% in 2023 for the site in Lenzing. For the Paskov site, the regional supply rate has been constant at 100% since 2019.

Local wood supply in Brazil

In Brazil, to provide raw materials for the plant at the scale necessary, LDC secured the biomass and LD Florestal S.A. (a 50/50 joint venture among the Issuer and Dexco) also secured over 44,000 hectares of land rights to commercial forest, and leased additional land, to have approximately 70,000 hectares of forest area when completed. These plantations operate in accordance with the guidelines and high standards of the Lenzing Group for sourcing wood and pulp as well as the requirements of leading certification schemes, namely the FSC and the PEFC.

Chemicals

The Group depends on the supply of chemicals. The most important chemicals used – amounting to approximately 85% of the overall purchase volume spent – are caustic soda (NaOH), carbon disulfide (CS₂), sulphuric acid (H₂SO₄), sulphur (S), sulphur dioxide (SO₂), softening agents, flame retardants, modifiers, N methylmorpholine N oxide (NMMO), titanium dioxide (TiO₂), and zinc sulphate (ZnSO₄). Caustic soda is a by-product of chlorine production, and an important primary product for the production of viscose and modal fibers, whereas sulphur is an important starting material for the production of carbon disulfide and sulphuric acid, both of which are used in the process of viscose production.

Investment Highlights

Positive growth outlook driven by demand for sustainable specialty fibers and cyclical recovery

The Group expects growth in demand for RCF of between 5% and 7% per year over the long-term, with greater than 20% growth for lyocell fibers and continuous growth for viscose fibers (*source: Issuer Internal Analysis*). The Group believes that such growth expectations are supported by two trends that favor RCF over cotton and synthetic fibers, the main alternatives to RCF, namely the cellulose gap and the sustainable fiber gap:

- *The Cellulose Gap.* While demand for fibers is expected to continue its long-term growth trajectory of between roughly 2% and 3% per year as a result of, among other things, increasing population, rising wages and increasing disposable income in emerging markets, the supply of cotton – the world's most widely produced natural fiber (*source: The Fiber Year 2024*) – may not be sufficient to meet such demand. In particular, the amount of arable land for the cotton industry may be limited by farmers choosing to grow food or other crops which they believe will be more profitable. Industry estimates project that cotton will continue to be supply-constrained in the 25-28 million ton per year range due to limited area and peaking yields (*source: Issuer Internal Analysis*). Cellulosic fibers, such as cotton, are in high demand since consumers value their properties (hydrophilic, moisture management, touch etc.) which cannot be mimicked by synthetic fibers. This so-called "cellulose gap" favors alternative cellulosic fibers such as RCF, which among other things generally do not suffer from the same limits on arable land. As a result, the Group believes the production of RCF will grow in order to fulfil the unmet cotton demand.
- *The Sustainable Fiber Gap.* Second, synthetic fibers such as polyester are considered less attractive than RCF because customers increasingly demand sustainable fibers with biological properties of natural fibers instead of synthetic alternatives, which are oil-based and generally not biodegradable. This demand is acute in textile and nonwoven end-markets as it is mainly consumer-driven, although criticism from NGO's as well as anticipated regulation (including in the EU) are also driving the shift by textile and nonwoven manufacturers. RCF, which are derived from the natural, renewable resource wood (or can be even made from discarded textiles) and are in many cases recyclable, represent a sustainable alternative to synthetic fibers. This is particularly true for lyocell, due to its especially strong sustainability profile. In addition, although cotton is a natural fiber, its production requires large amounts of land and water, making it less sustainable in many aspects than RCF. The Group believes it is uniquely positioned to leverage the growing demand for sustainable, environmentally responsible fibers represented by the Sustainable Fiber Gap trend. The Group already considers itself a leader in developing sustainable RCF products under its TENCEL™, VEOCEL™ and LENZING™ ECOVERO™ brands, having positioned them as meeting the highest standard for sustainable

textiles and nonwovens, with high customer and brand awareness. See "*Global industry and technology leader in sustainable, high value specialty fibers*".

An additional potential driver of demand for RCF is the nascent cyclical economic recovery, including a recovery in consumer demand following the sharp downturn in the second half of 2022. Fiber markets have a history of pronounced recoveries following crisis-driven downturns like the decline in demand resulting from the Covid-19 pandemic and its after-effects (*source: Issuer Internal Analysis*). In the case of economic recessions in the 1980s and 1990s, the Asian Financial Crisis in 1997, the Global Financial Crisis in 2007 – 2009 and the Covid-19 pandemic, demand returned to pre-crisis levels in the following year or the year thereafter (*source: Issuer Internal Analysis*). The demand from the textile and nonwoven industry for RCF already recovered throughout 2024, and the Group believes that the fundamental demand drivers remain intact.

Moreover, the Group considers that it is ideally positioned to capture such expected increase in demand following the completion in 2022, on schedule and within budget, of a lyocell production plant in Thailand with a nominal capacity of 100,000 tons per year and a new DWP mill (as part of its LD Celulose joint venture with Dexco) in Brazil with a nominal capacity of 500,000 tons per year, as well as the completion in March 2023 of the conversion of a production line in Nanjing from standard viscose fibers to TENCEL™ branded specialty modal fibers, and the successful completion of the conversion of the site in Purwakarta, Indonesia to a specialty fiber production facility. The Group believes that these significant expansions in capacity compared to its competitors should position it to secure its production share in a market with accelerating demand.

Global industry and technology leader in sustainable, high value specialty fibers

The Group is a global leader in the production of sustainably produced specialty fibers, a competitive advantage visible in the scale of its production capacity and its technological achievements in sustainable production processes. In terms of scale, the Group is the leading producer of lyocell and modal fibers and one of the top five producers of viscose fibers (which comprise the three generations of RCF), as measured by both production capacity and volume produced in 2024. In the market of ecologically produced viscose, the Group is the largest producer globally. The Group is also one of the three leading global producers of RCF overall as measured by both production capacity and volume produced in 2023 and 2024 (*source: Issuer Internal Analysis*). Lyocell and modal fibers, as specialty fibers, generally carry higher margins than standard viscose fibers. A significant majority of the Group's RCF business is already attributable to specialty fibers. The share of specialty fibers in the Division Fiber's revenues increased to 92.6% in 2024 from 78.9% in 2023 and is expected to increase further as the Group continues to shift its production focus to specialty fibers. Since the fourth quarter of 2023, all of the Group's production sites produce specialty fibers. See "*State-of-the-art operations benefiting from recent major investments*".

In light of this shift, the Group's review of demand trends also includes potential considerations around further streamlining its portfolio towards higher margin products such as lyocell and modal RCF through strategic disposals or partnerships designed to reduce its exposure to lower growth and lower margin product lines, such as standard viscose fibers. In addition, the Group may make potentially significant strategic disposals for other reasons, such as where the operation or asset in question does not meet the Group's profitability expectations over a sustained period of time.

In addition to its leadership in capacity and volume, in particular for specialty fibers, the Group believes its TENCEL™, VEOCEL™ and LENZING™ ECOVERO™ brands are widely known for their environmentally sustainable qualities. The TENCEL™ and VEOCEL™ brands are based on sustainable production processes with less impact on the environment, with the further benefit of biodegradability, botanic origin and wood sourced from sustainably managed forests. LENZING™ ECOVERO™ branded viscose fibers are specialty viscose fibers which have a substantially smaller environmental footprint than standard viscose fibers due to their technologically advanced manufacturing process. Greenhouse gas emissions from the production of LENZING™ ECOVERO™ branded viscose fibers are more than 50% lower than those of standard viscose (*source: Higg MSI Database*). Further, LENZING™ ECOVERO™ fibers are obtained from certified, sustainably managed wood sources (e.g., FSC) in an ecologically responsible production process in compliance with high environmental standards. Considering the increasing importance to consumers of sustainably manufactured products, the Group endeavors to enhance the customer awareness and visibility of its brands

by fostering co-branding partnerships with large international textile and nonwoven brands, which in turn helps the Group gain visibility on a global scale.

Moreover, sustainable specialty fibers offer distinct practical benefits such as being soft, smooth, breathable, absorbent and gentle on the skin, and can be used in a broad range of applications ranging from casual women's wear to haute couture, from sportswear as breathable, T-shirts with reduced odor based on good moisture management, fleece jackets and shoes to the household in mattresses, pajamas, bed linens, towels, beauty masks and hygienic wipes for babies and skin cleansing, tea bags, coffee pads and other filtering purposes, and many more. Given that fashion styles and other aspects of customer preference are subject to constant change, the Group's management engages in ongoing and careful review of the Group's product portfolio to ensure an offering that is tailored to demand trends.

Innovative products, processes and applications through collaborative relationships and strong research and development capabilities to fuel steady, profitable growth

Collaborations form an essential part of the Group's business development activities, both within and outside the Group, and are pursued throughout the entire organization. The Group focusses on developing innovative technologies across a wide range of commercial applications and often in close cooperation with customers via the Group's dedicated application and innovation centers in Lenzing, Austria, Hong Kong, China and Purwakarta, Indonesia or at customers' sites. The application and innovation centers operate as pilot facilities, where the Group tests product quality and performance to ensure processability for customers. In addition, the centers develop new applications, work to increase the usability of the Group's fiber portfolio, collaborate with customers to prototype new developments and provide technical support for customers along the textile value chain in cases of technical inquiries and customer process optimization.

The Group also collaborates with partners along the value chain worldwide. Examples include a partnership with Acabamentos Têxteis de Barcelos (ATB), a textiles manufacturer based in Portugal, on a collection of organic fleece fabric, composed of 40% TENCEL™ branded lyocell fibers and 60% cotton, and the Group's collaboration with its mill partners, Artistic Milliners, a denim manufacturer based in Pakistan, Canatiba, a textiles manufacturer based in Brazil, and Textil Santanderina, a textiles manufacturer based in Spain, to increase the use of mechanical recycled TENCEL™ Lyocell fibers in denim applications. In addition, new innovative applications for sustainably produced nonwoven fibers are being developed at the Nonwovens Development Center at Hof University of Applied Sciences (Germany).

The Group's sustainability and circular economy goals also guide the application developments with partners. Within the Group's R&D function, sustainability is a guiding principle for innovation and product development. Almost all development projects contain significant aspects relating to reduction of environmental impact. In both product and process development, the R&D function is continuously working on solutions that further reduce emissions (including, among others, carbon, sulphur and wastewater) and enhance energy efficiency. In addition, process innovations focus on closing production cycles and reducing wastewater, as well as further improving the environmental impact of the Group's production facilities and products. Important sustainability-enhancing innovations developed by the Group include:

- *TENCEL™ Modal fibers with Eco Color technology.* With this innovative technology, pigments are added to the fibers during production. For example, in the production process of TENCEL™ Modal fibers with Indigo Color technology, the indigo pigment is incorporated directly into the TENCEL™ Modal fibers in a single-stage spin dyeing process. Compared to conventional rope-dyed indigo yarns, the production of yarn with TENCEL™ Modal fibers with Indigo Color technology saves approximately 99% electricity and water, 80% chemicals and 100% thermal energy, according to Issuer estimates, thereby significantly reducing the environmental footprint of denim products.
- *REFIBRA™ or Eco Cycle Technology.* This technology recycles cutting scraps from cotton production sourced from garment manufacturers, used textiles and similar materials into dissolving pulp that is blended in proportions of up to 30% with DWP to produce high-quality lyocell fibers for textile and nonwoven applications. The Group believes that this technology, used at scale, can save tons of cuttings from cotton

production and used textiles from disposal in landfills or incineration. According to the Group's own calculations, fibers with recycled content require 95% less water for production than conventional cotton.

- *Specialized fiber traceability technology.* The Group offers fiber identification, a process allowing the identification of LENZING™ fibers through patented physical tracer technology to help customers identify the Group's fibers at yarn, fabric and garment level to improve credibility and avoid counterfeiting of the Group's brands.

Other recent innovations include hydrophobic lyocell fibers, biodegradable fibers with hydrophobic properties which offer comfort, softness and dryness, and elastane-free stretch fibers used in seamless athleisure, a functional type of clothing with stretch qualities based on TENCEL™ Luxe filaments which are good for sports applications.

The Group's innovations have been awarded numerous prizes, including the ISPO Award 2023 for its Merino 200 Realfleece™ Descender LS Zip Hoodie and together with Södra the ITMF award for their pioneering partnership in textile recycling.

High brand recognition among global blue-chip textile brands and end users through co-branding partnerships and other focused sales and marketing efforts

The Group's sales and marketing efforts are built around a customer-centric "push" and "pull" strategy designed to develop relationships with blue-chip textile and nonwoven customers by involving the Group in the value chain decision processes of those customers. The Group's "push" efforts comprise collaboration in the early stages of the value chain with key industrial customers such as spinners or roll-good manufacturers to develop applications for use in the textile and nonwoven chain, whereas its "pull" efforts consist of marketing its tailored and innovative branded products to textile and nonwoven manufacturers and retailers. Such manufacturers and retailers, who often make the ultimate decision on the mix of fibers they source from mills, may then specify that their direct suppliers use the Group's products due to their high quality and superior performance.

The Group believes that the success of this strategic approach is reflected in its growing number of co-branding programs it has established with prominent textile and nonwoven customers. A co-branding partnership with the Group allows a customer brand to distinguish its own brands and products and set a price premium by demonstrating to consumers that their products are made with high quality fibers and/or fibers with special qualities such as higher levels of environmental sustainability than other fibers. The Group offers a comprehensive branding service that grants these customers access to consumer-facing branding materials such as swing tickets and grants brands the right to use the Group's logos and/or brands on their own marketing materials.

The Group's partnerships with large international brands helps the Group gain visibility on a global scale. For instance, the Group had 23 co-branding programs in nonwoven for its VEOCEL™ brand in 2024 and 21 in 2023. In textile, the Group had 538 programs in 2024 (2023: 586 programs) for its TENCEL™ brand and 205 programs (2023: 169) for its LENZING™ ECOVERO™ brand during the same period. The Group believes its co-branding efforts have resulted in VEOCEL™, TENCEL™ and LENZING™ ECOVERO™ becoming recognized specialty fiber brands in the global textile and nonwoven industry, with consumers developing a bond with, and loyalty to, the Group's products due to the pervasive and wide-ranging presence those products have in consumers' day-to-day lives – from the clothing they wear to the care products they use to the pajamas they wear to bed at night.

The Group has a global network of sales and marketing offices located in the European Union, the United States, Türkiye, India, Singapore, South Korea, China, Taiwan and Indonesia. The Group combines its customer-centric sales and marketing strategy with a comprehensive service offering, including fabric certification and technical services such as offering manufacturers and retailers specific know-how to arrange and organize the supply chain for their consumer products. The Group believes its sales approach and service offering distinguish it from other fiber manufacturers and have made it a sought-after partner in the textile and nonwoven value chain.

State-of-the-art operations benefiting from recent major investments

In 2023, the Group successfully implemented reconstruction and modernization measures at Purkwarda, Indonesia to convert to specialty viscose and significantly reduce specific emissions. Viscose fibers produced at the site under the LENZING™ ECOVERO™ and VEOCEL™ brands are marked with the EU Ecolabel, an internationally recognized eco label for environmentally responsible products and services. In Nanjing, China, the conversion of a production line to TENCEL™ modal fibers for textiles and apparel was successfully completed in the first quarter of 2023 to further service the niche and resilient modal market. Lenzing is thereby able to offer locally produced TENCEL™ fibers to its Chinese customers for the first time. As a consequence of the conversion, the production site's fiber portfolio now consists exclusively of specialty fibers. The production line has a nominal capacity of 35,000 tons per year. The Group now offers its Chinese customers locally produced TENCEL™ fibers for the first time, positioning it to meet structural growth in demand in China more quickly.

Strong commitment to sustainability and driving circularity

In line with customer's demands, the Group aims for more sustainable systems and processes across its entire value chain. To this end, it focuses significant efforts on increasing its recycling capacity and reducing its carbon footprint in all aspects of its business, from its production facilities to its RCF products, seeking opportunities where it can have the greatest impact, with the aims for more sustainable systems and processes across its entire value chain.

The Group believes it is the world's most sustainable producer of RCF, with the lowest CO₂ footprint in both its production facilities and its RCF products, and with a commitment to reducing waste, increasing recycling, and reducing consumption of natural resources. The Group has further accelerated the green energy transition at its production site in Heiligenkreuz, Austria, acquiring a 43 megawatt biomass plant in December 2023, replacing much of the natural gas with renewable energy to supply its lyocell production site there. With the commissioning of two gas turbines in its Nanjing site, another milestone was reached in 2024 in the conversion of the energy supply from coal to natural gas with the aim to further reduce CO₂ emissions.

In addition, the Group considers itself a leader in developing sustainable RCF products such as TENCEL™ Modal fibers with Eco Color technology. Such products help customers, such as brands and retailers to reduce emissions which originate from their supply chain. Similarly, the Group offers fiber products with among the lowest carbon footprints in the industry in their category, under the brand names Carbon-neutral TENCEL™ and climate care VEOCEL™. These products offset the remaining unavoidable emissions using verified carbon offset projects, making the fibers carbon neutral.

The Group also seeks to ensure that its suppliers meet its sustainability standards by requiring them to comply with the Group's Global Supplier Code of Conduct, which emphasizes best practices in respect of health and safety, work, labor and human rights, environmental protection, ethics and management. Wood and pulp suppliers must comply with the Group's Wood and Pulp Policy, pursuant to which the Group gives preference to suppliers compliant with FSC or PEFC standards.

The Group's efforts have been recognized by global sustainability rating agencies and other third-party organizations. CDP again placed Lenzing on its prestigious A-list in the "Climate Change" category in 2024, this made it achieve five times in a row. In the categories "Forests" and "Water Security", Lenzing achieved the very good ratings "A-" and "B" respectively. In the EcoVadis CSR rating, Lenzing achieved platinum status in 2024, the highest rating, for the fourth consecutive time, placing it among the top one percent of companies rated worldwide. Also in 2024, MSCI rated Lenzing with an "A", and the company achieved first place in the global "Hot Button Ranking" of the non-profit organization Canopy, which evaluates the performance of global producers of regenerated cellulosic fibers in the areas of sustainable sourcing, transparency, and innovation.

Better Growth strategy to advance sustainable, profitable growth

The Group's "Better Growth" corporate strategy is designed to ensure that it continues to play a leading role in sustainable specialty RCF within a volatile economic environment. The key elements of the Group's Better Growth strategy are set out below.

- ***Advance circularity and move from a linear to a circular economy***

The Group aims for more sustainable systems and processes in everything it does. To this end, it focuses on increasing its recycling capacity and reducing its carbon footprint in all aspects of its business, from its production facilities to its RCF products, seeking opportunities where it can have the greatest impact. The Group plans to continue to reduce emissions at its production sites by switching to cleaner energy sources and by installing more energy-efficient equipment, and endeavours to link its linear supply chains that end in textile waste to create a cycle.

According to the Group's circular economy vision, "We give waste a new life. Every day", the Group seeks to help drive the industry towards a fully-fledged circular economy by striving to give waste a new life in all aspects of its core business and by co-developing circular solutions with potential partners both inside and outside the current value chain to close loops and recycle and reuse materials wherever possible. This vision is based on the Group's determination to create value using as few natural virgin resources as possible and reduce the use of fossil carbon within the Group and the value chain while improving sustainability performance. In order to create structures in the textile industry and thereby develop a holistic solution for the circular economy, the Group is pursuing further activities in addition to its cooperation with Södra with which the Group partners to develop textiles made from recycled and sustainably produced materials.

- ***Leverage strongly growing demand for sustainable, environmentally responsible fibers***

The Group believes it is uniquely positioned to leverage the growing demand for sustainable, environmentally responsible fibers represented by the Sustainable Fiber Gap trend. The Group already considers itself a leader in developing sustainable RCF products under its TENCEL™, VEOCEL™ and LENZING™ ECOVERO™ brands. A key part of its Better Growth strategy is to continue to improve its ability to address this growing structural demand through its transition to a pure supplier of sustainable, specialty RCF. This transition reached important milestones in March 2023, when it completed the conversion of a production line in Nanjing from standard viscose fibers to TENCEL™ branded specialty modal fibers and in Purwakarta, Indonesia, Lenzing successfully completed reconstruction and modernization measures to convert to specialty viscose and significantly reduce specific emissions.

- ***Develop customer-centric solutions through premiumization***

The Group considers itself the industry leader in the production of innovative, carbon-neutral fibers, and as such plans to continue to invest in growing its market share with differentiated premium brands that will meet the growing market demand for sustainable fibers. Achieving this goal will require a continued expansion of collaborations with customers to ensure the Group's products remain at the forefront of innovation and sustainability and ensuring it remains intimately involved in the value chain decision processes of its textile and nonwoven customers through partnerships, co-branding programs and comprehensive service offerings designed to make the Group a significant contributor to its customers' commercial success. The Group is also committed to making continued progress on transparency and traceability along the value chain, building on its existing fiber traceability technologies in order to ensure that customers and end-consumers can be confident that the RCF they are sourcing and using are genuine, sustainable Lenzing-branded fibers and making the Group a sought-after partner.

- ***Continue to drive innovation in order to transform the cellulose industry***

The Group seeks to lead industry change by continuing to bring innovations to the market and by managing innovation as a key value driver. The Group's long-standing culture of innovation underpins its profitable growth and sustainability agenda by advancing the development of new products, applications, processes and techniques. Management aims to continue to nurture the key aspects of this culture, such as collaborations with partners along the value chain, in particular its customers, and the use of its application and innovation centres as pilot facilities for new product innovations. The Group also plans to ensure that its Research & Development function remains at the core of the enterprise, given its central role in developing products and processes that

meet the Group's sustainability goals. The Group believes that these goals will play a key role in the industry's shift towards a more sustainable future for the planet.

- ***Pursue excellence through a value-driven mindset***

The Group is committed to getting a little better every day through pursuing excellence in everything it does. This mindset not only adds value to its product offering and customers, but also creates the resilience that the Group believes is necessary for its businesses to thrive in an increasingly volatile and competitive marketplace. The Group believes its pursuit of excellence is evident in its product innovations, the confidence its customers place in it – as evidenced by its expanding roster of co-branding partnerships – and its sustainability achievements; but the Group is determined to ensure that its value-driven mindset extends further to all operational, commercial and global functional units and helps to create value across all of its activities, projects and products. A strong drive for continuous improvement – through greater efficiency, quality and safety – also gives the Group the flexibility to face challenging times with confidence.

Financial profile with ongoing path of recovery

The Group has a solid track record of revenue growth, with revenue increasing at a compound annual growth rate (CAGR) of 4.8% from EUR 2,105.2 million in 2019 (the last pre-pandemic financial year) to EUR 2,663.9 million in 2024, and 3.4% from 2015 through 2024, and an average EBITDA and average "through-the-cycle" EBITDA margin of EUR 343 million and 15.5%, respectively, from 2015 through 2024. In 2020, the Group's profitability was adversely impacted by the Covid-19 pandemic and its after-effects, with EBITDA margin declining from 15.5% in 2019 to 11.8% before increasing to 16.5% in 2021. Due to a slump in demand that began in Q3 2022 with the abrupt deterioration in sentiment in the textile and nonwoven industry combined with high energy and raw material (mainly chemical) costs the Group's EBITDA margin declined again to 9.4% in 2022. Lenzing results were continuously heavily impacted by weak demand in fiber markets and still elevated raw material as well as energy costs, however cost savings initiated already in the second half of 2022 led to an increase of the EBITDA margin to 12.0% in 2023. In 2024, Lenzing was steadily improving its top- and bottom-line performance in a continuously weak market environment as a result of the holistic performance program initiated in Q3 2023 with a clear focus on improving EBITDA through increased sales and margin growth as well as sustainable cost excellence. As a result, EBITDA reached EUR 395.4 million and margin improved to 14.8% in 2024. For Q1 2025 EBITDA reached EUR 156.1 million (Q1 2024: EUR 71.4 million) and the margin improved to 22.6% (Q1 2024: 10.8%).

In the financial years 2023 and 2024, the Group improved its Free Cash Flow significantly. An increase in sales, a decline in CAPEX from EUR 283.6 million in 2023 to EUR 156.3 million in 2024 (Q1 2025: EUR 32.7 million, Q1 2024: EUR 33.4 million), following the completion of its Brazil and Thailand projects, other global site upgrades and working capital improvements resulted in a positive Free Cash Flow of EUR 167.0 million in 2024 (after a negative Free Cash Flow of EUR 122.8 million in 2023). The Group intends to focus its activities on license to operate and maintenance CAPEX, resulting in lower CAPEX needs. For Q1 2025 Free Cash Flow amounted to EUR 14.5 million (Q1 2024: EUR 87.3 million).

As of March 31, 2025, the Group's net financial debt (defined as the Group's interest-bearing loans and borrowings (*i.e.*, non-current and current loans and borrowings) less liquid assets (*i.e.*, cash and cash equivalents plus liquid bills of exchange) and excluding lease liabilities (*i.e.*, non-current and current lease liabilities)) amounted to EUR 1,499.3 million (December 31, 2024: EUR 1,532.5 million; March 31, 2024: EUR 1,477.1 million; December 31, 2023: EUR 1,562.6 million). Net financial debt/EBITDA (*i.e.*, EBITDA calculated for the respective last twelve months, *e.g.* March 31, 2024 to March 31, 2025) amounted to 3.1x for Q1 2025 (December 31, 2024: 3.9x, December 31, 2023: 5.2x, Q1 2024: 4.3x). The Management Board has set a target for net financial debt/EBITDA of 2.5x.

The Group aims to achieve further profitability and cash flow improvements as a result of cost reduction measures. Lenzing implemented a cost-cutting program at the end of 2022. Building on this, the Management Board is implementing a comprehensive performance program since 2023 with the overriding objective of achieving significantly enhanced long-term resilience to crises and greater agility in the face of market changes. The program initiatives are aimed primarily at an improvement in EBITDA and free cash flow generation through higher profitability and

sustainable cost excellence. In addition to positive effects at the revenue level, the Management Board anticipates significant cost savings, of which over EUR 130 million were already realized in 2024. As a consequence, the performance program is delivering significantly above planned levels. For 2025, the Management Board is targeting cost savings above EUR 180 million.

Future success underpinned by strong management team and skilled and loyal workforce

The Group benefits from a relatively new, though highly experienced and qualified, management team which it believes positions it well for continued long-term success. Management is also supported by a Supervisory Board with long-standing industry experience and a skilled and loyal workforce with a high average length of service and a low churn rate. Rohit Aggarwal joined the Issuer's Management Board as CEO in September 2024. Rohit Aggarwal is a strategic business economist and global leader in the industry, has several decades of experience in leading positions in the textile and chemical industry. He has a sound understanding of the strategic development of international markets and the establishment of efficient management teams through global management positions in Europe, the USA and Asia. Dr. Nico Reiner, a financial expert with substantial experience in multinational industrial companies, became the Issuer's new Chief Financial Officer on January 1, 2023. Christian Skilich, an expert in the field of paper and pulp technology, is the Issuer's Chief Pulp Officer and joined the Management Board on June 1, 2020. Georg Kasperkovitz, an expert in the field of mechanical engineering was appointed as the Issuer's Chief Operating Officer as of June 1, 2025.

The Issuer also benefits from a Supervisory Board whose members have a notable breadth and depth of industry experience, including Patrick Lackenbacher, who currently serves as Chairman, Helmut Bernkopf, a member of the Issuer's Supervisory Board since 2009 who has many years of experience on the boards of a wide array of Austrian industrial and financial service companies. In addition, Gerhard Schwartz, a managing partner at Ernst & Young until 2022 was elected to the Supervisory Board in April 2023 and Cornelius Baur, managing director of Baur I&C GmbH, Munich, Germany, joined the Supervisory Board in 2024. In October 2024, Carlos Anibal de Almeida Junior joined the Supervisory Board. He is Executive Officer for Forestry & Procurement at Suzano and has long lasting experience in the top management of companies in Brazil. In April 2025, Leonardo Grimaldi joined the Supervisory Board. He is Executive Vice President for commercial, marketing and logistics for the pulp business unit at Suzano.

Alongside its commitment to environmental sustainability, the Group is committed to advancing the social and governance aspects of its ESG agenda as well. The Group has long sought to create an inclusive work environment and invests consistently in employee development. The Group adopted a diversity program as an integral element of its corporate strategy in 2018. The Group also prioritizes workforce development programs to ensure its employees have the skills to maintain the Group's strong position in the fiber industry. In the context of its recent expansion projects in Brazil and Thailand, the Group was able to successfully recruit and train on schedule a significant amount of new personnel in accordance with its construction and ramp-up plan. The Group offers individualized learning opportunities to enable all employees to build their own learning path and has also launched leadership programs as part of investing in the empowerment of its employees. The Group believes that these initiatives, together with its commitment to sustainability and to making a positive environmental impact, have made it an attractive employer with a skilled and loyal workforce characterized by a high average length of service.

Research and Development

The R&D function, based at the Global Headquarter in Lenzing, Austria, plays a central role in the Group's research and development activities. As of the end of 2024, a total of 205 people were employed in this area, compared to 222 in 2023. However, most of the development work is conducted in collaboration with various areas of the Issuer as well as with external partners, such as universities, research organizations and customers.

Research and development expenditures amounted to EUR 30.4 million in 2024 (2023: EUR 31.6 million), after the deduction of grants, according to the Frascati method (*i.e.*, an internationally recognized methodology for collecting and using R&D statistics). Such expenses mainly relate to personnel costs and other operating expenses, in particular filing and defense costs for patents and trademarks. As of the end of 2024, the Group held 1,115 patents and patent applications (December 31, 2023: 1,351) from 145 patent families (December 31, 2023: 163) in 46 countries (December 31, 2023: 50). Sustainability is not only a core value in the Group's strategy, but also a guiding principle for innovation and product

development. As a consequence, almost all development projects contain significant aspects relating to reduction of environmental impact. In both product and process development, the R&D function is continuously working on solutions that further reduce emissions (including, among others, carbon, sulphur and wastewater). These include projects to enhance energy efficiency and reduce carbon emissions. In addition, process innovations focus on closing production cycles and reducing wastewater, further improving the environmental impact of the Group's production facilities and products.

In addition to the clear focus on customers and consumers, sustainability is a key guiding principle for all of the Lenzing Group's innovation activities, including process and product development, with a special focus on decarbonization and the circular economy. Almost all of the development projects reflect key aspects of environmental sustainability and support the ambitious target of net zero by 2050. These especially include projects to close production cycles and reduce wastewater emissions, as well as to enhance energy efficiency and reduce carbon emissions.

Lenzing has been increasingly active at the European level in recent years and has been involved in several successful project submissions. Lenzing is a partner in a total of four research projects funded by the European Union. Lenzing is one of the main partners in the CELLFIL project, which was launched in 2024 and addresses the production of lyocell filaments and their applications. The company is also involved in the LIFE-TREATS (textile recycling), CISUTAC (textile sustainability), and ESCIB (new methods for sustainability assessment) projects.

In 2024, Lenzing also continued to advance the textile recycling topic, particularly in cooperation with its partners. The partnership with Swedish pulp producer Södra, which is focusing intensively on developing the recycling of used textiles and the construction of a pilot plant, features as a flagship project in the textile recycling area (including as part of the LIFE-TREATS project). Moreover, various recycled pulps were evaluated and tested for their usability in fiber production during the financial year 2024.

The innovation areas also supported the Lenzing Group's performance program in the financial year 2024. Activities that show positive short-term effects focus on saving energy and re-sources and on enhancing plant efficiency.

Technical and market development

Collaborations form an essential part of the Group's business development activities, both within and outside the Group. Intensive development is conducted among the Group's application and innovation centers in Lenzing, Austria, Hong Kong, China and Purwakarta, Indonesia. Textile application development is performed internally at the application centers or at customers' sites.

The application and innovation centers operate as pilot facilities, where the Group tests product quality and performance to ensure processability for customers. In addition, the centers develop new applications, work to increase the usability of the Group's fiber portfolio, collaborate with customers to prototype new developments and provide technical support for customers along the textile value chain in cases of technical inquiries and customer process optimization. They are also used to host events and workshops.

In addition to the development of radically new technologies, Lenzing is continuously working on developing new application areas for existing fibers. In 2024, for example, a special denim collection with matte TENCEL™ brand lyocell fibers was developed together with Chinese partner Advance Denim. These fibers make it possible to develop fabrics made of lyocell fibers with a particularly matte appearance. Especially in the denim segment, this characteristic has encountered great interest from customers and partners, and enables the development of new application areas and subsegments.

Thanks to its particularly innovative and sustainable character, the lyocell filament business also enjoyed a successful year. A further record in terms of sales volumes for fibers was set in 2024 with 962,000 tonnes (2023: 841,000 tonnes), and interest from brands, retailers, and fabric manufacturers continued to expand. Lenzing also demonstrated the high-quality applicability of TENCEL™ Luxe brand filaments in a unique collaboration with designer Peet Dullaert.

Lenzing has also intensified its cooperation with key customers and downstream partners by developing joint innovation roadmaps covering products that are to be second and third generation products by 2030 and beyond. Furthermore, a

comprehensive "Voice of the customer" project has been rolled out to better understand the needs and future aspirations of the market, and contribute to the success and performance of customers and value chain partners.

Lenzing successfully expanded its partnerships by focusing on onboarding new partners while strengthening existing relationships in nonwovens. Long-standing partners such as Coterie in the US and Bode Chemie in Europe launched new VEOCEL™ branded products, thereby enriching their portfolios. Lenzing also entered into a partnership with Carefree sanitary pads in the USA, integrating VEOCEL™ lyocell fibers with Dry Technology into their top sheets. To promote this collaboration, Lenzing invested in live broadcasts on US television channels that are popular with its target consumers, which was supported by a social media influencer campaign. These efforts significantly boosted the brand's visibility in the market.

In Asia, Lenzing engaged in several strategic partnerships, such as with Graminton to develop two co-branded products and accompanying campaigns, and with NBond to launch a new co-branded product in the moist toilet tissue sector. Lenzing also joined forces with Kindoh and well-known media Allure for Green Products Awards, as well as with LIFE Bioral and Akachan Honpo Water 99, to promote SDGs and sustainability as an important topic in the region.

The Group is also driving developments in the area of digitalization as part of cooperative projects. In 2023, the Group expanded its portfolio of fibers with the fiber identification technology to the spun-dyed LENZING™ ECOVERO™ branded viscose in black color and to LENZING™ ECOVERO™ x REFIBRA™, a newly produced viscose fiber with recycled content. Furthermore in 2023, the Group contributed support for the product class of regenerated cellulosic fibers to the Global Textile Scheme (GTS), which serves as a unified industry standard for all textile value chains. GTS provides a straightforward and cost-effective framework for efficient data exchange, spanning from fiber production. Since September 2023 the Group launched the real-time ocean shipment visibility tool in collaboration with project44, a digital supply chain solutions company to recycling, driving digitalization and transparency in the global fiber supply chain.

Capacity Conversion and Expansion

In 2023, the Group successfully implemented reconstruction and modernization measures at Purkwarta, Indonesia to convert to specialty viscose and significantly reduce specific emissions. Viscose fibers produced at the site under the LENZING™ ECOVERO™ and VEOCEL™ brands are marked with the EU Ecolabel, an internationally recognized eco label for environmentally responsible products and services. In Nanjing, China, the conversion of a production line to TENCEL™ modal fibers for textiles and apparel was successfully completed in the first quarter of 2023. Lenzing is thereby able to offer locally produced TENCEL™ fibers to its Chinese customers for the first time. As a consequence of the conversion, the production site's fiber portfolio now consists exclusively of specialty fibers. The production line has a nominal capacity of 35,000 tons per year. The Group now offers its Chinese customers locally produced TENCEL™ fibers for the first time, positioning it to meet structural growth in demand more quickly. With the commissioning of two gas turbines in its Nanjing site, another milestone was reached in 2024 in the conversion of the energy supply from coal to natural gas with the aim to further reduce CO₂ emissions.

Customers, Sales and Marketing

Customers Overview

The Group sells its products and services to customers globally. RCF are sold primarily to textile customers, namely brands and clothing retailers, and to nonwovens customers such as producers of care and cleaning products, while DWP is sold to other fiber producers and used internally. For more information on the branded RCF that are sold to customers in the textile and nonwovens industry, see *"The Group's Brands"* and *"The Lenzing product portfolio"*. The Group generates around 50% of its fiber revenues with a mid-double-digit number of customers. However, no single external customer is responsible for more than 10% of external revenue. The following table sets forth the revenue from external customers by products and services for the periods indicated.

	For the Year Ended December 31,	
	2024	2023
	<i>(audited)</i>	
	<i>(EUR millions)</i>	
Regenerated cellulosic fibers.....	1,965.3	1,753.5
Co-products of fiber production	63.4	61.1
Mechanical and plant engineering, engineering services and others	4.3	26.4
Division Fiber	2,033.0	1,841.0
Pulp.....	456.7	529.5
Biorefinery products and energy.....	111.6	110.2
Mechanical and plant engineering, engineering services, wood and other	59.2	36.5
Division Pulp	627.6	676.1
Division Others	3.3	4.0
Total Revenue.....	2,663.9	2,521.2

(source: 2024 Audited Consolidated Financial Statements)

Customers by Geographic region

The following table provides a classification of revenue from external customers by geographic region for the periods indicated. Revenue is allocated according to the geographic region of the customer.

	For the Year Ended December 31,	
	2024	2023
	<i>(audited)</i>	
	<i>(EUR millions)</i>	
Austria	88.2	94.2
Europe (excl. Austria, incl. Türkiye)	751.7	625.9
Asia.....	1,571.5	1,563.4
America (North, Central and South America)	237.7	223.3
Rest of the world	14.9	14.4
Total Revenue.....	2,663.9	2,521.2

(source: 2024 Audited Consolidated Financial Statements)

Sales and Marketing

The Group has sales offices throughout the world. In addition to sales offices at certain of its production sites, the Group also maintains sales representation offices in New York, United States, Shanghai, China, Hong Kong, China, Seoul, Korea, Taipei, Taiwan, Istanbul, Türkiye, Coimbatore, India and Jakarta, Indonesia. The Group's textile fibers marketing efforts are worldwide in scope, focusing on textile manufacturers and retailers. The Group focuses its sales efforts on a "push" and "pull" strategy. On the one hand, the Group develops applications for use in the textile and nonwoven chain. On the other hand, the Group markets its innovations and developments to manufacturers and retailers, who in turn specify that their direct suppliers use the Group's products. The Group also offers manufacturers and retailers specific know-how to arrange and organize the supply chain for their consumer products. The Group's nonwovens marketing efforts tend to focus on North America and Europe, where the majority of customers are located.

Sustainability

Sustainability strategy

Sustainability is a core component of the Group's business strategy. As a leading provider of specialty fibers to the textile and nonwoven industries, the Group is determined to drive forward the transformation of those industries from a linear to a circular business model and to sharpen its focus on sustainable and high-quality premium fibers for textiles and nonwovens. The Group has determined concrete targets for circularity such as offering viscose, modal and lyocell staple fibers with up to 50% post-consumer recycled content, which is comprised of used garments and home textiles sourced from consumers, on a commercial scale by 2025, and collaborating with Södra to recycle 25,000 tons of textile waste per year at Södra's Mörrum site.

The Group's "Naturally Positive" sustainability strategy is built on three strategic principles.

Driving systemic change

The Group believes that complex global challenges call for a collaborative approach to designing systemic solutions that involve many stakeholder groups. As a leader in the production of RCF, the Group believes it has a particular responsibility to help raise the bar for sustainability in the textile and nonwovens industries. Transparency and traceability are a prerequisite for fostering trust and building long-term relationships. The Group has made contributions to developing industry-wide methods, benchmarking tools, and approaches, such as the Higg and Zero Discharge of Hazardous Chemicals suite of tools, which aim to help corporations make their supply chains more socially and environmentally friendly through self-assessments and systemic analysis based on industry data, and the Facility Social Labor Module, which assesses social and labor conditions for workers in manufacturing with the aim of promoting fair labor conditions and mitigating negative impacts and risks on employees.

Advancing Circularity

According to the Group's circular economy vision, "We give waste a new life. Every day", the Group seeks to help drive the industry towards a fully-fledged circular economy by striving to give waste a new life in all aspects of its core business and by co-developing circular solutions with potential partners both inside and outside the current value chain to close loops wherever possible. This vision is based on the Group's determination to create value using as few natural virgin resources as possible and reduce the use of fossil carbon within the Group and the value chain while improving sustainability performance.

The Group seeks to unite the cellulosic fiber cycle of its wood-based products with its innovative fibers, such as LENZING™ ECOVERO™, that focus on closing loops in the production and recovery of raw materials and chemicals, and technologies such as REFIBRA™ which uses 30% recycled cotton waste from the industry. This approach employs dedicated targets for the development of recycled content-based fibers and circular business models with value chain partners in order to advance this principle.

Greening the value chain

The Group's responsible practices and innovative products help enable its value chain partners, which include both upstream and downstream partners ranging from forest owners, pulp producers, and chemical producers to industrial customers such as spinners, dyeing factories and end customers such as brands and retailers, to improve their environmental and social performance and achieve their sustainability targets and commitments.

Responsible sourcing practices, water stewardship, decarbonization, and sustainable innovations form the basis of the Group's efforts in greening the value chain. The Group's sustainability targets and measures for air emissions, water emissions, pollution, and climate protection are cornerstones of the Group's responsible entrepreneurship and, it believes, act as innovation drivers. Guided by this vision, the Group has recently completed measures which include achieving 100% green electricity for the Lenzing, Heiligenkreuz, Paskov and Mobile production sites, including installing an on-site photovoltaic ("PV") power generation at the Lenzing production site. Other PV projects are in the planning stage. These measures in the Group's own operations are complemented by activities with suppliers to reduce

their impacts. The Group works with key DWP and chemical suppliers to develop green raw materials with lower carbon footprints. All of the Group's suppliers must comply with the Lenzing Global Supplier Code of Conduct, which emphasizes best practices in respect of health and safety, work, labour and human rights, environmental protection, ethics and management. Similarly, the Group also employs ECOVADIS to assess its own suppliers and has a target to assess performance of suppliers that cover 80% of its supplier spend by 2025. Wood and pulp suppliers must comply with the Group's Wood and Pulp Policy, pursuant to which the Group gives preference to suppliers compliant with FSC or PEFC standards. To protect its brands and support customers in procuring authentic fibers from Lenzing, it offers physical traceability for TENCEL™ x REFIBRA™ and LENZING™ ECOVERO™ to 100% of the Group's textile special fibers.

The Group's sustainability driven innovations such as TENCEL™ Modal fibers with Eco Color technology and TENCEL™ Modal fibers with Indigo Color technology avoid conventional dyeing and utilize substantially less energy, water and chemicals than other products. These products help customers such as brands and retailers to reduce emissions which originate from their supply chain. Similarly, the Group offers fiber products with among the lowest carbon footprints in the industry in their category, under the brand names Carbon-neutral TENCEL™ and climate care VEOCEL™. These products also offset the remaining unavoidable emissions through the use of verified carbon offset projects, making the fibers carbon-neutral. These low carbon footprint products offer customers such as brands and retailers the advantage of being able to market them as carbon neutral fibers.

Sustainability achievements

The Group has made significant progress on meeting its sustainability goals recently. The Group has also been working to phase out coal at its production site in Nanjing, China in favor of natural gas. In 2023, the Group acquired a 43 megawatt biomass plant, replacing much of the natural gas with renewable energy to supply its lyocell production site in Heiligenkreuz, Austria.

The Group believes this backward integration to include pulp production will allow it to make further progress in meeting its climate targets by minimizing the environmental risks and greenhouse gas emissions involved in procuring raw materials. The Group has also made progress in installing large photovoltaic systems in Austria, increasing the proportion of green energy it relies on for its operations there.

ESG Ratings

The Issuer's exposure to ESG risks and the related management arrangements established to mitigate those risks has been assessed by several agencies. The following table provides an overview of such ESG ratings as well as its latest publication:

<u>ESG rating provider</u>	<u>Last date of publication</u>	<u>ESG rating</u>
CDP – Climate Change	February 6, 2024	A / A- / B (climate change, water security and forestry) (1)
Ecovadis	August 13, 2024	Platinum (Top 1%)(2)
MSCI ESG Ratings	January 11, 2024	A(3)
Canopy	December 2, 2024	Top company with score 33 out of 40 (dark green T-shirt)(4)

(1) A CDP score provides a snapshot of a company's disclosure and environmental performance. CDP uses scoring methodology to incentivize companies to measure and manage environmental impacts through one or more of their climate change, forests, and water security questionnaires. Scores range between D- to A (worst to best). To earn an A score from CDP, organizations must show environmental leadership, disclosing action on climate change, forestry or water security. As well as having high scores in all other levels these companies will for the climate change category have shown a thorough understanding of risks and opportunities related to climate change, and will have formulated and implemented strategies to mitigate or capitalize on these risks. These companies have verified GHG emissions statements and have implemented emissions reduction strategies to reach company-wide goals. Regarding the water security category, companies will have implemented robust procedures to assess water-related risks and evaluated their impacts on the business' growth strategy. Water management is integrated into the business strategy with clear company-wide targets and goals. Regarding the forestry category companies must report on all relevant operations, supply

chains, and commodities, making no significant exclusions, have undertaken a comprehensive and thorough risk assessment and are demonstrating actions towards their commitments (source: https://cdn.cdp.net/cdp-production/cms/guidance_docs/pdfs/000/000/233/original/Scoring-Introduction.pdf, which is not incorporated by reference in this Prospectus).

- (2) The EcoVadis overall score (0-100) reflects the quality of a company's sustainability management system at the time of the assessment. The EcoVadis sustainability recognition levels are currently based on the percentile rank of a company's EcoVadis score across all companies in all industries and a minimum theme score. The medals' criteria are reviewed periodically. The medal eligibility criteria for scorecards is as follows: top 1 per cent. (overall score between 78 and 100). The score refers to the 360° Watch indicator score. This indicator is scored between 0 and 100 for each theme, based upon a set of standard and detailed scoring guidelines, which EcoVadis' analysts use to assign the level of impact for findings with negative consequences. 360° Watch findings can have a severe, major, minor, neutral, or positive impact on the corresponding theme's 360° Watch indicator score. A company is ineligible for a medal if the 360° Watch indicator score equals 0 for at least one theme or 25 for at least two themes. A Platinum score means at least 3 positive cases for large companies and no negative cases (source: <https://support.ecovadis.com/hc/en-us/articles/210460227-Understanding-EcoVadis-Medals-and-Badges>, which is not incorporated by reference in this Prospectus).
- (3) The MSCI ESG Ratings assess the ESG performance of companies, providing investors with insights into their sustainability practices. The rating system ranges from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC), reflecting a company's ability to manage ESG risks and opportunities compared to industry peers. An A rating indicates that the company has a mixed track record of managing the most significant ESG risks and opportunities relative to industry peers (source: <https://www.msci.com/sustainable-investing/esg-ratings>, which is not incorporated by reference in this Prospectus).
- (4) The Hot Button Report assesses MMCF producers' forest sourcing and their leadership on Next Gen production — and points to other important data needed for informed purchasing, including producers' traceability initiatives, the use of FSC-certified fiber, and support for conservation solutions. Canopy's mission is to protect the world's most vital forests. The Hot Button Report does not evaluate land rights, water and energy use, health and safety, labor practices, or equity. A score of 30 – 40, depicted with a dark green T-shirt represents that the company is leading in “CanopyStyle” commitments. (source: <https://canopyplanet.org/tools-and-resources/hot-button-report>, which is not incorporated by reference in this Prospectus).

The Issuer's ESG ratings are not necessarily indicative of its current or future operating or financial performance, or any future ability to service the Notes and are only current as of the dates on which they were initially issued. Prospective investors must determine for themselves the relevance of any of the above ESG ratings. Furthermore, ESG ratings shall not be deemed to be a recommendation by the Issuer, the Joint Bookrunners or any other person to buy, sell or hold the Notes. For more information regarding the assessment methodologies used to determine ESG ratings, reference is made to the relevant ESG rating provider's website (which website does not form a part of, nor is incorporated by reference in, this Prospectus).

Employment Statistics

The table below shows the number and allocation by region of the Group's employees and apprentices as of December 31, 2023, and 2024.

Headcount	As of December 31,	
	2024	2023
Thereof in Austria	3,511	3,541
Thereof in Indonesia	1,342	1,474
Thereof in Czech Republic	541	525
Thereof in China	816	818
Thereof in U.S.A.	212	217
Thereof in UK	225	234
Others (India, Thailand, Türkiye, Korea, Singapore, Taiwan, Brazil, Germany and Italy)	1,581	1,531
Total employees	8,228	8,340

(Source: Internal information of the Issuer)

The table below shows the number and full- or part-time status of the Group's employees as of December 31, 2023, and 2024.

Headcount	As of December 31,	
	2024	2023
Full-time employees	7,690	7,748
Part-time employees	538	592
Total employees	8,228⁽¹⁾	8,340⁽²⁾

(1) corresponds to 7,816 "full-time equivalent employees".

(2) corresponds to 7,917 "full-time equivalent employees".

(Source: Internal information of the Issuer)

The average length of service with the Group per employee amounts to greater than 10 years as of December 31, 2024. Headcount has not changed significantly between December 31, 2024 and the date of this Prospectus.

Intellectual Property

The Group's intellectual property rights ("**IP Rights**") include patents, know-how, copyright, trademarks, domain names and licenses. The IP Rights are held by the Issuer and are managed by a central function at the Issuer.

Patents and Know-How

As of December 31, 2024, the Group owned approximately 1,115 patent applications (December 31, 2023: 1,351) and patents in 46 countries (December 31, 2023: 50) around the world. These patent applications and patents belong to 145 "patent families" (December 31, 2023: 163) (each patent family containing all patent applications and patents originating from the same invention). National and regional patent offices examine whether the Group's patent applications meet the local patentability requirements. This process can typically take several years until the grant of a patent. All significant patents are filed and maintained in the important Asian countries as well as in the European Union and North America.

The know-how of the Group that is not protected by patent applications and patents is well protected by appropriate confidentiality agreements and other means that are defined in the know-how protection directive that is rolled out groupwide.

Trademarks

As of December 31, 2024, the Group owned approximately 900 trademark applications and 6,100 trademark registrations in 195 countries around the world. National and regional trademark offices examine whether the Group's trademark applications meet the necessary requirements for registration. This process can typically take several months or even years.

Licenses

The Group mainly uses its own technology and know-how in its operations. In respect of the operations of the Division Fibers, there are no longer any significant cross-licensing agreements in place. However, the Group has several strategic R&D cooperations with other companies in the industry, wherein the cooperation partners give and obtain reciprocal licenses under the cooperation results.

Furthermore, the Group is working on its technology leadership by negotiating licenses for technologies that may have significant impact on the Group's future business.

The Group has licensed certain parts of the lyocell production process to Smart Fiber AG, a German company selling small quantities of specialty lyocell fibers, toll manufactured by the Group for Smart Fiber AG. In addition, the Group also licenses its trademarks to final brand owners that apply for a license on the Group's e-branding service platform. Furthermore, the Group also enters into specific brand partner agreements with well-recognized brand owners.

Information Technology

The Group's Information Technology ("**IT**") organization employs a centralized model, with the members of its global IT team located in Lenzing, Austria. The Group's IT team formulates and implements our Group-wide IT strategies relating to our infrastructure, business applications, security and compliance.

The Group has developed detailed plans for the restoration of critical IT processes and operations in the event of a disruption to its IT systems. In addition to designing an architecture that prevents, detects, and isolates security breaches, the resiliency of the network is based upon automatic re-routing of traffic in the event of a circuit failure. Backend services (e.g., servers, directory databases, file servers and similar services) are backed up daily and stored in dedicated

backup datacenters. Mission critical applications are maintained in secure server rooms. Those server rooms have redundant access to internet lines.

In addition, the Group has comprehensive measures in place to deter, prevent, detect, respond to and mitigate a range of information security threats. The Group employs a multi-layer approach through the use of specific security programs and cluster switches where possible. See "*The Group is exposed to various operational risks in connection with the use of information technology.*"

Quality, Environmental and Occupational Safety Control

As chemical processes, the production of pulp and wood-based cellulose fibers are heavily regulated in all countries in which the Group has production facilities. The Management Board believes that it has received, and is substantially in compliance with, all material regulatory approvals and authorizations required for its operations.

In addition, the Group considers certification to be important proof of an organization's status with regard to systems and products. The Group is ISO 9001 certified for its Quality Management System, ISO 45001 certified for its Occupational Health and Safety Management System, and ISO 14001 certified for its Environmental Management System. These Certifications provide business partners and customers with assurance that the Group is maintaining standards with regard to quality, environment and occupational safety. Further, the Group conducts internal and external audits as required by the certification standards set by the Group's certifying body, TÜV Süd.

In 2024 and 2023, one fatal accident was recorded at the Group's sites and the Group's Total Recordable Injury Frequency Rate (TRIFR, which refers to the number of total recordable cases occurring in a workplace per 200,000 working hours) increased from 0.6 in 2023 to 1.0 in 2024.

Administrative, Management and Supervisory Bodies

Management Board

Name	Position	Principal Activities outside of the Issuer
Rohit Aggarwal	Chief Executive Officer	-
Nico Reiner	Chief Financial Officer	-
Christian Skilich	Chief Pulp & Technology Officer	<u>Supervisory Board</u> Labewood s.r.o. Stölzle Oberglas GmbH
Georg Kasperkovitz	Chief Operating Officer	<u>Supervisory Board (Verwaltungsrat)</u> SBB CFF FFS AG

Rohit Aggarwal has been Chief Executive Officer since September 1, 2024. He is a strategic business economist and global leader in the industry, has several decades of experience in leading positions in the textile and chemical industry. He has a sound understanding of the strategic development of international markets and the establishment of efficient management teams through global management positions in Europe, the USA and Asia.

Nico Reiner has been Chief Financial Officer since January 1, 2023. He graduated from the University of Regensburg with a degree in business administration and has a doctorate from HHL Leipzig Graduate School of Management. He has held several positions in his professional career to date, including chief financial officer at globally operating companies such as Schüco Group, AL-KO Group and Pfeiderer Group, as well as management consulting roles. Prior to Lenzing, he had been appointed to chief financial officer of Vacuumschmelze GmbH & CO KG, a global player with headquarters in Hanau that specializes in the development, production and marketing of magnetic materials.

Christian Skilich has been Chief Officer Pulp & Wood since June 1, 2020. He has expertise in the field of paper and pulp technology. After obtaining a master's degree of science in paper technology and engineering & economics from

the Technische Universität Graz (1995), he first held various positions in the paper, packaging and glass industries. Since 2004, he has worked in a broad range of management areas on behalf of the internationally operating Mondi Group. He most recently served as Chief Operating Officer for Mondi AG, where he gained both broad international general management experience in the field of pulp, paper and packaging as well being exposed to large Capital projects on a global scale. He also obtained a master's degree in business administration in 2008 and a master's degree in law and economics from IMADEC University in 2012. He was first appointed as member of the Management Board in 2020 and holds the position of Chief Pulp Officer.

Georg Kasperkovitz was appointed Chief Operating Officer as of June 1, 2025. He has a PhD in mechanical engineering and graduated from the Harvard University Graduate School of Business Administration. He has held several positions in his professional career to date, including partner at McKinsey & Company, chief executive officer at Rail Cargo Austria and Mondi plc., as president of Trivium Packaging BV and MCC Label. He currently serves on the supervisory board (*Verwaltungsrat*) of SBB CFF FSS AG.

Supervisory Board

Currently, the Supervisory Board consists of 9 members appointed by the Shareholders' Meeting and five employee representatives delegated by the works council. The current members of the Supervisory Board are:

Name	Principal Activities outside of the Issuer
Patrick Lackenbucher <i>Chairman of the Supervisory Board</i>	<u>Managing Director</u> B&C Holding Österreich
Carlos Anibal de Almeida Junior <i>1. Deputy Chairman</i>	<u>Supervisory Board</u> Fibria Celulose USA (<i>Member</i>) Fibria Overseas Finance LTD (<i>Member</i>)
Stefan Fida <i>2. Deputy Chairman</i>	<u>Supervisory Board</u> Semperit AG Holding (<i>Deputy Chairman</i>)
Cornelius Baur	<u>Supervisory Board</u> CTS Eventim AG & Co. KGaA (<i>Member</i>) Evonik Industries AG (<i>Member</i>)
Helmut Bernkopf	<u>Supervisory Board</u> Oesterreichische Entwicklungsbank AG (<i>Member</i>) Österreichische Hotel- und Tourismusbank GmbH (<i>Member</i>) OeKB CSD GmbH (<i>Member</i>) OeKB EH Beteiligungs- und Management AG (<i>Member</i>) Acredia Versicherung AG (<i>Member</i>)
Franz Gasselsberger	<u>Supervisory Board</u> Gasteiner Bergbahnen AG (<i>Chairman</i>) BKS Bank AG (<i>Member</i>) Bank für Tirol und Vorarlberg Aktiengesellschaft (<i>Member</i>) voestalpine AG (<i>Member</i>)
Astrid Skala-Kuhmann	<u>Supervisory Board</u> <u>B&C Industrieholding GmbH</u> (<i>Member</i>) <u>B&C KB Holding GmbH</u> (<i>Member</i>)
Gerhard Schwartz	<u>Supervisory Board</u> AMAG Austria Metall AG (<i>Member</i>)

Name	Principal Activities outside of the Issuer
Leonardo Grimaldi	<u>Management Board</u> <u>Suzano S.A. (Member)</u> <u>Veracel Celulose S.A. (Member)</u> <u>Portocel Terminal Especializado De Barra Do Riacho S.A (Chairman)</u>
Markus Fürst	=
Johann Schernberger	=
Helmut Kirchmair	=
Stephan Gruber	=
Bonita Haag	=
Stephan Ertl	=

(Source: Internal information of the Issuer, status as of the date of this Prospectus)

Conflicts of Interest

The Issuer is not aware of any interest of any member of the Management Board or the Supervisory Board relating to unusual business transactions with the Issuer. As of the date of this Prospectus, there are otherwise no arrangements or understandings with major shareholders, customers or suppliers of the Issuers, or with other persons resulting in a conflict of interest, pursuant to which any member of the Management Board or the Supervisory Board was appointed a member of such corporate body. For principal activities outside the Issuer see "*Administrative, Management and Supervisory Bodies*".

Legal and Arbitration Proceedings

Like other companies, claims and litigation are from time to time filed against the Group in the ordinary course of its business activities. These include product and defect liability and compensation claims. In addition, as a manufacturing business, the Group, in the ordinary course of its business, is regularly a party to government and regulatory proceedings and investigations, such as with respect to the extension or renewal of permits, the tightening of environmental requirements and the continued improvement of environmental quality at its operational sites.

During the 12 months preceding the date of this Prospectus there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatening of which Lenzing is aware), which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the Group. For risks relating to legal and administrative proceedings of the Issuer and the Group, see also "*Legal, regulatory and tax risks*".

Material Contracts

Acquisition and Sales Agreements

In 2023, the Group acquired a 43 megawatt biomass power plant located in Heiligenkreuz, Austria, near the Group's existing production site there. With this strategic investment, the Group intends to significantly reduce its dependence on fossil energy at its Heiligenkreuz production site. Whereas the Heiligenkreuz production site was previously dependent on natural gas to a large extent, use of the biomass power plant is planned to substantially reduce the site's CO2 emissions in the future.

In October of 2024, the Group acquired a minority interest in the Swedish company TreeToTextile. Lenzing thereby joins existing owners H&M Group, Inter IKEA Group, Stora Enso, and LSCS Invest. TreeToTextile was founded in 2014 as a joint venture to develop a more sustainable process for the production of cellulosic fibers. The company has

been operating pilot plants since 2015 and invested in a demo plant in 2021. The next step in the company's development will be to scale up production to bring its fibers to market. The transaction was closed in February 2025.

Joint Venture Agreements

The entry into joint ventures is an important element of the Group's operations and strategy. By leveraging the expertise of strategic partners in its joint ventures, the Group seeks to further its strategic goals, including the backward integration of its value chain into DWP.

LD Celulose S.A.

On June 21, 2018, the Issuer established a joint venture, LD Celulose S.A., with Dexco (previously Duratex), a publicly listed Brazilian company with its main business in the production of wood products, sanitary vitreous chinaware and metal fittings, for the purpose of financing, constructing and operating a DWP mill in Indianópolis, Brazil. The Issuer holds 51% of the equity in the joint venture and Dexco holds the remaining 49%. The joint venture relationship is governed by several agreements. For information on the joint venture's financing agreements, see "*Financing Agreements*". A shareholders' agreement (the "**LD Shareholders' Agreement**") governs the rights and obligations of the two shareholders, and, among other things, provides that decisions are made by the majority shareholder (*i.e.*, the Issuer) subject to certain veto rights held by Dexco over specified corporate actions, sets out restrictions on share transfers subject to certain exceptions and imposes non-compete obligations on both shareholders.

The LD Shareholders' Agreement also includes call and put options. Dexco has the right to put its shares to the Issuer at a fair market price, calculated as set forth in the agreement, if the Issuer undergoes a change of control, and has a further discretionary right to put its shares to the Issuer at any time (outside of a specified lock-up period) at a fair market price minus a 20% discount. Dexco has no right to put its shares if the fair market value of LD Celulose shares, calculated as set forth in the agreement, is negative. However, Dexco has the right to call the Issuer's shares in LD Celulose at any time, except when fair market value is negative, at the fair market price if the Issuer faces liquidation or insolvency, fails to perform its financial obligations under other joint venture agreements, or defaults under the financing agreements. The Issuer has the right to call Dexco's shares in LD Celulose at any time, except when fair market value of LD Celulose shares is negative, at the fair market price if the Dexco undergoes a change of control, faces liquidation or insolvency, fails to perform its financial obligations under other joint venture agreements, or defaults under the joint venture's financing agreements. The Issuer further has a discretionary call right at any time at the fair market price plus 25% unless the fair market value of the joint venture is negative.

Other joint venture agreements include a pulp off-take agreement between LD Celulose and Pulp Trading GmbH ("**PTG**"), a wholly-owned subsidiary of the Group, for 100% of the DWP produced at the plant. In addition, LD Celulose has a wood supply agreement and a forestry service agreement with Duratex Florestal Ltda., a wholly-owned subsidiary of Dexco.

The construction costs for the DWP mill project were the largest in the Group's history, amounting to USD 1.38 billion in industrial CAPEX.

The mill, which has a nominal capacity of 500,000 tons of DWP per year, was completed on schedule and the ramp up phase was completed at the end of 2022. The first volumes of pulp have been placed on the market. The mill is also one of the most productive and energy-efficient pulp mills in the world and is designed to feed surplus electricity into the public grid as renewable energy.

LD Florestal S.A.

On June 21, 2018, the Issuer established an additional joint venture with Dexco, LD Florestal S.A. ("**LD Florestal**") for the purpose of securing land use rights and taking on loan liability for the DWP mill in Indianópolis, Brazil, operated by LD Celulose. The Issuer holds 50% of the equity in the joint venture and Dexco holds the other 50%. LD Florestal, among other things, has entered into a land use agreement (the "**Land Use Agreement**") with Ligna Florestal Ltda, a limited liability company, to secure a plantation area of approximately 51,052 hectares. The plantation is FSC certified and supplemented by additional plantation areas, intended to provide the necessary biomass for the operation of the LD Celulose DWP mill. The Land Use Agreement runs for an initial duration of 30 years and grants LD Florestal an option

to renew for an additional 20 years, thereafter there is an option for renewal by mutual agreement. Price adjustments for the Land Use Agreement are based on ordinary index adjustments and on extraordinary reviews based on market variations for eucalyptus plantations in rural areas in the region every five years. LD Florestal has granted access and usage of the plantation to LD Celulose via an assignment of exercise agreement with LD Celulose.

Supply Agreements

Sappi Pulp Supply Agreement

In November 2005, the Group's subsidiary Pulp Trading GmbH entered into a dissolving pulp supply agreement with subsidiaries of Sappi, Sappi Trading Pulp AG, Sappi Trading Germany GmbH and US Paper Corporation, under which Pulp Trading GmbH agreed to purchase certain amounts of DWP (the "**Sappi Pulp Supply Agreement**"). By way of a deed of novation dated May 2010, Sappi Papier Holding GmbH and Sappi Pulp Americas LP assumed and became successors to all of the rights, obligations and liabilities of Sappi Trading Pulp AG, Sappi Trading Germany GmbH and US Paper Corporation. In December 2017, the Sappi Pulp Supply Agreement was amended and restated as of January 1, 2018. The agreement has since been amended a number of times, most recently in May 2023. The Sappi Supply Agreement requires the Group to purchase minimum quantities of DWP on pre-agreed terms. Pricing is based on an index of DWP prices in China.

Supply Agreements with LD Celulose

For a description of the Group's supply agreements with LD Celulose, see "*Joint Ventures Agreements*" above.

Financing Agreements

Term Loan and Revolving Credit Facilities Agreement relating to the Issuer

The Group entered into a senior facilities agreement with an initial term of three years consisting of a term loan facility and a revolving credit facility. The revolving facility may be extended, subject to lenders' approval, to a maximum term of five years. The facilities agreement comprises (i) a EUR 355,000,000 term loan facility with a term of three years from the date of signing and a bullet repayment on the final maturity date, and (ii) a EUR 190,000,000 revolving credit facility, initially available for three years, with options to extend the term up to a maximum of five years. The proceeds from the term loan have been used to refinance previously existing indebtedness and related expenses, while the revolving facility replaces approximately EUR 130 million in bilateral revolving credit facilities and its proceeds will be utilized for general corporate purposes, including working capital requirements. The facilities agreement includes customary terms, conditions, and covenants as agreed with the lenders.

Financing Agreements relating to LD Celulose Joint Venture – Export Prepayment Financing

In September and October 2024, LD Celulose S.A. (as borrower), LD Florestal S.A. (as initial guarantor), both joint ventures between the Issuer and Dexco S.A., and LD Celulose International GmbH (as issuer), entered into several agreements with, amongst others, UMB Bank N.A. (as administrative agent) and TMF Group New York, LLC (as collateral agent) concerning an aggregate financing of USD 1,000,000,000 (the "**LD Celulose Financing 2024**") made available for the refinancing of an export term loan facility agreement which in turn was made available to finance exports of goods by LD Celulose S.A. The LD Celulose Financing 2024 documentation include financing provisions customary for joint venture financings, including representations/warranties, covenants such as restrictions on the incurrence of additional financial indebtedness by any of the joint ventures and their subsidiaries as well as other financial covenants, conditions for disbursement of loans under such loan agreements, prepayment provisions, and events of default. While the main financing documents are governed by the laws of the state of New York, the LD Celulose Financing 2024 is secured by customary security agreements mainly governed by Brazilian and Austrian law entered into by LD Celulose S.A., LD Florestal S.A. and LD Celulose International GmbH.

The LD Celulose Financing 2024 comprises the issuance of USD 650,000,000 green senior secured notes due 2032 with an interest coupon of 7.950% by LD Celulose International GmbH, a wholly-owned Austrian subsidiary of LD Celulose S.A. the proceeds of which were upstreamed and used for the repayment of indebtedness of LD Celulose S.A., and a

senior secured term loan facility with LD Celulose S.A. (as borrower) in an initial amount of USD 350,000,000, partially amortising with a balloon repayment 60 months after the closing date of the transaction.

In addition, LD Celulose International GmbH and Lenzing Aktiengesellschaft and Dexco S.A. (each as subordinated creditors) entered into an intercreditor and collateral agency agreement with, amongst others, UMB Bank, N.A. in connection with the LD Celulose Financing 2024.

The Issuer and Dexco S.A. (each as lender), LD Celulose S.A. (as borrower) and LD Florestal S.A. (as guarantor) entered into an inter-company unsecured revolving loan facility agreement governed by the laws of the state of New York with, amongst others, Dexco S.A. and Lenzing Aktiengesellschaft (each as lender) in connection with a USD 75,000,000 revolving facility.

Other Agreements

The Issuer has also provided a guarantee with respect to certain obligations of PTG, under a pulp off-take agreement between PTG and LD Celulose. Under the deed of guarantee, the Issuer is liable for off-take of the entire production volume of LD Celulose's DWP by PTG. The guarantee will terminate upon the termination of the off-take agreement in accordance with its terms. For more information on the pulp off-take agreement between PTG and LD Celulose, see "Joint Ventures Agreements" above.

Hybrid Notes

In December 2020, the Issuer issued a subordinated perpetual bond (hybrid capital) with a total volume of EUR 500 million and a coupon of 5.75% (the "**Existing Notes**"). The Existing Notes have a perpetual tenor and can be called or redeemed by the Issuer at the earliest on September 7, 2025. Investors have no call rights. If the hybrid capital is not called, it will carry a changed interest rate from December 8, 2025 (then applicable 5-year swap rate plus a margin of 11.208%) and is callable at any interest payment date thereafter.

Interest will be due and payable in arrear on December 7 of each year unless the Issuer decides to defer such interest payment. Outstanding deferred interest must be paid under certain circumstances, in particular when the Issuer's annual general meeting resolves to pay a dividend.

*German law *Schuldscheindarlehen**

The Issuer has issued several unrated, senior unsecured private placements in recent years in the form of German law *Schuldscheindarlehen* into several tranches. As of the date of this Prospectus, these *Schuldscheindarlehen* had the following outstanding nominal values:

- EUR 159.5 million with floating interest rates due 2026. The weighted-average margin over 6-month EURIBOR of these facilities is 1.05%.
- EUR 4.5 million with floating interest rates due 2029. The weighted-average margin over 6-month EURIBOR of these facilities is 1.25%.
- EUR 170.5 million with fixed interest rates due between 2025 and 2034. The weighted-average interest rate of these facilities is 1.51%.

All *Schuldscheindarlehen* provide for customary set-offs, undertakings and events of default.

Other financing agreements

The Issuer, as borrower, concluded several loan agreements with certain financial institutions (including certain Managers or their affiliates) based on issued guarantees by aval (*Wechselbürgschaftszusagen*) of the Republic of Austria and refinancing commitments (*Refinanzierungszusagen*) of the Oesterreichische Kontrollbank AG ("**OeKB**"). These export financing loan agreements remain in effect as long as the issued guarantees by aval in favor of the respective lender and/or the refinancing commitments do not cease. The export financing loan agreements include:

- a loan agreement dated May 15, 2018 in the amount of EUR 200.0 million with an initial term of 8 years for purposes of financial investments in Lenzing Fibers Inc. in the United States;

- a loan agreement dated December 17, 2018 in the amount of EUR 40.0 million with an initial term of 7 years for purposes of financial investments in Lenzing (Nanjing) Fibers Co., Ltd. in China;
- a term equity financing dated November 8, 2019 in the amount of EUR 300.0 million at market interest rate with an initial term of 10 years and a term equity financing dated December 3, 2020 in the amount of EUR 60.0 million at market interest rate with an initial term of 8 years in connection with the lyocell production plant in Thailand;
- two independent loan agreements dated April 8 and 21, 2020 with an aggregated amount of EUR 35.0 million (EUR 17.5 million each) at market interest rates with an initial term of 7 years for purposes of financial investments in Austria (Exportinvest Green); and
- a *Beteiligungsfinanzierung* (instrument to finance foreign investments) dated February 6, 2023 in the amount of EUR 100.0 million at market interest rates with an initial term of 5 years for purposes of financial investments in PT. South Pacific Viscose in Indonesia.

Debt maturity profile

The following table describes the term structure of the Group's financial liabilities (excluding IFRS 16 leases) as drawn down as of December 31, 2024

Maturity of financial liabilities⁽¹⁾ (excluding IFRS 16 leases) drawn down as of December 31, 2024			
<i>Unaudited</i>			
<i>(in EUR million)</i>			
	<i>LD Celulose Financing 2024</i>	<i>German law Schuldscheindarlehen</i>	<i>Bank loans</i>
2025	47.9	68.5	71.0
2026	47.9	239.0	144.8
2027	47.9	0.0	180.5
2028	47.9	0.0	504.5 ⁽²⁾
2029	143.6	14.0	80.4
2030	0.0	0.0	14.4
2032	622.4	0.0	-
2034	-	13.0	-
Total	957.6	334.5	995.6

(1) Maturity pursuant to contractual regulation of the financing agreements. Excluding the Existing Notes.

(2) Includes EUR 355 million of the term loan facility entered into in May 2025.

(Source: Internal information of the Issuer)

Financial Information

Historic Financial Information

This Prospectus incorporates by reference the following financial information in relation to the Issuer:

- English translations of the unaudited condensed consolidated interim financial statements of Lenzing Aktiengesellschaft and its subsidiaries as of and for the three months ended March 31, 2025 (the "**2025 Unaudited Condensed Consolidated Interim Financial Statements**") prepared in German language and in accordance with International Financial Reporting Standards, as adopted by the EU ("**IFRS**") applicable to interim financial reporting (IAS34);
- English translations of the unaudited condensed consolidated interim financial statements of Lenzing Aktiengesellschaft and its subsidiaries as of and for the three months ended March 31, 2024 (the "**2024 Unaudited Condensed Consolidated Interim Financial Statements**", together with the 2025 Unaudited

Condensed Consolidated Interim Financial Statements, the "**Unaudited Condensed Consolidated Interim Financial Statements**") prepared in German language and in accordance with IFRS applicable to interim financial reporting (IAS34);

- English translations of the audited consolidated financial statements of Lenzing Aktiengesellschaft and its subsidiaries for the financial year ended December 31, 2024, including comparative figures for the financial year ended December 31, 2023 prepared in German language (the "**2024 Audited Consolidated Financial Statements**") together with an English translation of the German language report of the statutory auditor; and
- English translations of the audited consolidated financial statements of Lenzing Aktiengesellschaft and its subsidiaries for the financial year ended December 31, 2023, including comparative figures for the financial year ended December 31, 2023 prepared in German language (the "**2023 Audited Consolidated Financial Statements**," together with the 2024 Audited Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**") together with an English translation of the report of the statutory auditor.

The financial information was extracted respectively from the 2025 Unaudited Condensed Consolidated Interim Financial Statements, the 2024 Unaudited Condensed Consolidated Interim Financial Statements, the 2024 Audited Consolidated Financial Statements, and the 2023 Audited Consolidated Financial Statements. The Issuer is the ultimate holding company of the Group and an operative company. Unless otherwise indicated, the financial information presented in this Prospectus is the historical consolidated financial information of the Group.

The Audited Consolidated Financial Statements contained in this Prospectus are prepared and presented in accordance with IFRS as issued by the International Accounting Standards Board and as adopted by the European Union and the additional requirements pursuant to section 245a Austrian Commercial Code (*Unternehmensgesetzbuch*, the "**Commercial Code**"). The original German language Audited Consolidated Financial Statements have been audited by KPMG Austria GmbH Wirtschaftsprüfungs-und Steuerberatungsgesellschaft ("**KPMG**"), Kudlichstraße 41-43, 4020 Linz, Austria. The English language Audited Consolidated Financial Statements and the respective reports of the statutory auditor are convenience translations of the original German language documents and only the original German language documents are legally binding. The originally German-language Audited Consolidated Financial Statements and the respective originally German-language auditor's reports thereon may be found on the Issuer's website, the content of which does not form part of this Prospectus.

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

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

Other Financial Measures

Overview of Alternative Performance Measures

In accordance with the Commission Delegated Regulation (EU) 2016/301 and the European Securities and Markets Authority (the "**ESMA**") Guidelines published on October 5, 2015 (the "**ESMA Guidelines**"), the following list sets out information related to certain financial measures of the Group that are not required by, or not presented in accordance with, IFRS, which the Group regards as alternative performance measures ("**APMs**") within the meaning of the ESMA Guidelines:

- Earnings before interest, tax, depreciation and amortization ("**EBITDA**")
- EBITDA margin

- Earnings before interest and tax ("**EBIT**") margin
- Return on capital employed ("**ROCE**")
- Return on equity ("**ROE**")
- Return on investment ("**ROI**")
- Free cash flow
- Liquid assets
- Adjusted equity
- Adjusted equity ratio
- Net financial debt
- Net financial debt/EBITDA
- Net debt
- Net gearing
- Trading working capital
- Trading working capital to annualized group revenue

For a definition of these APMs and a reconciliation of each APM to the nearest financial measure presented in accordance with IFRS, see "*Reconciliation and Relevance of Alternative Performance Measures*".

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

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

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

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

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

	As of and for the Three Months Ended March 31,		As of and for the Year Ended December 31,	
	<i>(unaudited)</i>		<i>(audited, unless otherwise indicated)</i>	
	<i>(EUR million, unless otherwise indicated)</i>			
EBITDA ⁽¹⁾	156.1	71.4	395.4	303.3
EBITDA margin ⁽²⁾ (in %)	22.6%	10.8%	14.8%	12.0%
EBIT margin ⁽³⁾ (in %)	10.8%	0.2%	3.3%	(18.9)%
ROCE ⁽⁴⁾⁽⁵⁾ (in %)	-	-	3.6%	(14.2)%
ROE ⁽⁵⁾⁽⁶⁾ (in %)	-	-	(2.4)%	(30.1)%
ROI ⁽⁵⁾⁽⁷⁾ (in %)	-	-	1.7%	(8.9)%
Free cash flow ⁽⁵⁾⁽⁸⁾	14.5	87.3	167.0	(122.8)
Liquid assets ⁽⁹⁾	439.9	843.6	451.7	731.0
Adjusted equity ⁽¹⁰⁾	1,712.8	1,741.9	1,725.9	1,809.1
Adjusted equity ratio ⁽¹¹⁾ (in %)	35.3%	32.7%	34.7%	34.7%
Net financial debt ⁽¹²⁾	1,499.3	1,477.1	1,532.5	1,562.6
Net financial debt/EBITDA ⁽¹³⁾ (in x)	3.1	4.3	3.9	5.2
Net debt ⁽⁵⁾⁽¹⁴⁾	1,709.6	1,691.9	1,732.2	1,779.5
Net gearing ⁽⁵⁾⁽¹⁵⁾ (in %)	87.5%	84.8%	88.8%	86.4%
Trading working capital ⁽⁵⁾⁽¹⁶⁾	602.2	517.3	578.0	551.1
Trading working capital to annualized group revenue ⁽⁵⁾⁽¹⁷⁾ (in %)	21.8%	19.6%	20.5%	21.0%

- (1) EBITDA is defined as the Group's earnings before interest, tax, amortization of intangible assets and 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.
- (2) EBITDA margin is defined as the ratio of the Group's EBITDA to the Group's revenue.
- (3) EBIT margin is defined as the ratio of the Group's EBIT to the Group's revenue.
- (4) ROCE is defined as the Group's net operating profit after tax (*i.e.*, EBIT less the proportional share of current income tax expense) as a percentage of the Group's average capital employed for January 1 and December 31.
- (5) Unaudited.
- (6) ROE is defined as the Group's earnings before tax (EBT) as a percentage of the Group's average adjusted equity from January 1 and December 31.
- (7) ROI is defined as the Group's EBIT as a percentage of the Group's average total assets from January 1 and December 31.
- (8) Free cash flow is defined as the Group's cash flow from operating activities less cash flow from investing activities less cash flow from investing activities plus acquisition/disbursement of other investments and investments accounted for using the equity method less proceeds from the sale/repayment of other investments and the sale of investments accounted for using the equity method.
- (9) Liquid assets is defined as the Group's cash and cash equivalents plus liquid bills of exchange.
- (10) Adjusted equity is defined as the Group's equity including non-current and current government grants less the proportional share of deferred taxes on these government grants.
- (11) Adjusted equity ratio is defined as the ratio of the Group's adjusted equity to the Group's total assets.
- (12) Net financial debt is defined as the Group's interest-bearing loans and borrowings (*i.e.*, non-current and current loans and borrowings) less liquid assets and excluding lease liabilities (*i.e.*, non-current and current lease liabilities).
- (13) Net financial debt/EBITDA is defined as the ratio of the Group's net financial debt to the Group's EBITDA for the respective last twelve months.
- (14) Net debt is defined as the Group's level of net financial debt plus lease liabilities (*i.e.*, non-current and current lease liabilities) and the provisions for severance payments and pensions.
- (15) Net gearing is defined as the ratio of the Group's net financial debt to the Group's adjusted equity.
- (16) Trading working capital is defined as the Group's inventories plus trade receivables less trade payables.
- (17) Trading working capital to annualized group revenue is defined as the ratio of the Group's trading working capital to the Group's latest reported quarterly revenue multiplied by 4.

(Source: 2025 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Audited Consolidated Financial Statements, 2023 Audited Consolidated Financial Statements and internal information of the Issuer)

Reconciliation and Relevance of Alternative Performance Measures

EBITDA and EBITDA margin

EBITDA is defined as the Group's earnings result before interest, tax, amortization of intangible assets and 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. EBITDA margin is defined as the ratio of the Group's EBITDA to the Group's revenue. The Issuer believes that EBITDA and EBITDA margin are meaningful financial measures to evaluate operating earnings and profitability (performance). The Issuer understands that these financial measures are also broadly used by analysts, rating agencies and investors in assessing other companies' operating performance.

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

	For the Three Months Ended March 31,		For the Year Ended December 31,	
	2025	2024	2024	2023
	<i>(unaudited)</i>		<i>(audited)</i>	
	<i>(EUR million, unless otherwise indicated)</i>			
Earnings before interest and tax (EBIT)	74.3	1.5	88.5	(476.4)
Amortization of intangible assets and depreciation of property, plant and equipment and right-of-use assets and depletion of biological assets.....	82.3	70.4	308.8	781.8
Income from the release of investment grants	(0.4)	(0.5)	(1.8)	(2.0)
EBITDA.....	156.1	71.4	395.4	303.3
/Revenue	690.2	658.4	2,663.9	2,521.2
EBITDA margin (in %).....	22.6%	10.8%	14.8%	12.0%

(Source: 2025 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Audited Consolidated Financial Statements, 2023 Audited Consolidated Financial Statements)

EBIT margin

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

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

	For the Three Months Ended March 31,		For the Year Ended December 31,	
	2025	2024	2024	2023
	<i>(unaudited)</i>		<i>(audited)</i>	
	<i>(EUR million, unless otherwise indicated)</i>			
Earnings before interest and tax (EBIT).....	74.3	1.5	88.5	(476.4)
/Revenue	690.2	658.4	2,663.9	2,521.2
EBIT margin (in %)	10.8%	0.2%	3.3%	(18.9)%

(Source: 2025 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Audited Consolidated Financial Statements, 2023 Audited Consolidated Financial Statements)

ROCE

ROCE is defined as the Group's net operating profit after tax (*i.e.*, EBIT less the proportional share of current income tax expense) as a percentage of the Group's average capital employed for January 1 and December 31. The Issuer

believes that ROCE is a meaningful financial measure to evaluate the yield (return) on the capital employed in the operating business. The Issuer understands that this financial measure is an important indicator for external stakeholders.

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

	As of and for the Year Ended December 31,	
	2024	2023
	<i>(audited, unless otherwise indicated)</i>	
	<i>(EUR million, unless otherwise indicated)</i>	
Earnings before interest and tax (EBIT).....	88.5	(476.4)
Proportional share of current income tax expense (on EBIT) ⁽¹⁾⁽²⁾	35.0	(56.5)
Earnings before interest and tax (EBIT) less proportional share of current income tax expense (NOPAT) ⁽¹⁾	123.5	(532.9)
/Average capital employed ⁽¹⁾	3,458.6	3,748.5
ROCE (return on capital employed)⁽¹⁾ (in %).....	3.6%	(14.2)%
Proportional share of current income tax expense (on EBIT) ⁽¹⁾	35.0	(56.5)
Proportional share of other current tax expense ⁽¹⁾	(51.6)	(13.7)
Current income tax expense⁽¹⁾.....	(16.6)	(70.2)
Total assets.....	4,976.8	5,214.6
Trade payables.....	(386.4)	(296.3)
Non-current puttable non-controlling interests.....	(231.0)	(249.4)
Other non-current liabilities.....	(9.8)	(13.6)
Other current liabilities.....	(291.9)	(129.2)
Non-current tax liabilities.....	0.0	(48.0)
Current tax liabilities.....	(16.0)	(32.1)
Deferred tax liabilities.....	(74.6)	(40.1)
Proportional share of deferred taxes on government grants.....	(21.7)	(19.3)
Current provisions.....	(28.5)	(52.6)
Non-current provisions.....	(83.0)	(89.1)
Provisions for severance payments and pensions.....	75.9	74.8
Cash and cash equivalents.....	(442.3)	(725.6)
Investments accounted for using the equity method.....	(25.0)	(31.0)
Other investments.....	(48.4)	(39.8)
As at 31/12 ⁽¹⁾	3,394.1	3,523.2
As at 01/01 ⁽¹⁾	3,523.2	3,973.8
Average capital employed⁽¹⁾.....	3,458.6	3,748.5

(1) Unaudited.

(2) EBIT/ (EBT less income from investments accounted for using the equity method) multiplied with Current income tax expense

(Source: 2025 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Audited Consolidated Financial Statements, 2023 Audited Consolidated Financial Statements)

ROE

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

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

	As of and for the Year Ended December 31,	
	2024	2023
	<i>(audited, unless otherwise indicated)</i>	
	<i>(EUR million, unless otherwise indicated)</i>	
Earnings before tax (EBT).....	(42.0)	(585.6)
/Average adjusted equity ⁽¹⁾	1,767.5	1,948.8
ROE (return on equity)⁽¹⁾ (in %)	(2.4)%	(30.1)%
Adjusted equity 31/12.....	1,725.9	1,809.1
Adjusted equity 01/01.....	1,809.1	2,088.6
Average adjusted equity⁽¹⁾	1,767.5	1,948.8

(1) Unaudited.

(Source: 2025 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Unaudited Condensed Audited Consolidated Financial Statements, 2023 Audited Consolidated Financial Statements)

ROI

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

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

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

(1) Unaudited.

(Source: 2025 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Audited Consolidated Financial Statements, 2023 Audited Consolidated Financial Statements)

Free cash flow

Free cash flow is defined as the Group's cash flow from operating activities less cash flow from investing activities plus acquisition/disbursement of other investments and investments accounted for using the equity method less proceeds from the sale/repayment of other investments and the sale of investments accounted for using the equity method. The Issuer believes that free cash flow is a meaningful financial measure because it corresponds to the readily available cash flow to service the providers of debt and equity. The Issuer understands that this financial measure is an important indicator for external stakeholders.

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

	For the Three Months Ended March 31,		For the Year Ended December 31,	
	2025	2024	2024	2023
	<i>(unaudited)</i>		<i>(audited, unless otherwise indicated)</i>	
	<i>(EUR million)</i>			
Cash flow from operating activities.....	47.1	120.7	322.5	160.3
Cash flow from investing activities	(36.1)	(32.8)	(185.0)	(291.5)
Acquisition/Disbursement of other investments and investments accounted for using the equity method	4.1	5.6	37.1	14.2
Proceeds from the sale/repayment of other investments and the sale of investments accounted for using the equity method	(0.5)	(6.1)	(7.5)	(5.8)
Free cash flow⁽¹⁾	14.5	87.3	167.0	(122.8)

(1) Unaudited.

(Source: 2025 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Audited Consolidated Financial Statements, 2023 Audited Consolidated Financial Statements)

Liquid assets

Liquid assets are defined as the Group's cash and cash equivalents plus liquid bills of exchange. The Issuer believes that liquid assets is a meaningful financial measure because it shows the ability to meet due payment obligations immediately with available funds.

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

	As of March 31,		As of December 31,	
	2025	2024	2024	2023
	<i>(unaudited)</i>		<i>(audited)</i>	
	<i>(EUR million)</i>			
Cash and cash equivalents	428.8	827.7	442.3	725.6
Liquid bills of exchange (in trade receivables).....	11.1	15.9	9.4	5.4
Liquid assets.....	439.9	843.6	451.7	731.0

(Source: 2025 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Audited Consolidated Financial Statements, 2023 Audited Consolidated Financial Statements)

Adjusted equity and adjusted equity ratio

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

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

	As of March 31,		As of December 31,	
	2025	2024	2024	2023
	<i>(unaudited)</i>		<i>(audited)</i>	
	<i>(EUR million, unless otherwise indicated)</i>			
Equity	1,659.9	1,688.4	1,652.0	1,742.2
Non-current government grants.....	11.9	13.7	12.1	14.1
Current government grants	56.4	55.1	83.5	72.1
Proportional share of deferred taxes on government grants	(15.4)	(15.3)	(21.7)	(19.3)
Adjusted equity	1,712.8	1,741.9	1,725.9	1,809.1
/Total assets	4,854.2	5,323.7	4,976.8	5,214.6
Adjusted equity ratio (in %).	35.3%	32.7%	34.7%	34.7%

(Source: 2025 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Audited Consolidated Financial Statements, 2023 Audited Consolidated Financial Statements)

Net financial debt and net financial debt/EBITDA

Net financial debt is defined as the Group's interest-bearing loans and borrowings (*i.e.*, non-current and current loans and borrowings) less liquid assets and excluding lease liabilities (*i.e.*, non-current and current lease liabilities). Net financial debt/EBITDA is defined as the ratio of the Group's net financial debt to the Group's EBITDA. The Issuer believes that net financial debt and net financial debt/EBITDA are meaningful financial measures to evaluate financial indebtedness and capital structure.

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

	As of March 31,		As of December 31,	
	2025	2024	2024	2023
	<i>(unaudited)</i>		<i>(audited)</i>	
	<i>(EUR million, unless otherwise indicated)</i>			
Current loans and borrowings.....	280.7	545.3	279.4	529.0
Non-current loans and borrowings	1,794.8	1,917.3	1,828.5	1,906.7
Liquid assets	(439.9)	(843.6)	(451.7)	(731.0)
Net financial debt incl lease liabilities	1,635.6	1,618.9	1,656.3	1,704.7
Current lease liabilities	(9.8)	(9.8)	(9.6)	(9.8)
Non-current lease liabilities	(126.5)	(132.1)	(114.2)	(132.3)
Net financial debt.....	1,499.3	1,477.1	1,532.5	1,562.6
EBITDA	480.2	344.9	395.4	303.3
Net financial debt/EBITDA (in x).....	3.1	4.3	3.9	5.2

(Source: 2025 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Audited Consolidated Financial Statements, 2023 Audited Consolidated Financial Statements and internal information of the Issuer)

Net debt

Net debt is defined as the Group's level of net financial debt plus lease liabilities (*i.e.*, non-current and current lease liabilities) and the provisions for severance payments and pensions. The Issuer believes that net debt is a meaningful financial measure for investors and stakeholders to assess the Group's financial position.

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

	As of March 31,		As of December 31,	
	2025	2024	2024	2023
	<i>(unaudited)</i>		<i>(audited, unless otherwise indicated)</i>	
	<i>(EUR million)</i>			
Current loans and borrowings.....	280.7	545.3	279.4	529.0
Non-current loans and borrowings	1,794.8	1,917.3	1,828.5	1,906.7
Liquid assets	(439.9)	(843.6)	(451.7)	(731.0)
Net financial debt incl lease liabilities	1,635.6	1,618.9	1,656.3	1,704.7
Current lease liabilities	(9.8)	(9.8)	(9.6)	(9.8)
Non-current lease liabilities	(126.5)	(132.1)	(114.2)	(132.3)
Net financial debt.....	1,499.3	1,477.1	1,532.5	1,562.6
Current lease liabilities	9.8	9.8	9.6	9.8
Non-current lease liabilities	126.5	132.1	114.2	132.3
Provisions for severance payments and pensions	74.0	72.9	75.9	74.8
Net debt⁽¹⁾	1,709.6	1,691.9	1,732.2	1,779.5

(1) Unaudited.

(Source: 2025 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Audited Consolidated Financial Statements, 2023 Audited Consolidated Financial Statements)

Net gearing

Net gearing is defined as the ratio of the Group's net financial debt to the Group's adjusted equity. The Issuer believes that net gearing is a meaningful financial measure because it is occasionally used as a financial covenant by lenders.

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

	As of March 31,		As of December 31,	
	2025	2024	2024	2023
	<i>(unaudited)</i>		<i>(audited, unless otherwise indicated)</i>	
	<i>(EUR million, unless otherwise indicated)</i>			
Current loans and borrowings.....	280.7	545.3	279.4	529.0
Non-current loans and borrowings	1,794.8	1,917.3	1,828.5	1,906.7
Liquid assets	(439.9)	(843.6)	(451.7)	(731.0)
Net financial debt incl lease liabilities	1,635.6	1,618.9	1,656.3	1,704.7
Current lease liabilities	(9.8)	(9.8)	(9.6)	(9.8)
Non-current lease liabilities.....	(126.5)	(132.1)	(114.2)	(132.3)
Net financial debt.....	1,499.3	1,477.1	1,532.5	1,562.6
/Adjusted equity.....	1,712.8	1,741.9	1,725.9	1,809.1
Net gearing⁽¹⁾ (in %)	87.5%	84.8%	88.8%	86.4%

(1) Unaudited.

(Source: 2025 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Audited Consolidated Financial Statements, 2023 Audited Consolidated Financial Statements)

Trading working capital and trading working capital to annualized group revenue

Trading working capital is defined as the Group's inventories plus trade receivables less trade payables. Trading working capital to annualized group revenue is defined as the ratio of the Group's trading working capital to the Group's latest

reported quarterly revenue multiplied by 4. The Issuer believes that trading working capital and trading working capital to annualized group revenue are meaningful financial measures to evaluate potential liquidity and capital efficiency, as well as to compare capital turnover.

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

	As of March 31,		As of December 31,	
	2025	2024	2024	2023
	<i>(unaudited)</i>		<i>(audited, unless otherwise indicated)</i>	
	<i>(EUR million, unless otherwise indicated)</i>			
Inventories	647.7	540.7	646.2	552.9
Trade receivables	308.9	315.8	318.2	294.5
Trade payables.....	(354.4)	(339.2)	(386.4)	(296.3)
Trading working capital⁽¹⁾	602.2	517.3	578.0	551.1
Latest reported quarterly group revenue ⁽¹⁾	690.2	658.4	705.7	655.4
x4 (=annualized group revenue) ⁽¹⁾	2,760.8	2,633.5	2,822.8	2,621.6
Trading working capital to annualized group revenue⁽¹⁾	21.8%	19.6%	20.5%	21.0%

(1) Unaudited.

(Source: 2025 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Unaudited Condensed Consolidated Interim Financial Statements, 2024 Audited Consolidated Financial Statements, 2023 Audited Consolidated Financial Statements)

Recent Developments

In October of 2024, the Group acquired a minority interest in the Swedish company TreeToTextile. The closing of this transaction occurred in February 2025. The purchase price was already paid in the financial year 2024.

Trend Information and Significant Changes

The International Monetary Fund recently reduced its global growth forecast since a series of new tariff measures by the United States and countermeasures by its trading partners were announced and implemented, ending up in near-universal US tariffs on April 2, 2025, raising effective tariff rates to levels not seen in a century. Global growth is projected to drop to 2.6% in 2025 and 3% in 2026 – down from 3.3% for both years projected in January 2025 (*source: International Monetary Fund World Economic Outlook, April 2025*).

In the trend-setting market for cotton, analysts anticipate a slight increase of stock levels to around 18.7 million tonnes in the current 2024/2025 harvest season, following a reduction of 0.9 million tonnes in the previous season, according to preliminary estimates.

There have been no significant events occurring since December 31, 2024, which could have resulted in a material adverse change in the prospects of the Issuer or that could result in a significant change in the financial position or performance of the Issuer.

TAXATION IN AUSTRIA

The tax legislation of the state of tax residence of a prospective holder of Notes (the "Noteholders" and each a "Noteholder"), or of a jurisdiction where a prospective Noteholder is subject to taxation, and the tax legislation of the Issuer's country of tax residence may have an impact on the income received from the Notes.

The following is a general overview of certain Austrian tax considerations relating to the purchasing, holding and disposing of Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular Noteholder. The discussions that follow are based upon the applicable Austrian laws in force and their interpretation on the date of this Prospectus. These tax laws and interpretations are subject to change that may occur after such date, even with retroactive effect.

The information contained in this section is limited to taxation issues and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

Prospective Noteholders should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing the Notes, including the application and effect of any federal, state or local taxes, under the tax laws of each country of which they are tax residents.

Qualification of the Notes and Withholding Tax Obligation

Determining the qualification of a hybrid financial instrument is based on weighing typical equity-like criteria against typical debt-like criteria in a quantitative and qualitative manner, thereby taking into account, inter alia, the instrument's term, the profit dependency of distributions, the participation in the issuer's liquidation proceeds, the granting of security, a potential subordination and the granting of typical shareholder control and voting rights. An unconditional obligation to repay the investment amount and to pay fixed or variable interest on the investment amount support the qualification as a debt instrument. If interest payments depend on the profit but are only deferred in case no sufficient profit is generated, such profit dependency should not change the qualification as a debt instrument. By contrast, granting a right to participate in both the current profits and the liquidation proceeds of the issuer would be aspects supporting an equity qualification of the respective instrument, just as much as rights similar to a shareholder or the obligation to compensate for losses. In the case at hand, the Issuer takes the position that the Notes qualify as debt instruments for Austrian income tax law purposes.

For the following it is assumed that the Notes are legally and factually offered to an indefinite number of persons.

In light of the above and because interest payments made under the Notes are made through a paying agent that is a bank, the Issuer is not obliged to withhold Austrian taxes upon paying interest to the paying agent.

Austrian withholding tax will be imposed at a rate of 27.5% (or 23 % for corporations under certain circumstances), as more closely described below, if a certain nexus to Austria is fulfilled.

Taxation in the Republic of Austria

Austrian tax resident Noteholders

Income from the Notes derived by individuals, who have a domicile and/or their habitual abode in Austria (residents) and who are thus subject to taxation on their worldwide income (unlimited tax liability), is subject to Austrian income tax. Income from the Notes derived by corporate Noteholders, whose seat and/or place of management is based in Austria, is subject to Austrian corporate income tax (unlimited tax liability). Individuals or corporations who have neither a domicile nor their habitual abode or seat / place of effective management in Austria (non-residents), are subject to income tax only on income from certain Austrian sources (limited tax liability).

In the case of both unlimited and limited income tax liability, Austria's right to tax may be restricted by double taxation treaties.

Notes held privately by Austrian resident individuals

Because it is assumed that the Notes are legally and factually offered to an indefinite number of persons, interest paid on the Notes to individuals who are resident in Austria as well as realized capital gains from the Notes received by such individuals are subject to income tax at the special tax rate of 27.5%. If the Notes were not publicly offered for Austrian income tax purposes, interest paid on the Notes would not be subject to the special tax rate of 27.5%; instead the regular progressive personal income tax rates of currently up to 50% for income exceeding EUR 103,072/p.a. (for the year of issuance of the Notes) and 55% in the highest bracket for income exceeding EUR 1 million/p.a. would apply.

If the special tax rate of 27.5% is imposed by way of withholding (*Kapitalertragsteuer*), which is the case if an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian (*depotführende Stelle*) is involved in making the respective payments of either interest or sales proceeds, a final taxation regime applies. An Austrian paying agent or custodian is an Austrian bank including Austrian branches of non-Austrian banks or investment service providers domiciled in the EU. If interest payments or a realized capital gain is not subject to Austrian withholding tax because there is no Austrian custodian or paying agent involved, the taxpayer will have to include the respective income in his or her personal annual income tax return pursuant to the provisions of the Austrian Income Tax Act. Generally, the special income tax rate of 27.5% applies also in such a case.

Realized capital gains means any income derived from the sale or redemption of the Notes. The tax base is, in general, the difference between the sale or the redemption proceeds and the acquisition costs. Expenses and costs which are directly connected with income subject to the special tax rate of 27.5% are not deductible. For Notes held as private assets, the acquisition costs shall not include ancillary acquisition costs.

Value increases of the Notes might not only become subject to income tax at a rate of 27.5% upon an actual disposition or redemption of the Notes, but also upon a deemed realization. Such deemed realization may apply upon an individual's move from Austria to another country, upon the change of the securities account in which the Notes are held, upon a donation of the Notes to a non-resident, or upon other circumstances that lead to a limitation of the right to tax for Austria. No taxation may arise in the case of certain deemed realization events if certain reporting measures to the Austrian fiscal authorities are fulfilled.

Taxpayers may opt for taxation of the income derived from the Notes at the regular personal income tax rate, instead of applying the special tax rate of 27.5%. Any Austrian withholding tax withheld will then be credited against the income tax. Such application for opting into taxation at the regular progressive personal income tax rates must, however, include all income subject to the special 25% and 27.5% rates. Expenses in direct economic connection with such income are also not deductible if the option for taxation at the regular progressive personal income tax rate is made. Whether the use of the option is beneficial from a tax perspective must be determined by the individual himself or by consulting a tax advisor.

Losses from Notes held as private assets may only be set off with other investment income subject to the special 27.5% tax rate (excluding, inter alia, interest income from bank deposits and other non-securitized claims against banks and income from private foundations). Austrian tax law provides for a mandatory set-off by the Austrian custodian of losses against investment income from securities accounts at the same custodian (subject to certain exemptions) in the same fiscal year. A carry-forward of such losses is not permitted.

Notes held as business assets by Austrian resident individuals

Interest payments and capital gains derived from the Notes which are held by individuals as business assets are also subject to the special income tax rate of 27.5% and withholding applies as described above. However, realized capital gains have to be included in the annual income tax return. An option for taxation at the regular personal income tax rate as described above may be exercised. Write-downs and losses derived from the sale or redemption of the Notes held as business assets must primarily be set off against positive income from realized capital gains of financial instruments of the same business and only 55% of the remaining loss may be set off or carried forward against any other income. Custodian banks do not implement the offsetting of losses with respect to securities accounts that are not privately held; instead losses are taken into account upon assessment. The acquisition costs of Notes held as business assets may also include ancillary costs incurred upon the acquisition.

It is noted that expenses and costs (*Aufwendungen und Ausgaben*) directly connected with investment income subject to the special income tax rate of 27.5% are also not tax deductible in case the Notes are held as business assets.

Notes held by Austrian resident corporations

Income, including capital gains, from the Notes derived by corporate Noteholders, whose seat and/or place of effective management is based in Austria, is subject to Austrian corporate income tax at a rate of 23% pursuant to the provisions of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*). Corporate Noteholders deriving business income from the Notes may avoid the application of Austrian withholding tax by filing a declaration of exemption (*Befreiungserklärung*) with the Austrian withholding tax agent, which has to be forwarded to the tax office in charge by such agent. If no declaration of exemption was filed, the withholding tax (levied at the regular rate of 27.5%, or at a reduced rate of 23% which might be applied in case of corporations – although the Austrian withholding tax agent is not obliged to do so) might be credited as prepayment to the corporate income tax and refunded with the amount exceeding the corporate income tax.

There is, inter alia, a special tax regime for private foundations established under Austrian law (*Privatstiftungen*) fulfilling certain prerequisites. Austrian private foundations deriving income from the Notes may avoid the application of Austrian withholding tax by filing a declaration of exemption (*Befreiungserklärung*) with the Austrian withholding tax agent, if an Austrian credit institution is the Austrian withholding tax agent. The income is subject to an interim taxation at a rate of 23% upon assessment which can be credited against the withholding tax levied on allocations from the private foundations to the beneficiaries.

Non-resident Noteholders

Individuals who do not have a domicile nor their habitual abode in Austria or corporate investors that do not have their corporate seat nor their place of management in Austria ("non-residents") are taxable on income from the Notes, including capital gains, if they have a permanent establishment (*Betriebsstätte*) in Austria and the Notes are attributable to such permanent establishment. If non-resident Noteholders receive income from the Notes as part of business income taxable in Austria (e.g., permanent establishment), they will be, in general, subject to the same tax treatment as resident investors.

In addition, individuals subject to limited income tax liability in Austria are also taxable on interest payments and accrued interest from the Notes if the (accrued) interest has an Austrian nexus and if withholding tax is levied on such (accrued) interest. Interest with an Austrian nexus is interest the debtor of which has its place of management or its legal seat in Austria, as is the case for the Issuer. Accrued interest with an Austrian nexus is accrued interest from securities issued by an Austrian issuer. No such taxation may arise for an individual who is tax resident in a state with which automatic exchange of information exists, if the individual provides a certificate of residence to the Austrian withholding tax agent. Under applicable double taxation treaties, relief from Austrian income tax might be available. Such relief might not be granted at source but might only be available upon application.

Other Taxes

There is no transfer tax, registration tax or similar tax payable in Austria by holders of the Notes as a consequence of the acquisition, ownership, disposition or redemption of the Notes. The sale and purchase of the Notes as well as the redemption of the Notes is in general not subject to Austrian stamp duty.

SUBSCRIPTION AND SALE OF THE NOTES

Exchange Offer

The Exchange Notes will be issued to the holders of Existing Notes whose offers to exchange their Existing Notes for Notes have been accepted by the Issuer, all subject to the restrictions and conditions of the Exchange Offer (as defined in "*Use of Proceeds*" above).

The Exchange Notes will be issued upon the settlement of the Exchange Offer, which is expected to occur on [●] 2025.

Subscription of New Money Notes by the Joint Bookrunners

BNP PARIBAS, Commerzbank Aktiengesellschaft, Erste Group Bank AG, J.P. Morgan SE, Raiffeisen Bank International AG and UniCredit Bank GmbH (the "**Joint Bookrunners**") will enter into a subscription agreement with the Issuer on or about [●] 2025 (the "**Subscription Agreement**") in which they agree to subscribe for the New Money Notes on a firm commitment basis. The Joint Bookrunners will be entitled, under certain circumstances, to terminate the Subscription Agreement. In such event, no New Money Notes will be delivered to investors.

The Issuer will agree in the Subscription Agreement to indemnify the Joint Bookrunners against certain liabilities in connection with the offer and sale of the New Money Notes. The Issuer has furthermore agreed to pay certain fees to the Joint Bookrunners in connection with the offering, placement and subscription of the New Money Notes and to reimburse the Joint Bookrunners for certain expenses incurred in connection with the issue of the New Money Notes.

The Joint Bookrunners or their respective affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Joint Bookrunners or their respective affiliates have received or will receive customary fees and commissions. In addition, the Joint Bookrunners or their respective affiliates may be involved in financing initiatives relating to the Issuer and its affiliates. Furthermore, in the ordinary course of their business activities, the Joint Bookrunners and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. Certain of the Joint Bookrunners or their respective affiliates that have a lending relationship with the Issuer and/or its affiliates, routinely hedge their credit exposure to the Issuer and its affiliates consistent with their customary risk management policies. Typically, such Joint Bookrunners and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer or its affiliates' securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Joint Bookrunners and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling Restrictions

General

Each Joint Bookrunner has acknowledged that other than explicitly mentioned in this Prospectus no action is taken or will be taken by the Issuer in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of any offering material relating to them, in any jurisdiction where action for that purpose is required.

Each Joint Bookrunner has represented and agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes any offering material relating to them.

Prohibition of Sales to EEA Retail Investors

Each Joint Bookrunner has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II (as amended); or
- (b) a customer within the meaning of the IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Prohibition of Sales to UK Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the IDD, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

Other regulatory restrictions

Each Joint Bookrunner has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer, and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

United States of America and its territories

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by the U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Joint Bookrunner has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Singapore

Each of the Joint Bookrunners has represented, warranted and agreed that this Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Joint Bookrunners has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

GENERAL INFORMATION

1. Interest of Natural and Legal Persons involved in the Issue/Offer: Certain of the Joint Bookrunners and their affiliates may be customers of borrowers from or creditors of the Issuer and its affiliates. In addition, certain Joint Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and/or its affiliates in the ordinary course of business.

In connection with the Exchange Offer, certain of the Joint Bookrunners have entered into with the Issuer a Dealer Manager Agreement dated [●] 2025 (the "**Dealer Manager Agreement**"), which contains certain provisions regarding payment for fees, expense reimbursement and indemnity arrangements.

2. Authorizations: The creation and issue of the Notes has been authorized by a resolution of the Management Board (*Vorstand*) dated May 12, 2025. A resolution of the Supervisory Board (*Aufsichtsrat*) dated March 11, 2025 authorized the committee for Refinancing (*Refinanzierungsausschuss*) of the Supervisory Board to resolve on all matters regarding the issue of the Notes. Upon application by the Management Board, the committee for Refinancing authorized the resolution of the Management Board on the creation and issue of the Notes on May 12, 2025.

3. Legal Entity Identifier:

The legal entity identifier (LEI) of the Issuer is: 529900BKFJBI0QRDJH63.

4. Expenses of Admission to Trading: The total expenses related to the admission to trading of the Notes are expected to amount to approximately EUR [●].

5. Clearing Systems: Payments and transfers of the Notes will be settled through Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium and Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

The Notes have the following securities codes:

ISIN: [●]

Common Code: [●]

6. Listing and Admission to Trading: Application has been made for the Notes to be admitted to the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange. The Euro MTF market of the Luxembourg Stock Exchange is not a regulated market for the purposes of MIFID II.

7. Documents on Display: Electronic versions of the following documents are available on the Issuer's website (www.lenzing.com):

- (a) the Articles of Incorporation (*Satzung*) of the Issuer; and
- (b) the documents specified in the section "*Documents incorporated by reference*" below.

This Prospectus will be published on the website of the Luxembourg Stock Exchange (www.luxse.com).

8. Third Party Information:

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

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

- Cotlook, "Cotton A Prices", dated 2020-2024 ("**Cotlook**");
- International Monetary Fund, World Economic Outlook, April 2025, available at <https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025> ("**IMF World Economic Outlook April 2025**");
- Eurostat, European Commission, "Electricity prices statistics", dated October 2024, available at https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Electricity_price_statistics. ("**Eurostat, European Commission, Electricity prices statistics, October 2024**");
- Eurostat, European Commission, "Natural gas prices statistics", dated October 2024, available at https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Natural_gas_price_statistics ("**Eurostat, European Commission, Natural gas prices statistics, October 2024**");
- TFY, "The Fiber Year 2024", dated May 24, 2024 ("**The Fiber Year 2024**").

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

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

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

9. Yield: For the Noteholders, the yield of the Notes until the First Reset Date is [●] per cent. *per annum*, calculated on the basis of the issue price of the Notes.

Such yield is calculated in accordance with the ICMA (International Capital Markets Association) Method. The yield of the Notes for the periods after the First Reset Date cannot be determined as of the date of this Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The pages specified below of the following documents, which have previously been published or are published simultaneously with this Prospectus, and which have been filed with the Luxembourg Stock Exchange are incorporated by reference into this Prospectus:

- (i) the Lenzing Interim Report 01-03/2025
- (ii) the Notes on the Financial Performance Indicators - Interim Report 01-03/2025
- (iii) the Lenzing Interim Report 01-03/2024
- (iv) the Notes on the Financial Performance Indicators - Interim Report 01-03/2024
- (v) the Lenzing Annual Report 2024
- (vi) the Lenzing Annual Report 2023

The respective English language documents are translations of the original German language documents. Only the German language consolidated financial statements and auditor's reports are binding.

Any information not incorporated by reference into this Prospectus but contained in one of the documents mentioned as source documents in the cross-reference list below is either not relevant for the investor or covered in another part of this Prospectus.

(i) Extracted from: Lenzing Interim Report 01-03/2025:

- Consolidated Statement of Profit and Loss (condensed)..... page 6
- Consolidated Statement of Comprehensive Income (condensed) page 7
- Consolidated Statement of Financial Position (condensed) page 8
- Consolidated Statement of Changes in Equity (condensed)..... pages 9
- Consolidated Statement of Cash Flows (condensed)..... page 10

(ii) Notes on the Financial Performance Indicators - Interim Report 01-03/2025:

- Notes on the Financial Performance Indicators of the Lenzing Group..... pages 1-4

(iii) Extracted from: Lenzing Interim Report 01-03/2024:

- Consolidated Income Statement (condensed)..... page 6
- Consolidated Statement of Comprehensive Income (condensed) page 7
- Consolidated Statement of Financial Position (condensed) page 8
- Consolidated Statement of Changes in Equity (condensed)..... pages 9
- Consolidated Statement of Cash Flows (condensed)..... page 10

(iv) Notes on the Financial Performance Indicators - Interim Report 01-03/2024:

- Notes on the Financial Performance Indicators of the Lenzing Group..... pages 1-4

(v) Extracted from: Lenzing Annual Report 2024:

- Consolidated Income Statement page 245
- Consolidated Statement of Comprehensive Income page 246
- Consolidated Statement of Financial Position page 247
- Consolidated Statement of Changes in Equity pages 248
- Consolidated Statement of Cash Flows page 249
- Notes to Consolidated Financial Statements pages 250-322
- Auditor's Report pages 323-326

(vi) Extracted from: Lenzing Annual Report 2023:

- Consolidated Income Statement page 184
- Consolidated Statement of Comprehensive Income page 185
- Consolidated Statement of Financial Position page 186
- Consolidated Statement of Changes in Equity pages 187-188
- Consolidated Statement of Cash Flows page 189
- Notes to Consolidated Financial Statements pages 190-260
- Auditor's Report pages 261-264

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the website of the Issuer (www.lenzing.com) and the website of the Luxembourg Stock Exchange (www.luxse.com).

Electronic versions of the documents incorporated by reference are also available on the website of the Issuer (www.lenzing.com) and can be accessed by using the following hyperlinks:

(1) Lenzing Interim Report 01-03/2025

https://a.storyblok.com/f/306166/x/e9a788ae54/interim_report_2025_q1_en.pdf

(2) Notes on the Financial Performance Indicators - Interim Report 01-03/2025

https://a.storyblok.com/f/306166/x/887844219c/notes_financial_performance_indicators_2025_q1_en.pdf

(3) Lenzing Interim Report 01-03/2024

https://a.storyblok.com/f/306166/32d44f14b3/interim_report_2024_q1_en.pdf

(4) Notes on the Financial Performance Indicators - Interim Report 01-03/2024

https://a.storyblok.com/f/306166/65f147e81a/notes_financial_performance_indicators_2024_q1_en.pdf

(5) Lenzing Annual Report 2024:

https://a.storyblok.com/f/306166/84d9eb1f73/gnb_2024_en.pdf

(6) Lenzing Annual Report 2023

<https://reports.lenzing.com/annual-and-sustainability-report/2023/assets/downloads/entire-lenzing-ar23.pdf>

Issuer

Lenzing Aktiengesellschaft

Werkstraße 2
4860 Lenzing
Austria

Principal Paying Agent and Calculation Agent

BNP Paribas,

Succursale de Luxembourg

60, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Global Coordinators and Joint Bookrunners

BNP PARIBAS

16, boulevard des Italiens
75009 Paris
France

UniCredit Bank GmbH

Arabellastraße 12
81925 Munich
Germany

Joint Bookrunners

Commerzbank Aktiengesellschaft

Kaiserstraße 16 (Kaiserplatz)
60311 Frankfurt am Main
Germany

Erste Group Bank AG

Am Belvedere 1
1100 Vienna
Austria

J.P. Morgan SE

Taunustor 1 (TaunusTurm)
60310 Frankfurt am Main
Germany

Raiffeisen Bank International AG

Am Stadtpark 9
1030 Vienna
Austria

Auditors

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Kudlichstraße 41-43
4020 Linz
Austria

Legal Advisers

To the Issuer

BINDER GRÖSSWANG Rechtsanwälte GmbH

Sterngasse 13

1010 Vienna

Austria

To the Joint Bookrunners as to Austrian law

DORDA Rechtsanwälte GmbH

Universitätsring 10

1010 Vienna

Austria

To the Joint Bookrunners as to German law

Linklaters LLP

Taunusanlage 8

60329 Frankfurt am Main

Germany

CONTACT INFORMATION

Existing Noteholders who have questions regarding the Exchange Offer or wish to obtain documents, may contact the Exchange Agent or the Dealer Managers at the addresses and email addresses or telephone numbers provided below.

THE COMPANY

LENZING AKTIENGESELLSCHAFT

Werkstraße 2
4860 Lenzing
Austria

Requests for information in relation to the procedures for exchanging Existing Notes in the Exchange Offer and the submission of Instruction Notices should be directed to:

EXCHANGE AGENT

KROLL ISSUER SERVICES LIMITED

The News Building
3 London Bridge Street
London SE1 9SG
United Kingdom

Telephone: +44 20 7704 0880

Email: lenzing@is.kroll.com

Offer Website: <https://deals.is.kroll.com/lenzing>

Attention: Arlind Bytyqi/Scott Boswell

Requests for information in relation to the Exchange Offer should be directed to:

LEAD DEALER MANAGERS

BNP PARIBAS

16, boulevard des Italiens
75009 Paris
France

Telephone: +33 1 55 77 78 94

Email: Liability Management Group

Attention:

liability.management@bnpparibas.com

UNICREDIT BANK GMBH

Arabellastraße 12
81925 Munich
Germany

Telephone: +49 89 378 12010

Email: liability.management@unicredit.de

Attention: Liability Management – MFS1FS

DEALER MANAGERS

ERSTE GROUP BANK AG

Am Belvedere 1
1100 Vienna
Austria

Telephone: +43 50 0100 84053
Email: FISyndicate0604@erstegroup.com
Attention: OU 0196 0604 FIG a. SSA Capital
Markets

J.P. MORGAN SE

Taunustor 1 (TaunusTurm)
60310 Frankfurt am Main
Germany

Telephone: +44 20 7134 2468
Email:
liability_management_EMEA@jpmorgan.com
Attention: EMEA Liability Management Group

RAIFFEISEN BANK INTERNATIONAL AG

Am Stadtpark 9
1030 Vienna
Austria

Telephone: +431717071039
Email: tmg@rbinternational.com
Attention: Transaction Management Group

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY TO ANY U.S. PERSON AS DEFINED IN REGULATION S OF THE SECURITIES ACT 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES OF AMERICA, ITS TERRITORIES AND POSSESSIONS (COLLECTIVELY, THE "UNITED STATES") OR IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THE EXCHANGE OFFER MEMORANDUM.

16 June 2025



Innovative by nature

Lenzing Aktiengesellschaft

(a stock company established under the laws of Austria)

(the "Company")

announces

the launch of an invitation to Qualifying Holders of its outstanding:

€500,000,000 Undated Subordinated Resettable Fixed Rate Notes

with a First Reset Date in 2025

(ISIN: XS2250987356)

(the "Existing Notes")

to offer to exchange any and all of the Existing Notes for

Euro-Denominated Undated Subordinated Resettable Fixed Rate Notes

with a First Reset date in 2028

to be issued by the Company at an issue price of 100% of their aggregate principal amount

(the "Exchange Notes")

and a Cash Consideration

subject to the satisfaction or waiver of the Minimum Condition and the other conditions described in the

Exchange Offer Memorandum (as defined below)

(the "Exchange Offer")

Copies of the Exchange Offer Memorandum are available from the Exchange Agent using the details below.

A summary of the terms of the Exchange Offer appears below:

Description of the Existing Notes	ISIN / Common Code	Outstanding Principal Amount	First Call Date / First Reset Date	Coupon Frequency	Current Fixed Rate of Interest	Exchange Consideration being the sum of:		Amount subject to the Offer
						Principal Amount of Exchange Notes per Qualifying Holder	Cash Consideration per Qualifying Holder	
€500,000,000 Undated Subordinated Resettable Fixed Rate Notes with a first reset date in 2025	XS2250987356 / 225098735	€500,000,000	7 September 2025 / 7 December 2025	Annual	5.750% <i>per annum</i>	90% × aggregate principal amount of Existing Notes accepted for exchange pursuant to the Exchange Offer ⁽¹⁾	An amount in cash equal to 10% × aggregate principal amount of Existing Notes accepted for exchange pursuant to the Exchange Offer ^{(1) (2)}	Any and all, subject to the Maximum Cash Amount

- (1) Subject to rounding as further described in the Exchange Offer Memorandum. As a result of any such rounding, the proportion of Exchange Notes and Cash Consideration constituting the Exchange Consideration will vary between Qualifying Holders. Any such rounding will be final and binding on the relevant Qualifying Holders, absent manifest error.
- (2) In addition to the applicable Cash Consideration, the Company will pay the accrued and unpaid interest to, but excluding, the Settlement Date on the Existing Notes that are accepted for exchange pursuant to the Exchange Offer. The calculation of accrued and unpaid interest will be made by or on behalf of the Company and such calculations will be final and binding on the relevant Qualifying Holders, absent manifest error.

Description of the Exchange Notes	Issue Price	Coupon Frequency	Initial Fixed Rate of Interest	First Call Date / First Reset Date /	Reset Rate of Interest	Maturity
Euro denominated Undated Subordinated Resettable Fixed Rate Notes with a first reset date in 2028	100%	Semi-Annual on each 9 July and 9 January	To be determined pursuant to the Exchange Offer in a range between 9.0 % and 9.5 % <i>per annum</i>	First Call Date: 9 April 2028 First Reset Date: 9 July 2028	Euro mid swap rate for the relevant reset period plus initial margin + 500bps step-up	Perpetual

This announcement must be read in conjunction with the exchange offer memorandum dated 16 June 2025 (the "Exchange Offer Memorandum") which has been prepared by the Company in relation to the Exchange Offer. Capitalised terms used in this announcement and not otherwise defined herein shall have the meanings ascribed to them in the Exchange Offer Memorandum. This announcement and the Exchange Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Exchange Offer. If any Existing Noteholder is in any doubt as to the action it should take, it is recommended to seek its own financial, legal, regulatory and investment advice from its stockbroker, bank manager, legal adviser, tax adviser, accountant or other appropriately authorised independent financial adviser. The distribution of this notice in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required by each of the Company, the Dealer Managers and the Exchange Agent to inform themselves about and to observe any such restrictions.

Introduction to the Exchange Offer

On the terms and subject to the conditions contained in the Exchange Offer Memorandum, including the offer restrictions contained therein, the Company invites Qualifying Holders, in respect of any and all of the Existing Notes, to offer to exchange such Existing Notes in the Exchange Offer for the Exchange Consideration (as further described in the Exchange Offer Memorandum), subject to the satisfaction or waiver of the Minimum Condition and the other conditions described in the Exchange Offer Memorandum.

Subject to the conditions contained in the Exchange Offer Memorandum, the Company will accept all Offers to Participate that are validly made and not validly withdrawn.

In the event of a dissolution, liquidation or insolvency of the Issuer, the Exchange Notes will rank senior to the Existing Notes. Consequently, should the Issuer decide to defer interest payments under the Existing Notes in accordance with the conditions of the Existing Notes, any payment of interest under the Exchange Notes will not result in an obligation for the Issuer to also pay any such deferred interest under the Existing Notes.

Concurrently with this Exchange Offer, the Company is proposing to issue euro-denominated undated subordinated resettable fixed rate notes with a first reset date in 2028 (the "**New Money Notes**" and, together with the Exchange Notes, the "**New Notes**") in a separate offering (the "**New Money Notes Offering**"), for cash consideration.

The Exchange Notes and the New Money Notes, if any, will have identical terms and form a single series of notes issued on the Settlement Date.

Qualifying Holders should refer to the section "*Key Terms of the Existing Notes and the Exchange Notes*" in the Exchange Offer Memorandum for further information.

If successful, any proceeds from the New Money Notes Offering will be used for (i) general corporate purposes and (ii) the payment of the Cash Consideration as well as accrued and unpaid interest on Existing Notes accepted for exchange in the Exchange Offer.

The occurrence of the Settlement Date will be conditioned upon the completion of the issue of Exchange Notes and to the extent completed, the New Money Notes.

Rationale for the Exchange Offer

The Company is undertaking the concurrent transactions to optimize its debt profile and improve its financing cost.

Any Existing Notes accepted and exchanged by the Company pursuant to the Exchange Offer will be cancelled and will not be reissued or resold. Existing Notes which have not been validly submitted, accepted and exchanged by the Company pursuant to the Exchange Offer will remain outstanding.

Exchange Consideration

Subject to the conditions contained in the Exchange Offer Memorandum, including the satisfaction or waiver of the Minimum Condition, the Exchange Consideration to be delivered by the Company on the Settlement Date to a Qualifying Holder for Existing Notes which have been validly offered for exchange by such Qualifying Holder and accepted by the Company will consist of a combination of (a) Exchange Notes in an aggregate principal amount equal to 90 per cent. of the aggregate principal amount of such Existing Notes (see "*Principal Amount of Exchange Notes per Qualifying Holder*" below for further information) and (b) the relevant Cash Consideration (see "*Cash Consideration*" below for further information).

Principal Amount of Exchange Notes per Qualifying Holder

Subject to the conditions contained in the Exchange Offer Memorandum, including the satisfaction or waiver of the Minimum Condition, each Qualifying Holder whose Existing Notes have been validly offered for exchange and accepted by the Company will be entitled to receive the relevant Principal Amount of Exchange Notes per Qualifying Holder as part of the Exchange Consideration, on the Settlement Date (as defined below).

The Principal Amount of Exchange Notes per Qualifying Holder in respect of Existing Notes validly offered for exchange and accepted by the Company (the "**Principal Amount of Exchange Notes per Qualifying Holder**") will be calculated as follows:

Principal Amount of Exchange Notes per Qualifying Holder

(in € and rounded down to (i) the nearest €100,000 or (ii) in respect of any Principal Amount of Exchange Notes that is less than €100,000, €0) =

$90\% \times$ aggregate principal amount of Existing Notes validly offered for exchange by the Qualifying Holder and accepted for exchange by the Company pursuant to the Exchange Offer

To ensure that the Principal Amount of Exchange Notes per Qualifying Holder to be received by the Qualifying Holder under the Exchange Offer will be at least €100,000 (being the minimum denomination of the Exchange Notes) and multiples thereof, the relevant Principal Amount of Exchange Notes per Qualifying Holder will be rounded down to (i) the nearest €100,000 or (ii) in respect of any Principal Amount of Exchange Notes that is less than €100,000, €0.

In compensation for any such rounding, the related Cash Consideration per Qualifying Holder will be increased by an amount equal to the amount by which the relevant Principal Amount of Exchange Notes per Qualifying Holder is rounded down.

Any such rounding will be final and binding on the relevant Qualifying Holder, absent manifest error.

Cash Consideration

Subject to the conditions contained in the Exchange Offer Memorandum, including the satisfaction or waiver of the Minimum Condition, each Qualifying Holder whose Existing Notes have been validly offered for exchange and accepted by the Company will be entitled to receive the relevant Cash Consideration per Qualifying Holder as part of the Exchange Consideration on the Settlement Date.

The Cash Consideration per Qualifying Holder in respect of Existing Notes validly offered for exchange and accepted by the Company (the "**Cash Consideration per Qualifying Holder**") will be calculated as follows:

Cash Consideration per Qualifying Holder

(in € and rounded to the nearest €0.01, with half a cent being rounded upwards) =

$10\% \times$ aggregate principal amount of Existing Notes validly offered for exchange by the Qualifying Holder and accepted for exchange by the Company pursuant to the Exchange Offer

Where the Principal Amount of Exchange Notes per Qualifying Holder is subject to rounding as described above, the relevant Cash Consideration per Qualifying Holder will be increased by an amount equal to the amount by which the related Principal Amount of Exchange Notes per Qualifying Holder is rounded down.

For the avoidance of doubt: The Cash Consideration will always constitute at least 10% of the nominal value of the total Exchange Consideration.

Different proportion of Exchange Notes and Cash Consideration

As a result of any such rounding, the proportion of Exchange Notes and Cash Consideration constituting the Exchange Consideration will vary between Qualifying Holders.

Acceptance, Maximum Cash Amount and Scaling

Subject to the Maximum Cash Amount (as described below), the Company may accept for exchange any and all of the Existing Notes tendered.

The Company reserves the right to reject or accept any Existing Notes submitted in the Exchange Offer pursuant to the Exchange Offer Memorandum in its sole and absolute discretion.

The Company may reject Offers to Participate that it considers, in its sole and absolute discretion, not to have been validly made and the Company is under no obligation to any Qualifying Holder to provide any reason or justification for refusing to accept any such Offers to Participate.

Rejection of Existing Notes due to splitting of Instruction Notices

Should the Company conclude, in its absolute discretion, that a Qualifying Holder has specifically split its nominal amount of Existing Notes held to submit multiple Instruction Notices in order to increase the total Cash Consideration and reduce the principal amount of Exchange Notes to be delivered as a result of the rounding of the Cash Consideration, the Company reserves the right to reject all Instruction Notices from such Qualifying Holder.

Maximum Cash Amount, Final Acceptance Amount and Scaling

The total share of the Aggregate Cash Consideration in the aggregate Exchange Consideration under the Exchange Offer cannot be determined in advance due to the rounding of individual Cash Considerations per Qualifying Holder as described above.

The maximum available Aggregate Cash Consideration under the Exchange Offer is limited to €50,000,000 (excluding Accrued Interest) (the "**Maximum Cash Amount**"), subject to the right of the Company to modify the Maximum Cash Amount in its sole and absolute discretion.

Should the Company, in its sole and absolute discretion, determine that the Aggregated Cash Consideration for all Existing Notes validly tendered for exchange pursuant to the Exchange Offer would exceed the Maximum Cash Amount, the Company may decide to accept Existing Notes for exchange on a *pro rata* basis.

Such *pro rata* acceptance will be calculated by multiplying the aggregate principal amount of Existing Notes represented by each valid Offer to Participate by a factor (the "**Pro-Ration Factor**") derived from (i) the final principal amount of Existing Notes accepted by the Company for exchange pursuant to, and subject to the terms and conditions of, the Exchange Offer (the "**Final Acceptance Amount**") divided by (ii) the aggregate principal amount of Existing Notes validly tendered for exchange in the Exchange Offer, subject to adjustments from rounding described below.

The Final Acceptance Amount will be determined by the Company in its sole and absolute discretion in such a way, the Aggregate Cash Consideration under the Exchange Offer will not exceed the Maximum Cash Amount.

Each Instruction Notice that is scaled pursuant to the Pro-Ration Factor will be rounded down to the nearest €100,000 in principal amount. In addition, in the event of any such scaling, the Company intends to apply *pro rata* scaling to each valid Instruction Notice that is scaled in such a manner as will result in both (a) the relevant Qualifying Holder transferring Existing Notes to the Company in an aggregate principal amount of at least €100,000 (being the minimum denominations of the Existing Notes), and (b) the relevant Qualifying Holder's residual amount of the Existing Notes (being the principal amount of the Existing Notes the subject of the Instruction Notice that are not accepted for purchase by virtue of such scaling) amounting to either (i) at least €100,000 or (ii) €0, and the Company therefore intends to adjust the Scaling Factor applicable to any relevant Instruction Notice accordingly.

Exchange Notes

The indicative terms of the Exchange Notes are described in the Preliminary Prospectus which is attached to the Exchange Offer Memorandum.

The initial fixed rate of interest on the Exchange Notes until the first reset date (the "**Initial Fixed Rate of Interest**") will be determined following the Expiration Deadline in a range between 9.0 % and 9.5 % *per annum*. The Initial Fixed Rate of Interest will be announced as soon as reasonably practicable after the pricing of the New Notes (please see "*Publications and Announcements*" in the Exchange Offer Memorandum).

Interest on the Exchange Notes will accrue from the Settlement Date in accordance with their terms.

The Exchange Notes will not be fungible with the Existing Notes. Accordingly, the Exchange Notes and the Existing Notes will trade under separate ISINs and Common Codes.

Accrued Interest

In addition to the Cash Consideration, the Company will pay the Accrued Interest to, but excluding, the Settlement Date on the Existing Notes that are validly tendered and not validly withdrawn on or prior to the Expiration Time and accepted in the Exchange Offer. The calculation of Accrued Interest will be made by or on behalf of the Company and such calculations will be final and binding on the Qualifying Holders, absent manifest error. The payment of the Accrued Interest is made pursuant to the Exchange Offer and not the terms of the Existing Notes.

Offer Period, Expiration Deadline

The "**Offer Period**" will start on 16 June 2025 and end at 5:00 p.m. CEST on 2 July 2025 (the "**Expiration Time**"), unless extended, withdrawn, amended or terminated by the Company, in which case an announcement to that effect will be made by the Company. Qualifying Holders are invited to participate in the Exchange Offer from 16 June 2025 up to the Expiration Time, subject to earlier deadlines set by the Clearing Systems.

Minimum Condition

The occurrence of the Settlement Date will be conditioned upon, the completion of the issue of Exchange Notes and if successful, the New Money Notes in a combined aggregate principal amount equal to €300,000,000 (the "**Minimum Condition**"), as may be amended, modified or waived.

Without prejudice to the right of the Company to allow Qualifying Holders to revoke their Instruction Notice(s) in certain circumstances as further described in the section "*Amendment, Withdrawal, Termination or Extension*" in the Exchange Offer Memorandum, if the Company modifies or waives the Minimum Condition, Qualifying Holders that submit Offers to Participate in the Exchange Offer prior to the announcement of such

modification or waiver will have the right to withdraw such Offers to Participate for a period of (2) two business days starting on the date of such announcement (if the announcement is made by 9:00 a.m. CEST), or starting on the immediately following business day (if the announcement is made later than 9:00 a.m. CEST), which will in turn delay the Settlement Date by the same period. Subject to the provisions of section "*Amendment, Withdrawal, Termination or Extension*" in the Exchange Offer Memorandum, no withdrawal rights will be available in any other circumstances.

Settlement Date

On the Settlement Date, which is expected to be the 5th Business Day following the Expiration Time, if the Minimum Condition has been satisfied or waived on or prior to such date, the Company will deliver the Cash Consideration and pay the Accrued Interest and issue the Exchange Notes in exchange for the Existing Notes validly tendered (and not validly withdrawn) on or before the Expiration Time and accepted in the Exchange Offer.

No Existing Notes will be exchanged into Exchange Notes, no Exchange Notes will be delivered, and no payment of Cash Consideration will be made if the Minimum Condition is not satisfied or waived or the Exchange Offer is terminated.

On and after the Settlement Date, the tendering Qualifying Holders whose Existing Notes have been exchanged by the Company will cease to be entitled to receive interest on such Existing Notes.

The Company will deliver the Cash Consideration and pay the Accrued Interest for each Qualifying Holder's validly tendered and not validly withdrawn and accepted Existing Notes by depositing the cash in immediately available funds therefor to the Clearing Systems for credit to the accounts of the relevant Qualifying Holders. Under no circumstances will any additional interest be payable because of any delay in the transmission of funds with respect to accepted Existing Notes or otherwise.

Amendment, Withdrawal, Termination or Extension

Subject as provided in the Exchange Offer Memorandum, the Company, may, in its sole and absolute discretion, (i) amend the terms of or the duration of the Exchange Offer; or (ii) terminate or withdraw the Exchange Offer (including, but not limited to, when the Minimum Condition has not been satisfied or waived), including with respect to Instruction Notices submitted before the time of such termination, at any time prior to the announcement by the Company of whether it accepts any Existing Notes pursuant to the Exchange Offer, (iii) delay the acceptance of Instruction Notices validly submitted in the Exchange Offer until satisfaction or waiver of the conditions of the Exchange Offer, even if the Exchange Offer has expired or (iv) waive or modify the Minimum Condition.

In addition to the withdrawal right in case of modification or waiver of the Minimum Condition (as further described in the section titled "*Terms of the Exchange Offer*" in the Exchange Offer Memorandum), if the Exchange Offer is amended in any way that, in the opinion of the Company (in consultation with the Dealer Managers), is materially prejudicial to Qualifying Holders that have validly submitted Instruction Notices, then the Company will allow Qualifying Holders to revoke such Instruction Notice and will announce, at the same time as the announcement of the amendment, a revocation deadline (subject to any earlier deadlines imposed by the Clearing Systems and any Intermediary through which Qualifying Holders hold their Existing Notes). An Instruction Notice validly submitted in accordance with the procedures set forth in the section titled "*Procedure for submitting Offers to Participate*" in the Exchange Offer Memorandum, as applicable, is otherwise irrevocable.

For the avoidance of doubt, any extension of the Exchange Offer (including any amendment in relation to the Expiration Time and/or Settlement Date) as described in the section "*Amendment, Withdrawal, Termination or Extension*" of the Exchange Offer Memorandum shall not be considered materially prejudicial.

Expected Timetable

Please note the following important dates and times relating to the Exchange Offer. Each is indicative only and is subject to the right of the Company to extend, amend, terminate and/or withdraw the Exchange Offer.

Events	Times and dates (All times are CEST)
Launch of the Exchange Offer Commencement of the Exchange Offer (and the New Money Notes Offering). The notice of the Exchange Offer is made available to Qualifying Holders on the website of the Luxembourg Stock Exchange and is submitted to the Clearing Systems. The Exchange Offer Memorandum is made available to Qualifying Holders via the Exchange Agent.	16 June 2025
Expiration Time The final deadline for Qualifying Holders to validly tender their Existing Notes for exchange. The Clearing Systems may, in accordance with their normal procedures, establish earlier deadlines for the tender of Existing Notes for exchange from Direct Participants.	5:00 p.m. on 2 July 2025 (unless otherwise extended, re-opened, amended or earlier terminated)
Pricing of New Notes Determination of the Initial Fixed Rate of Interest on the New Notes, which will be announced in the Exchange Offer Results Announcement	Expected on 3 July 2025
Exchange Offer Results Announcement Date Announcement of (i) whether the Company will accept valid Offers to Participate and, if so (ii) whether the Minimum Condition has been satisfied or waived and, if so (iii) the Initial Fixed Rate of Interest on the New Notes, (iv) the Final Acceptance Amount and (v) the final aggregate principal amount of Exchange Notes to be issued (vi) the Aggregate Cash Consideration to be paid to Qualifying Holders and (vii) any Pro-Ration Factor.	As soon as reasonably practicable after the Pricing of the New Notes
Settlement Date Assuming the Minimum Condition has been satisfied or waived on or prior to such date, the date on which the Cash Consideration and accrued and unpaid interest will be paid, and the Exchange Notes will be issued, in each case, in exchange for the Existing Notes validly tendered on or before the Expiration Time and accepted in the Exchange Offer.	Following the Expiration Time; the Company currently anticipate this date would be 9 July 2025 (which is expected to be 5 Business Days after the Expiration Time)

Qualifying Holders are advised to check with the bank, securities broker or any other intermediary through which they hold their Existing Notes whether any such bank, securities broker or other intermediary would need to receive instructions to participate in, or withdraw their instruction to participate in, the Exchange Offer prior to the deadlines set out above. The deadlines set by each Clearing System for the submission of Instruction Notices will be earlier than the relevant deadlines set out above, in which case Qualifying Holders should follow the deadlines imposed by the relevant Clearing Systems.

Significant delays may be experienced where notices are delivered through the Clearing Systems and Qualifying Holders are urged to contact the Dealer Managers or the Exchange Agent at the telephone numbers specified on the back cover of the Exchange Offer Memorandum to access the relevant announcements made by the Company during the Offer Period. All announcements will be made available upon release at the office of the Exchange Agent.

Contact Information

Existing Noteholders who have questions regarding the Exchange Offer or wish to obtain documents, may contact the Exchange Agent or the Dealer Managers at the addresses and email addresses or telephone numbers provided below.

THE COMPANY

LENZING AKTIENGESELLSCHAFT

Werkstraße 2
4860 Lenzing
Austria

Requests for information in relation to the procedures for exchanging Existing Notes in the Exchange Offer and the submission of Instruction Notices should be directed to:

EXCHANGE AGENT

KROLL ISSUER SERVICES LIMITED

The News Building
3 London Bridge Street
London SE1 9SG
United Kingdom

Telephone: +44 20 7704 0880

Email: lenzing@is.kroll.com

Offer Website: <https://deals.is.kroll.com/lenzing>

Attention: Arlind Bytyqi/Scott Boswell

Requests for information in relation to the Exchange Offer should be directed to:

LEAD DEALER MANAGERS

BNP PARIBAS

16, boulevard des Italiens
75009 Paris
France

Telephone: +33 1 55 77 78 94
Email: Liability Management Group
Attention:
liability.management@bnpparibas.com

UNICREDIT BANK GMBH

Arabellastraße 12
81925 Munich
Germany

Telephone: +49 89 378 12010
Email: liability.management@unicredit.de
Attention: Liability Management – MFS1FS

DEALER MANAGERS

ERSTE GROUP BANK AG

Am Belvedere 1
1100 Vienna
Austria

Telephone: +43 50 0100 84053
Email: FISyndicate0604@erstegroup.com
Attention: OU 0196 0604 FIG a. SSA Capital
Markets

J.P. MORGAN SE

Taunustor 1 (TaunusTurm)
60310 Frankfurt am Main
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Telephone: +44 20 7134 2468
Email:
liability_management_EMEA@jpmorgan.com
Attention: EMEA Liability Management Group

RAIFFEISEN BANK INTERNATIONAL AG

Am Stadtpark 9
1030 Vienna
Austria

Telephone: +431717071039
Email: tmg@rbinternational.com
Attention: Transaction Management Group

Offer Restrictions

This announcement does not constitute an invitation to participate in the Exchange Offer in or from any jurisdiction in or from which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws. The distribution of the Exchange Offer Memorandum and this announcement in certain jurisdictions may be restricted by law. Persons into whose possession the Exchange Offer Memorandum and this announcement comes are required by each of the Company, the Dealer Managers and the Exchange Agent to inform themselves about and to observe, any such restrictions.

The Company has not filed the Exchange Offer Memorandum or this announcement with, and neither the Exchange Offer Memorandum nor this announcement has been reviewed by, any federal or state securities commission or regulatory authority of any jurisdiction.

Offers to Participate may be submitted only by, or on behalf of, Qualifying Holders that are (or hold on behalf of beneficial owners that are) eligible to submit such Offers to Participate and to receive Exchange Notes in accordance with the offer and distribution restrictions set forth below, and that can make the representations set forth herein under "*Procedures for submitting Offers to Participate*". Offers to Participate submitted by, or on behalf of, holders or beneficial owners of Existing Notes that are not Qualifying Holders will not be accepted, and Exchange Notes will not be issued or delivered to, or for the account of, such holders or beneficial owners.

United States

The Exchange Notes have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States.

The Exchange Offer is not being made and will not be made directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, email and other forms of electronic transmission) of interstate or foreign commerce of, or any facility of a national securities exchange in the United States or to U.S. Persons as defined in Regulation S of the U.S. Securities Act of 1933, as amended (the "**Securities Act**") (each a "**U.S. Person**") and the Existing Notes may not be submitted into the Exchange Offer by any such use, means, instrumentality or facility from or within the United States, by persons located or resident in the United States or by U.S. Persons.

Accordingly, copies of the Exchange Offer Memorandum, this announcement and any documents or materials related to the Exchange Offer is not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any persons located or resident in the United States.

Any purported Offer to Participate in response to the Exchange Offer Memorandum resulting directly or indirectly from a violation of these restrictions will be invalid and Offers to Participate made by a person located or resident in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or any U.S. Person will not be accepted.

The Exchange Offer Memorandum is not an offer of securities for sale in the United States or to U.S. persons. Securities may not be offered or sold in the United States absent registration or an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. The Exchange Notes have not been, and will not be, registered under the Securities Act, or the securities laws of any state or jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to or for the account or benefit of U.S. persons. The purpose of the Exchange Offer Memorandum is limited to the Exchange Offer and the Exchange Offer Memorandum and this announcement may not be sent or given to any person other than a non-U.S. person in an offshore transaction in accordance with Regulation S under the Securities Act.

For the purposes of the above paragraph, "**United States**" means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

European Economic Area

In any European Economic Area ("**EEA**") member state (each, a "**Member State**"), the Exchange Offer Memorandum, this announcement and any other documents or materials relating to the Exchange Offer are only addressed to and is only directed at qualified investors, within the meaning of the Prospectus Regulation, in that Member State.

The Exchange Offer Memorandum has been prepared on the basis that the Exchange Offer in any Member State will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus.

Each person in a Member State who receives any communication in respect of the Exchange Offer contemplated in the Exchange Offer Memorandum will be deemed to have represented, warranted and agreed to and with each of the Dealer Managers and the Company that it is a qualified investor within the meaning of Article 2(e) of the Prospectus Regulation.

United Kingdom

The Exchange Offer Memorandum, this announcement and any other documents or materials relating to the Exchange Offer are only addressed to and is only directed at qualified investors, within the meaning of the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**").

Neither the communication of the Exchange Offer Memorandum nor this announcement nor any other documents or materials relating to the Exchange Offer is being made or directed at, and the Exchange Offer Memorandum has not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, the Exchange Offer Memorandum, this announcement and/or such other offer material is not being distributed to or directed at, and must not be passed on to, the general public in the United Kingdom. Rather, the communication of the Exchange Offer Memorandum and this announcement is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 43 or Article 49(2)(a) to (e) of the Financial Promotion Order (all such persons together being referred to as "**Relevant Persons**"). The Exchange Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Exchange Notes will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on the Exchange Offer Memorandum or any of its contents.

Italy

None of the Exchange Offer, the Exchange Offer Memorandum, this announcement or any other documents or materials relating to the Exchange Offer have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**"), pursuant to applicable Italian laws and regulations.

The Exchange Offer may only be carried out in Italy pursuant to an exemption under article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "**Issuers' Regulation**").

Existing Noteholders that are resident or located in Italy can participate in the Exchange Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each Intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Existing Notes or the Exchange Offer.

Belgium

The Exchange Offer is not being made, and will not be made or advertised, directly or indirectly, to any individual in Belgium qualifying as a consumer within the meaning of Article I.1, 2o of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and the Exchange Offer Memorandum, this announcement or any other documents or materials relating to the Exchange Offer have not been and shall not be distributed, directly or indirectly, in Belgium to Belgian Consumers.

France

The Exchange Offer is not being made, directly or indirectly, to the public in the Republic of France. The Exchange Offer Memorandum, this announcement and any other document or offering material relating to the Exchange Offer may not be distributed, directly or indirectly, in the Republic of France except to qualified investors (*investisseurs qualifiés*) as defined in Article 2(e) of Regulation (EU) 2017/1129, as amended. The Exchange Offer Memorandum has not been and will not be submitted for clearance to, nor has it been approved by the Autorité des Marchés Financiers.

General

The Exchange Offer Memorandum, this announcement or any other documents or materials relating to the Exchange Offer does not constitute an offer to buy or the solicitation of an offer to sell Exchange Notes, and Offers to Participate will not be accepted from Qualifying Holders in any circumstances in which such offer or solicitation is unlawful.

In addition to the representations referred to above in respect of the United States, each holder of Existing Notes participating in the Exchange Offer will also be deemed to give certain representations in respect of the other jurisdictions referred to above and generally as set out in "*Procedure for submitting Exchange Offer to Participate*" in the Exchange Offer Memorandum. Any Offer to Participate from a Qualifying Holder that is unable to make these representations will not be accepted. Each of the Company, the Dealer Managers and the Exchange Agent reserves the right, in its sole and absolute discretion, to investigate, in relation to Offers to Participate, whether any such representation given by a Qualifying Holder is correct and, if such investigation is undertaken and as a result the Company or the Exchange Agent on the Company's behalf determines (for any reason) that such representation is not correct, such Offer to Participate shall not be accepted.

None of the Company, the Dealer Managers or the Exchange Agent or any of their respective affiliates (or any of their respective directors, officers, employees, agents or advisers) makes any recommendation whatsoever regarding the Exchange Offer Memorandum or the Exchange Offer.

None of the Company, the Dealer Managers, the Exchange Agent or any of their respective affiliates (or any of their respective directors, officers, employees, agents or advisers) makes any recommendation as to whether or not Qualifying Holders should participate in the Exchange Offer.

Exchange Notes

The Exchange Offer Memorandum does not constitute an offer to buy or exchange, or a solicitation of an offer to exchange or buy, any New Notes (and tenders of Existing Notes for exchange pursuant to the Exchange Offer will not be accepted from Holders) in any circumstances in which such offer or solicitation is unlawful. Any investment decision in relation to the New Notes should be made solely on the basis of the information contained

in the Preliminary Prospectus and no reliance is to be placed on any representations other than those contained in the Preliminary Prospectus.

For the avoidance of doubt, the ability to purchase New Money Notes is subject to all applicable securities laws and regulations in force in any relevant jurisdiction (including the jurisdiction of the relevant investor and the selling restrictions set out in the Preliminary Prospectus). It is the sole responsibility of each investor to satisfy itself that it is eligible to purchase the New Money Notes.

The New Notes are not being, and will not be, offered or sold in the United States. Nothing in the Exchange Offer Memorandum constitutes an offer to exchange or the solicitation of an offer to buy the New Notes in the United States or any other jurisdiction. The New Notes may not be offered, sold or delivered in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the United States Securities Act of 1933, as amended (the “Securities Act”)) absent registration under, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of, the Securities Act and in accordance with all applicable securities laws of any state of the United States or any other jurisdiction. The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States.

Compliance information for the New Notes:

EU MiFID II professionals/ECPs-only/No EU PRIIPs or UK PRIIPs KID – eligible counterparties and professional clients only (all distribution channels). No sales to EEA or UK retail investors; no key information document has been or will be prepared.

No action has been or will be taken in any jurisdiction in relation to the New Notes that would permit a public offering of securities where such public offering would lead to a requirement to publish a prospectus or a similar requirement, and the minimum denomination of the New Notes will be €100,000.

Please refer to the section “Offer Restrictions” above and the Preliminary Prospectus for further information.