

Lenzing

Innovative by nature



**Interim
Report**

01-09/2023

Lenzing Group

Selected Indicators of the Lenzing Group

Key earnings and profitability figures

EUR mn	01-09/2023	01-09/2022	Change
Revenue	1,865.8	1,970.1	(5.3)%
EBITDA (earnings before interest, tax, depreciation and amortization)	219.1	263.0	(16.7)%
EBITDA margin	11.7%	13.3%	
EBIT (earnings before interest and tax)	(10.5)	112.6	n/a
EBIT margin	(0.6)%	5.7%	
EBT (earnings before tax)	(86.9)	126.4	n/a
Net profit/loss after tax	(96.7)	74.9	n/a
Earnings per share in EUR	(4.90)	2.16	n/a

Key cash flow figures

EUR mn	01-09/2023	01-09/2022	Change
Gross cash flow	35.2	248.2	(85.8)%
Cash flow from operating activities	61.1	34.8	75.6%
Free cash flow	(138.2)	(495.8)	(72.1)%
CAPEX	199.7	532.0	(62.5)%
EUR mn	30/09/2023	31/12/2022	Change
Liquid assets	754.6	453.3	66.5%
Unused credit facilities	236.7	232.3	1.9%

Key balance sheet figures

EUR mn	30/09/2023	31/12/2022	Change
Total assets	5,891.9	5,525.0	6.6%
Adjusted equity	2,354.1	2,088.6	12.7%
Adjusted equity ratio	40.0%	37.8%	
Net financial debt	1,574.1	1,799.4 ¹	(12.5)%
Net financial debt incl. lease liabilities	1,714.3	1,869.0	(8.3)%
Net debt	1,790.4	1,946.6	(8.0)%
Net gearing	66.9%	86.2% ¹	
Trading working capital	616.8	570.7	8.1%
Trading working capital to annualized group revenue	25.1%	24.0%	

Key stock market figures

EUR	30/09/2023	31/12/2022	Change
Market capitalization in mn	1,500.3	1,454.9	3.1%
Share price	38.85	54.80	(29.1)%

Employees

	30/09/2023	31/12/2022	Change
Full-time equivalents (FTE)	8,025	8,169	(1.8)%

The above key financial figures are derived primarily from the condensed consolidated interim financial statements and the consolidated financial statements of the previous year of the Lenzing Group. Additional details are provided in "Notes on the Financial Performance Indicators of the Lenzing Group", available at the following link <https://www.lenzing.com/notes-financial-performance-indicators-lenzing-group-2023-q3>, and in the consolidated financial statements of the previous year of the Lenzing Group. Rounding differences can occur in the presentation of rounded amounts and percentage rates.

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

Management report 01-09/2023

General market environment

According to forecasts from the International Monetary Fund (IMF), the global economy¹ will expand by 3 percent this year, reflecting a significantly weaker growth rate than last year. In particular, countries with a strong industrial base, such as Germany and China, are at risk of a more severe economic downturn due to persistently high energy prices. In China, the economic outlook is exposed to risks from the real estate sector, which are threatening to spill over into the financial sector. As in Europe, consumer confidence remains at a historically low level. Only in the USA has the economy recently performed somewhat better than expected.

A further recovery of the textile and apparel industry continues to be awaited. Although satisfaction with the business situation improved in the third quarter according to a global survey by the International Textile Manufacturers Federation², it remains only slightly above the previous quarter's historic low.

Global retail sales of apparel³ in the third quarter (based on an estimate up until August) stood around 10 percent above their pre-crisis 2019 levels. After adjusting for inflation, however, volumes were barely above pre-crisis levels. In particular, some markets in Europe have felt the effects of consumers' reticence to spend. Despite sales promotion measures, many retailers have continued to struggle with high stock levels and have been reluctant to place orders as a consequence.

Retail sales of hygiene products from the nonwovens industry reflected a similar trend. Price increases due to higher production costs led to year-on-year growth in sales revenues, while sales volumes decreased slightly in some cases.

This negative demand trend in important consumer markets also had a negative impact on the global fiber market, thereby delaying the anticipated recovery.

During the third quarter, forecasts for both cotton harvest and cotton demand in the 2023/24 season were downgraded further. Global stocks are expected to increase by 1.7 mn tonnes overall. In contrast with these relatively weak fundamentals, international cotton prices rose by around 10 percent in the third quarter. In early September, the Cotlook A index briefly exceeded the 100 US cents per pound level last reached in March and stood at around 99 US cents per pound as of September 30.

The Chinese price of polyester staple fiber rose by 9 percent to RMB 7,815 per tonne in the third quarter due to higher oil prices. The US dollar price of Brent crude oil rose by 27 percent due to production cuts.

The Chinese viscose price increased by 4 percent in the third quarter to RMB 13,400 as of September 30 due to higher chemical prices.

Prices for wood-based specialty fibers such as those of the TENCEL™, LENZING™ ECOVERO™ and VEOCEL™ brands decreased slightly in the third quarter. However, the price premium over generic fibers remained largely stable.

The Chinese import price for hardwood-based dissolving wood pulp, the key raw material for the production of wood-based cellulosic fibers, rose by 1 percent to USD 864 per tonne in the third quarter. In comparison, the Chinese price for paper pulp rose by around 9 percent in the third quarter, but was still 32 percent below the level at the beginning of the year due to the sharp reduction in the first half of the year.⁴

Lenzing Group business trends

The expected recovery in markets relevant for Lenzing has to date failed to materialize. The continued increase in raw material and energy costs on the one hand and very subdued demand on the other had a negative impact on the Lenzing Group's business trends as well as on industry as a whole.

As early as the end of 2022, Lenzing successfully implemented a reorganization and cost reduction program with a volume in excess of EUR 70 mn. At the same time, the balance sheet and liquidity position were significantly strengthened through the successful capital increase of around EUR 400 mn and the extension of the debt terms in the reporting period.

Building on this, the Managing Board is currently implementing a comprehensive performance program with the overriding objective of significantly enhanced long-term resilience to crises and greater agility in the face of market changes. The program initiatives are aimed at generating free cash flow, stronger revenue and margin growth, and sustainable cost excellence. In addition to the positive effects on sales, the Managing Board expects annual cost savings of more than EUR 100 mn, of which approx. 50 percent will be effective from the coming financial year.

Revenue in the first three quarters of 2023 decreased by 5.3 percent year-on-year to EUR 1.87 bn. This reduction was primarily due to lower fiber revenues, while pulp revenues were up.

The earnings trend was mainly influenced by the market environment. As a consequence, earnings before interest, tax, depreciation and amortization (EBITDA) in the reporting period decreased by 16.7 percent year-on-year to EUR 219.1 mn. The EBITDA margin reduced from 13.3 to 11.7 percent. Earnings before interest and tax (EBIT) amounted to minus EUR 10.5 mn (compared with

¹ Source: IMF, World Economic Outlook, October 2023

² Source: ITMF, 22nd Global Textile Industry Survey, September 2023

³ Sources: Nominal sales, estimate based on statistics at country level

⁴ Sources: ICAC, Cotton Outlook, CCFG, China Cotton Association

EUR 112.6 mn in the first three quarters of 2022) and the EBIT margin stood at minus 0.6 percent (compared with 5.7 percent in the first three quarters of 2022). Earnings before tax (EBT) amounted to minus EUR 86.9 mn (compared with EUR 126.4 mn in the first three quarters of 2022).

The tax expense of EUR 9.8 mn (compared to EUR 51.5 mn in the first three quarters of 2022) mainly reflects the impairment of tax assets of individual Group companies and currency effects due to the translation of tax items from local to functional currency.

Cash flow from operating activities amounted to EUR 61.1 mn in the first three quarters of 2023 (compared with EUR 34.8 mn in the first three quarters of 2022). Free cash flow amounted to minus EUR 138.2 mn (compared with minus EUR 495.8 mn in the first three quarters of 2022), particularly due to the negative result and the completion of strategic investment projects.

In the third quarter of 2023, Lenzing generated positive free cash flow of EUR 27.3 mn (compared with minus EUR 132.3 mn in the first quarter and minus EUR 33.1 mn in the second quarter of 2023), thereby confirming that the measures to strengthen free cash flow are working.

Capital expenditures for intangible assets, property, plant and equipment and biological assets (CAPEX) amounted to EUR 199.7 mn in the reporting period (down from EUR 532 mn in the first three quarters of 2022) including due to the investment projects in China and Indonesia. Compared to December 31, 2022, liquid assets increased by 66.5 percent to EUR 754.6 mn as of September 30, 2023, reflecting the capital increase.

Total assets rose by 6.6 percent compared with December 31, 2022 and amounted to EUR 5.89 bn as of September 30, 2023. Adjusted equity rose by 12.7 percent to EUR 2.35 bn due to the capital increase. The adjusted equity ratio amounted to 40 percent as of September 30, 2023 (compared with 37.8 percent as of December 31, 2022). Net financial debt amounted to EUR 1.57 bn as of the balance sheet date (compared with EUR 1.8 bn as of December 31, 2022).¹ Net gearing decreased to 66.9 percent (compared with 86.2 percent as of December 31, 2022). Trading working capital increased by 8.1 percent to EUR 616.8 mn, mainly reflecting a EUR 88.6 mn decrease in inventories due to accelerated inventory reduction as well as an offsetting negative effect from the significantly lower level of trade payables compared with December 31, 2022.

Implementation of the "Better Growth" corporate strategy continued in the reporting period. The strategy is aimed, among other things, at better serving structural demand growth for eco-friendly and high-quality specialty fibers of the TENCEL™, LENZING™ ECOVERO™ and VEOCEL™ brands. In line with its strategy, Lenzing will pursue a profitable growth path following the successful implementation of its key projects, sharpen its focus on sustainable and high-quality premium fibers for textiles and nonwovens and, in

parallel, continue to push ahead with the transition to a circular economy model.

Lenzing stands worldwide for the ecologically responsible production of specialty fibers based on cellulose and recycled materials. With the lyocell plant opened in Thailand last year and the successful investments in existing production sites in Asia, Lenzing is able to generate 100 percent of fiber revenues from the specialty fiber business under the TENCEL™, LENZING™ ECOVERO™ and VEOCEL™ brands.

Since 2021, Lenzing has invested more than EUR 200 mn in production sites in China and Indonesia to convert existing capacity for generic viscose into capacity for specialty fibers in order to better serve structurally growing demand for environmentally responsible cellulosic fibers.

At Purwakarta (Indonesia), Lenzing implemented reconstruction and modernization measures 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,² 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. Moreover, Lenzing is working consistently on the gradual conversion of the Chinese site to green energy in order to further reduce carbon emissions.

A study published in May 2023³ by the Scripps Institution of Oceanography (SIO) at the University of California, San Diego, confirmed that cellulosic-based fibers such as LENZING™ lyocell fibers, LENZING™ viscose fibers, and LENZING™ modal fibers are also biodegradable on the seabed. As early as 2021, studies by the renowned, academic research institute showed that LENZING™ lyocell fibers can be completely degraded at the ocean surface within a very short time.

With its biodegradable LENZING™ fibers in geotextiles, Lenzing is also able to make a significant contribution to the sustainable protection of glaciers, which are severely threatened by global earth warming. This has been confirmed by the Institute of Ecology at the University of Innsbruck in cooperation with Austrian glacier railway operators. The promising project was awarded first place in the prestigious Swiss BIO TOP Awards for wood and material innovations.

Lenzing has proactively developed and promoted innovations in recycling for several years (such as the REFIBRA™ and Eco Cycle technologies) in order to provide solutions to the global textile waste problem. Since 2021, Lenzing has been working with Swe-

¹ Since the second quarter of the 2023 financial year, net financial debt is presented excluding lease liabilities (see the supplement to the management report "Notes on the Financial Performance Indicators of the Lenzing Group").

² The EU Ecolabel is recognized by all member states of the European Union as well as Norway, Liechtenstein and Iceland. Introduced in 1992 by an EU regulation (Regulation

(EEC) No. 880/92), the voluntary label has gradually become a reference for consumers who wish to contribute to a lower environmental impact by purchasing more environmentally responsible products and services.

³ <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0284681>

dish pulp producer Södra to jointly develop new processes for recycling used textiles on an industrial scale. This project¹ was supported by an EU grant of EUR 10 mn under the LIFE 2022 program.²

In order to expand its leading position in the growth market for sustainable cellulosic fibers, Lenzing is continuing to focus on sustainable innovations with strong product brands. In the third quarter of 2023, Lenzing presented a new dyeing approach for TENCEL™ lyocell fibers that can achieve a washed-out or vintage aesthetic, and significantly reduces water and energy consumption compared with conventional bleaching processes. Lenzing also set further standards for the textile circular economy. For example, Lenzing extended its REFIBRA™ technology to LENZING™ ECOVERO™ viscose fibers and, together with its Danish partner Kentaur, developed a clothing collection for chefs that focuses on the circular economy, durability and functionality.

Lenzing also took further steps to enhance transparency and efficiency in its global supply chain during the reporting period: Together with a provider of digital supply chain solutions, Lenzing introduced a pioneering process for real-time delivery tracking of containers. Combined with advanced artificial intelligence, GPS sensors and machine learning technologies, Lenzing can provide accurate, real-time information on fiber orders – from delivery status and container location through to tracking ship routes and estimated arrival times. In line with the sustainability targets, the tracking system also gives supply chain partners a better overview of carbon emissions.

Lenzing was also awarded platinum status in the EcoVadis CSR rating for the third consecutive time. This positions Lenzing once again in the top one percent of companies evaluated by EcoVadis worldwide. The assessment comprehensively covers the four main Corporate Social Responsibility practices: The environment, fair working conditions and human rights, as well as ethics and sustainable procurement.

¹ Project 101113614 — LIFE22-ENV-SE-TREATS

² https://cinea.ec.europa.eu/programmes/life_en

Outlook

According to the IMF, a full return of the global economy to pre-pandemic growth rates appears increasingly out of reach in the coming quarters. In addition to the consequences of the pandemic and the ongoing war in Ukraine, growth is also being influenced by restrictive monetary policy and extreme weather events. The consequences of the renewed military confrontation in the Middle East are not yet foreseeable. Overall, the IMF warns of greater risks to global financial stability, and expects the growth rate to decrease to 3 percent this year and to 2.9 percent next year.

The currency environment is expected to remain volatile in the regions of relevance to Lenzing.

The general market environment is continuing to weigh on the consumer climate and on sentiment in the industries relevant to Lenzing.

In the trend-setting market for cotton, the current 2023/24 crop season is emerging as a further 1.7 mn tonnes of inventory build-up, following 1.8 mn tonnes of inventory build-up in the previous season.

Earnings visibility remains severely limited overall.

Lenzing is fully on track with the implementation of the reorganization and cost reduction program and on this basis is implementing a comprehensive performance program focused on positive free

cash flow, strengthened sales and margin growth as well as sustainable cost excellence. The overarching goal is to position Lenzing even more strongly and to further increase its crisis resilience.

In structural terms, Lenzing continues to anticipate growth in demand for environmentally responsible fibers for the textile and clothing industry as well as the hygiene and medical sectors. As a consequence, Lenzing is very well positioned with its “Better Growth” strategy and plans to continue driving growth with specialty fibers as well as its sustainability goals, including the transformation from a linear to a circular economy model.

The successful implementation of the key projects in Thailand and Brazil as well as the investment projects in China and Indonesia will further strengthen Lenzing’s positioning in this respect.

Taking the aforementioned factors into consideration, the Lenzing Group continues to expect that EBITDA for the 2023 financial year will lie in a range between EUR 270 mn and EUR 330 mn.

Lenzing, October 31, 2023

Lenzing Aktiengesellschaft

The Managing Board

Stephan Sielaff

Chief Executive Officer

Nico Reiner

Chief Financial Officer

Christian Skilich

Chief Pulp Officer

Robert van de Kerkhof

Chief Sustainability Officer

Consolidated Income Statement (condensed)

for the period from January 1 to September 30, 2023

	EUR mn			
	07-09/2023	07-09/2022	01-09/2023	01-09/2022
Revenue	615.5	676.5	1,865.8	1,970.1
Cost of sales	(561.0)	(583.3)	(1,625.4)	(1,593.7)
Gross profit	54.6	93.2	240.4	376.4
Other operating income	54.4	37.2	79.3	81.0
Selling expenses	(68.8)	(78.8)	(201.8)	(219.0)
Administrative expenses	(31.9)	(29.3)	(95.4)	(102.0)
Research and development expenses	(6.7)	(4.9)	(17.0)	(19.7)
Other operating expenses	(0.1)	(0.6)	(16.0)	(4.1)
Earnings before interest and tax (EBIT)	1.5	16.9	(10.5)	112.6
Financial result	(12.3)	9.4	(76.4)	13.9
Earnings before tax (EBT)	(10.9)	26.4	(86.9)	126.4
Income tax expense	(20.0)	(23.8)	(9.8)	(51.5)
Net profit/loss after tax	(30.9)	2.6	(96.7)	74.9
Attributable to:				
Shareholders of Lenzing AG	(44.3)	(5.3)	(148.5)	57.3
Non-controlling interests	6.3	0.8	30.3	(4.0)
Share planned for hybrid capital owners	7.2	7.2	21.6	21.6
Earnings per share	EUR	EUR	EUR	EUR
Diluted = basic	(0.97)	(0.20)	(4.90)	2.16

Consolidated Statement of Comprehensive Income (condensed)

for the period from January 1 to September 30, 2023

	EUR mn			
	07-09/2023	07-09/2022	01-09/2023	01-09/2022
Net profit/loss after tax as per consolidated income statement	(30.9)	2.6	(96.7)	74.9
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liability	0.0	5.4	0.0	20.4
Financial assets measured at fair value through other comprehensive income	(3.0)	(4.8)	(1.6)	(18.9)
Income tax relating to these components of other comprehensive income	0.7	(0.2)	0.4	(0.4)
	(2.3)	0.5	(1.2)	1.1
Items that may be reclassified to profit or loss				
Foreign operations – foreign currency translation differences	32.4	96.8	4.6	178.5
Cash flow hedges	(15.9)	7.2	(7.4)	42.2
Income tax relating to these components of other comprehensive income	1.3	(9.9)	0.9	(25.2)
Investments accounted for using the equity method - share of other comprehensive income (net of tax)	0.0	1.0	0.7	3.4
	17.8	95.0	(1.1)	198.9
Other comprehensive income (net of tax)	15.5	95.5	(2.3)	200.0
Total comprehensive income	(15.4)	98.1	(99.0)	275.0
Attributable to:				
Shareholders of Lenzing AG	(39.2)	65.3	(155.1)	207.6
Non-controlling interests	16.5	25.7	34.6	45.8
Share planned for hybrid capital owners	7.2	7.2	21.6	21.6

Consolidated Statement of Financial Position (condensed)

as at September 30, 2023

	EUR mn	
	30/09/2023	31/12/2022
Assets		
Intangible assets, property, plant and equipment, right-of-use assets and biological assets	3,768.2	3,657.4
Investments accounted for using the equity method and financial assets	60.5	55.5
Deferred tax assets	3.4	1.7
Other non-current assets	146.3	139.0
Non-current assets	3,978.4	3,853.6
Inventories	623.9	712.5
Trade receivables	322.4	293.6
Other current assets	219.5	218.4
Cash and cash equivalents	747.7	446.9
Current assets	1,913.5	1,671.4
Total assets	5,891.9	5,525.0
Equity and liabilities		
Equity attributable to shareholders of Lenzing AG	1,955.9	1,739.9
Non-controlling interests	320.4	286.0
Equity	2,276.3	2,025.9
Financial liabilities	1,982.8	2,071.9
Deferred tax liabilities	58.5	70.2
Provisions	89.6	91.5
Other non-current liabilities	326.4	284.7
Non-current liabilities	2,457.3	2,518.5
Financial liabilities	486.1	250.3
Trade payables	329.5	435.4
Provisions	43.2	66.3
Other current liabilities	299.4	228.6
Current liabilities	1,158.3	980.6
Total equity and liabilities	5,891.9	5,525.0

Consolidated Statement of Changes in Equity (condensed)

for the period from January 1 to September 30, 2023

EUR mn

	Share capital	Capital reserves	Hybrid capital	Other reserves	Retained earnings	Equity attributable to shareholders of Lenzing AG and to hybrid capital owners	Non-controlling interests	Equity
As at 01/01/2022	27.6	133.9	496.6	15.1	1,206.4	1,879.6	192.5	2,072.1
Total comprehensive income	0.0	0.0	0.0	150.3	78.9	229.2	45.8	275.0
Hedging gains and losses and cost of hedging transferred to the cost of non-current assets and cost of inventory	0.0	0.0	0.0	3.0	0.0	3.0	3.2	6.2
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	0.0	0.0	0.0	(5.0)	5.0	0.0	0.0	0.0
Increase in capital	0.0	0.0	0.0	0.0	0.0	0.0	45.6	45.6
Measurement of puttable non-controlling interest recognized directly in equity	0.0	0.0	0.0	0.0	(78.0)	(78.0)	0.0	(78.0)
Dividends paid (including hybrid coupon)	0.0	0.0	0.0	0.0	(115.5)	(115.5)	(0.2)	(115.6)
Transactions with equity holders	0.0	0.0	0.0	0.0	(193.5)	(193.5)	45.4	(148.0)
As at 30/09/2022	27.6	133.9	496.6	163.4	1,096.8	1,918.3	286.9	2,205.2
As at 01/01/2023	27.6	133.9	496.6	90.2	991.7	1,739.9	286.0	2,025.9
Total comprehensive income	0.0	0.0	0.0	(6.6)	(126.9)	(133.6)	34.6	(99.0)
Hedging gains and losses and cost of hedging transferred to the cost of non-current assets and cost of inventory	0.0	0.0	0.0	(1.9)	0.0	(1.9)	(1.1)	(3.1)
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	0.0	0.0	0.0	(0.5)	0.5	0.0	0.0	0.0
Increase in capital	12.5	379.6	0.0	0.0	0.0	392.1	0.0	392.1
Acquisition/disposal of non-controlling interests and other changes in the scope of consolidation	0.0	0.0	0.0	0.0	(1.3)	(1.3)	1.3	0.0
Measurement of puttable non-controlling interest recognized directly in equity	0.0	0.0	0.0	0.0	(39.4)	(39.4)	0.0	(39.4)
Dividends paid (including hybrid coupon)	0.0	0.0	0.0	0.0	0.0	0.0	(0.3)	(0.3)
Transactions with equity holders	12.5	379.6	0.0	0.0	(40.7)	351.5	1.0	352.5
As at 30/09/2023	40.1	513.5	496.6	81.1	824.6	1,955.9	320.4	2,276.3

Consolidated Statement of Cash Flows (condensed)

for the period from January 1 to September 30, 2023

	EUR mn	
	01-09/2023	01-09/2022
Net profit/loss after tax	(96.7)	74.9
+ Amortization of intangible assets and depreciation of property, plant and equipment, right-of-use assets and depletion of biological assets	231.1	151.9
-/+ Other non-cash income / expenses	(99.3)	21.3
Gross cash flow	35.2	248.2
+/- Change in inventories	107.1	(247.0)
+/- Change in receivables	(11.4)	(6.5)
+/- Change in liabilities	(69.8)	40.1
Change in working capital	25.9	(213.4)
Cash flow from operating activities	61.1	34.8
- Acquisition of intangible assets, property, plant and equipment and biological assets (CAPEX)	(199.7)	(532.0)
- Acquisition of financial assets and investments accounted for using the equity method	(8.3)	(0.2)
+ Proceeds from the sale of intangible assets, property, plant and equipment and biological assets	0.4	1.4
+ Proceeds from the sale/repayment of financial assets and the sale of investments accounted for using the equity method	1.8	9.4
Cash flow from investing activities	(205.7)	(521.4)
+ Capital injections to consolidated companies by non-controlling interests	392.1	44.7
- Dividends paid	(0.3)	(115.6)
+ Investment grants	1.4	0.0
+ Increase in other financial liabilities	136.7	243.1
- Repayment of bonds and private placements	0.0	(36.0)
- Repayment of other financial liabilities	(86.9)	(31.6)
Cash flow from financing activities	443.1	104.5
Total change in liquid funds	298.5	(382.1)
Liquid funds at the beginning of the year	446.9	1,113.3
Currency translation adjustment relating to liquid funds	2.3	16.6
Liquid funds at the end of the period	747.7	747.8
Additional information on payments in the cash flow from operating activities:		
Interest payments received	7.8	9.1
Interest payments made	67.7	22.1
Income taxes paid	11.9	38.2
Distributions received from investments accounted for using the equity method	2.7	0.8

The condensed consolidated interim financial statements as at September 30, 2023 were prepared based on IAS 34 (Interim Financial Reporting). They are based on the consolidated financial statements as at December 31, 2022 and should therefore always be read in conjunction with these statements.

The reporting currency is euro (EUR). The figures shown in these condensed consolidated interim financial statements and in the notes, unless stated otherwise, have been rounded up to the next million ("mn") to one decimal place. Arithmetic differences due to rounding effects can occur when adding up rounded amounts and percentages using automatic tools.

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Note:

This English translation of the condensed interim report was prepared for the company's convenience only. It is a non-binding translation of the German condensed interim report. In the event of discrepancies between this English translation and the German original the latter shall prevail.

This condensed interim group report also contains forward-looking statements based on current assessment and assumptions made by Lenzing Group to the best of its knowledge. Statements using the words "should", "may", "will", "expected", "intended", "assume", "suppose", "estimate", "plan", "anticipate", "is of the opinion", "to my knowledge", "in my estimation" or similar formulations indicate such forward-looking statements. The forecasts relating to the future development of the Lenzing Group are estimates based on the

information available at the time of this condensed interim group report going to print.

If the assumptions on which the forecasts are based do not occur or risks arise at a level that was not anticipated, actual results may deviate from forecasts.

Rounding differences can occur when adding up rounded amounts and percentages. The condensed interim group report was prepared with the utmost care to ensure the accuracy and completeness of information in all sections. Nonetheless, errors due to rounding, typesetting and printing cannot be completely ruled out.