

Report of the Supervisory Board

To the 79th Annual General Meeting

Dear shareholders,

The year 2022 was a very eventful year for Lenzing Aktiengesellschaft, with some high points and low points. Despite difficult circumstances during the years of the COVID-19 pandemic, the major strategic projects in Thailand and Brazil were successfully completed. Our choice of partners and excellent project management, as well as our selection of employees, executives, specialists and contractors, have proven successful, so that these major projects have been implemented very successfully despite the difficult pandemic situation. Both projects have started up successfully, are on schedule for commercial ramp-up and thereby form cornerstones of the Group's long-term strategy. The challenging situation for the textile value chain at the start of the year as a consequence of logistics constraints and rising costs was further exacerbated by the outbreak of the Russia-Ukraine war. Especially in Europe, we saw unprecedented cost increases for energy and energy-intensive raw materials. The resultant inflationary pressures and concerns about a recession also weighed on demand over the course of the year. In this very difficult situation for the company, the Management Board responded quickly and in the second half of the year approved a reorganization and cost-cutting program designed to stabilize competitiveness and profitability. Despite this difficult situation, Lenzing is adhering firmly to its long-term strategy. This was revised again in 2022 and targets were set for the further time horizon up until 2027.

Lenzing achieved a major success in the context of its long-term sustainability strategy. Lenzing was one of 12 companies worldwide to achieve a "Triple A" rating from the non-profit environmental organization CDP. This award makes us proud and confirms the company's strategic orientation of positioning resource conservation, the circular economy and innovation as the most important cornerstones of our targeted carbon neutrality.

The Supervisory Board fulfilled the monitoring obligations defined by law, the articles of association and the rules of procedure in



connection with these varied activities. It was involved in fundamental decisions on a timely basis and provided professional advice for the Managing Board. The Managing Board, in turn, submitted regular detailed reports to the Supervisory Board on the financial position and performance of Lenzing AG and the Lenzing Group. In addition, the Managing Board also reported to the Chairman of the Supervisory Board outside the context of scheduled meetings concerning business performance, the company's position as well as major transactions. Individual issues were handled in depth by the committees established by the Supervisory Board, which then reported to the plenary Supervisory Board on their activities.

Supervisory Board meetings

The Supervisory Board of Lenzing AG met five times during the reporting year. At these meetings, the Managing Board reported on business performance as well as on major transactions and measures. The Managing Board's work was also monitored, and the Supervisory Board offered its professional advice on major strategic issues. In view of the impact of the ongoing difficult logistics situation, especially in the first half of the year, as well as the trend in energy prices and costs due to the Russia-Ukraine war, communication with the Managing Board intensified once again and steps to mitigate the effects of these multiple crises on Lenzing's business were implemented continuously and evaluated in close coordination with the Managing Board. The central topics of the meetings included business trends, price trends and the cost situation, as well as the Group's strategic further development including an update on the Group strategy and long-term goals, the sustainability strategy and ESG issues, research and development priorities, digitalization, personnel measures, financing measures, and the discussion and approval of the budget for the 2022 financial year. A further focus was on supporting the Managing Board in the

development of a reorganization and cost-saving program, which was initiated in the second half of the year and is expected to make a full contribution to earnings by the end of 2023.

In order to lend the necessary weight to Lenzing's sustainability efforts, qualitative ESG objectives were included in the Managing Board targets for the first time on the basis of the remuneration policy approved in 2021. Now ESG KPIs can also be included in the evaluation of the Managing Board members' long-term, performance-based bonuses. The Supervisory Board also addressed the efficiency of its own working procedures, and discussed and initiated measures.

At the Annual General Meeting on April 26, 2022, Astrid Skala-Kuhmann and Patrick Prügger were re-elected to the Supervisory Board. Peter Edelmann stepped down from the Supervisory Board at his own request as of the end of the Annual General Meeting on April 26, 2022. We would like to thank Peter Edelmann for more than four years of trusting and constructive guidance and direction, and wish him all the best for his future path in life.

Stephan Sielaff was appointed Chief Executive Officer of Lenzing AG with effect as of April 1, 2022. Thomas Obendrauf stepped from the Managing Board of Lenzing AG with effect as of May 31, 2022. We would like to thank Thomas Obendrauf for his extraordinary work for Lenzing over the past six years. Dr. Nico Reiner was recruited to succeed him as CFO and joined the Managing Board team on January 1, 2023. We wish him every success in this task.

Committee meetings

The Remuneration Committee established by the Supervisory Board met eight times during the reporting year and dealt primarily with performance evaluation and goal setting for the Managing Board members as well as general remuneration topics relating to the Managing Board. The Nomination Committee convened for four meetings in the reporting year. These meetings mainly dealt with personnel development measures and succession planning issues, the appointment of Stephan Sielaff as CEO and the search for a successor to Thomas Obendrauf as CFO. The committee discussed nominations to the Supervisory Board and submitted corresponding nominations for approval. The Audit Committee convened for three meetings in the reporting year. Some of these meetings were also attended by representatives of the auditors who reported on their auditing activities, and coordinated them with the Audit Committee. Specific accounting topics were also discussed in the presence of the auditor. In addition to reviewing and preparing the separate and consolidated financial statements, the committee also addressed the additional tasks in accordance with Section 92 Para. 4a of the Austrian Stock Corporation Act (AktG), focusing particularly on critically examining and monitoring the functioning and effectiveness of the internal control, audit and risk management systems. The results were subsequently discussed with the plenary Supervisory Board. The Hygiene Austria Committee, which had been established in 2021 in order to fully clarify the related matter, met once in the reporting year and was dissolved at the constituent meeting of the Supervisory Board on April 26, 2022. External teams of experts from the various specialist areas of forensics, corporate law, criminal law, as well as labor and capital market law, were brought in to ensure a complete investigation and the implementation of the necessary

measures derived from the findings. All results were reported by the committee to the Supervisory Board and discussed in detail. The Committee for Large Capex Projects established by the Supervisory Board met four times in the reporting year and dealt with the ongoing support, consulting and controlling for the two large-scale projects for the construction of a lyocell fiber plant in Thailand and the construction of a dissolving wood pulp plant in Brazil. Project governance and risk management of the projects, as well as mitigation of COVID-19 impacts, were the primary focus here. Following the successful completion of these large-scale projects, the committee was dissolved as of September 30, 2022.

Additional information on the composition and working procedures of the Supervisory Board and its remuneration is provided in the Corporate Governance Report and the remuneration report of Lenzing AG.

Audit of the separate annual financial statements and management report as well as the consolidated financial statements and Group management report

The separate annual financial statements of Lenzing AG, together with the related management report, and the consolidated financial statements of the Lenzing Group, together with the Group management report, including the non-financial statement in accordance with Section 245a of the Austrian Commercial Code (UGB) as of December 31, 2022, were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, and awarded an unqualified opinion. The Corporate Governance Report was evaluated by PwC Oberösterreich Wirtschaftsprüfung und Steuerberatung GmbH, Linz. It was found that the declaration of compliance with the Corporate Governance Code issued by Lenzing AG (January 2021) corresponds to the actual circumstances. The Supervisory Board's Audit Committee reviewed the separate annual financial statements and the consolidated financial statements as well as the separate management report and Group management report and the Corporate Governance Report. The results of this review were subsequently discussed with the auditor in detail. The Audit Committee concurred with the results of the auditor's report based on its review, and reported to the Supervisory Board on this matter as required. The committee also recommended that the Supervisory Board submit a proposal to the Annual General Meeting to appoint KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft as the auditor for the 2023 financial year. The Supervisory Board formally approved the management report and the Corporate Governance Report after its review, and adopted the separate annual financial statements for 2022 in accordance with Section 96 Para. 4 of the Austrian Stock Corporation Act (AktG). Furthermore, the Supervisory Board declared its approval of the consolidated financial statements and the Group management report in accordance with Sections 244 and 245a UGB. In accordance with Section 96 Paras. 1 and 2 AktG, the Supervisory Board reported that a separate non-financial report (Sustainability Report) had been prepared and audited. The Supervisory Board concurs with the recommendation by the Audit Committee and will consequently submit a proposal to the 79th Annual General Meeting for the

appointment of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft as the auditor of the annual financial statements for the 2023 financial year. The Supervisory Board was not informed of any conflicts of interest on the part of Managing Board or Supervisory Board members during the reporting year that would require disclosure to the Annual General Meeting.

The Supervisory Board would like to extend its thanks and acknowledgment to the Managing Board and all employees of Lenzing AG for their outstanding commitment. Thanks to their personal commitment, Lenzing Aktiengesellschaft overcame the special challenges caused by COVID-19 and the Russia-Ukraine war and continued to implement the Group's strategy with undiminished energy. We also wish to extend our special thanks to the customers, shareholders, suppliers and business partners of Lenzing for their trust and solidarity.

Thank you!

Vienna, March 8, 2023

Cord Prinzhorn,
Chairman of the Supervisory Board