Lenzing
Innovative by nature

HALF-YEAR REPORT 01-06 2025

LENZING GROUP

Selected Indicators of the Lenzing Group

Key earnings and profitability figures

EUR mn	01-06/2025	01-06/2024	Change
Revenue	1,341.1	1,310.7	2.3%
EBITDA (earnings before interest, tax, depreciation and amortization)	268.6	164.4	63.3%
EBITDA margin	20.0%	12.5%	
EBIT (earnings before interest and tax)	109.0	18.9	>100.0%
EBIT margin	8.1%	1.4%	
EBT (earnings before tax)	22.1	(22.3)	n/a
Net profit/loss after tax	15.2	(65.4)	n/a
Earnings per share in EUR	(0.90)	(1.84)	51.0%

Key cash flow figures

EUR mn	01-06/2025	01-06/2024	Change
Cash flow from operating activities	150.1	239.6[1]	(37.3)%
Free cash flow	43.1	141.8[2]	(69.6)%
Unlevered free cash flow	89.4	180.4	(50.4)%
CAPEX	61.3	59.8[3]	2.5%
EUR mn	**30/06/2025**	**31/12/2024**	**Change**
Liquid assets	754.0	451.7	66.9%
Unused credit facilities	216.1	198.1	9.1%

Key balance sheet figures

EUR mn	30/06/2025	31/12/2024	Change
Total assets	4,984.9	4,976.8	0.2%
Adjusted equity	1,663.9	1,725.9	(3.6)%
Adjusted equity ratio	33.4%	34.7%	
Net financial debt	1,437.9	1,532.5	(6.2)%
Net financial debt incl. lease liabilities	1,569.2	1,656.3	(5.3)%
Net debt	1,641.8	1,732.2	(5.2)%
Net gearing	86.4%	88.8%	
Trading working capital	592.3	578.0	2.5%
Trading working capital to annualized group revenue	22.7%	20.5%	

Key stock market figures

EUR	30/06/2025	31/12/2024	Change
Market capitalization in mn	930.7	1,139.2	(18.3)%
Share price	24.10	29.50	(18.3)%

Employees

	30/06/2025	31/12/2024	Change
Full-time equivalents (FTE)	7,712	7,816	(1.3)%

1) Since the second quarter of the 2025 financial year, the consolidated statement of cash flows is presented according to a new format. As a result, cash flow from operating activities for the comparative period was adjusted retroactively. A related reconciliation can be found in note 1 to the condensed consolidated interim financial statements.
2) Since the second quarter of the 2025 financial year, investment grants previously reported in cash flow from financing activities have been allocated to cash flow from investing activities. As a result, investment grants are included in the calculation of free cash flow, which has led to a retroactive adjustment of EUR 0.3 mn for the comparative period.
3) Since the second quarter of the 2025 financial year, capitalized borrowing costs in accordance with IAS 23 have been reported in cash flow from financing activities under the item “interest paid”; previously these were reported in cash flow from investing activities under the item “acquisition of intangible assets, property, plant and equipment, and biological assets”. As a result, CAPEX for the comparative period was reduced retroactively by EUR 1.9 mn.

The above financial indicators are derived primarily from the Lenzing Group's condensed consolidated interim financial statements and the 2024 consolidated financial statements. Additional details are provided in the section "Notes on the Financial Performance Indicators of the Lenzing Group", in the glossary to the half-year report and in the condensed consolidated interim financial statements, resp. the 2024 consolidated financial statements of the Lenzing Group. Rounding differences can occur in the presentation of rounded amounts and percentage rates.

ACTIVATE

TRANSFORMATION

Even though our industry has been undergoing a remarkable transformation for some time, we have yet to see significant progress on a global scale. That means this report is more than a review; it is an exhortation and starting point for bringing about positive change in the textile and nonwovens industry – for ecological, social, and economic success.

LET US TACKLE THE CHALLENGES TOGETHER!

HERE!

OUR IMPACT

Together we are smart

The hallmark of successful collaboration is that both partners achieve more together than they could have done alone: We are particularly pleased about these successes.

Successes and collaborations

OUR ACHIEVEMENTS

Growth with a positive impact

Our highlight projects show that we are successful as a company and at the same time make a positive contribution to society and the environment.

Projects and challenges

WHERE TO GO

Doing what must be done

The transition to a sustainable economic system is a Herculean task for the future. There are challenges and resistance ahead that require a spirit of innovation and strong alliances.

Promising markets and opportunities

LETTER FROM THE CEO

Dear readers,

The first six months of 2025 have been characterized by far-reaching global changes and economic challenges for both the Lenzing Group and the sector as a whole. A rise in geopolitical uncertainty, and especially the increasingly aggressive customs policy, has weighed on international markets and limited the visibility of the outlook for our earnings. Nevertheless, we have succeeded in consistently pursuing our course of strengthening the company both operationally and financially.

I am pleased that we were able to continue our recovery in the first half of 2025 despite the challenges mentioned above and that we achieved growth in both revenue and earnings thanks to our performance program. Our revenue expanded by 2.3 percent to EUR 1.34 bn and our EBITDA was up by 63.3 percent to EUR 268.6 mn. This growth underscores the effectiveness of our performance program, which we are pursuing vigorously.

The sustainable enhancement of our profitability and resilience remains a key objective. With Georg Kasperkovitz as our new Chief Operations Officer, we have strengthened our Managing Board team in a targeted manner. He brings extensive international experience and will continue to drive operational excellence at our fiber production sites as well as the implementation of our performance program. I would like to thank all colleagues for their contribution during this transformation phase.

We also reached important milestones in the financing area. The successful placement of a new hybrid bond in a volume of EUR 500 million – well above the original target volume – and the refinancing through a syndicated loan in May secure our capital structure until 2027. This will allow us to continue to concentrate fully on implementing our successful performance program.

In our Annual and Sustainability Report 2024, we have formulated a clear call to actively help shape change in our sector under the motto **ACTIVATE TRANSFORMATION HERE**. This call is more relevant than ever. The transformation to sustainable business models is not only necessary – it represents an opportunity. An opportunity to set new standards together with our partners along the value chain and to shape the future of the textile industry responsibly.

Sustainability is and remains our strategic compass. We are realizing targeted investments in the circular economy, low-emission technologies and innovative fiber solutions. Our science-based climate action plan with the goal of net zero emissions by 2050 is an expression of our long-term commitment to a livable future.

I would like to thank all Lenzing Group employees for their commitment, our customers and partners for their trusting collaboration and our shareholders for their support. Together, we are shaping the transformation – responsibly, innovatively and sustainably.

Yours,

Rohit Aggarwal
Chief Executive Officer

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General Market Environment

Global economy[1]

The International Monetary Fund (IMF) expects moderate global growth despite geopolitical tensions, ongoing trade policy uncertainty, and fiscal challenges. In its latest update, the IMF slightly raised its global growth forecast for 2025 to three percent (up 0.2 percentage points compared to April). This upward revision reflects, among other factors, stronger trade activity in the first half of the year, lower-than-expected US tariff burdens, and improved financial conditions. Growth in the Euro area is projected at one percent (up 0.2 percentage points), in the United States at 1.9 percent (up 0.1 percentage points), and in China at 4.8 percent (up 0.8 percentage points), supported by strong exports and fiscal stimulus. However, the IMF continues to see downside risks to the global economy – particularly in the event of renewed trade tensions or geopolitical escalation.

Persistently subdued demand remained the greatest challenge in the textile and apparel industry in the first half of 2025.[2] Moreover, geopolitical tensions and developments in relation to international tariffs exerted a negative impact on the market environment. Increased costs arising from higher tariffs could only be passed on to customers to a limited extent due to a high level of price sensitivity.

Global fiber market[3]

Global demand for apparel posted slight year-on-year growth in the first half of the year after adjusting for inflation, according to preliminary estimates. The demand trend in China was moderately positive. In the USA, by contrast, political uncertainties weighed on consumer confidence, which initially led to a lower level of retail sales in the clothing segment. From April onwards, the announcement of higher tariffs led to a surge in demand as consumers stocked in advance. As a consequence, the US market proved to be the most dynamic market in the first half of the year. In Europe, demand stagnated at the previous year's level. Ongoing economic uncertainties and weather-related effects continued to exert a dampening effect on consumer behavior.

As in the previous year, early deliveries ahead of potential trade barriers led to a moderate increase in stocks in the retail apparel sector. In upstream production stages, by contrast, some stocks were reduced.

Demand in the home textiles segment remained subdued in the first half of the year. Consumers continued to prioritize spending on food and travel, which had a dampening effect on consumer spending in this segment.

In the nonwovens industry, retail sales of hygiene products were down in the most important sales markets. Subdued consumer demand characterized the market environment in the first half of the year.

The situation on the global fiber market remained challenging in the first half of 2025. Global demand for cotton is expected to reach a level of around 25.9 mn tons in the current 2024/25 season. This lies slightly above the previous season's level, but still slightly below global supply of around 26.5 mn tons, which has also risen. Moderate growth in stocks is anticipated as a consequence. The higher level of production is mainly due to more abundant harvests in China and Brazil. International cotton trade was impacted by trade policy uncertainties and persistently weak demand in the textile sector during the reporting period.

Prices for staple fibers remained under pressure. International cotton prices proved to be less volatile than in the previous year, but only recorded a slight recovery. Due to a very good domestic harvest, China's import requirements decreased tangibly. Higher imports from other countries such as Pakistan and Vietnam proved unable to offset this reduction. The Cotlook A index rose slightly by 2 percent to 80 US cents per pound in the reporting period.

Both tensions in the Middle East and an expansion of oil production volumes by OPEC+ group states led to greater volatility on crude oil markets in the first half of 2025. As in the past, resultant fluctuations impacted price trends for polyester staple fibers. At RMB 6,810 per ton, these stood 2 percent below their level at the end of 2024.

Prices for viscose fibers in China continued their moderate downward trend and decreased by 7 percent to RMB 12,750 per ton in the reporting period. A high level of production capacity utilization led to correspondingly greater supply in the first quarter, while demand in the textile sector remained below expectations. In the second quarter, geopolitical uncertainties and protectionist measures, particularly in connection with US tariff policy, worsened the export outlook for Chinese textile and apparel manufacturers and led to a subdued purchasing dynamic.

Despite the ongoing price decrease for viscose fibers, backward-integrated viscose manufacturers' profitability improved slightly as of the end of the first half of the year. This trend was attributable to lower raw material costs.

By comparison, the price premium for differentiated specialty fibers from the TENCEL™, LENZING™ ECOVERO™ and VEOCEL™ brands proved to be largely stable.

The Chinese import price for dissolving wood pulp – a key raw material for the production of regenerated cellulosic fibers – failed to

[1] Source: IMF, World Economic Outlook, July 2025
[2] Source: ITMF, 32nd Global Textile Industry Survey, May 2025

[3] Sources: Inflation-adjusted sales, estimate based on statistics at country level, ICAC, Cotton Outlook, CCFG

continue the previous year's positive trend and dropped by 18 percent to USD 800 per ton in the first half of the year. As a consequence, it followed the price reduction for hardwood-based paper pulp with a time lag. The price premium for dissolving wood pulp over hardwood-based paper pulp reduced to USD 295 per ton. This price trend reflected not only greater supply but also production cuts by the viscose industry during the second quarter.

The Development of Business in the Lenzing Group

The Lenzing Group achieved year-on-year growth in both revenue and earnings in the first half of 2025. [1]

In the second quarter, however, international tariff measures and the resultant uncertainty led to tangible stress along the textile value chain and slowed the Lenzing Group's recovery. The management is responding with an ongoing analysis of potential additional scenarios and the continued implementation of targeted measures to improve the cost structure. In addition, the effects of potential recessions in strategically important markets are being assessed in order to identify and mitigate risks at an early stage.

Market prices remained at a low level, while costs for raw materials, energy and logistics continued to be high.The Lenzing Group's performance program made a significant contribution to earnings improvement during the reporting period. This program is comprehensively geared towards strengthening long-term crisis resilience and enhancing agility in the face of market changes. The aim is to sustainably improve EBITDA and generate free cash flow through increased profitability and consistent cost excellence. Measures such as acquiring new customers for key products and expanding into smaller markets were implemented in order to strengthen sales activities and thereby revenue growth. At the same time, Lenzing is implementing measures to significantly improve its cost structure, which are being reviewed and further developed on an ongoing basis. Over EUR 130 mn in cost savings were already achieved in 2024. Progress was made especially in terms of product costs and product quality. The Managing Board also expects further efficiency gains in the coming quarters, especially in production costs. The ongoing improvements in structures, processes and personnel expenses are expected to lead to an increase in both revenue and margins. The Managing Board anticipates cost savings of in excess of EUR 180 mn in the current financial year.

Lenzing has also successfully strengthened its capital structure over the course of the year to date. A syndicated loan of EUR 545 mn was concluded in May. The financing structure includes a term loan of EUR 355 mn with a three-year term, and a revolving line of credit of EUR 190 mn, also with a three-year term and extension options of totaling two years. In addition, a new EUR 500 mn three-year non-callable hybrid bond was successfully placed on the market. With these measures, Lenzing secures its financing until 2027 and can continue to focus fully on implementing its successful performance program to enhance margins and free cash flows as well as to improve the cost position.

The Lenzing Group's revenue increased by 2.3 percent year-on-year to EUR 1.34 bn in the first half of 2025 thanks to a higher level of revenue from pulp.

The operating earnings trend benefited significantly from the positive effects of the performance program. Earnings before interest, tax, depreciation and amortization (EBITDA) grew by 63.3 percent to EUR 268.6 mn, which included positive exceptional effects from the sale of surplus EU emission allowances amounting to EUR 30.6 mn and the valuation of biological assets amounting to EUR 12.5 mn. The EBITDA margin rose from 12.5 percent to 20 percent.

Earnings before interest and tax (EBIT) amounted to EUR 109 mn (compared with EUR 18.9 mn in the same period of the previous year), which corresponds to an EBIT margin of 8.1 percent (compared with 1.4 percent in the same period of the previous year). Earnings before tax (EBT) amounted to EUR 22.1 mn (compared with minus EUR 22.3 mn in the same period of the previous year).

Tax expenses decreased to EUR 6.9 mn (compared with EUR 43.1 mn in the same period of the previous year) and were positively influenced especially by currency effects from the translation of local tax items into the functional currency.[2]

Earnings after tax improved significantly to EUR 15.2 mn (compared with minus EUR 65.4 mn in the same period of the previous year).

Cash flow from financing activities amounted to EUR 150.1 mn (compared with EUR 239.6 mn in the same period of the previous year). The reduction is partly due to a higher level of working capital. Free cash flow was also positive at EUR 43.1 mn (compared with EUR 141.8 mn in the same period of the previous year). Unlevered free cash flow amounted to EUR 89.4 mn (compared with EUR 180.4 mn in the same period of the previous year).[3]

Liquid assets (including liquid bills of exchange) increased by 66.9 percent compared with December 31, 2024, to a level of EUR 754.0 mn as of June 30, 2025, mainly due to the syndicated loan that was agreed in May.

[1] The key figures are explained in greater detail in the section "Notes on the Financial Performance Indicators of the Lenzing Group".
[2] Predominant currency of the primary economic environment of a subsidiary
[3] In order to improve the transparency and comparability of the financial key performance indicators, the Lenzing Group has newly exercised the accounting options available under IAS 7 and consequently adjusted the presentation of the cash flow statement. The new structure starts with EBT and enables the calculation of unlevered free cash flow, which serves as a key performance indicator in addition to free cash flow as part of the performance program. The adjustment is in line with standard market reporting practices and improves the informative value of the cash flow statement for internal and external stakeholders. The change in presentation was made retrospectively in accordance with IAS 8. A reconciliation to the adjusted figures for the comparative period can be found in Note 1 of the condensed consolidated interim financial statements.

Capital expenditures for intangible assets, property, plant and equipment, and biological assets (CAPEX) amounted to EUR 61.3 mn (compared with EUR 59.8 mn in the same period of the previous year) reflecting a continued cautious level of investment activity.[1]

Total assets rose by 0.2 percent compared with December 31, 2024, and amounted to EUR 4.98 bn as of June 30, 2025. Adjusted equity decreased by 3.6 percent to EUR 1.66 bn, which corresponds to an adjusted equity ratio of 33.4 percent as at June 30, 2025 (compared with 34.7 percent as of December 31, 2024). Net financial debt reduced by 6.2 percent to EUR 1.44 bn as at the reporting date, while net gearing decreased to 86.4 percent (compared with 88.8 percent as of December 31, 2024). Trading working capital was up by 2.5 percent to EUR 592.3 mn.

The details of the revenue and earnings trends in the year under review are as follows:

Condensed consolidated income statement[1] **EUR mn**

			Change	
	01-06/2025	01-06/2024	Absolute	Relative
Revenue	**1,341.1**	**1,310.7**	**30.4**	**2.3%**
Cost of sales	-1,070.8	-1,088.1	17.4	1.6%
Gross profit	**270.3**	**222.6**	**47.8**	**21.5%**
Other operating income	76.8	27.2	49.6	>100%
Selling expenses	-139.6	-145.0	5.4	3.7%
Administrative expenses	-65.0	-69.1	4.1	5.9%
Research and development expenses	-14.2	-15.0	0.8	5.4%
Other operating expenses	-19.3	-1.8	-17.5	>100%
EBIT	**109.0**	**18.9**	**90.1**	**>100%**
Financial result	-87.0	-41.2	-45.8	>100%
EBT	**22.1**	**-22.3**	**44.4**	**n/a**
Income tax expense	-6.9	-43.1	36.2	84.0%
Net profit/loss	**15.2**	**-65.4**	**80.6**	**n/a**

1) The complete consolidated income statement is presented in the interim consolidated financial statements.

[1] In order to improve the transparency and comparability of the financial key performance indicators, the Lenzing Group has newly exercised the accounting options available under IAS 7 and consequently adjusted the presentation of the cash flow statement. The new structure starts with EBT and enables the calculation of unlevered free cash flow, which serves as a key performance indicator in addition to free cash flow as part of the performance program. The adjustment is in line with standard market reporting practices and improves the informative value of the cash flow statement for internal and external stakeholders. The change in presentation was made retrospectively in accordance with IAS 8. A reconciliation to the adjusted figures for the comparative period can be found in Note 1 of the condensed consolidated interim financial statements.

The Development of Business in the Divisions

The management of the Lenzing Group's business is divided into the two divisions "Fiber" and "Pulp".

The "Better Growth" corporate strategy was further advanced in the first half of 2025. The strategy is aimed at better serving long-term demand growth for high-quality and sustainably manufactured specialty fibers of the TENCEL™, LENZING™ ECOVERO™ and VEOCEL™ brands, among other objectives. Following the implementation of the large-scale projects in Brazil and Thailand as well as the modernization of capacities in China and Indonesia, Lenzing will pursue a profitable growth path, sharpen its focus on premium fibers for textiles and nonwovens and, at the same time, further accelerate the transition to a circular economy model.

The acquisition of a minority interest in Swedish cellulosic fiber company TreeToTextile AB was closed in February 2025. Lenzing joined existing investors 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 will be to scale up production.

In its Annual and Sustainability Report 2024, which was presented in March 2025 and is available digitally at reports.lenzing.com, Lenzing once again sends a strong signal of its ecological, social and business performance. The non-financial statement was published for the first time in accordance with the European Sustainability Reporting Standards (ESRS) and reports on measurable progress in achieving ambitious sustainability and climate targets.

In the interim reporting period, Lenzing once again received excellent ratings for its efforts from environmental organization CDP. Lenzing was awarded the top "A" grade in the climate change category for the fifth consecutive time. In the "Forests" and "Water Security" categories, Lenzing achieved very good "A-" and "B" ratings respectively. These ratings underscore the company's commitment to minimizing its environmental impact and to promoting sustainable practices along its entire value chain. The continuous improvement of environmental performance forms a central element of the corporate strategy and makes a significant contribution to positive business performance, development and growth.

Lenzing also announced personnel changes on its Managing Board during the first half of the year. At the end of March, Walter Bickel relinquished his operational tasks by mutual agreement. Georg Kasperkovitz was appointed as a member of the Managing Board and as Chief Operations Officer (COO) of Lenzing AG with effect from June 1, 2025. As COO, Georg Kasperkovitz took over the management of the company-wide fiber production sites, including the site in Lenzing (Austria). He will also advance the ongoing performance program and, as a consequence, operational cost excellence and the transformation of the company as a whole.

Fiber Division

The Fiber Division comprises, in particular, the Lenzing Group's business activities with its regenerated cellulosic fibers for textiles and nonwovens.

Lenzing stands worldwide for the ecologically responsible production of specialty fibers under the TENCEL™, LENZING™ ECOVERO™ and VEOCEL™ brands.

With the positioning of its product brands, the Lenzing Group has been sending a strong message to consumers since 2018. With TENCEL™ and LENZING™ ECOVERO™ as overarching brands for all specialty products in the textile segment, VEOCEL™ as the overarching brand for all specialty nonwoven products, and LENZING™ for all industrial applications, the company successfully showcases its strengths. Lenzing also enhanced its brands' visibility in the reporting period through targeted communication and marketing activities. Sustainability combined with transparency and traceability, innovation and strong brands represent Lenzing's key differentiators.

Lenzing is an innovation and technology pioneer in the sector, and has pursued pioneering work in the areas of sustainability and the circular economy for many years. In January, at the Heimtextil international trade fair in Frankfurt, Lenzing presented the expansion of its portfolio for LENZING™ Lyocell Fill fibers for filling applications in home textiles and apparel. The new fibers offer greater possibilities in terms of innovative product designs as well as an enhancement of thermal comfort and moisture regulation. They carry the EU Ecolabel[1] and are also ClimatePartner-certified.[2]

The Fiber Division's revenue reached a level of EUR 1.01 bn in the first half of 2025 (compared with EUR 1.01 bn in the same period of the previous year), 63.7 percent of which was attributable to textile fibers and 36.3 percent to nonwoven fibers. The volume of fibers sold amounted to approximately 462,000 tons (compared with approximately 490,000 tons in the first half of 2024). The share of specialty fibers in fiber revenue increased to 92.3 percent (compared with 92.1 percent in the first half of 2024). The division's earnings (EBITDA) amounted to EUR 11.4 mn (compared with EUR 20.8 mn in the same period of the previous year) and the operating result (EBIT) to minus EUR 41.2 mn (compared with minus EUR 29.4 mn in the same period of the previous year).

Textile fibers

As far as the Lenzing Group's textile business is concerned, the first half of 2025 was characterized by high volatility. While business in

[1] LENZING™ Lyocell fibers are certified with the EU Ecolabel (license number: AT/016/001) for outstanding environmental compatibility.
[2] LENZING™ Lyocell fibers are ClimatePartner certified as part of a custom climate action plan that assesses our products' carbon footprint, sets targets and implements measures to reduce emissions, supports verified climate projects and promotes transparency along our supply chain. Details on ClimatePartner certification can be found on the Climate-ID pages: TENCEL™ Lyocell.

the first quarter largely performed in line with expectations – despite ongoing uncertainty and subdued consumer demand – the introduction of additional US tariffs at the beginning of April led to a significant deterioration in the market environment.

China, in particular, was hard hit by the measures. Due to the extraordinarily high tariffs on Chinese textile imports, several large US retailers canceled their orders with Chinese clothing manufacturers at short notice.

A rapid shift of textile value chains to other procurement markets – such as India or Southeast Asia – was not evident in the reporting period. Given the unclear political situation and the hope of an imminent agreement between the USA and China, many US brands adopted a wait-and-see approach.

Despite the challenging conditions in the second quarter, the textile business was stable overall in the first half of the year. Demand for TENCEL™ specialty fibers – particularly for TENCEL™ Modal brand fibers – remained robust thanks to their outstanding product properties.

The positive trend continued in the lyocell filaments segment. Demand in this specialized segment remained high, driven by continued positive feedback from international brands, retailers and textile manufacturers.

Lenzing also further enhanced the visibility and awareness of its TENCEL™ and LENZING™ ECOVERO™ brands in the reporting period through a series of global campaigns and initiatives. These generated more than 100.9 bn impressions in online media and 22.1 mn interactions – including video views – on social platforms.

The TENCEL™ and LENZING™ ECOVERO™ brands were represented in the collections of over 1,000 brand partners in the first half of 2025 – both internationally and locally. The diverse range of brands includes H&M, & Other Stories, Zara, Carhartt, Reformation, Hugo Boss, Armedangels, GANNI, GAP, American Eagle, Madewell, Williams Sonoma, Bestseller Group, Lindex, Benetton, GUESS, Samsoe & Samsoe, AllSaints, Boden, Victoria's Secret, Eileen Fisher, Aritzia, Marc O'Polo, Calzedonia, Yamamay, COS, Next, AKYN and Farm Rio.

Following the brand relaunch in the previous year, TENCEL™ recorded average year-on-year growth in the number of products of 3.9 percent in the first half of 2025. The new brand identity, which emphasizes the brand's commitment to promoting partnerships along the value chain and to driving positive change in the textile industry, is perceived very positively by brand partners.

Nonwoven fibers

The nonwoven fibers business achieved pleasing growth in the first half of 2025 – particularly in special applications such as wet wipes, filtration, packaging and carbonization. Short cut fibers, which are used especially in moist toilet paper and specialty papers for filtration thanks to their specific properties, grew well above expectations and made an above-average contribution to business performance. Challenges in the electronics sector – such as those caused by the ongoing weakness of the automotive industry – were offset by momentum in other segments.

The ongoing trend towards sustainable, plastic-free alternatives proved to be a key driver of the positive business performance. The filtration segment, in particular, exhibited high growth potential, supported by greater interest from global customers in cellulosic solutions. Lenzing is involved in several development partnerships with renowned industry players that aim to accelerate the transformation of plastics into biodegradable materials.

In the hygiene and wipes segment, targeted qualification activities were advanced to enable further volume growth. Co-developments with customers and partners along the value chain remain a key differentiating factor in the market. New product solutions were successfully presented at trade fairs and generated consistently positive customer feedback. Quality successes have been confirmed several times by partners, which is also reflected in a diminishing number of reclamations.

Lenzing also continued on its growth track in regional terms: in Asia, alternative sales markets outside China were successfully established despite persistent trade barriers. In North America, growing demand for reliable, plastic-free procurement led to new partnerships and an expansion of the short cut fiber business.

Co-branding activities to strengthen the VEOCEL™ brand were intensified. New partnerships and an expansion of brand licensing contributed to a stronger end consumer reach. Lenzing also reaffirmed its innovation leadership through targeted investments in trade fair presence, partner events and joint development programs.

With these initiatives, Lenzing underscores its role as a leading provider of sustainable fiber solutions for nonwovens – with a clear focus on proximity to customers, innovative capability and environmental responsibility.

Co-products of fiber production

At all locations where the Lenzing Group produces viscose or modal fibers, manufactured co-products include LENZING™ Sodium Sulphate. This is used in the detergent and glass industries and for the production of food and animal feed. Sales volumes grew year-on-year in the first half of 2025.

Lenzing received ISO 22000:2018 certification, a globally recognized standard for food safety management systems, for its co-product LENZING™ Sodium Sulphate in the reporting period.

Pulp Division

The Pulp Division comprises all Lenzing Group business activities from wood procurement through to the production of dissolving wood pulp and biorefinery products.

Lenzing also proactively develops and promotes innovations in the recycling area in order to provide economically viable and scalable solutions to the global textile waste problem. Since 2021, Lenzing has been working with Swedish pulp producer Södra to jointly develop new processes for recycling used textiles on an industrial scale.

The Pulp Division's (internal and external) revenue reached a level of EUR 689.6 mn in the first half of 2025 (compared with EUR

664.5 mn in the same period of the previous year).[1] Divisional earnings (EBITDA) amounted to EUR 276.0 mn (compared with EUR 184.2 mn in the same period of the previous year), and operating earnings (EBIT) stood at EUR 173.6 mn (compared with EUR 92.5 mn in the same period of the previous year).

Wood

Wood markets remained stable in the first half of 2025. Lower demand from industrial and energy sectors led to a slight downward correction in prices.

Preparations for the European Deforestation Regulation (EUDR) are proceeding according to plan in terms of the system and operations. All necessary measures have been taken to ensure smooth implementation by the end of the year.

The Lenzing Group's procurement strategy entailing long-term master agreements achieved a good stabilizing effect on volumes and prices. As a consequence, Lenzing was able to supply its pulp sites in Lenzing (Austria) and Paskov (Czech Republic) with sufficient wood during the reporting period.

In 2024, audits in accordance with the Forest Stewardship Council® (FSC®) and Programme for the Endorsement of Forest Certification (PEFC) forest certification systems confirmed again for both sites that, in addition to stringent forestry legislation in the supplier countries, all wood used derives from PEFC and FSC® certified or controlled sources.[2]

Pulp

To supply the fiber production sites with high-quality dissolving wood pulp, Lenzing Group operates its own pulp mills at its sites in Lenzing (Austria), Paskov (Czech Republic) and Indianópolis (Brazil). The level of self-sufficiency currently lies significantly above the 75 percent targeted by the corporate strategy. Lenzing has also established itself as a structural supplier in the global pulp market. Most of the dissolving wood pulp sourced externally is purchased on the basis of long-term contracts. The Lenzing Group's pulp plants produced a total of approximately 610,000 thousand tons of dissolving wood pulp in the first half of the year.

Biorefinery products

In addition to dissolving wood pulp, the Lenzing Group's biorefineries also produce and market biorefinery products so that further components of the valuable raw material wood are utilized. Renowned customers from the food, animal feed, pharmaceutical and chemical industries rely on biobased products from Lenzing.

In the reporting period, Lenzing and its long-standing partner Speyer & Grund announced the start-up of a new storage tank. The new tank storage facilities at the Speyer & Grund site in Meerane (Germany) include a tank specifically designed for LENZING™ Acetic Acid Biobased. The expanded storage capacity enhances flexibility and efficiency in supply and makes a significant contribution to supply chain excellence.

A lifecycle analysis performed by research institute Quantis confirmed that the carbon footprint of LENZING™ Acetic Acid Biobased is more than 85 percent smaller than that of comparable products based on fossil resources.

In the reporting period, Lenzing received ISO 22000:2018 certification for the biorefinery product LENZING™ Acetic Acid Biobased as well as for LENZING™ Sodium Sulphate. This internationally recognized standard confirms Lenzing's consistent commitment to product safety, quality assurance and continuous improvement.

Energy and other raw material supplies for the divisions

In the Fiber and Pulp divisions, energy and other raw materials are significant factors influencing the Lenzing Group's financial position and performance.

Energy

With its biorefinery concept at its sites in Lenzing (Austria), Paskov (Czech Republic) and Indianópolis (Brazil), the Lenzing Group is one of the pioneers of resource-conserving and largely energy self-sufficient pulp and fiber production. Numerous measures to enhance energy efficiency were pursued at all production sites in the first half of 2025.

Given the geopolitical uncertainties, energy reserves at European locations remain well secured. After energy prices had gradually decreased since the energy crisis in 2022, an opposite trend was evident in the winter of 2024/25. Low temperatures, wind availability and precipitation led to tangible price increases: compared to the previous year, spot market prices for natural gas rose by 45 percent, for electricity by 49 percent and for carbon certificates by 12 percent. By contrast, prices for crude oil (down 15 percent) and European hard coal (down 6 percent) decreased.

Lenzing continues to adhere to the procurement strategy it introduced in 2023. This entails procuring energy on the basis of a defined forward and spot market combination. This strategy smooths out price fluctuations on energy markets and contributes to a stable cost trend.

The arrangement of a supply contract with WLK energy GmbH for around 13 MW of wind power, which has been supplying the Lenzing site since January 2025, represented an important step towards diversifying electricity supplies. In parallel, photovoltaic capacity is currently being further expanded with the construction of a new 1.3 MWp PV system. With total output of 7 MWp to date and the planned expansion to 8.3 MWp by the end of July 2025, Lenzing is making an active contribution to the energy transition.

A total of 29 energy efficiency projects were implemented at the Lenzing site between December 2023 and May 2025. The resultant savings of around 80.7 GWh per year will exert a positive impact on the energy cost structure.

[1] Retrospective adjustment of inter-segment revenue in the Division Pulp due to change in internal reporting for the respective corporate entity

[2] License code: FSC-C041246 and PEFC/06-33-92

The project to build a new fluidized bed boiler system at the Lenzing site was advanced in the reporting period. The aim is to replace conventional fossil fuels and reduce emissions.

The energy systems in Lenzing and at the sites in Paskov and Heiligenkreuz (Austria) were in regular operation during the reporting period. In Heiligenkreuz, the switch to biogenic fuels was further accelerated, resulting in an optimization of energy costs.

In Paskov, surplus energy continued to be fed into the public grid. Natural gas prices at the Paskov site recorded an increase, while the effect of fluctuating prices in Grimsby (UK) was mitigated thanks to the procurement strategy. In Mobile (USA), natural gas prices rose slightly, while electricity prices were down slightly.

The energy systems at the Purwakarta site (Indonesia) were operated with high availability. The price of coal fell moderately and the price of gas decreased further, while the price of electricity rose slightly.

Gas prices at the Chinese site in Nanjing were down significantly due to a new supply contract. The operation of two gas turbines, which were commissioned in 2024, contributed to the further diversification of energy supplies. Electricity prices remained stable.

At the Indianópolis site in Brazil, a contract for the supply of liquefied natural gas (LNG) was arranged to replace heating oil and further reduce emissions. The start of supply is expected at the beginning of 2026.

In Prachinburi (Thailand), electricity prices in the first half of the year rose slightly year-on-year.

Other raw materials

The chemicals markets relevant to Lenzing recorded moderate year-on-year price increases in the first half of 2025, partly due to the continued rise in energy costs on the manufacturer side.

Caustic soda

Caustic soda is used in the production of dissolving wood pulp and is also an important primary product for the production of viscose and modal fibers. It arises as a byproduct from chlorine production. Prices for caustic soda recorded a moderate increase in the first few months of 2025. This was due to relatively stable demand from nickel and aluminum production coupled with a shortage of supply as a consequence of lower demand for chlorine.

Sulfur

Sulfur is an important starting material for the production of carbon disulfide and sulfuric acid. In turn, both raw materials are used in the viscose process. Sulfur prices rose significantly in the first half of 2025 due to the strong growth in demand for sulfuric acid and fertilizers.

Others

The "Others" area mainly comprises central headquarters functions and overarching activities as well as R&D activities and the activities of BZL-Bildungszentrum Lenzing GmbH (training and personnel development). Revenue in the "Others" area reached EUR 1.6 mn in the first half of 2025 (compared with EUR EUR 1.6 mn in the same period of the previous year). The result (EBITDA) amounted to minus EUR 27.5 mn (compared with minus EUR 28.2 mn in the same period of the previous year), while the operating result (EBIT) stood at minus EUR 32.1 mn (compared with minus EUR 31.8 mn in the same period of the previous year).

The Lenzing share

The Lenzing share started the 2025 stock market year at a price of EUR 29.60 (opening price on January 2, 2025) and touched its low for the year to date on June 19, 2025, with a closing price of EUR 21.55. The high for the year to date was reached on March 19, 2025, with a closing price of EUR 35.35. At the end of the reporting period on June 30, 2025, the Lenzing share closed trading at EUR 24.10. This corresponds to a decrease in the share price of 18.6 percent since the start of the year. The ATX Index, Vienna's benchmark index, ended the first half of 2025 up 20.9 percent. No dividend was distributed for the 2024 financial year.

The share capital of Lenzing AG amounted to a total of EUR 40,107,738.37 as at the reporting date and is divided into 38,618,180 no-par-value shares. B&C Group announced on June 12, 2024, that it has signed a long-term partnership with Brazilian pulp producer Suzano S.A. in connection with the majority interest in Lenzing. As part of this agreement, Suzano S.A. acquired a 15 percent interest in Lenzing AG from the B&C Group. As a consequence, the B&C Group held 37.25 percent of the voting rights and Suzano S.A. held 15 percent of the voting rights as of June 30, 2025. Goldman Sachs Group, Inc. holds 6.97 percent of the shares. The free float amounts to approximately 41 percent. This is distributed among Austrian and international investors. The Lenzing Group does not hold any treasury shares.

The 81st Annual General Meeting of Lenzing AG was held on April 17, 2025 as an in-person event in Lenzing. The AGM ratified the actions of the Managing and Supervisory board members for the 2024 financial year and set the remuneration of the Supervisory Board members for the 2025 financial year. In addition, a revised remuneration policy was approved. In order to align the remuneration policy for the Managing Board to an even greater extent with shareholders' interests, the link to the share price in performance-related remuneration, in particular, was further strengthened. In addition to financial performance criteria, the new remuneration policy of Lenzing AG is also linked to non-financial sustainability criteria (ESG).

Patrick Lackenbucher, Managing Director of the B&C Holding Österreich, was elected as a new member of the Supervisory Board and subsequently as the new Chairman of the Supervisory Board. He succeeds Cord Prinzhorn, who stepped down from the Supervisory Board at the end of his term of office in order to concentrate on existing and new tasks within the B&C Group. The Annual General Meeting also elected Leonardo Grimaldi as a new member of the Supervisory Board. The mandate of Stefan Fida was extended.

Risk Report

The risk report for the first half of 2025 is based on estimates of the management of the Lenzing Group and covers the main business risks for both 2025 and the medium term.

Current risk environment

Global risk factors are becoming increasingly complex and challenging. Rising trade barriers, more restrictive financial conditions, diminishing economic and consumer confidence and potentially escalating geopolitical and military conflicts pose significant risks to global economic growth.

A series of historic changes in US trade policy shook confidence in the stability of central pillars of the international economic order and threatened to escalate into a global trade conflict in April of this year.

Despite a temporary easing of economic disputes, the high level of uncertainty in connection with an increase in global trade tariffs initiated by the USA and the resultant counter-tariffs harbors the risk of an increase in global inflation, disruptions to supply chains and an associated economic downturn in regions and markets affected.

Ongoing geopolitical developments remain a significant risk factor, even if peace agreements in Ukraine and the Middle East might offer the potential for positive economic impetus to varying extents.

Threats from cyber attacks are omnipresent for companies, institutions and critical infrastructures and are characterized by ever-increasing sophistication and complexity.

In the area of climate risks, the increasing frequency and intensity of global extreme weather events such as heatwaves, droughts, floods and forest fires are particularly noteworthy – as are the associated enormous losses and the resultant risks of disruption to global supply chains.

A detailed analysis of the trends in the global fiber market during the reporting period and the related risks for the Lenzing Group is presented in the “General Market Environment” section.

Lenzing risk outlook for the second half of 2025

A risk assessment for the second half of 2025 for the Lenzing Group is based on the current status of the global risk landscape. Negative developments in global trouble spots could lead to a deterioration in the Lenzing Group’s business performance.

The recovery of the global fiber business remains uncertain and depends heavily on geopolitical events, the further direction in the level of global textile stocks, consumer demand and price trends in bellwether markets for cotton, viscose and lyocell.

The Lenzing Group’s corporate strategy aims to consistently counteract market-related price and demand fluctuations through innovation as well as the development, production and distribution of high-quality premium products.

The supply of dissolving wood pulp is considered secure in the long term thanks to a high level of self-sufficiency and adequate market supply. However, markets for energy, raw materials and logistics remain volatile.

The liquidity risk for the second half of 2025 is classified as moderate thanks to the cash position, undrawn credit lines with banks, and the expected trend in free cash flow. Lenzing significantly strengthened its liquidity position in the first half of 2025 by successfully concluding a syndicated loan agreement.

In addition, the cash position was further expanded thanks to positive free cash flows. Further rises in interest rates or an unexpectedly negative trend in the operating business, with its resultant impact on free cash flow generation, would pose a risk to available liquidity.

In terms of currencies, the US dollar fluctuated against the euro in a range of around 14.9 percent, while the Chinese yuan fluctuated against the euro in a range of around 12.7 percent. A fall in the value of these two important currencies for Lenzing has a negative impact on Lenzing’s open currency volumes.

In the category of operational risks, no significant loss events occurred in the area of operational, environmental and liability risks in the reporting period.

Opportunities and risks of relevance to ESG (Environment, Social and Governance) are integrated into the Lenzing Group’s risk management system and are evaluated on a recurring basis in accordance with the internal risk management process. Due to the sometimes long-term time horizon of ESG risks, no significant (negative) effects on the Lenzing Group’s business results are expected in this risk category in the short term.

The uncertainty relating to the current forecast for the Lenzing Group’s short- and medium-term business performance remains. A full presentation of all relevant risks, including the results of the climate risk analysis, can be found in the Annual and Sustainability Report 2024.

Outlook

For 2025, the IMF forecasts global growth of three percent, followed by 3.1 percent in 2026 – marking a slowdown compared to the previous year (2024: 3.3 percent). The projection remains below the pre-pandemic historical average. At the same time, the IMF warns of persistently high risks to the global economy: a renewed escalation of trade conflicts, geopolitical tensions, or tighter financing conditions could dampen growth and reignite inflationary pressures.[1]

In an environment characterized by uncertainty and a persistently high cost of living, consumers are anticipated to remain cautious. This is exerting a lasting negative impact on their propensity to spend. Given the announced tariff increases, the rise in spending on apparel in the USA in the first half of the year is to be regarded as a temporary, one-off effect and is unlikely to continue over the course of the remainder of the year.

The currency environment is expected to remain volatile in regions relevant to Lenzing.

In the global bellwether market for cotton, market analysts' current forecasts anticipate a slight increase in stocks to around 16.3 mn tons for the coming 2025/26 harvest season.

Lenzing will continue to consistently implement its performance program and will conduct ongoing evaluations in order to to leverage additional cost potentials and further improve its revenue and margin generation.

At present, the Lenzing Group confirms its guidance for the 2025 financial year of year-on-year higher EBITDA.

The ongoing tariffs conflict and associated uncertainty are negatively affecting market expectations and are continuing to exert a very restrictive effect on earnings visibility.

In structural terms, Lenzing continues to expect rising demand for environmentally responsible fibers for the textile and clothing industry and for the hygiene and medical sectors. Lenzing is therefore very well positioned with its strategy and is pushing both profitable growth with specialty fibers and the further expansion of its market leadership in the sustainability area.

Lenzing, August 4, 2025
Lenzing Aktiengesellschaft

The Managing Board

Rohit Aggarwal
Chief Executive Officer

Nico Reiner
Chief Financial Officer

Christian Skilich
Chief Pulp & Technology Officer

Georg Kasperkovitz
Chief Operations Officer

[1] Source: IMF, World Economic Outlook, July 2025

Notes on the Financial Performance Indicators of the Lenzing Group

Interim Report 01-06/2025

The key financial indicators for the Lenzing Group are described in detail in the following section. These indicators are derived primarily from the condensed consolidated interim financial statements and the consolidated financial statements of the previous year of the Lenzing Group. The Management Board believes these financial indicators provide useful information on the financial position of the Lenzing Group because they are used internally and are also considered important by external stakeholders (in particular investors, banks and analysts).

EBITDA, EBITDA margin, EBIT and EBIT margin

EBITDA and EBIT are used by the Lenzing Group as benchmarks for operating earnings power and profitability (performance) before and after depreciation and amortization. Due to their significance - also for external stakeholders - EBIT is presented on the consolidated statement of profit or loss and EBITDA is presented on the consolidated statement of cash flows. In relation to group revenue these (referred to as EBITDA margin and EBIT margin) are as follows:

EUR mn	01-06/2025	01-06/2024
Earnings before interest, tax, depreciation and amortization (EBITDA)	268.6	164.4
/ Revenue	1,341.1	1,310.7
EBITDA margin	**20.0%**	**12.5%**

EUR mn	01-06/2025	01-06/2024
Earnings before interest and tax (EBIT)	109.0	18.9
/ Revenue	1,341.1	1,310.7
EBIT margin	**8.1%**	**1.4%**

EBT

EBT measures the pre-tax earnings power of the Lenzing Group and is shown on the consolidated statement of profit or loss.

Gross cash flow

Since the second quarter of the 2025 financial year, gross cash flow is no longer classified as a key financial indicator in the Lenzing Group, as it is no longer used as a relevant measure of the ability to convert profits/losses from operating activities (before changes in working capital) into cash and cash equivalents. Furthermore, gross cash flow is no longer shown in the consolidated statement of cash flows due to the new presentation of the consolidated statement of cash flows.

Free cash flow

The free cash flow generated by the Lenzing Group shows the cash flow generated by operating activities - after the deduction of investments - which is available to service the providers of debt and equity. This indicator is also important for external stakeholders.

EUR mn	01-06/2025	01-06/2024[1] (adjusted)
Cash flow from operating activities	150.1	239.6
– Acquisition of intangible assets, property, plant and equipment, and biological assets	(61.3)	(59.8)
+ Proceeds from the sale of intangible assets, property, plant and equipment, and biological assets	0.2	0.3
+ Investment grants	0.2	0.3
+ Distributions received from investments accounted for using the equity method	0.0	1.3
+ Interest received	5.1	13.4
– Interest paid (incl. share for leasing in accordance with IFRS 16 and capitalized borrowing costs in accordance with IAS 23)	(59.0)	(61.6)
+ Interest expense for leases in accordance with IFRS 16	7.6	8.3
Free cash flow	**43.1**	**141.8**

1) Since the second quarter of the 2025 financial year, the consolidated statement of cash flows is presented according to a new format. As a result, cash flow from operating activities for the comparative period was adjusted retroactively. A related reconciliation can be found in note 1 to the condensed consolidated interim financial statements.

Unlevered free cash flow

Since the second quarter of the 2025 financial year, unlevered free cash flow is presented in the Lenzing Group as an additional key financial indicator – in addition to free cash flow. Unlevered free cash flow adjusts free cash flow for interest received and interest paid as well as distributions received from investments accounted for using the equity method. This enables comparability regardless of the capital structure and also enhances transparency for external addressees.

EUR mn	01-06/2025	01-06/2024
Cash flow from operating activities	150.1	239.6
– Acquisition of intangible assets, property, plant and equipment and biological assets	(61.3)	(59.8)
+ Proceeds from the sale of intangible assets, property, plant and equipment, and biological assets	0.2	0.3
+ Investment grants	0.2	0.3
Unlevered free cash flow	**89.4**	**180.4**

CAPEX

CAPEX is used in the Lenzing Group as a measure for the volume of investments in intangible assets, property, plant and equipment, and biological assets. This indicator is presented in the consolidated statement of cash flows.

Liquid assets

Liquid assets show the Lenzing Group's ability to meet due payment obligations immediately with available funds. This indicator is also used to calculate other financial ratios (e.g. net financial debt; see below).

EUR mn	30/06/2025	31/12/2024
Cash and cash equivalents	750.5	442.3
+ Liquid bills of exchange (in trade receivables)	3.5	9.4
Liquid assets	**754.0**	**451.7**

Trading working capital and trading working capital to annualized group revenue

Trading working capital in the Lenzing Group is a measure for potential liquidity and capital efficiency. It is used to compare capital turnover by relating it to group revenue.

EUR mn	30/06/2025	31/12/2024
Inventories	634.8	646.2
+ Trade receivables	275.1	318.2
– Trade payables	(317.6)	(386.4)
Trading working capital	**592.3**	**578.0**

EUR mn	2025	2024
Latest reported quarterly group revenue	650.9	705.7
x 4 (= annualized group revenue)	2,603.5	2,822.8
Trading working capital to annualized group revenue	**22.7%**	**20.5%**

Adjusted equity and adjusted equity ratio

Adjusted equity shows the Lenzing Group's independence from the providers of debt and its ability to raise new capital (financial strength). This figure includes equity as defined by IFRS as well as government grants less the proportional share of deferred taxes. Adjusted equity is used to compare equity and debt with total assets. This (and/or a similar indicator) is occasionally used as a financial covenant by lenders.

EUR mn	30/06/2025	31/12/2024
Equity	1,596.0	1,652.0
+ Non-current government grants	11.4	12.1
+ Current government grants	76.3	83.5
– Proportional share of deferred taxes on government grants	(19.9)	(21.7)
Adjusted equity	**1,663.9**	**1,725.9**
/ Total assets	4,984.9	4,976.8
Adjusted equity ratio	**33.4%**	**34.7%**

Net financial debt, net gearing and net debt

Net financial debt is used by the Lenzing Group as the benchmark for its financial indebtedness and capital structure. It is also an important indicator for external stakeholders. The ratio of net financial debt to adjusted equity (net gearing) illustrates the relation of net debt to adjusted equity. This (and/or a similar indicator) is occasionally used as a financial covenant by lenders. Net debt in the Lenzing Group measures the level of financial indebtedness, including the provisions for severance payments and pensions.

EUR mn	30/06/2025	31/12/2024
Current loans and borrowings	328.5	279.4
+ Non-current loans and borrowings	1,994.8	1,828.5
– Liquid assets	(754.0)	(451.7)
Net financial debt incl. lease liabilities	**1,569.2**	**1,656.3**
– Current lease liabilities	(9.4)	(9.6)
– Non-current lease liabilities	(121.9)	(114.2)
Net financial debt	**1,437.9**	**1,532.5**

EUR mn	30/06/2025	31/12/2024
Net financial debt	1,437.9	1,532.5
/ Adjusted equity	1,663.9	1,725.9
Net gearing	**86.4%**	**88.8%**

EUR mn	30/06/2025	31/12/2024
Net financial debt	1,437.9	1,532.5
+ Current lease liabilities	9.4	9.6
+ Non-current lease liabilities	121.9	114.2
+ Provisions for severance payments and pensions	72.6	75.9
Net debt	**1,641.8**	**1,732.2**

Consolidated Statement of Profit or Loss

for the period from January 1 to June 30, 2025

EUR mn

	Note	04-06/2025	04-06/2024	01-06/2025	01-06/2024
Revenue	(3)	650.9	652.3	1,341.1	1,310.7
Cost of sales		(521.9)	(532.4)	(1,070.8)	(1,088.1)
Gross profit		**129.0**	**119.9**	**270.3**	**222.6**
Other operating income	(4)	26.3	17.5	76.8	27.2
Selling expenses		(67.3)	(73.9)	(139.6)	(145.0)
Administrative expenses		(32.9)	(36.9)	(65.0)	(69.1)
Research and development expenses		(6.9)	(7.8)	(14.2)	(15.0)
Other operating expenses		(13.4)	(1.4)	(19.3)	(1.8)
Earnings before interest and tax (EBIT)[1]		**34.7**	**17.5**	**109.0**	**18.9**
Result from investments accounted for using the equity method		(1.4)	0.1	(2.0)	(0.3)
Result from non-current and current financial assets and liabilities		(10.3)	8.8	(10.9)	21.3
Financing costs		(36.1)	(30.9)	(74.1)	(62.2)
Financial result		**(47.7)**	**(22.0)**	**(87.0)**	**(41.2)**
Earnings before tax (EBT)		**(13.0)**	**(4.5)**	**22.1**	**(22.3)**
Income tax expense	(4)	(3.6)	(34.0)	(6.9)	(43.1)
Net profit/loss after tax		**(16.6)**	**(38.5)**	**15.2**	**(65.4)**
Attributable to:					
Shareholders of Lenzing AG		(39.4)	(39.0)	(34.8)	(70.9)
Non-controlling interests		15.7	(6.7)	35.6	(8.8)
Share planned for hybrid capital owners		7.2	7.2	14.4	14.4
Earnings per share		EUR	EUR	EUR	EUR
Diluted = basic		(1.02)	(1.01)	(0.90)	(1.84)

1) EBIT: Operating result, resp. earnings before interest and tax.

Consolidated Statement of Comprehensive Income

for the period from January 1 to June 30, 2025

EUR mn

	Note	04-06/2025	04-06/2024	01-06/2025	01-06/2024
Net profit/loss after tax		(16.6)	(38.5)	15.2	(65.4)
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit liability		0.0	0.0	0.0	0.0
Financial assets measured at fair value through other comprehensive income (equity instruments) – net fair value gain/loss on remeasurement recognized during the period	(6)	0.2	(0.1)	0.3	0.0
Income tax relating to these components of other comprehensive income		0.0	0.0	0.0	0.0
Investments accounted for using the equity method - share of other comprehensive income (net of tax)		0.0	0.0	0.0	0.0
		0.2	(0.1)	0.3	0.0
Items that may be reclassified to profit or loss					
Foreign operations – foreign currency translation differences arising during the period		(87.9)	12.8	(125.9)	26.3
Foreign operations - reclassification of foreign currency translation differences due to loss of control		0.0	0.0	0.0	0.0
Cash flow hedges – effective portion of changes in fair value recognized during the period and non-designated components		13.8	0.9	27.8	3.1
Cash flow hedges – reclassification to profit or loss		(6.4)	(2.1)	(4.3)	(3.7)
Income tax relating to these components of other comprehensive income		(2.0)	0.9	(5.4)	(0.7)
Investments accounted for using the equity method - share of other comprehensive income (net of tax)		(0.8)	(1.3)	(0.1)	(1.5)
		(83.4)	11.2	(107.9)	23.6
Other comprehensive income (net of tax)		(83.2)	11.1	(107.7)	23.6
Total comprehensive income		(99.7)	(27.3)	(92.5)	(41.8)
Attributable to:					
Shareholders of Lenzing AG		(96.3)	(29.0)	(106.2)	(55.5)
Non-controlling interests		(10.6)	(5.5)	(0.7)	(0.7)
Share planned for hybrid capital owners		7.2	7.2	14.4	14.4

Consolidated Statement of Financial Position

as at June 30, 2025

EUR mn

Assets	Note	30/06/2025	31/12/2024
Intangible assets		22.7	23.8
Property, plant and equipment		2,598.1	2,870.9
Biological assets	(4)	180.5	192.2
Right-of-use assets		128.6	139.3
Investments accounted for using the equity method		39.0	25.0
Other investments	(6)	47.6	37.1
Deferred tax assets	(4)	2.9	4.3
Receivables from current taxes		15.9	16.9
Other financial assets	(6)	1.1	1.4
Other non-financial assets		49.3	57.4
Non-current assets		**3,085.6**	**3,368.4**
Inventories	(4)	634.8	646.2
Trade receivables	(4,6)	275.1	318.2
Receivables from current taxes		3.0	2.7
Other financial assets	(6)	69.4	26.8
Other non-financial assets		155.3	161.0
Other investments	(6)	11.2	11.3
Cash and cash equivalents	(6)	750.5	442.3
Current assets		**1,899.3**	**1,608.4**
Total assets		**4,984.9**	**4,976.8**

Equity and liabilities	Note	30/06/2025	31/12/2024
Share capital		40.1	40.1
Capital reserves		513.5	513.5
Hybrid capital		496.6	496.6
Other reserves		(29.5)	42.3
Retained earnings		234.3	217.4
Equity attributable to shareholders of Lenzing AG		**1,255.0**	**1,309.8**
Non-controlling interests		341.0	342.2
Equity	**(4)**	**1,596.0**	**1,652.0**
Loans and borrowings	(6)	1,994.8	1,828.5
Government grants		11.4	12.1
Liabilities from current taxes		0.0	0.0
Deferred tax liabilities	(4)	56.0	74.6
Provisions		80.0	83.0
Puttable non-controlling interests	(6)	193.8	231.0
Other financial liabilities	(6)	5.3	5.3
Other non-financial liabilities		3.9	4.5
Non-current liabilities		**2,345.2**	**2,239.0**
Loans and borrowings	(6)	328.5	279.4
Trade payables	(4)	317.6	386.4
Government grants		76.3	83.5
Liabilities from current taxes		17.6	16.0
Provisions		24.6	28.5
Other financial liabilities	(6)	186.2	161.1
Other non-financial liabilities		92.8	130.8
Current liabilities		**1,043.6**	**1,085.8**
Total equity and liabilities		**4,984.9**	**4,976.8**

Consolidated Statement of Changes in Equity

for the period from January 1 to June 30, 2025

	Equity attributable to shareholders of Lenzing AG and to hybrid capital owners							EUR mn
	Share capital	Capital reserves	Hybrid capital	Other reserves	Retained earnings	Total	Non-controlling interests	Equity
As at 01/01/2024	40.1	513.5	496.6	30.0	360.3	1,440.4	301.8	1,742.2
Net profit/loss after tax as per consolidated statement of profit or loss	0.0	0.0	0.0	0.0	(56.6)	(56.6)	(8.8)	(65.4)
Other comprehensive income (net of tax)	0.0	0.0	0.0	15.4	0.0	15.4	8.2	23.6
Total comprehensive income	0.0	0.0	0.0	15.4	(56.6)	(41.2)	(0.7)	(41.8)
Hedging gains and losses and cost of hedging transferred to the cost of non-current assets and cost of inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	0.0	0.0	0.0	(3.7)	3.7	0.0	0.0	0.0
Increase in capital	0.0	0.0	0.0	0.0	0.0	0.0	34.9	34.9
Measurement of puttable non-controlling interest recognized directly in equity	0.0	0.0	0.0	0.0	(76.6)	(76.6)	0.0	(76.6)
Dividends paid (including hybrid coupon)	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)	(0.2)
Transactions with equity holders	0.0	0.0	0.0	0.0	(76.6)	(76.6)	34.8	(41.8)
As at 30/06/2024	40.1	513.5	496.6	41.6	230.9	1,322.6	335.8	1,658.4
As at 01/01/2025	40.1	513.5	496.6	42.3	217.4	1,309.8	342.2	1,652.0
Net profit/loss after tax as per consolidated statement of profit or loss	0.0	0.0	0.0	0.0	(20.4)	(20.4)	35.6	15.2
Other comprehensive income (net of tax)	0.0	0.0	0.0	(71.4)	0.0	(71.4)	(36.2)	(107.7)
Total comprehensive income	0.0	0.0	0.0	(71.4)	(20.4)	(91.8)	(0.7)	(92.5)
Hedging gains and losses and cost of hedging transferred to the cost of non-current assets and cost of inventory	0.0	0.0	0.0	(0.1)	0.0	(0.1)	(0.4)	(0.5)
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	0.0	0.0	0.0	(0.2)	0.2	0.0	0.0	0.0
Increase in capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Measurement of puttable non-controlling interest recognized directly in equity	0.0	0.0	0.0	0.0	37.1	37.1	0.0	37.1
Dividends paid (including hybrid coupon)	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	(0.1)
Transactions with equity holders	0.0	0.0	0.0	0.0	37.1	37.1	(0.1)	37.0
As at 30/06/2025	**40.1**	**513.5**	**496.6**	**(29.5)**	**234.3**	**1,255.0**	**341.0**	**1,596.0**

Consolidated Statement of Cash Flows (condensed)

for the period from January 1 to June 30, 2025

EUR mn

		01-06/2025	01-06/2024[1] (adjusted)
Earnings before tax (EBT)		**22.1**	**(22.3)**
+	Financial result as per consolidated statement of profit or loss	87.0	41.2
Earnings before interest and tax (EBIT)		**109.0**	**18.9**
+	Amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets, and depletion of biological assets	160.4	146.4
–	Income from the reversal of investment grants	(0.8)	(0.9)
Earnings before interest, tax, depreciation and amortization (EBITDA)		**268.6**	**164.4**
+/–	Other non-cash income / expenses	(3.8)	(50.8)
+/–	Change in trading working capital	(47.6)	82.7
+/–	Change in other working capital	(44.1)	68.3
–	Income taxes paid	(22.9)	(25.1)
Cash flow from operating activities		**150.1**	**239.6**
–	Acquisition of intangible assets, property, plant and equipment and biological assets	(61.3)	(59.8)
–	Acquisition/disbursement of other investments and investments accounted for using the equity method	(10.4)	(11.2)
+	Proceeds from the sale of intangible assets, property, plant and equipment, and biological assets	0.2	0.3
+	Proceeds from the sale/repayment of other investments and the sale of investments accounted for using the equity method	0.6	6.9
+	Investment grants	0.2	0.3
+	Distributions received from investments accounted for using the equity method	0.0	1.3
+	Interest received	5.1	13.4
Cash flow from investing activities		**(65.5)**	**(48.8)**
+	Capital injections to consolidated companies by non-controlling interests	0.0	34.9
–	Distribution to shareholders	(0.1)	(0.2)
+	Increase in other loans and borrowings	364.8	2.7
–	Repayment of bonds and private placements	(20.5)	0.0
–	Repayment of other loans and borrowings	(32.1)	(80.4)
–	Payment of principal portion of lease liabilities	(5.2)	(4.5)
–	Interest paid	(59.0)	(61.6)
Cash flow from financing activities		**247.9**	**(109.1)**
Total change in liquid funds		**332.5**	**81.7**
Liquid funds at the beginning of the year		442.3	725.6
Currency translation adjustment relating to liquid funds		(24.3)	6.2
Liquid funds at the end of the period		**750.5**	**813.5**

1) In order to enhance the transparency of information on the Lenzing Group's financial position, the consolidated statement of cash flows has been presented in a new format since the second quarter of the 2025 financial year. The comparative information was adjusted retroactively in accordance with IAS 8 (see note 1).

Notes to the Consolidated Financial Statements: Selected Notes

on the condensed consolidated interim financial statements as at June 30, 2025

General Information

Note 1. Basic Information

Description of the company and its business activities

Lenzing Aktiengesellschaft (Lenzing AG), which maintains its registered headquarters in 4860 Lenzing, Werkstraße 2, is the parent company of the Lenzing Group (the "Group"). As at June 30, 2025, Lenzing AG is controlled by the B&C Group, which directly and indirectly holds an interest of around 37.25 percent (December 31, 2024: around 37.25 percent) in the share capital of Lenzing AG. The core business of the Lenzing Group is the production and marketing of regenerated cellulosic fibers.

Basis of reporting

The condensed consolidated interim financial statements for the period from January 1 to June 30, 2025 were prepared in accordance with IAS 34 (Interim Financial Reporting). They are in accordance with the International Financial Reporting Standards ("IFRS") as endorsed by the EU. The condensed consolidated interim financial statements of the Lenzing Group as at June 30, 2025 are based on the consolidated financial statements as at December 31, 2024 and should therefore always be read in conjunction with these statements. The accounting policies used in the consolidated interim financial statements are the same as were applied for the consolidated financial statements for the 2024 financial year.

The reporting currency is the euro (EUR), which is also the functional currency of Lenzing AG. The functional currency of most of the subsidiaries is the euro (EUR) or US-Dollar (USD).

Audit and review

These condensed consolidated interim financial statements of the Lenzing Group were reviewed by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz.

Effects of country-specific US customs policy on the half-year earnings

The country-specific US tariff policy, which was announced at the beginning of April 2025, had a significant impact on the global economic situation. Since then, the management has been analyzing various scenarios and implementing appropriate countermeasures, particularly with regard to the cost structure. In addition, the effects of possible recessions on markets of importance to the Lenzing Group are being analyzed and measures are being identified in order to mitigate potential risks emanating from the uncertainty surrounding the current global economic situation.

When preparing the interim consolidated financial statements as of June 30, 2025, the Managing Board took developments in connection with country-specific US customs policy into consideration. Economic uncertainties on global markets and the associated sharp fluctuations in commodity prices, changes in demand on sales markets, disruptions to supply chains and changes in interest rates and exchange rates have the following effects on the interim consolidated financial statements, in particular:

- The measurement of assets and liabilities measured at fair value, in particular biological assets (note 4), financial instruments (note 6) and redeemable non-controlling interests (note 6).
- The determination and recognition of currency translation effects in the income statement and equity. This mainly relates to receivables and payables in USD and CNY.
- Impairment testing of cash-generating units (see note 4, section "Impairment tests of intangible assets, property, plant and equipment, right-of-use assets, and cash-generating units (CGUs)"). In this context, an indication of impairment was identified for the related cash-generating unit Fiber Site Indonesia. The recoverable amount covered the carrying amounts.

In addition, current developments in procurement and sales prices were taken into consideration in the estimates and judgments (e.g. as part of corporate planning used to determine recoverable amounts).

Additional information on the effects of country-specific US customs policy and the measures taken by the Lenzing Group can be found in the interim Group management report in the section “General Market Environment” and in the “Risk Report”.

Estimation uncertainty and judgments

The Managing Board of Lenzing AG uses estimates, assumptions and judgments in preparing the IFRS condensed consolidated interim financial statements. These estimates, assumptions and judgments are based on the circumstances assumed as at the reporting date and can have a significant effect on the presentation of the Group’s financial position and financial performance. They are explained in detail in the consolidated financial statements of the Lenzing Group as at December 31, 2024 (Note 1). In addition, the following forward-looking assumption may have an impact on the interim consolidated financial statements of the Lenzing Group as of June 30, 2025:

- Determination of the recoverable amount as part of the impairment test for the CGU Fiber Site Indonesia (see note 4, section “Impairment tests of intangible assets, property, plant and equipment, right-of-use assets, and cash-generating units (CGUs)”): the assumptions relevant to the cash flow forecasts were weighted in different scenarios and adjusted to the current market situation for the 2025 forecast and the 2026 and 2027 medium-term plans.

Mandatory changes in accounting policies

The accounting standard listed in the table which is relevant for the Lenzing Group and is applicable for the first time as of January 1, 2025, has no material impact on the presentation of the Lenzing Group’s financial position and performance as of June 30, 2025:

Standards/interpretations		Publication by the IASB	Mandatory application according to IASB for financial years from	Adopted by the EU as at 30/06/2025
IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	15.08.2023	01.01.2025	yes

Voluntary changes in accounting policies

For the presentation of the consolidated statement of cash flows, the accounting options available under IAS 7 were utilized anew in order to enhance the transparency of the information on the Lenzing Group’s financial position. From the interim reporting period ending June 30, 2025 onwards, the consolidated statement of cash flows is presented starting with earnings before tax (EBT).

Until the 2024 financial year, payments for interest received and paid (excluding the portion for leases in accordance with IFRS 16, and capitalized borrowing costs in accordance with IAS 23) as well as dividends received were allocated to cash flow from operating activities. Starting with the interim reporting period ending June 30, 2025, interest and dividends received (distributions received from investments accounted for using the equity method) are reported in cash flow from investing activities, while interest paid is reported in cash flow from financing activities.

The capitalized borrowing costs in accordance with IAS 23, which were previously included in cash flow from investing activities under the item “acquisition of intangible assets, property, plant and equipment, and biological assets”, are allocated to the item “interest paid” starting in the interim reporting period and are therefore presented in the cash flow from financing activities. As a result, the “CAPEX” figure for the comparative period was adjusted retroactively by EUR 1.9 mn to EUR 59.8 mn.

Furthermore, investment grants previously reported in cash flow from financing activities have been allocated to cash flow from investing activities from the interim reporting period onwards. As a result, the “free cash flow” figure for the comparative period was adjusted retroactively by EUR 0.3 mn to EUR 141.8 mn.

The change in presentation is made retroactively by adjusting all comparative information presented and has the following effect on the interim report:

EUR mn		01-06/2024
Cash flow from operating activities (previously)		202.8
+	Interest paid (incl. share for leasing in accordance with IFRS 16 and capitalized borrowing costs in accordance with IAS 23)	61.6
–	Interest expense for leases in accordance with IFRS 16 (previously already included in cash flow from financing activities under "Repayment of other loans and borrowings")	(8.3)
–	Capitalized borrowing costs in accordance with IAS 23 (previously included in cash flow from investing activities in "acquisition of intangible assets, property, plant and equipment, and biological assets")	(1.9)
–	Interest received	(13.4)
–	Distributions received from investments accounted for using the equity method	(1.3)
Cash flow from operating activities (adjusted)		**239.6**

EUR mn		01-06/2024
Cash flow from investing activities (previously)		(65.7)
+	Interest received	13.4
+	Distributions received from investments accounted for using the equity method	1.3
+	Capitalized borrowing costs in accordance with IAS 23 (previously included in "acquisition of intangible assets, property, plant and equipment, and biological assets")	1.9
+	Investment grants	0.3
Cash flow from investing activities (adjusted)		**(48.8)**

EUR mn		01-06/2024
Cash flow from financing activities (previously)		(55.5)
–	Interest paid (incl. share for leasing in accordance with IFRS 16 and capitalized borrowing costs in accordance with IAS 23)	(61.6)
+	Interest expense for leases in accordance with IFRS 16 (previously already included in cash flow from financing activities under "Repayment of other loans and borrowings")	8.3
–	Investment grants	(0.3)
Cash flow from financing activities (adjusted)		**(109.1)**

Note 2. Consolidation

Scope of consolidation

In October 2024, the Lenzing Group acquired a minority interest in the Swedish cellulose fiber company TreeToTextile AB (TTT), Stockholm, Sweden. With the closing of this transaction in February 2025, the associate TTT was included in the scope of consolidation at equity.

Note 3. Segment reporting

The same principles as in the consolidated financial statements as at December 31, 2024 were applied in the presentation of the segment reporting.

Information on business segments **EUR mn**

01-06/2025	Division Fiber	Division Pulp	Other	Segment total	Recon-ciliation	Group
Revenue from external customers	1,008.4	331.0	1.6	1,341.1		1,341.1
Inter-segment revenue	0.1	358.5	0.0	358.6	(358.6)	0.0
Total revenue	1,008.5	689.5	1.6	1,699.7	(358.6)	1,341.1
EBITDA (segment result)	11.4	276.0	(27.5)	259.9	8.7	268.6
EBIT	(41.2)	173.6	(32.1)	100.3	8.7	109.0
EBITDA margin[1]	1.1%	40.0%	n/a	15.3%		20.0%
EBIT margin[2]	(4.1)%	25.2%	n/a	5.9%		8.1%

Information on business segments (previous year) **EUR mn**

01-06/2024	Division Fiber	Division Pulp	Other	Segment total	Recon-ciliation	Group
Revenue from external customers	1,013.4	295.7	1.6	1,310.7		1,310.7
Inter-segment revenue	0.2	368.9[3]	0.0	369.1[3]	(369.1)[3]	0.0
Total revenue	1,013.6	664.5[3]	1.6	1,679.8[3]	(369.1)[3]	1,310.7
EBITDA (segment result)	20.8	184.2	(28.2)	176.9	(12.4)	164.4
EBIT	(29.4)	92.5	(31.8)	31.3	(12.4)	18.9
EBITDA margin[1]	2.1%	27.7%[3]	n/a	10.5%[3]		12.5%
EBIT margin[2]	(2.9)%	13.9%[3]	n/a	1.9%[3]		1.4%

1) EBITDA margin = EBITDA (operating result before depreciation and amortization) in relation to total revenue (here: according to segment reporting).
2) EBIT margin = EBIT (operating result) in relation to total revenue (here: according to segment reporting).
3) Retrospective adjustment of inter-segment revenue in the Division Pulp due to change in internal reporting for the respective corporate entity.

The performance of the segments is measured based on EBITDA (earnings before interest, tax, amortization of intangible assets and depreciation of property, plant and equipment, right-of-use assets and depletion of biological assets, and before income from the reversal of investment grants).

The carrying amounts for segment reporting are based on the same accounting policies that are applied to the IFRS consolidated financial statements.

Information on products and services

Revenue from external customers can be classified by products and services as follows:

Revenue from external customers by products and services — EUR mn

	01-06/2025	01-06/2024
Regenerated cellulosic fibers	971.9	979.6
Co-products of fiber production	29.6	30.5
Other	7.0	3.3
Division Fiber	**1,008.4**	**1,013.4**
Pulp	244.3	215.1
Biorefinery-products and energy	56.6	51.6
Mechanical and plant engineering, engineering services, wood and other	30.1	29.0
Division Pulp	**331.0**	**295.7**
Other	1.6	1.6
Revenue as per consolidated statement of profit or loss	**1,341.1**	**1,310.7**

No single external customer is responsible for more than ten percent of external revenue.

Information on geographical regions

Revenue from external customers by sales market can be classified by geographical regions as follows:

Revenue from external customers by geographic regions — EUR mn

	01-06/2025	01-06/2024
Austria	43.8	44.4
Europe (excl. Austria, incl. Turkey)	377.7	369.2
Asia	780.1	770.4
America (North, Central and South America)	130.4	120.1
Rest of the world	9.0	6.6
Revenue as per consolidated statement of profit or loss	**1,341.1**	**1,310.7**

Revenue is allocated according to the geographical region of the customer.

Notes on the Primary Financial Statements and on Risk Management

Note 4. Notes on the primary financial statements

Other operating income

The increase in other operating income results mainly from the sale of EU emission allownaces in the amount of EUR 30.6 mn (01-06/2024: EUR 0.0 mn) and is allocated to the Pulp Division segment.

Impairment tests of intangible assets, property, plant and equipment, right-of-use assets, and cash-generating units (CGUs)

As of the reporting date for the interim consolidated financial statements, an analysis was performed to determine whether there were any indications of impairment or, in the case of impaired CGUs, whether any material changes had occurred compared with December 31, 2024. The Lenzing Group has taken into account all assumptions relevant to the impairment tests against the backdrop of the current uncertainties surrounding country-specific US customs policy.

Due to an impairment indicator at the cash-generating unit Fiber Site Indonesia, the recoverable amount for the affected CGU was determined, which resulted in coverage of the carrying amounts. To determine the recoverable amount, the assumptions relevant to the cash flow forecasts (in particular revenue and exchange rates) were weighted in different scenarios and thus adjusted to the current market situation for the 2025 forecast and the 2026 and 2027 medium-term plans. From the 2028 financial year onwards, management assumes that the planning assumptions from the last approved planning calculation will remain unchanged. The carrying amounts would increase/decrease in particular if the planned EBITDA increases/decreases. The determined recoverable amount would increase (decrease) by EUR 34.3 mn if the planned EBITDA increased (decreased) by 10 percent. In the event of a 10 percent reduction in EBITDA, the recoverable amount would be EUR 28.6 mn below the carrying amounts.

As a result, in the first half of 2025, no impairment losses and reversals of impairment losses were identified.

Biological assets

Biological assets comprise standing trees of a plantation in Minas Gerais, Brazil, which are used as a raw material for pulp production. Measurement at fair value less estimated costs to sell is allocated to Level 3. The measurement is based on the cash flows expected from the sale of the biological assets on the basis of sustainable forest management plans, industry benchmarks for wood prices and delivery costs, and taking into account the growth cycle.

As at June 30, 2025, the plantation comprised approximately 40,549 hectares of eucalypt wood (December 31, 2024: 40,817 hectares) and 389 hectares of pine wood (December 31, 2024: 497 hectares). The wood is up to 15 years (December 31, 2024: 15 years) old. Wood amounting to EUR 13.5 mn (December 31, 2024: EUR 15.5 mn) is less than one year old and therefore considered an immature asset.

Biological assets developed as follows:

Development of biological assets EUR mn

	2025	2024
As at 01/01	192.2	194.8
Acquisition	4.3	0.2
Capitalized production costs	17.9	18.9
Depletion	(37.9)	(26.9)
Change in the fair value	25.7	(4.7)
Currency translation adjustment	(21.7)	6.2
As at 30/06	**180.5**	**188.5**

In the statement of profit or loss, the cost of sales includes gains and losses from the change in the fair value of biological assets of EUR 12.5 mn (01-06/2024: EUR 11.2 mn). These consist of regular remeasurement in the amount of EUR 25.7 mn (01-06/2024: minus EUR 4.7 mn) and foreign currency gains/losses on the lease liability from land use rights directly associated with the plantation in the amount of minus EUR 13.2 mn (01-06/2024: EUR 15.9 mn).

The following individual assumptions were used as at June 30, 2025:

Assumptions of level 3 input factors for biological assets

	30/06/2025	30/06/2024
Market price EUR/m^3	22.19	19.33
Discount rate	7.80%	7.64%
Wood volume m^3	7,627,151	9,515,923

A change in key input factors which cannot be observed on the market would have the following effects on the measurement of biological assets:

Sensitivity analysis of level 3 input factors for biological assets EUR mn

	30/06/2025		30/06/2024	
	Increase	Decrease	Increase	Decrease
Change in the market price (+/- 10%)	22.2	(22.2)	19.9	(19.9)
Discount rate (+/- 1%)	(3.0)	3.2	(1.6)	1.8
Wood volume (+/- 5%)	11.1	(11.1)	10.0	(10.0)

To determine the sensitivities, fair value was determined again taking into account the changed input factors.

Trade Receivables

As at June 30, 2025, the factoring agreements have a maximum utilizable nominal volume totaling EUR 90.0 mn (December 31, 2024: EUR 90.0 mn) of which USD 72.0 mn (December 31, 2024: USD 72.0 mn) can be utilized in US dollars. As at June 30, 2025 due to factoring agreements, trade receivables in the amount of EUR 89.7 mn (December 31, 2024: EUR 85.7 mn) were sold and derecognized from the Lenzing Group's consolidated statement of financial position. The retention amount is recognized as other current financial assets in the amount of EUR 9.0 mn as at June 30, 2025 (December 31, 2024: EUR 8.6 mn).

Since the first half of 2024, the Lenzing Group has been selling receivables secured by letter of credit from customers to a bank. All risks and rewards associated with the letter of credit receivables and the remaining trade receivables are transferred to the bank and as a result the trade receivables are fully derecognized from the consolidated financial statements of the Lenzing Group. As at June 30, 2025, due to the sale of letter of credit receivables, trade receivables of EUR 37.3 mn (December 31, 2024: EUR 25.3 mn) were derecognized from the Lenzing Group's consolidated statement of financial position.

In the interim reporting period, bad debt provisions for trade receivables in the amount of EUR 0.2 mn were reversed as an income to profit or loss (01-06/2024: EUR 0.2 mn).

Other assets

The increase in other financial assets (current) in the amount of EUR 42.6 mn is mainly due to the positive development of derivatives in the amount of EUR 36.4 mn.

Inventories and provisions for onerous procurement contracts

The write-downs on the net realizable value of inventories as at June 30, 2025, amounted to EUR 11.9 mn (December 31, 2024: EUR 8.1 mn) and provision for onerous procurement contracts for raw materials totaled EUR 0.0 mn (December 31, 2024: EUR 2.5 mn).

Equity

The share capital and the number of zero par value shares did not change in the interim reporting period. No shares were repurchased. The Managing Board did not utilize the authorizations in place on or up to June 30, 2025 to increase share capital, issue convertible bonds or repurchase treasury shares during the interim reporting period.

For the 2024 and 2023 financial years, no dividends were resolved and distributed to the shareholders of Lenzing AG.

Government grants

In the interim reporting period a total of 410,500 EU emission allowances (01-06/2024: 0 EU emission allowances) were sold, which had been allocated to the Lenzing Group free of charge. The income from the sale in the interim reporting period amounted to EUR 30.6 mn and is included in other operating income.

Deferred and current taxes

Income tax expense for the condensed interim consolidated financial statements is determined based on the best estimate of the average annual income tax rate expected for the full financial year in accordance with IAS 34. In addition, one-off effects which relate to the reporting date June 30, 2025 are taken into account, in particular estimates regarding the impairment of loss carryforwards, uncertain tax positions, as well as temporary differences arising due to market measurements as at the reporting date. Instead of expected tax expense of EUR 5.1 mn (June 30, 2025: tax income of EUR 5.1 mn) with an applicable tax rate of 23 percent, a tax expense of EUR 6.9 mn (June 30, 2024: EUR 43.1 mn) was recognized. As in the same period of the previous year, reconciliation items resulting from valuation allowances on tax assets (particularly from non-capitalized losses) and non-deductible withholding taxes had a tax-increasing effect. Reconciliation items arising from the translation of tax items from the local currency into the functional currency (particularly Brazil) had a tax-reducing effect in the interim reporting period, but a tax-increasing effect in the same period of the previous year.

Trade payables and other payables

As at June 30, 2025, there were supplier finance arrangements with suppliers of the Lenzing Group. The liabilities concerned are as follows:

Supplier Finance Arrangements **EUR mn**

Reverse factoring agreements	30/06/2025	31/12/2024	Presentation in the consolidated statement of financial position
Carrying amount of liabilities affected by the agreements	102.8	114.1	Trade payables
thereof payments already effected by banks	94.5	99.8	
Payment services	**30/06/2025**	**31/12/2024**	**Presentation in the consolidated statement of financial position**
Carrying amount of liabilities affected by the agreements	86.7	64.5	Other financial liabilities
thereof payments already effected by payment services	86.7	64.5	

Other liabilities

Other non-financial liabilities (current) amounted to EUR 92.8 mn as at June 30, 2025 (December 31, 2024: EUR 130.8 mn). The decrease is mainly due to accrued items for personnel expenses.

The increase in other financial liabilities (current) is mainly due to an increase in accrued interest of EUR 16.3 mn, an increase in supplier finance arrangements (payment services) of EUR 22.2 mn and a decrease in derivatives of EUR 18.5 mn.

Note 5. Capital risk management

All capital requirements were satisfied in the interim reporting period. Unused credit facilities in the amount of EUR 216.1 mn were available for possible future financing requirements as at June 30, 2025 (December 31, 2024: EUR 198.1 mn).

The syndicated loan agreement concluded in May 2025 contains three financial covenants relating to financial and liquidity ratios. These are tested on a quarterly basis and may trigger a repayment obligation in relation to the financial liabilities in the event of non-compliance. These financial covenants include net leverage (net financial debt including lease liabilities/EBITDA), interest coverage ratio (EBITDA/interest expenses) and minimum liquidity ratios. These ratios are continuously monitored by the Corporate Treasury department. The Lenzing Group assumes that the aforementioned contractual requirements will be complied with for at least twelve months after the reporting date.

Furthermore, as of June 30, 2025, there were no material changes compared to the disclosures in the consolidated financial statements of the Lenzing Group as at December 31, 2024, with regard to the financing conditions (financial covenants) in current financing agreements and with regard to liquidity risk (see notes 34 and 37 therein). No financing conditions (financial covenants) were breached in the interim reporting period.

Note 6. Disclosures on financial instruments

The following table shows the carrying amounts and fair values of the financial assets and financial liabilities for each class and each IFRS 9 (Financial Instruments) category and reconciles this information to the appropriate line items on the statement of financial position. The balance sheet item loans and borrowings (non-current and current) includes lease liabilities, that are to be regarded as financial liabilities but are not allocated to a measurement category in accordance with IFRS 9. They are reported in the “no financial instruments” column to enable a reconciliation to the balance sheet item. In addition, the (current) provisions balance sheet item is reported as a financial liability. However, this is also not allocated to an IFRS 9 measurement category and is consequently also reported in the "no financial instruments" column.

Carrying amounts, category, fair value and fair value hierarchy of financial instruments EUR mn

	Carrying amount						Fair value	
Financial assets as at 30/06/2025	**At amortized cost**	**At fair value through profit or loss**	**At fair value through other comprehensive income**		**No financial instrument**	**Total**	**Fair value**	**Fair value hierarchy**
			Equity instruments	**Cash flow hedges**				
Originated loans	41.0					41.0	41.8	Level 3
Non-current securities		6.6				6.6	6.6	Level 1
Other equity investments			0.0			0.0	0.0	[1]
Current securities			11.2			11.2	11.2	Level 1
Other investments (current and non-current)	**41.0**	**6.6**	**11.2**	**0.0**	**0.0**	**58.8**	**59.6**	
Trade receivables	**275.1**	**0.0**	**0.0**	**0.0**	**0.0**	**275.1**	**275.1**	[1]
Derivatives with a positive fair value (cash flow hedges)				14.4		14.4	14.4	Level 2
Derivatives with a positive fair value (cash flow hedges with the underlying already recognized in profit or loss)		24.1				24.1	24.1	Level 2
Other	32.0					32.0	32.0	[1]
Other financial assets (current and non-current)	**32.0**	**24.1**	**0.0**	**14.4**	**0.0**	**70.5**	**70.5**	
Cash and cash equivalents	**750.5**	**0.0**	**0.0**	**0.0**	**0.0**	**750.5**	**750.5**	[1]
Total	**1,098.6**	**30.7**	**11.2**	**14.4**	**0.0**	**1,154.9**	**1,155.7**	

	Carrying amount						Fair value	
Financial liabilities as at 30/06/2025	**At amortized cost**	**At fair value through profit or loss**	**At fair value through other comprehensive income**		**No financial instrument**	**Total**	**Fair value**	**Fair value hierarchy**
			Cash flow hedges/ Fair value hedges	**Retained earnings**				
Bond	543.1					543.1	584.4	Level 1
Private placements	313.8					313.8	314.5	Level 3
Liabilities to banks	1,302.1					1,302.1	1,333.2	Level 3
Liabilities to other lenders	33.0					33.0	32.6	Level 3
Lease liabilities					131.3	131.3		
Loans and borrowings	**2,192.0**	**0.0**	**0.0**	**0.0**	**131.3**	**2,323.3**	**2,264.7**	
Trade payables	**317.6**	**0.0**	**0.0**	**0.0**	**0.0**	**317.6**	**317.6**	[1]
Provisions (current)	**0.0**	**0.0**	**0.0**	**0.0**	**24.6**	**24.6**		
Puttable non-controlling interests	**0.0**	**0.0**	**0.0**	**193.8**	**0.0**	**193.8**	**193.8**	**Level 3**
Derivatives with a negative fair value (cash flow hedges)			5.0			5.0	5.0	Level 2
Derivatives with a negative fair value (cash flow hedges with the underlying already recognized in profit or loss)		0.4				0.4	0.4	Level 2
Contingent consideration		0.3				0.3	0.3	Level 2
Other	185.8					185.8	185.8	[1]
Other financial liabilities (current and non-current)	**185.8**	**0.6**	**5.0**	**0.0**	**0.0**	**191.5**	**191.5**	
Total	**2,695.5**	**0.6**	**5.0**	**193.8**	**155.9**	**3,050.8**	**2,967.7**	

1) The carrying amount approximates fair value.

Carrying amounts, category, fair value and fair value hierarchy of financial instruments (previous year) EUR mn

	Carrying amount						Fair value	
Financial assets as at 31/12/2024	**At amortized cost**	**At fair value through profit or loss**	**At fair value through other comprehensive income**		**No financial instrument**	**Total**	**Fair value**	**Fair value hierarchy**
			Equity instruments	**Cash flow hedges**				
Originated loans	30.5					30.5	26.4	Level 3
Non-current securities		6.6				6.6	6.6	Level 1
Other equity investments			0.0			0.0	0.0	1
Current securities			11.3			11.3	11.3	Level 1
Other investments (current and non-current)	**30.5**	**6.6**	**11.3**	**0.0**	**0.0**	**48.4**	**44.3**	
Trade receivables	**318.2**	**0.0**	**0.0**	**0.0**	**0.0**	**318.2**	**318.2**	1
Derivatives with a positive fair value (cash flow hedges)				2.2		2.2	2.2	Level 2
Derivatives with a positive fair value (cash flow hedges with the underlying already recognized in profit or loss)		0.3				0.3	0.3	Level 2
Other	25.7					25.7	25.7	1
Other financial assets (current and non-current)	**25.7**	**0.3**	**0.0**	**2.2**	**0.0**	**28.2**	**28.2**	
Cash and cash equivalents	**442.3**	**0.0**	**0.0**	**0.0**	**0.0**	**442.3**	**442.3**	1
Total	**816.7**	**6.9**	**11.3**	**2.2**	**0.0**	**837.1**	**833.0**	

	Carrying amount						Fair value	
Financial liabilities as at 31/12/2024	**At amortized cost**	**At fair value through profit or loss**	**At fair value through other comprehensive income**		**No financial instrument**	**Total**	**Fair value**	**Fair value hierarchy**
			Cash flow hedges/ Fair value hedges	**Retained earnings**				
Bond	608.6					608.6	624.7	Level 1
Private placements	334.2					334.2	333.3	Level 3
Liabilities to banks	1,008.3					1,008.3	1,030.1	Level 3
Liabilities to other lenders	33.0					33.0	32.5	Level 3
Lease liabilities					123.9	123.9		
Loans and borrowings	**1,984.1**	**0.0**	**0.0**	**0.0**	**123.9**	**2,108.0**	**2,020.6**	
Trade payables	**386.4**	**0.0**	**0.0**	**0.0**	**0.0**	**386.4**	**386.4**	1
Provisions (current)	**0.0**	**0.0**	**0.0**	**0.0**	**28.5**	**28.5**		
Puttable non-controlling interests	**0.0**	**0.0**	**0.0**	**231.0**	**0.0**	**231.0**	**231.0**	**Level 3**
Derivatives with a negative fair value (cash flow hedges)			15.2			15.2	15.2	Level 2
Derivatives with a negative fair value (cash flow hedges with the underlying already recognized in profit or loss)		7.7				7.7	7.7	Level 2
Contingent consideration		1.1				1.1	1.1	Level 2
Other	142.3					142.3	142.3	1
Other financial liabilities (current and non-current)	**142.3**	**8.9**	**15.2**	**0.0**	**0.0**	**166.4**	**166.4**	
Total	**2,512.8**	**8.9**	**15.2**	**231.0**	**152.4**	**2,920.2**	**2,804.3**	

1) The carrying amount approximates fair value.

Depending on the classification/measurement category, financial instruments are subsequently measured at (amortized) cost or fair value. The Lenzing Group uses the following measurement categories: “at amortized cost”, “at fair value through profit or loss” and “at fair value through other comprehensive income”. The measurement category “at fair value through profit or loss” is solely used for financial assets that are mandatorily measured at fair value.

The Lenzing Group accounts for reclassifications in the fair value hierarchy at the end of the reporting period in which the changes occur. There were no transfers between the levels of the fair value hierarchy for the financial instruments in the financial year.

Where valuations of financial instruments are conducted by external institutions (banks), these are monitored by the Lenzing Group and subjected to a further review and, where appropriate, adopted for financial accounting purposes. The necessary market data are validated on the basis of the dual control principle.

In light of the varying influencing factors, the fair values presented can only be regarded as indicators of the values that could actually be realized on the market.

Other investments

Securities are measured at fair value and are recognized directly in equity due to the exercise of the corresponding option. In the interim reporting period, all of the shares in Spinnova OY, Jyväskylä, Finland were divested.

The fair value of shares is derived from the current stock exchange prices. These securities are assigned to the category “at fair value through other comprehensive income”.

The fair value of investment funds is derived from the net asset value. These securities are assigned to the category “at fair value through profit or loss”.

The other equity investments are classified as “at fair value through other comprehensive income”.

Other financial assets

Other financial assets from earn-out agreements are classified “at fair value through profit or loss”. The fair value of these other financial assets is determined based on an income approach and amounts to EUR 0,0 mn as at June 30, 2025 (December 31, 2024: EUR 0,0 mn). It is to be categorized in level 3 of the fair value hierarchy. The measurement model is based on the planned EBITDA, the weighted average cost of capital (WACC) after tax and the repayment terms.

Due to the medium-term planning provided and the resultant budgeted EBITDAs, realistically expected changes in the after-tax discount rate (WACC) and the repayment terms do not lead to a positive fair value. For this reason, a sensitivity analysis was not conducted as at June 30, 2025.

Bond

The fair value of the bond issued is derived from the current market price, and its fair value changes are especially due to changes in market interest rates and the credit rating of LD Celulose International GmbH, Vienna, as well as of its guarantors LD Celulose S.A., Indianópolis, Brazil, and LD Florestal S.A., Indianópolis, Brazil.

Liabilities to banks

In the interim reporting period, a EUR 355.0 mn bullet loan with a three-year term and a variable interest rate was arranged.

With effect from May 21, 2025, Lenzing AG has concluded a syndicated loan agreement with the Group’s main house banks for a total volume of EUR 545.0 mn. The syndicated loan consists of a syndicated bullet loan of EUR 355.0 mn, which was drawn down in full after the closing of the transaction and is repayable in May 2028, as well as a syndicated revolving credit facility of EUR 190.0 mn, which can be drawn down repeatedly and is available for drawing at any time. The syndicated revolving credit facility was not utilized as of June 30, 2025.

Puttable non-controlling interests

The Dexco-Group has a put option and has the right to sell its shares in LD Celulose S.A., Indianópolis, Brazil, within certain periods, upon expiry of time or upon the occurrence of a contractually defined change of control regarding the owner of the Lenzing Group (change of control clause). This obligation is recognized under liabilities from puttable non-controlling interests. The liability from redeemable non-controlling interests is subsequently measured at fair value directly through retained earnings (not in profit or loss). The fair value of these puttable non-controlling interests is determined based on the planned or projected cash flows less cost of disposal and net debt at the measurement date. The budget approved by the Management and Supervisory Boards and the medium-term plans approved by the Management Board are the starting points for the cash flow projections. After the detailed planning period of five years, based on last year’s assumptions, a 25-year annuity based on a sustainable EBITDA margin is expected. The planning period for the calculation of fair value is contractually limited to a maximum of 30 years. Cash flows are discounted to their present value with a discounted cash flow method. The applied discount rate represents a composite figure that combines the average interest rate for debt and the anticipated return on equity employed (weighted average cost of capital – WACC). An after-tax WACC of 8.5 percent (December 31, 2024: 8.2 percent) was used at the measurement date. Fair value measurement is classified in full as level 3 of the fair value hierarchy because key input factors (in particular, cash flows) cannot be observed on the market.

Development of level 3 fair values of puttable non-controlling interest EUR mn

	2025	2024
As at 01/01	231.0	249.4
Measurement of puttable non-controlling interest recognized directly in equity	(37.1)	76.6
As at 30/06	**193.8**	**326.0**

The determined fair value would increase (decrease) in particular if EBITDA increased (decreased). The determined fair value would decrease (increase) if the WACC after tax increased (decreased). A change in key input factors which cannot be observed on the market would have the following effects on the measurement of puttable non-controlling interests:

Sensitivity analysis of level 3 input factors for puttable non-controlling interest EUR mn

	Measurement result offset against retained earnings			
	30/06/2025		30/06/2024	
Puttable non-controlling interests	**Increase**	**Decrease**	**Increase**	**Decrease**
EBITDA (+/- 1%)	7.7	(7.7)	9.4	(9.4)
Discount rate (WACC) after tax (+/- 0.25%)	(11.2)	11.5	(16.3)	16.8

The sensitivities are determined by conducting the measurements again using the changed parameters.

Other financial liabilities

The fair values of the other financial liabilities (derivatives with a negative market value) are determined in accordance with generally accepted valuation methods based on the discounted cash flow method. The most important input factor is the discount rate, which incorporates the available market data (risk-free interest rates) and the credit standing of the Lenzing Group, which is not observable on the market. The fair values of the financial guarantee contracts represent the estimated expected default arising from the maximum possible payment obligation and the expected loss.

The fair value of the contingent consideration is determined by means of option valuation using an arbitrage-free Monte Carlo model approach. The gas price (TTF ICE) is the main input factor in this context. This liability with a carrying amount of EUR 0.3 mn (December 31, 2024: EUR 1.1 mn) is assigned to the category “at fair value through profit or loss”.

Derivative financial instruments and hedges

Derivatives are measured at fair value. Their fair value is calculated using standard methods based on the market data available at the measurement date (such as exchange rates and interest rates). Currency and commodity forwards are measured at the respective forward rate or price at the reporting date. These forward rates or prices are based on the spot rates or prices and include forward premiums and discounts. The Group’s own models are used to estimate the measurement. The measurement of derivatives also includes the counterparty risk (credit risk/counterparty risk/non-performance risk) in the form of discounts to the fair value that would be used by a market participant for pricing.

Compared with the information of the latest Annual Financial Report as at December 31, 2024, there were no changes that had a material impact on the interim reporting period with regard to hedging currency risks arising from the operating business, hedging interest rate risks arising from loans taken out with variable interest rates and hedging against commodity price risks. A detailed explanation is provided in the Annual Financial Report of the Lenzing Group as at December 31, 2024 (see note 35 therein).

Disclosures on Related Parties and Executive Bodies

Note 7. Related party disclosures

In the 2024 financial year, Lenzing AG has dropped out of the tax group with the B&C Group retroactively as at the end of the 2022 financial year. In accordance with the contractual obligation from the former tax group with the B&C Group, the tax allocation (including interest) totalling EUR 5.6 mn was paid to the group parent in the first half of 2024. No further payments were made in the interim reporting period.

The scope of material transactions and the amounts of outstanding balances with companies accounted for using the equity method and their material subsidiaries were as follows:

Relationships with companies accounted for using the equity method and their material subsidiaries **EUR mn**

	01-06/2025	01-06/2024
Goods and services provided (including interest income)	35.5	38.0
Goods and services received	12.2[1]	8.8[1]
	30/06/2025	**31/12/2024**
Land use rights	105.2	114.8
Receivables (including loans)	56.2	46.9
Liabilities	107.8	102.9

1) The interest expenses in connection with the land use rights are included in the goods and services received.

Walter Bickel is Managing Director of Bickel Austria GmbH, Vienna and was a member of the Managing Board of Lenzing AG from April 15, 2024 to March 31, 2025. In the interim reporting period, an amount of EUR 2.7 mn (01-06/2024: EUR 1.1 mn) was paid to Bickel Austria GmbH for consulting services rendered. No liabilities are outstanding as at June 30, 2025 (December 31, 2024: EUR 0.0 mn). As of June 30, 2025, provision for other performance-based remuneration claims of this company amounting to EUR 2.1 mn has been set aside(December 31, 2024: EUR 1.7 mn). The purchased services were procured at standard market terms.

Note 8. Executive bodies

The Supervisory Board of Lenzing AG and Walter Bickel (Chief Transformation Officer of Lenzing AG) have mutually agreed to end the temporary mandate of Mr. Bickel early and that Mr. Bickel step down from his operational activities at the end of March 2025. Walter Bickel was appointed as a member of the Managing Board as of April 15, 2024.

At the Annual General Meeting on April 17, 2025, Patrick Lackenbucher and Leonardo Grimaldi were newly elected to the Supervisory Board. Cord Prinzhorn stepped down from the Supervisory Board at his own request. At the subsequent constitutive Supervisory Board meeting Patrick Lackenbucher was elected new Chairman of the Supervisory Board of Lenzing AG.

Georg Kasperkovitz was appointed member of the Management Board (Chief Operations Officer) with effect from June 1, 2025. The principles of his remuneration system correspond to those of the other Management Board members.

The composition of the Managing Board and the Supervisory Board has otherwise remained unchanged compared to December 31, 2024.

Other disclosures

Note 9. Financial guarantee contracts, contingent assets and liabilities, other financial obligations and legal risks

The Lenzing Group has entered into contingent liabilities of EUR 9.3 mn (December 31, 2024: EUR 10.3 mn), above all to secure claims related to the sale of certain equity investments and claims by suppliers, and for claims by third parties outside the Group. Less important contingencies involve granted retentions. The reported amounts represent the maximum payment obligation from the viewpoint of the Lenzing Group, and there is only a limited potential for recoveries.

The Lenzing Group provides committed credit lines of EUR 1.4 mn (December 31, 2024: EUR 1.4 mn) to third parties. These credit lines were not in use as at June 30, 2025.

The obligations from outstanding orders for intangible assets and property, plant and equipment amounted to EUR 30.3 mn as at June 30, 2025 (December 31, 2024: EUR 30.5 mn). The Lenzing Group has long-term purchase obligations related to raw material supplies, in particular for wood, chemicals and energy.

Note 10. Significant events after the end of the reporting period

In July 2025, Lenzing AG successfully completed the placement of a new EUR 500.0 mn hybrid bond with a 9.0 percent p.a. coupon, which cannot be called over a period of three years. The terms of the new hybrid bond are based on those of the hybrid bond issued in 2020. This is subordinated capital with a fixed interest rate, a unilateral right of termination on the part of Lenzing AG and an unlimited term. The bond meets the criteria for equity pursuant to IAS 32 (Financial Instruments: Presentation). Investors in the existing hybrid bond from 2020 were offered the opportunity to exchange it for the new hybrid bond, which was accepted by 63.6 percent of existing bondholders.

Other than that, the Lenzing Group is not aware of any significant events occurring after the reporting date on June 30, 2025 which would have resulted in a different presentation of its financial position and financial performance.

Lenzing, August 4, 2025
Lenzing Aktiengesellschaft

The Managing Board

Rohit Aggarwal
Chief Executive Officer

Nico Reiner
Chief Financial Officer

Christian Skilich
Chief Pulp & Technology Officer

Georg Kasperkovitz
Chief Operations Officer

Declaration of the Managing Board

Declaration of the Managing Board

We confirm to the best of our knowledge that the condensed consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Lenzing, August 4, 2025
Lenzing Aktiengesellschaft

The Managing Board

Rohit Aggarwal
Chief Executive Officer

Nico Reiner
Chief Financial Officer

Christian Skilich
Chief Pulp & Technology Officer

Georg Kasperkovitz
Chief Operations Officer

Report on the Review of the condensed Interim Consolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Lenzing Aktiengesellschaft, Lenzing, for the period from January 1 to June 30, 2025. These condensed interim consolidated financial statements comprise the consolidated statement of financial position as at June 30, 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and consolidated statement of changes in equity for the period from January 1 to June 30, 2025 and the condensed notes, summarizing the significant accounting policies and other explanatory notes.

Management is responsible for the preparation of the condensed interim consolidated financial statements in accordance with International Financial Reporting Standards (IFRS's) for Interim Reporting as adopted by the EU.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements. Our liability towards the Company and towards third parties is limited in accordance with § 275 par. 2 of the Austrian Commercial Code (UGB).

Scope of review

We conducted our review in accordance with Austrian Standards for Chartered Accountants, in particular in compliance with KFS/PG 11 "Principles of Engagements to Review Financial Statements", and with the International Standard on Review Engagements (ISRE 2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements is limited primarily to making inquiries, primarily of Company personnel, responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Austrian Standards on Auditing and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing came to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRS's) for Interim Reporting as adopted by the EU.

Statement on the consolidated interim management report and on management's statement in accordance with § 125 Austrian Stock Exchange Act (BörseG)

We have read the consolidated interim management report and evaluated whether it does not contain any apparent inconsistencies with the condensed interim consolidated financial statements. Based on our evaluation, the consolidated interim management report does not contain any apparent inconsistencies with the condensed interim consolidated financial statements.

The interim financial information contains the statement by management in accordance with § 125 par. 1 subpar. 3 Austrian Stock Exchange Act.

The interim consolidated financial statements together with our review report may be published or transmitted only as agreed by us. Any versions deviating from the one agreed by us (e.g. condensed version or translation into another language) are subject to § 281 par. 2 UGB.

Linz, August 4, 2025

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Gerold Stelzmüller
Austrian Chartered Accountant

Note: This report is a translation of the original report in German, which is solely valid.

Financial Glossary

Adjusted equity
Equity including non-current and current government grants less the proportional share of deferred taxes on these government grants.

Adjusted equity ratio
Ratio of adjusted equity to total assets in percent.

CAPEX
Capital expenditures; i.e. acquisition of intangible assets, property, plant and equipment, and biological assets and acquisition of corporate units as per consolidated statement of cash flows.

Earnings per share
The share of annual net profit/loss for the year attributable to the shareholders of Lenzing AG divided by the weighted average number of issued shares, calculated according to IFRS (IAS 33 earnings per share).

EBIT (earnings before interest and tax)
Earnings before interest and tax, resp. operating result; the precise derivation can be found in the consolidated statement of profit or loss.

EBIT margin
EBIT as a percent of revenue; represents the return on sales (ROS).

EBITDA (earnings before interest, tax, depreciation and amortization)
Earnings before interest, tax, amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets, and depletion of biological assets and before income from the reversal of investment grants; resp. operating result before depreciation and amortization.

EBITDA margin
EBITDA as a percent of revenue.

EBT (earnings before tax)
Profit/loss for the year before income tax expense. The precise derivation can be found in the consolidated statement of profit or loss.

Equity
The equity item aggregates the equity instruments as defined by IFRS. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. This represents the funds provided to the entity by its owners.

Free cash flow
Cash flow from operating activities less acquisition of intangible assets, property, plant and equipment, and biological assets plus proceeds from the sale of intangible assets, property, plant and equipment, and biological assets plus investment grants plus distributions received from investments accounted for using the equity-method plus interest received less interest paid (adjusted for the interest expense for leases in accordance with IFRS 16). Free cash flow corresponds to the readily available cash flow.

FTE
Abbreviation for Full-Time Equivalents.

Functional currency
Predominant currency of the primary economic environment of a subsidiary; may differ from the local currency.

IAS
Abbreviation for International Accounting Standard(s), which are internationally recognized accounting rules.

IFRS
Abbreviation for International Financial Reporting Standard(s), which are internationally recognized accounting rules.

Liquid assets
Cash and cash equivalents plus liquid securities and liquid bills of exchange.

Liquid funds
Cash and cash equivalents plus current securities.

Market capitalization
Weighted average number of shares multiplied by the share price as at the reporting date.

Net debt
Interest-bearing financial liabilities (= current and non-current loans and borrowings) less liquid assets plus provisions for pensions and severance payments.

Net financial debt
Interest-bearing financial liabilities (= non-current and current loans and borrowings) less lease liabilities less liquid assets.

Net gearing
Net financial debt as a percent of adjusted equity.

Net profit/loss after tax
Net profit/loss for the year. The precise derivation can be found in the consolidated statement of profit or loss.

Post-employment benefits
Provisions for pensions and severance payments.

Total assets
Total of non-current and current assets or the total of equity and non-current and current liabilities. The precise derivation can be found in the consolidated statement of financial position.

Trading working capital
Inventories plus trade receivables less trade payables.

Trading working capital to annualized group revenue

Trading working capital as a percent of the latest reported quarterly group revenue x 4.

Unlevered free cash flow

Cash flow from operating activities less acquisition of intangible assets, property, plant and equipment, and biological assets plus proceeds from the sale of intangible assets, property, plant and equipment, and biological assets plus investment grants. Unlevered free cash flow adjusts free cash flow for interest received and interest paid as well as distributions received from investments accounted for using the equity method.

Working capital

Net current assets. Inventories plus trade receivables and other non-current and current assets less current provisions, trade payables and other non-current and current liabilities

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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.