

REPORT OF THE SUPERVISORY BOARD

To the 82nd Annual General Meeting



Patrick Lackenbucher
(Chairman of the Supervisory Board)

Dear shareholders,

The 2025 financial year was characterized by a slight recovery on global fiber markets during the first three months. However, the announcement of high international US tariffs and the subsequent global tariff and trade conflict led to further significant market disruption, with negative implications for consumer confidence and the global textile value chain. Despite these unfavorable conditions after the first quarter, 2025 can be considered for Lenzing AG as a year of further progress in its transformation process and in its earnings performance. Accordingly, in 2025 we were able to achieve a further improvement in our operating result (EBITDA) and free cash flow, thanks to the disciplined implementation and continuous development of our comprehensive performance program. In the long term, this should ensure that the company returns to a track of sustainable profitability. I would like to take this opportunity to thank the Managing Board and all employees of Lenzing AG for their tireless efforts. These efforts enabled a positive earnings performance within a persistently difficult market environment and ensure achievement of the company's sustainable and structural competitiveness in the long term.

In addition to the operational business performance, we also successfully carried out a number of important financial and strategic initiatives in the 2025 financial year. For example, refinancing on the banking and capital markets was successfully implemented in two stages. First, a syndicated loan of EUR 545 mn was concluded with a bank consortium in May 2025 and then a new hybrid bond of EUR 500 mn was placed on the capital market in July 2025. The originally planned issue volume of EUR 300 mn was significantly increased thanks to high demand. The old hybrid bond from 2020 was repaid in full in September. This successful refinancing strengthens the company's capital structure and liquidity reserve and supports

the further transformation and implementation of Lenzing's corporate strategy as a global market leader in sustainable premium fibers. Accordingly, in September 2025, the further development of the corporate strategy was announced, which includes a focus on sustainable premium fibers, further operational efficiency enhancement and the optimization of our production sites. In the future, Lenzing will focus on high-margin market segments and premium fibers, while gradually withdrawing from low-margin commodity segments. In order to strengthen the cost position, around 300 jobs are to be cut, particularly in the administrative area, with the aim of making Lenzing's administrative functions leaner and more efficient. Together with the relocation of a further 300 jobs to more cost-effective locations as part of internationalization, this is expected to achieve total savings of more than EUR 45 mn per year. The implementation of these measures is currently proceeding according to plan. These activities represent important milestones in Lenzing's long-term transformation and are intended to secure its competitiveness, especially against Asian competitors that have a considerable cost advantage.

For the coming year, significant uncertainties regarding geopolitical and macroeconomic developments are expected to persist. This naturally leads to limited visibility in terms of future market trends. As a consequence, the challenges will remain high for a globally active company such as Lenzing. This underscores the need to remain vigilant in the coming year and to consistently implement the necessary transformation measures and the enhanced Group strategy in order to increase Lenzing's competitiveness and resilience and achieve long-term and structural profitability, including in the face of adverse circumstances.

The Supervisory Board fulfilled its supervisory duties, as defined by legislation, the company's articles of association and the rules of business procedure, in relation to varied activities. The Supervisory Board was involved at an early stage in fundamental decisions and was available to provide consultative advice to the Managing Board. In turn, the Managing Board submitted regular detailed written reports to the Supervisory Board concerning the financial position and performance of both Lenzing AG and the Lenzing Group. The Managing Board also reported to the Supervisory Board Chairman outside the context of scheduled meetings concerning business performance, the company's position as well as major transactions. Individual issues were handled in depth by the committees established by the Supervisory Board, which then reported on their activities to the plenary Supervisory Board.

Changes on the Supervisory and Managing boards of Lenzing AG

In the 2025 financial year, changes occurred to the Supervisory Board due to the expiration of mandates. At the 81st Annual General Meeting, Patrick Lackenbacher and Leonardo Grimaldi were elected to the Supervisory Board for the first time. Patrick Lackenbacher was elected Chairman of the Supervisory Board at the subsequent constituent meeting of the Supervisory Board. Stefan Fida's mandate was also extended. The elections to the Supervisory Board were held due to the expiry of the terms of office of Stefan Fida and of Cord Prinzhorn, who was not available for re-election. Marcelo Feriozzi Bacci had already stepped down from the Supervisory Board at his own request on December 6, 2024. Following the election of Patrick Lackenbacher, Leonardo Grimaldi and Stefan Fida, the Supervisory Board consists of ten members elected by the Annual General Meeting. We would like to thank the departing Supervisory Board members for their trusting and constructive support and wish them all the best for the future.

The composition of the Managing Board was also characterized by changes in 2025. Firstly, Dr. Walter Bickel stepped down from the Managing Board team by mutual agreement on March 31, 2025, thereby ending his fixed-term mandate as Chief Transformation Officer. Under his leadership, we succeeded in delivering the planned contributions from the performance program and in introducing additional improvement measures. We would like to take this opportunity to thank Walter Bickel once again for his achievements, which have made a significant contribution to improving Lenzing's performance and competitiveness. Georg Kasperkovitz was appointed Chief Operations Officer with effect from June 1, 2025. In this role, he is responsible for the company-wide management of the fiber production sites, the implementation and further development of the ongoing performance program and the management of the Lenzing site. In September 2025, the extension of Christian Skilich's Managing Board mandate as Chief Pulp & Chief Technology Officer and the appointment of Mathias Breuer as Chief Financial Officer as of January 1, 2026, were also approved. Mathias Breuer will take over the position of CEO from Nico Reiner, whose mandate expired on December 31, 2025, and who was not available for an extension of his mandate. On December 9, Rohit Aggarwal

also announced that he would be stepping down from his position as Chief Executive Officer for personal reasons on January 31, 2026. To ensure a seamless transition, Mr. Aggarwal will continue to support Lenzing AG as an adviser until the end of September 2026. The Supervisory Board would like to express its sincere thanks to both Mr. Reiner and Mr. Aggarwal for their commitment and crucial contributions during their respective terms of office. Both Managing Board members have made significant contributions to the further development of Lenzing within a very challenging environment. In addition to the Managing Board, Lenzing's management team and global sales functions were strengthened in the 2025 financial year with the appointment of Patricia Sargeant (EVP Commercial Nonwovens) and Yann Lepage (EVP Commercial Textiles). In the course of Rohit Aggarwal's departure, the formation of an Executive Committee for organizational development and to advance the premiumisation strategy was also announced, consisting of the Managing Board and the three senior sales executives for the textiles, nonwovens and pulp sales area.

Supervisory Board meetings

The Supervisory Board of Lenzing AG held a total of five ordinary and two extraordinary meetings during the reporting year, at which it was informed by the Managing Board about the course of business and about important business transactions and actions, and at which it supervised the work of the Managing Board and advised the Managing Board on important strategic decisions. Especially given the changes in the composition of the Managing Board, cooperation between the Supervisory Board and the Managing Board has intensified outside the scope of regular meetings. Given the lack of market recovery, the implementation and further development of the holistic performance program was discussed at regular intervals by the full Supervisory Board and the specially formed Value Creation Committee. Mitigation measures for the global tariff conflict were also discussed in detail by the Supervisory Board. The two-stage refinancing at Group level, consisting of the arrangement of a syndicated loan of EUR 545 mn and the issue of a hybrid bond of EUR 500 mn, formed a further focus of the Supervisory Board's work. A separate refinancing committee was also set up for this purpose. The further evolution of the corporate strategy represented a further focus of the Supervisory Board's work this year.

Committee meetings

The Remuneration Committee established by the Supervisory Board held a total of nine meetings during the reporting year and dealt primarily with performance evaluation and goal setting for the Managing Board members as well as further general remuneration topics relating to the Managing Board.

The Nomination Committee held a total of six meetings during the reporting year. These meetings primarily discussed the composition and corresponding appointments of the Managing Board as well as the allocation of Managing Board responsibilities. The committee also discussed nominations to the Supervisory Board and submitted corresponding nominations for approval.

The Audit Committee held a total of five meetings during the reporting year. Some of these meetings were also attended by representatives of the auditors who reported on their auditing activities and coordinated these activities with the Audit Committee. Specific financial accounting issues were also discussed in the presence of the auditor. In addition to reviewing and preparing both the separate and the consolidated financial statements, the committee also addressed the additional tasks pursuant to Section 92 Para. 4a of the Austrian Stock Corporation Act (AktG), focusing particularly on critically examining and monitoring the functioning and effectiveness of the internal control, audit and risk management systems. The results were subsequently discussed with the plenary Supervisory Board.

In the reporting year, the Strategy, Growth and Innovation Committee met two times and addressed the review and further development of the company's strategic positioning and corporate strategy, the monitoring of strategy implementation and current innovation projects.

The ESG Committee met once during the reporting year. This committee supported the Managing Board, the plenary Supervisory Board, the Audit Committee and the Strategy, Growth and Innovation Committee in matters relating to non-financial reporting and strategic ESG issues. At its meeting on June 17, 2025, the Supervisory Board of Lenzing AG decided to merge the ESG Committee with the Strategy, Growth and Innovation Committee. In future, the combined committee will therefore be called the Strategy and ESG Committee.

To support the company's holistic performance program, the Transformation/Value Creation Committee, which was established in 2023, continued to operate in 2025. This committee held a total of four meetings during the reporting year and focused especially on monitoring the implementation of the existing program and defining additional performance measures.

The Committee for Urgent Matters met once in the 2025 financial year.

The specially established Refinancing Committee also met once in the 2025 financial year and dealt with refinancing at Group level.

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

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

The separate annual financial statements of Lenzing AG together with the related management report, and the consolidated financial statements of the Lenzing Group together with the Group management report, including the non-financial statement in accordance with Section 245a of the Austrian Commercial Code (UGB) as of December 31, 2025, were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz. The auditor issued an unqualified audit opinion. The Corporate Governance Report was evaluated by PwC Wirtschaftsprüfung und Steuerberatung GmbH, Linz. In the course of the limited assurance review, no matters came to our attention that would cause us to believe that the C-Rules of the Austrian Code of Corporate Governance (ACGC) were not complied with in the 2025 financial year or that the Corporate Governance Report 2025 was not prepared, in all material respects, in accordance with the statutory requirements. The Supervisory Board's Audit Committee reviewed the separate annual financial statements and the consolidated financial statements as well as the separate management report, the Group management report and the Corporate Governance Report. The results of this review were subsequently discussed with the auditor in detail. On the basis of its own review, the Audit Committee concurred with the auditor's audit results. In accordance with its duties, the Audit Committee reported accordingly to the Supervisory Board, and also recommended that the Supervisory Board propose to the Annual General Meeting that KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft be appointed as the auditor for the 2026 financial year. After conducting its review, the Supervisory Board formally approved the management report and the Corporate Governance Report, and adopted the separate annual financial statements for 2025 in accordance with Section 96 Para. 4 of the Austrian Stock Corporation Act (AktG). Furthermore, the Supervisory Board stated its approval of the consolidated financial statements and Group management report, as well as of the non-financial statement, pursuant to Section 244 UGB in conjunction with 245a UGB. The Supervisory Board concurs with the recommendation by the Audit Committee and will consequently submit a proposal to the 82nd Annual General Meeting for the appointment of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft as the auditor of the annual financial statements for the 2026 financial year. Furthermore, the Supervisory Board will propose to the 82nd Annual General Meeting that KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft be appointed as the auditor of the sustainability report for the 2026 financial year, if statutory provisions require the appointment by the Annual General Meeting of an external auditor of the sustainability report. The Supervisory Board was not informed of any conflicts of interest on the part of Managing Board or Supervisory Board members during the reporting year that would require disclosure to the Annual General Meeting.

On behalf of the Supervisory Board, I would like to thank and acknowledge the Managing Board and all employees of Lenzing AG for their outstanding commitment. Through their personal commitment, Lenzing AG overcame the particular challenges arising from adverse market dynamics and further enhanced the company's performance and competitiveness. I am aware that the ongoing transformation program demands a great deal from our employees. I continue to trust in their support on our path to profitability so that Lenzing can survive in the face of global competition in the long term and continue to invest in new products and markets. Our common goal is to further increase Lenzing's competitiveness as the global market leader in sustainable premium fibers. We also wish to extend our special thanks to Lenzing's customers, shareholders, suppliers and business partners for their trust and solidarity.

Thank you!

Vienna, March 11, 2026

Patrick Lackenbacher
Chairman of the Supervisory Board