Lenzing

Innovative by nature

www.lenzing.com

Selected Indicators of the Lenzing Group

Key earnings and profitability figures

EUR mn	01-09/2021	01-09/2020	Change
Revenue	1,588.5	1,194.9	32.9 %
EBITDA (earnings before interest, tax, depreciation and amortization)	297.6	138.5[1]	114.9 %
EBITDA margin	18.7 %	11.6 %[1]	
EBIT (earnings before interest and tax)	178.3	20.2[1]	783.6 %
EBIT margin	11.2 %	1.7 %[1]	
EBT (earnings before tax)	159.6	9.8	1,535.2 %
Net profit/loss for the year (/the period)	113.4	(23.3)	n.a.
Earnings per share in EUR	3.77	(0.10)	n.a.

Key cash flow figures

EUR mn	01-09/2021	01-09/2020	Change
Gross cash flow	301.1	83.3	261.3 %
Cash flow from operating activities	307.8	(14.0)	n.a.
Free cash flow	(317.9)	(460.8)	(31.0)%
CAPEX	631.1	449.8	40.3 %
EUR mn	**30/09/2021**	**31/12/2020**	**Change**
Liquid assets	1,249.5	1,081.1	15.6 %
Unused credit facilities	478.8	1,031.4	(53.6)%

Key balance sheet figures

EUR mn	30/09/2021	31/12/2020	Change
Total assets	5,101.2	4,163.0	22.5 %
Adjusted equity	2,124.6	1,907.0	11.4 %
Adjusted equity ratio	41.6 %	45.8 %	
Net financial debt	806.3	471.4	71.1 %
Net debt	909.4	575.0	58.1 %
Net gearing	38.0 %	24.7 %	
Trading working capital	429.7	383.8	12.0 %
Trading working capital to annualized group revenue	19.3 %	21.9 %	

Key stock market figures

EUR	30/09/2021	31/12/2020	Change
Market capitalization in mn	2,787.8	2,198.3	26.8 %
Share price	105.00	82.80	26.8 %

Employees

	30/09/2021	31/12/2020	Change
Number (headcount)	7,831	7,358	6.4 %

1) Some amounts previously recognized in EBIT/EBITDA are reclassified to the financial result (see note 1 of the Group consolidated interim financial statements H1/2021).

The above key financial figures are derived primarily from the condensed consolidated interim financial statements and the consolidated financial statements of the previous year of the Lenzing Group. Additional details are provided in "Notes on the Financial Performance Indicators of the Lenzing Group", available at the following link https://www.lenzing.com/notes-financial-performance-indicators-lenzing-group-2021-q3, and in the condensed consolidated interim financial statements, resp. the consolidated financial statements of the previous year of the Lenzing Group. Rounding differences can occur in the presentation of rounded amounts and percentage rates.

Management Report 01-09/2021

The global economy saw a significant recovery from the SARS-CoV-2 crisis in the first nine months of 2021. However, economic growth lost some momentum towards the end of the period. In October, the International Monetary Fund lowered its outlook by 0.1 percentage points to 5.9 percent for the current year. This revision was, among other things, due to a shortage of vaccines, which led to lower vaccination rates in developing countries. In addition, supply chain problems and rising inflation further increased the risks, jeopardizing economic prospects overall.[1]

The global textile and apparel industry largely recovered from the CoV-related losses in 2021. In June, average retail sales for the sector exceeded pre-crisis levels for the first time. The strongest growth in textile sales was registered in the USA, while many European markets lagged behind due to the delayed opening of businesses. The CoV situation escalated and clouded the picture again in the course of the third quarter as restrictions were reintroduced, particularly in China. Consumer demand slightly declined across the retail sector in all major markets.

Prices on the cotton market rose by 32 percent in the first nine months. The Cotlook A Index price exceeded 112 US cents per pound as of September 30, 2021 – for the first time in about a decade. Compared to the previous year's figure, cotton prices even rose by 58 percent. Based on current estimates, global consumption of raw cotton, at 25.9 mn tons, will be just 0.4 percent lower this season than in the 2018/19 pre-crisis season. Cotton production is forecast to amount to approximately 25.8 mn tons. Aside from surplus demand, high freight rates are also continuing to drive prices higher.

In addition, the price for polyester staple fibers rose along with the price of crude oil. At RMB 7,370 per ton at the end of September, the price was 24 percent higher than at the beginning of the calendar year. This corresponds to a price increase of 40 percent compared to last year.

The price for standard viscose also recovered from the CoV crisis, with a significant increase between December and March. In an environment of muted demand and rising inventory levels, however, prices came under pressure again from the end of the first quarter. Half way through the third quarter, the Chinese government introduced measures to lower industrial energy consumption. One of the sectors affected by these measures was the textile value chain, in particular spinning mills, which in turn had an adverse effect on demand for fibers. Chinese standard viscose producers attempted to fuel demand through price cuts. Viscose prices stood at RMB 12,050 per ton as of September 30, 2021, which corresponds to an increase of 4 percent since the start of the year and 32 percent compared to the same period last year. A significant recovery at the start of the fourth quarter pushed standard viscose prices to RMB 14,300 per tonne as of 25 October, which is close to the high level seen at the end of April.

Prices for wood-based specialty fibers, which proved to be much more stable again in the past quarters, were much less affected by these price fluctuations.

The Chinese import price for dissolving wood pulp, the main raw material for the production of wood-based cellulosic fibers, fell by 4.8 percent to USD 1,000 per ton in the third quarter of 2021. It was supported by supply shortages due to production bottlenecks as some manufacturers were faced with technical and logistical issues. At 19.5 percent, the decline in the Chinese price for paper pulp was stronger – as was the previous increase. Compared with the same quarter of the previous year, dissolving wood pulp prices increased significantly by 60.3 percent.[2]

In order to further enhance the transparency of its financial reporting and enable better comparability with international peer group companies, Lenzing now presents the consolidated income statement according to the cost-of-sales method as of the 2021 financial year.[3]

Thanks to the largely positive market environment, the Lenzing Group reported a significant year-on-year improvement in revenue and earnings in the first nine months of 2021. Growing optimism in the textile and apparel industry based on vaccination progress and the ongoing recovery in retail caused a substantial increase in demand and prices on the global fiber market, in particular at the beginning of the current financial year.

Revenue rose by 32.9 percent to EUR 1.59 bn in the reporting period. This increase is attributable to a higher sales volume as well as higher viscose prices, which stood at more than RMB 15,000 per ton in May thanks to significantly higher demand for fibers, especially from Asia. The focus on wood-based specialty fibers such as TENCEL™, LENZING™ ECOVERO™ and VEOCEL™ branded fibers also had a positive impact on revenue growth. This more than offset the negative impact of less favorable currency effects.

The earnings performance essentially reflects the positive market trend. The continued focus on measures for structural earnings improvements in all regions reinforced this positive effect. Energy, raw material and logistics costs increased significantly during the entire reporting period. EBITDA (earnings before interest, tax, depreciation and amortization) more than doubled to EUR 297.6 mn in the first nine months of 2021 (compared to EUR 138.5 mn in the first nine months of 2020). The EBITDA margin rose from 11.6 percent to 18.7 percent. EBIT (earnings before interest and tax) amounted to EUR 178.3 mn (compared to EUR 20.2 mn in the first nine months of 2020). Accordingly, the

[1] Source: IMF, World Economic Outlook, October 2021

[2] Sources: International Cotton Advisory Committee (ICAC), IMF, Cotton Outlook; CCF Group (China Chemical Fibers and Textiles Consulting), CCFEI

[3] Reclassification of capitalized borrowing costs, net interest from defined benefit plans and commitment fees from EBIT/EBITDA to the financial result (see footnote 1 of the consolidated income statement of the Group Interim Report H1/2021).

EBIT margin increased from 1.7 percent to 11.2 percent. EBT (earnings before tax) rose to EUR 159.6 mn (compared to EUR 9.8 mn in the first nine months of 2020). Net profit for the period amounted to EUR 113.4 mn (compared to a net loss of EUR minus 23.3 mn in the first nine months of 2020) and earnings per share to EUR 3.77 (compared to EUR minus 0.1 in the first three months of 2020).

The income tax expense of EUR 46.2 mn (compared to EUR 33 mn in the first nine months of 2020) follows the earnings trend and is affected by currency effects and the adjustment of tax assets of individual group companies.

Gross cash flow more than tripled to EUR 301.1 mn in the first nine months of 2021 (compared to EUR 83.3 mn in the first nine months of 2020). This increase was above all due to the earnings performance. Cash flow from operating activities amounted to EUR 307.8 mn (compared to EUR minus 14 mn in the first nine months of 2020). Free cash flow amounted to EUR minus 317.9 mn (compared to EUR minus 460.8 mn in the first nine months of 2020) due to the investment activities related to the projects in Thailand and Brazil. CAPEX (expenditures for intangible assets, property, plant and equipment, and biological assets) increased by 40.3 percent to EUR 631.1 mn during the reporting period, of which roughly half was financed out of cash flow from operating activities. The strong increase in investments is attributable to the implementation of the key projects.

Liquid assets rose by 15.6 percent to EUR 1.25 bn as of September 30, 2021 (compared to December 31, 2020).

The Lenzing Group's total assets rose by 22.5 percent compared to December 31, 2020 and amounted to EUR 5.1 bn as of September 30, 2021. The main changes are related to an increase in property, plant and equipment due to a higher level of investment activities.

Adjusted equity in the first nine months of 2021 rose by 11.4 percent to EUR 2.12 bn as of September 30, 2021, primarily due to the operating earnings trend. The adjusted equity ratio decreased from 45.8 percent to 41.6 percent, in particular due to the higher total assets. Net financial debt amounted to EUR 806.3 mn at the end of the reporting period (compared to EUR 471.4 mn as of December 31, 2020). This increase is due to the investments made in the two key projects in Thailand and Brazil. Net gearing rose to 38 percent as of September 30, 2021 (compared to 24.7 percent as of December 31, 2020). Trading working capital was up by 12 percent to EUR 429.7 mn.

The Lenzing Group's investment activities in the third quarter of 2021 continued to focus on expanding the own supply of pulp, increasing the share of specialty fibers and implementing the climate targets in line with the sCore TEN corporate strategy.

The construction of the pulp mill in Minas Gerais (Brazil) with a capacity of 500,000 tons is progressing according to plan. The expected ramp-up of this pulp mill is still scheduled for the first half of 2022. In addition to securing the own supply, the new pulp mill also enables Lenzing to mark an important milestone in its climate neutrality strategy. It will be one of the world's most productive and most energy-efficient mills and feed more than 50 percent of the electricity generated into the public grid as renewable energy. In 2019, Lenzing made a commitment to reducing its greenhouse gas emissions per ton of product by 50 percent by 2030 compared with a 2017 baseline. The vision is to be climate-neutral by 2050.

Specialty fibers are Lenzing's great strength. The objective is to generate more than 75 percent of fiber revenues from business with wood-based specialty fibers such as lyocell and modal fibers by 2024. This strategic target focuses on the imminent completion of the new state-of-the-art lyocell plant in Thailand with a capacity of 100,000 tons. Construction work started in the second half of 2019 and went largely according to plan in the reporting period, despite the challenges arising from the pandemic. The recruiting and onboarding of new employees is progressing successfully. The commissioning of the plant is scheduled for the end of the year, and the start of production for the first quarter of 2022. Thanks to its excellent infrastructure, the location can be supplied with sustainable biogenic energy.

In addition, Lenzing is investing more than EUR 200 mn in its production sites in Purwakarta (Indonesia) and Nanjing (China) to convert existing standard viscose capacity into capacity for eco-friendly specialty fibers. In Nanjing, Lenzing will establish the first wood-based fiber complex in China that is not dependent on coal as an energy source. At the same time, a line of standard viscose will be converted to a TENCEL™ branded modal fibers line, making the Chinese plant a completely wood-based specialty fiber site by the end of 2022. Investments in Lenzing's site in Indonesia will make this facility fully compliant with the EU Ecolabel standards. As a consequence, the site will become a pure specialty viscose supplier as of 2023. Once these investments have been completed, Lenzing will boost specialty fibers as a percentage of its fiber revenues to well above the targeted 75 percent by as early as 2023.

In January 2021, the company announced the construction of the largest ground-mounted photovoltaic plant in Upper Austria on an area of 55,000 m² at the Lenzing site. In addition, Lenzing is investing GBP 20 mn (equivalent to EUR 23.3 mn) to build a new, state-of-the-art wastewater treatment plant at its site in Grimsby, United Kingdom. The investment is part of the company's plans to reduce wastewater emissions by 2022.

In the second quarter, Lenzing signed a cooperation agreement with Swedish pulp producer Södra to further boost closed-loop recycling. The cooperation involves the transfer of knowledge between the two companies, which have been proactively driving closed-loop recycling for many years, and a joint new process development for the recycling of textile waste. A capacity expansion for pulp from textile waste is also planned. The goal is to recycle approximately 25,000 tons of textile waste per year by 2025. Lenzing has proactively developed and promoted innovations in recycling for several years to provide solutions to tackle the global textile waste problem (e.g. the REFIBRA™ and Eco Cycle technologies).

For Lenzing, sustainability represents both a core value of its strategy and a guiding principle for innovation and product development. Lenzing further expanded its product offering for the textile and nonwovens industries in the reporting period. The first TENCEL™ branded lyocell fiber made of orange pulp and wood sources was presented in the third quarter. The first fabrics are being developed in cooperation with Orange Fiber, an Italian specialist textile producer. The upcycling of orange peel as part of the TENCEL™ Limited Edition initiative represents another successful attempt by Lenzing to develop new recycling solutions with partners along the value chain.

The Indigo Color technology, which forms the basis for another Lenzing product innovation, enables denim customers to improve their product range in terms of both sustainability and quality. With this pioneering technology, indigo pigment is incorporated into TENCEL™ branded modal fibers as part of the manufacturing process. This delivers superior color retention compared to conventional indigo dyeing while at the same time utilizing substantially fewer resources.

The introduction of the first carbon-neutral fibers on the global nonwovens market under the VEOCEL™ brand offers a further example of product innovation in the reporting period, reflecting the ambitious path followed by Lenzing and its partners in the areas of climate change and closed-loop recycling. In the previous year, Lenzing launched its carbon-neutral TENCEL™ fibers on the textile market. Both these fibers are certified CarbonNeutral® products in accordance with the CarbonNeutral Protocol, the leading global framework for carbon neutrality.

With its wood-based, biodegradable cellulosic fibers, Lenzing also benefits from new legislation such as the Single-Use Plastics Directive (EU) 2019/904. The EU Commission published implementation guidelines in the second quarter specifying which products fall within the directive's scope. Lenzing welcomes the measures taken by the EU in a joint effort of the Member States to combat plastic pollution. The Single-Use Plastics Directive stipulates uniform labelling requirements for some of the single-use plastic products either on the packaging or on the product itself from July 3, 2021. They encompass feminine hygiene products and wet wipes for personal and household care containing plastic. The fibres offered under the VEOCEL™ brand in the nonwoven fibers business represent an effective alternative to fossil-based, synthetic fibers and therefore help to solve the global plastic waste problem.

In its Sustainability Report 2020, "Stand up for future generations", Lenzing once again emphasized its commitment to assume responsibility beyond the products it manufactures. The non-financial report, prepared in accordance with the reporting standards of the Global Reporting Initiative (GRI) and the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) and reviewed by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, illustrates how the company is responding to the global challenges of our time.

Lenzing received several awards for its achievements during the reporting period, most notably in the field of sustainability: The renowned rating agency MSCI upgraded Lenzing Group from "A" to "AA" as of September 2021. This places Lenzing among the top 6 percent of rated companies in its peer group. Due to the improved MSCI ESG rating, Lenzing will benefit from lower interest expenses. Lenzing placed a EUR 500 mn bonded loan (Schuldschein loan) in November 2019 that is linked to its sustainability performance. In accordance with its commitment under the bonded loan placement, the company will donate the full amount of the interest expense saving as a consequence of the rating revision to a project it supports. MSCI cited the company's ambitious climate targets, its approach to promoting a closed-loop economy and exceptionally good governance structures as the main reasons for the upgrade.

Lenzing was awarded Platinum CSR status by EcoVadis for the first time in 2021 and now ranks among the top one percent of companies worldwide rated with regard to the environment, fair working conditions and human rights, as well as ethics and sustainable procurement.

In September, the Supervisory Board of Lenzing AG came to a mutual agreement with its longstanding Chief Executive Officer Stefan Doboczky to terminate his contract before the end of his term. Doboczky informed the Supervisory Board that he will not be available for a further extension of his contract. The Supervisory Board accepted his resignation with great regret and the parties mutually agreed to end the contract with effect as of the end of the reporting period.

Cord Prinzhorn has been appointed interim Chief Executive Officer. He has been a member of Lenzing's Supervisory Board since the Annual General Meeting in April. When Prinzhorn assumes the role of CEO on November 04, 2021, his Supervisory Board mandate will be suspended for the time being.

Outlook

The International Monetary Fund forecasts global growth of 5.9 percent for 2021. However, the economic recovery after the deep recession caused by COVID-19 is subject to risks, and largely depends on further progress made with vaccination campaigns and the successful global containment of the pandemic, particularly in developing countries. The currency environment is expected to remain volatile in the regions relevant to Lenzing.

The global fiber markets saw a significant recovery from the CoV crisis from the third quarter of 2020, starting in China. However, the market turned in February/March this year and took a downward trend until well into the third quarter. In the last few weeks, fiber prices have risen sharply again. In the cotton market, the current 2020/2021 harvest points to a tightening in production volume and, consequently, a slight decrease in inventory levels. The prices for dissolving wood pulp remain at a high level despite the decline in the third and at the start of the fourth quarter.

Lenzing expects continued growth in demand for sustainably produced fibers for the textile and apparel industries as well as for the hygiene and medical industries. This trend is likely to continue unabated after the COVID-19 pandemic, not least due to a number of legislative initiatives.

With the prospect of a progressing active immunization of a broad population against COVID-19, optimism and confidence in a speedy return to normality are also rising within the textile value chain. However, the currently positive environment continues to be characterized by a high level of uncertainty, also due to the increased occurrence of virus mutations and the extremely high infection rates in parts of South America and in South and South-East Asia. For this reason, visibility remains limited.

Following significant cost increases in the year to date, further cost pressure on energy, raw materials and logistics is expected in the coming quarters.

Given the above factors and the very positive performance during the first nine months, the Lenzing Group therefore continues to expect EBITDA to reach at least EUR 360 mn in 2021

In light of these trends, Lenzing considers itself well-positioned with its sCore TEN corporate strategy, and will continue to drive the completion of the major strategic projects, which are to make a significant contribution to earnings from 2022. In addition to its targets for EBITDA (EUR 800 mn) and ROCE (>10 %[1]), Lenzing also confirms its four other medium-term targets for 2024: net debt/EBITDA (<2.5 x), share of specialty fibers (>75 % of fiber revenue), own supply of dissolving wood pulp (>75 %), decarbonization (>40 % fewer CO_2 emissions per ton of product).

Lenzing, October 29, 2021
Lenzing Aktiengesellschaft

The Managing Board

Thomas Obendrauf
Chief Financial Officer

Robert van de Kerkhof
Member of the Managing Board

Stephan Sielaff
Member of the Managing Board

Christian Skilich
Member of the Managing Board

[1] To be adjusted for assets under construction

Lenzing AG

Consolidated Income Statement (condensed)

for the period from January 1 to September 30, 2021

EUR mn

	07-09/2021	07-09/2020	01-09/2021	01-09/2020
Revenue	555.2	384.7	1,588.5	1,194.9
Cost of sales	(433.6)	(334.8)[1]	(1,192.1)	(1,019.9)[1]
Gross profit	**121.6**	**49.9**	**396.4**	**175.0**
Other operating income	15.1	16.6	55.1	47.7
Selling expenses	(58.5)	(35.4)	(162.6)	(113.7)
Administrative expenses	(32.5)	(20.2)[1]	(92.8)	(69.7)[1]
Research and development expenses	(6.1)	(2.8)	(17.4)	(11.6)
Other operating expenses	(0.4)	(4.4)	(0.4)	(7.6)
Earnings before interest and tax (EBIT)	**39.3**	**3.7**[1]	**178.3**	**20.2**[1]
Financial result	(3.5)	(3.5)[1]	(18.6)	(10.4)[1]
Earnings before tax (EBT)	**35.9**	**0.2**	**159.6**	**9.8**
Income tax expense	(18.6)	(9.1)	(46.2)	(33.0)
Net profit/loss for the period	**17.3**	**(8.9)**	**113.4**	**(23.3)**
Attributable to:				
Shareholders of Lenzing AG	18.8	(4.3)	100.0	(2.8)
Non-controlling interests	(8.7)	(4.6)	(8.2)	(20.5)
Share planned for hybrid capital owners	7.2	0.0	21.6	0.0
Earnings per share	EUR	EUR	EUR	EUR
Diluted = basic	0.71	(0.16)	3.77	(0.10)

1) As of the beginning of the 2021 financial year, the Lenzing Group prepares the consolidated income statement according to the cost-of-sales method rather than the total cost method, thus increasing international comparability with peer group companies. Some amounts previously recognized in EBIT/EBITDA are reclassified to the financial result (see note 1 of the Group consolidated interim financial statements H1/2021).

Consolidated Statement of Comprehensive Income (condensed)

for the period from January 1 to September 30, 2021

EUR mn

	07-09/2021	07-09/2020	01-09/2021	01-09/2020
Net profit/loss for the period as per consolidated income statement	17.3	(8.9)	113.4	(23.3)
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	5.0	(1.2)	29.7	(2.1)
Income tax relating to these components of other comprehensive income	(1.3)	0.3	(7.4)	0.5
	3.8	(0.9)	22.3	(1.6)
Items that may be reclassified to profit or loss				
Foreign operations – foreign currency translation differences	21.9	(37.6)	66.9	(81.3)
Financial assets measured at fair value through other comprehensive income	0.0	0.0	0.1	(0.1)
Cash flow hedges	(12.6)	(6.4)	(19.8)	(151.9)
Income tax relating to these components of other comprehensive income	(0.1)	0.9	(1.3)	7.4
Investments accounted for using the equity method - share of other comprehensive income (net of tax)	(1.1)	(1.3)	0.1	(7.2)
	8.1	(44.4)	46.0	(233.0)
Other comprehensive income (net of tax)	11.9	(45.3)	68.3	(234.6)
Total comprehensive income	29.1	(54.2)	181.8	(257.8)
Attributable to:				
Shareholders of Lenzing AG	30.8	(42.6)	165.2	(169.8)
Non-controlling interests	(8.9)	(11.5)	(5.0)	(88.0)
Share planned for hybrid capital owners	7.2	0.0	21.6	0.0

Lenzing AG

Consolidated Statement of Financial Position (condensed)

as at September 30, 2021

EUR mn

Assets	30/09/2021	31/12/2020
Intangible assets, property, plant and equipment, right-of-use assets and biological assets	2,828.4	2,247.7
Investments accounted for using the equity method and financial assets	91.5	70.0
Deferred tax assets	2.9	2.4
Other non-current assets	65.3	41.1
Non-current assets	**2,988.2**	**2,361.2**
Inventories	426.6	329.4
Trade receivables	321.9	249.7
Other current assets	129.0	152.8
Cash and cash equivalents	1,235.5	1,070.0
Current assets	**2,113.0**	**1,801.8**
Total assets	**5,101.2**	**4,163.0**

Equity and liabilities	30/09/2021	31/12/2020
Equity attributable to shareholders of Lenzing AG	1,920.3	1,732.9
Non-controlling interests	177.0	148.5
Equity	**2,097.3**	**1,881.4**
Financial liabilities	1,948.3	1,446.9
Deferred tax liabilities	46.9	42.4
Provisions	122.1	120.4
Other non-current liabilities	191.9	181.4
Non-current liabilities	**2,309.1**	**1,791.1**
Financial liabilities	107.5	105.6
Trade payables	318.8	195.2
Provisions	30.7	25.7
Other current liabilities	237.7	164.0
Current liabilities	**694.7**	**490.5**
Total equity and liabilities	**5,101.2**	**4,163.0**

Consolidated Statement of Changes in Equity (condensed)

for the period from January 1 to September 30, 2021

EUR mn

	Share capital	Capital reserves	Hybrid capital	Other reserves	Retained earnings	Equity attributable to shareholders of Lenzing AG and to hybrid capital owners	Non-controlling interests	Equity
As at 01/01/2020	27.6	133.9	0.0	28.7	1,322.9	1,513.0	24.9	1,537.9
Total comprehensive income	0.0	0.0	0.0	(167.1)	(2.8)	(169.8)	(88.0)	(257.8)
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	8.2	0.0	8.2	4.6	12.8
Acquisition/disposal of non-controlling interests and other changes in the scope of consolidation	0.0	0.0	0.0	0.0	2.1	2.1	100.2	102.3
Increase in capital	0.0	0.0	0.0	0.0	0.0	0.0	87.8	87.8
Measurement of puttable non-controlling interest recognized directly in equity	0.0	0.0	0.0	0.0	(115.7)	(115.7)	0.0	(115.7)
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)	(0.2)
As at 30/09/2020	27.6	133.9	0.0	(130.3)	1,206.5	1,237.7	129.3	1,367.0
As at 01/01/2021	27.6	133.9	496.6	(117.9)	1,192.8	1,732.9	148.5	1,881.4
Total comprehensive income	0.0	0.0	0.0	65.2	121.6	186.8	(5.0)	181.8
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	29.8	0.0	29.8	28.1	57.9
Increase in capital	0.0	0.0	0.0	0.0	0.0	0.0	2.9	2.9
Acquisition/disposal of non-controlling interests and other changes in the scope of consolidation	0.0	0.0	0.0	0.0	(2.7)	(2.7)	2.7	0.0
Measurement of puttable non-controlling interest recognized directly in equity	0.0	0.0	0.0	0.0	(26.5)	(26.5)	0.0	(26.5)
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)	(0.2)
As at 30/09/2021	**27.6**	**133.9**	**496.6**	**(22.9)**	**1,285.2**	**1,920.3**	**177.0**	**2,097.3**

Consolidated Statement of Cash Flows (condensed)

for the period from January 1 to September 30, 2021

EUR mn

		01-09/2021	01-09/2020
Net profit/loss for the period		113.4	(23.3)
+	Amortization of intangible assets and depreciation of property, plant and equipment and right-of-use assets	120.7	119.7
−/+	Other non-cash income / expenses	67.0	(13.1)
Gross cash flow		301.1	83.3
+/−	Change in inventories	(108.8)	51.1
+/−	Change in receivables	(75.3)	(4.7)
+/−	Change in liabilities	190.8	(143.7)
Change in working capital		6.7	(97.3)
Cash flow from operating activities		307.8	(14.0)
−	Acquisition of intangible assets, property, plant and equipment and biological assets (CAPEX)	(631.1)	(449.8)
−	Acquisition of financial assets and investments accounted for using the equity method	(6.9)	(2.2)
+	Proceeds from the sale of intangible assets, property, plant and equipment and biological assets	5.4	3.0
+	Proceeds from the sale/repayment of financial assets and the sale of investments accounted for using the equity method	5.3	1.4
Cash flow from investing activities		(627.2)	(447.7)
+	Capital injections to consolidated companies by non-controlling interests	2.8	84.5
−	Dividends paid	(0.2)	(0.2)
+	Investment grants	1.0	(0.2)
+	Increase of bonds and private placements	0.0	83.8
+	Increase in other financial liabilities	579.8	386.5
−	Repayment of bonds and private placements	(56.0)	(37.5)
−	Repayment of other financial liabilities	(54.8)	(59.7)
Cash flow from financing activities		472.7	457.2
Total change in liquid funds		153.2	(4.5)
Liquid funds at the beginning of the year		1,070.0	571.5
Currency translation adjustment relating to liquid funds		12.3	(12.1)
Liquid funds at the end of the period		1,235.5	554.9
Additional information on payments in the cash flow from operating activities:			
Interest payments received		2.4	1.3
Interest payments made		16.8	8.8
Income taxes paid		19.8	25.4
Distributions received from investments accounted for using the equity method		0.3	0.0

The condensed consolidated interim financial statements as at September 30, 2021 were prepared based on IAS 34 (Interim Financial Reporting). They are based on the consolidated financial statements as at December 31, 2020 and should therefore always be read in conjunction with these statements.

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

These condensed consolidated interim financial statements of the Lenzing Group have undergone neither a full audit nor a review by an auditor..

Lenzing

Innovative by nature

www.lenzing.com

Imprint

Copyright and published by
Lenzing Aktiengesellschaft
4860 Lenzing, Austria
www.lenzing.com

Concept and edited by
Daniel Winkelmeier (Lenzing Group)

Layout and graphic design
nexxar GmbH

Text pages 2-11
Produced in-house using FIRE.sys

Photographs by
Farknot Architect/shutterstock.com

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 the 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.