



Lenzing Aktiengesellschaft

(Lenzing, Republic of Austria)

EUR 500,000,000 Undated Subordinated Resettable Fixed Rate Notes

ISIN XS2250987356 , Common Code 225098735

Issue Price: 100 per cent.

Lenzing Aktiengesellschaft (the "**Issuer**" and together with its consolidated subsidiaries, "**Lenzing**" or the "**Group**") will issue on 7 December 2020 (the "**Issue Date**") EUR 500,000,000 Undated Subordinated Resettable Fixed Rate Notes (the "**Notes**") in the denomination of EUR 100,000 each.

The Notes will be governed by the laws of the Federal Republic of Germany ("**Germany**"), except for the provisions on the status of the Notes which will be governed by the laws of the Republic of Austria ("**Austria**").

The Notes will bear interest from and including 7 December 2020 (the "**Interest Commencement Date**") to but excluding 7 December 2025 (the "**First Reset Date**") at a rate of 5.750 per cent. *per annum*. Thereafter, unless previously redeemed, the Notes will bear interest from and including the First Reset Date at a rate *per annum* equal to the Reference Rate for the relevant Reset Period (each as defined in § 3 of the terms and conditions of the Notes (the "**Terms and Conditions**")) plus a margin of 1,120.8 basis points *per annum* (including a step-up of 500 basis points).

Interest on the Notes will be payable annually in arrear on 7 December of each year (each an "**Interest Payment Date**"), commencing on 7 December 2021.

The Issuer is entitled to defer interest payments under the Notes under certain circumstances (as set out in § 4(1) of the Terms and Conditions, such payments the "**Deferred Interest Payments**"). Such Deferred Interest Payments will not bear interest. The Issuer may pay such Deferred Interest Payments (in whole or in part) at any time upon due notice (as set out in § 4(2) of the Terms and Conditions) and will be required to pay such Deferred Interest Payments (in whole, but not in part) under certain other circumstances (as set out in § 4(3) of the Terms and Conditions).

The Notes have no final maturity date. The Issuer may redeem the Notes with effect as of any date during the period from and including 7 September 2025 to and including the First Reset Date or on any Interest Payment Date thereafter.

The Issuer may call the Notes for redemption (in whole but not in part) with effect as of any date prior to but excluding 7 September 2025 at the Make-whole Amount. The "**Make-whole Amount**" will be the higher of the Principal Amount of the Notes or their Present Value (all as defined and further described in the Terms and Conditions).

The Issuer may further redeem all outstanding Notes at any time upon occurrence of a (i) Gross-up Event, (ii) a Tax Event, (iii) an Accounting Event, (iv) in case of minimal outstanding aggregate principal amount or (v) upon occurrence of a Change of Control (all as defined and further described in the Terms and Conditions). If a Change of Control occurs and the Issuer does not redeem the Notes in whole, the applicable rate of interest will be subject to an additional 500 basis points *per annum* above the otherwise applicable prevailing rate of interest.

The Notes will initially be represented by a temporary global note in bearer form (the "**Temporary Global Note**"). Interests in the Temporary Global Note will be exchangeable, in whole or in part, for interest in a permanent global note in bearer form (the "**Permanent Global Note**" and together with the Temporary Global Note, the "**Global Notes**") not earlier than 40 days after the Issue Date (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership. The Global Notes will be deposited with a common depository for Clearstream Banking S.A and Euroclear Bank S.A./N.V. (together, the "**Clearing System**").

This prospectus (the "**Prospectus**") does not constitute a prospectus within the meaning of Regulation (EU) No 1129/2017 of the European Parliament and of the Council of 14 June 2017 (as amended, the "**Prospectus Regulation**"). Neither the Luxembourg Financial Supervisory Authority, the *Commission de Surveillance du Secteur Financier*, nor any other "competent authority" (as defined in the Prospectus Regulation) has approved this Prospectus or reviewed information contained in this Prospectus.

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This Prospectus constitutes a prospectus for the purpose of Part IV of the Luxembourg Law of 16 July 2019 on Prospectuses for Securities. Application has been made to list the Notes on the official list (the "**Official List**") of the Luxembourg Stock Exchange and for admission to trading of the Notes on the Euro MTF Market operated by the Luxembourg Stock Exchange, which is a multilateral trading facility for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended, ("**MiFID II**"), and, therefore, not an EU-regulated market.

This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu).

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, the Notes in any jurisdiction where such offer or solicitation is unlawful.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons.

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in light of their own circumstances and financial condition. Investing in the Notes involves certain risks. Please review the section entitled "*Risk Factors*" beginning on page 8 of this Prospectus.

Joint Global Coordinators and Joint Structuring Agents

BNP PARIBAS

Morgan Stanley

Joint Bookrunners

BNP PARIBAS

Morgan Stanley

UniCredit Bank Austria

RESPONSIBILITY STATEMENT

The Issuer, with registered office in Lenzing, Austria, accepts responsibility for the information contained in this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer further confirms that (i) this Prospectus contains all information with respect to the Issuer, the Group and the Notes which is material in the context of the issue and offering of the Notes, including all information which, according to the particular nature of the Issuer and the Notes is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Group and of the rights attached to the Notes; (ii) the statements contained in this Prospectus relating to the Issuer, the Group and the Notes are in every material respect true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the Group and the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Prospectus misleading in any material respect; and (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

NOTICE

No person is authorized to give any information or to make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of the Issuer or the Joint Bookrunners (as defined in the section "*Subscription and Sale of the Notes*").

This Prospectus should be read and understood in conjunction with any supplement hereto and any documents incorporated herein or therein by reference.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer or the Joint Bookrunners to purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Joint Bookrunners to a recipient hereof and thereof that such recipient should purchase any Notes.

This Prospectus reflects the status as of its date. The offering, sale and delivery of the Notes and the distribution of this Prospectus may not be taken as an implication that the information contained herein is accurate and complete subsequent to the date hereof or that there has been no adverse change in the financial condition of the Issuer since the date hereof.

To the extent permitted by the laws of any relevant jurisdiction, neither any Joint Bookrunner nor any of their respective affiliates nor any other person mentioned in this Prospectus, except for the Issuer, accepts responsibility for the accuracy and completeness of the information contained in this Prospectus or any document incorporated by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accept any responsibility for the accuracy and completeness of the information contained in any of these documents. The Joint Bookrunners have not independently verified any such information and accept no responsibility for the accuracy thereof.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. For a description of the restrictions applicable in the EEA, the United States of

America, Singapore, the United Kingdom, Hong Kong, Switzerland and Canada see "*Subscription and Sale of the Notes – Selling Restrictions*".

The Notes issued pursuant to this Prospectus are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes to retail investors.

For the avoidance of doubt the content of any website referred to in this Prospectus does not form part of this Prospectus and the information on such websites has not been scrutinized or approved by the Luxembourg Stock Exchange.

The language of this Prospectus is English. In respect of the Terms and Conditions German is the controlling and legally binding language.

In this Prospectus all references to "€", "EUR" or "Euro" are to the currency introduced at the start of the third stage of the European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET: PROFESSIONAL INVESTORS AND ECPS ONLY

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPS REGULATION / PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the United Kingdom may be unlawful under the PRIIPs Regulation.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or the Joint Bookrunners the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

INFORMATION FOR PROSPECTIVE INVESTORS IN CANADA

This Prospectus is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities in Canada. This Prospectus constitutes an “exempt offering document” as defined in and for the purposes of applicable Canadian securities laws. No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Notes. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this Prospectus or on the merits of the Notes and any representation to the contrary is an offence.

The offer and sale of the Notes in Canada is being made on a private placement basis only and pursuant to an exemption from the requirement that the issuer prepares and files a prospectus under applicable Canadian securities laws. Any resale of the Notes acquired by a Canadian investor in this offering must be made in accordance with applicable Canadian securities laws, which may vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with Canadian prospectus requirements, a statutory exemption from the prospectus requirements, in a transaction exempt from the prospectus requirements or otherwise under a discretionary exemption from the prospectus requirements granted by the applicable local Canadian securities regulatory authority. These resale restrictions may under certain circumstances apply to resales of the Notes outside of Canada.

Securities legislation in certain provinces or territories of Canada may provide Canadian investors with remedies for rescission or damages if an “offering memorandum” such as this Prospectus (including any amendment hereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights or consult with a legal advisor.

BENCHMARK REGULATION: STATEMENT ON REGISTRATION OF BENCHMARK ADMINISTRATOR

Following the First Reset Date, interest amounts payable under the Notes are calculated by reference to the annual swap rate for swap transactions denominated in Euro with a term of 5 years, which appears on the Reuters Screen Page ICESWAP2 / EURFIXA and which is provided by ICE Benchmark Administration Limited (“IBA”). As at the date of this Prospectus, IBA appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“ESMA”) pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**Benchmark Regulation**”).

STABILISATION

IN CONNECTION WITH THE ISSUE OF THE NOTES, BNP PARIBAS (THE “STABILISING MANAGER”) (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES OF ANY RELEVANT JURISDICTION (INCLUDING RULES AND OTHER REGULATORY REQUIREMENTS GOVERNING ANY STOCK EXCHANGES WHERE SUCH NOTES ARE LISTED).

FORWARD-LOOKING STATEMENTS

This Prospectus includes certain “*forward-looking statements*”. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding the Issuer’s and the Group’s financial positions, business strategies, plans and objectives of management for future operations, are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “*aim*”, “*anticipate*”, “*believe*”, “*continue*”, “*could*”, “*estimate*”, “*expect*”, “*forecast*”, “*guidance*”, “*intend*”, “*may*”, “*plan*”, “*project*”, “*probability*”, “*target*”, “*goal*”, “*objective*”, “*should*” or “*will*” or, in each case, their negative, or other variations or comparable terminology. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Issuer or the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer’s or the Group’s, as applicable, present and future business strategies and the environment in which the Issuer or the Group, as applicable, will operate in the future. In addition, even if their financial condition, results of operations and cash flows, and the development of the industry in which they operate, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Any forward-looking statements in this Prospectus speak only as of the date on which they are made. The Issuer and the Group expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in their respective expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

ALTERNATIVE PERFORMANCE MEASURES

This Prospectus contains non-IFRS measures and ratios which are not required by, or presented in accordance with, International Financial Reporting Standards (“**IFRS**”) as adopted by the EU or the accounting standards of any other jurisdiction. The non-IFRS measures may not be comparable to other similarly titled measures of other companies and should be considered together with the Group’s IFRS results and liabilities. Non-IFRS measures and ratios are not measurements of the Group’s operating performance or liabilities under IFRS and investors should bear this in mind when considering non-IFRS measures as alternatives to earnings before interest and taxes (EBIT) or group net profit or other performance measures derived in accordance with IFRS or any other generally accepted accounting principles, or as alternatives to cash flow from operating, investing or financing activities or to liabilities. Investors should rely on the Group’s IFRS results, supplemented by its non-IFRS measures, to evaluate the Group’s performance.

The Issuer presents non-IFRS measures to measure operating performance, the level of net debt and as a basis for its strategic planning and forecasting, as well as monitoring the retained cash flows. The Issuer also believes that non-IFRS measures and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of operating performance and financial standing.

For additional information see “*Description of the Issuer and the Group – Financial Information*”.

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RISK FACTORS

Before deciding to purchase the Notes, investors should carefully review and consider the following risk factors and the other information contained in this Prospectus. Should one or more of the risks described below materialize, this may have a material adverse effect on the business, prospects, shareholders' equity, assets, financial position and results of operations (Vermögens-, Finanz- und Ertragslage) or general affairs of the Issuer or the Group. Moreover, if any of these risks occur, the market value of the Notes and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Notes may decrease, in which case the holders of the Notes (the "Noteholders") could lose all or part of their investments. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons than those described below. Additional risks of which the Group is not presently aware could also affect the business operations of the Group and have a material adverse effect on the Group's business activities and financial condition and results of operations. Prospective investors should read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

The following risk factors are classified into categories according to their nature.

The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on the business, financial condition and results of the operations of the Group.

Words and expressions defined in the Terms and Conditions of the Notes below shall have the same meanings in this section.

Potential investors should, among other things, consider the following:

Risks relating to the Issuer and the Group

Market Risk

Lenzing's profitability is influenced by macroeconomic effects outside of its control

As an international corporation, the Group is exposed to a variety of macroeconomic risks. Standard viscose fiber prices are quoted daily on a Chinese index. Cotton and polyester are also quoted on commodity exchanges and also influence global fiber prices. The development of the prices for textile fibers and, to a lesser extent also for nonwoven fibers has historically been cyclical due to macroeconomic effects. Lenzing fibers are mainly a blending partner with cotton and synthetic fibers on many submarkets. Consequently, price trends for cotton and polyester influence the prices of Lenzing's fibers.

In the second half of 2019 and the first quarter of 2020, significant decreases in global fiber prices, in part decreases to historical lows, negatively affected the Group's operating results. Prices may remain at current historically low levels for a longer period and could materially adversely affect Lenzing's cash flow and ability to meet its obligations under the Notes. Furthermore, macroeconomic factors may cause a lack of demand for the Group's products, which could result in pressure on volumes and at the same time put persistent pressure on their prices. A sustained period of weak demand for or excess supply of wood-based cellulosic fibers would adversely affect prices for Lenzing's fibers, which would further negatively influence the Group's operating results.

Disruption of the textile fibers markets mainly in Asia can affect Lenzing's sales

The Group generates significant revenue in Asia. Up until the third quarter of 2020, wood-based cellulosic fiber sales in its sales region North Asia represented 37.0% of the Group's total fiber sales which is mainly textile related. As a result, the Group has substantial exposure to risks arising from economic, political and social conditions in Asia. The Group could be harmed by a variety of adverse developments in Asian markets, many or all of which are beyond its control, such as:

- unfavorable changes in economic policy by central or major regional governments;
- import restrictions, export licenses, exchange controls and similar restrictions on remittances abroad, changes in the regulatory environment and applicable laws;
- exchange rate instability and over- or devaluation of the currencies in its primary target sales markets;
- deterioration of economic conditions in China, Indonesia or other key markets;
- political instability, such as in Thailand or Turkey; and
- adverse changes in tax policies and laws.

Any of these factors could influence the normal functioning of the textile fibers sales markets, resulting in an adverse effect on the Group's results of operations.

A continued slow-down of the economy due to COVID-19 or similar pandemics can negatively affect Lenzing's financial condition

The global economic downturn that began with the COVID-19 crisis adversely affected all economies across the world. The impact of the COVID-19 crisis on the business of the Group can still not be predicted. The marked reduction in worldwide demand for textiles and garments resulted in further pressure on market prices for wood-based cellulosic fibers. During the peak of the COVID-19 crisis for Lenzing in the second quarter of 2020, it had to reduce its production capacity leading to a quarterly EBITDA of EUR 27.1 million versus EUR 69.6 million in the first quarter of 2020.

A prolonged COVID 19 crisis could lead to continued decreases in demand or prices in the global markets in the future, and may cause difficulties in obtaining raw materials, which could adversely affect the Group's financial condition and results of operations.

Fluctuations in exchange rates require hedging that can affect profits or losses and/or equity within a certain period

The Group generates a significant portion of its sales in currencies other than in Euro, in particular the U.S. dollar and the Chinese yuan. In addition, the Group incurs costs that are not naturally hedged (i.e. by being matched against sales generated in the same currency) in currencies other than Euro, in particular Brazilian Reais, Indonesian Rupiahs or Thai Baht. The Group uses cash flow hedges against currency exchange risk in its business operations. These derivative financial instruments are carried at fair value. In the case of changes in fair value of cash flow hedges unrealized losses are initially recognized directly in equity and affect profit or loss of the period at the time when hedged transactions are realized.

Increased import duties or other trade restrictions can have a negative effect on the Group's profits and other business activities

The Group has production facilities in six countries and is building new production facilities in Thailand and Brazil. Business partners (customers and suppliers) of the Group are spread over most countries worldwide with fiber sales of 37.0% in its sales region North Asia, 30.3% in its sales region Asia, Middle East & Africa and 32.7% in its sales regions Europe & Americas by the first nine months of 2020.

Global trade conflicts have increased over the last years especially between the United States and China which is the main fiber market for Group. The Group is therefore exposed to factors, such as a potential implementation of anti-dumping duties on pulp imports to China or on lyocell, over which it has little control, and which may adversely affect its growth prospects and business activities in these countries.

Strategic Risks

The large capital expansion project in Brazil could face cost overruns and delays leading to significantly negative effects on Lenzing's financial condition

The new 500.000t dissolving wood pulp plant including adjacent plantations currently being constructed in Brazil represents the largest capital expenditure project in Lenzing's history. A material increase in expected investment costs or a delay in the start-up of the mill, currently planned for the first half of 2022, will have a significant negative effect on Lenzing's financial condition.

On May 29, 2020, Lenzing entered into a parent guarantee agreement (the "**Parent Guarantee**") and an equity contribution and share retention agreement in respect of certain indebtedness of its 51%-owned subsidiary, LD Celulose S.A., as part of an approximately USD 1.1 billion financing from International Finance Corporation, IDB Invest, the Finnish export credit agency Finnvera plc and certain commercial lenders pursuant to a common terms agreement and certain senior loan agreements dated the same day (the "**LDC Financing Arrangements**"). The proceeds of this financing will be used to fund the construction, development and maintenance of the dissolving wood pulp plant in Brazil.

Repayments of all tranches of the loans are contractually agreed to start in 2023 with the first USD 500 million agreed to be repaid over the time by 2029, another USD 500 million by 2031, and the remainder by 2033. Should LD Celulose S.A. have insufficient funds to either repay its debt service obligations under the LDC Financing Arrangements or to complete construction of the dissolving wood pulp plant, Lenzing will be required to contribute additional equity according to its share to the subsidiary which may have a significant effect on Lenzing's liquidity position. Furthermore, LD Celulose S.A. committed to several milestones in the financing agreements among others regarding social and environmental compliance, permitting or perfection of security, all requiring cooperation of third parties. If any of these milestones were not achieved on time and the financing banks were not to provide a waiver or prolongation, this could constitute an event of default under the financing agreements leading to a repayment of the amounts owed. For further information on the financing agreements please also refer to "Description of the Issuer and the Group - Material Contracts - Financing Agreements for the Brazilian Dissolving Wood-Pulp Plant" below.

Under the Parent Guarantee, the joint venture partners Duratex (49%) and Lenzing (51%) guarantee, *pro rata* to their shares, LD Celulose S.A.'s indebtedness under the LDC Financing Arrangements. The Parent Guarantee contains certain restrictive undertakings by Lenzing, that apply prior to the physical completion of the dissolving wood pulp plant, including, among others, (i) limitations on its ability to incur certain types of financial indebtedness excluding, among other things, indebtedness used to refinance existing financial debt, (ii) limitations on its ability to declare or pay dividends or make payments on subordinated financial debt (excluding the Notes, unless this would trigger an event of default or potential event of default under the Parent Guarantee, which would, *inter alia*, be the case if following the interest payment the Issuer would no longer comply with the cash requirement described under (iv)), (iii) the limitation to redeem the Notes if this would trigger an event of default or potential event of default under the Parent Guarantee, which would, *inter alia*, be the case if upon the redemption of the Notes the Issuer would no longer comply with the cash requirement described under (iv), (iv) the requirement to maintain at the end of each financial quarter an amount of EUR 250 million cash or cash equivalents on the balance sheet of the Issuer's consolidated financial statements and (v) limitations on its ability to sell, transfer or otherwise dispose of certain of, or incur expenditures in relation to, its fixed assets above a materiality threshold (please see also "*Risks relating to the Notes – The Notes are undated securities in which an investment constitutes a financial risk for an indefinite period and the Issuer could be contractually restricted to redeem the Notes*" and "*Risks relating to the Notes – Payments under the Notes may be deferred at the option of the Issuer and the Issuer could be obligated to such a deferral under existing financing arrangements*" below).

Furthermore, Lenzing has guaranteed the performance and payment of an off-take agreement by its subsidiary Pulp Trading GmbH for LD Celulose S.A.'s supply of dissolving wood pulp from the Brazilian plant. In addition, Lenzing will not be able to internally utilize all of the dissolving wood pulp manufactured by LD Cellulose S.A. and will, at least in the beginning, have, to sell substantial volumes to the merchant market. Should Pulp Trading GmbH not be

able to fulfil its obligations under the off-take agreement, the payments made by Lenzing would have a severe effect on its financial condition.

Construction and/or production initialization could be delayed or other unforeseeable events, such as prolonged strikes, natural catastrophes, changes in tax laws, delay of equipment, could occur. In addition, a prolonged COVID-19 crisis may cause delays. Any of these factors could increase capital expenditure and reduce Lenzing's forecasted results of operations following the start-up of that plant.

Cost overruns or delays in the execution of investment projects can affect the future profitability of the Group

The Group is carrying out various investment projects, the biggest of which apart from the Brazil project is a green field expansion project in Thailand for lyocell with an investment of approximately EUR 400 million. Numerous factors can threaten the successful completion of the investment projects, amongst others, the current political unrest in Thailand, or the failure to implement the project within time schedule and budget cost. Even if completed, projects can fail to produce the benefits the Group expected, resulting on a lower return on investment and therefore lower profitability, higher capital expenditure which could negatively affect the results of operations of the Group.

If Lenzing Group loses its position as a sustainability leader, it could no longer charge the same premium for its products.

As a sustainability leader in the industry, while also being the first in the industry to commit to targets of the not-for-profit organization Science Based Targets for CO₂ emission reduction (“**Science Based Targets**”), the Group seeks a balance between the needs of society, the environment and the economy. The company takes on this responsibility, particularly with respect to potential effects of its operations on neighbors of the production sites and *vis-à-vis* society as a whole. This position of sustainability leadership is reflected in the demand for the Group's products and the price customers are willing to pay for them. If incidents were to occur in, for example, production, wastewater treatment or emission processes that might harm the environment or the Group's employees, this could have a material adverse effect on the Group's reputation and its rankings from international agencies and NGO's. The loss of the sustainability leadership could result in less demand for the Group's products or the Group could no longer charge the same premium prices for its products

Loss of key personnel can affect Lenzing's reputation and growth prospects

The Group depends upon the services of senior management and skilled technical personnel. Their talents, efforts, know-how and leadership are critical to the Group's operations and financial performance. Failure to attract and retain key management and skilled technical personnel, in particular in Asia but also in Europe, could have a material adverse effect on the Group's reputation and ability to generate business.

Lenzing is dependent on a small number of major customers in the non-woven sector

A comparatively small number of major non-woven customers are responsible for roughly one-half of the Group's non-woven fiber revenue in 2019. A decline in sales to these major customers or the loss of one or more major customers, either due to a development on Lenzing's side such as the potential loss of FSC® certification or the insolvency or other reason on the side of its customers, without an immediate replacement can lead to a loss in revenue, adversely affecting the results of operations.

Failure to protect its intellectual property or know-how can negatively affect Lenzing's profitability

Lack of or incomplete protection of intellectual property and brands for products made by Lenzing represents a risk. Specialty fibers sold under Lenzing's key brands, such as TENCEL™, ECOVERO™ VEOCEL™ or LENZING™ are a cornerstone of the Group's success and accounted for 60.6% of the Group's fiber sales in the first nine months of 2020. If the Group is unable to protect its intellectual property or its brands, others could make or market products that are confusingly similar to the brands the Group sells its branded products under. A partial or complete loss of any of its key brands would decrease the Group's profitability and differentiation on the market.

Lenzing is a market leader by capacity in the production of Lyocell due to its process knowhow and the patent landscape in this field. If Lenzing loses this competitive advantage, Lenzing could lose some of its share in the market and with it, its current pricing power.

Increased competition and failure to successfully innovate can lead to a loss of Lenzing's market leading position

The Group is exposed to the risk of losing its market leading position on the fiber market due to increased competition or new technologies developed by competitors. Furthermore, the Group could lose its market leading position if (i) it were no longer able to offer its products at competitive prices, (ii) its products did not comply with customer specifications or quality standards or (iii) its customer service did not meet customer expectations.

Over the past years, Chinese competitors have substantially increased their capacities of wood-based cellulosic fibers including the lyocell and modal fibers production. Global lyocell production, mainly in China, increased in the recent past amounting to roughly 312,000 tons of capacity in 2019 compared to approximately 264.000 tons in 2018. A continued capacity increase in particular in the lyocell production could severely impact Lenzing's competitive position in the specialty fiber segment that would reduce profit margins and adversely affect its net profit.

The Group is exposed to the risk that acceptable or even superior alternative products may become available and at more favorable prices than wood-based cellulosic fibers. Advances in technology could render existing wood-based cellulosic fiber production techniques obsolete. Even if the Group is able to implement a new technology, it would likely need to incur substantial costs to upgrade production facilities and train operating personnel before realizing any benefits. Inability to implement new technologies as well as high costs of implementation could each have a material adverse effect on the Group's financial condition and in the long run, its business.

The Group's research and development efforts may be unsuccessful and lead to sunk costs

The Group will continue to invest significant amounts of time, capital and resources on research and technological developments in the future. Its research and development efforts may not result in better fiber applications, new products, improved technologies or expertise, or it may fail to implement these improved technologies or expertise in a timely or cost-efficient manner. This could result in sunk costs with little or no return on investment.

Operational Risks

Accidents and other external incidents can disrupt Lenzing's operations and cause environmental damages

Although the Group has set high technological and safety standards for the construction, operation and maintenance of its production sites, the risk of breakdowns, disruptions and accidents, exothermal reactions and fires, cannot be completely excluded.

Operational disruptions may result from ageing plants, breakdown of critical equipment and automated processes as well as external factors that are beyond the Group's control. Examples include natural disasters such as flooding, land-mud slides or earthquakes in Indonesia, hurricanes in the United States, high temperature of the water intake river in Austria or acts of terrorism. In addition, internal accidents or other failures in the course of operations, for example fires, explosions or the release of toxic or hazardous substances such as Carbon disulphide in the viscose and modal production or N-Methylmorpholine N-oxide (NMMO) as a solvent that can cause strong exothermal reactions in the lyocell production. In the year 2019, a severe fire incident at the plant in Heiligenkreuz, Austria resulted in a production line shut down lasting several months and repairs of the production line at that plant that were covered by insurance including the business interruption. However, relevant insurance policies continue to become more expensive and not all risks may be economical to be insured in the future.

The Group's production activities are concentrated in a small number of locations. Any disruption at one of these facilities has a negative impact on Lenzing's business operations.

The production of wood-based cellulosic fibers and dissolving pulp involves complex chemical and physical processes which cause certain environmental risks. Moreover, there is a risk that personal injury, material and environmental damage, both within and outside the production facilities, could result in substantial claims for

damages and even criminal liability. In addition, Lenzing has been operating in various sites for decades, so that any latent contamination or other environmental hazards may surface.

Furthermore, Lenzing depends on sophisticated information technology ("IT") systems in its daily operations. IT systems are vulnerable to a number of problems, such as software or hardware malfunctions, malicious hacking or cyber-attacks, physical damage to vital IT centers and computer virus infection. Consequently, any major damage, disruption and/or circumvention of its existing IT systems may disrupt Lenzing's business operations.

Increasing volatility of natural catastrophe may cause additional costs

It is impossible to provide direct protection against certain natural hazards (e.g. hurricanes, cyclones, earthquakes, floods) which have an increasing frequency because of progressing climate change. With increases in global mean temperatures, climate models indicate a rise in climate hazards globally. Further warming will also intensify chronic hazards. Forest fires or increased flooding can destroy in part or in full Lenzing's biomass in Brazil. Droughts can also directly affect the availability of raw material supply or production volumes for facilities with high water demand or can result in an increase in costs to compensate for the scarcity of water.

Any such event may cause significant additional costs, disrupt the business operations of the Group and could have a material adverse effect on the results of operation.

Failure to secure an adequate or competitively priced supply of raw materials may impact the Group's results of operations

The Group purchases large volumes of raw materials (wood, pulp, chemicals) and energy for the manufacture of its wood based cellulosic fibers. The Group may be unable to acquire sufficient raw materials at competitive prices. Fibers production and the related margins are exposed to risks arising from the availability and prices of these raw materials, which can fluctuate to the disadvantage of the Group and may increase as a result of climate change. Supply chain risks may also result from disruptions caused by natural disasters.

Lenzing entered into long-term contractual relationships with several raw material suppliers for dissolving wood pulp. Lenzing's agreement, among others, with its key dissolving wood pulp supplier accounts for a substantial portion of its supply. This agreement may require Lenzing to purchase specified quantities of raw materials at standardized terms and conditions, which includes price adjustment clauses. Lenzing may therefore not be able to adjust prices of its products, de-or increase purchase volumes or other contract conditions in the short term in order to react to changes on its markets. For instance, if the suppliers of special types of dissolving pulp, fail to deliver dissolving pulp as a result of production disruptions, temporary plant closures, strikes, or otherwise, the Group could be forced to seek alternative, more expensive sources for its pulp. Long-term shortages or other interruptions in the supply of dissolving pulp could limit its ability to produce wood-based cellulosic fibers.

Lenzing's long-term business success depends on the availability and the quality of responsibly sourced and sustainably manufactured raw materials. Lenzing strives to source wood and pulp exclusively from non-controversial sources, preferring suppliers participating in credible forest certification programs, in particular the Forest Ownership Council® (FSC®) and Programme for the Endorsement of Forest Certification (PEFC™). Any change in the management of forests and change in laws or regulations in our sourcing countries has a strong influence on Lenzing's wood supply.

Legal and Regulatory Risks

Product liability lawsuits or product safety incidents can result in significant costs

The Group markets and sells its products and services to customers throughout the world. These business activities can result in damage to customers or along the value chain through the delivery of a defective product by the Issuer or one of its subsidiaries. The Group's nonwoven fibers are used, among others, in wound care (for example, in wound pads and medical swabs), tampons and in wipes for household, infant care and personal care applications. The Group may be subject to product liability lawsuits, in particular in the United States, which may result in significant costs to defend such claims or significant damages.

Moreover, product safety can be jeopardized by pollution, which may cause problems in the value chain, for example potential health implications for employees or customers. Lenzing is also subject to the prevailing local laws in the countries where its products are delivered. Especially in the United States the potential implications can be severe.

Violation of local regulations and international norms can carry hefty fines

The Group operates under different legal systems and regulations in its global markets. A change in laws or other regulations (e.g. import duties, product classifications, environmental requirements etc.) as well as the stricter interpretation of existing laws could result in significant additional costs or competitive disadvantages.

Increasingly strict international codes of conduct and legal regulations create additional demands on Lenzing for compliance and monitoring. Insufficient controls in business processes or a lack of adequate documentation could result in violations of relevant statutory provisions possibly resulting in significant fines or pose a significant risk to Lenzing's reputation and business success as a result of compliance violations.

Different applications of tax law can lead to additional payment obligations

The production sites of the Group are subject to local tax regulations in their respective countries and are required to pay corporate income taxes as well as other taxes. Changes in tax legislation, administrative practice or different interpretations of prevailing regulations could have adverse tax consequences for the Group. Further the Issuer and its subsidiaries are regularly subject to tax audits which could result in additional tax payments.

Regulatory changes can affect production sites by increasing costs or affect the demand or business opportunities for Lenzing's products

Regulatory changes in the countries Lenzing is active in, such as the enactment of a carbon tax in China or Europe, increased security measures for waste products or hazardous substances may require Lenzing to increase its investments in its production facilities. Until such investments are finalized, Lenzing may be required to temporarily shut down its production facilities or shut them down completely, should the investments not be feasible.

The Directive (EU) 2019/904 of the European Parliament and of the Council of 5 June 2019 on the reduction of the impact of certain plastic products on the environment requires EU Member States to prohibit the placing on the market of single-use plastic products as listed in the Directive. It is not certain, whether non-woven products containing wood based cellulosic fibers will be classified as single-use plastics falling under the ban. A decision is expected towards the end of 2020. If products containing wood-based cellulosic fibers were to fall under the ban, the Group would need to seek different business opportunities for approximately up to 30% of its current product portfolio. If such business opportunities are not found in time, the Group's results of operations would decline.

Lenzing does not manufacture N-Methylmorpholine N-oxide (NMMO) but purchases it from third party manufacturers. Lenzing uses NMMO in the Lyocell production process at its Lyocell production facilities in Lenzing, Heligenkreuz (both in Austria), Grimsby (UK), Mobil (Alabama) and upon completion of the construction at Prachinburi, Thailand.

Studies commissioned by manufacturers of NMMO have in the past concluded no health hazard associated with this substance. However, a new independent scientific study commissioned by Lenzing on behalf of the industry, and carried out in accordance with legal requirements specified by the European Chemicals Agency, ECHA has shown that NMMO has a high dose related toxic, albeit temporary, effect on the fertility of rats, and thus far it cannot be ruled out that there are similar effects above established safe limits on human which could result in a reclassification of NMMO. Depending on the category of the reclassification there may be restrictions of the usage of NMMO in the production process.

Risks relating to the Notes

Risk related to the nature of the Notes

The Notes may not be a suitable investment for all investors

Potential investors should consider whether an investment in the Notes is appropriate in their respective circumstances and should consult with their legal, business, and tax advisors to determine the consequences of an investment in the Notes and to get their own idea about the investment.

An investment in the Notes is only suitable for investors who

- possess the required knowledge and experience in financial and business matters to evaluate the chances and risks of an investment in the Notes and the information contained or incorporated by reference into the Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate such chances and risks in the context of the potential investor's particular financial situation and to evaluate the impact the Notes will have on their overall investment portfolio;
- understand thoroughly the terms of the Notes (particular the Terms and Conditions) and are familiar with the behavior of the financial markets;
- are capable of bearing the economic risk of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- know that it may not be possible to dispose of the Notes for a substantial period of time, if at all; and
- are able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and ability to bear the applicable risks.

The Notes are undated securities in which an investment constitutes a financial risk for an indefinite period and the Issuer could be contractually restricted to redeem the Notes

The Issuer is under no obligation to redeem the Notes.

In particular, the Parent Guarantee in relation to the LDC Financing Agreements contains, among others, an undertaking by the Issuer not to redeem the Notes if this would trigger an event of default or potential event of default under the Parent Guarantee (for further information on the relevant undertaking please see "*Risks relating to the Issuer and the Group - The large capital expansion project in Brazil could face cost overruns and delays leading to significantly negative effects on Lenzing's financial condition*" above).

The Noteholders have no right to call for redemption of the Notes. Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Notes for an indefinite period and may not recover their investment in the foreseeable future, if at all.

The Notes are subordinated to senior and subordinated obligations of the Issuer

The obligations of the Issuer under the Notes will be unsecured subordinated obligations of the Issuer which in an insolvency or liquidation of the Issuer rank:

- (i) subordinated to all present and future unsubordinated and subordinated obligations of the Issuer which do not fall under (ii),
- (ii) *pari passu* amongst themselves and *pari passu* with all other present and future unsecured obligations of the Issuer ranking subordinated to all unsubordinated and subordinated obligations of the Issuer, except for any subordinated obligations required to be preferred by mandatory provisions of law,
- (iii) and senior only to the Issuer's share capital and similar present or future instruments.

According to the Terms and Conditions, in an insolvency or liquidation of the Issuer, no payments under the Notes will be made to the Noteholders unless the Issuer has discharged or secured in full (i.e. not only with a quota) all claims that rank senior to the Notes.

In a liquidation, insolvency or any other proceeding for the avoidance of insolvency of the Issuer, the Noteholders may recover proportionately less than the holders of other notes of the Issuer or may recover nothing at all. Potential investors should take into consideration that liabilities ranking senior to the Notes may also arise out of events that are not reflected on the Issuer's balance sheet, including, without limitation, the issuance of guarantees or other payment undertakings. Claims of beneficiaries under such guarantees or other payment undertakings will, in liquidation or insolvency proceedings of the Issuer, become liabilities which will be paid in full before any payments are made to the Noteholders.

The Terms and Condition contain no limitation on issuing further debt ranking senior to, or pari passu with, the Notes.

Neither the Issuer nor any of its subsidiaries will be restricted from incurring additional secured or unsecured debt or other liabilities, including debt ranking senior or equal to the obligations under or in connection with the Notes.

If the Issuer incurs additional debt or liabilities, the Issuer's ability to pay its obligations under the Notes could be adversely affected. Such issuance of further debt could further reduce the amount recoverable by the Noteholders upon insolvency or liquidation of the Issuer or may increase the likelihood that the Issuer is required or permitted to defer payments of interest under the Notes.

Noteholders will not be protected under the terms of the Notes in the event of a highly leveraged transaction, a reorganization or a restructuring, merger or similar transaction that may adversely affect Noteholders.

The Notes do not include express events of default or a cross default

The Noteholders should be aware that the Terms and Conditions of the Notes do not contain any express event of default provisions. There will also not be any cross default under the Notes.

The Notes may be called and redeemed at the option of the Issuer on certain dates and at any time upon the occurrence of certain events. If the Notes are so redeemed, Noteholders are exposed to the risk of a lower yield than expected and might not be able to reinvest the proceeds in a comparable security

The Issuer may redeem the Notes during the period from and including 7 September 2025 to and including the First Reset Date or on any Interest Payment Date thereafter.

The Issuer may call the Notes for redemption (in whole but not in part) with effect as of any date prior to but excluding 7 September 2025 at the Make-whole Amount.

The "**Make-whole Amount**" will be the higher of the Principal Amount of the Notes and their Present Value (as defined in the Terms and Conditions).

The Issuer may further redeem all outstanding Notes at any time upon occurrence of a (i) Gross-up Event, (ii) a Tax Event, (iii) an Accounting Event, (iv) in case of minimal outstanding aggregate principal amount or (v) upon occurrence of a Change of Control (all as defined and further described in the Terms and Conditions).

Noteholders are exposed to the risk that due to any such redemption their investment will have a lower than expected yield. In such circumstances, the investor might not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

Noteholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments

Any person who purchases the Notes is relying on the creditworthiness of the Issuer and has no rights against any other person. Noteholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. The worse the creditworthiness of the Issuer

the higher the risk of loss (see also "*Risks relating to the Issuer and the Group*" above). A materialization of the credit risk may result in partial or total failure of the Issuer to make interest and/or redemption payments under the Notes.

In addition, even if the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless be of that opinion. Market participants may in particular be of such opinion if market participants' assessment of the creditworthiness of corporate debtors in general or debtors operating in the industries sector adversely change. If any of these risks occur, third parties would only be willing to purchase the Notes for a lower price than before the materialization of said risk. The market value of the Notes may therefore decrease.

The Noteholders have no voting rights and the Issuer's interests may not be aligned with those of investors in the Notes.

The Notes are non-voting with respect to general meetings of the Issuer. Consequently, the Noteholders cannot influence any decisions by the Issuer to defer interest payments or to optionally settle such Deferred Interest Payments or any other decisions concerning the capital structure or any other matters relating to the Issuer.

The Issuer and/or other entities of the Group will have no obligation to consider the interests of the Noteholders in connection with their strategic decisions, including in respect of capital management.

Such decisions could cause Noteholders to lose all or part of their investment in the Notes.

The current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change which may result in the occurrence of an Accounting Event.

In June 2018, the IASB (International Accounting Standards Board) published the discussion paper DP/2018/1 on "*Financial Instruments with Characteristics of Equity*" (the "**DP/2018/1 Paper**"). While the final timing and outcome are uncertain, if the proposals set out in the DP/2018/1 Paper are implemented in their current form, the IFRS equity classification of financial instruments such as the Notes may change. If such a change leads to an Accounting Event, the Issuer will have the option to redeem, in whole but not in part, the Notes in accordance with the Terms and Conditions.

The implementation of any of the proposals set out in the DP/2018/1 Paper or any other similar such proposals that may be made in the future, including the extent and timing of any such implementation, if at all, is uncertain. Accordingly, no assurance can be given as to the future classification of the Notes from an accounting perspective or whether any such change may result in the occurrence of an Accounting Event.

Certain rights of the Noteholders under the Terms and Conditions may be amended or reduced or even cancelled by Noteholders' resolutions and any such resolutions will be binding for all Noteholders. Any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the Notes outstanding

Since the Terms and Conditions provide for meetings of Noteholders or the taking of votes without a meeting, the Terms and Conditions may be amended by majority resolution of the Noteholders and a Noteholder is subject to the risk of being outvoted by a majority resolution of the Noteholders. The rules pertaining to resolutions of Noteholders are set out in the German Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz – "SchVG"*) and are for the most part mandatory. According to the SchVG the relevant majority for Noteholder resolutions is generally based on votes cast, rather than on the aggregate principal amount of the relevant Notes outstanding, therefore, any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the Notes outstanding. As such majority resolution is binding on all Noteholders, certain rights of such Noteholders against the Issuer under the Terms and Conditions may be amended or reduced or even cancelled.

If a joint representative will be appointed, the Noteholders may be deprived of their individual right to pursue and enforce their rights under the Terms and Conditions against the Issuer

Since the Terms and Conditions provide that the Noteholders are entitled to appoint a joint representative by a majority resolution of such Noteholders, it is possible that a Noteholder may be deprived of its individual right to

pursue and enforce its rights under the Terms and Conditions against the Issuer, such right passing to the joint representative who is then exclusively responsible to claim and enforce the rights of all the Noteholders.

Risk related to interest payments

Payments under the Notes may be deferred at the option of the Issuer and the Issuer could be obligated to such a deferral under existing financing arrangements

Noteholders should be aware that the Issuer is entitled to defer interest payments under the Notes under certain circumstances as set out in the Terms and Conditions, and that the payment of Deferred Interest Payments is subject to certain further conditions. Failure to pay interest as a result of an interest deferral will not constitute a default of the Issuer or a breach of any other obligations under the Notes or for any other purposes. The Noteholders will not receive any additional interest or compensation for the deferral of payment. In particular, the resulting Deferred Interest Payments will not bear interest.

In particular, the Parent Guarantee in relation to the LDC Financing Agreements contains, among others, an undertaking by the Issuer not to pay any interest on the Notes in case this would trigger an event of default or potential event of default under the Parent Guarantee (for further information on the relevant undertaking please see "*Risks relating to the Issuer and the Group - The large capital expansion project in Brazil could face cost overruns and delays leading to significantly negative effects on Lenzing's financial condition*" above).

Any deferral of interest payments will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

The Noteholders are exposed to risks relating to fixed interest rate notes

Until the First Reset Date, the Notes bear interest at a fixed rate for the initial fixed rate period. A Noteholder of a fixed interest rate Note carries the risk that the prices of the Notes can fall as a result of changes in the interest rate on the market. While the nominal interest rate of the Notes is fixed for the entire initial fixed rate period of the Notes and thereafter will be reset every five years to the reference rate plus the relevant margin specified in the Terms and Conditions, the current interest rate on the capital market ("**market interest rate**") typically changes on a daily basis. As the market interest rate changes, the price of a Note with a fixed interest rate also changes – but in the opposite direction. If the market interest rate increases, the price of a Note with a fixed interest rate typically falls until the yield of such a Note approximately equals the market interest rate. If the market interest rate decreases, the price of a fixed interest rate Note typically increases, until the yield of such Note is approximately equal to the market interest rate. Noteholders should be aware that movements of the market interest rate can adversely affect the market price of the Notes and can lead to losses for Noteholders if they sell their Notes.

In addition, the credit spread of the Issuer, on which the initial fixed interest rate and the margins applicable with regard to the determination of the interest rate for each Reset Period was based, may change. A credit spread is the margin payable by the Issuer to the Noteholders as a premium for the assumed credit risk of the Issuer. Credit spreads are offered and sold as premiums on current risk-free interest rates or as discounts on the price. Factors influencing the credit spread include, among other things, the creditworthiness and rating of the Issuer, probability of default, recovery rate, remaining term to maturity of obligations under any collateralization or guarantee and declarations as to any preferred payment or subordination. The liquidity situation, the general level of interest rates, overall economic developments, and the currency, in which the relevant obligation is denominated may also have a positive or negative effect.

Investors are exposed to the risk that the credit spread of the Issuer widens, resulting in a decrease in the price of the Notes.

Noteholders are exposed to risks relating to the reset of interest rates linked to the 5-year Swap Rate

Starting with the end of the initial fixed interest rate period on the First Reset Date, the Notes bear interest at a rate which will be determined on each respective reset date at the 5-year swap rate for the relevant reset period plus a margin.

Investors should be aware that the performance of the 5-year swap rate and the interest income on the Notes cannot be anticipated.

Due to varying interest income, investors are not able to determine a definite yield of the Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods.

Investors in the Notes should bear in mind that neither the current nor the historical level of the 5-year swap rate is an indication of the future development of such 5-year swap rate.

Furthermore, during each Reset Period, it cannot be ruled out that the price of the Notes may fall as a result of changes in the market interest rate, as the market interest rate fluctuates. During each of these periods, the investor is exposed to the risk as described under "*The Noteholders are exposed to risks relating to fixed interest rate notes*".

Risks associated with the reform of interest rate benchmarks

Following the First Reset Date, interest amounts payable under the Notes are calculated by reference to the annual swap rate for swap transactions denominated in Euro with a term of 5 years, which appears on the Reuters Screen Page ICESWAP2 / EURFIXA.

This swap-rate, the underlying Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed "benchmarks" (each a "**Benchmark**" and together, the "**Benchmarks**") have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Notes.

International proposals for reform of Benchmarks include the European Council's regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**").

The Benchmark Regulation could have a material impact on the Notes, including in any of the following circumstances:

- a rate or index which is a Benchmark may only be used if its administrator obtains authorization or is registered and in case of an administrator which is based in a non-EU jurisdiction, if the administrator's legal benchmark system is considered equivalent (Article 30 Benchmark Regulation), the administrator is recognized (Article 32 Benchmark Regulation) or the relevant Benchmark is endorsed (Article 33 Benchmark Regulation) (subject to applicable transitional provisions). If this is not the case, Notes linked to such Benchmarks could be impacted; and
- the methodology or other terms of the Benchmark could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could have an impact on the Notes, including determination of the rate by the Issuer, the Calculation Agent or an independent adviser, as the case may be.

In addition to the aforementioned Benchmark Regulation, there are numerous other proposals, initiatives and investigations which may impact Benchmarks.

Following the implementation of any such potential reforms, the manner of administration of Benchmarks may change, with the result that they may perform differently than in the past, or Benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted.

Any changes to a Benchmark as a result of the Benchmark Regulation or other initiatives, could have a material adverse effect on the costs of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Investors should be aware that any changes to a relevant Benchmark may have a material adverse effect on the value of the Notes.

Under the terms and conditions of the Notes, certain benchmark replacement provisions will apply in case a Benchmark (or any component part thereof) used as a reference for the calculation of interest amounts payable under the Notes were to be discontinued or otherwise unavailable:

If a Benchmark (or any component part thereof) used to calculate interest amounts payable under the Notes for any interest period has ceased to be calculated or administered, the Issuer shall endeavor to appoint an independent adviser, which must be an independent financial institution of international repute or other independent financial adviser with relevant expertise. Such independent adviser will be tasked with determining whether an officially recognized successor rate to the discontinued Benchmark exists. If that is not the case, the independent adviser will attempt to find an alternative rate which, possibly after application of adjustments or spreads, can replace the discontinued Benchmark. If the independent adviser determines a successor rate or alternative rate (the "**New Benchmark Rate**"), such rate will replace the previous Benchmark for purposes of determining the relevant rate of interest. Such determination will be binding for the Issuer, the Calculation Agent, the Paying Agents and the Noteholders. Any amendments pursuant to these fallback provisions will apply with effect from the respective effective date specified in the terms and conditions of the Notes. Such adjustments or spreads are intended to be applied in order to produce an industry-accepted replacement benchmark rate. However, the relevant adjustments or spreads may not be successful in doing so and the Notes may still perform differently than if the original Benchmark had continued to be used.

If the Issuer fails to appoint an independent adviser or if the adviser fails to determine a New Benchmark Rate following a discontinuation of a relevant Benchmark, the reference rate applicable to the immediately following reset period shall be the original benchmark rate determined on the last preceding interest determination date, provided, however, that, in case of the first reset period, the reference rate shall be *-0.458% per annum*.

The replacement of a Benchmark could have adverse effects on the economic return of the Noteholder compared to the applicable original benchmark rate.

Market risks

Risk of change in market value

The market value of the Notes is influenced by a change in the creditworthiness (or the perception thereof) of the Issuer and a number of other factors including, but not limited to, market interest and rate of return and certain market expectations with regard to the Issuer making use of a right to call the Notes for redemption.

The value of the Notes depends on a number of interacting factors, including, but not limited to, economic and political events in Austria, Europe or elsewhere, factors affecting the capital markets in general and the stock exchanges on which the Notes are traded. The price at which a Noteholder can sell the Notes might be considerably below the issue price or the purchase price paid by such Noteholder.

There is no active public trading market for the Notes

There is currently no secondary market for the Notes.

Application has been made to the Luxembourg Stock Exchange to list the Notes on the Official List of the Luxembourg Stock Exchange and for admission to trading of the Notes on the Euro MTF Market operated by the Luxembourg Stock Exchange, which is a multilateral trading facility for the purposes of MiFID II, and, therefore, not an EU-regulated market.

There can, however, be no assurance regarding the future development of a liquid secondary market for the Notes or the ability of Noteholders to sell their Notes or the price at which Noteholders may be able to sell their Notes. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, the Issuer's operating results, the market for similar

securities and other factors, including general economic conditions, performance and prospects, as well as recommendations of securities analysts. The liquidity of, and the trading market for, the Notes may also be adversely affected by declines in the market for debt securities generally. Such a decline may affect any liquidity and trading of the Notes independent of the Issuer's financial performance and prospects. In an illiquid market, an investor might not be able to sell the Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.

An investment in the Notes may be subject to the risk of inflation

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on the Notes. If the inflation rate is equal to or higher than the nominal yield, the real yield is zero or even negative.

Other risks relating to the Notes

Noteholders may face difficulties in protecting their interests and enforcing their rights under the Notes

The Issuer is incorporated in Austria. Consequently, in the event of an insolvency, insolvency proceedings are likely to be initiated in Austrian courts and their relevant laws would then govern such proceedings. Insolvency laws in Austria may differ materially from, and be less favorable than, equivalent procedures in other jurisdictions. This may affect the ability of Noteholders to recover in full if the Issuer becomes bankrupt, insolvent or reorganizes.

An Austrian court could appoint a trustee for the Notes to exercise the rights and represent the interests of Noteholders on their behalf in which case the ability of Noteholders to pursue their rights under the Notes individually may be limited.

Pursuant to the Austrian Notes Trustee Act (*Kuratorenengesetz*) and the Austrian Notes Trustee Supplementation Act (*Kuratorenenergänzungsgesetz*), a trustee (*Kurator*) could be appointed by an Austrian court upon the request of any interested party (e.g. a Noteholder) or upon the initiative of a competent court, for the purposes of representing the common interests of the Noteholders in matters concerning their collective rights to the extent the rights are endangered due to a lack of joint representation. In particular, this may occur if insolvency proceedings are initiated against the Issuer, in connection with any amendments to the Terms and Conditions of the Notes or changes relating to the Issuer, or under other similar circumstances.

Even though the applicability of the Austrian Notes Trustee Act is excluded in the Terms and Conditions, it cannot be excluded that an Austrian court rejects the exclusion of the applicability of the Austrian Notes Trustee Act and appoints a trustee, because the Issuer is an Austrian company. If a trustee is appointed, it will exercise the collective rights and represent the interests of the Noteholders and will be entitled to make statements on their behalf which shall be binding on all Noteholders. Where a trustee represents the interests of and exercises the rights of Noteholders, this may conflict with or otherwise adversely affect the interests of individual or all Noteholders. The role of an appointed trustee may also conflict with provisions of the Terms and Conditions related to majority resolutions of the Noteholders pursuant to the Terms and Conditions. On the other hand, investors should not rely on the protection afforded by the Austrian Notes Trustee Act, as its application has been excluded in the Terms and Conditions and an Austrian court may give effect to such disapplication.

No assurance can be given as to the impact of any possible judicial decision or change of laws or administrative practices after the date of this Prospectus

The Terms and Conditions of the Notes are based on German and, in case of the status provisions, Austrian law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to German or Austrian law or administrative practice or the official application or interpretation of German or Austrian law after the date of this Prospectus.

There may be transaction costs and/or charges in connection with the purchase or sale of the Notes

When the Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the purchase or sale price of the Notes. Credit institutions as a rule charge commissions which are either fixed minimum commissions or pro-rata commissions, depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). These incidental costs may significantly reduce or eliminate any profit from holding the Notes.

The income under the Notes may be reduced by taxes

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where they are tax resident, where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor.

A potential investor may not rely on the Issuer, the Joint Bookrunners or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes

Each potential investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A potential investor may not rely on the Issuer, the Joint Bookrunners or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Without independent review and advice, an investor may not adequately understand the risks inherent with an investment in the Notes and may lose parts or all of its capital invested without taking such or other risks into consideration before investing in the Notes.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Notes will be represented by one or more Global Notes. Such Global Notes will be deposited with a common depository for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Investors will not be entitled to receive definitive notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and the Issuer will discharge its payment obligations under the Notes by making payments to the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in the Global Notes must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of beneficial interests in, the Global Notes.

Exchange rate risks and exchange controls

The Notes are denominated in Euro. Potential investors should bear in mind that an investment in the Notes involves currency risks. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the investor's currency) other than Euro. These include the

risk that exchange rates may change significantly (including changes due to devaluation of the Euro or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. An appreciation in the value of the investor's currency relative to the Euro would decrease (i) the investor's currency-equivalent yield on the Notes, (ii) the investor's currency equivalent value of the principal payable on the Notes and (iii) the investor's currency-equivalent market value of the Notes.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, Noteholders may receive less interest or principal than expected, or no interest or principal.

USE OF PROCEEDS

In connection with the issue of the Notes, the Issuer will receive net proceeds of approximately EUR 496,500,000. The Issuer intends to use the net proceeds from the issuance of the Notes for general corporate purposes.

TERMS AND CONDITIONS OF THE NOTES

ANLEIHEBEDINGUNGEN

Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung dient nur zur Information.

§ 1

VERBRIEFUNG UND NENNBETRAG

(1) *Währung, Nennbetrag.* Diese Emission der Lenzing Aktiengesellschaft (die "**Emittentin**") von nachrangigen Schuldverschreibungen ohne feste Laufzeit im Gesamtnennbetrag von Euro 500.000.000 (in Worten: Euro fünfhundert Millionen) ist eingeteilt in auf den Inhaber lautende Schuldverschreibungen (die "**Schuldverschreibungen**") im Nennbetrag von EUR 100.000 je Schuldverschreibung (der "**Nennbetrag**").

(2) *Vorläufige Globalurkunde, Dauerglobalurkunde, Austausch.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die Vorläufige Globalurkunde wird gegen eine Dauerglobalurkunde (die "**Dauerglobalurkunde**"; die Vorläufige Globalurkunde und die Dauerglobalurkunde zusammen die "**Globalurkunden**") ohne Zinsscheine ausgetauscht. Die Globalurkunden tragen jeweils die Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Hauptzahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(b) Die Vorläufige Globalurkunde wird frühestens an einem Tag gegen die Dauerglobalurkunde austauschbar, der 40 Tage nach dem Tag der Begebung der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen liegt. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen gemäß U.S. Steuerrecht erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S. Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche

TERMS AND CONDITIONS

These Terms and Conditions are written in the German language and provided with an English language translation. The German text will be the only legally binding version. The English language translation is provided for convenience only.

§ 1

FORM AND DENOMINATION

(1) *Currency, Denomination.* This issue by Lenzing Aktiengesellschaft (the "**Issuer**") of subordinated undated bearer notes in the aggregate principal amount of Euro 500,000,000 (in words: Euro five hundred million) is divided into notes payable to bearer (the "**Notes**") in a denomination of EUR 100,000 per Note (the "**Principal Amount**").

(2) *Temporary Global Note, Permanent Global Note, Exchange.*

(a) The Notes are initially represented by one temporary global note (the "**Temporary Global Note**") without interest coupons. The Temporary Global Note shall be exchangeable for a permanent global note (the "**Permanent Global Note**"; the Permanent Global Note and the Temporary Global Note together the "**Global Notes**") without interest coupons. The Global Notes shall each be signed by authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Principal Paying Agent. Definitive notes and interest coupons shall not be issued.

(b) The Temporary Global Note shall be exchangeable for the Permanent Global Note at the earliest from the date falling 40 days after the issue date of the Notes represented by the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions) as required by U.S. tax law. Payment of interest and Deferred Interest Payments, if any, on

Finanzinstitute halten). Zahlungen von Zinsen oder Zinsrückstände auf durch eine Vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen nur nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist für jede solche Zahlung von Zinsen oder Zinsrückständen erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Begebung der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen eingeht, wird als ein Ersuchen behandelt werden, diese Vorläufige Globalurkunde gemäß diesem § 1(2)(b) auszutauschen. Schuldverschreibungen, die im Austausch für die Vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten geliefert werden.

"Vereinigte Staaten" bezeichnet die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und der Northern Mariana Islands).

(3) *Clearingsystem.* Die Dauerglobalurkunde wird solange von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. **"Clearingsystem"** bezeichnet jeweils Folgendes: Clearstream Banking S.A. Luxemburg (**"CBL"**) und Euroclear Bank S.A./N.V. Brüssel, als Betreiberin des Euroclear Systems (**"Euroclear"**) sowie jeder Funktionsnachfolger (CBL und Euroclear zusammen die **"ICSDs"**).

Die Schuldverschreibungen werden in Form einer Classical Global Note ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.

(4) *Anleihegläubiger, Übertragbarkeit.* **"Anleihegläubiger"** bezeichnet jeden Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen, der oder die nach Maßgabe des anwendbaren Rechts und der jeweils geltenden Regelwerke des Clearingsystems übertragen werden können.

Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest or Deferred Interest Payments. Any such certification received on or after the 40th day after the issue date of the Notes represented by the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this § 1(2)(b). Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States.

"United States" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

(3) *Clearing System.* The Permanent Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. **"Clearing System"** means each of the following: Clearstream Banking S.A. Luxembourg (**"CBL"**) and Euroclear Bank S.A./N.V. Brussels as operator of the Euroclear System (**"Euroclear"**) and any successor in such capacity (CBL and Euroclear together, the **"ICSDs"**).

The Notes are issued in classical global note form and are kept in custody by a common depository on behalf of both ICSDs.

(4) *Noteholder, Transferability.* **"Noteholder"** means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes, which are transferable in accordance with applicable law and applicable rules of the Clearing System.

§ 2

**STATUS DER SCHULDVERSCHREIBUNGEN,
AUFRECHNUNGSVERBOT**

- (1) *Status der Schuldverschreibungen.* Die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen begründen direkte, nicht besicherte und nachrangige Verbindlichkeiten der Emittentin, die
- (a) nachrangig gegenüber allen nicht nachrangigen und nachrangigen Verbindlichkeiten der Emittentin, die nicht unter § 2(1)(b) oder (c) fallen, sind,
 - (b) untereinander und mit allen anderen nicht besicherten Verbindlichkeiten der Emittentin, die nachrangig gegenüber allen nicht nachrangigen und nachrangigen Verbindlichkeiten der Emittentin sind (einschließlich Gleichrangiger Wertpapiere), gleichrangig sind, soweit nicht zwingende gesetzliche Bestimmungen solche anderen nachrangigen Verbindlichkeiten im Rang besserstellen; und
 - (c) im Rang nur den Ansprüchen und Rechten von Inhabern von Nachrangigen Wertpapieren vorgehen.

Im Fall der Auflösung, der Liquidation, der Insolvenz oder eines der Abwendung der Insolvenz der Emittentin dienenden Verfahrens stehen die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen allen nicht nachrangigen und allen nachrangigen Verbindlichkeiten der Emittentin, die nicht unter § 2(1)(b) oder (c) fallen, im Rang nach, so dass Zahlungen auf die Schuldverschreibungen erst erfolgen, wenn alle Ansprüche gegen die Emittentin aus Verbindlichkeiten, die den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen nach Maßgabe dieses § 2 oder kraft Gesetzes im Rang vorgehen, vollständig befriedigt sind; erst nach Befriedigung aller der vorgenannten Ansprüche und der Verbindlichkeiten aus den Schuldverschreibungen können die verbleibenden Vermögenswerte an die Inhaber Nachrangiger Wertpapiere verteilt werden.

"Gleichrangiges Wertpapier" bezeichnet jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das (i) von der Emittentin begeben ist und gleichrangig mit den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen ist oder als im Verhältnis zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen gleichrangig vereinbart ist,

§ 2

**STATUS OF THE NOTES,
PROHIBITION OF SET-OFF**

- (1) *Status of the Notes.* The obligations of the Issuer under the Notes constitute direct, unsecured and subordinated obligations of the Issuer ranking
- (a) subordinated to all unsubordinated and subordinated obligations of the Issuer which do not fall under § 2(1)(b) or (c),
 - (b) *pari passu* amongst themselves and *pari passu* with all other unsecured obligations of the Issuer ranking subordinated to all unsubordinated and subordinated obligations of the Issuer (including any Parity Security), except for any subordinated obligations required to be preferred by mandatory provisions of law; and
 - (c) senior only to the rights and claims of holders of Junior Securities.

In the event of the dissolution, liquidation, insolvency or any proceeding to avoid insolvency of the Issuer, the obligations of the Issuer under the Notes will be subordinated to all unsubordinated and all subordinated obligations of the Issuer which do not fall under § 2(1)(b) or (c) above so that in any such event payments will not be made under the Notes until all claims against the Issuer which pursuant to this § 2 are expressed to, or by operation of law, rank senior to the obligations of the Issuer under the Notes have been satisfied in full; only after all of the aforementioned claims and obligations under the Notes have been satisfied any remaining assets may be distributed to the holders of Junior Securities.

"Parity Security" means any present or future security, registered security or other instrument which (i) is issued by the Issuer and ranks or is expressed to rank *pari passu* with the obligations of the Issuer under the Notes, or (ii) is issued by a Subsidiary of the Issuer and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under the relevant guarantee or other

oder (ii) von einer Tochtergesellschaft der Emittentin begeben und von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die Verpflichtungen der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme im Verhältnis zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen gleichrangig sind.

"Nachrangiges Wertpapier" bezeichnet (i) die Stammaktien der Emittentin, (ii) jede Aktie einer anderen Gattung von Aktien der Emittentin, (iii) jedes andere gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von der Emittentin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Emittentin mit den unter (i) und (ii) beschriebenen Instrumenten der Emittentin gleichrangig oder als gleichrangig vereinbart sind, und (iv) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von einer Tochtergesellschaft der Emittentin begeben ist, und das von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die betreffenden Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme mit den unter (i), (ii) und (iii) beschriebenen Instrumenten der Emittentin gleichrangig oder als gleichrangig vereinbart sind.

"Tochtergesellschaft" bezeichnet jede Gesellschaft, an der die Emittentin direkt oder indirekt mehrheitlich beteiligt ist und die von der Emittentin im Sinne von IFRS beherrscht wird.

(2) *Aufrechnungsverbot.* Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen etwaige Forderungen der Emittentin gegen sie aufzurechnen. Die Emittentin ist nicht berechtigt, etwaige Forderungen, welche sie gegen einen Anleihegläubiger hat, gegen Forderungen dieses Anleihegläubigers aus den Schuldverschreibungen aufzurechnen.

§ 3 ZINSEN

(1) *Zinslauf.* In dem Zeitraum ab dem 7. Dezember 2020 (der "**Zinslaufbeginn**") (einschließlich) bis zum Zinslaufende gemäß § 3(3) wird jede Schuldverschreibung bezogen auf ihren Nennbetrag in Höhe des Zinssatzes (wie nachstehend definiert) verzinst.

assumption of liability rank *pari passu* with the Issuer's obligations under the Notes.

"Junior Security" means (i) the ordinary shares (*Stammaktien*) of the Issuer, (ii) any share of any other class of shares of the Issuer, (iii) any other present or future security, registered security or other instrument of the Issuer under which the Issuer's obligations rank or are expressed to rank *pari passu* with the instruments of the Issuer described under (i) and (ii), and (iv) any present or future security, registered security or other instrument which is issued by a Subsidiary of the Issuer and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under such guarantee or other assumption of liability rank or are expressed to rank *pari passu* with the instruments of the Issuer described under (i), (ii) and (iii).

"Subsidiary" means an entity in which the Issuer holds directly or indirectly a majority interest and which is controlled by the Issuer within the meaning of IFRS.

(2) *Prohibition of Set-off.* The Noteholders may not set off any claim arising under the Notes against any claim that the Issuer may have against any of them. The Issuer may not set off any claims it may have against any Noteholder against any claims of such Noteholder under the Notes.

§ 3 INTEREST

(1) *Interest accrual.* In the period from and including 7 December 2020 (the "**Interest Commencement Date**") to the cessation of interest accrual in accordance with § 3(3) each Note bears interest on its Principal Amount at the Rate of Interest (as defined below).

Zinsen sind jährlich nachträglich am 7. Dezember eines jeden Jahres zur Zahlung vorgesehen, erstmals am 7. Dezember 2021, vorbehaltlich einer Rückzahlung oder eines Rückkaufs und anschließender Entwertung (jeweils ein "**Zinszahlungstag**"), und werden nach Maßgabe der in § 4(1) dargelegten Bedingungen fällig.

(2) *Verzinsung.*

(a) Der "**Zinssatz**" entspricht

(i) ab dem Zinslaufbeginn (einschließlich) bis zum 7. Dezember 2025 (der "**Erste Zinsanpassungstag**") (ausschließlich) einem Zinssatz in Höhe von jährlich 5,750 %; und

(ii) ab dem Ersten Zinsanpassungstag (einschließlich) dem Reset-Zinssatz für den betreffenden Zinsanpassungszeitraum.

(b) Der "**Reset-Zinssatz**" ist der Referenzsatz für den betreffenden Zinsanpassungszeitraum zuzüglich 1.120,8¹ Basispunkte *per annum*, wie von der Berechnungsstelle festgelegt.

(c) Die Berechnungsstelle wird den anwendbaren Reset-Zinssatz für die Schuldverschreibungen an dem betreffenden Zinsfeststellungstag bestimmen und veranlassen, dass dieser der Emittentin, der Hauptzahlstelle und jeder Börse, an der die Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, sowie den Anleihegläubigern gemäß § 13 unverzüglich, aber keinesfalls später als am achten auf dessen Bestimmung folgenden Geschäftstag mitgeteilt wird.

"**Geschäftstag**" bezeichnet jeden Tag (außer einem Samstag oder Sonntag), an dem das Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET2) geöffnet ist und das Clearing-System Zahlungen in Euro abwickelt.

(d) Wenn ein Kontrollwechsel (wie in § 6(5)(c) definiert) eintritt und die Emittentin die Schuldverschreibungen nicht insgesamt gemäß § 6(5)(b) an dem Kontrollwechsel-Stichtag (wie in § 6(5)(c) definiert) zurückzahlt, erhöht sich

Interest is scheduled to be paid annually in arrear on 7 December of each year, commencing on 7 December 2021 (subject to redemption or repurchase and cancellation) (each an "**Interest Payment Date**"), and will be due and payable (*fällig*) in accordance with the conditions set out in § 4(1).

(2) *Interest.*

(a) The "**Rate of Interest**" will be

(i) from and including the Interest Commencement Date to but excluding 7 December 2025 (the "**First Reset Date**") a rate of 5.750 per cent. *per annum*; and

(ii) from and including the First Reset Date the Reset Interest Rate for the relevant Reset Period.

(b) The "**Reset Interest Rate**" will be the Reference Rate for the relevant Reset Period plus 1,120.8² basis points *per annum*, as determined by the Calculation Agent.

(c) The Calculation Agent will, on the relevant Interest Determination Date, determine the Reset Interest Rate, as applicable, and cause the same to be notified to the Issuer, the Principal Paying Agent and, if required by the rules of any stock exchange on which the Notes are then listed, to such stock exchange, and to the Noteholders in accordance with § 13 without undue delay, but, in any case, not later than on the eighth Business Day after its determination.

"**Business Day**" means any day (other than Saturday or Sunday) on which the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET2) is open and the Clearing System settles payments in Euro.

(d) If a Change of Control (as defined in § 6(5)(c)) occurs and the Issuer does not redeem the Notes in whole in accordance with § 6(5)(b) on the Change of Control Effective Date (as defined in § 6(5)(c)), the applicable Rate of Interest will be

¹ Dies entspricht der ursprünglichen Kreditmarge im Zeitpunkt der Preisfindung plus 500 Basispunkte.

² This equals the initial credit spread at the time of pricing plus 500 bps.

der für die Berechnung der Zinsen ansonsten anwendbare Zinssatz ab dem Kontrollwechsel-Stichtag um zusätzliche 500 Basispunkte per annum. Für den Fall, dass in dem Zeitraum zwischen dem Eintritt des ersten Kontrollwechsels und dem Tag, an dem die Kontrollwechsel-Mitteilung (wie in § 6(5)(a) definiert) in Bezug auf diesen ersten Kontrollwechsel veröffentlicht wird, mehr als ein Kontrollwechsel eintritt, erhöht sich der für die Berechnung der Zinsen ansonsten anzuwendende Zinssatz jedoch nur einmal.

- (e) Die Zinsen für einen beliebigen Zeitraum werden auf der Grundlage des Zinstagequotienten berechnet.

"**Zinstagequotient**" bezeichnet bei der Berechnung des Zinsbetrages für eine Schuldverschreibung für einen beliebigen Zeitraum (ab dem ersten Tag dieses Zeitraums (einschließlich) bis zum letzten Tag dieses Zeitraums (ausschließlich)) (der "**Zinsberechnungszeitraum**"):

- (i) wenn der Zinsberechnungszeitraum der Feststellungsperiode entspricht, in die er fällt, oder kürzer als diese ist, die Anzahl von Tagen in dem Zinsberechnungszeitraum dividiert durch die Anzahl von Tagen in der betreffenden Feststellungsperiode; und
- (ii) wenn der Zinsberechnungszeitraum länger als eine Feststellungsperiode ist, die Summe aus
- (A) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in der der Zinsberechnungszeitraum beginnt, dividiert durch die Anzahl der Tage in der betreffenden Feststellungsperiode; und
- (B) die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die nachfolgende Feststellungsperiode fallen, dividiert durch die Anzahl der Tage in der betreffenden Feststellungsperiode.

subject to an additional 500 basis points per annum above the otherwise applicable prevailing Rate of Interest from the Change of Control Effective Date, provided however that, in case more than one Change of Control has occurred in the period from the occurrence of the first Change of Control to and including the day on which the Change of Control Notice (as defined in § 6(5)(a)) with regard to such first Change of Control is published, the otherwise applicable Rate of Interest will only be increased once.

- (e) Interest for any period of time will be calculated on the basis of the Day Count Fraction.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last day of such period) (the "**Calculation Period**"):

- (i) if the Calculation Period is equal to or shorter than the Determination Period in which it falls, the number of days in the Calculation Period divided by the number of days in such Determination Period; and
- (ii) if the Calculation Period is longer than one Determination Period, the sum of:
- (A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the number of days in such Determination Period; and
- (B) the number of days in such Calculation Period falling in the next Determination Period divided by the number of days in such Determination Period.

Dabei gilt Folgendes:

"Feststellungsperiode" bezeichnet jede Periode ab einem Feststellungstermin (einschließlich), der in ein beliebiges Jahr fällt, bis zum nächsten Feststellungstermin (ausschließlich).

"Feststellungstermin" bezeichnet jeden 7. Dezember.

(3) *Zinslaufende.* Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem ihr Nennbetrag zur Rückzahlung fällig wird. Sollte die Emittentin eine Zahlung von Kapital auf die Schuldverschreibungen bei Fälligkeit nicht leisten, endet die Verzinsung der Schuldverschreibungen mit Beginn des Tages der tatsächlichen Zahlung. Der in einem solchen Fall jeweils anzuwendende Zinssatz wird gemäß diesem § 3 bestimmt.

(4) *Feststellung des Referenzsatzes.* Die Berechnungsstelle bestimmt an jedem Zinsfeststellungstag den betreffenden Referenzsatz nach Maßgabe dieses § 3(4).

Der **"Referenzsatz"** für einen Zinsanpassungszeitraum wird von der Berechnungsstelle an dem betreffenden Zinsfeststellungstag (wie nachstehend definiert) vor dem Zinsanpassungstag, an dem der betreffende Zinsanpassungszeitraum beginnt (der **"Referenz-Zinsanpassungstag"**), wie folgt festgelegt:

(a) Für jeden Zinsanpassungszeitraum, der vor dem Eintritt des jeweiligen Stichtags (wie in § 3(5)(g) definiert) beginnt, entspricht der Referenzsatz dem Ursprünglichen Benchmarksatz an dem betreffenden Zinsfeststellungstag.

Falls der Ursprüngliche Benchmarksatz zu dem betreffenden Zeitpunkt an dem betreffenden Zinsfeststellungstag nicht auf der Bildschirmseite angezeigt wird, entspricht der "Referenzsatz" dem Referenzbankensatz an diesem betreffenden Zinsfeststellungstag.

Kann der Referenzbankensatz nicht gemäß der Definition dieses Begriffs bestimmt werden, entspricht der jeweilige "Referenzsatz" dem durch die Berechnungsstelle festgelegten Ursprünglichen Benchmarksatz, welcher zuletzt auf der Bildschirmseite verfügbar war.

Where:

"Determination Period" means each period from and including a Determination Date in any year to but excluding the next Determination Date.

"Determination Date" means each 7 December.

(3) *Cessation of interest accrual.* The Notes will cease to bear interest from the beginning of the day their Principal Amount is due for repayment. If the Issuer fails to make any payment of principal under the Notes when due, the Notes will cease to bear interest from the beginning of the day on which such payment is made. In such case the applicable rate of interest will be determined pursuant to this § 3.

(4) *Determination of the Reference Rate.* The Calculation Agent will determine the relevant Reference Rate in accordance with this § 3(4) on each Interest Determination Date.

The **"Reference Rate"** for a Reset Period will be determined by the Calculation Agent on the relevant Interest Determination Date (as defined below) prior to the Reset Date on which the relevant Reset Period commences (the **"Reference Reset Date"**) as follows:

(a) For each Reset Period beginning prior to the occurrence of the relevant Effective Date (as defined in § 3(5)(g)), the Reference Rate will be equal to the Original Benchmark Rate on the relevant Interest Determination Date.

If the Original Benchmark Rate does not appear on the Screen Page as at such time on the relevant Interest Determination Date, the "Reference Rate" will be equal to the Reference Bank Rate on that Interest Determination Date.

If the Reference Bank Rate cannot be determined pursuant to the definition of this term, the relevant "Reference Rate" shall be equal to the last Original Benchmark Rate available on the Screen Page as determined by the Calculation Agent.

- (b) Für jeden Zinsanpassungszeitraum, der an oder nach dem jeweiligen Stichtag beginnt, wird der "Referenzsatz" gemäß § 3(5) bestimmt.

"**Ursprünglicher Benchmarksatz**" bezeichnet den um 11:00 Uhr (Frankfurter Zeit) gefixten, als Prozentsatz ausgedrückten Swapsatz *per annum* für in Euro denominierter Swap-Transaktionen mit einer Laufzeit von 5 Jahren, der auf der Bildschirmseite am betreffenden Zinsfeststellungstag gegen 11:00 Uhr (Frankfurter Zeit) angezeigt wird.

Der "**Referenzbankensatz**" ist der Prozentsatz, der auf Basis der 5-Jahres-Mid-Swapsatz-Quotierungen, die der Berechnungsstelle auf Bitten der Emittentin ungefähr um 11:00 Uhr (Frankfurter Zeit) von bis zu fünf führenden von der Emittentin ausgewählten Swap-Händlern im Interbankenhandel gestellt werden, am Zinsfeststellungstag von der Berechnungsstelle festgelegt wird. Wenn mindestens drei 5-Jahres-Mid-Swapsatz-Quotierungen genannt werden, wird der Referenzbankensatz das arithmetische Mittel der 5-Jahres-Mid-Swapsatz-Quotierungen unter Ausschluss der höchsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der höchsten Quotierungen) und der niedrigsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der niedrigsten Quotierungen) sein. Falls nur zwei 5-Jahres-Mid-Swapsatz-Quotierungen zur Verfügung gestellt werden, ist der Referenzbankensatz das rechnerische Mittel der zur Verfügung gestellten Quotierungen. Falls nur eine 5-Jahres-Mid-Swapsatz-Quotierung zur Verfügung gestellt wird, ist der Referenzbankensatz gleich der zur Verfügung gestellten Quotierung. Dabei bezeichnet "**5-Jahres-Mid-Swapsatz-Quotierung**" das arithmetische Mittel der nachgefragten (*bid*) und angebotenen (*offered*) Prozentsätze für den jährlichen Festzinszahlungsstrom (berechnet auf einer 30/360 Tage-Berechnungsbasis) einer fixed-for-floating Euro Zinsswap-Transaktion, (x) die eine 5-jährige Laufzeit hat und am betreffenden Zinsanpassungstag beginnt, (y) die auf einen Betrag lautet, der dem einer repräsentativen einzelnen Transaktion in dem relevanten Markt zur relevanten Zeit eines anerkannten Händlers mit guter Bonität im

- (b) For each Reset Period commencing on or after the relevant Effective Date, the "Reference Rate" will be determined in accordance with § 3(5).

"**Original Benchmark Rate**" means the annual swap rate which is fixed at 11:00 a.m. (Frankfurt time) and is expressed as a percentage *per annum* for Euro denominated swap transactions with a maturity of 5 years which appears on the Screen Page on the relevant Interest Determination Date at or around 11:00 a.m. (Frankfurt time).

"**Reference Bank Rate**" means the percentage rate determined by the Calculation Agent on the basis of the 5-year Mid Swap Rate Quotations provided by up to five leading swap dealers in the interbank market selected by the Issuer to the Calculation Agent at the request of the Issuer at approximately 11:00 a.m. (Frankfurt time) on the Interest Determination Date. If at least three 5-year Mid Swap Rate Quotations are provided, the Reference Bank Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two 5-year Mid Swap Rate Quotations are provided, the Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one 5-year Mid Swap Rate Quotation is provided, the Reference Bank Rate will be the quotation provided. For this purpose, "**5-year Mid Swap Rate Quotation**" means the arithmetic mean of the bid and offered rates for the annual fixed rate leg (calculated on a 30/360 day count basis) of a fixed-for-floating Euro interest rate swap transaction which transaction (x) has a term of 5 years and commencing on the relevant Reset Date, (y) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (z) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis).

Swap-Markt entspricht, und (z) deren variabler Zahlungsstrom auf dem 6-Monats EURIBOR Satz beruht (berechnet auf einer Actual/360 Tage-Berechnungsbasis).

Dabei gilt Folgendes:

"**Bildschirmseite**" bezeichnet die Reuters Bildschirmseite "ICESWAP2 / EURFIXA" unter der Überschrift "EURIBOR BASIS" und dem Untertitel "11:00 AM Frankfurt time" (auf dem solche Überschriften und Untertitel von Zeit zu Zeit erscheinen). Hat die Bildschirmseite dauerhaft aufgehört, den Ursprünglichen Benchmarksatz anzugeben, ist diese Quotierung jedoch auf einer anderen, von der Emittentin nach billigem Ermessen ausgewählten Bildschirmseite verfügbar (die "**Ersatzbildschirmseite**"), wird die Ersatzbildschirmseite zum Zweck der Festlegung des Ursprünglichen Benchmarksatzes eingesetzt.

"**TARGET-Geschäftstag**" bezeichnet einen Tag, an dem das Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET2) betriebsbereit ist.

"**Zinsanpassungstag**" bezeichnet den Ersten Zinsanpassungstag und danach jeden fünften Jahrestag des vorausgegangenen Zinsanpassungstags.

"**Zinsanpassungszeitraum**" bezeichnet jeden Zeitraum ab dem Ersten Zinsanpassungstag (einschließlich) bis zum nächstfolgenden Zinsanpassungstag (ausschließlich) und nachfolgend ab jedem Zinsanpassungstag (einschließlich) bis zu dem jeweils nächstfolgenden Zinsanpassungstag (ausschließlich).

"**Zinsfeststellungstag**" bezeichnet den zweiten TARGET-Geschäftstag vor dem betreffenden Referenz-Zinsanpassungstag.

(5) *Benchmark-Ereignis*. Wenn ein Benchmark-Ereignis (wie in § 3(5)(f) definiert) in Bezug auf den Ursprünglichen Benchmarksatz eintritt, gilt für die Bestimmung des betreffenden Referenzsatzes und die Verzinsung der Schuldverschreibungen gemäß § 3 Folgendes:

(a) *Unabhängiger Berater*. Die Emittentin wird sich nach besten Kräften bemühen, sobald dies (nach billigem Ermessen der Emittentin) nach

Where:

"**Screen Page**" means Reuters Screen Page "ICESWAP2 / EURFIXA" under the heading "EURIBOR BASIS" and the caption "11:00 AM Frankfurt time" (as such headings and captions may appear from time to time). If the Screen Page permanently ceases to quote the Original Benchmark Rate but such quotation is available from another page selected by the Issuer in its reasonable discretion (the "**Replacement Screen Page**"), the Replacement Screen Page must be used for the purpose of the determination of the Original Benchmark Rate.

"**TARGET Business Day**" means a day on which the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET2) is operational.

"**Reset Date**" means the First Reset Date and thereafter each fifth anniversary of the immediately preceding Reset Date.

"**Reset Period**" means each period from and including the First Reset Date to but excluding the next following Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date.

"**Interest Determination Date**" means the second TARGET Business Day prior to the relevant Reference Reset Date.

(5) *Benchmark Event*. If a Benchmark Event (as defined in § 3(5)(f)) occurs in relation to the Original Benchmark Rate, the relevant Reference Rate and the interest on the Notes in accordance with § 3 will be determined as follows:

(a) *Independent Adviser*. The Issuer shall, as soon as this is (in the reasonable discretion of the Issuer) required following the occurrence of the

Eintritt des Benchmark-Ereignisses und vor dem nächsten Zinsfeststellungstag erforderlich ist, einen Unabhängigen Berater (wie in § 3(5)(f) definiert) zu benennen, der einen Neuen Benchmarksatz (wie in § 3(5)(f) definiert), die Anpassungsspanne (wie in § 3(5)(f) definiert) und etwaige Benchmark-Änderungen (gemäß § 3(5)(d)) festlegt.

(b) *Ausweichsatz (Fallback Rate)*. Wenn vor dem 10. Geschäftstag vor dem betreffenden Zinsfeststellungstag

- (i) die Emittentin keinen Unabhängigen Berater ernannt hat; oder
- (ii) der ernannte Unabhängige Berater keinen Neuen Benchmarksatz, keine Anpassungsspanne und/oder keine Benchmark-Änderungen (sofern erforderlich) gemäß diesem § 3(5) festgelegt hat,

dann entspricht der "Referenzsatz" für den nächsten Zinsanpassungszeitraum dem an dem letzten zurückliegenden Zinsfeststellungstag festgestellten Referenzsatz.

Falls dieser § 3(5)(b) bereits an dem Zinsfeststellungstag für den Ersten Zinsanpassungstag angewendet werden muss, entspricht der Referenzsatz für den ersten Zinsanpassungszeitraum -0,458 % *per annum*.³

Falls der gemäß diesem § 3(5)(b) bestimmte Ausweichsatz (*Fallback Rate*) zur Anwendung kommt, wird § 3(5) erneut angewendet, um den Referenzsatz für den nächsten nachfolgenden Zinsanpassungszeitraum (und, sofern notwendig, weitere nachfolgende Zinsanpassungszeiträume) zu bestimmen.

(c) *Nachfolge-Benchmarksatz oder Alternativ-Benchmarksatz*. Falls der Unabhängige Berater nach billigem Ermessen feststellt,

- (i) dass es einen Nachfolge-Benchmarksatz gibt, dann ist dieser Nachfolge-Benchmarksatz der Neue Benchmarksatz; oder

Benchmark Event and prior to the next Interest Determination Date, use its best efforts to appoint an Independent Adviser (as defined in § 3(5)(f)), who will determine a New Benchmark Rate (as defined in § 3(5)(f)), the Adjustment Spread (as defined in § 3(5)(f)) and any Benchmark Amendments (in accordance with § 3(5)(d)).

(b) *Fallback rate*. If, prior to the 10th Business Day prior to the relevant Interest Determination Date,

- (i) the Issuer has not appointed an Independent Adviser; or
- (ii) the Independent Adviser appointed by it has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined the Benchmark Amendments (if required) in accordance with this § 3(5),

then the "Reference Rate" applicable to the next Reset Period shall be the Reference Rate determined on the last preceding Interest Determination Date.

If this § 3(5)(b) is to be applied on the Interest Determination Date for the First Reset Date, the Reference Rate applicable to the first Reset Period shall be -0.458 per cent. *per annum*.⁴

If the fallback rate determined in accordance with this § 3(5)(b) is to be applied, § 3(5) will be operated again to determine the Reference Rate applicable to the next subsequent (and, if required, further subsequent) Reset Period(s).

(c) *Successor Benchmark Rate or Alternative Benchmark Rate*. If the Independent Adviser determines in its reasonable discretion that:

- (i) there is a Successor Benchmark Rate, then such Successor Benchmark Rate shall subsequently be the New Benchmark Rate; or

³ Entspricht der Reoffer-Rendite abzüglich der ursprünglichen Kreditmarge im Zeitpunkt der Preisfindung.

⁴ Equal to the Reoffer-Yield minus the initial credit spread at the time of pricing.

- (ii) dass es keinen Nachfolge-Benchmarksatz aber einen Alternativ-Benchmarksatz gibt, dann ist dieser Alternativ-Benchmarksatz der Neue Benchmarksatz.

In beiden Fällen entspricht der "**Referenzsatz**" für den unmittelbar nachfolgenden Zinsanpassungszeitraum und alle folgenden Zinsanpassungszeiträume dann (x) dem Neuen Benchmarksatz an dem betreffenden Zinsfeststellungstag zuzüglich (y) der Anpassungsspanne.

- (d) *Benchmark-Änderungen.* Wenn ein Neuer Benchmarksatz und die entsprechende Anpassungsspanne gemäß diesem § 3(5) festgelegt werden, und wenn der Unabhängige Berater feststellt, dass resultierend aus den vorgenannten Festlegungen Änderungen der Bedingungen für die Feststellungen des anwendbaren Zinssatzes notwendig sind, um die ordnungsgemäße Anwendung des Neuen Benchmarksatzes und der entsprechenden Anpassungsspanne zu gewährleisten (diese Änderungen, die "**Benchmark-Änderungen**"), dann wird der Unabhängige Berater die Benchmark-Änderungen feststellen, und wird die Emittentin diese durch eine Mitteilung gemäß § 3(5)(e) bekanntmachen.

Diese Benchmark-Änderungen können insbesondere folgende Regelungen in diesen Anleihebedingungen erfassen:

- (i) den Referenzsatz einschließlich der "Bildschirmseite" und/oder die Methode zur Bestimmung des Ausweichsatzes (sog. *Fallback Rate*) für den Referenzsatz einschließlich des Referenzbankensatzes; und/oder
- (ii) die Definitionen der Begriffe "Geschäftstag", "Zinszahlungstag", "Zinsperiode", "Zinstagequotient" und/oder "Zinsfeststellungstag" (einschließlich der Festlegung ob der Referenzsatz vorwärts- oder rückwärtsgerichtet bestimmt wird); und/oder
- (iii) der Geschäftstageskonvention gemäß § 5(4).

- (ii) there is no Successor Benchmark Rate but that there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall subsequently be the New Benchmark Rate.

In either case the "**Reference Rate**" for the immediately following Reset Period and all following Reset Periods will then be (x) the New Benchmark Rate on the relevant Interest Determination Date plus (y) the Adjustment Spread.

- (d) *Benchmark Amendments.* If any relevant New Benchmark Rate and the applicable Adjustment Spread are determined in accordance with this § 3(5), and if the Independent Adviser determines that, resulting from the aforementioned determinations, amendments to the conditions for the determination of the applicable Rate of Interest are necessary to ensure the proper operation of such New Benchmark Rate and the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**"), then the Independent Adviser will determine the Benchmark Amendments and the Issuer will give notice thereof in accordance with § 3(5)(e).

The Benchmark Amendments may include, without limitation, the following conditions of these Terms and Conditions:

- (i) the Reference Rate including the "Screen Page" and/or the method for determining the fallback rate in relation to the Reference Rate, including the Reference Bank Rate; and/or
- (ii) the definitions of the terms "Business Day", "Interest Payment Date", "Interest Period", "Day Count Fraction" and/or "Interest Determination Date" (including the determination whether the Reference Rate will be determined on a forward looking or a backward-looking basis); and/or
- (iii) the business day convention in § 5(4).

- (e) *Mitteilungen, etc.* Die Emittentin wird einen Neuen Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen gemäß diesem § 3(5) der Hauptzahlstelle, der Berechnungsstelle, den Zahlstellen und gemäß § 13 den Anleihegläubigern mitteilen, und zwar sobald eine solche Mitteilung (nach Ansicht der Emittentin) nach deren Feststellung erforderlich ist, spätestens jedoch an dem 10. Geschäftstag vor dem betreffenden Zinsfeststellungstag. Eine solche Mitteilung ist unwiderruflich und hat den Stichtag zu benennen.

Der Neue Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen, die jeweils in der Mitteilung benannt werden, sind für die Emittentin, die Hauptzahlstelle, die Berechnungsstelle, die Zahlstellen und die Anleihegläubiger bindend. Die Anleihebedingungen gelten ab dem Stichtag als durch den Neuen Benchmarksatz, die Anpassungsspanne und die etwaigen Benchmark-Änderungen geändert.

An oder vor dem Tag dieser Mitteilung hat die Emittentin der Hauptzahlstelle und der Berechnungsstelle eine durch zwei Unterschriftsberechtigte der Emittentin unterzeichnete Bescheinigung zu übergeben, die

- (i)
- (A) bestätigt, dass ein Benchmark-Ereignis eingetreten ist;
 - (B) den nach Maßgabe der Bestimmungen dieses § 3(5) festgestellten Neuen Benchmarksatz benennt;
 - (C) die entsprechende Anpassungsspanne und etwaige Benchmark-Änderungen benennt, die jeweils nach Maßgabe der Bestimmungen dieses § 3(5) festgestellt wurden; und
 - (D) den Stichtag benennt; und
- (ii) bestätigt, dass die etwaigen Benchmark-Änderungen notwendig sind, um die ordnungsgemäße Anwendung des Neuen Benchmarksatzes und der

- (e) *Notices, etc.* The Issuer will notify any New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined under this § 3(5) to the Principal Paying Agent, the Calculation Agent, the Paying Agents and, in accordance with § 13, the Noteholders as soon as such notification is (in the Issuer's view) required following the determination thereof, but in any event not later than on the 10th Business Day prior to the relevant Interest Determination Date. Such notice shall be irrevocable and shall specify the Effective Date.

The New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any), each as specified in such notice, will be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the Paying Agents and the Noteholders. The Terms and Conditions shall be deemed to have been amended by the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments, if any, with effect from the Effective Date.

On or prior to the date of such notice, the Issuer shall deliver to the Principal Paying Agent and the Calculation Agent a certificate signed by two authorised signatories of the Issuer:

- (i)
- (A) confirming that a Benchmark Event has occurred;
 - (B) specifying the relevant New Benchmark Rate determined in accordance with the provisions of this § 3(5);
 - (C) specifying the applicable Adjustment Spread and the Benchmark Amendments (if any), each determined in accordance with the provisions of this § 3(5); and
 - (D) specifying the Effective Date; and
- (ii) confirming that the Benchmark Amendments, if any, are necessary to ensure the proper operation of such

entsprechenden Anpassungsspanne zu gewährleisten.

- (f) *Definitionen.* Zur Verwendung in diesem § 3(5):

Die "**Anpassungsspanne**", die positiv, negativ oder gleich Null sein kann, wird in Basispunkten ausgedrückt und bezeichnet entweder (a) die Spanne oder (b) das Ergebnis der Anwendung der Formel oder Methode zur Berechnung der Spanne, die

- (1) im Fall eines Nachfolge-Benchmarksatzes formell im Zusammenhang mit der Ersetzung des Ursprünglichen Benchmarksatzes durch den Nachfolge-Benchmarksatz von dem Nominierungsgremium empfohlen wird; oder
- (2) (sofern keine Empfehlung abgegeben wurde oder im Fall eines Alternativ-Benchmarksatzes) üblicherweise an den internationalen Anleihekapielmärkten auf den Neuen Benchmarksatz angewendet wird, um einen industrieweit akzeptierten Ersatz-Benchmarksatz für den Ursprünglichen Benchmarksatz zu erzeugen, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden; oder
- (3) (sofern der Unabhängige Berater nach billigem Ermessen feststellt, dass keine solche Spanne üblicherweise angewendet wird, und dass das Folgende für die Schuldverschreibungen angemessen ist) als industrieweiter Standard für Over-the-Counter Derivatetransaktionen, die sich auf den Ursprünglichen Benchmarksatz beziehen, anerkannt und bestätigt ist, wenn der Ursprüngliche Benchmarksatz durch den Neuen Benchmarksatz ersetzt worden ist, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden.

"**Alternativ-Benchmarksatz**" bezeichnet eine alternative Benchmark oder einen alternativen Bildschirmsatz, die bzw. der üblicherweise an den internationalen Anleihekapielmärkten zur Bestimmung von Reset-Zinssätzen bzw. Mid-

relevant New Benchmark Rate and the applicable Adjustment Spread.

- (f) *Definitions.* As used in this § 3(5):

The "**Adjustment Spread**", which may be positive, negative or zero, will be expressed in basis points and means either (a) the spread, or (b) the result of the operation of the formula or methodology for calculating the spread, which

- (1) in the case of a Successor Benchmark Rate, is formally recommended in relation to the replacement of the Original Benchmark Rate with the Successor Benchmark Rate by any Relevant Nominating Body; or
- (2) (if no such recommendation has been made, or in the case of an Alternative Benchmark Rate) is customarily applied to the New Benchmark Rate in the international debt capital markets to produce an industry-accepted replacement benchmark rate for the Original Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion; or
- (3) (if the Independent Adviser in its reasonable discretion determines that no such spread is customarily applied and that the following would be appropriate for the Notes) is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Benchmark Rate, where the Original Benchmark Rate has been replaced by the New Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

"**Alternative Benchmark Rate**" means an alternative benchmark or screen rate which is customarily applied in the international debt capital markets for the purpose of determining reset rates of interest or mid swap rates in Euro,

Swap-Sätzen in Euro angewendet wird, wobei sämtliche Feststellungen durch den Unabhängigen Berater vorgenommen werden.

Ein "**Benchmark-Ereignis**" tritt ein, wenn:

- (1) der Ursprüngliche Benchmarksatz nicht mehr regelmäßig veröffentlicht wird oder nicht mehr erstellt wird; oder
- (2) eine öffentliche Erklärung des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, wonach dieser die Veröffentlichung des Ursprünglichen Benchmarksatzes dauerhaft oder auf unbestimmte Zeit eingestellt hat oder einstellen wird (in Fällen in denen kein Nachfolgeadministrator ernannt worden ist, der die Veröffentlichung des Ursprünglichen Benchmarksatzes vornehmen wird); oder
- (3) eine öffentliche Erklärung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, wonach der Ursprüngliche Benchmarksatz dauerhaft oder auf unbestimmte Zeit nicht mehr fortgeführt wird oder nicht mehr fortgeführt werden wird; oder
- (4) eine öffentliche Erklärung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, so dass der Ursprüngliche Benchmarksatz allgemein oder in Bezug auf die Schuldverschreibungen nicht mehr verwendet werden darf; oder
- (5) die Verwendung des Ursprünglichen Benchmarksatzes zur Berechnung jedweder Zahlungen an Anleihegläubiger für die Zahlstellen, die Berechnungsstelle, die Emittentin oder jeden Dritten rechtswidrig geworden ist; oder
- (6) eine öffentliche Erklärung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, mit der bekanntgegeben wird, dass der

provided that all determinations will be made by the Independent Adviser.

A "**Benchmark Event**" occurs if:

- (1) the Original Benchmark Rate ceases to be published on a regular basis or ceases to exist; or
- (2) a public statement by the administrator of the Original Benchmark Rate is made that it has ceased or that it will cease publishing the Original Benchmark Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue the publication of the Original Benchmark Rate); or
- (3) a public statement by the supervisor of the administrator of the Original Benchmark Rate is made that the Original Benchmark Rate has been or will be permanently or indefinitely discontinued; or
- (4) a public statement by the supervisor of the administrator of the Original Benchmark Rate is made as a consequence of which the Original Benchmark Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (5) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Benchmark Rate; or
- (6) a public statement by the supervisor for the administrator of the Original Benchmark Rate is made announcing that the Original Benchmark Rate is no longer representative; or

Ursprüngliche Benchmarksatz nicht mehr repräsentativ ist; oder

- (7) sich die Methode für die Feststellung des Ursprünglichen Benchmarksatzes gegenüber der Methode, die der Administrator des Ursprünglichen Benchmarksatzes bei Zinslaufbeginn anwendete, wesentlich ändert.

"Nachfolge-Benchmarksatz" bezeichnet einen Nachfolger oder Ersatz des Ursprünglichen Benchmarksatzes, der formell durch das Nominierungsgremium empfohlen wurde.

"Neuer Benchmarksatz" bezeichnet den jeweils gemäß diesem § 3(5) bestimmten Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz.

"Nominierungsgremium" bezeichnet in Bezug auf die Ersetzung des Ursprünglichen Benchmarksatzes:

- (1) die Zentralbank für die Währung, in der die Benchmark oder der Bildschirmsatz dargestellt wird, oder eine Zentralbank oder andere Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist; oder
- (2) jede Arbeitsgruppe oder jeden Ausschuss gefördert durch, geführt oder mitgeführt von oder gebildet von (a) der Zentralbank für die Währung in der die Benchmark oder der Bildschirmsatz dargestellt wird, (b) einer Zentralbank oder anderen Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist, (c) einer Gruppe der zuvor genannten Zentralbanken oder anderer Aufsichtsbehörden oder (d) dem Finanzstabilitätsrat (*Financial Stability Board*) oder Teilen davon.

"Unabhängiger Berater" bezeichnet ein von der Emittentin ernanntes unabhängiges Finanzinstitut mit internationalem Ansehen oder einen anderen unabhängigen Finanzberater mit einschlägiger Expertise.

- (7) the methodology for the determination of the Original Benchmark Rate is materially altered compared to the methodology as used by the administrator of the Original Benchmark Rate at the Interest Commencement Date.

"Successor Benchmark Rate" means a successor to or replacement of the Original Benchmark Rate which is formally recommended by any Relevant Nominating Body.

"New Benchmark Rate" means the Successor Benchmark Rate or, as the case may be, the Alternative Benchmark Rate determined in accordance with this § 3(5).

"Relevant Nominating Body" means, in respect of the replacement of the Original Benchmark Rate:

- (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser with relevant expertise, in each case appointed by the Issuer.

- (g) *Stichtag*. Der Stichtag für die Anwendung des Neuen Benchmarksatzes, der Anpassungsspanne und der etwaigen Benchmark-Änderungen gemäß diesem § 3(5) (der "**Stichtag**") ist der Zinsfeststellungstag, der auf den frühesten der folgenden Tage fällt oder diesem nachfolgt:
- (i) den Tag des Eintritts des Benchmark-Ereignisses, wenn das Benchmark-Ereignis aufgrund der Absätze (1), (6) oder (7) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder
 - (ii) den Tag, an dem die Veröffentlichung des Ursprünglichen Benchmarksatzes eingestellt wird bzw. an dem der Ursprüngliche Benchmarksatz eingestellt wird, wenn das Benchmark-Ereignis aufgrund der Absätze (2) oder (3) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder
 - (iii) den Tag, ab dem der Ursprüngliche Benchmarksatz nicht mehr verwendet werden darf, wenn das Benchmark-Ereignis aufgrund der Absätze (4) oder (5) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist.
- (h) Wenn ein Benchmark-Ereignis in Bezug auf einen Neuen Benchmarksatz eintritt, gilt dieser § 3(5) entsprechend für die Ersetzung des Neuen Benchmarksatzes durch einen neuen Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz. In diesem Fall gilt jede Bezugnahme in diesem § 3 auf den Begriff Ursprünglicher Benchmarksatz als Bezugnahme auf den zuletzt verwendeten Neuen Benchmarksatz.
- (i) In diesem § 3(5) schließt jede Bezugnahme auf den Begriff "Ursprünglicher Benchmarksatz" gegebenenfalls auch eine Bezugnahme auf jede etwaige Teilkomponente des Ursprünglichen Benchmarksatzes ein, wenn in Bezug auf diese Teilkomponente ein Benchmark-Ereignis eingetreten ist.
- (g) *Effective Date*. The effective date for the application of the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined under this § 3(5) (the "**Effective Date**") will be the Interest Determination Date falling on or after the earliest of the following dates:
- (i) if the Benchmark Event has occurred as a result of clauses (1), (6) or (7) of the definition of the term "Benchmark Event", the date of the occurrence of the Benchmark Event; or
 - (ii) if the Benchmark Event has occurred as a result of clauses (2) or (3) of the definition of the term "Benchmark Event", the date of cessation of publication of the Original Benchmark Rate or of the discontinuation of the Original Benchmark Rate, as the case may be; or
 - (iii) if the Benchmark Event has occurred as a result of clauses (4) or (5) of the definition of the term "Benchmark Event", the date from which the prohibition applies.
- (h) If a Benchmark Event occurs in relation to any New Benchmark Rate, § 3(5) shall apply *mutatis mutandis* to the replacement of such New Benchmark Rate by any new Successor Benchmark Rate or Alternative Benchmark Rate, as the case may be. In this case, any reference in this § 3 to the term Original Benchmark Rate shall be deemed to be a reference to the New Benchmark Rate that last applied.
- (i) Any reference in this § 3(5) to the term Original Benchmark Rate shall be deemed to include a reference to any component part thereof, if any, in respect of which a Benchmark Event has occurred.

§ 4

**FÄLLIGKEIT VON ZINSZAHLUNGEN;
AUFSCHUB VON ZINSZAHLUNGEN;
ZAHLUNG AUFGESCHOBENER
ZINSZAHLUNGEN**

(1) *Fälligkeit von Zinszahlungen; wahlweiser Zinsaufschub.*

- (a) Zinsen werden für jede Zinsperiode an dem unmittelbar auf diese Zinsperiode folgenden Zinszahlungstag fällig, sofern sich die Emittentin nicht durch eine Bekanntmachung an die Anleihegläubiger gemäß § 13 innerhalb einer Frist von nicht weniger als sieben und nicht mehr als 14 Geschäftstagen vor dem betreffenden Zinszahlungstag dazu entscheidet, die betreffende Zinszahlung insgesamt oder teilweise aufzuschieben.

Wenn sich die Emittentin an einem Zinszahlungstag insgesamt oder teilweise zur Nichtzahlung aufgelaufener Zinsen entscheidet, dann ist sie insoweit nicht verpflichtet, an dem betreffenden Zinszahlungstag Zinsen zu zahlen. Eine Entscheidung zur Nichtzahlung begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

Nach Maßgabe dieses § 4(1)(a) nicht fällig gewordene Zinsen sind aufgeschobene Zinszahlungen ("**Aufgeschobene Zinszahlungen**").

"**Zinsperiode**" bezeichnet jeden Zeitraum ab dem Zinslaufbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und nachfolgend ab jedem Zinszahlungstag (einschließlich) bis zu dem jeweils nächstfolgenden Zinszahlungstag (ausschließlich).

- (b) Aufgeschobene Zinszahlungen werden nicht verzinst.

(2) *Freiwillige Zahlung von Aufgeschobenen Zinszahlungen.* Die Emittentin ist berechtigt, ausstehende Aufgeschobene Zinszahlungen jederzeit insgesamt oder teilweise nach Bekanntmachung an die Anleihegläubiger gemäß § 13 unter Einhaltung einer Frist von nicht weniger als sieben und nicht mehr als 14 Geschäftstagen nachzuzahlen, wobei eine solche Bekanntmachung (i) den (gegebenenfalls anteiligen) Betrag an Aufgeschobenen Zinszahlungen, der gezahlt

§ 4

**DUE DATE FOR INTEREST PAYMENTS;
DEFERRAL OF INTEREST PAYMENTS;
PAYMENT OF DEFERRED INTEREST
PAYMENTS**

(1) *Due date for interest payments; optional interest deferral.*

- (a) Interest for each Interest Period will be due and payable (*fällig*) on the Interest Payment Date immediately following such Interest Period, unless the Issuer elects, by giving not less than seven and not more than 14 Business Days' notice to the Noteholders prior to the relevant Interest Payment Date in accordance with § 13, to defer the relevant payment of interest in whole or in part.

If the Issuer elects not to pay accrued interest in whole or in part on an Interest Payment Date, then it will not have any obligation to pay interest to such extent on such Interest Payment Date. Any such election not to pay interest in whole or in part will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

Interest not due and payable in accordance with this § 4(1)(a) will constitute deferred interest payments ("**Deferred Interest Payments**").

"**Interest Period**" means each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and thereafter from and including each Interest Payment Date to but excluding the next following Interest Payment Date.

- (b) Deferred Interest Payments will not bear interest.

(2) *Optional Settlement of Deferred Interest Payments.* The Issuer will be entitled to pay outstanding Deferred Interest Payments in whole or in part at any time on giving not less than seven and not more than 14 Business Days' notice to the Noteholders in accordance with § 13 which notice will specify (i) the (partial) amount of Deferred Interest Payments to be paid and (ii) the date fixed for such payment (the "**Optional Settlement Date**").

werden soll, und (ii) den für diese Zahlung festgelegten Termin (der "**Freiwillige Nachzahlungstermin**") enthalten muss.

(3) *Pflicht zur Zahlung von Aufgeschobenen Zinszahlungen.* Die Emittentin ist verpflichtet, ausstehende Aufgeschobene Zinszahlungen insgesamt und nicht nur teilweise am nächsten Pflichtnachzahlungstag zu zahlen.

"**Pflichtnachzahlungstag**" bezeichnet den frühesten der folgenden Tage:

- (i) den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem ein Obligatorisches Nachzahlungseignis eingetreten ist;
- (ii) den Tag, an dem die Emittentin vorgesehene Zinsen auf die Schuldverschreibungen zahlt;
- (iii) den Tag an dem die Emittentin die Schuldverschreibungen gemäß diesen Anleihebedingungen zurückzahlt oder den Tag, an dem die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) Schuldverschreibungen zurückkauft oder anderweitig erwirbt; und
- (iv) den Tag, an dem eine Entscheidung hinsichtlich der Abwicklung der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge einer Verschmelzung, einer Umstrukturierung oder Sanierung geschieht, bei der die Emittentin noch zahlungsfähig ist und bei der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt),

mit der Maßgabe, dass

- (A) in dem vorgenannten Fall (ii) kein Pflichtnachzahlungstag vorliegt, wenn sich die Emittentin gemäß § 4(1)(a) dazu entscheidet, eine vorgesehene Zinszahlung nur teilweise auszusetzen, und die Emittentin den nicht ausgesetzten Anteil an den vorgesehenen Zinsen zahlt;
- (B) in dem vorgenannten Fall (iii) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin oder die betreffende Tochtergesellschaft (jeweils direkt oder indirekt) ein Gleichrangiges Wertpapier oder Schuldverschreibungen (insgesamt oder teilweise) nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot mit einer unter dem

(3) *Mandatory payment of Deferred Interest Payments.* The Issuer must pay outstanding Deferred Interest Payments (in whole but not in part) on the next Mandatory Settlement Date.

"**Mandatory Settlement Date**" means the earliest of:

- (i) the date falling five Business Days after the date on which a Compulsory Settlement Event has occurred;
- (ii) the date on which the Issuer pays scheduled interest on the Notes;
- (iii) the date on which the Issuer redeems the Notes in accordance with these Terms and Conditions, or the date on which the Issuer or any Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) Notes; and
- (iv) the date on which an order is made for the liquidation of the Issuer (other than for the purposes of or pursuant to a merger, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer),

provided that

- (A) in the case (ii) above no Mandatory Settlement Date occurs if the Issuer in accordance with § 4(1)(a) has elected to defer the scheduled payment of interest only in part, and the Issuer pays the proportion of that scheduled interest that the Issuer does not defer;
- (B) in the case (iii) above no Mandatory Settlement Date occurs if the Issuer or the relevant Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any Parity Security or any Notes (in whole or in part) in a public tender offer or public exchange offer at a consideration per Parity Security or, as applicable, per Note below its par value; and

Nennwert liegenden Gegenleistung je Gleichrangigem Wertpapier bzw. je Schuldverschreibung zurückkauft oder anderweitig erwirbt; und

- (C) in dem vorgenannten Fall (iii) kein Pflichtnachzahlungstag vorliegt, wenn die betreffenden Zahlungen auf oder in Bezug auf ein Gleichrangiges Wertpapier Konzerninterne Zahlungen sind.

Dabei gilt Folgendes:

"Konzerninterne Zahlungen" sind Zahlungen, die von der Emittentin an eine Tochtergesellschaft und/oder von einer Tochtergesellschaft an die Emittentin und/oder von einer Tochtergesellschaft an eine andere erfolgen.

Ein **"Obligatorisches Nachzahlungsereignis"** bezeichnet vorbehaltlich des nachstehenden Satzes 2 jedes der folgenden Ereignisse:

- (i) die ordentliche Hauptversammlung der Emittentin beschließt, eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf eine Aktie einer beliebigen Gattung der Emittentin zu zahlen;
- (ii) die Emittentin oder eine Tochtergesellschaft leistet eine Zahlung oder zahlt eine Ausschüttung auf ein Gleichrangiges Wertpapier (mit Ausnahme der Schuldverschreibungen und mit Ausnahme einer Zahlung in Form von Aktien einer beliebigen Gattung der Emittentin);
- (iii) die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) zahlt oder kauft ein Gleichrangiges Wertpapier zurück oder erwirbt es auf andere Weise; oder
- (iv) die Emittentin oder eine Tochtergesellschaft zahlt eine Ausschüttung oder leistet eine sonstige Zahlung auf ein Nachrangiges Wertpapier (jeweils mit Ausnahme einer Dividende, Ausschüttung oder Zahlung in Form von Aktien einer beliebigen Gattung); oder
- (v) die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) zahlt oder kauft ein Nachrangiges Wertpapier zurück oder erwirbt es auf andere Weise.

- (C) in the case (iii) above no Mandatory Settlement Date occurs if the relevant payments on, or in respect of, any Parity Security are Intra-Group Payments.

Where:

"Intra-Group Payments" means payments made by the Issuer to a Subsidiary and/or by a Subsidiary to the Issuer and/or by one Subsidiary to another.

"Compulsory Settlement Event" means any of the following events, subject to the provisions in sentence 2 below:

- (i) the ordinary general meeting of shareholders (*ordentliche Hauptversammlung*) of the Issuer resolves on the payment of any dividend, other distribution or other payment on any share of any class of the Issuer;
- (ii) the Issuer or any Subsidiary makes a payment or pays any distribution in respect of any Parity Security (other than the Notes and other than a payment which is made in the form of shares of any class of the Issuer);
- (iii) the Issuer or any Subsidiary redeems, repurchases or otherwise acquires (in each case directly or indirectly) any Parity Security; or
- (iv) the Issuer or any Subsidiary pays any distribution or makes any other payment in respect of any Junior Security (in each case other than a dividend, distribution or payment which is made in the form of shares of any class); or
- (v) the Issuer or any Subsidiary redeems, repurchases or otherwise acquires (in each case directly or indirectly) any Junior Security.

In dem vorgenannten Fall (ii) tritt jedoch kein Obligatorisches Nachzahlungsereignis ein, wenn

- (A) gleichzeitig mit einer teilweisen Nachzahlung von Aufgeschobenen Zinszahlungen auf die Schuldverschreibungen gemäß § 4(2) auch aufgeschobene Zinszahlungen auf ein Gleichrangiges Wertpapier (mit Ausnahme der Schuldverschreibungen) teilweise nachgezahlt werden, vorausgesetzt, der anteilige Betrag der teilweisen Nachzahlung aufgeschobener Zinszahlungen auf ein Gleichrangiges Wertpapier (mit Ausnahme der Schuldverschreibungen) entspricht höchstens dem Anteil an den dann ausstehenden Aufgeschobenen Zinszahlungen auf die Schuldverschreibungen, der gemäß § 4(2) nachgezahlt wird; oder
- (B) die Emittentin oder die betreffende Tochtergesellschaft nach Maßgabe der Bedingungen des betreffenden Gleichrangigen Wertpapiers oder gesetzlich zu der Zahlung verpflichtet ist; oder
- (C) die betreffenden Zahlungen auf oder in Bezug auf ein Gleichrangiges Wertpapier Konzerninterne Zahlungen sind.

In dem vorgenannten Fall (iii) tritt jedoch kein Obligatorisches Nachzahlungsereignis ein, wenn

- (A) die Emittentin oder die betreffende Tochtergesellschaft (jeweils direkt oder indirekt) ein Gleichrangiges Wertpapier oder Schuldverschreibungen (insgesamt oder teilweise) nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot mit einer unter dem Nennwert liegenden Gegenleistung je Gleichrangigem Wertpapier bzw. je Schuldverschreibung zurückkauft oder anderweitig erwirbt; oder
- (B) die Emittentin oder die betreffende Tochtergesellschaft nach Maßgabe der Bedingungen des betreffenden Gleichrangigen Wertpapiers oder gesetzlich zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist; oder
- (C) die betreffenden Zahlungen auf oder in Bezug auf ein Gleichrangiges Wertpapier Konzerninterne Zahlungen sind.

In the case (ii) above no Compulsory Settlement Event occurs if

- (A) any partial payment of deferred interest on a Parity Security (other than the Notes) is made concurrently with a partial settlement of any Deferred Interest Payments on the Notes in accordance with § 4(2), provided that such partial payment of deferred interest on a Parity Security (other than the Notes) does not exceed the proportion of the then outstanding Deferred Interest Payments on the Notes that is being settled in accordance with § 4(2); or
- (B) the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Parity Security or under applicable law to make such payment, such redemption, such repurchase or such other acquisition; or
- (C) the relevant payments on, or in respect of, any Parity Security are Intra-Group Payments.

In the case (iii) above no Compulsory Settlement Event occurs if

- (A) the Issuer or the relevant Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any Parity Security or any Notes (in whole or in part) in a public tender offer or public exchange offer at a consideration per Parity Security or, as applicable, per Note below its par value; or
- (B) the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Parity Security or under applicable law to make such payment, such redemption, such repurchase or such other acquisition; or
- (C) the relevant payments on, or in respect of, any Parity Security are Intra-Group Payments.

In den vorgenannten Fällen (iv) und (v) tritt jedoch kein Obligatorisches Nachzahlungsereignis ein, wenn

- (A) die Emittentin oder die betreffende Tochtergesellschaft nach Maßgabe der Bedingungen des betreffenden Nachrangigen Wertpapiers oder gesetzlich zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist;
- (B) die Emittentin oder die betreffende Tochtergesellschaft eine Aktie einer beliebigen Gattung der Emittentin oder ein Nachrangiges Wertpapier nach Maßgabe eines bestehenden oder zukünftigen Aktienoptions- oder Aktienbeteiligungsprogramms oder ähnlichen Programms für Mitglieder des Vorstands oder des Aufsichtsrats (oder, im Falle verbundener Unternehmen, ähnlicher Gremien) oder Mitarbeiter der Emittentin oder mit ihr verbundener Unternehmen (jeweils direkt oder indirekt) zurückkauft oder anderweitig erwirbt; oder
- (C) die betreffenden Zahlungen auf oder in Bezug auf ein Nachrangiges Wertpapier Konzerninterne Zahlungen sind.

§ 5 ZAHLUNGEN

(1) *Zahlungen von Kapital und Zinsen.* Zahlungen von Kapital in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden § 5(2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.

Die Zahlung von Zinsen in Bezug auf die Schuldverschreibungen erfolgt nach Maßgabe des nachstehenden § 5(2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems und im Fall von Zinsen und Zinsrückständen auf Schuldverschreibungen, die durch die Vorläufige Globalurkunde verbrieft sind, nach ordnungsgemäßer Bescheinigung gemäß § 1(2)(b).

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in Euro.

(3) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearingsystem oder dessen Order von ihrer Zahlungspflicht befreit.

In the cases (iv) and (v) above no Compulsory Settlement Event occurs if

- (A) the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Junior Security or under applicable law to make such payment, such redemption, such repurchase or such other acquisition;
- (B) the Issuer or the relevant Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any share of any class of the Issuer or any Junior Security pursuant to the obligations of the Issuer under any existing or future stock option or stock ownership programme or similar programme for any members of the executive board or supervisory board (or, in the case of affiliates, comparable boards) or employees of the Issuer or any of its affiliates; or
- (C) the relevant payments on, or in respect of, any Junior Security are Intra-Group Payments.

§ 5 PAYMENTS

(1) *Payment of Principal and Interest.* Payments of principal in respect of the Notes shall be made, subject to § 5(2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

Payments of interest in respect of the Notes shall be made, subject to § 5(2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System and, in the case of payments of interest and Deferred Interest Payments on Notes represented by the Temporary Global Note, upon due certification as provided in § 1(2)(b).

(2) *Method of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in Euro.

(3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(4) *Geschäftstagekonvention.* Falls ein Fälligkeitstag für die Zahlung von Kapital und/oder Zinsen kein Geschäftstag ist, erfolgt die Zahlung erst am nächstfolgenden Geschäftstag; die Anleihegläubiger sind nicht berechtigt, Zinsen oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.

§ 6

RÜCKZAHLUNG UND RÜCKKAUF

(1) *Keine Endfälligkeit.* Die Schuldverschreibungen haben keinen Endfälligkeitstag und werden, außer gemäß den Bestimmungen in diesem § 6, nicht zurückgezahlt.

(2) *Rückkauf.* Die Emittentin oder eine Tochtergesellschaft können, soweit gesetzlich zulässig, jederzeit Schuldverschreibungen auf dem freien Markt oder anderweitig sowie zu jedem beliebigen Preis kaufen. Derartig erworbene Schuldverschreibungen können entwertet, gehalten oder wieder veräußert werden.

(3) *Rückzahlung nach Wahl der Emittentin.*

(a) *Rückzahlung nach Wahl der Emittentin zu pari.* Die Emittentin ist berechtigt, durch Erklärung gemäß § 6(6) die Schuldverschreibungen (insgesamt und nicht nur teilweise) mit Wirkung zu jedem Tag während des Zeitraums ab dem 7. September 2025 (einschließlich) bis zum Ersten Zinsanpassungstag (einschließlich) oder mit Wirkung zu jedem nachfolgenden Zinszahlungstag zurückzuzahlen. Im Falle einer solchen Erklärung hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin zum Nennbetrag zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

(b) *Rückzahlung nach Wahl der Emittentin zum Make-whole-Betrag.* Die Emittentin ist berechtigt, durch Erklärung gemäß § 6(6) die Schuldverschreibungen (insgesamt und nicht nur teilweise) mit Wirkung zu jedem Tag bis zu dem 7. September 2025 (ausschließlich) zurückzuzahlen. Im Falle einer solchen Erklärung hat die Emittentin die Schuldverschreibungen am festgelegten

(4) *Business Day Convention.* If the due date for any payment of principal and/or interest is not a Business Day, the payment will be made only on the next Business Day. The Noteholders will have no right to claim payment of any interest or other indemnity in respect of such delay in payment.

§ 6

REDEMPTION AND REPURCHASE

(1) *No Scheduled Redemption.* The Notes have no final maturity date and shall not be redeemed, except in accordance with the provisions set out in this § 6.

(2) *Repurchase.* Subject to applicable laws, the Issuer or any Subsidiary may at any time purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.

(3) *Redemption at the Option of the Issuer.*

(a) *Redemption at the Option of the Issuer at par.* The Issuer may, upon giving notice in accordance with § 6(6), call the Notes for redemption (in whole but not in part) with effect as of any date during the period from and including 7 September 2025 to and including the First Reset Date or with effect as of any Interest Payment Date thereafter. In the case such notice is given, the Issuer will redeem the remaining Notes at the Principal Amount plus any accrued and unpaid interest on the Notes to but excluding the date of redemption and, for the avoidance of doubt, any Deferred Interest Payments payable pursuant to § 4(3) on the specified redemption date.

(b) *Redemption at the Option of the Issuer at the Make-whole Amount.* The Issuer may, upon giving notice in accordance with § 6(6), call the Notes for redemption (in whole but not in part) with effect as of any date prior to but excluding 7 September 2025. In the case such notice is given, the Issuer will redeem the remaining Notes at the Make-whole Amount plus any accrued and unpaid interest on the Notes to but

Rückzahlungstermin zum Make-whole-Betrag zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

Der "**Make-whole-Betrag**" (welcher den Anleihegläubigern gemäß § 13 und der Hauptzahlstelle mitzuteilen ist) einer Schuldverschreibung entspricht dem höheren der folgenden Beträge:

- (i) dem Nennbetrag; oder
- (ii) dem Abgezinsten Marktwert.

Der Make-whole-Betrag wird von der Make-whole-Berechnungsstelle berechnet.

Der "**Abgezinsten Marktwert**" ist die Summe aus

- (i) dem vom Ersten Zinsanpassungstag auf den für die Rückzahlung festgelegten Tag abgezinsten Nennbetrag je Schuldverschreibung; und
- (ii) den jeweils auf den für die Rückzahlung festgelegten Tag abgezinsten Werten der verbleibenden Zinszahlungen, die ansonsten an jedem Zinszahlungstag nach dem für die Rückzahlung festgelegten Tag bis zum Ersten Zinsanpassungstag (einschließlich) fällig werden würden (ausschließlich etwaiger, bis zum für die Rückzahlung festgelegten Tag (ausschließlich) aufgelaufener Zinsen).

Die Make-whole-Berechnungsstelle errechnet den Abgezinsten Marktwert gemäß der Marktkonvention auf einer Grundlage, die der Berechnung von Zinsen gemäß § 3 entspricht, wobei sie die Benchmark-Rendite zuzüglich 0,50 % zugrunde legt.

Die "**Benchmark-Rendite**" bezeichnet die am Rückzahlungs-Berechnungstag bestehende Rendite der entsprechenden Bundesanleihe 1% fällig 15. August 2025 (ISIN: DE0001102382) abgelesen, oder wie von einer anderen, durch die Make-whole-Berechnungsstelle festgelegten, Quelle hergeleitet oder veröffentlicht oder, sollte die Rendite zu diesem Zeitpunkt nicht verfügbar sein, bezeichnet die

excluding the date of redemption and, for the avoidance of doubt, any Deferred Interest Payments payable pursuant to § 4(3) on the specified redemption date.

The "**Make-whole Amount**" (to be notified to the Noteholders in accordance with § 13 and to the Principal Paying Agent) of a Note shall be the higher of:

- (i) the Principal Amount; or
- (ii) the Present Value.

The Make-whole Amount shall be calculated by the Make-whole Calculation Agent.

The "**Present Value**" will be the sum of

- (i) the Principal Amount per Note discounted from the First Reset Date to the date fixed for redemption; and
- (ii) the remaining interest payments which would otherwise become due on each Interest Payment Date falling after the date fixed for redemption to and including the First Reset Date (excluding any interest accrued to but excluding the date fixed for redemption), each discounted to the date fixed for redemption.

The Make-whole Calculation Agent will calculate the Present Value in accordance with market convention on a basis which is consistent with the calculation of interest as set out in § 3, using the Benchmark Yield plus 0.50 per cent.

The "**Benchmark Yield**" means the yield at the Redemption Calculation Date of the corresponding Bundesanleihe 1% due 15 August 2025 (ISIN: DE0001102382), or as derived or published by such other source as determined by the Make-whole Calculation Agent, and if such yield is not available at that time, the Benchmark Yield shall be the yield of a substitute benchmark security chosen by the

Benchmark-Rendite eine ersetzende Referenzanleihe, die von der Make-whole-Berechnungsstelle festgesetzt wird, mit einer Laufzeit, die mit der verbleibenden Restlaufzeit der Schuldverschreibung bis zum Ersten Zinsanpassungstag vergleichbar ist, und die im Zeitpunkt der Auswahlentscheidung und entsprechend der üblichen Finanzmarktpraxis in den internationalen Anleihekapitalmärkten zur Preisbestimmung bei Neuemissionen von Unternehmensanleihen mit einer bis zum Ersten Zinsanpassungstag der Schuldverschreibung vergleichbaren Laufzeit verwendet werden würde.

"Make-whole-Berechnungsstelle" bezeichnet eine unabhängige international anerkannte Bank oder eine unabhängige Finanzberaterin mit einschlägiger Expertise, die von der Emittentin rechtzeitig vor Ausübung des Kündigungsrechts gemäß diesem § 6(3)(b) ausgewählt und bestellt werden wird.

"Rückzahlungs-Berechnungstag" ist der sechste Geschäftstag vor dem für die Rückzahlung festgelegten Tag.

(4) *Rückzahlung nach Eintritt eines Gross-up-Ereignisses, eines Steuerereignisses, eines Rechnungslegungsereignisses oder bei geringem ausstehenden Gesamtnennbetrag.*

(a) *Gross-up-Ereignis, geringer ausstehender Gesamtnennbetrag.*

Wenn

- (i) ein Gross-up-Ereignis eintritt; oder
- (ii) die Emittentin oder eine Tochtergesellschaft Schuldverschreibungen im Volumen von 75 % oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen erworben oder zurückgezahlt hat,

dann ist die Emittentin berechtigt, durch Erklärung gemäß § 6(6) die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit mit Wirkung zu dem in der Erklärung für die Rückzahlung festgelegten Tag zurückzuzahlen. Im Falle einer solchen Erklärung hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin zum Nennbetrag

Make-whole Calculation Agent, having a maturity comparable to the remaining term of the Note to the First Reset Date, and that would be used at the time of selection and in accordance with customary financial practice in the international debt capital markets, in pricing new issues of corporate debt securities of comparable maturity to the First Reset Date.

"Make-whole Calculation Agent" means an independent bank of international standing or an independent financial adviser with relevant expertise, which will be selected and appointed by the Issuer in good time prior to the exercise of the call right in accordance with this § 6(3)(b).

"Redemption Calculation Date" means the sixth Business Day prior to the date fixed for redemption.

(4) *Redemption following a Gross-up Event, a Tax Event, an Accounting Event or in case of minimal outstanding aggregate principal amount.*

(a) *Gross-up Event, minimal outstanding aggregate principal amount.*

If

- (i) a Gross-up Event occurs; or
- (ii) the Issuer or any Subsidiary has purchased or redeemed Notes equal to or in excess of 75 per cent. of the aggregate Principal Amount of the Notes initially issued,

the Issuer may, upon giving notice in accordance with § 6(6), call the Notes for redemption (in whole but not in part) at any time with effect as of the date fixed for redemption in the notice. In the case such notice is given, the Issuer will redeem the remaining Notes on the specified redemption date at the Principal Amount plus any accrued and unpaid interest on the Notes to but excluding the date of

zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

Ein "**Gross-up-Ereignis**" tritt ein, wenn der Emittentin an oder nach dem Tag der Begebung der Schuldverschreibungen ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin der Zahlstelle eine Kopie davon gibt), aus dem hervorgeht, dass die Emittentin aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Gesetzesänderung (oder einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Änderung von darunter erlassenen Bestimmungen und Vorschriften) des Landes, in dem die Emittentin ihren Hauptsitz oder Steuersitz hat, oder einer deren Gebietskörperschaften oder Behörden oder als Folge einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Änderung der offiziellen Auslegung oder Anwendung dieser Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen) verpflichtet ist oder verpflichtet sein wird, zusätzliche Beträge gemäß § 8 zu zahlen und die Emittentin diese Verpflichtung nicht abwenden kann, indem sie zumutbare Maßnahmen ergreift, die sie nach Treu und Glauben für angemessen hält.

Die Bekanntmachung der Rückzahlung nach Eintritt eines Gross-up-Ereignisses darf nicht früher als 90 Tage vor dem Tag erfolgen, an dem die Emittentin erstmals verpflichtet wäre, zusätzliche Beträge gemäß § 8 zu zahlen.

(b) *Steuerereignis, Rechnungslegungsereignis.*

Wenn

- (i) ein Rechnungslegungsereignis eintritt; oder
- (ii) ein Steuerereignis eintritt,

redemption and, for the avoidance of doubt, any Deferred Interest Payments payable pursuant to § 4(3).

A "**Gross-up Event**" will occur if on or after the date of issue of the Notes an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Paying Agent with a copy thereof) stating that the Issuer has or will become obliged by a legislative body, a court or any authority to pay Additional Amounts pursuant to § 8 as a result of any change in or amendment to the laws (or any rules or regulations thereunder) of the country in which the Issuer has its domicile or tax residence, or any of the respective political subdivisions or taxing authorities, or as a result of any change in, or amendment to, any official interpretation or application of those laws or rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), in each case with such change or amendment becoming effective on or after the date of issue of the Notes, and that obligation cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate.

No such notice of redemption following the occurrence of a Gross-up Event may be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay the Additional Amounts pursuant to § 8.

(b) *Tax Event, Accounting Event.*

If

- (i) an Accounting Event occurs; or
- (ii) a Tax Event occurs,

dann ist die Emittentin berechtigt, durch Erklärung gemäß § 6(6) die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit mit Wirkung zu dem in der Erklärung für die Rückzahlung festgelegten Tag zurückzuzahlen. Im Falle einer solchen Erklärung hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin (i) zu 101 % des Nennbetrages, falls die Rückzahlung vor dem 7. September 2025 erfolgt, und (ii) zum Nennbetrag, falls die Rückzahlung an oder nach dem 7. September 2025 erfolgt, jeweils zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3) fälligen Aufgeschobenen Zinszahlungen, zurückzuzahlen.

Ein "**Rechnungslegungsereignis**" liegt vor, wenn eine anerkannte Wirtschaftsprüfungsgesellschaft, die im Auftrag der Emittentin handelt, der Emittentin ein Gutachten übermittelt, wonach aufgrund einer Änderung der Rechnungslegungsgrundsätze oder deren Anwendung (die "**Rechnungslegungsänderung**"), die am oder nach dem Tag der Begebung der Schuldverschreibungen offiziell übernommen worden ist (der Tag der Übernahme der Rechnungslegungsänderung, nachstehend der "**Änderungstag**"), die durch die Ausgabe der Schuldverschreibungen beschafften Gelder nicht oder nicht mehr als "Eigenkapital" gemäß den International Financial Reporting Standards ("**IFRS**") bzw. anderen nationalen oder internationalen Rechnungslegungsstandards, die die Emittentin für die Erstellung ihrer konsolidierten Abschlüsse anstelle der IFRS anwenden kann, ausgewiesen werden dürfen.

Der Zeitraum, in dem die Emittentin die Rückzahlung der Schuldverschreibungen infolge des Eintretens eines Rechnungslegungsereignisses mitteilen kann, beginnt an dem Änderungstag. Zur Klarstellung, diese Frist umfasst jede Übergangszeit zwischen dem Tag, an dem die Rechnungslegungsänderung offiziell übernommen wird, und dem Tag, an dem sie in Kraft tritt.

the Issuer may, upon giving notice in accordance with § 6(6), call the Notes for redemption (in whole but not in part) at any time with effect as of the date fixed for redemption in the notice. In the case such notice is given, the Issuer will redeem the remaining Notes on the specified redemption date (i) at 101 per cent. of the Principal Amount if the redemption occurs prior to 7 September 2025 and (ii) at the Principal Amount if the redemption occurs on or after 7 September 2025, in each case plus any accrued and unpaid interest on the Notes to but excluding the date of redemption and, for the avoidance of doubt, any Deferred Interest Payments payable pursuant to § 4(3).

An "**Accounting Event**" will occur if a recognised accountancy firm, acting upon instructions of the Issuer, has delivered an opinion to the Issuer, stating that as a result of a change in accounting principles (or the application thereof) (the "**Accounting Change**") which has been officially adopted on or after the date of issue of the Notes (such date, the "**Change Date**") the funds raised through the issuance of the Notes must not or must no longer be recorded as "equity" pursuant to the International Financial Reporting Standards ("**IFRS**") or any other national or international accounting standards that may replace IFRS for the purposes of drawing up the consolidated financial statements of the Issuer.

The period during which the Issuer may notify the redemption of the Notes as a result of the occurrence of an Accounting Event shall start on the Change Date. For the avoidance of doubt, such period shall include any transitional period between the date on which the Accounting Change is officially published and the date on which it comes into effect.

Ein "**Steuerereignis**" liegt vor, wenn an oder nach dem Tag der Begebung der Schuldverschreibungen der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin der Zahlstelle eine Kopie davon gibt), aus dem hervorgeht, dass aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Gesetzesänderung (oder einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Änderung von darunter erlassenen Bestimmungen und Vorschriften) des Landes, in dem die Emittentin ihren Hauptsitz oder Steuersitz hat, oder einer dessen Gebietskörperschaften oder Steuerbehörden, oder als Folge einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Änderung der offiziellen Auslegung oder Anwendung solcher Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), der Zinsaufwand aus den Schuldverschreibungen nicht mehr für Zwecke der Ertragsteuer voll abzugsfähig ist bzw. nicht mehr voll abzugsfähig sein wird und die Emittentin dieses Risiko nicht abwenden kann, indem sie zumutbare Maßnahmen ergreift, die sie nach Treu und Glauben für angemessen hält. Die Umsetzung von Artikel 4 der Richtlinie (EU) 2016/1164 betreffend die Begrenzung der Abzugsfähigkeit von Zinszahlungen in österreichisches innerstaatliches Recht gilt nicht als Steuerereignis.

- (5) *Kündigungsrecht der Emittentin nach Eintritt eines Kontrollwechsels.*
- (a) Wenn ein Kontrollwechsel eintritt, hat die Emittentin binnen 20 Geschäftstagen den Kontrollwechsel-Stichtag zu bestimmen und den Kontrollwechsel und den Kontrollwechsel-Stichtag gemäß § 13 anzuzeigen (die "**Kontrollwechsel-Mitteilung**").
- (b) Bei Eintritt eines Kontrollwechsels ist die Emittentin berechtigt, die Schuldverschreibungen (insgesamt, jedoch nicht teilweise) durch Erklärung gemäß dem nachstehenden Satz 3

A "**Tax Event**" will occur if on or after the date of issue of the Notes an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Paying Agent with a copy thereof) stating that, as a result of any change in, or amendment to, the laws (or any rules or regulations thereunder) of the country in which the Issuer has its domicile or tax residence, any of its political subdivisions or taxing authorities, or as a result of any change in, or amendment to, any official interpretation or application of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), in each case with such change or amendment becoming effective on or after the date of issue of the Notes, the interest expense in respect of the Notes is no longer, or will no longer be, fully deductible for income tax purposes, and that risk cannot be avoided by the Issuer taking such reasonable measures as it (acting in good faith) deems appropriate. The transposition of Article 4 of Council Directive (EU) 2016/1164 regarding the interest limitation rule into Austrian domestic law shall not qualify as a Tax Event.

- (5) *Issuer Call Right following a Change of Control.*
- (a) If a Change of Control occurs, the Issuer will fix the Change of Control Effective Date and give notice in accordance with § 13 of the Change of Control and the Change of Control Effective Date within 20 Business Days (the "**Change of Control Notice**").
- (b) If a Change of Control occurs, the Issuer may call and redeem the Notes (in whole but not in part) by giving notice in accordance with the following sentence 3 with effect as of the Change of Control Effective Date.

mit Wirkung zu dem Kontrollwechsel-Stichtag zu kündigen und zurückzuzahlen.

Wenn die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt, ist die Emittentin verpflichtet, die Schuldverschreibungen am Kontrollwechsel-Stichtag zum Nennbetrag zuzüglich der bis zum Kontrollwechsel-Stichtag (ausschließlich) in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

Die Emittentin kann ihr Recht zur Kündigung und Rückzahlung der Schuldverschreibungen gemäß diesem § 6(5) durch eine Bekanntmachung an die Anleihegläubiger gemäß § 13 nur innerhalb einer Frist von nicht mehr als fünf Geschäftstagen nach der Veröffentlichung der Kontrollwechsel-Mitteilung ausüben. Die Kündigungserklärung kann auch zeitgleich mit oder in der Kontrollwechsel-Mitteilung erfolgen

(c) In diesem § 6(5) gilt:

Ein "**Kontrollwechsel**" gilt jedes Mal in einem der folgenden Fälle als eingetreten, wenn eine oder mehrere gemeinsam vorgehende Personen oder eine Drittperson oder Personen, welche im Namen einer solchen Person oder solcher Personen handeln (die "**Relevante Person**"), zu irgendeiner Zeit direkt oder indirekt eine kontrollierende Beteiligung an Lenzing Aktiengesellschaft im Sinne des Österreichischen Übernahmegesetzes in der jeweils geltenden Fassung (wobei dies auch eine etwaige in der Satzung der Emittentin vorgesehene niedrigere Schwelle erfasst) erwerben, wodurch ein Pflichtangebot ausgelöst wird.

"**Kontrollwechsel-Stichtag**" bezeichnet den von der Emittentin in der Kontrollwechsel-Mitteilung festgelegten Tag, der (i) falls zum betreffenden Zeitpunkt nicht nachrangige Fremdkapitalwertpapiere der Lenzing Aktiengesellschaft ausstehen, der fünfte Geschäftstag nach dem Tag sein muss, an dem solche Wertpapiere aufgrund einer Kündigung der Gläubiger dieser Wertpapiere wegen des gleichen Kontrollwechsels (oder eines vergleichbaren Konzepts) fällig werden

If the Issuer exercises its call right in accordance with sentence 1, the Issuer will redeem, on the Change of Control Effective Date, each Note at its Principal Amount plus any accrued and unpaid interest on the Notes to but excluding the Change of Control Effective Date and, for the avoidance of doubt, any Deferred Interest Payments payable pursuant to § 4(3) on the Change of Control Effective Date.

The Issuer may give notice to the Noteholders of the call and redemption pursuant to this § 6(5) only within five Business Days after the publication of the Change of Control Notice in accordance with § 13. Such notice may be given simultaneously with or in the Change of Control Notice.

(c) In this § 6(5):

A "**Change of Control**" shall be deemed to have occurred at each time if any person or any persons acting in concert or any third person or persons acting on behalf of any such person(s) (the "**Relevant Person**") at any time directly or indirectly acquire(s) a controlling participation in Lenzing Aktiengesellschaft pursuant to the Austrian Takeover Act (*Übernahmegesetz*), as amended, (whereby this also includes a lower threshold provided for in the Issuer's articles of association, if any) which triggers a mandatory takeover bid.

"**Change of Control Effective Date**" means the date fixed by the Issuer in the Change of Control Notice, which (i) must, if at the relevant time any senior debt securities of Lenzing Aktiengesellschaft are outstanding, be the fifth Business Day following the date on which such securities may become payable due to put notices of the holders of such securities in respect of the same Change of Control (or a similar concept); and (iii) must, if at the relevant time no senior debt securities of Lenzing

können; und (ii) falls zum betreffenden Zeitpunkt keine nicht nachrangigen Fremdkapitalwertpapiere der Lenzing Aktiengesellschaft ausstehen, ein Geschäftstag sein muss, der nicht mehr als 40 Tage nach Bekanntmachung der Kontrollwechsel-Mitteilung liegen darf.

(6) *Bekanntmachung der Rückzahlung.* Die Emittentin kann ein Recht zur Rückzahlung gemäß § 6(3) und (4) durch eine Bekanntmachung an die Anleihegläubiger gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 60 Tagen ausüben. Die Bekanntmachung hat in den Fällen von § 6(3)(b) den Namen und die Geschäftsstelle der Institution, welche durch die Emittentin als Make-whole-Berechnungsstelle ernannt wurde, bzw. in den Fällen des § 6(4) diejenigen Tatsachen zu enthalten, auf welche die Emittentin ihr Rückzahlungsrecht stützt, und den für die Rückzahlung festgelegten Tag bezeichnen.

§ 7

ZAHLSTELLEN UND BERECHNUNGSSTELLE

(1) *Bestellung.* Die Emittentin hat BNP Paribas Securities Services, Luxembourg Branch als Hauptzahlstelle in Bezug auf die Schuldverschreibungen (die "**Hauptzahlstelle**") und gemeinsam mit jeder etwaigen von der Emittentin nach § 7(2) bestellten zusätzlichen Zahlstelle, die ("**Zahlstellen**") bestellt.

Die Emittentin hat BNP Paribas Securities Services, Luxembourg Branch als Berechnungsstelle in Bezug auf die Schuldverschreibungen (die "**Berechnungsstelle**") und, gemeinsam mit den Zahlstellen, die ("**Verwaltungsstellen**") bestellt.

Die Geschäftsräume der BNP Paribas Securities Services, Luxembourg Branch befinden sich unter der folgenden Adresse:

60, avenue J.F. Kennedy
L-1855 Luxembourg
Großherzogtum Luxemburg

(2) *Änderung oder Beendigung der Bestellung.* Die Emittentin behält sich das Recht vor, jederzeit die Ernennung einer Zahlstelle oder der Berechnungsstelle zu verändern oder zu beenden und Nachfolger- bzw. zusätzliche Zahlstellen oder eine Nachfolger-Berechnungsstelle zu ernennen. Den Anleihegläubigern werden Änderungen in Bezug auf die Zahlstellen oder die Berechnungsstelle und deren

Aktiengesellschaft are outstanding, be a Business Day which falls not more than 40 days after publication of the Change of Control Notice.

(6) *Notification of Redemption.* The Issuer will give not less than 10 nor more than 60 days' notice to the Noteholders in accordance with § 13 of any redemption pursuant to § 6(3) and (4). In the case of § 6(3)(b) such notice will set forth the name and address of the institution appointed by the Issuer as Make-whole Calculation Agent and in the cases of § 6(4) such notice will set forth the underlying facts of the Issuer's right to redemption and specify the date fixed for redemption.

§ 7

PAYING AND CALCULATION AGENT

(1) *Appointment.* The Issuer has appointed BNP Paribas Securities Services, Luxembourg branch as principal paying agent with respect to the Notes (the "**Principal Paying Agent**") and, together with any additional paying agent appointed by the Issuer in accordance with § 7(2), the "**Paying Agents**").

The Issuer has appointed BNP Paribas Securities Services, Luxembourg branch as calculation agent with respect to the Notes (the "**Calculation Agent**") and, together with the Paying Agents, the "**Agents**").

The address of the specified offices of BNP Paribas Securities Services, Luxembourg branch is:

60, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent or the Calculation Agent and to appoint successor or additional Paying Agents or a successor Calculation Agent. Notice of any change in the Paying Agents or the Calculation Agent or in the specified office of any

angegebene Geschäftsstellen umgehend gemäß § 13 bekannt gemacht.

(3) *Status der beauftragten Stellen.* Die Verwaltungsstellen handeln ausschließlich als Vertreter der Emittentin und übernehmen keine Verpflichtungen gegenüber den Anleihegläubigern; es wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet. Die Verwaltungsstellen sind von den Beschränkungen des § 181 BGB befreit.

(4) *Unabhängiger Berater.* Wenn die Emittentin gemäß § 3(5)(a) einen Unabhängigen Berater bestellt, dann ist § 7(3) auf den Unabhängigen Berater entsprechend anzuwenden.

(5) *Make-whole-Berechnungsstelle.* Wenn die Emittentin gemäß § 6(3)(b) eine Make-whole-Berechnungsstelle bestellt, dann ist § 7(3) auf die Make-whole-Berechnungsstelle entsprechend anzuwenden.

§ 8 STEUERN

Kapital und Zinsen werden von der Emittentin ohne Abzug oder Einbehalt gegenwärtiger oder zukünftiger Steuern, Abgaben oder amtlicher Gebühren gleich welcher Art gezahlt, die von oder in dem Land, in dem die Emittentin ihren Hauptsitz oder Steuersitz hat, oder für dessen Rechnung oder von oder für Rechnung einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde auferlegt, erhoben oder eingezogen werden, es sei denn, ein solcher Abzug oder Einbehalt an der Quelle ist gesetzlich vorgeschrieben. Sofern die Emittentin gesetzlich zu einem solchen Einbehalt oder Abzug verpflichtet ist, wird sie die zusätzlichen Beträge ("**zusätzlichen Beträge**") an Kapital und Zinsen zahlen, die erforderlich sind, damit der dem Anleihegläubiger nach diesem Abzug oder Einbehalt an der Quelle zufließende Nettobetrag jeweils den Beträgen an Kapital und Zinsen entspricht, die ihm zustehen würden, wenn der Abzug oder Einbehalt nicht erforderlich wäre. Solche zusätzlichen Beträge sind jedoch nicht zahlbar aufgrund von Steuern, Abgaben oder amtlicher Gebühren, die

(a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise als durch Einbehalt oder Abzug von zahlbaren Beträgen zu entrichten sind; oder

Paying Agent or the Calculation Agent will promptly be given to the Noteholders pursuant to § 13.

(3) *Status of the Agents.* The Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of contract, agency or trust for or with any of the Noteholders. The Agents are exempt from the restrictions of § 181 of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*).

(4) *Independent Advisor.* If the Issuer appoints an Independent Advisor in accordance with § 3(5)(a), § 7(3) shall apply *mutatis mutandis* to the Independent Advisor.

(5) *Make-whole Calculation Agent.* If the Issuer appoints a Make-whole Calculation Agent in accordance with § 6(3)(b), § 7(3) shall apply *mutatis mutandis* to the Make-whole Calculation Agent.

§ 8 TAXATION

Principal and interest shall be payable by the Issuer without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or collected by or in or on behalf of the country in which the Issuer has its domicile or tax residence or by or on behalf of any political subdivision or authority therein having power to tax, unless such deduction or withholding at source is required by law. If the Issuer is required by law to make such withholding or deduction, it shall pay such additional amounts (the "**Additional Amounts**") of principal and interest as may be necessary in order that the net amounts received by the Noteholder after such deduction or withholding at source equal the respective amounts of principal and interest which would have been receivable had no such deduction or withholding been required. No such Additional Amounts shall, however, be payable on account of any taxes, duties or governmental charges which:

(a) are payable by a Custodian or the creditor's collection agent or otherwise than by withholding or deduction from amounts payable; or

- (b) wegen gegenwärtiger oder früherer persönlicher oder geschäftlicher Beziehungen des Anleihegläubigers zu dem Land, in dem die Emittentin ihren Hauptsitz oder Steuersitz hat, zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in dem Land, in dem die Emittentin ihren Hauptsitz oder Steuersitz hat, stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (c) aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung, eines zwischenstaatlichen Abkommens oder einer zwischenstaatlichen Verständigung über deren Besteuerung, an der das Land, in dem die Emittentin ihren Hauptsitz oder Steuersitz hat, oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung, Vereinbarung, Abkommen oder Verständigung umsetzt oder befolgt, abzuziehen oder einzubehalten sind.
- (b) are payable by reason of the Noteholder having, or having had, some personal or business connection with the country in which the Issuer has its domicile or tax residence, and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the country where the Issuer has its domicile or tax residence; or
- (c) are to be withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which the country where the Issuer has its domicile or tax residence or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty, agreement or understanding.

Die Emittentin ist keinesfalls verpflichtet, zusätzliche Beträge in Bezug auf einen Einbehalt oder Abzug von Beträgen zu zahlen, die gemäß Sections 1471 bis 1474 des U.S. Internal Revenue Code (in der jeweils geltenden Fassung oder gemäß Nachfolgebestimmungen), gemäß zwischenstaatlicher Abkommen, gemäß den in einer anderen Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem Internal Revenue Service geschlossenen Verträgen von der Emittentin, der jeweiligen Zahlstelle oder einem anderen Beteiligten abgezogen oder einbehalten wurden ("**FATCA-Steuerabzug**") oder Anleger in Bezug auf einen FATCA-Steuerabzug schadlos zu halten.

§ 9

VORLEGUNGSFRIST

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist der Schuldverschreibungen wird auf zehn Jahre verkürzt.

§ 10

ERSETZUNG

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in

In any event, the Issuer will have no obligation to pay additional amounts deducted or withheld by the Issuer, the relevant Paying Agent or any other party in relation to any withholding or deduction of any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA Withholding**") or indemnify any investor in relation to any FATCA Withholding.

§ 9

PRESENTATION PERIOD

The period for presentation of the Notes provided in § 801 paragraph 1, sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*) will be reduced to 10 years.

§ 10

SUBSTITUTION

(1) *Substitution.* The Issuer may at any time, if no payment of principal or interest on any of the Notes is in default or deferred, without the consent of the

Verzug befindet oder diese aufgeschoben hat, ohne Zustimmung der Anleihegläubiger, eine Gesellschaft, die direkt oder indirekt von der Emittentin kontrolliert wird, als neue Emittentin für alle sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Verpflichtungen mit schuldbeitreitender Wirkung für die Emittentin an die Stelle der Emittentin zu setzen (die "**Neue Emittentin**"), sofern

- (a) die Neue Emittentin sämtliche Verpflichtungen der Emittentin aus oder im Zusammenhang mit den Schuldverschreibungen rechtswirksam übernimmt;
- (b) die Neue Emittentin in der Lage ist, sämtliche zur Erfüllung der aufgrund der Schuldverschreibungen bestehenden Zahlungsverpflichtungen erforderlichen Beträge in Euro an das Clearingsystem oder die Hauptzahlstelle zu zahlen, und zwar ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Emittentin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden;
- (c) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Neuen Emittentin auf die Schuldverschreibungen zahlbaren Beträge auf nachrangiger Basis zu Bedingungen garantiert, die sicherstellen, dass jeder Anleihegläubiger wirtschaftlich mindestens so gestellt wird, wie er ohne die Ersetzung stehen würde (die "**Ersetzungsgarantie**");
- (d) die Neue Emittentin und die Emittentin alle etwaigen für die Ersetzung notwendigen Genehmigungen und Zustimmungen von Regierungsstellen und Aufsichtsbehörden erhalten haben, die Emittentin alle etwaigen für die Abgabe der Ersetzungsgarantie notwendigen Genehmigungen und Zustimmungen von Regierungsstellen und Aufsichtsbehörden erhalten hat, die Neue Emittentin alle etwaigen für die Erfüllung ihrer Verpflichtungen aus den Schuldverschreibungen notwendigen Genehmigungen und Zustimmungen von Regierungsstellen und Aufsichtsbehörden erhalten hat, sämtliche dieser etwaigen Genehmigungen und Zustimmungen weiterhin in vollem Umfang gültig und wirksam sind, und die Verpflichtungen der Neuen Emittentin aus den

Noteholders, substitute for the Issuer any other company which is directly or indirectly controlled by the Issuer as new issuer (the "**New Issuer**") in respect of all obligations arising under or in connection with the Notes with the effect of releasing the Issuer of all such obligations, if:

- (a) the New Issuer validly assumes any and all obligations of the Issuer arising under or in connection with the Notes;
- (b) the New Issuer is in the position to pay to the Clearing System or to the Principal Paying Agent in Euro and without deducting or withholding any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Issuer has its domicile or tax residence all amounts required for the performance of the payment obligations arising from or in connection with the Notes;
- (c) the Issuer irrevocably and unconditionally guarantees on a subordinated basis such obligations of the New Issuer under the Notes on terms which ensure that each Noteholder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place (the "**Substitution Guarantee**");
- (d) the New Issuer and the Issuer have obtained any necessary governmental and regulatory approvals and consents, if any, for such substitution, the Issuer (if it is not itself the New Issuer) has obtained any necessary approvals and consents, if any, for the giving of the Substitution Guarantee, the New Issuer has obtained any necessary governmental and regulatory approvals and consents, if any, for the performance of its obligations under the Notes, all such approvals and consents, if any, are in full force and effect, and the obligations assumed by the New Issuer under the Notes and the Substitution Guarantee given by the Issuer are each valid and binding in accordance with their respective terms and enforceable by each Noteholder;

Schuldverschreibungen und die von der Emittentin begebene Ersetzungsgarantie jeweils gemäß ihren Bestimmungen wirksam und rechtsverbindlich und durch jeden Anleihegläubiger durchsetzbar sind;

- (e) die Neue Emittentin sich verpflichtet, jedem Anleihegläubiger alle Steuern, Gebühren oder Abgaben zu erstatten, die ihm infolge der Schuldübernahme durch die Neue Emittentin auferlegt werden, vorausgesetzt, dass sich die Verpflichtung auf Beträge beschränkt, die der Anleihegläubiger ohne die Ersetzung der Emittentin nicht hätte tragen müssen;
- (f) der Hauptzahlstelle bezüglich der betroffenen Rechtsordnungen jeweils ein Rechtsgutachten einer Anwaltskanzlei vorgelegt wurde, das bestätigt, dass die Bestimmungen in § 10(1)(a) bis (e) erfüllt wurden

(2) *Bezugnahmen.* Im Fall einer Schuldnerersetzung gemäß § 10(1) gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin als eine solche auf die Neue Emittentin.

Die Bezugnahme auf Österreich in § 14(1) gilt auf den Staat (die Staaten), in welchem die Neue Emittentin steuerlich ansässig ist. § 2(1) gilt als insoweit angepasst, dass der Rang der Ansprüche aus den Schuldverschreibungen gleichbleibt.

Zudem bezieht sich die Bezugnahme auf die Emittentin in Satz 1 unter (i) der Definition von Obligatorisches Nachzahlungsereignis weiterhin nur auf die Lenzing Aktiengesellschaft.

(3) *Bekanntmachung und Wirksamwerden der Ersetzung.* Die Ersetzung der Emittentin ist gemäß § 13 bekanntzumachen. Mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin und im Fall einer wiederholten Anwendung dieses § 10 jede frühere Neue Emittentin von ihren sämtlichen Verpflichtungen aus den Schuldverschreibungen frei. Im Fall einer solchen Schuldnerersetzung wird (werden) die Wertpapierbörse(n) informiert, an der (denen) die Schuldverschreibungen dann notiert sind.

§ 11 WEITERE EMISSIONEN

Die Emittentin kann ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen begeben, die in jeder Hinsicht (mit Ausnahme der

- (e) the New Issuer undertakes to reimburse any Noteholder for such taxes, fees or duties which may be imposed upon such Noteholder as a consequence of the assumption of the Issuer's obligations by the New Issuer, provided that such undertaking shall be limited to amounts that would not have been imposed upon the Noteholder had such substitution not occurred;
- (f) there shall have been delivered to the Principal Paying Agent for each jurisdiction affected one opinion of a law firm to the effect that § 10(1)(a) through (e) above have been satisfied.

(2) *References.* In the event of a substitution pursuant to § 10(1), any reference in these Terms and Conditions to the Issuer will be a reference to the New Issuer.

The reference to Austria in § 14(1) will be a reference to the New Issuer's country (countries) of domicile and § 2(1) is deemed to be amended insofar that the ranking of the Notes stays the same.

In addition, the reference to the Issuer in sentence 1 under (i) of the definition of Compulsory Settlement Event shall continue to refer only to Lenzing Aktiengesellschaft.

(3) *Notice and effectiveness of substitution.* Notice of any substitution of the Issuer shall be given by notice in accordance with § 13. Upon such publication, the substitution shall become effective, and the Issuer and in the event of a repeated application of this § 10, any previous New Issuer shall be discharged from any and all obligations under the Notes. In the case of such substitution, the stock exchange(s), if any, on which the Notes are then listed will be notified.

§ 11 FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders, create and issue further Notes of the series having the same terms and conditions as the

ersten Zinszahlung) die gleichen Bedingungen wie die Schuldverschreibungen dieser Anleihe haben und die zusammen mit den Schuldverschreibungen dieser Anleihe eine einzige Anleihe bilden.

§ 12

ÄNDERUNG DER ANLEIHEBEDINGUNGEN; GEMEINSAMER VERTRETER

(1) *Änderung der Anleihebedingungen.* Die Emittentin kann die Anleihebedingungen mit Zustimmung aufgrund Mehrheitsbeschlusses der Anleihegläubiger nach Maßgabe der §§ 5 ff. SchVG ändern. Eine Änderung der Anleihebedingungen ohne Zustimmung der Emittentin scheidet aus.

Die Anleihegläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen mit den in dem nachstehenden § 12(2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger verbindlich.

(2) *Mehrheitserfordernisse.* Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Anleihegläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen, insbesondere in den Fällen des § 5 Absatz 3 Nummer 1 bis 9 SchVG, geändert wird, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**"). Das Stimmrecht ruht, solange die Schuldverschreibungen der Emittentin oder einem mit ihr verbundenen Unternehmen (§ 271 Absatz 2 HGB) zustehen oder für Rechnung der Emittentin oder eines mit ihr verbundenen Unternehmens gehalten werden.

(3) *Beschlüsse.* Beschlüsse der Anleihegläubiger werden entweder in einer Gläubigerversammlung nach § 12(3)(a) oder im Wege der Abstimmung ohne Versammlung nach § 12(3)(b) getroffen, die von der Emittentin oder einem gemeinsamen Vertreter, sofern vorhanden, einberufen wird. Anleihegläubiger, deren Schuldverschreibungen zusammen 5 % des jeweils ausstehenden Gesamtnennbetrags der Schuldverschreibungen erreichen, können gemäß § 9 Absatz 1 S. 2 SchVG schriftlich die Einberufung einer Anleihegläubigerversammlung oder Abstimmung

Notes in all respects (except for the first payment of interest) so as to form a single series with the Notes of the series.

§ 12

AMENDMENTS TO THE TERMS AND CONDITIONS; JOINT REPRESENTATIVE

(1) *Amendment of the Terms and Conditions.* The Issuer may amend the Terms and Conditions with the consent of a majority resolution of the Noteholders pursuant to §§ 5 et seq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – SchVG*) (the "**SchVG**"). There will be no amendment of the Terms and Conditions without the Issuer's consent.

In particular, the Noteholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5(3) SchVG by resolutions passed by such majority of the votes of the Noteholders as stated under § 12(2) below. A duly passed majority resolution will be binding upon all Noteholders.

(2) *Majority requirements.* Except as provided by the following sentence and provided that the quorum requirements are being met, the Noteholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5(3) numbers 1 through 9 SchVG, may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**"). The voting right is suspended as long as any Notes are attributable to the Issuer or any of its affiliates (within the meaning of § 271(2) of the German Commercial Code (*Handelsgesetzbuch – HGB*)) or are being held for the account of the Issuer or any of its affiliates.

(3) *Resolutions.* Resolutions of the Noteholders will be made either in a Noteholders' meeting in accordance with § 12(3)(a) or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 12(3)(b), in either case convened by the Issuer or a joint representative, if any. Pursuant to § 9(1) sentence 2 SchVG, Noteholders holding Notes in the total amount of 5 per cent. of the outstanding Principal Amount of the Notes may in writing request to convene a Noteholders' meeting or vote without a

ohne Versammlung mit einer gemäß § 9 Absatz 1 S. 2 SchVG zulässigen Begründung verlangen.

(a) Beschlüsse der Anleihegläubiger im Rahmen einer Gläubigerversammlung werden nach §§ 9 ff. SchVG getroffen. Die Einberufung der Gläubigerversammlung regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Einberufung der Gläubigerversammlung werden in der Tagesordnung die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.

(b) Beschlüsse der Anleihegläubiger im Wege der Abstimmung ohne Versammlung werden nach § 18 SchVG getroffen. Die Aufforderung zur Stimmabgabe durch den Abstimmungsleiter regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Aufforderung zur Stimmabgabe werden die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.

(4) *Zweite Gläubigerversammlung.* Wird die Beschlussfähigkeit bei der Abstimmung ohne Versammlung nach § 12(3)(b) nicht festgestellt, kann der Abstimmungsleiter eine Gläubigerversammlung einberufen, welche als zweite Gläubigerversammlung im Sinne des § 15 Absatz 3 Satz 3 SchVG gilt.

(5) *Anmeldung.* Die Stimmrechtsausübung ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor der Gläubigerversammlung im Falle einer Gläubigerversammlung (wie in § 12(3)(a) oder § 12(4) beschrieben) bzw. vor dem Beginn des Abstimmungszeitraums im Falle einer Abstimmung ohne Versammlung (wie in § 12(3)(b) beschrieben) unter der in der Aufforderung zur Stimmabgabe angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Anleihegläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung ihrer Depotbank in Textform und die Vorlage eines Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis zu dem angegebenen Ende der Versammlung (einschließlich) bzw. dem Ende des

meeting for any of the reasons permitted pursuant to § 9(1) sentence 2 SchVG.

(a) Resolutions of the Noteholders in a Noteholders' meeting will be made in accordance with § 9 et seq. SchVG. The convening notice of a Noteholders' meeting will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders in the agenda of the meeting.

(b) Resolutions of the Noteholders by means of a voting not requiring a physical meeting (*Abstimmung ohne Versammlung*) will be made in accordance § 18 SchVG. The request for voting as submitted by the chairman (*Abstimmungsleiter*) will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders together with the request for voting.

(4) *Second noteholders' meeting.* If it is ascertained that no quorum exists for the vote without meeting pursuant to § 12(3)(b), the chairman (*Abstimmungsleiter*) may convene a meeting, which shall be deemed to be a second meeting within the meaning of § 15(3) sentence 3 SchVG.

(5) *Registration.* The exercise of voting rights is subject to the registration of the Noteholders. The registration must be received at the address stated in the request for voting no later than the third day prior to the meeting in the case of a Noteholders' meeting (as described in § 12(3)(a) or § 12(4)) or the beginning of the voting period in the case of voting not requiring a physical meeting (as described in § 12(3)(b)), as the case may be. As part of the registration, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of their respective Custodian in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting or day the voting period ends, as the case may be.

Abstimmungszeitraums (einschließlich) nicht übertragen werden können.

(6) *Gemeinsamer Vertreter.* Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung und Abberufung eines gemeinsamen Vertreters, die Aufgaben und Befugnisse des gemeinsamen Vertreters, die Übertragung von Rechten der Anleihegläubiger auf den gemeinsamen Vertreter und eine Beschränkung der Haftung des gemeinsamen Vertreters bestimmen. Die Bestellung eines gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt wird, wesentlichen Änderungen der Anleihebedingungen gemäß § 12(1) zuzustimmen.

(7) *Bekanntmachungen.* Bekanntmachungen betreffend diesen § 12 erfolgen gemäß den §§ 5ff. SchVG sowie nach § 13.

(8) *Änderung der Garantie.* Die oben aufgeführten auf die Änderung der Anleihebedingungen anwendbaren Bestimmungen finden sinngemäß auf eine etwaige Ersetzungsgarantie Anwendung.

§ 13 BEKANNTMACHUNGEN

(1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen, außer wie in § 12 vorgesehen, sind auf der Internetseite der Luxemburger Börse (www.bourse.lu) elektronisch zu veröffentlichen. Jede derartige Mitteilung gilt mit dem dritten Tag nach dem Tag der Veröffentlichung (oder bei mehrfacher Veröffentlichungen mit dem dritten Tag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.

(2) *Mitteilungen an das Clearingsystem.* Solange Schuldverschreibungen an der Luxemburger Börse notiert sind, sind alle die Schuldverschreibungen betreffenden Mitteilungen gemäß § 13(1) bekanntzumachen. Soweit die Mitteilung den Zinssatz betrifft, oder die Regeln der Luxemburger Börse dies sonst zulassen, kann die Emittentin eine Veröffentlichung nach § 13(1) durch eine Mitteilung an das Clearingsystem zur Weiterleitung an die Anleihegläubiger ersetzen; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearingsystem als den Anleihegläubigern mitgeteilt.

(6) *Joint representative.* The Noteholders may by majority resolution provide for the appointment or dismissal of a joint representative, the duties and responsibilities and the powers of such joint representative, the transfer of the rights of the Noteholders to the joint representative and a limitation of liability of the joint representative. Appointment of a joint representative may only be passed by a Qualified Majority if such joint representative is to be authorised to consent to a material change in the substance of the Terms and Conditions in accordance with § 12(1) hereof.

(7) *Notices.* Any notices concerning this § 12 will be made in accordance with § 5 et seq. SchVG and § 13.

(8) *Amendments to the Guarantee.* The provisions set out above applicable to the amendment of the Terms and Conditions shall apply mutatis mutandis to any Substitution Guarantee.

§ 13 NOTICES

(1) *Publication.* All notices concerning the Notes, except as stipulated in § 12, will be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange (www.bourse.lu). Any notice will be deemed to have been validly given on the third day following the date of such publication (or, if published more than once, on the third day following the date of the first such publication).

(2) *Notification to Clearing System.* So long as any Notes are listed on the Luxembourg Stock Exchange, § 13(1) shall apply. In the case of notices regarding the rate of interest or, if the rules of the Luxembourg Stock Exchange otherwise so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Noteholders, in lieu of publication as set forth in § 13(1) above; any such notice shall be deemed to have been given on the seventh day after the day on which the said notice was given to the Clearing System.

§ 14
SCHLUSSBESTIMMUNGEN

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Anleihegläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht und sollen ausschließlich nach deutschem Recht ausgelegt werden, mit Ausnahme von § 2 dieser Anleihebedingungen, der dem Recht der Republik Österreich unterliegt.

(2) *Gerichtsstand.* Vorbehaltlich eines zwingend vorgeschriebenen Gerichtsstands für bestimmte Verfahren nach dem SchVG sind nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren (die "**Rechtsstreitigkeiten**") die Gerichte in Frankfurt am Main.

(3) *Geltendmachung von Rechten.* Jeder Anleihegläubiger ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Anleihegläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen geltend zu machen gegen Vorlage:

- (a) einer Bescheinigung der Depotbank, die (i) den vollen Namen und die volle Anschrift des Anleihegläubigers bezeichnet, (ii) den Gesamtnennbetrag von Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung den bei dieser Depotbank bestehenden Depots dieses Anleihegläubigers gutgeschrieben sind und (iii) bestätigt, dass die Depotbank dem Clearingsystem und der Hauptzahlstelle eine schriftliche Mitteilung gemacht hat, die die Angaben gemäß (i) und (ii) enthält und Bestätigungsvermerke des Clearingsystems sowie des betroffenen Kontoinhabers bei dem Clearingsystem trägt sowie
- (b) einer von einem Vertretungsberechtigten des Clearingsystems oder der Hauptzahlstelle bestätigten Ablichtung der Globalurkunde; oder
- (c) eines anderen, in Rechtsstreitigkeiten in dem Land der Geltendmachung zulässigen Beweismittels.

"**Depotbank**" bezeichnet ein Bank- oder sonstiges Finanzinstitut, bei dem der Anleihegläubiger Schuldverschreibungen im Depot verwahren lässt und das ein

§ 14
FINAL PROVISIONS

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer shall be governed by and construed exclusively in accordance with German law, except for § 2 of these Terms and Conditions, which shall be governed by the laws of the Republic of Austria.

(2) *Submission to Jurisdiction.* Subject to any mandatory jurisdiction for specific proceedings under the SchVG, the courts of Frankfurt am Main shall have non-exclusive jurisdiction for any action or other legal proceedings (the "**Proceedings**") arising out of or in connection with the Notes.

(3) *Enforcement of Rights.* Any Noteholder may in any proceedings against the Issuer or to which the Noteholder and the Issuer are parties protect and enforce in its own name its rights arising under its Notes on the basis of:

- (a) a certificate issued by its Custodian (i) stating the full name and address of the Noteholder, (ii) specifying an aggregate Principal Amount of Notes credited on the date of such statement to such Noteholder's securities account(s) maintained with its Custodian and (iii) confirming that its Custodian has given a written notice to the Clearing System and the Principal Paying Agent containing the information specified in (i) and (ii) and bearing acknowledgements of the Clearing System and the relevant account holder in the Clearing System and
- (b) a copy of the Global Note relating to the Notes, certified as being a true copy by a duly authorised officer of the Clearing System or the Principal Paying Agent; or
- (c) any other means of evidence permitted in legal proceedings in the country of enforcement.

"**Custodian**" means any bank or other financial institution with which the Noteholder maintains a securities account in respect of any Notes and having an account

Konto bei dem Clearingsystem hat, einschließlich des Clearingsystems.

(4) Die Anwendbarkeit des österreichischen KuratorenG (RGeBl 1874/49 zuletzt geändert durch BGeBl 1991/10) und des österreichischen Kuratoren-ErgänzungsG (RGeBl 1877/111 idF 1929/222) wird ausgeschlossen.

§ 15
SPRACHE

Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung dient nur zur Information.

maintained with the Clearing System, including the Clearing System.

(4) The applicability of the Austrian Curators Act (KuratorenG, RGeBl 1874/49 last amended by BGeBl 1991/10) and the Austrian Act on the Amendment of the Curators Act (Kuratoren-ErgänzungsG, RGeBl 1877/111 in the version of 1929/222) is excluded.

§ 15
LANGUAGE

These Terms and Conditions are written in the German language and provided with an English language translation. The German text will be the only legally binding version. The English language translation is provided for convenience only.

DESCRIPTION OF THE ISSUER AND THE GROUP

Information on the Issuer and the Group

History and Development of the Issuer

The Issuer was founded as "Zellwolle Lenzing AG" in 1938 and changed its name to "Lenzing Aktiengesellschaft" in 1984. Production of viscose fibers in Lenzing/Austria began in 1939.

In 1969, the Issuer acquired the pulp and paper plant on-site in Lenzing/Austria and in 1985, its shares were first listed on the Vienna Stock Exchange.

The Group's expansion to Asia began in 1980, when construction of PT. South Pacific Viscose's plant in Purwakarta/Indonesia was started. Production at the plant began in 1983 with an initial annual capacity of 30,000 tons and, in 2010, the fourth line of production became operational, increasing capacity to 240,000 tons as of March 31, 2011. In May 2004, the Issuer acquired the TENCEL™ group of companies, the only other large-scale manufacturer of lyocell fibers, from a subsidiary of the international financial group CVC Capital Partners, thus acquiring plants in Mobile/United States and Grimsby/UK, the TENCEL™ trademark and various property rights and patents relating to the lyocell process. In January 2005, the Group started construction of its viscose plant in Nanjing/China, which became operational in 2007. In addition, the Group acquired a paper pulp mill in Paskov/Czech Republic in 2010, which was later converted into the dissolving wood pulp mill as part of Lenzing's efforts towards rearward integration.

In 2015, Lenzing presented the new corporate strategy sCore TEN, which also included the expansion of capacities for the production of specialty fibers and the increase in Lenzing's self-supply with pulp. In line with this new strategic direction, important investment decisions were made in 2019 after several years of planning and preparation: the decisions to build the first lyocell fiber plant in Asia, specifically in Thailand, and to build a dissolving wood pulp plant in Brazil.

The launch of ECOVERO™ in 2017 resulted in a strong position for Lenzing in the production and commercialization of environmentally responsible Viscose fibers. Furthermore, after years of research and development, Lenzing launched its first filament yarn production, sold under the TENCEL™ Luxe brand, in 2017. With its production based on the environmentally friendly Lyocell technology, the new filament is used in sustainable high-end cellulose textiles in the fashion industry. Finally, when it commercially launched the REFIBRA™ technology in 2017, Lenzing achieved an unprecedented milestone for the circular economy in textiles. TENCEL™ x REFIBRA™ branded lyocell fibers are the first cellulosic fibers that use wood as well as scraps left over from the production of cotton clothing as the base material.

Information on the Issuer

The legal name of the Issuer is "Lenzing Aktiengesellschaft", the commercial name is "Lenzing AG". The Issuer is a stock corporation (*Aktiengesellschaft*) incorporated under Austrian law, with its seat in Lenzing, Austria and registered in the Companies Register of the Commercial Court of Wels Regional Court, under the Commercial register number FN 96499k.

Address and telephone number of registered office:

Werkstraße 2,
4860 Lenzing, Austria
Telephone number:
+43 7672 701 0.

The principal place of business and the registered office are identical.

The website of the Issuer is: www.lenzing.com.

The information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus (see "*Documents Incorporated by Reference*").

The LEI of the Issuer is: 529900BKFJBI0QRDJH63.

Major Shareholders

The share capital of the Issuer totaled EUR 27,574,071.43 as of December 31, 2019 and is divided into 26,550,000 no-par-value shares. The B&C Group is the majority shareholder with an investment in voting rights of 50% plus two shares. B&C Group covers B&C Privatstiftung and all its 100% direct and indirect subsidiaries. The direct shareholder of Lenzing is B&C KB Holding GmbH. Bank of Montreal holds 4.1% of the shares. The free float amounts to 45.9% and is held by Austrian and international investors. The Group holds no treasury shares.

Organizational Structure

Short Description of the Group and the Issuer's position within the Group

The Issuer is the parent company of the Group. The following table sets forth information about the Issuer's material subsidiaries as of December 31, 2019:

Subsidiary	Jurisdiction of incorporation	Share in %
LD Celulose S.A.*	Brazil	100.00
Lenzing Biocel Paskov a.s.	Czech Republic	100.00
Lenzing Fibers (Shanghai) Co., Ltd.	China	100.00
Lenzing Fibers GmbH	Austria	100.00
Lenzing Fibers Grimsby Limited	United Kingdom	100.00
Lenzing Fibers (Hongkong) Ltd.	China	100.00
Lenzing Fibers Inc.	USA	100.00
Lenzing (Nanjing) Fibers Co., Ltd.	China	100.00
Lenzing Technik GmbH**	Austria	100.00
Lenzing (Thailand) Co., Ltd.	Thailand	100.00
PT. South Pacific Viscose	Indonesia	92.85
Pulp Trading GmbH	Austria	100.00

* Duratex S.A. acquired 49% of the share in LD Celulose S.A. in January 2020 through an asymmetric capital increase.

**Lenzing Technik GmbH was merged during the year 2020 into the Issuer with retroactive effect as of 1 January 2020.

Dependency upon other Entities within the Group

The Issuer is not dependent on other entities within the Group.

Business Overview

Lenzing operates in an industry where growth is driven primarily by strong secular trends: steady population growth as well as rising prosperity in emerging markets leading to growth in global fiber demand.

Lenzing believes, that its sustainable wood-based cellulosic fiber solutions feature a superior environmental footprint and growth momentum compared to competing fibers, which are confronted with structural headwinds. While synthetic fibers face biodegradability issues and mounting regulatory pressure amid micro-plastics pollution and marine littering, cotton is being scrutinized for its substantial water and insecticide consumption as well as long-term supply constraints. This leaves wood-based cellulosic fiber with a considerable long-term growth opportunity from substitution, which is further fueled by underlying structural growth in emerging markets, where a rising eco-conscious middle class is expected to gradually strive for higher quality and comfort in clothing. Also in nonwovens, the underlying fundamentals are reassuring, owing to a structurally rising penetration of disposable products (e.g. wipes, hygiene products).

The Group is a leading global producer of high-quality wood-based cellulosic fibers for the global textile and non-wovens industry. It is an international group of companies headquartered in Austria, with production sites in all major markets and regions and a global network of sales and marketing offices. Its core products are wood-based cellulosic

fibers for the textile and nonwoven industry, that are sold under the TENCEL™, VEOCEL™ and LENZING™ brands. Its product portfolio further includes dissolving wood pulp as the basic raw material for the fiber production as well products resulting from its integrated and closed-loop processes, such as energy, biobased biorefinery products and co-products.

Wood-based cellulosic fibers are manufactured from dissolving pulp, a chemically produced, bleached wood pulp with high cellulose content. They provide similar absorbency and breathability as cotton, resulting in superior wearing comfort when compared to synthetic man-made fibers such as polyester, polypropylene and nylon. Wood-based cellulosic fibers are used in a wide variety of textile applications, such as knitted and woven garments or specialty technical fabrics, and nonwoven applications, such as baby wipes, personal hygiene products, medical swabs, household wipes and technical applications including filtration devices and automotive batteries.

The Group combines consistent customer orientation with high standards in quality, innovation and technology and focuses on specialty products and cost-efficient production. It is one of the few producers of wood-based cellulosic fibers with a large-scale global offer covering all three man-made cellulose fiber generations, from standard viscose staple fibers to specialties, such as modal fibers (TENCEL™ Modal) and lyocell fibers (TENCEL™ Lyocell). Moreover, the Group is committed to the principles of sustainable management and high environmental standards, operating unique bio-refineries that contribute positively to a circular economy and climate change through innovative, closed loop production processes with advanced recycling and recovery rates.

Lenzing's fiber production sites are located in Lenzing (Austria), Heiligenkreuz (Austria), Grimsby (UK), Mobile (Alabama, USA), Nanjing (China) and Purwakarta (Indonesia). Lenzing's pulp production sites are located in Lenzing (Austria) and Paskov (Czech Republic).

Lenzing is a trusted partner of global textile and nonwoven manufacturers driving the development of new technologies. Its branded, high-quality, sustainable fibers (e.g. TENCEL™, VEOCEL™) are used in a wide array of textile applications ranging from ladies clothing over versatile denims to high-performance sportswear and home textiles, among others. In the non-woven sector, its eco-friendly fibers are also well suited for hygiene products as well as agricultural and industrial applications, owing to their superior properties and biodegradability. Lenzing also markets the by-products of integrated cellulose and fiber production from its bio-refineries, which include acetic acid, furfural, magnesium lignin sulfonate, sodium sulphate and soda. Energy derived from the production process is reused for the operation of the bio-refineries, with any excess fed into the grid.

Lenzing's brand strategy is built around the three core brands, LENZING™, TENCEL™ and VEOCEL™. As a business to consumer ("B2C") brand, it aims to address the benefits that consumers value by offering a clear purpose. Lenzing has registered its brands in over 185 countries worldwide and operates a licensing system which enables its customers, but also other value chain partners to apply for specific licenses to use one of the Lenzing core brands.

In the assessment of the Issuer, a further key to sustainable success in this industry is Lenzing's own central R&D department. It is responsible for research work on new technologies, e.g. to combine fiber and nonwoven production in one step (LENZING™ Web Technology) or for increasing resource efficiency and strengthening the circular economy in the textile industry (e.g. ECOVERO™ and REFIBRA™). Further research targets include the optimization and improvement of the production processes for pulp and the various fiber types.

Lenzing's unique positioning as an environmentally responsible sector leader was underscored in 2019 when Lenzing committed to Science Based Targets. As per this commitment Lenzing aims to reduce its CO₂ intensity per mt of sold product by 40% until 2024, by 50% until 2030 and to achieve carbon neutrality by 2050.

Lenzing is listed on the Vienna Stock Exchange (AT0000644505). In the coming years, the primary focus will be on the implementation and execution of set climate targets and strategic investment projects in Thailand (lyocell fiber plant) and Brazil (dissolving pulp plant) to increase the share of specialty fibers and the backward integration in pulp to at least 75% by 2024.

Competitors and Competitive Strengths

Competitive Position

As of 2019, the global fiber market amounted to approximately 113 million tons, of which 107 million tons are used in textile applications, and 6 million tons in nonwovens applications. Lenzing management estimates the combined market for the wood-based cellulosic fibers viscose, lyocell, and modal in 2019 to be 7.2 million tons, accounting for approximately 6% of the global fiber market, in comparison to approximately 65% synthetic fibers, 23% cotton, 4% bast, 1% wool and the remainder other natural fibers. Within the global wood-based cellulosic fiber market viscose accounts for approximately 76%, lyocell for 4% and modal for 3%, with the remainder being other fibers.

Lenzing believes, that its sustainable wood-based cellulosic fiber solutions feature a superior environmental footprint and growth momentum compared to competing fibers, which are confronted with structural headwinds: While synthetic fibers face biodegradability issues and mounting regulatory pressure amid micro-plastics pollution and marine littering, cotton is being scrutinized for its substantial water and insecticide consumption as well as long-term supply constraints. Benefits of wood-based cellulosic fibers include low water consumption over the life cycle and the fact that they compete to only a low extent for agricultural land required for the production of food, a high level of wearing comfort, effectiveness in absorbing moisture from the human body and are perceived as soft and supple. In contrast to cotton, the fibers can already be equipped with certain additional properties during the production process, for example vibrant colors which do not wash out or with flame-retardant materials. Another major advantage is the purity of the fibers. This is essential to safeguard human health when used for nonwoven applications which are subject to strict medical and hygiene standards. Purity also leads to considerable economic advantages when it comes to their further mechanical processing in the textile fiber segment. For example, spinning machines can produce more yarn with wood-based cellulosic fibers in the same period of time than with cotton fibers. This leaves wood based cellulosic fibers with a considerable long-term growth opportunity from substitution, which is further fueled by underlying structural growth in emerging markets, where a rising eco-conscious middle class is expected to gradually strive for higher quality and comfort in clothing. Also in nonwovens, the underlying fundamentals are reassuring, owing to a structurally rising penetration of disposable products (e.g. wipes, hygiene products).

The Group is one of the few producers of wood-based cellulosic fibers with an industrial-scale global offer covering all three man-made cellulose fiber generations, from standard viscose staple fibers to specialty modal fibers and lyocell fibers. In particular, it is by far the largest global industrial-scale producer of lyocell fibers, which the Group markets under the brand name TENCEL™. Specialty fibers, such as TENCEL™ Lyocell and TENCEL™ Modal, are a cornerstone of the Group's success and accounted for 51.6% of the Group's sales in 2019. The Group also develops and markets specialty fibers with specific functional properties, such as flame and heat retardant fibers, marketed under the LENZING™ FR brand.

Major Competitors of Lenzing include Sateri, Grasim Industries, Xinjiang Zhongtai Chemical, and Tangshan Sanyou Chemical Industries.

Competitive Strengths

Over the decade between 2009 and 2019, the wood-based cellulosic fiber industry has been experiencing strong growth within the fiber industry with a compound annual growth rate of 8.4% driven by megatrends, including the trend to sustainable materials (e.g., natural origin, biodegradability), and population growth coupled with higher purchasing power driving overall fiber demand, and natural growth limitations of other fiber materials (e.g., cotton). Lenzing management believes the Group will benefit from those secular trends because in its assessment:

- The Group is a sustainability leader in the fiber production industry, as confirmed by superior ESG ratings (including MSCI A, ISS Oekom B-, and Ecovadis Gold, Top 5%, Canopy's Hot Button). Lenzing is the only wood-based cellulosic fiber manufacturer with approved science-based targets to achieve carbon-neutrality by 2050; Lenzing engages its supply chain partners in sustainability tracing to enhance transparency along the entire value chain. Lenzing's non-woven products are compostable and biodegradable and can fully revert back to nature. Furthermore, the Group sees itself as a global market and technology leader ideally positioned to capture the expected growth in the wood-based cellulosic fiber industry.

- The Group with brands including TENCEL™ as the umbrella brand for all specialty products in the textile segment and VEOCEL™ as the umbrella brand for all specialty nonwoven products, and LENZING™ for all industrial applications is able to differentiate itself from generic wood-based cellulosic fibers. Its focus on specialty fibers affords the Group increased margins due to premium pricing and reduced earnings volatility due to a lower exposure to the cyclicity of the viscose fiber commodity.
- Lenzing is one of the leaders in the wood based cellulosic fiber industry, accounting for 14% of the global installed production capacity. The Group benefits from cost advantages through its integrated business model and economies of scale. Lenzing is among the few companies in the wood-based cellulosic fiber industry which operates its own dissolving wood pulp mills supplying 586,000 tons of dissolving wood pulp in 2019. In addition, economies of scale will be enhanced once its single-line dissolving wood pulp plant in Brazil will be completed, as the largest of its kind, as well as its greenfield manufacturing plant in Thailand as the largest lyocell facility in the world.
- The Group offers a broad product portfolio, e.g., spun-dyed viscose fibers, lyocell specialties including shortcut, coarse, fill, which serve highly profitable niche markets. Lenzing has the innovation power to further develop special fibers tailored to market trends and niche applications. Recent launches include TENCEL™ X REFIBRA™, TENCEL™ Luxe, and Lenzing™ Web technology. The Group operates in a market with high barriers to entry, including high capital expenditures, proprietary know-how particularly for specialty fibers, and brands.
- The Group has a good financial track record, with healthy growth (e.g. EBITDA growth 6.35% 2014-19) and profit margins (15.5% EBITDA margin in 2019) in the past and a mid-term leverage target of under 2.5x.
- The management board of Lenzing Group consists of an experienced team of professionals with a diverse global expertise and is supported by a supervisory board consisting of independent directors and employee representatives.

Business Strategy

In 2015, the Group enacted a new corporate strategy, named sCore TEN.

The sCore TEN corporate strategy, which the Group has consistently implemented since then, outlines the direction the company aims to take together with its employees, suppliers, customers, partners and investors.

Lenzing aims to becoming the preeminent supplier of environmentally responsible fibers from natural raw materials that are biodegradable and compostable at the end of their lifecycle.

As a consequence, the concept of sCore TEN is based on striving for innovation and above-average business success (SCORE), the strong core business with wood-based cellulosic fibers from sustainable production as the driver of the development (CORE) and the focus on growth based on specialty fibers, above all TENCEL™ lyocell fibers (TEN). A key focus area is the repositioning and upgrading of existing commodity sites to specialty sites. The heart in the logo represents the corporate values and culture, which were developed as part of the strategy process, and stands for Lenzing as a reliable partner.

Over the last years, specialty fibers have consistently accounted for an increasing share of Lenzing Group's revenue:

Lenzing Group's revenue composition by type

	Q3 2020	2019	2018
Specialty Fibers	61%	52%	46%
Standard Fibers	22%	34%	40%
Other business areas	17%	15%	15%



Lenzing management continues to expect (i) strong growth in the fiber business that will be driven primarily by steady population growth and rising prosperity in the emerging markets, and that(ii) per capita textile consumption will continue to rise.

Strengthen the Core

The strategic cornerstones have therefore remained largely unchanged since 2015. Pulp is extracted from the renewable raw material wood. The pulp produced in the biorefineries of the Group is processed into cellulosic fibers. Lenzing produces most of the pulp internally and aims to increase this share to more than 75% by 2024 in order to secure a reliable and cost-competitive source of pulp to protect against volatile prices in the future, and ensure quality and innovation at the pulp-to-fiber interface. The remaining amount is purchased from partners on the basis of one long-term and several shorter-term agreements. The implementation of the expansion project in Brazil will be a key project to achieve this strategic goal in the coming years.

Quality and sustainability will remain the foundation of success in the future. A new focus of the sCore TEN strategy is the implementation of the climate targets, which have been scientifically confirmed by the Science Based Targets initiative. Lenzing plans to cut its CO₂ emissions substantially in the coming years with the goal of achieving climate-neutral production in 2050. In line with its strategic commitment for 2024, Lenzing strives to reduce emissions per ton of product by more than 40% compared with 2017. Lenzing plans to continue to invest in the development of its bio-refineries, the further strengthening of its closed-loop production processes and on enforcing full transparency and disclosure along the value chain.

Customer Intimacy

Lenzing continues to expand its partnerships and collaborations with companies along the value chain and further enhance customer intimacy in order to strengthen its quality position on the market. Moreover, Lenzing invests in the marketing of its brands to increase the visibility and continues to support customers and consumers in their purchasing decisions by creating a better understanding of products and their impact on the environment and society.

Specialization

Specialty fibers are Lenzing's great strength. Lenzing operates globally today and, with the aspiration to innovation leadership, is one of the premiere partners when it comes to high-quality specialty fibers. The strategic target to generate roughly 50% of revenue with specialty fibers in 2020 has been met. Lenzing aims for further organic growth

in this area in order to be resilient to volatile markets in the future. The focus is on the construction of the new, state-of-the-art lyocell plant in Thailand, with the objective to increase the share of specialty fibers in the revenue generated by the Segment Fiber to more than 75% by 2024.

Forward Solutions

Coming from its core business of pulp and fiber production, Lenzing strives to selectively forward integrate into attractive niches in the textile and nonwovens value chains, increasing its value-add. Recent examples include TENCEL™ Luxe, a branded filament yarn for luxury fashion debuting in 2017 and Lenzing™ Web Technology, a nonwoven web formation process that starts with botanic wood pulp and produces a nonwoven fabric made of 100 % continuous lyocell filament.

New Business Areas

Building on Lenzing's core strengths and capabilities such as engineering and product development, and expertise in the textile and nonwovens value chains, Lenzing aims to develop new businesses with above-average growth and profitability prospects in adjacent markets.

Examples include new applications for wood-base cellulosic fibers such as their use in-packaging and agriculture. Beyond its fibers, Lenzing decided to pool its knowledge engineering capabilities, and extensive sourcing network in a competence center for hygiene products by forming a joint venture (Hygiene Austria LP) at the peak of the Covid-19 pandemic to provide the residents of Austria and Europe with protection through locally manufactured, high-quality and certified protective equipment (community, surgical and FFP2 masks).

Products and Services

Products

Lenzing's product portfolio extends from dissolving wood pulp as the basic raw material to standard fibers and innovative specialty fibers as well as energy, biobased biorefinery products and co-products. Lenzing's own pulp productions at its sites in Lenzing (Austria, 320,000 tons capacity) and Paskov (Czech Republic, 275,000 tons capacity) are biorefineries, completely utilizing the raw material wood. Pulp is the biggest cost driver for the production of standard viscose amounting to 52% of the overall costs, assuming one ton of wood based cellulose fiber production requires one ton of dissolved wood pulp. Furthermore, chemicals and energy amounting to 17% and 13%, respectively of the production costs with 18% other costs.

Fibers

Lenzing fibers are used primarily for clothing, home textiles and hygiene products. Biological degradability is in the nature of Lenzing fibers. Lenzing fibers combine the biological properties of natural fibers with the processing advantages of mechanically/chemically produced fibers. The total fiber production capacities of Lenzing in 2018 and 2019 amount to 1,045,000 tons.

Lenzing Lyocell Fibers.

The Group is by far the largest global producer of lyocell fibers with a production capacity of 234,000 tons in 2019. The origin of all Lenzing fibers is cellulose, a component of the renewable natural raw material wood. Fibers production itself is particularly eco-friendly due to a closed cycle. More than 99% of the solvent used is recovered and recycled, making the Group's lyocell fibers sustainable. This closed production process was recognized by the European Union with its European Award for the Environment. Products made of lyocell fibers from Lenzing are more absorbent than cotton, softer than silk and cooler than linen. They are used in a wide range of applications that include sportswear, home textiles and mattresses as well as hygiene articles like wet wipes and baby wipes. Lenzing lyocell fibers are marketed primarily under the TENCEL™ and VEOCEL™ brands.

Lenzing Modal Fibers.

The Group's modal fibers are extracted from beech wood which is sourced in Austria and neighboring countries. The low fiber rigidity and modal cross-section make the fiber a natural softening agent. The finer the fiber, the softer the resulting textiles. Modal fibers from Lenzing can be blended with all types of fibers and easily processed using conventional machinery. These fibers are marketed primarily under the TENCEL™ brand. In 2019, Lenzing's production capacity amounted to 119,000 tons, making Lenzing the largest producer of modal fibers globally.

Lenzing Viscose Fibers.

Lenzing has been producing classic viscose fiber for more than 80 years. Viscose fibers from the Group are made from the renewable raw material wood. They absorb moisture well and are pleasant to wear. Lenzing viscose fibers are premium products on the global market and are used in clothing and hygiene articles. They are a fiber brand for fashionable clothing fabrics and in the hygiene sector, where purity and absorbency have top priority, they are used in products such as wipes, tampons and wound dressings. In 2019, Lenzing's production capacity amounted to 666,000 tons, positioning it in the top five producers globally.

Lenzing ECOVERO™ Fibers

LENZING™ ECOVERO™ viscose fibers are derived from sustainable wood and pulp, coming from certified and controlled sources. They have been certified with the EU Ecolabel as meeting high environmental standards throughout their life cycle: from raw material extraction to production, distribution and disposal. A special manufacturing system enables LENZING™ ECOVERO™ branded viscose fibers to be identified in the final product, even after long textile processing and conversion steps through the value chain.

Pulp and Co-Products

Dissolving Wood Pulp.

More than half of the dissolving wood pulp Lenzing uses for its fibers is produced in its own plants. Lenzing procures sustainably forested wood for pulp production at its sites in Lenzing (Austria) and Paskov (Czech Republic). More than half of the raw material the dissolving wood pulp plant in Lenzing procures comes from Austrian forests, with a smaller part coming from other European countries. For decades now, Lenzing has been acting as a reliable and supportive partner to the European forestry sector as shown through the various offtake agreements Lenzing has with various state forest organizations. The wood supplies come from forestry operations that are certified according to recognized sustainability criteria, such as the FSC® and PEFC™ standards. All wood suppliers, about 700, in all sourcing countries are assessed once a year by a scoring system utilizing PEFC or FSC® Controlled wood criteria. In addition to the captive use of dissolving wood pulp, Lenzing also sells dissolving wood pulp from both plants to other fiber producers.

Biorefinery and Co-Products.

Acetic acid, xylose, furfural, magnesium lignosulfonate, sodium sulphate and soda - all these substances are valuable co-products in Lenzing's production of wood-based cellulose and fibers.

The Group produces LENZING™ sodium sulphate as a co-product at all locations where viscose or modal fibers are made. It is used in the detergent and construction industries and for the production of food and animal feed. Biobased electricity and steam are produced and partly sold to the grid.

Sustainability

Lenzing's Sustainability Strategy "Naturally positive"

As an industry leader, Lenzing's management recognizes its responsibility and aims to live up to its pioneering role to drive the sustainability improvement in the textile and nonwoven industry by "greening up" the value chains. Lenzing focuses on circularity, partnering for systemic change to combat climate change and to contribute to the achievement of sustainable development goals. In this process, it seeks to balance the needs of society, the

environment and the economy. In order to tackle the far-reaching effects of climate change (i.e. rising mean temperature and sea levels, frequency/severity of natural disasters) on society and ecosystems (i.e. marine pollution), Lenzing offers a sustainable alternative with its innovative and biodegradable products. Moreover, Lenzing continuously works on improving its sustainability performance by setting targets aiming at enhancing its environmental and ecological footprint.

Sustainability is therefore a core value of the group and represents one of the most important business and innovation drivers for the company.

Lenzing differentiates itself in the market by seeing itself as the sustainability leader in the wood-based cellulosic fiber industry and by living up to its pioneering role to drive sustainability improvements throughout the textile and nonwovens industry. In this process, Lenzing seeks to balance the needs of society, environment and economy. To achieve this, Lenzing has developed its sustainability strategy "Naturally positive" which is an integral part of the group's overall sCore TEN strategy. Lenzing's sustainability approach is driven by "net-benefit thinking" taking a life-cycle perspective and thus including both upstream and downstream value chain processes. "Naturally positive" was developed on the basis of a detailed materiality analysis. It focuses on those sustainability aspects for which Lenzing management foresees the greatest impact in creating a more sustainable world. It is the basis for Lenzing's approach to contribute to the Sustainable Development Goals (SDGs) of the United Nations.

Driving Systemic Change

Complex global challenges call for a collaborative approach to design systemic solutions, involving many stakeholder groups. As a leader in wood-based cellulosic fibers, Lenzing management has assumed the responsibility and ambition to help raising the bar with regards to sustainability in the textile and nonwovens industries. Transparency is a prerequisite for fostering trust and long-term relationships. With its contributions to developing industry-wide methods, tools and approaches, Lenzing aims at helping the industry to progress on its sustainability roadmap by overcoming critical challenges. In order to drive and support systemic change, Lenzing engages in several multi stakeholder initiatives such as the Sustainable Apparel Coalition, Ellen McArthur Foundation, UNFCCC Fashion Climate Charter, Zero Discharge of Hazardous Chemicals, Canopy Style Initiative, Changing Markets Roadmap, Renewable Carbon Initiatives RCI, WEF PACE amongst others.

Advancing Circularity

The company unites the cellulosic fiber cycle of its wood-based products (biological cycle) with its innovative technologies that focus on closing loops in the production and the recovery of raw materials and chemicals (technical cycle).

The biological cycle starts from the renewable resource wood, which is converted into dissolving wood pulp and subsequently into fibers. Lenzing's biorefinery concept ensures 100% utilization of the renewable raw material wood. Wood that is used for the production of dissolving wood pulp and fibers and in addition provides valuable biobased products and energy. This biological cycle closes when the fibers biodegrade or are composted at their end of life after heavy usage in different applications.

In the technical cycle, Lenzing aims to minimize the environmental footprint and to improve resource efficiency by closing the loops of production technologies with state-of-the-art recovery and reuse systems. Following the net-benefit principle, Lenzing also considers the downstream value chain steps and develops new applications. Lenzing will advance its circular economy ambitions in limiting climate change to 2°C global temperature increase as outlined in the Paris Climate Agreement.

Greening the Value Chain

Lenzing's responsible practices and innovative products enable its customers and value chain partners to improve their environmental performance and achieve their sustainability targets and commitments. Responsible sourcing practices, water stewardship, decarbonization and sustainable innovations are the basis for Lenzing's efforts in greening the value chain. The sustainability targets for air emissions, water emissions, pollution and climate protection are a cornerstone for Lenzing's responsible entrepreneurship and act as a driver of innovation.

Lenzing has set a Group-wide Science Based Target for 2030 to reduce its CO2 emissions by 50% per ton of pulp and fibers sold vs 2017 and to become the world's first carbon neutral fiber producer in 2050 to de-risk its operations in the long-term from stricter regulations in countries where it has production sites. Lenzing's corporate strategy, sCore TEN has also recently been updated with a climate target (science based) for the year 2024 (40% reduction in CO2 emissions vs. 2017).

Brands

Brand Strategy

Lenzing's Brand Strategy is built around core brands, being TENCEL™ LENZING™, ECOVERO™ and VEOCEL™. This is the result of the streamlining of Lenzing's brand portfolio, which bases on the decision to focus on these core brands instead of following a multi-brand strategy.

One of the corner stones of this new brand architecture is to shift the brands to an ingredient brand providing consumers clear brand promise, globally aligned key benefit marketing claims by offering a clear message, focusing on emotional drivers of consumer needs and further support for their buying decision for the final products containing LENZING™ branded products. All coming together with a new online certification and licensing process via <https://brandingservice.lenzing.com>, efficiently supporting a steadily increasing demand of product certifications as well as licenses and "ready to be used" marketing materials offered by Lenzing. At the same time these branding services are also addressing a core need coming together with transparency and traceability among the textile value, by offering fiber identification technologies as well as smart digital technologies, like blockchain.

TENCEL™

TENCEL™ is Lenzing's brand for textile B2C specialties with the key properties "feel good with a natural touch". It focuses on its botanic ingredients with environmental-friendly production which gives consumers a clear conscious while having a soft, strong and smooth comfortable fiber. TENCEL™ fibers are the ingredient of choice for designers and brands focused on a better approach to comfort. TENCEL™ unveils a new standard of conscious fashion and interiors. TENCEL™ has five product branded offers, being TENCEL™ Denim, TENCEL™ Intimate, TENCEL™ Active, TENCEL™ Home and TENCEL™ Luxe, depending on the textile application.

LENZING™ ECOVERO™

Derived from certified renewable wood sources using an eco-responsible production process by meeting high environmental standards, the LENZING™ ECOVERO™ brand stands for a sustainable lifestyle, contributing to a cleaner environment.

VEOCEL™

VEOCEL™ is Lenzing's brand for non-woven B2C specialties. It is based on high quality, sustainable and transparent for natural everyday care. VEOCEL™ fibers are the ingredients of choice for brands focused on a natural everyday care. The focus on the communication is from forest to fiber, natural, renewable and responsibly produced. VEOCEL™ products are gentle and positively pure. They are designed for surface, intimate body and beauty care products.

LENZING™ for Industrial Applications

LENZING™ is Lenzing's brand for industrial B2B communication, for Protective Wear-, Agriculture-, Workwear-, Packaging-, Engineered Products-, Footwear-, Biorefinery Products-, Automotive Interiors- and Co-Products Applications. It stands for smart solution and natural origin. The Lenzing brand aims to transport Lenzing's dedication to highest quality products and services that complement Lenzing's partners' needs with smart solutions.

Investments

The Group made a number of investments in 2019 which are crucial to the implementation of the sCore TEN strategy, including investments in increasing internal pulp production and raising the share of specialty fibers.

CAPEX (acquisition of intangible assets and property, plant and equipment) amounted to EUR 244.0 million in 2019 compared with EUR 257.6 million in 2018. This decline is primarily attributable to the completion of the expansion project in Heiligenkreuz in 2018 and preparations for the investment decisions regarding the projects in Brazil and Thailand, which will have a greater impact on investment volume.

In line with the sCore TEN strategy, the Group plans to raise the share of specialty fibers in revenue to 75% and increase the internal production of pulp to more than 75% of total requirements by 2024.

The expansion and modernization of the dissolving wood pulp plants in Lenzing and Paskov will increase pulp production capacities by roughly 35,000 tons annually. The expansion in Lenzing was successfully implemented in the second half of 2019. At roughly the same time, the new capacities at the Paskov plant were gradually started up. In the first half of 2020, the expansion project was completed, and the new production capacities were started up at the Paskov plant. As a result, Lenzing increased the local pulp capacity by 15,000 to 285,000 tons per year.

Based on the decision to build a dissolving wood pulp plant in Brazil with its partner Duratex, Lenzing will increase its self-supply by 500,000 tons annually, thus strongly enhancing backwards integration. Based on its own assessment, the Issuer is expecting that the plant will have the lowest cost position in the industry following start of operations in the first half of 2022, with expected cash costs of USD 300 per mt. Lenzing and Duratex S.A. hold 51% and 49%, respectively, in the joint venture. Industrial CAPEX are expected to amount to total roughly USD 1.3 billion (based on current exchange rates and customary tax refunds), with CAPEX of total USD 520 million in 2020, USD 600 million in 2021 and USD 260 million in 2022.

Lenzing also started the construction of a state-of-the-art lyocell production facility in Thailand in 2019. The investment for the new plant with a capacity of 100,000 tons amounts to roughly EUR 400 million. Construction work started in the second half of 2019. Production is expected to launch at the end of 2021. As of 30 September 2020, EUR 200 million of the EUR 300 million credit facility were drawn (see also "*Material Contracts - Thailand Financing Agreement with OeKB*" below). Repayment of this loan will start mid-2023.

Another step towards the goal of increasing the share of specialty fibers was taken with the investment of up to EUR 30 million in a further pilot plant for TENCEL™ Luxe filaments in Lenzing.

Research and Development

General

Research and development activities in the Group are concentrated in the Global R&D Department, a corporate unit in Lenzing, Austria. This central research department is closely linked to other business areas such as business management, production, global technology, global engineering, business development, application technology, customer service sales as well as the individual regions.

At the end of 2019, 213 employees worked in Global R&D, focusing primarily on new and further developments of technologies, processes, products and applications for wood-based cellulosic fibers and for biorefineries. R&D expenditures calculated according to the Frascati method (after the deduction of grants) amounted to EUR 53.2 million in 2019 compared with EUR 42.8 million in 2018. The research expenditures represent a peak value in an industry comparison, both in absolute terms and in relation to revenue. The achievements of Global R&D are also reflected in 1,302 patents and patent applications (from 216 patent families), which the Group holds in 52 countries throughout the world.

Focal Points 2019

Coming from its core business of pulp and fiber production, Lenzing strives to selectively forward integrate into attractive niches in the textile and nonwovens value chains, increasing its value-add. Recent examples include TENCEL™ Luxe, a branded filament yarn for luxury fashion debuting in 2017, allowing to skip the spinner in the textile supply chain. In addition, the LENZING™ Web Technology, a nonwoven web formation process that starts with botanic wood pulp and produces a nonwoven fabric made of 100% continuous lyocell filament also allowing to skip one step in the direct nonwoven supply chain.

Lenzing won the Upper Austrian State Prize for Innovation for the LENZING™ Web Technology in the category "Large Companies" in 2019, underscoring the R&D efforts of Lenzing.

Sustainability is the guiding principle for new developments. The research work on the REFIBRA™ technology is crucial to increasing resource efficiency and strengthening the circular economy in the textile industry. Based on this technology, recycled materials can be partially used for the production of lyocell fibers. One of the main focus areas in this context is the expansion of the raw material base. In 2019, Lenzing was one of the first companies in the industry to successfully use post-consumer cotton scraps for the production of Lyocell fibers.

In addition, R&D continues to drive the optimization and improvement of the production processes for pulp and the various fiber types. The R&D focal points in this area are on improving the utilization of the raw material wood in the biorefineries of the Group and on further closing the loops. In terms of fiber development, Global R&D also supports the further development of production technologies and capacity expansions for the production of lyocell, modal and viscose fibers. Particular importance was attached to optimizing energy efficiency at the new production facilities in Thailand and Brazil during the reporting period with a view to Lenzing's ambitious decarbonization targets.

Innovation Centres

There is also an extensive exchange with the application and innovation centers in Hong Kong and Purwakarta, where new applications for fibers of the Group are developed in cooperation with customers. Based on the joint development activities, Lenzing intensified the global collaboration with partners along the value chain. The central hub for fashion designers at the TENCEL™ Studio in Singapore, which was opened in the first quarter of 2019, completes Lenzing's chain of innovation and application centers in Asia to drive developments from fiber to yarn to fabric and ultimately to designer clothing.

In the first quarter of 2019, Lenzing signed a cooperation agreement with Hof University of Applied Sciences (Germany) for the utilization of a new high-tech test facility for nonwoven applications. Lenzing will use this facility for developments and tests when it is completed in 2020 and expand its offering of solutions for the cosmetics, hygiene and medical industries.

Administrative, Management and Supervisory Bodies

Management Board

Name	Position	Principal Activities outside of the Issuer
Stefan Doboczky	Chief Executive Officer	<u>Supervisory Board:</u> OMV (<i>Member</i>)
Robert van de Kerkhof	Chief Commercial Officer	-
Thomas Obendrauf	Chief Financial Officer	-
Stephan Sielaff	Chief Technology Officer	-
Christian Skilich	Chief Officer Pulp & Wood	<u>Managing Director</u> Skilich Beteiligungs- und Consulting GmbH

Stefan Doboczky has been Chief Executive Officer since June 2015. Prior to Lenzing, he worked for more than 20 years at Dutch DSM, where he gained broad international management experience and expertise in Asia. In his latest role as Member of the Managing Board, he was responsible for the successful strategic repositioning of DSM's global pharmaceutical business, for Corporate Operations & Responsible Care, as well as the corporation's growth agenda in Asian markets. He holds a PhD in Chemistry from the Technical University in Vienna and an MBA from IMD Business School.

Robert van de Kerkhof has been Chief Commercial Officer since 2014. With over 25 years of experience in the fiber industry, he is also the President of the Austrian Fiber Institute and Vice-President of CIRFS, the European Man-

made Fibres Association. Prior to Lenzing, he was an aeronautical engineer at Fokker Aircraft, and since then, he took up roles in Ten Cate, DuPont de Nemours and INVISTA. He holds a B.Sc. in Aeronautical Engineering from Inholland Hogeschool Netherlands and an MBA in International Management.

Thomas Obendrauf has been Chief Financial Officer since March 2016. Prior to Lenzing, he worked among others, 12 years as CFO and in other management positions for AT&S, an Austrian printed circuit board (PCB) company, where he gained valuable experience in Asia. He holds a Master's degree in Commercial Sciences from Vienna University of Economics as well as an MBA from Chicago Booth Business School. He also qualified as a tax consultant in Austria and as a Certified Public Accountant in the US.

Stephan Sielaff has been Chief Technology officer since March 2020. Prior to Lenzing, he worked for more than 25 years at Unilever, Symrise and Archroma, where he gained broad international management experience in various roles in Operations but also Marketing. In his latest role as COO of Archroma he was in charge in forming one Integrated Supply Chain Organization in the former Clariant Business units. He holds a Master's degree in Chemical Engineering from the Technical University in Dortmund

Christian Skilich has been Chief Officer for Pulp and Wood since June 2020. Prior to Lenzing, he worked for Mondi Plc, where he gained both broad international general management experience in the field of pulp, paper and packaging as well being exposed to large Capital projects on a global scale. He holds a Master's degree in engineering from Technical University of Graz as well an MBA from the University of Austin, Texas and an LLM from Imadec University in Vienna.

Supervisory Board

Name	Principal Activities outside of the Issuer
Peter Edelmann <i>Chairman of the Supervisory Board</i>	<u>Supervisory Board</u> AMAG AG (<i>Member</i>) Orcan Energy (<i>Member</i>) <u>Advisory Board</u> Würth Gruppe (<i>Member</i>) Karl Mayer Gruppe (<i>Member</i>) <u>Managing Partner</u> Edelmann & Company
Veit Sorger <i>Deputy Chairman</i>	Supervisory Board Mondi AG (<i>Chairman</i>) Binder+Co AG (<i>Member</i>) GrECo International Holding AG (<i>Member</i>)
Helmut Bernkopf	<u>Supervisory Board</u> Oesterreichische Entwicklungsbank AG (<i>Chairman</i>) Österreichische Hotel- und Tourismusbank GmbH (<i>Chairman</i>) OeKB CSD GmbH (<i>Vice Chairman</i>) OeKB EH Beteiligungs- und Management AG (<i>Member</i>) Acredia Versicherung AG (<i>Member</i>) <u>Management Board</u> Oesterreichische Kontrollbank AG (<i>Member</i>)
Christian Bruch	<u>Management Board</u> Siemens Energy AG (<i>Chairman and President</i>)

Name	Principal Activities outside of the Issuer
Stefan Fida	<u>Managing Director</u> Dr. Stefan Fida Rechtsanwalt GmbH <u>Management Board</u> Verein Österreich verbindet Welten – Verein zur Förderung der Bekanntheit des Wirtschaftsstandortes Österreich (<i>Member</i>) Röhrig Privatstiftung (<i>Member</i>) Immobilien Privatstiftung (<i>Member</i>) <u>Supervisory Board</u> Semperit Holding AG (<i>Member</i>)
Franz Gasselsberger	<u>Management Board</u> Oberbank AG (<i>Chairman</i>) Hainzl Privatstiftung (<i>Chairman</i>) MITTERBAUER Privatstiftung (<i>Chairman</i>) <u>Supervisory Board</u> BKS Bank AG (<i>Member</i>) Bank für Tirol und Vorarlberg Aktiengesellschaft (<i>Member</i>) voestalpine AG (<i>Member</i>)
Patrick Prügger	-
Astrid Skala-Kuhmann	-
Melody Harris-Jensbach	<u>Management Board</u> Jack Wolfskin Group (<i>Member</i>) Jack Wolfskin Trading (Shanghai) Co., Ltd (<i>Chairman</i>) <u>Managing Director</u> JW Stargazer Holding GmbH Skyrager GmbH Jack Wolfskin Ausrüstung für Draussen GmbH & Co. KGaA Jack Wolfskin Retail GmbH <u>Owner</u> MHJ curated consult

(Source: Internal information of the Issuer, status as of the date of this Prospectus)

Conflicts of Interest

There are no potential conflicts of interest between the duties of the Managing Board and Supervisory Board members to the Issuer and their private interests or other duties.

Legal and Arbitration Proceedings

Lenzing and the Group are party to certain lawsuits and administrative proceedings before various courts and governmental agencies arising from the ordinary course of business involving various contractual, labor and other matters. Legal risks arising from increasingly strict environmental, health and safety standards may result in penalties or claims for damages if these standards are not met. During the 12 months preceding the date of this Prospectus there were no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatening of which Lenzing is aware), which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the Group.

Material Contracts

Financing Agreements for the Brazilian Dissolving Wood-Pulp Plant

On May 29, 2020, Lenzing entered into the Parent Guarantee and an equity contribution and share retention agreement in respect of the LDC Financing Arrangements. The proceeds of this financing will be used to fund the construction, development and maintenance of LD Celulose S.A.'s dissolving wood pulp plant under construction in Minas Gerais, Brazil. As of the third quarter 2020, USD 925 million remain undrawn. USD 230 million are expected to be drawn down in total in 2020, USD 630 million in 2021 and USD 290 million in 2022. Repayments of all tranches of the loans are contractually agreed to start in 2023 with the first USD 500 million agreed to be repaid over the time by 2029, another USD 500 million by 2031, and the remainder by 2033.

Under the Parent Guarantee, the joint venture partners Duratex (49%) and Lenzing (51%) guarantee, *pro rata* to their shares, LD Celulose S.A.'s indebtedness under the LCD Financing Arrangements. The Parent Guarantee contains certain restrictive undertakings by Lenzing that apply prior to the physical completion of LD Celulose S.A.'s dissolving wood pulp plant, including, among others, (i) limitations on its ability to incur certain types of financial indebtedness excluding, among other things, indebtedness used to refinance existing financial debt, (ii) limitations on its ability to declare or pay dividends or make payments on subordinated financial debt (excluding the Notes, unless this would trigger an event of default or potential event of default under the Parent Guarantee, which would, *inter alia*, be the case if following the interest payment the Issuer would no longer comply with the cash requirement described under (iv)), (iii) the limitation to redeem the Notes if this would trigger an event of default or potential event of default under the Parent Guarantee, which would, *inter alia*, be the case if upon the redemption of the Notes the Issuer would no longer comply with the cash requirement described under (iv), (iv) the requirement to maintain at the end of each financial quarter an amount of EUR 250 million cash or cash equivalents on the balance sheet of the Issuer's consolidated financial statements and (v) limitations on its ability to sell, transfer or otherwise dispose of certain of, or incur expenditures in relation to, its fixed assets above a materiality threshold (please see also "*Risks relating to the Notes – The Notes are undated securities in which an investment constitutes a financial risk for an indefinite period and the Issuer could be contractually restricted to redeem the Notes*" and "*Risks relating to the Notes – Payments under the Notes may be deferred at the option of the Issuer and the Issuer could be obligated to such a deferral under existing financing arrangements*").

Following the physical completion of LD Celulose S.A.'s dissolving wood pulp plant, expected in 2022, Lenzing's ability to incur indebtedness will be limited by a net financial debt to EBITDA ratio covenant. Lenzing's obligations under the Parent Guarantee are limited to 51% of LD Celulose S.A.'s liabilities under certain agreements and will terminate in 2033, unless prepaid earlier.

The equity contribution and share retention agreement obligates Lenzing to contribute for its share base equity to LD Celulose S.A. in the amount of approximately BRL 1.45 billion, approximately BRL 0.6 billion of which was contributed prior to May 29, 2020. In addition, where LD Celulose S.A. has insufficient funds to either make payment of its debt service obligations under certain agreements or to complete construction of the dissolving wood pulp plant, Lenzing is required to contribute additional equity to LD Celulose S.A. Lenzing's liability under the equity contribution and share retention agreement is limited to 51% of LD Celulose S.A.'s liabilities under certain agreements and will terminate in 2033.

Furthermore, in connection with LD Celulose S.A.'s supply of dissolving wood pulp to Pulp Trading GmbH, a subsidiary of Lenzing, Lenzing has provided a guarantee with respect to certain obligations of Pulp Trading GmbH under an off-take agreement. Under the deed of guarantee Lenzing is liable for the off-take of the entire production volume of LD Celulose S.A.'s supply of dissolving wood pulp by Pulp Trading GmbH. The guarantee will terminate upon the termination of the offtake agreement in accordance with its terms.

German law Schuldscheindarlehen

The Issuer has issued several unrated, senior unsecured private placements in recent years in the form of German law Schuldscheindarlehen separated into tranches. At the moment the nominal value of EUR 275 million (tranches due in 2022, 2024, 2026 and 2029 respectively) and USD 65 million (due in 2024) with floating interest rates (6-month EURIBOR or 3-month LIBOR + margin) and the nominal value of EUR 362.5 million (due in 2022, 2024,

2025, 2026, 2029 and 2034) with fixed interest rates are outstanding. The average interest rate of these outstanding private placements is currently around 1.3%.

Thailand Financing Agreement with OeKB

In connection with the Lyocell plant project in Thailand, The Issuer concluded an "*OEKB Beteiligungsfinanzierung*" (instrument to finance foreign investments) of EUR 300 million at market interest rates with an average term of 6 years at the end of 2019.

Sappi Pulp Supply Agreement

In November 2005, Pulp Trading GmbH entered into a dissolving pulp supply agreement with subsidiaries of Sappi, Sappi Trading Pulp AG, Sappi Trading Germany GmbH and US Paper Corporation, under which Pulp Trading GmbH agreed to purchase certain amounts of dissolving pulp (the "**Sappi Pulp Supply Agreement**"). By way of a deed of novation dated May 2010, Sappi Papier Holding GmbH and Sappi Pulp Americas LP assumed and became successors to all of the rights, obligations and liabilities of Sappi Trading Pulp AG, Sappi Trading Germany GmbH and US Paper Corporation. In December 2017 the Sappi Pulp Supply Agreement was amended and restated as of 1 January 2018. The pricing is based on an index of dissolving wood pulp prices (China).

The existing pulp supply agreement is a multi-year agreement which can be extended by mutual agreement.

Financial Information

Audit of the Historical Financial Information

The German language consolidated financial statements of the Issuer for the financial years ending December 31, 2018 and 2019 were independently audited by the Issuer's statutory auditor KPMG Austria GmbH Wirtschaftsprüfungs- u. Steuerberatungsgesellschaft ("**Audited Financial Statements 31 December 2019 and 2018**"). The audits were conducted in accordance with Regulation (EU) No 537/2014 and Austrian standards on auditing which require the auditor to apply the international standards on auditing (ISA). The audit opinions do not contain any qualifications or disclaimers as stated in their reports attached to the consolidated financial statements. Translations of the German language auditor's reports are contained in the annual report of 31 December 2018 on pages 144-147 and of 31 December 2019 on pages 161-164. The Prospectus does not contain any other information which has been audited by the auditors.

Alternative Performance Measures

This Prospectus contains non-IFRS measures and ratios, including those listed below, which are not required by, or presented in accordance with, IFRS or the accounting standards of any other jurisdiction. The non-IFRS measures may not be comparable to other similarly titled measures of other companies and should be considered together with the Group's IFRS results and liabilities. Non-IFRS measures and ratios are not measurements of the Group's operating performance or liabilities under IFRS and investors should bear this in mind when considering non-IFRS measures as alternatives to earnings before interest and taxes ("**EBIT**") or group net profit or other performance measures derived in accordance with IFRS or any other generally accepted accounting principles, or as alternatives to cash flow from operating, investing or financing activities or to liabilities. Investors should rely on Group's IFRS results, supplemented by its non-IFRS measures, to evaluate the Group's performance.

The Issuer presents non-IFRS measures to measure operating performance, the level of net debt and as a basis for its strategic planning and forecasting, as well as monitoring the retained cash flows. The Issuer also believes that non-IFRS measures and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of operating performance and financial standing.

The Issuer's non-IFRS measures are defined as follows:

EBITDA and EBIT Margin.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") and EBIT are viewed by the Group as the benchmarks for the strength of operating earnings and profitability (performance) before and after depreciation and amortization. Due to their significance - also for external stakeholders - these indicators are presented on the consolidated income statement. In order to provide a comparison of margins, the EBITDA margin and EBIT margin relate EBITDA and EBIT (respectively) to group revenue and are calculated as follows:

	31 December		30 September	
	2019	2018	2020	2019
<i>(amounts in € millions)</i>	<i>(audited)*</i>		<i>(unaudited)</i>	
Earnings before interest, tax, depreciation and amortization (EBITDA)	326.9	382.0	140.4	266.9
/ Revenue	2,105.2	2,176.0	1,194.9	1,617.9
EBITDA margin⁽¹⁾	15.5%	17.6%	11.7%	16.5%
Earnings before interest and tax (EBIT)	162.3	237.6	22.1	153.5
/ Revenue	2,105.2	2,176.0	1,194.9	1,617.9
EBIT margin⁽²⁾	7.7%	10.9%	1.8%	9.5%

*unless otherwise stated

(1) EBITDA margin is not an IFRS financial measure and is therefore unaudited. It is calculated by dividing EBITDA by the group revenue. Year-end line items used for the calculation are included in the Audited Financial Statements 31 December 2019 and 2018.

(2) EBIT margin is not an IFRS financial measure and is therefore unaudited. It is calculated by dividing EBIT by the group revenue. Year-end line items used for the calculation are included in the Audited Financial Statements 31 December 2019 and 2018.

(Source: Audited Financial Statements 31 December 2019 and 2018, unaudited consolidated interim financial statements 30 September 2020 and 2019)

Trading working capital and trading working capital to annualized group revenue

Trading working capital in the Group is a measure for potential liquidity and capital efficiency. It is used to compare capital turnover by relating it to group revenue. Trading working capital and trading working capital to annualized group revenue are calculated as follows:

	31 December		30 September	
	2019	2018	2020	2019
<i>(amounts in € millions unless otherwise specified)</i>	<i>(audited)*</i>		<i>(unaudited)</i>	
Inventories	395.7	396.5	354.8	410.1
+ Trade receivables	251.4	299.6	233.4	309.5
- Trade payables	(243.6)	(251.7)	(149.5)	(245.2)
Trading working capital⁽¹⁾	403.5	444.4	438.7	474.4
Latest reported quarterly group revenue (= 4th quarter respectively) (unaudited)	487.3	539.8	384.7	529.4
x 4 (= annualized group revenue) (unaudited)	1,949.3	2,159.1	1,538.9	2,117.5
Trading working capital to annualized group revenue⁽²⁾	20.7%	20.6%	28.5%	22.4%

*unless otherwise stated

(1) Trading working capital is not an IFRS financial measure and is therefore unaudited. It is calculated by adding trade receivables to inventories and subtracting trade payables. Year-end line items used for the calculation are included in the Audited Financial Statements 31 December 2019 and 2018.

(2) Trading working capital to annualized group revenue is not an IFRS financial measure and is therefore unaudited. It is calculated by dividing trading working capital by the latest reported quarterly group revenue multiplied by four.

(Source: Audited Financial Statements 31 December 2019 and 2018, unaudited consolidated interim financial statements 30 September 2020 and 2019)

Adjusted equity and adjusted equity ratio

Adjusted equity shows the 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 and is calculated as follows:

	31 December		30 September	
	2019	2018	2020	2019
<i>(amounts in € millions unless otherwise specified)</i>	<i>(audited)*</i>		<i>(unaudited)</i>	
Equity	1,537.9	1,533.9	1,367.0	1,531.2
+ Non-current government grants	15.4	16.9	14.5	16.1
+ Current government grants	13.1	8.4	20.6	13.5
- Proportional share of deferred taxes on government grants	(7.1)	(6.3)	(8.7)	(7.3)
Adjusted equity ⁽¹⁾	1,559.3	1,553.0	1,393.4	1,553.5
/ Total assets	3,121.1	2,630.9	3,478.4	2,801.0
Adjusted equity ratio⁽²⁾	50.0%	59.0%	40.1%	55.5%

*unless otherwise stated

(1) Adjusted equity is not an IFRS financial measure, but included in the audited financial statements. It is calculated by adding non-current and current government grants to equity and subtracting proportional share of deferred taxes on government grants. Year-end line items used for the calculation are included in the Audited Financial Statements 31 December 2019 and 2018.

(2) Adjusted equity ratio is not an IFRS financial measure and is therefore unaudited. It is calculated by dividing adjusted equity by total assets. Total assets for the calculation are included in the Audited Financial Statements 31 December 2019 and 2018.

(Source: Audited Financial Statements 31 December 2019 and 2018, unaudited consolidated interim financial statements 30 September 2020 and 2019)

Net financial debt, net gearing and net debt

Net financial debt is used by the 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 Group measures the level of financial debt, including the provisions for severance payments and pensions. Net financial debt, net gearing and net debt are calculated as follows:

	31 December		30 September	
	2019	2018	2020	2019
<i>(amounts in € millions unless otherwise specified)</i>	<i>(audited)*</i>		<i>(unaudited)</i>	
Current financial liabilities	129.6	166.2	208.0	181.0
+ Non-current financial liabilities	852.0	307.6	1,178.9	451.7
- Liquid assets	(581.0)	(254.4)	(563.7)	(260.6)
Net financial debt⁽¹⁾	400.6	219.4	823.3	372.1
/ Adjusted equity	1,559.3	1,553.0	1,393.4	1,553.5
Net gearing⁽²⁾	25.7%	14.1%	59.1%	24.0%
Net financial debt	400.6	219.4	823.3	372.1
+ Provisions for severance payments and pensions	110.8	103.4	106.4	109.4
Net debt⁽³⁾	511.4	322.8	929.7	481.5

* unless otherwise stated

(1) Net financial debt is not an IFRS financial measure, but included in the audited financial statements. It is calculated by adding Non-current financial liabilities to current financial liabilities and subtracting liquid assets. Year-end line items used for the calculation are included in the Audited Financial Statements 31 December 2019 and 2018.

(2) Net gearing is not an IFRS financial measure and is therefore unaudited. It is calculated by dividing net financial debt by adjusted equity.

(3) Net debt is not an IFRS financial measure and is therefore unaudited. It is calculated by adding provisions for severance payments and pension to net financial debt. The provisions for severance payments and pension for the calculation are included in the Audited Financial Statements 31 December 2019 and 2018.

(Source: Audited Financial Statements 31 December 2019 and 2018, unaudited consolidated interim financial statements 30 September 2020 and 2019)

Financial information

The following financial information was extracted respectively from the audited consolidated financial statements of the Issuer for the financial years ending 31 December 2018 and 31 December 2019 and the unaudited consolidated interim financial statements of the Issuer as of 30 September 2020 and 30 September 2019. The audited consolidated financial statements of the Issuer for the financial years ending 31 December 2018 and 31 December 2019 were prepared in accordance with IFRS pursuant to Regulation (EC) Nr. 1606/2002 and are incorporated by reference into this Prospectus. The unaudited consolidated interim financial statements of the Issuer as of 30 September 2020 and 30 September 2019 were prepared based on IAS 34 (Interim Financial Reporting) but are not fully IFRS (IAS 34) compliant as the notes are missing. The unaudited consolidated interim financial statements of the Issuer as of 30 September 2020 and 30 September 2019 are also incorporated by reference into this Prospectus.

The balance sheet date of the last year of audited financial information is dated 31 December 2019 and is therefore not older than 18 months from the date of this prospectus. The Issuer has not changed its accounting reference date in the last two financial years.

The key financial indicators for the Group are described in detail in the following section.

EBT

Earnings before tax ("**EBT**") measures the pre-tax earnings strength of the Group and is shown on the consolidated income statement.

	31 December		30 September	
	2019	2018	2020	2019
<i>(amounts in € millions)</i>	<i>(audited)</i>		<i>(unaudited)</i>	
Earnings before tax (EBT)	163.8	199.1	9.8	151.9

(Source: Audited Financial Statements 31 December 2019 and 2018, unaudited consolidated interim financial statements 30 September 2020 and 2019)

Gross cash flow

In the Group, gross cash flow serves as the benchmark for the company's ability to convert gains/losses from operating activities (before changes in working capital) into cash and cash equivalents.

	31 December		30 September	
	2019	2018	2020	2019
<i>(amounts in € millions)</i>	<i>(audited)</i>		<i>(unaudited)</i>	
Gross cash flow	294.0	304.0	83.3	242.5

(Source: Audited Financial Statements 31 December 2019 and 2018, unaudited consolidated interim financial statements 30 September 2020 and 2019)

Free cash flow

The free cash flow generated by the 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.

	31 December		30 September	
	2019	2018	2020	2019
<i>(amounts in € millions)</i>	<i>(audited)*</i>		<i>(unaudited)</i>	
Cash flow from operating activities	244.6	280.0	(14.0)	171.0
- Cash flow from investing activities	(254.7)	(261.8)	(447.7)	(163.4)
- Net inflow from the sale and disposal of subsidiaries and other business areas	0.0	(0.1)	0.0	0.0
+ Acquisition of financial assets and investments accounted for using the equity method	15.6	8.0	2.2	7.5
- Proceeds from the sale/repayment of financial assets	(4.7)	(2.6)	(1.4)	(3.8)
Free cash flow⁽¹⁾	0.8	23.5	(460.8)	11.4

* unless otherwise indicated

(1) Free cash flow is not an IFRS financial measure and is therefore unaudited. Year-end line items used for the calculation are included in the Audited Financial Statements 31 December 2019 and 2018.

(Source: Audited Financial Statements 31 December 2019 and 2018, unaudited consolidated interim financial statements 30 September 2020 and 2019)

CAPEX

CAPEX shows the expenditures (cash-flows) for intangible assets and property, plant and equipment and biological assets.

	31 December		30 September	
	2019	2018	2020	2019
<i>(amounts in € millions)</i>	<i>(audited)</i>		<i>(unaudited)</i>	
Acquisition of intangible assets, property, plant and equipment (CAPEX)	244.0	257.6	449.8	159.7

(Source: Audited Financial Statements 31 December 2019 and 2018, unaudited consolidated interim financial statements 30 September 2020 and 2019)

Liquid assets

Liquid assets show the 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).

	31 December		30 September	
	2019	2018	2020	2019
<i>(amounts in € millions)</i>	<i>(audited)</i>		<i>(unaudited)</i>	
Cash and cash equivalents	571.5	243.9	554.9	246.0
+ Liquid bills of exchange (in trade receivables)	9.5	10.5	8.8	14.5
Liquid assets	581.0	254.4	563.7	260.6

(Source: Audited Financial Statements 31 December 2019 and 2018, unaudited consolidated interim financial statements 30 September 2020 and 2019)

Consolidated Income Statement (condensed)

	31 December		30 September	
	2019	2018	2020	2019
<i>(amounts in € millions unless otherwise specified)</i>	<i>(audited)</i>		<i>(unaudited)</i>	
Revenue	2,105.2	2,176.0	1,194.9	1,617.9
Change in inventories of finished goods and work in progress	18.4	36.4	(28.3)	21.6
Own work capitalized	56.3	55.7	43.5	36.7
Other operating income	78.6	57.2	45.2	65.5
Gains or losses from the fair value measurement of biological assets	0.0	0.0	(9.0)	0.0
Cost of material and other purchased services	(1,257.3)	(1,297.3)	(656.4)	(974.7)
Personnel expenses	(395.9)	(374.5)	(269.5)	(299.9)
Other operating expenses	(278.4)	(271.5)	(179.9)	(200.3)
Earnings before interest, tax, depreciation and amortization (EBITDA)	326.9	382.0	140.4	266.9
Amortization of intangible assets and depreciation of property, plant and equipment and income from the release of investment grants	(164.6)	(144.4)	(118.3)	(113.4)
Earnings before interest and tax (EBIT)	162.3	237.6	22.1	153.5
Financial result	1.5	(16.0)	(12.3)	(1.6)
Allocation of profit or loss to and measurement result of puttable non-controlling interests	0.0	(22.4)	0.0	0.0
Earnings before tax (EBT)	163.8	199.1	9.8	151.9
Income tax expense	(48.9)	(50.9)	(33.0)	(39.0)
Net profit for the year (/the period)	114.9	148.2	(23.3)	112.9
Net profit for the year (/ the period) attributable to shareholders of Lenzing AG	122.8	149.0	(2.8)	117.1
Net profit attributable to non-controlling interests	(7.9)	(0.8)	(20.5)	(4.2)
Earnings per share in EUR	4.63	5.61	(0.10)	4.41

(Source: Audited Financial Statements 31 December 2019 and 2018, unaudited consolidated interim financial statements 30 September 2020 and 2019 and own calculation)

Consolidated Statement of Comprehensive Income (condensed)

	31 December		30 September	
	2019	2018	2020	2019
<i>(amounts in € millions unless otherwise specified)</i>	<i>(audited)</i>		<i>(unaudited)</i>	
Net profit for the year (/the period) as per consolidated income statement	114.9	148.2	(23.3)	112.9
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liability	(9.4)	0.1	0.0	(6.7)
Financial assets measured at fair value through other comprehensive income	2.1	1.1	(2.1)	1.1
Income tax relating to these components of other comprehensive income	1.8	(0.2)	0.5	1.4
Investments accounted for using the equity method - share of other comprehensive income (net of tax)	(0.4)	0.0	0.0	0.0
	(5.9)	1.0	(1.6)	(4.2)
Items that may be reclassified to profit or loss				
Foreign operations – foreign currency translation differences	19.0	15.1	(81.3)	21.9
Financial assets measured at fair value through other comprehensive income	(0.2)	(0.1)	(0.1)	(0.1)
Cash flow hedges	11.4	(11.7)	(151.9)	(0.1)
Income tax relating to these components of other comprehensive income	(2.5)	2.7	7.4	0.1
Investments accounted for using the equity method - share of other comprehensive income (net of tax)	(0.1)	(0.2)	(7.2)	(0.3)
	27.7	5.8	(233.0)	21.4
Other comprehensive income – net of tax	21.9	6.8	(234.6)	17.3
Total comprehensive income	136.8	155.0	(257.8)	130.2
Attributable to shareholders of Lenzing AG	144.0	154.2	(169.8)	133.0
Attributable to non-controlling interests	(7.2)	0.8	(88.0)	(2.8)

(Source: Audited Financial Statements 31 December 2019 and 2018, unaudited consolidated interim financial statements 30 September 2020 and 2019 and own calculation)

Consolidated Statement of Financial Position (condensed)

	31 December		30 September	
	2019	2018	2020	2019
<i>(amounts in € millions unless otherwise specified)</i>	<i>(audited)</i>		<i>(unaudited)</i>	
Intangible assets, property, plant and equipment and right-of-use assets	1,663.2	1,516.7	2,097.0	1,614.5
Investments accounted for using the equity method and financial assets	71.0	50.0	62.0	56.9
Deferred tax assets	7.0	5.1	4.9	5.6
Other non-current assets	42.7	23.6	38.4	33.6
Non-current assets	1,783.9	1,595.4	2,202.3	1,710.6
Inventories	395.7	396.5	354.8	410.1

	31 December		30 September	
	2019	2018	2020	2019
<i>(amounts in € millions unless otherwise specified)</i>	<i>(audited)</i>		<i>(unaudited)</i>	
Trade receivables	251.4	299.6	233.4	309.5
Other current assets	118.6	95.5	133.0	124.9
Cash and cash equivalents	571.5	243.9	554.9	246.0
Current assets	1,337.2	1,035.5	1,276.2	1,090.5
Total assets	3,121.1	2,630.9	3,478.4	2,801.0
Equity attributable to shareholders of Lenzing AG	1,513.0	1,501.7	1,237.7	1,502.0
Non-controlling interests	24.9	32.2	129.3	29.2
Equity	1,537.9	1,533.9	1,367.0	1,531.2
Financial liabilities	852.0	307.6	1,178.9	451.7
Deferred tax liabilities	41.9	50.4	44.8	36.0
Provisions	128.8	126.5	123.6	132.7
Other non-current liabilities	20.4	21.0	167.5	21.7
Non-current liabilities	1,043.0	505.5	1,514.9	642.1
Financial liabilities	129.6	166.2	208.0	181.0
Trade payables	243.6	251.7	149.5	245.2
Provisions	87.4	107.9	95.6	108.6
Other current liabilities	79.6	65.7	143.4	93.0
Current liabilities	540.2	591.5	596.6	627.7
Total equity and liabilities	3,121.1	2,630.9	3,478.4	2,801.0

(Source: Audited Financial Statements 31 December 2019 and 2018, unaudited consolidated interim financial statements 30 September 2020 and 2019 and own calculation)

Consolidated Statement of Changes in Equity (condensed)

	31 December		30 September	
	2019	2018	2020	2019
<i>(amounts in € millions unless otherwise specified)</i>	<i>(audited)</i>		<i>(unaudited)</i>	
As at 01/01 (previously)	1,533.9	1,507.9	1,537.9	1,533.9
First-time adoption of IFRS 9 (Financial Instruments)	0.0	3.9	0.0	0.0
As at 01/01 (adjusted)	1,533.9	1,511.8	1,537.9	1,533.9
Total comprehensive income	136.8	155.0	(257.9)	130.2
Hedging gains and losses and costs of hedging transferred to the cost of property, plant and equipment and cost of inventory	0.0	0.0	12.8	0.0
Acquisition/disposal of non-controlling interests and other changes in the scope of consolidation	0.0	0.0	102.3	0.0
Increase in capital	0.0	0.0	87.8	0.0
Measurement of puttable non-controlling interest recognized directly in equity	0.0	0.0	(115.7)	0.0
Dividends	(132.9)	(132.9)	(0.2)	(132.9)
As at 31/12 or 30/09	1,537.9	1,533.9	1,367.0	1,531.2

(Source: Audited Financial Statements 31 December 2019 and 2018, unaudited consolidated interim financial statements 30 September 2020 and 2019)

Consolidated Statement of Cash Flows (condensed)

	31 December		30 September	
	2019	2018	2020	2019
<i>(amounts in € millions unless otherwise specified)</i>	<i>(audited)</i>		<i>(unaudited)</i>	
Net profit for the year (/the period)	114.9	148.2	(23.3)	112.9
+ Amortization of intangible assets and depreciation of property, plant and equipment	167.0	147.2	119.7	115.2
-/+ Other non-cash income / expenses	12.1	8.5	(13.1)	14.3
Gross cash flow	294.0	304.0	83.3	242.5
+/- Change in inventories	(29.1)	(62.4)	51.1	(34.7)
+/- Change in receivables	30.5	6.0	(4.7)	(31.2)
+/- Change in liabilities	(50.7)	32.4	(143.7)	(5.6)
Change in working capital	(49.3)	(23.9)	(97.3)	(71.5)
Cash flow from operating activities	244.6	280.0	(14.0)	171.0
- Acquisition of intangible assets, property, plant and equipment (CAPEX)	(244.0)	(257.6)	(449.8)	(159.7)
- Acquisition of financial assets and investments accounted for using the equity method	(15.6)	(8.0)	(2.2)	(7.5)
+ Proceeds from the sale of intangible assets, property, plant and equipment	0,2	1.1	3.0	0.1
+ Proceeds from the sale/repayment of financial assets and the sale of investments accounted for using the equity method	4.7	2.6	1.4	3.8
+ Net inflow from the sale and disposal of subsidiaries and other business areas	0.0	0.1	0.0	0.0
Cash flow from investing activities	(254.7)	(261.8)	(447.7)	(163.4)
+ Capital increase	0.0	0.0	84.5	0.0
- Distribution to shareholders	(132.9)	(132.9)	(0.2)	(132.9)
- Acquisition of non-controlling interests	0.0	(40.6)	0.0	0.0
+ Investment grants	1.8	0,7	(0.2)	1.8
+ Increase of bonds and private placements	414.5	0.0	83.8	0.0
+ Increase in other financial liabilities	222.2	188.5	386.5	207.4
- Repayment of bonds and private placements	(34.0)	(29.0)	(37.5)	0.0
- Repayment of other financial liabilities	(138.4)	(68.6)	(59.7)	(85.5)
Cash flow from financing activities	333.3	(82.0)	457.2	(9.3)
Total change in liquid funds	323.2	(63.7)	(4.5)	(1.7)
Liquid funds at the beginning of the year	243.9	306.5	571.5	243.9
Currency translation adjustment relating to liquid funds	4.4	1.1	(12.1)	3.8
Liquid funds at the end of the period	571.5	243.9	554.9	246.0

(Source: Audited Financial Statements 31 December 2019 and 2018, unaudited consolidated interim financial statements 30 September 2020 and 2019 and own calculations)

Change in Financial Position

The COVID-19 crisis had a significant impact on the business development. The Group recorded a significant drop in revenue, in particular in the Segment Fibers, which was primarily due to declining sales volumes and lower selling prices. This was partly offset by a decrease in cost of material and other purchased services due to lower production volumes, declining market prices for raw materials (in particular pulp, caustic soda and energy) and personnel costs as short-time work was implemented at the Austrian locations.

In the financial year 2020 the second settlement date for a EUR 441 million & USD 65 million ESG-linked German law Schuldscheindarlehen with terms from 5 to 15 years occurred on 10 January 2020. In this offering, the Group issued Schuldscheindarlehen by way of private placements with an issue volume of EUR 66 million and USD 20 million. Terms of 5 to 7 years with fixed and floating interest rates were agreed.

In 2019, a loan funding of EUR 300 million was arranged with Oesterreichische Kontrollbank for the construction of the Iyocell plant in Thailand. In the first half year of 2020, EUR 200 million of this funding was drawn. A term of 7 years (repayment structure starts from mid-2023) with fixed and floating interest rates was agreed.

In January 2020, the Duratex Group acquired a 49% share in LD Celulose S.A., Sao Paulo, Brazil. The Issuer still holds a majority of 51% and thus continues to exercise control over LD Celulose S.A. The change in shareholdings was the result of an asymmetric capital increase, which was conducted by both parties. The pro-rata equity (49%) of LD Celulose S.A. amounted to EUR 100.2 million at the time the Duratex Group acquired the shares and corresponds to the amount recognized under noncontrolling interests. As part of the capital increase, the Duratex Group contributed biological assets and property, plant and equipment to LD Celulose and carried out further cash capital increases. In addition, the Duratex Group has a put option for its shares (puttable non-controlling interests), which was recognized in the amount of EUR 89.4 million in the course of the change in shareholdings.

Financing of the construction of the pulp plant in Brazil was secured in the form of loans in the first half of 2020 (volume approximately USD 1.1 billion). The (partial) pay-out of the loan amounts will be made at the request of LD Celulose S.A. and upon proving the contractually defined terms of pay-out. The loan agreements include, at the project company level, financial covenants which refer in particular to the ratio of net financial debt to EBITDA and may trigger an obligation to repay the financial liabilities if the covenants are not met following the so-called financial completion expected in 2023 at the earliest. At the Group level, customary market restrictive covenants are in place. These financial covenants are regularly monitored by the Global Treasury department and are considered in the determination of distributions by the group companies involved. The Issuer and the joint venture partner have committed to a fixed debt/equity ratio of the project company (63/37) and guarantee the financial liabilities of the project company in the amount of their share in the capital. The Issuer therefore guarantees 51% (due to the currently full consolidation, 100% of the project company's financial liabilities are currently included in the consolidated statement of financial position).

Since the date of the interim financial statement as of 30 September 2020 no significant change in the financial position of the Group has occurred.

Trend Information

The International Monetary Fund currently expects global economic output to decline by 4.4 percent in 2020, thus revising its forecast of June slightly upwards. The fiber market and the market for dissolving wood pulp came under considerable pressure in the first half of 2020, and especially in the second quarter of the year, as a result of the COVID-19 crisis. In the third quarter, the fiber markets recorded a noticeable improvement, which was associated with a positive development in demand and prices.

The further development will primarily depend on the impact of the COVID-19 pandemic on the global textile value chains and the effects on the consumer sentiment, as well as on the currency markets. From today's perspective, the Lenzing Group assumes that the positive trend will continue in the fourth quarter. However, if the number of infections should continue to rise and trigger lockdowns in more countries and regions in the coming weeks and months, this could have a negative impact on the revenue and earnings development of the Lenzing Group.

The comparatively solid business development in the first three quarters of the year reassures the Lenzing Group in its chosen corporate strategy sCore TEN. Lenzing will continue to implement its strategy with great discipline with a particular focus on the strategic investment projects which both aim to yield a significant contribution to earnings starting from 2022.

Recent Events particular to the Issuer, which are relevant to a material extent to the Issuer's Solvency

There are no recent events particular to the Issuer which are relevant to a material extent to the Issuer's solvency.

TAXATION IN AUSTRIA

The tax legislation of the state of tax residence of a prospective holder of Notes (the "Noteholders" and each a "Noteholder"), or of a jurisdiction where a prospective Noteholder is subject to taxation, and the tax legislation of the Issuer's country of tax residence may have an impact on the income received from the Notes.

The following is a general overview of certain Austrian tax considerations relating to the purchasing, holding and disposing of Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular Noteholder. The discussions that follow are based upon the applicable Austrian laws in force and their interpretation on the date of this Prospectus. These tax laws and interpretations are subject to change that may occur after such date, even with retroactive effect.

The information contained in this section is limited to taxation issues and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

Prospective Noteholders should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing the Notes, including the application and effect of any federal, state or local taxes, under the tax laws of each country of which they are tax residents.

Qualification of the Notes and Withholding Tax Obligation

For Austrian income tax law purposes granting a right to participate in both the current profits and the liquidation proceeds of the issuer are aspects supporting an equity qualification of the respective instrument, just as much as rights similar to a shareholder or the obligation to compensate for losses are. Determining the qualification of a hybrid financial instrument is based on weighing typical equity-like criteria against typical debt-like criteria in a quantitative and qualitative manner, thereby taking into account, inter alia, the instrument's term, the profit dependency of distributions, the participation in the issuer's liquidation proceeds, the granting of security, a potential subordination and the granting of typical shareholder control and voting rights. An unconditional obligation to repay the investment amount and to pay fixed or variable interest on the investment amount support the qualification as a debt instrument. If interest payments depend on the profit but are only deferred in case no sufficient profit is generated, such profit dependency would not change the qualification as a debt instrument, as recently decided by the Court of Justice of the EU. In the case at hand, the Issuer takes the position that the Notes qualify as debt instruments for Austrian income tax law purposes.

For the following it is assumed that the Notes are legally and factually offered to an indefinite number of persons.

In light of the above and because interest payments made under the Notes are made through a paying agent that is a bank, the Issuer is not obliged to withhold Austrian taxes upon paying interest to the paying agent.

Austrian withholding tax will be imposed at a rate of 27.5% (or 25% for corporations under certain circumstances), as more closely described below, if a certain nexus to Austria is fulfilled.

Taxation in the Republic of Austria

Austrian tax resident Noteholders

Income from the Notes derived by individuals, who have a domicile and/or their habitual abode in Austria (residents) and who are thus subject to taxation on their worldwide income (unlimited tax liability), is subject to Austrian income tax. Income from the Notes derived by corporate Noteholders, whose seat and/or place of effective management is based in Austria, is subject to Austrian corporate income tax. Individuals or corporations who have neither a domicile nor their habitual abode or seat / place of effective management in Austria (non-residents), are subject to income tax only on income from certain Austrian sources (limited income tax liability).

In the case of both unlimited and limited income tax liability Austria's right to tax may be restricted by double taxation treaties.

Notes held privately by Austrian resident individuals

Because it is assumed that the Notes are legally and factually offered to an indefinite number of persons, interest paid on the Notes to individuals who are resident in Austria as well as realized capital gains from the Notes received by such individuals are subject to income tax at the special tax rate of 27.5%. If the Notes were not publicly offered for Austrian income tax purposes, interest paid on the Notes would not be subject to the special tax rate of 27.5%; instead the regular progressive personal income tax rate of up to 50% for income exceeding EUR 90,000/p.a. and 55% in the highest bracket for income exceeding EUR 1 million/p.a. would apply. The latter rate should, as the law stands today, be applicable until 2025.

If the special tax rate of 27.5% is imposed by way of withholding, which is the case if an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian (*depotführende Stelle*) is involved in making the respective payments of either interest or sales proceeds, a final taxation regime applies. An Austrian paying agent or custodian is an Austrian bank including Austrian branches of non-Austrian banks or investment service providers domiciled in the EU. If interest payments or a realized capital gain is not subject to Austrian withholding tax because there is no Austrian custodian or paying agent involved, the taxpayer will have to include the respective income in his or her personal annual income tax return pursuant to the provisions of the Austrian Income Tax Act. Generally, the special income tax rate of 27.5% applies also in such a case.

Realized capital gains means any income derived from the sale or redemption of the Notes. The tax base is, in general, the difference between the sale or the redemption proceeds and the acquisition costs. Expenses and costs which are directly connected with income subject to the special tax rate of 27.5% are not deductible. For Notes held as private assets, the acquisition costs shall not include ancillary acquisition costs.

Value increases of the Notes might not only become subject to income tax at a rate of 27.5% upon an actual disposition or redemption of the Notes, but also upon a deemed realization. Such deemed realization may apply upon an individual's move from Austria to another country, upon the change of the securities account in which the Notes are held, or upon a donation of the Notes to a non-resident. No taxation may arise in the case of a deemed realization event if certain reporting measures to the Austrian fiscal authorities are fulfilled.

Taxpayers may opt for taxation of the income derived from the Notes at the regular personal income tax rate, instead of applying the special tax rate of 27.5%. Any tax withheld will then be credited against the income tax. Such application for opting into taxation at the regular personal income tax rate must, however, include all income subject to the special 25% and 27.5% rates. Expenses in direct economical connection with such income are also not deductible if the option for taxation at the regular progressive personal income tax rate is made. Whether the use of the option is beneficial from a tax perspective must be determined by the individual himself or by consulting a tax advisor.

Losses from Notes held as private assets may only be set off with other investment income subject to the special 27.5% tax rate (excluding, inter alia, interest income from bank deposits and other non-securitized claims against banks and income from private foundations). Austrian tax law provides for a mandatory set-off by the Austrian custodian of losses against investment income from securities accounts at the same custodian (subject to certain exemptions) in the same fiscal year. A carry-forward of such losses is not permitted.

Notes held as business assets by Austrian resident individuals

Interest payments and capital gains derived from the Notes which are held by individuals as business assets are also subject to the special income tax rate of 27.5% and withholding applies as described above. However, realized capital gains have to be included in the annual income tax return. An option for taxation at the regular personal income tax rate as described above may be exercised. Write-downs and losses derived from the sale or redemption of the Notes held as business assets must primarily be set off against positive income from realized capital gains of financial instruments of the same business and only 55% of the remaining loss may be set off or carried forward against any other income. Custodian banks do not implement the offsetting of losses with respect to deposit accounts that are not privately held; instead losses are taken into account upon assessment. The acquisition costs of Notes held as business assets may also include ancillary costs incurred upon the acquisition.

It is noted that expenses and costs (*Aufwendungen und Ausgaben*) directly connected with investment income subject to the special income tax rate of 27.5% are also not tax deductible in case the Notes are held as business assets.

Notes held by Austrian resident corporations

Income, including capital gains, from the Notes derived by corporate Noteholders, whose seat and/or place of effective management is based in Austria, is subject to Austrian corporate income tax at a rate of 25% pursuant to the provisions of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*). Corporate Noteholders deriving business income from the Notes may avoid the application of Austrian withholding tax by filing a declaration of exemption (*Befreiungserklärung*) with the Austrian withholding tax agent, which has to be forwarded to the tax office in charge by such agent. If no declaration of exemption was filed, the withholding tax (levied at the regular rate of 27.5%, or at a reduced rate of 25% which might be applied in case of corporations – although the Austrian withholding tax agent is not obliged to do so) might be credited as prepayment to the corporate income tax and refunded with the amount exceeding the corporate income tax.

There is, inter alia, a special tax regime for private foundations established under Austrian law (*Privatstiftungen*) fulfilling certain prerequisites. Interest income and capital gains from the Notes of such Austrian private foundations are exempt from withholding tax. Instead of that the income is subject to an interim taxation at a rate of 25% which can be credited against the withholding tax levied on allocations from the private foundations to the beneficiaries. Under certain conditions withholding tax is not levied.

Non-resident Noteholders

Individuals who do not have a domicile nor their habitual abode in Austria or corporate investors that do not have their corporate seat nor their place of management in Austria (“non-residents”) are taxable on income from the Notes, including capital gains, if they have a permanent establishment (*Betriebsstätte*) in Austria and the Notes are attributable to such permanent establishment. If non-resident Noteholders receive income from the Notes as part of business income taxable in Austria (e.g., permanent establishment), they will be, in general, subject to the same tax treatment as resident investors.

In addition, individuals subject to limited income tax liability in Austria are also taxable on interest payments and accrued interest from the Notes if the (accrued) interest has an Austrian nexus and if withholding tax is levied on such (accrued) interest. Interest with an Austrian nexus is interest the debtor of which has its place of management or its legal seat in Austria, as is the case for the Issuer. Accrued interest with an Austrian nexus is accrued interest from securities issued by an Austrian issuer. No such taxation may arise for an individual who is tax resident in a state with which automatic exchange of information exists, if the individual provides a certificate of residence to the withholding agent. Under applicable double taxation treaties, relief from Austrian income tax might be available. Such relief might not be granted at source but might only be available upon application.

Other Taxes

There is no transfer tax, registration tax or similar tax payable in Austria by holders of the Notes as a consequence of the acquisition, ownership, disposition or redemption of the Notes. The sale and purchase of the Notes as well as the redemption of the Notes is in general not subject to Austrian stamp duty. Stamp duty may, however, be triggered if Notes are transferred by way of assignment.

Austria does not levy inheritance or gift tax. However, it should be noted that certain gratuitous transfers of assets to (Austrian or foreign) private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation entry tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Entry Tax Act (*Stiftungseingangssteuergesetz*).

In addition, a special notification obligation to the tax authorities exists for gifts from or to Austrian tax residents. Not all gifts are covered by the notification obligation: In case of gifts among relatives, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years.

SUBSCRIPTION AND SALE OF THE NOTES

Subscription by the Joint Bookrunners

BNP Paribas, Morgan Stanley & Co. International plc and UniCredit Bank Austria AG (the "**Joint Bookrunners**") will enter into a subscription agreement with the Issuer on or about 3 December 2020 (the "**Subscription Agreement**") in which they agree to subscribe for the Notes on a firm commitment basis. The Joint Bookrunners will be entitled, under certain circumstances, to terminate the Subscription Agreement. In such event, no Notes will be delivered to investors.

The Issuer will agree in the Subscription Agreement to indemnify the Joint Bookrunners against certain liabilities in connection with the offer and sale of the Notes. The Issuer has furthermore agreed to pay certain fees to the Joint Bookrunners in connection with the offering, placement and subscription of the Notes and to reimburse the Joint Bookrunners for certain expenses incurred in connection with the issue of the Notes.

The Joint Bookrunners or their respective affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Joint Bookrunners or their respective affiliates have received or will receive customary fees and commissions. In addition, the Joint Bookrunners or their respective affiliates may be involved in financing initiatives relating to the Issuer and its affiliates. Furthermore, in the ordinary course of their business activities, the Joint Bookrunners and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. Certain of the Joint Bookrunners or their respective affiliates that have a lending relationship with the Issuer and/or its affiliates, routinely hedge their credit exposure to the Issuer and its affiliates consistent with their customary risk management policies. Typically, such Joint Bookrunners and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer or its affiliates' securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Joint Bookrunners and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling Restrictions

General

Each Joint Bookrunner has acknowledged that other than explicitly mentioned in this Prospectus no action is taken or will be taken by the Issuer in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of any offering material relating to them, in any jurisdiction where action for that purpose is required.

Each Joint Bookrunner has represented and agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes any offering material relating to them.

Prohibition of Sales to EEA and UK Retail Investors

In relation to each Member State of the European Economic Area and the United Kingdom (each, a "**Relevant State**"), each Joint Bookrunner has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in any Relevant State. For the purposes of this provision the expression retail investor means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II (as amended); or
- (b) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United States of America and its Territories

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by the U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Joint Bookrunner has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom of Great Britain and Northern Ireland

Each Joint Bookrunner has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Singapore

Each Joint Bookrunner has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Switzerland

The offering of the Notes in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") as the Notes (i) have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more, and (ii) will not be admitted to trading on any trading venue (SIX Swiss Exchange Ltd. or on any other exchange or any multilateral trading facility) in Switzerland.

Neither this Prospectus, nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA or has been approved by a Swiss review body within the meaning of article 52 of the FinSA, and no such prospectus has been or will be prepared for, or in connection with, the offering of the Notes. No "Key Information Document" (*Basisinformationsblatt*) according to the FinSA or any other equivalent document under the FinSA has been prepared in relation to the Notes.

Hongkong

Each Joint Bookrunner has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(VUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Canada

No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Notes, the Notes have not been, and will not be, qualified for sale under the securities laws of Canada or any province or territory thereof and no securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon Prospectus or the merits of the Notes and any representation to the contrary is an offence.

Each Joint Bookrunner has represented, warranted and agreed that it has not offered, sold or distributed and will not offer, sell or distribute any Notes, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with applicable securities laws and, without limiting the generality of the foregoing,

- (a) any offer, sale or distribution of the Notes in Canada has and will be made only to only to purchasers in the province of Ontario that are "accredited investors" as such term is defined in section 73.3(1) of the *Securities Act* (Ontario)), that are also "permitted clients" (as such term is defined in section 1.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*), that are purchasing as principal, or are deemed to be purchasing as principal in accordance with applicable Canadian securities laws, and that is not a person created or used solely to purchase or hold the Notes as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in section 1.1 of National Instrument 45-106 *Prospectus Exemptions*;
- (b) it is either (I) appropriately registered under applicable Canadian securities laws in each relevant province or territory to sell and deliver the Notes, (II) such sale and delivery will be made through an affiliate of it that is so registered if the affiliate is registered in a category that permits such sale and has agreed to make such sale and delivery in compliance with the representations, warranties and agreements set out herein, or (III) it is relying on an exemption from the dealer registration requirements under applicable Canadian securities laws and has complied with the requirements of that exemption; and
- (c) it has not and will not distribute or deliver any offering material in connection with any offering of the Notes, in or to a resident of Canada other than delivery of the Prospectus to purchasers in the province of Ontario and otherwise in compliance with applicable Canadian securities laws.

GENERAL INFORMATION

1. Interest of Natural and Legal Persons involved in the Issue/Offer: Certain of the Joint Bookrunners and their affiliates may be customers of, borrowers from or creditors of the Issuer and its affiliates. In addition, certain Joint Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and/or its affiliates in the ordinary course of business.

2. Authorizations: The creation and issue of the Notes has been authorized by a resolution of the Management Board dated 9 November 2020 and a framework resolution of the Supervisory Board dated 28 October 2020 authorizing the committee for Urgent Matters (*Ausschuss für dringliche Angelegenheiten*) of the Supervisory Board to approve the issue of the Notes. Upon application by the Management Board, the committee for Urgent Matters, observing the limits set by the Supervisory Board in the framework resolution, authorized the creation and issue of the Notes by resolution dated 30 November 2020.

3. Legal Entity Identifier:

The legal entity identifier (LEI) of the Issuer is: 529900BKFJBI0QRDJH63.

4. Expenses for Admission to Trading: The total expenses related to the admission to trading of the Notes are expected to amount to approximately EUR 8,000.

5. Clearing System: The Notes have been accepted for clearing and settlement through Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium and Clearstream Banking, S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

The Notes have the following securities codes:

ISIN:	XS2250987356
Common Code:	225098735

6. Listing and Admission to Trading: Application has been made for the Notes to be admitted to the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange. The Euro MTF market of the Luxembourg Stock Exchange is not a regulated market for the purposes of MIFID II.

7. Documents on Display: For so long as any Note is outstanding, electronic versions of the following documents are available for viewing in electronic form at the website of the Issuer (<https://www.lenzing.com/>):

- (a) the Articles of Incorporation (*Satzung*) of the Issuer; and
- (b) the documents specified in the section "*Documents incorporated by reference*" below.

This Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

8. Third Party Information: With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) neither the Issuer nor any Joint Bookrunner has independently verified any such information and neither the Issuer nor any Joint Bookrunner accepts any responsibility for the accuracy thereof.

9. Yield: For the investors, the yield of the Notes until the First Reset Date is 5.750 per cent. *per annum*, calculated on the basis of the Issue Price.

Such yield is calculated in accordance with the ICMA (International Capital Markets Association) Method. The ICMA method determines the effective interest rate on notes by taking into account accrued interest on a daily basis. The yield of the Notes for the Reset Periods after the First Reset Dates cannot be determined as of the date of this Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The pages specified below of the following documents, which have previously been published or are published simultaneously with this Prospectus and which have been filed with the Luxembourg Stock Exchange are incorporated by reference into this Prospectus:

- (i) the Lenzing Annual Report 2019
- (ii) the Lenzing Annual Report 2018
- (iii) the Lenzing Interim Report 01-09/2020.

The respective English language documents are translations of the original German language documents. Only the German language consolidated financial statements and auditor's reports are binding.

Any information not incorporated by reference into this Prospectus but contained in one of the documents mentioned as source documents in the cross-reference list below is either not relevant for the investor or covered in another part of this Prospectus.

(i) Extracted from: Lenzing Annual Report 2019:

- Consolidated Income Statement page 87
- Consolidated Statement of Comprehensive Income page 88
- Consolidated Statement of Financial Position page 89
- Consolidated Statement of Changes in Equity..... pages 90-91
- Consolidated Statement of Cash Flows page 92
- Notes to Consolidated Financial Statements pages 93-160
- Auditor's Report..... pages 161-164

(ii) Extracted from: Lenzing Annual Report 2018:

- Consolidated Income Statement page 69
- Consolidated Statement of Comprehensive Income page 70
- Consolidated Statement of Financial Position page 71
- Consolidated Statement of Changes in Equity..... pages 72-73
- Consolidated Statement of Cash Flows page 74
- Notes to Consolidated Financial Statements pages 75-143
- Auditor's Report..... pages 144-147

(iii) Extracted from: Lenzing Interim Report 01-09/2020:

- Consolidated Income Statement (condensed)..... page 7
- Consolidated Statement of Comprehensive Income (condensed)..... page 8
- Consolidated Statement of Financial Position (condensed)..... page 9
- Consolidated Statement of Changes in Equity (condensed)..... page 10
- Consolidated Statement of Cash Flows (condensed)..... page 11

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the website of the Issuer (www.lenzing.com) and the website of the Luxembourg Stock Exchange (www.bourse.lu).

Issuer

Lenzing Aktiengesellschaft

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Principal Paying Agent and Calculation Agent

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Grand Duchy of Luxembourg

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Auditors

KPMG Austria GmbH

Wirtschaftsprüfungs- u. Steuerberatungsgesellschaft

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