



#recreatingvalue

together

SUSTAINABILITY AND
ANNUAL REPORT 2024



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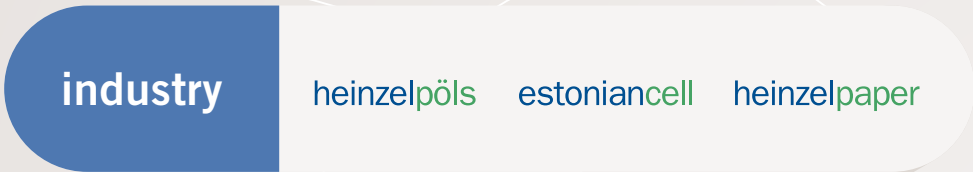
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HEINZEL GROUP 2024



425,163 t

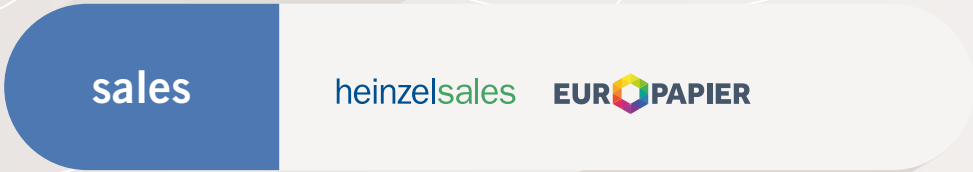
MARKET PULP

880,565 t

PAPER

313,750 m³

SAWN TIMBER



1,280,828 t

OWN PRODUCTS*

1,884,817 t

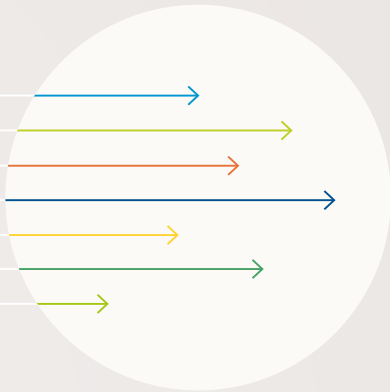
TRADED GOODS



981,676 t

RECOVERED PAPER

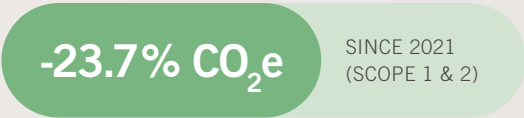
* Excluding sawn timber



together

on track: fossil-free, renewable, recyclable

We manufacture market pulp, packaging papers, and sawn timber, trade globally in pulp, paper, recovered paper, and innovative packaging solutions, and are forging ahead with the implementation of our Strategy 2030.



HEINZEL GROUP key figures at a glance

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KEY FIGURES OF HEINZEL GROUP AS PER IFRS

			2024	2023 (RESTATED)	2022	2021	2020 (RESTATED)
PRODUCTION AND SALES							
Total production pulp & paper	metric tons		1,305,728	1,420,083	1,524,611	1,687,939	1,607,030
thereof pulp	metric tons		425,163	442,563	488,381	501,719	509,781
thereof paper	metric tons		880,565	977,520	1,036,231	1,186,220	1,097,249
Production sawn timber ¹	m³		313,750	-	-	-	-
Total sales pulp & paper	metric tons		3,165,644	3,342,443	3,438,428	3,712,092	3,685,496
thereof in-house production	metric tons		1,280,828	1,432,765	1,517,448	1,682,242	1,606,603
thereof traded goods	metric tons		1,884,817	1,909,678	1,920,980	2,029,850	2,078,894
Sales sawn timber ¹	m³		312,694	-	-	-	-
INCOME STATEMENT ²							
Net sales	EUR million		2,164.4	2,116.9	2,777.4	2,038.2	1,611.7
EBITDA	EUR million		101.9	125.1	287.5	195.8	126.0
EBITDA margin	in %		4.7	5.9	10.3	9.6	7.8
EBIT	EUR million		29.0	60.4	214.3	121.9	57.7
EBIT margin	in %		1.3	2.9	7.7	6.0	3.6
Financial result	EUR million		-13.3	-10.5	1.3	-2.5	-1.5
Earnings before tax	EUR million		15.7	49.9	215.6	119.4	56.2
Net profit for the year ³ from continuing operations ²	EUR million		7.9	38.5	164.7	94.0	39.9
Net profit for the year ³ from discontinued operations	EUR million		-17.5	-37.5	-	-	-
BALANCE SHEET							
Total assets	EUR million		1,705.8	1,705.1	1,640.1	1,433.9	1,327.9
Shareholders' equity	EUR million		969.1	983.2	1,007.6	849.3	778.2
Equity ratio	in %		56.8	57.7	61.4	59.2	58.6
Net debt (-) / Net credit (+)	EUR million		-84.5	1.8	42.5	28.1	-5.1
CASH FLOW, INVESTMENTS							
Cash flow from operating activities	EUR million		69.3	135.0	162.9	129.8	112.3
Investments in property, plant, and equipment	EUR million		-107.8	-137.1	-68.5	-46.4	-27.2
Cash flow from investing activities	EUR million		-121.7	-144.5	-89.2	-73.6	-18.6
Free cash flow	EUR million		-52.4	-9.5	73.7	56.3	93.7

¹ Quantities of sawmill by-products not included
² 2023 & 2024: P&L adjusted without Raubling Papier GmbH and its subsidiary Heizkraftwerk Bauernfeind Betreibergesellschaft mbH (according to IFRS 5)
³ Excluding minority interests

The financial information and key financial figures published here (prepared in accordance with IFRS as adopted by the EU) and the group management report of Heinzl Holding GmbH as of December 31, 2024 can be derived from the consolidated financial statements and group management report as of December 31, 2024 audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft. Further details and key figures can be found in the [Group Management Report](#) and the [Consolidated Financial Statements](#)

KEY FIGURES OF HEINZEL GROUP FOLLOWING ESRS

		2024	2023	2022	2021
E1 CLIMATE CHANGE					
E1-6: Total GHG emissions Scope 1+2, market based [*]	t CO ₂ e	479,520	503,033	535,910	628,716
E1-6: Total GHG emissions Scope 3 [*]	t CO ₂ e	4,009,083	4,151,933	3,946,649	4,185,583
GHG intensity based on production Scope 1+2, market based	t CO ₂ e/t	0.30	0.32	0.32	0.34
E1-5: Total energy consumption related to own operations	MWh	5,037,818	4,666,288	4,912,760	5,286,523
E1-5: Share of total energy consumption from renewable resources	in %	66.2	58.8	58.3	55.5
E1-5: Renewable energy produced	MWh	2,977,410	2,682,441	2,800,719	2,881,921
Energy intensity based on production	MWh/t	3.19	2.97	2.91	2.87
E2 POLLUTION					
E2-4: Chemical oxygen demand (COD) in wastewater	t	6,386.4	-	-	-
E2-4: Biological oxygen demand (BOD) in wastewater	t	280.4	-	-	-
E2-4: Nitrogen oxides (NOx) emissions	t	733.5	-	-	-
E3 WATER AND MARINE RESSOURCES					
E3-4: Total water withdrawals	m³	34,885,669	32,303,149	32,486,272	34,532,987
Specific freshwater withdrawal per metric ton	m³/t	22.2	20.7	19.4	18.8
E4 BIODIVERSITY AND ECOSYSTEMS					
Share of sourced timber (FSC®, PEFC, EUTR)	in %	100.0	100.0	100.0	100.0
Share of sourced pulp with FSC® or PEFC certification (production)	in %	86.2	99.0	88.1	89.6
E5 RESOURCE USE AND CIRCULAR ECONOMY					
Share of recycled or renewable materials used	in %	95.6	94.7	94.6	94.5
E5-5: Share of recyclable content in products excl. by-products	in %	99.5	99.5	99.4	99.3
E5-5: Specific volume of waste	t/t	0.15	0.16	0.15	0.04
Share of waste thermally or materially recycled	in %	96.6	94.4	98.4	98.1
S1 OWN WORKFORCE					
S1-6: Numbers of Employees as of December 31 ^{* **}	number	2,908	2,616	2,548	2,510
S1-6: Share of female employees	in %	28.1	29.2	27.2	27.8
S1-14: LTIFR (Lost Time Injury Frequency Rate)	number	8.3	8.3	9.5	8.9
S3 AFFECTED COMMUNITIES					
Enquires and complaints from residents	number	87	77	84	106
Renewable energy sold	MWh	239,370	231,555	247,515	279,616
G1 BUSINESS CONDUCT					
G1-3: Share of functions-at-risk covered by anti-corruption, anti-bribery and competition compliance training	in %	95.7	89.0	98.8	98.1
G1-4: Number of convictions for violation of anti-corruption / anti-bribery laws	number	0	0	0	0

^{*} Previous years adjusted ^{**} Change from FTE average to headcount settlement as of December 31
Further details and key figures can be found in the [Sustainability Statement](#)

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This will keep you on track!

A ANNUAL REVIEW

The annual review summarizes the most important milestones and developments of Heinzl Group in 2024. In addition to facts and figures, the focus in this section is on reports on the topics that shaped the year.

We are HEINZEL GROUP

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Together for our PLANET

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Together for our PEOPLE

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Together for our PARTNERS

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B SUSTAINABILITY STATEMENT

Sustainability is a core value of Heinzl Group. The Sustainability Statement for the reporting year 2024 is already based on the current requirements of the European Sustainability Reporting Standards (ESRS). It contains detailed information on the material sustainability topics, which were developed on the basis of the double materiality assessment in accordance with the requirements of CSRD and ESRS.

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The management report and financial statements form the financial core of the report. Here you will find detailed information on the economic development of Heinzl Group in the 2024 financial year.

Together for our PERFORMANCE

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Dear Readers!

‘Together’ is the motto of our Sustainability and Annual Report 2024. And we made significant progress that demonstrates what we can achieve together. The integration of the Steyrermühl paper mill in Upper Austria and the successful commissioning of the paper machine PM6 at this site have greatly expanded our capacity to produce sustainable packaging papers, laying a strong foundation for future success. This was only possible by joining forces – together.

In 2024, we were also able to welcome new members to our Group Management and to some of our management teams, whose fresh perspectives will enable us to make Heinzl Group an even more successful organization. A key milestone this year was the launch of our group-wide development program, Heinzl ReGroup, designed to strengthen collaboration and togetherness across all our companies.

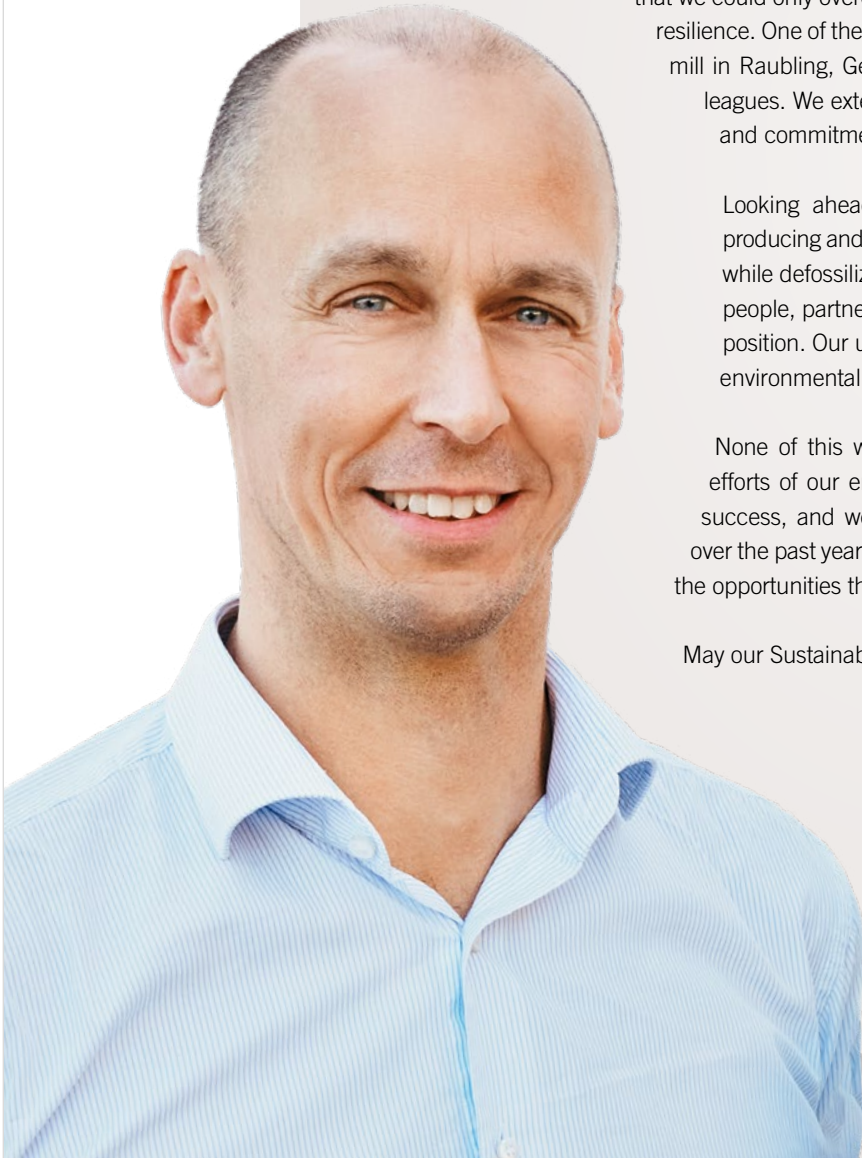
However, the past twelve months have also been characterized by market challenges that we could only overcome together and that demanded all our flexibility and resilience. One of the most difficult decisions we faced was closing our paper mill in Raubling, Germany – a step that deeply affected many of our colleagues. We extend our gratitude to everyone involved for their support and commitment during this challenging time.

Looking ahead, we remain committed to our long-term strategy: producing and marketing sustainable products using renewable energy while defossilizing our processes. This approach benefits not only our people, partners, and the planet but also strengthens our competitive position. Our unwavering commitment is to invest in an economically, environmentally, and socially sustainable future.

None of this would be possible without the dedication and tireless efforts of our employees. Their commitment is the foundation of our success, and we extend our sincere gratitude for their achievements over the past year. Together, we look forward with confidence to 2025 and the opportunities that lie ahead.

May our Sustainability and Annual Report inspire you.

Sebastian Heinzl, CEO



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heinzleemacs

- PAPER
- ENERGY
- AGRICULTURE
- REAL ESTATE
- FAMILY

EMACS milestones

1991 The foundation is laid for today's **Heinzl Group** in pulp and paper trading

2000 Pulp production starts

2003 Expansion into the agricultural sector (**EMACS Agro**)

2010 Acquisition of the first property in Vienna (**EMACS Real Estate**)

2010 Establishment of **Heinzl Energy**

2013 Expansion into the paper production sector

2013 Start of recovered paper trading activities

2019 Commissioning of the new hydro-power plant Danzermühl

2022 Investment in Paracel (Paraguay)

2024 Integration of Steyrermühl – together with Laakirchen a center for sustainable packaging papers, renewable energy, and timber processing is being created.

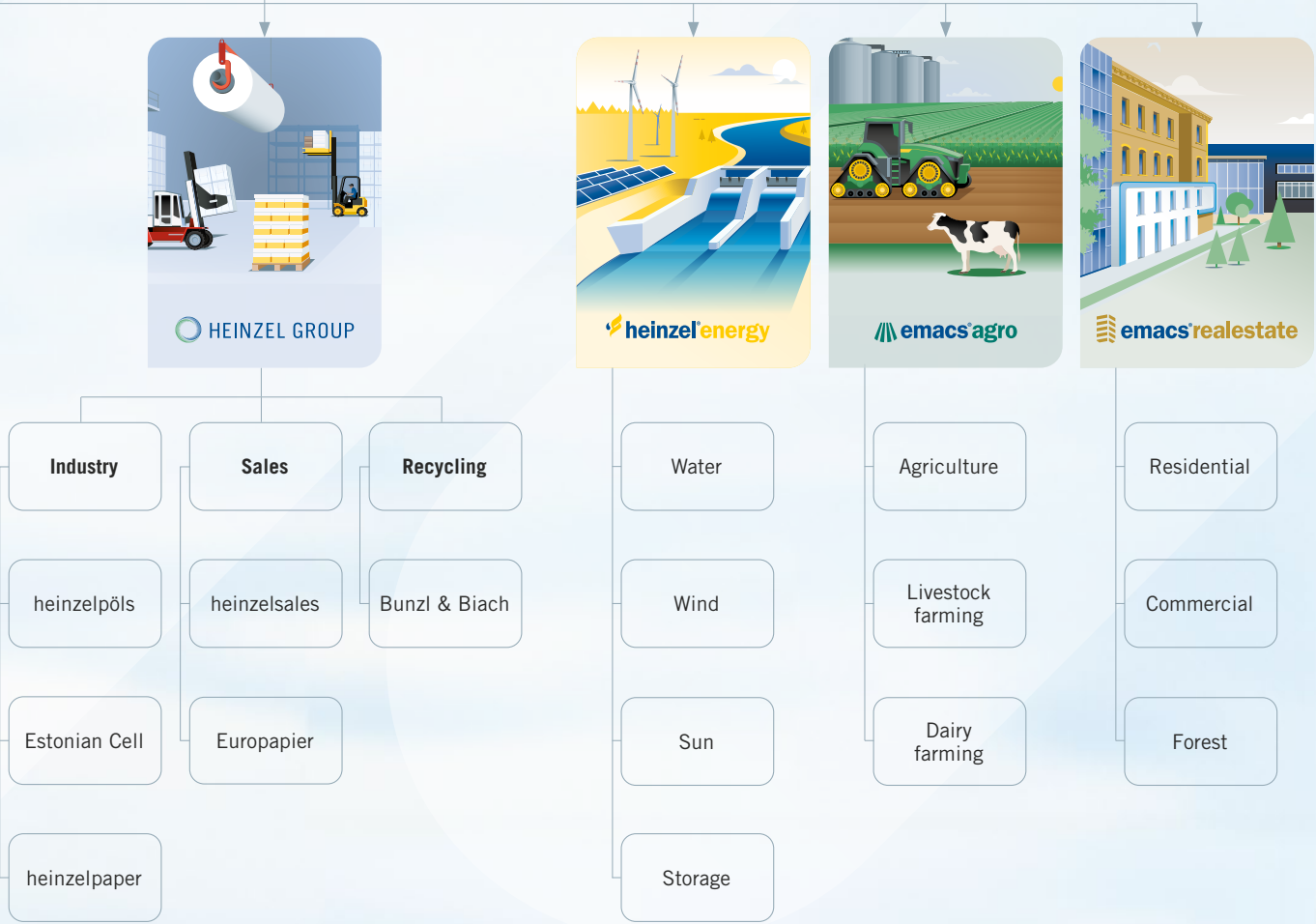
EMACS combines four business areas: paper, pulp and wood (Heinzl Group), energy (Heinzl Energy), agriculture (EMACS Agro) and real estate (EMACS Real Estate).

The EMACS Private Foundation was established by the Austrian entrepreneur Alfred Heinzl. Its name is composed of the first letters of the first names of the family members: Evelyn and Alfred, and their sons Sebastian, Christoph and Matthias (from left to right in the picture).



The broad diversification reflects the entrepreneurial spirit and commitment of the Heinzl family, which pursues a sustainable, future-oriented strategy to secure and further develop its assets and equity investments over the long term. The foundation ensures the commonality of the family and at the same time enables its members to participate individually in the success. The EMACS Private Foundation focuses on the reinvestment of profits and the long-term protection of the family's assets and the shareholders' interests.

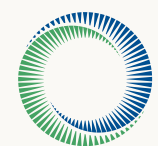
This report covers
Heinzl Group.



“ I am proud to see the sustainable development of the EMACS divisions and to experience how successfully the companies are managed, even in challenging times.”

Alfred Heinzl, Chairman of the
Supervisory Board, Heinzl Group





HEINZEL GROUP | OUR VALUE CREATION

HEINZEL GROUP SUSTAINABILITY AND ANNUAL REPORT 2024

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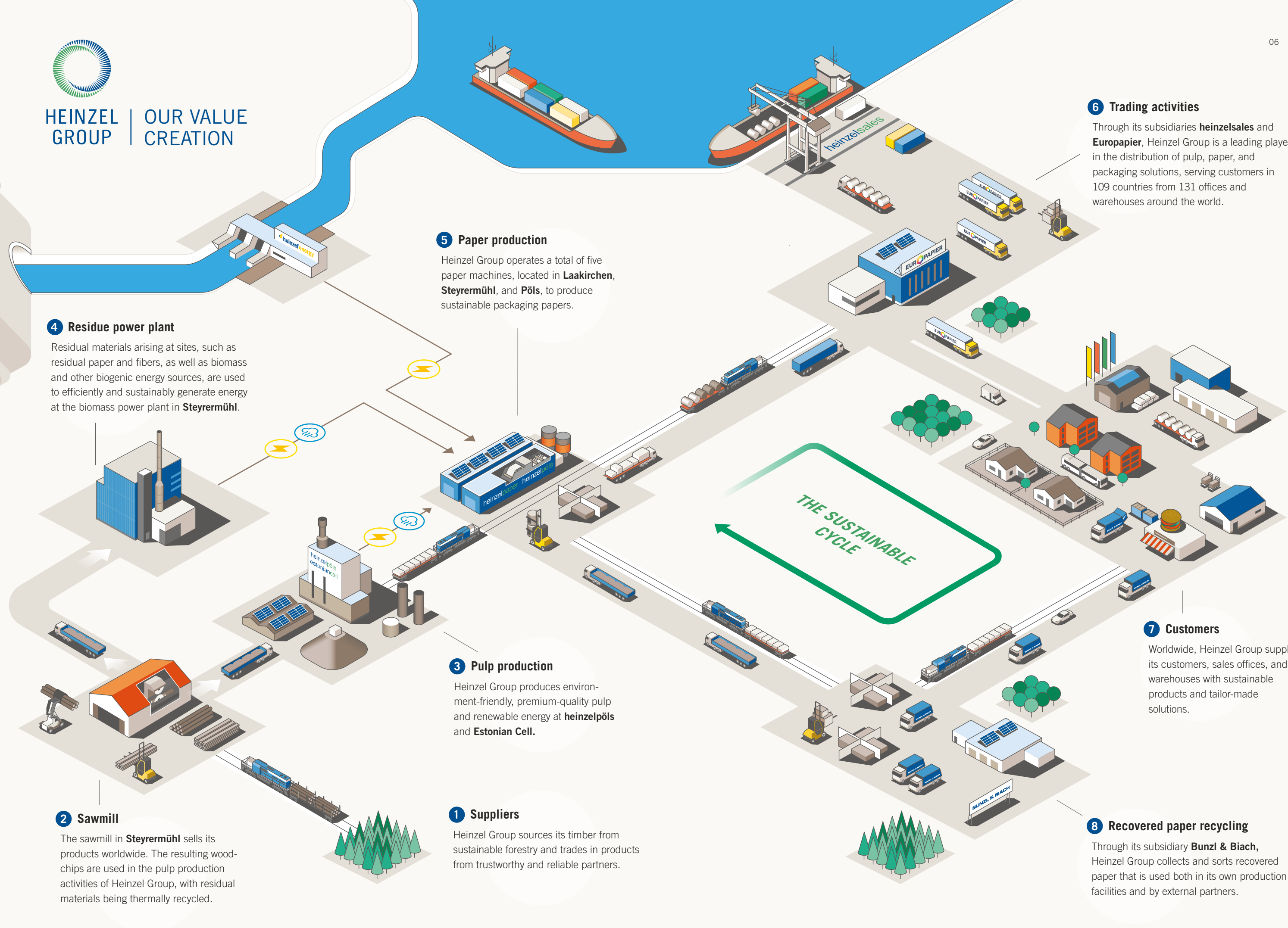
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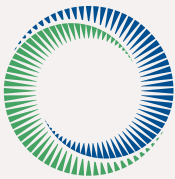
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The companies of HEINZEL GROUP

With four modern production plants at three locations, Heinzl Group is one of Europe's leading manufacturers of market pulp and packaging papers. The company is also globally active in the trade of pulp, paper, recovered paper and innovative packaging solutions, as well as in the production of sawn timber. Sustainability is a central pillar of the corporate strategy and consistently drives the development of future-oriented products and processes.



1991

Joins Heinzl Group

835.8 ^{MN}
EUR

Net sales

-7.6%

CO₂e vs. 2023 (Scope 1+2)

153

Employees

Krunoslav Meic, CEO 
Dietmar Geigl, CFO

28

sales offices around the world

heinzelsales.com

2,407,284 t

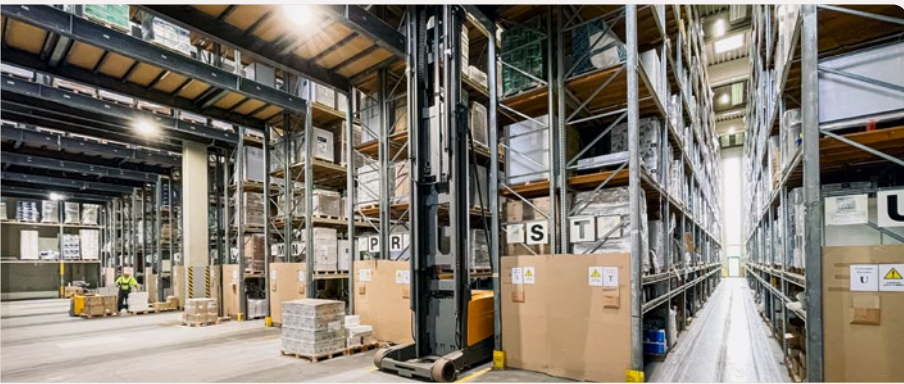
Trading volume

Sales of products from global and local pulp and paper manufacturers in over 100 countries worldwide

Management systems, certifications*: PEFC, FSC®

Award: Top 5% of companies with the best ratings on kununu

EUROPAPIER



2010

Joins Heinzl Group

636.5 ^{MN}
EUR

Net sales

-4.5%

CO₂e vs. 2023 (Scope 1+2)

1,181

Employees

Helmut Limbeck, CEO
Martin Bichl, CFO 

13

countries with subsidiaries

europapier.com

470,900 t

Trading volume

Wholesale of office and printing paper, cardboard, advertising technology, hygiene products and industrial packaging solutions

Management systems, certifications*: PEFC, FSC®, ISO 9001 (Moderne Verpackung)
Awards: EcoVadis Bronze (Europapier Slovensko), Green Printworld Award (Europapier Hungary)

BUNZL & BIACH



2013

Joins Heinzl Group

168.2 ^{MN}
EUR

Net sales

-5.7%

CO₂e vs. 2023 (Scope 1+2)

139

Employees

Andreas Mang, CEO 
Andreas Sailer, CFO (from Jan 1, 2025)
Klaus Vlach, CFO (until Dec 31, 2024)

4

countries with subsidiaries

bunzl-biach.at

981,676 t

Trading volume

Service company collecting, sorting, and trading in recovered paper

Management systems, certifications*: EMAS, ISO 14001, ISO 50001, ISO 45001, EFB

Award: National emblem bearer

 Board member responsible for sustainability
* Certificates of products – see chapter [Sustainable and Circular Products](#)

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heinzelpöls

2000

Joins Heinzl Group

412.7

MN
EUR

Net sales (heinzelpöls consolidated)

-0.8%

CO₂e vs. 2023 (Scope 1+2)
(incl. PM6 +42.95%)

Pöls, AT

618

Employees (heinzelpöls consolidated)

Mike Resnec, CEO/CFO

Heinz Schnedl, CTO

Werner Hartmann, COO (until Dec 31, 2024)

Management systems, certifications*:
ISO 9001, ISO 14001, ISO 45001,
Hygiene EN 15593, PEFC, FSC®, SURE

Awards: Primus Award for Courage 2024,
EcoVadis (Gold)

heinzelpoels.com

471,458 t

orion

Production volume of bleached and
unbleached long-fiber sulfate pulp

58,661 t

starkraft

Production volume of kraft paper on the
PM6 paper machine in Steyrermühl**

181,199 t

starkraft

Production volume of kraft paper on
paper machines PM2 and PM3 in Pöls**



estoniancecell

2006

Joins Heinzl Group

79.3

MN
EUR

Net sales

+13.1%

CO₂e vs. 2023 (Scope 1+2)

Kunda, EE

85

Employees

Rain Pärn, CTO

Meelis Kuzma, CFO (from Jan 1, 2025)

Siiri Lahe, CFO (until Dec 31, 2024)

Management systems, certifications*:
EMAS, ISO 9001, ISO 14001,
ISO 45001, ISO 50001, PEFC, FSC®

Award: EcoVadis (Gold)

estoniancecell.ee



2013/2024

Joins Heinzl Group

352.3

MN
EUR

Net sales (heinzelpaper consolidated)

-4.8%

CO₂e vs. 2023 (Scope 1+2)
(incl. Steyrermühl -0.46%)

Laakirchen, AT

Steyrermühl, AT

660

Employees (heinzelpaper consolidated)

Thomas Welt, CEO

Franz Baldauf, CFO

Management systems, certifications*:
ISO 9001, ISO 14001, ISO 45001,
ISO 50001, Hygiene HACCP, PEFC,
FSC®, EN 15593, SURE

Award: EcoVadis (Silver for Laakirchen
site)

heinzelpaper.com

heinzl.com/wood

451,459 t

starboard

Production volume of containerboard
on paper machine PM10

189,246 t

grapho

Production volume of
graphic paper on paper machine PM11

313,750 m³

steyrerwood

Production volume of
dried and fresh sawn timber

Board member responsible for sustainability
* Certificates of products – see chapter [Sustainable and Circular Products](#)
** The PM6 paper machine is located at the Steyrermühl site, but belongs to the Starkraft business unit of heinzelpöls.
The total production volume at both sites is 239,860 tons of kraft paper in 2024.

General note: headcount settlement is valid as of December 31; heinzelpöls consolidated includes Zellstoff Pöls AG and Starkraft Steyrermühl GmbH as a subgroup; heinzelpaper consolidated includes Laakirchen Papier AG, HSG Papier GmbH, Steyrermühl Sägewerksgesellschaft m.b.H. Nfg KG, Heinzl Steyrermühl Energie GmbH, Heinzl Steyrermühl Beteiligungs GmbH

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together - CEO Sebastian Heinzl and COO Karl Achleitner reflect on collaboration, transformation, and key challenges.

This year’s management interview comes with a new team structure. How has the collaboration been so far?

Karl Achleitner: Our cooperation has been going very well. From the start, it was clear that we were aligned on key topics like organizational development and corporate culture. We also complement each other well in our areas of expertise, Sebastian brings extensive experience in sales, while I provide insights from a production perspective.

Sebastian Heinzl: We’ve had a strong start together, and I’m confident that this new leadership team will success-

fully drive the company's next phase of development. Karl's deep knowledge of commodities is a great asset, and we’re also looking forward to welcoming Daniela Lorenzer as our new CFO from June 2025. She will be a great addition to the team. That said, our management team was already highly aligned, and we’ve accomplished a lot together, something I’m truly grateful for. Now, we’re moving forward with fresh energy and a clear focus on what’s next.

The title of this year’s sustainability and annual report is ‘together’. How important is it to stick together in these challenging times?

Sebastian Heinzl: Our organizational structure has traditionally allowed each site and company within the group to operate very independently, and that is a good thing. However, with increasing challenges and growing market pressures, we now see the need to work more closely together to leverage synergies and maximize the strengths of our group. Our ongoing Group Development Program, Heinzl ReGroup, is fostering collaboration across business units, helping us identify where we are stronger together and translating those insights into concrete action plans.

Karl Achleitner: This is not about completely restructuring the group or centralizing control. We firmly believe that independent responsibility and entrepreneurship remain key drivers of our success. At the same time, there are areas where working together makes a real difference, such as our sustainability strategy, occupational health and safety, organizational development, and practical matters like energy procurement and maintenance programs.

Where do you see potential to further intensify collaboration within the group?

Sebastian Heinzl: The most significant milestone for us in 2024 was the integration of Steyrermühl, which introduced a completely new way of working between Steyrermühl, Laakirchen, and Pöls. This was not simply a takeover or an assimilation of Steyrermühl but an opportunity to learn from one another and harness synergies. The integration process serves as a blueprint for a new kind of collaboration within our group. Beyond that, there are many other areas where stronger cooperation between group companies holds great potential, particularly in logistics solutions and knowledge-sharing on energy solutions.

It sounds like the integration of Steyrermühl has gone well. Has it?

Karl Achleitner: Absolutely. The team from Steyrermühl, Pöls, and Laakirchen successfully prepared and executed the relaunch of paper production, converting PM3 to PM6, all within an impressively short time frame while maintaining top quality. This paper machine has had a very strong start. Where one once produced newsprint, a product with declining demand, we now manufacture sustainable packaging papers and tap into the potential of renewable energy sources. I want to extend my congratulations to the entire team. Well done!



HEINZEL GROUP

Welcoming COO Karl Achleitner on Board

Karl Achleitner joined Heinzl Group as COO in September 2024. With his extensive experience in the commodities sector and a forward-thinking approach, he is set to drive the group's strategic and operational development in this dynamic phase.

“Heinzl Group’s success is built on individual responsibility and initiative – qualities I strongly relate to. I also value the team spirit: people who stick together, act ambitiously and think entrepreneurially.”



Kurt Maier, former COO of Heinzl Group, now serves as President of the Styrian Chapter of the Federation of Austrian Industries while maintaining ties to the group through various board roles. Over nearly 20 years, he played a key role in Heinzl Group's growth.

“Team spirit has always been the foundation of our success. Only together were we able to achieve sustainable growth. I wish the new management team the same strength that always defined our team.”

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“

Our differentiation lies in efficient processes, practiced sustainability, and an optimal cost structure.“

Karl Achleitner, COO



Sebastian Heinzl: Taking over such a large site, including its entire workforce, and converting it in record time before resuming operations was a tremendous achievement. This not only ensured stable production but also safeguarded jobs, which was a top priority for us. We are very proud of this accomplishment.

The product portfolio has also expanded, with the group now including a sawmill. What advantages does this strategic expansion offer?

Karl Achleitner: Having a sawmill brings significant strategic benefits. As a group, we now cover the entire value

chain, from pulp to paper and recovered paper. What was missing before was a sawmill. This addition not only opens up a new business area but also strengthens our access to timber and its by-products, which we can use to generate sustainable energy. It is a crucial step in expanding the group's circular economy.

While Steyrermühl was added as a new site, the group also made the decision to close the mill in Raubling. What were the strategic considerations behind this?

Sebastian Heinzl: This wasn't an easy decision. We explored various options, but in the end, we had to accept that a sustainable future for the site was not realistic. If it had only been a matter of short-term financial losses, we would have done everything possible to navigate through the challenge. However, the site's heavy dependence on natural gas meant that overcoming this issue would have required an investment of several hundred million euros, which was simply not viable. That is why we ultimately had to make the difficult decision to close our site in Raubling. We took great care in preparing for the closure, especially when it came to supporting our employees. That is why we are pleased that our efforts paid off, every affected employee was able to secure a new job within an average of just one month after leaving the company.

What were the greatest challenges in the pulp and paper industry in 2024, and how do you see current developments?

Sebastian Heinzl: Customer demand picked up again in 2024, and prices recovered to some extent. However, this positive trend was offset by a sharp increase in costs. As a result, despite higher production levels compared to previous years, earnings remained weak. What we are seeing now is that consumer confidence is still fragile due to inflation and economic challenges. While there are early signs of stabilization, our outlook for 2025 remains cautious. At this stage, there are no indications of a return to the record-breaking years we experienced between 2018 and 2022.

How do you respond to such a situation in the market?

Karl Achleitner: In the pulp and paper industry, we produce commodity products, which means we cannot differentiate ourselves purely through the product itself. Instead, our competitive edge lies in other areas: efficient processes, a strong commitment to sustainability,

an optimal cost structure, reliable and crisis-resilient customer relationships, and outstanding service. These are the factors that set us apart from the competition. Our focus must be on continuously improving in these areas across all our products, ensuring that we remain among the best in the market. The same applies to our trading companies, where our flexibility, service quality, and willingness to go the extra mile for our customers make a real difference.

How did economic conditions impact the bottom line in 2024?

Sebastian Heinzl: While 2024 was slightly better than 2023, overall, the two years were quite similar in terms of financial performance. Our net profit has remained close to the baseline. However, this also means that we have maintained a solid balance sheet despite the challenging business environment. One of our key strengths as a group is our diversified business model, which provides stability. We have strong positions in both trading and production, as well as in packaging and pulp, and we

“

The integration of Steyrermühl was an outstanding success – an example of how effective collaboration strengthens our group.“

Sebastian Heinzl, CEO



HEINZEL GROUP

Welcoming Daniela Lorenzer as CFO in June 2025

From June 2025, Styrian-born Daniela Lorenzer will take over as CFO at Heinzl Group. With a strong financial background, she has held key roles at Magna – overseeing controlling for the Mercedes G-Class – and played a pivotal role in Jaguar Land Rover's turnaround. Most recently, she served as CFO at an Upper Austrian transport solutions provider.

“Coming from a family of entrepreneurs, I'm particularly excited to join such a successful family-owned company.“



Barbara Potisk-Eibensteiner Heinzl Group's CFO from 2017 to 2024, will be the first woman on the board at Austrian Post. As an interim solution, Sebastian Heinzl will take on the role of CFO alongside his duties as CEO.

“My time at Heinzl Group was filled with exciting challenges and valuable experiences, working with a team that always puts customers first while keeping sustainability in focus.“

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ESTONIAN CELL

Meelis Kuzma appointed CFO of Estonian Cell

Meelis Kuzma, who has been part of Estonian Cell since 2013 in various roles, will take on the position of CFO.

“ I look forward to this new responsibility and to working with our highly motivated team to drive future success. “



After twelve years as CFO, **Siiri Lahe** is stepping back from operational business. Her contributions extended beyond Estonian Cell, leaving a lasting impact within Heinzl Group. She will remain connected to Estonian Cell in her new role as a supervisory board member.

“ I have always valued Heinzl Group's efficient decision-making, but what impressed me even more was Alfred and Sebastian Heinzl's commitment to aligning corporate culture with sustainable principles. “



operate across Europe and beyond. This diversification enhances the group's overall resilience.

Karl Achleitner: Our paper machines are among the best in the industry. Once the conversion of PM11 is complete, Laakirchen will have an annual production capacity of around one million metric tons of containerboard, making it one of the largest recycled containerboard production sites in Europe. Current benchmarks confirm that our machines in Pöls hold the top two spots in terms of performance, with the PM6 in Steyrermühl close behind. Just as important as our technology are the highly motivated and experienced teams at all our sites. Ultimately, they make the real difference.

Helmut Schmidt once said, “In crisis, character is proven.” How does this apply to Heinzl Group's sustainability strategy?

Karl Achleitner: Our customers demand long-term, sustainable packaging solutions. In our view, any company without a credible sustainability strategy is essentially disqualifying itself from the market. That's why we are fully committed to transparency in this area. Our strong reputation and genuine dedication to sustainability are already key success factors for us.

Sebastian Heinzl: Beyond that, we see sustainable energy sources as a competitive advantage within our group. A prime example is Steyrermühl, where we are transitioning from natural gas to biomass, recovered wood, and similar renewable energy sources. Today, sustainability is no longer a choice between environmental responsibility and economic strength – it is a driver of both. Despite two challenging years, our strategy remains unchanged. While we have adjusted the pace of implementation to reflect the market environment, our commitment to our long-term goals remains firm.

What is the status of Heinzl Group's 2030 targets, particularly regarding defossilization, the top priority in the strategy?

Sebastian Heinzl: Our goals remain unchanged. We are on track to continue reducing emissions and transitioning to fossil-free energy sources in the long term. A key factor in our success is fostering a sustainability mindset across the entire group. We actively encourage all employees to contribute and take ownership of sustainability initiatives.

Karl Achleitner: We are committed to the principle that green is the new default. The default, in other words the fundamental decision, is the sustainable option. If anyone wants to opt for anything else, they need to explain why this is the better solution.

What are your expectations for 2025?

Karl Achleitner: We will continue building on our strengths, striving for excellence in areas where we already perform well. Our key objectives for 2025 include commissioning the converted PM6 in Steyrermühl. While the machine has been running since mid-2024, further optimization is needed. Additionally, we will start operations with PM11 in Laakirchen. In both cases, our focus is on ensuring smooth and successful launches. The economic environment remains challenging, but we are confident in our ability to navigate this phase together.

Sebastian Heinzl: We are in an excellent position to implement our operational and sustainability plans. Why? Because these plans are not developed solely by top management. Success comes from working together towards a common goal. Time and again, our employees have demonstrated their dedication and capability. That is why we want to express our gratitude to our outstanding team, and why we remain optimistic about the future.

HEINZELPÖLS

Mike Resnicek succeeds Werner Hartmann, CEO/CFO

Since September 2024, Mike Resnicek has been strengthening the management team at heinzelpöls. With extensive international experience in the packaging industry, he brings valuable expertise to further develop the site.

“ This new role marks an exciting chapter for me. My goal is to enhance the organization, expand our product portfolio, and ensure sustainable growth for our locations. “



COO Werner Hartmann is retiring after a distinguished career at heinzelpöls. Under his leadership, the production capacity of Starkraft paper grew to 350,000 metric tons per year. He also played a key role in projects such as the hydroelectric power plant and unbleached pulp production.

“ Looking back on the last twelve years, I feel a deep sense of gratitude. I am incredibly proud of what we have achieved together as a team. “



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Strategy 2030

Responsibility, Excellence, Respect –
our strategy is built not only on
these core values but also on our
vision, mission, and purpose.

Heinzl Group's integrated corporate strategy combines business objectives and sustainability efforts. Since 2022, the corporate strategy has focused on securing renewable, non-fossil energy sources for the production of packaging papers and pulp. This central pillar supports the other equally important goals in the areas of finance, sustainability and portfolio, which together form a solid, future-oriented foundation for the long-term orientation of the company - goals that are also reflected in the remuneration policy for general managers.



* own calculation

We remain committed to our
future-oriented Strategy 2030

Despite the current economic challenges, Heinzl Group remains fully committed to its long-term strategic vision for a sustainable future. The group also demonstrates its ongoing commitment and foresight, even in this difficult times. A key milestone this year was the integration of the Steyrermühl site, further strengthening consolidation within the group. For more details, see page 24.

Heinzl Group consistently invests in pioneering projects to achieve its ambitious business objectives. In 2024, a total of 17.1 million* euros was invested in sustainability initiatives, which are not only key drivers of environmental progress but also safeguard long-term profitability.

Challenging decision responsibly
managed

In 2024, the Heinzl Group management team also had to make a difficult decision. Due to persistently challenging market conditions for containerboard and the evolving energy landscape, it became necessary to close Raubling Papier GmbH in Germany. This decision followed intensive discussions with the local works council, resulting in a constructive and fair social plan for affected employees. Thanks to strong local support and transitional measures, each of the affected employees was able to secure a new job within an average of just one month after leaving. They contributed to a smooth and professional closure process, demonstrating dedication and professionalism right up until their last day at the company.

1

ESG Performance Ranking

As part of its 2024 ESG performance ranking, PwC Österreich assessed the sustainability efforts of Austria's largest companies. Heinzl Group was the clear industry leader in the paper and timber category. More information about the PwC ESG performance ranking can be found at [pwc.at](https://www.pwc.at)

“ External analyses confirm that Heinzl Group is on the right track in planning and implementing actions for the environment and society. We are proud of all our colleagues contributing to this success.”

Ulla Gürlich, Group Sustainability Specialist and Hannes Thaler, Group Sustainability Manager, Heinzl Group



TARGETS 2030

Ensuring renewable, non-fossil
energy sources

PRIO 1

SUSTAINABILITY GOALS

PRIO 2

Reducing greenhouse gas emissions in Scope 1 & 2 by 42% and by 25% in Scope 3

Achieving net-zero emissions by 2050

Increasing the share of renewables to 78%

Reducing specific freshwater withdrawal per metric ton produced by 25%

Reducing specific energy input

Reduce the lost time injury frequency rate (LTIFR) to under 5 by 2030, with a clear path towards a LTIFR of 0

PORTFOLIO GOALS

PRIO 2

Parallel further development in industry and trading segments

Production focus on containerboard, market pulp, and kraft paper

Diversifying and distributing risk in commodity trading and the wholesale segment

FINANCIAL GOALS

PRIO 2

Increasing sales volumes to over four million metric tons of pulp and paper

Increasing the production volume to over 1.7 million tons of pulp and paper

Sustainably increasing group revenues to over three billion euro.

Details can be found in the [Sustainability Statement](#)

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Sustainability Program

⬆ Ahead of plan ✓ Within plan ⬇ Behind plan

In 2024, Heinzl Group internally reviewed its 2022/2023 double materiality analysis to ensure its continued development. The review took into account the requirements of the EU Corporate Sustainability Reporting Directive (CSRD) 2022/2464. It confirmed previous findings while also providing deeper insights into the impacts, risks, and opportunities within Heinzl Group's business model and value chain.

More details on the methodology, process, and results of the double materiality analysis can be found in the [Sustainability Statement](#).

In a holistic Sustainability Program, not only the targets but also the main actions of Heinzl Group are constantly reviewed and further developed.

Our contribution	SDG	ESRS	Target Year	Status 2024
Climate Change & Renewable Energy				
– 42% GHG emissions by 2030 (Scope 1+2, base year 2021)	13	E1	2030	⬆
– 25% GHG emissions by 2030 (Scope 3, base year 2021)	13	E1	2030	✓
Achieving net-zero GHG emissions by 2050	13	E1	2050	✓
75% of suppliers set science-based targets by 2028	13	E1	2028	✓
Continuously reducing GHG emissions per metric ton produced	13	E1	ongoing	⬆
Evaluating new technologies to capture, store, or use CO ₂	13	E1	ongoing	✓
Increasing the share of renewable energy to 78% by 2030	7	E1	2030	⬆
Constantly reducing specific energy consumption in production by means of energy efficiency improvements	7	E1	ongoing	⬇
Maximizing the use of waste materials and biogenic fuels to generate energy for production purposes and surrounding communities	7	E1	ongoing	✓
Evaluating renewable energy procurement options, such as via power purchase agreements	7	E1	ongoing	⬆
Clean Environment				
Complying with strict governmental requirements to avoid air pollution	13	E2	ongoing	✓
Complying with strict governmental requirements to avoid water pollution	6	E2	ongoing	✓
Remaining a reliable partner to local communities for the wastewater treatment	6	E2	ongoing	✓
Responsible Water Use				
Reducing specific freshwater withdrawal per metric ton produced by 25% by 2030	6	E3	2030	✓
Narrowing and ideally closing the gap in our water cycle as far as technically feasible	6	E3	ongoing	✓
Continually improving water usage monitoring	6	E3	ongoing	✓

Our contribution	SDG	ESRS	Target Year	Status 2024
Biodiversity				
Production: Ensuring that timber continues to come from certified, sustainably managed forests (FSC®, PEFC and EUTR)	15	E4	ongoing	✓
Production: Increasing the certified share of purchased pulp from sustainably managed forests (FSC® and PEFC) to 100% by 2025	15	E4	ongoing	✓
Trading: Increasing the share of certified pulp and paper from sustainably managed forests (FSC® or PEFC)	15	E4	ongoing	✓
Sustainable and Circular Products				
Resources: Maintaining the high proportion of recycled and renewable input materials (>95%)	12	E5	2024	✓
Products: Conducting product carbon footprints of our most important products	12	E5	2026	⬇
Products: Continuously reducing the carbon footprint of our main products	12	E5	2028	⬇
Products: Consolidating the high proportion of recyclable and renewable products sold (>95%)	12	E5	2024	✓
Recycling: Reducing the specific quantity of waste per metric ton of products manufactured	12	E5	ongoing	✓
Waste: Increasing the share of residual materials which are recycled either thermally or materially (> 95%)	12	E5	2024	⬆
Good Employer				
Reduce the lost time injury frequency rate (LTIFR) below 5 until 2030, clear path towards LTIFR of 0	8	S1	2030	✓
Ensuring the health and safety of all employees	8	S1	ongoing	✓
Steps to promote employee loyalty and safeguard workforce availability	8	S1	ongoing	✓
Bolstering the training program for apprentices and managers, investments in tailored training concepts	8	S1	ongoing	⬆
Developing steps to safeguard diversity and equal opportunities for women and men, including equal pay	8	S1	ongoing	✓
Social Engagement				
Continuously increasing the number of household equivalents supplied with district heating and electricity from our production sites	11	S3	ongoing	✓
Integrating local communities and proactively implementing steps to safeguard excellent relationships with our neighbors	11	S3	ongoing	✓
Increasing our engagement as a corporate citizen by supporting people in times of distress by means of material, product, time, and financial donations	11	S3	ongoing	✓
Reducing the number of inquiries and complaints from local residents to a minimum	11	S3	ongoing	⬇
Fair Operating Practices				
All relevant employees have completed training in the areas of anti-corruption, anti-bribery and competition compliance (training and self assessment)	16	G1	ongoing	✓
Code of Conduct training for all employees established	16	G1	2026	✓
No violations of anti-corruption or antibribery legislation	16	G1	ongoing	✓
No donations to political parties also in the future	16	G1	ongoing	✓
Maintaining the outstanding payment behavior set out in the Heinzl Group frameworks	16	G1	ongoing	✓

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A Center for Sustainable Packaging Papers, Renewable Energy, and Timber Processing

The integration of the Steyrmühl site into Heinzl Group in early 2024 marked a milestone – not only for the group but also for the Austrian paper industry. This step demonstrates how ambitious goals can be achieved by combining resources, expertise, and vision. The site Steyrmühl/Laakirchen now forms a hub for sustainable packaging and renewable energy, reinforcing Heinzl Group's strategic response to evolving market conditions. As demand for environmentally friendly packaging rises and the need for magazines and printed advertising materials declines, Heinzl Group is strengthening its position in containerboard – the basis for stable packaging – and kraft papers, both of which play a central role in this growth.

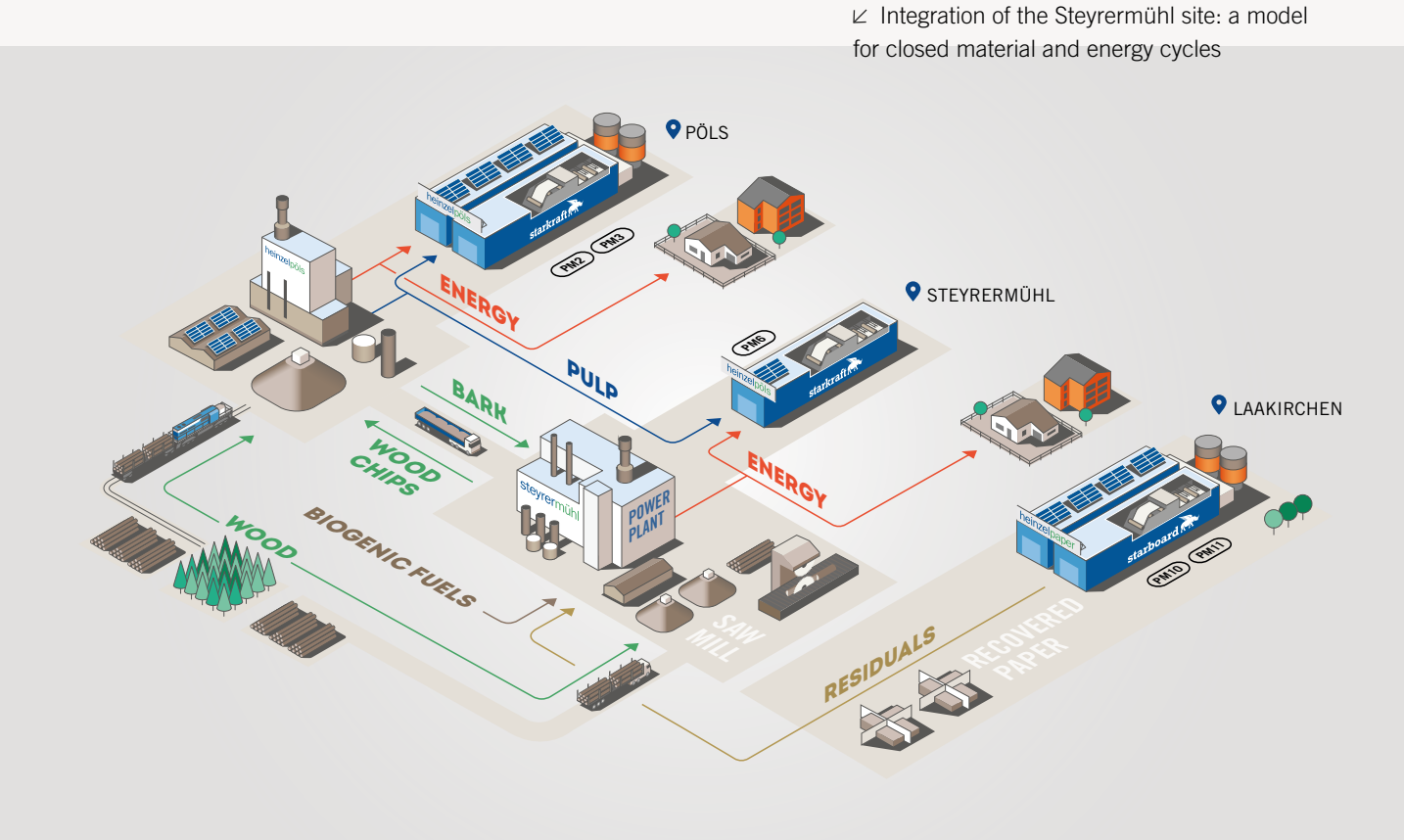
The conversion of the paper machines PM6 and PM11, a sawmill and a future-oriented energy concept are the most important strategic elements at the heinzelpaper site (Steyrmühl/Laakirchen). With around 700 employees, these efforts secure long-term competitiveness in a fast-changing market. More details can be found at papierzukunft.at

Conversion work boosts annual production capacity

Following the successful conversion of PM3 into PM6, brown and white kraft papers are now produced in Steyrmühl, with a mid-term production capacity target



↑ Lifting the drying cylinder into position during the PM11 conversion at the Laakirchen mill



of 150,000 metric tons annually. This project highlights the strong collaboration within Heinzl Group, as the brown and bleached pulp for paper production at heinzelpaper comes from Pöls, while the kraft papers are marketed under the Starkraft brand with the support of the heinzelsales team.

In addition, Heinzl Group has invested over 140 million euros to fully convert PM11 in Laakirchen to produce containerboard from recovered paper. This investment will increase production capacity from 480,000 to over 900,000 metric tons annually across two paper machines, directly securing nearly 400 jobs and indirectly supporting around 1,600 jobs in the region.

Thanks to insights gained during the PM10 conversion in 2017, the PM11 conversion has been carefully managed to minimize disruption for employees and local residents. Measures such as sprinkling access roads to reduce dust, using low-noise equipment and vehicles, ensuring efficient traffic coordination on-site, and strictly adhering to authorized working hours have helped limit disturbances. A hotline has also been set up for local citizens to address

any questions or concerns quickly and directly. The commissioning of PM11 is planned for the second quarter of 2025.

Sawmill as a new and important addition to the product portfolio

With an annual capacity of 400,000 cubic meters of FSC®/PEFC-certified sawn timber, the sawmill at Steyrmühl has been a major addition to Heinzl Group's portfolio since early 2024. Expansion plans for the coming years focus on step-by-step improvements without increasing the production area. Key measures include modernizing the handling of residual sawn timber, upgrading the existing sawing line to enhance efficiency, and evaluating an increase in sorting capacity. These steps will be complemented by targeted adjustments to drying capacity based on operational needs. The overall objective is to eliminate bottlenecks while ensuring the site remains a high-performing and sustainable sawmill.

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Energy supplies from biogenic sources

The plant in Steyrermühl plays a crucial role in Heinzl Group's efforts to reduce dependence on fossil fuels while making optimal use of biogenic raw materials and residual products. Already now residual timber, bark, sawdust, and recycled paper fibers are utilized to generate heat efficiently. Building on this expertise, Heinzl Group has decided to construct a new residue power plant at the Laakirchen site instead of a second boiler originally

“The Post-Merger Integration demonstrates the potential for companies to collaborate across organizational boundaries. Mutual support and synergies lead to impressive results.”

Heinz-Peter Schnedl, CTO, heinzelpöls and
Thomas Welt, CEO, heinzelpaper



planned at Steyrermühl. Together with a large-scale heat pump currently in development and the integration of power-to-heat technologies, this approach will allow for a gradual transition away from fossil fuels at Laakirchen.

Synergies between sites are intensively exploited and knowledge is transferred in a targeted manner

It is evident that there are areas within the group companies where synergies can be exploited. Positive synergies between Laakirchen, Steyrermühl and Pöls are increasingly being realized in the areas of controlling, accounting, energy management, purchasing, and maintenance. Other departments will follow in order to exploit the full potential of cooperation across the group. Special management working groups are developing solutions to further optimize the integration. This is because certain topics – such as sustainability strategies, occupational safety measures, organizational development or practical aspects such as energy procurement and maintenance programs – do not have to be dealt with separately in each group company. This approach optimizes our efficiency and performance, thereby enhancing the strength and competitiveness of the group.

In addition to adapting the organisational structure and integrating new business models, it was essential to align the technical infrastructure and IT requirements with the high standards of the group. These measures establish a foundation that is future-proof and allows for agile adaptation to dynamic business requirements. At the same time, new possibilities for rapid process scalability are being created.



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ESRS E1 SDG 13 & 7

Climate Change & Renewable Energy

MISSION

Through our actions and the measures on our way to net-zero, we contribute to reaching global climate targets. We maximize generation and usage of renewable energy at our sites and minimize the energy consumption for our products.

Heinzl Group has implemented a transition plan which was validated by the Science Based Targets initiative (SBTi) in 2024. The aim is to reduce Scope 1 and Scope 2 emissions by at least 42% by 2030, cut Scope 3 emissions by at least 25%, and achieve a 90% reduction in total greenhouse gas emissions by 2050. A key focus is on efficiently using our own resources and residual materials to generate energy while also closing cycles within the group. Energy efficiency and the consistent integration of renewable energies are the cornerstones of our climate and energy strategy.

A successful implementation of this transition plan requires cross-location commitment and ambitious measures. Heinzl Group relies on the latest technology, clearly defined targets, and a strong focus on renewable energy sources to make a positive contribution to achieving global climate goals. ‘Green is the new default’ characterizes the mission statement and the commitment to establish clean energy as a standard.

ON TRACK 2024

Innovative biogas technology: efficiency meets CO₂e reductions

In 2024, the commissioning of a second anaerobic plant at heinzelpaper in Laakirchen significantly increased the capacity of wastewater treatment and enabled it to clean used water even more efficiently. This extended plant includes a pre-acidification tank with a capacity of 3,000 m³ as well as two anaerobic reactors, each with a volume of 3,400 m³. A central

“ Together, we are proud of the successful commissioning of our second anaerobic plant and the significant step forward in fossil-free energy generation at the Laakirchen site.“

Stefan Huemer, Head of Wastewater Treatment and
Christian Hufnagel, Head of Energy Generation, heinzelpaper



The three towers of the anaerobic plant at the mill in Laakirchen

element of the plant is the utilization of biogas generated by the anaerobic process. In the gas treatment system, the gas is desulfurized, dried, and stored in a special biogas tank. After being compressed, it is burnt in a biogas boiler to generate steam, thereby replacing natural gas. When operating at full capacity, this innovative solution leads to a reduction in CO₂e emissions of around 18,000 metric tons per year.

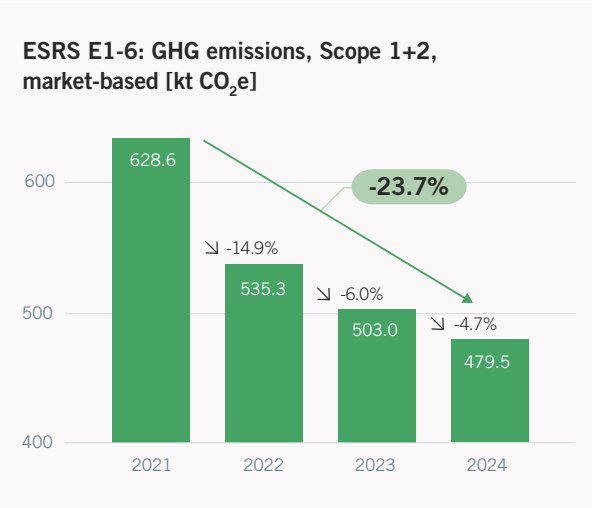
In collaboration with the COMET competence center BEST – Bioenergy and Sustainable Technologies – Laakirchen Papier AG has launched the Biogas4Industry project. The aim of this project is to further investigate the potential of biogas production in industrial applications and to define new standards for sustainable energy generation. The focus is on utilization of cellulose-based residual materials and activated sludge from recycling and wastewater treatment processes, which have been incinerated in the past. This project develops concepts for utilizing these residual materials to produce biogas, aiming to make energy generation even more resource efficient.

heinzelpöls replaces natural gas with biogenic fuels

In Pöls, fossil fuels are being minimized and replaced with alternatives like biodiesel and tall pitch. During a successful pilot phase from June to October 2024, a total of 1,200 metric tons of biodiesel were used, saving around 2,500 metric tons of CO₂e. Based on these results, the company is now working to optimize operations and is evaluating the expansion to other biogenic fuels, such as wood dust to fire the rotary kiln.

Consistent progress in reducing emissions in 2024

Over the course of 2024, Heinzl Group pursued its successful strategy of consistently reducing emissions. This resulted in further cutting both direct emissions from the company's own processes (Scope 1) as well as indirect emissions from external energy sources (Scope 2). Compared to the previous year, it was possible to reduce Scope 1 and Scope 2 emissions by 4.7%, meaning that emissions have already been cut by nearly 24% since the base year 2021. This progress was achieved not only through reduced production volumes but also through the increased use of biogas, biodiesel and tall pitch instead of natural gas, optimized emission factors for Scope 2 and energy efficiency measures.



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Many reduction measures make a contribution

Heinzl Group also relies on a comprehensive package of measures and courageous investments in other areas relying on renewable energies, energy efficiency, and electrification.

Innovative evaporator

As part of the modernization of the evaporation plant in Pöls, an innovative evaporator, based on a completely new concept, has been installed to increase efficiency. The technical innovation results in a significant saving of up to 4 MW of total steam. This project also improves separation of turpentine within the plant and reduces consumption of fresh water by up to 30 m³/h – an important contribution to conservation of resources and to environmental protection.

Further energy efficiency measures

In Pöls the compressed air system was optimized, and leaks were identified and repaired using an acoustic camera. In addition, the optimization and adaptation of a reject refiner in pulp production resulted in a yearly electricity saving of up to 1,250 MWh.

Electromobility

The vehicle fleet is currently being modernized at several sites. Besides procuring electric company cars at heinzelsales, conventional forklifts are being converted to high-performance electric forklifts at heinzelpaper. Europapier has around 15 electrical and hybrid vehicles in use or on order in Austria, with further low-emission vehicles planned for 2025. To support the transition to electric vehicles for both employees and local residents, Heinzl Group is continuously investing in expanding its charging infrastructure, including additional charging stations at the Pöls and Laakirchen sites, as well as at Europapier in Warsaw.

Every contribution counts

Targeted energy efficiency measures were implemented at Europapier in 2024 – although the company is not as energy intensive as its manufacturing sister companies. For example, LED lighting systems and smart thermostats were installed to optimize energy consumption.

Two thirds of total energy demand from renewable sources

In 2024, the share of renewable energy sources within Heinzl Group increased by 7.4% to 66.2% compared to the previous year (2023: 58.8%). This increase is primarily a result of acquiring the Steyrermühl site and the fluidized bed boiler used there, of increasing the renewable energy share at the Pöls site, and of the switch to purchased renewable energy.

Further sustainable energy supply

Estonian Cell is implementing measures to generate its own energy. The company uses biogranulates and living organisms to produce biogas from energy-rich wastewater. This process requires maintaining a sensitive balance, similar to health within the human body, since toxic factors can impair efficiency. The company is currently working to ensure this balance through the careful selection of end products and chemicals.

In addition, Estonian Cell has concluded the transition to purchasing energy from renewable sources such as wind and solar energy. The volatility of energy prices is a major challenge in Estonia, which is being met with innovative approaches. This entails analyzing electricity price fluctuation to be able to take optimal advantage of changes and ensure cost efficiency.

Heinzl Energy continues to install photovoltaic systems at Heinzl Group sites. At the site in Laakirchen, new systems with an annual capacity of 850 MWh have increased peak output to 3.5 MWp. Europapier is supporting this development by switching to renewable energy sources, both in terms of appropriate electricity supply contracts as well as through its own photovoltaic installations at several sites and systems operated by Heinzl Energy. In total, Europapier has systems with an installed capacity of 1.15 MWp.

A photovoltaic system with a capacity of 927 kWp was installed at the Steyrermühl site in 2024 to sustainably supply the mill with electricity. In addition, systems with a total capacity of 2.4 MWp have already been installed at Pöls, and Bunzl & Biach also has its own photovoltaic installations. This means that all Heinzl Group sites combined have a total PV capacity of around 8 MWp.

The hydropower plants at the sites generated 55 GWh of clean energy for Heinzl Group in 2024. Nearly

3,000 GWh of energy from biomass and around 65 GWh from biogas also contributed significantly to sustainable energy supplies.

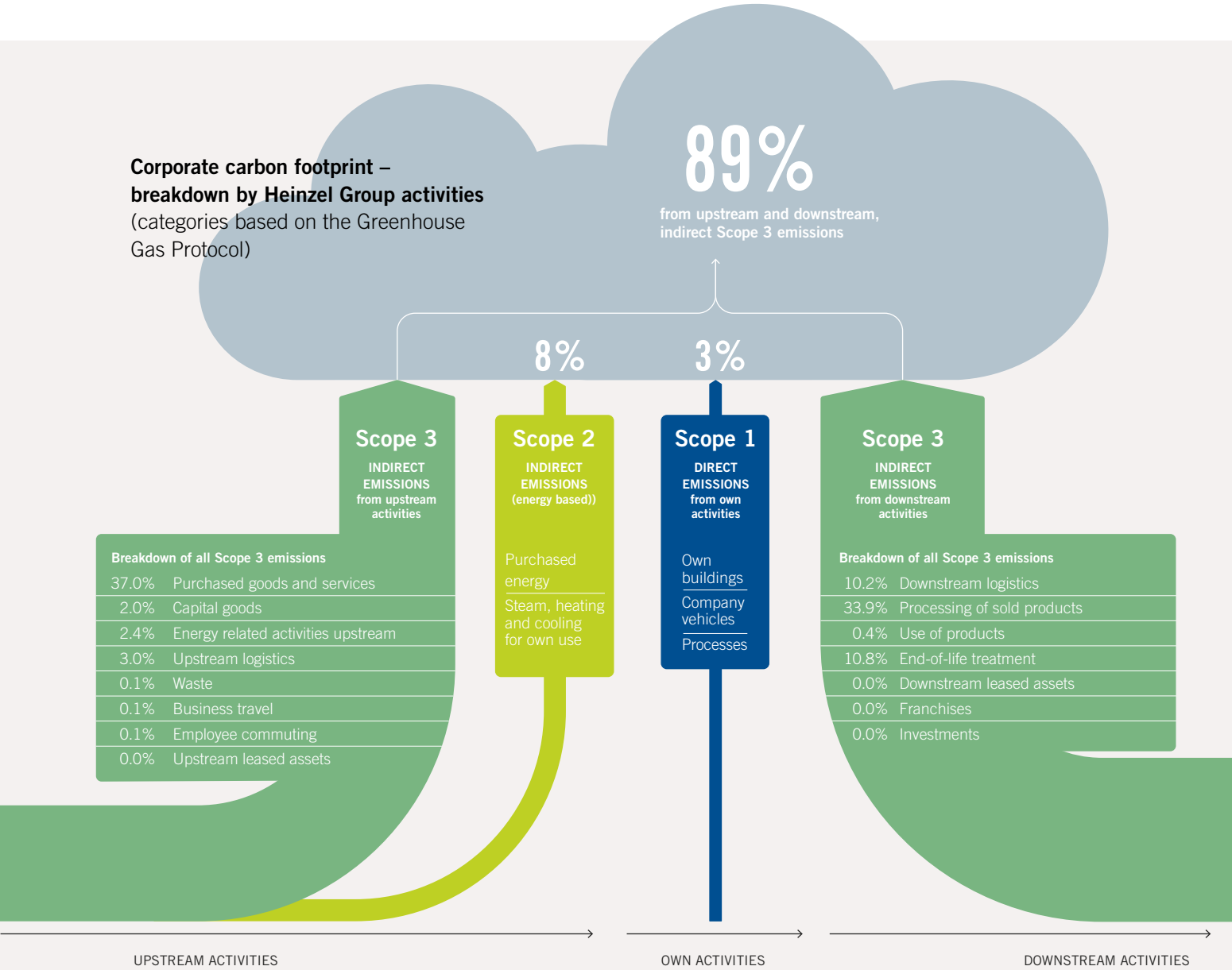
Our corporate carbon footprint: a measure of our climate progress

Since 2020, Heinzl Group has been systematically analyzing its greenhouse gas emissions based on the standards of the Greenhouse Gas Protocol to assess and reduce its climate impact. This involves calculating its corporate carbon footprint (CCF), which includes all of

the company's greenhouse gas emissions, broken down into Scope 1, Scope 2, and Scope 3. For the first time in 2024 the calculation of our CCF was externally verified in accordance with ISO 14064-3.

The current analysis shows that emissions in the value chain (Scope 3) account for the largest share at 89%, followed by indirect emissions associated with energy use (Scope 2) at 8%, and direct emissions (Scope 1) at 3%.

These results make it clear that measures along the entire value chain are crucial to the group to achieve its climate targets.



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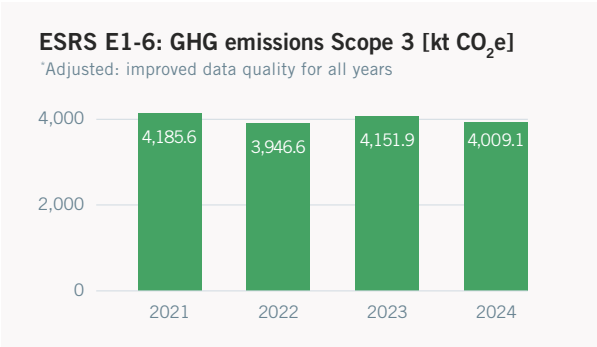
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Heinzl Group was also able to reduce Scope 3 emissions by 4.2% compared to the base year 2021. This was primarily due to the reduction in production volumes and the further development of the database and emission factors. Further facts and figures can be found in the [Sustainability Statement](#).



A→ **Excellent first-time CDP rating for HEINZEL GROUP**

To meet transparency and comparability requirements, Heinzl Group underwent a rating procedure by the Carbon Disclosure Project (CDP) for the first time in 2024. The results confirm the current direction, with a top A rating in the climate category on the first submission.

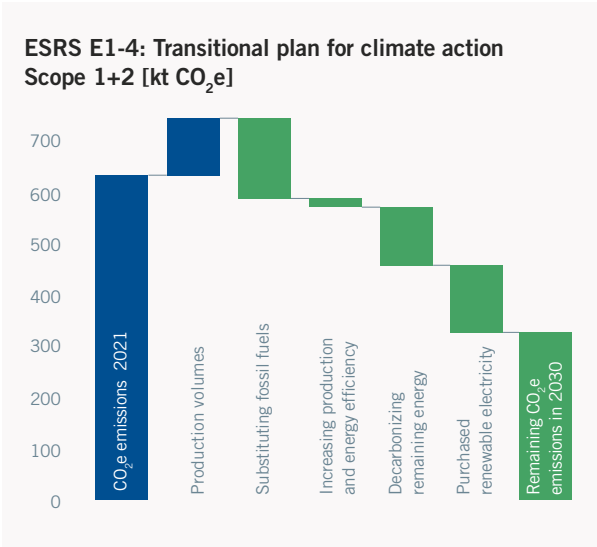
CDP maintains the largest global environmental database and rates companies annually in the areas of climate change, water security, forests, biodiversity, and plastics. Scores of D to A evaluate environmental transparency and performance, with A indicating excellence in both categories.

OUTLOOK

Ambitious for the future with our climate transition plan

The aim is to reduce Scope 1 and Scope 2 emissions by 42%, and Scope 3 emissions by 25%, by 2030 compared to the base year 2021. In the long-term, the company aims to cut overall emissions by 90% by 2050 and therefore achieve net-zero emissions. Progress is already visible: thanks to implemented measures, Heinzl Group has already successfully fulfilled its plan for 2021-2024 and is within the target ranges of its submitted SBTi climate goals – clear evidence of consistent implementation and compliance with the set climate targets. Heinzl Group is also pursuing the clear goal of increasing the share of renewable energy to 78% by 2030 in order to forge ahead with sustainable transformation.

Scope 1 and Scope 2 emissions to be cut by 42% by 2030



Heinzl Group is implementing a variety of measures to achieve the 2030 target. One key focus area is substituting fossil fuels with climate-friendly alternatives.

Some examples of future steps

At the heinzelpaper site, new technologies such as a circulating fluidized bed boiler, a large heat pump and a power-to-heat plant are to be used in the future to maximize the use of renewable energies and sustainably meet energy demands.

A biomass boiler is planned at the Estonian Cell site to replace the use of natural gas and thereby cut fossil greenhouse gas emissions on site by up to 80%. The intention is to use residues from pulp production to considerably increase resource efficiency.

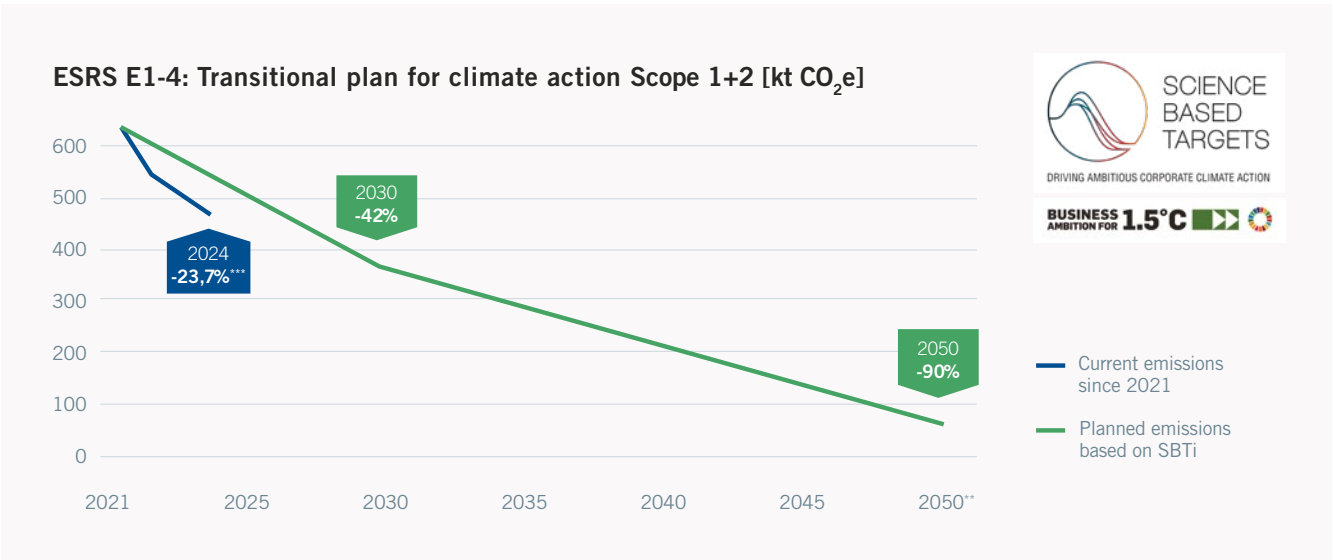
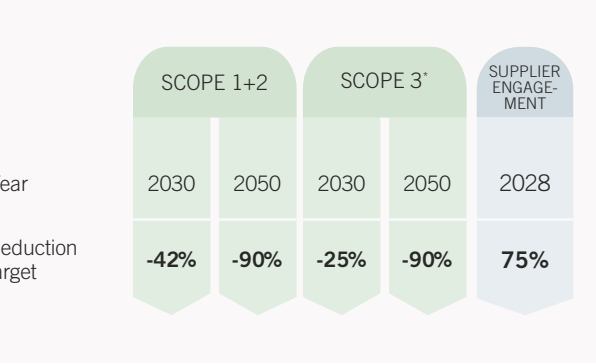
At heinzelpöls, work is ongoing to fire the rotary kiln with climate-friendly alternatives to fossil fuels.

In addition to its direct action, Heinzl Group is also focusing on defossilization when purchasing energy (Scope 2). Purchase of certificates of origin and conclusion of long-term power purchase agreements (PPA) are guaranteeing supplies of renewable energy. Besides this, by 2030 the company also plans to invest in carbon sink projects and innovative technologies to capture, utilize, and store carbon (CCSU) in order to reach its net-zero goals.

Future-oriented strategies to cut Scope 3 emissions

Heinzl Group is also committed to reducing Scope 3 emissions, which account for the majority (89%) of its overall emissions (refer to the chart on page 31).

In order to meet this challenge, the company plans to work closely with suppliers, logistic partners, and customers. The goal is to encourage 75% of the main suppliers to commit to science-based climate targets by 2028. This approach reflects Heinzl Group's partnership-based strategy to ensure sustainable transformation along its value chain in the long term.



* Reduction targets based on main categories of Scope 3, which account for > 90% of emissions.

** 10% residual emissions after 2050 to achieve net zero by means of carbon capture projects

*** Scope 1+2, vs. 2021

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ESRS E2SDG 13 & 6

Clean Environment

MISSION

We avoid harmful impacts on water, air, and soil. Legal standards are the minimum requirement for meeting our responsibility to the environment.

Saving resources, protecting water, air, and soil, as well as minimizing harmful emissions have been central to our daily work for decades. We actively prevent negative environmental impacts and take precautionary measures. This commitment is reflected in every production step and is certified through environmental management systems. The Laakirchen site introduced an ISO-14001 environmental management system as early as 1995 – at a time when environmental standards were still the exception rather than the rule. Today, all Heinzl Group industrial sites hold this certification, with selected sites (Estonian Cell and Bunzl & Biach) also meeting EMAS requirements.

ON TRACK 2024

Efficient sludge treatment and reducing fine particulate matter

In 2024, heinzelpaper in Laakirchen commissioned a sludge dewatering plant to enable the efficient drying of organic and fiber sludges. This investment made a significant contribution to optimizing sludge treatment. The plant includes high-performance centrifuges, screw conveyors to transport the dewater sludge, and a sludge silo with a truck unloading station.

Here's how it works in detail: the centrifuges are evenly supplied with sludge from a newly constructed sludge silo and via externally connected screw conveyors. This ensures that the dewatering units work efficiently and without fault. Flocculation occurs through the precise addition of a

specially prepared polymer solution, ensuring an optimal and thorough dewatering process. For this purpose, a flocculant dissolution station with multiple containers and stirrers has been installed.

Odor-minimizing measures have been implemented to reduce emissions from the new system components: all sections of the sludge dewatering system and the sludge loading station are connected to an end-to-end air extraction system which directs exhaust air through an organic filter. This effectively eliminates unpleasant odors, and minimizes the impact on local communities.



↑ The heinzelpaper site in Laakirchen at the river Traun

Guaranteeing and further developing environmental management

Regular internal inspections and third-party audits ensure compliance with environmental standards at all sites and keep emissions well below legal limits. Since the start of production, Estonian Cell has held an Environmental Complex Permit (ECP, No. 1) and has continuously invested in environmentally friendly technologies to meet ECP requirements. In 2024, this subsidiary extended its ECP to enhance the monitoring of fine particulate matter emissions. This includes the implementation of third-party measurement procedures to effectively monitor and reduce emissions from the fluid bed dryer.

E2-4: Emissions to water	t/year
Absorbable organic halogen (AOX)*	52.7
Chemical oxygen demand (COD)	6,386.4
Biological oxygen demand (BOD)	280.4
Nitrogen (N)	99.6
Phosphorus (P)	23.8
Suspended solids	583.2

* not including data from the Kunda plant

“Our shared goal in the production industry is clear: zero environmental incidents and zero accidents. The key is being aware of risks and taking the right preventative measures.”

Thomas Strauss, Head of Energy & Environment, Unit Sustainability Manager and Thomas Detzlhofer, Manager Environment & OHS, heinzelpaper



E2-4: Emissions to air	t/year
Nitrogen oxides (NOx)	733.5
Particles (PM2.5)**	10.2
Sulphur dioxide (SO ₂)	14.9

** not including data from the Laakirchen and Pöls mills

Further key figures and information can be found in the [Sustainability Statement](#).

Tackling unexpected events with targeted solutions

Responsibility also means responding promptly and effectively to environmental incidents. In 2024, two unforeseen incidents occurred. Early in the year, ground natural limestone (calcium carbonate, used as a filler material in paper production) escaped from an enclosed system due to a defective compensator. While harmless to people, fauna, and flora, the substance briefly turned the Traun River white. Immediate action by the Laakirchen site's environmental department, in close cooperation with the fire brigade and local authorities, ensured a swift resolution of this purely visual effect, preventing any further impact. Later in the year, unusual concentrations of foam and dust briefly posed challenges in the production at Pöls. Thanks to effective collaboration, these issues were quickly resolved.

OUTLOOK

Perspective for a clean environment

Heinzl Group's commitment to a clean environment is a continuous process rather than a one-time milestone. Our goal is to actively contribute by not only complying with the strict regulations on air and water pollution but also continuously improving through consistent use of the best available technology and proactive measures.

At the same time, we strive to be a reliable partner to local communities, ensuring that both our own and municipal wastewater treatment meet environmental, and quality standards set by authorities. Every step we take, every decision we make, and every investment we pursue contributes to our vision of a clean environment – not just for today, but for the future.

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ESRS E3

SDG 6

Responsible Water Use

MISSION

We use water efficiently and ensure harmless wastewater streams.

Water plays a central role in pulp and paper production, serving essential functions in processing, cleaning, cooling, and drying. Heinzl Group maximizes efficiency by reusing 90% of the fresh water it sources multiple times, ensuring responsible usage of this valuable resource. Water-saving processes and efficient wastewater treatment plants further contribute to protecting waterways and maintaining ecosystem balance in the regions where we operate.

ON TRACK 2024

Systematic analysis and optimization of water systems

The water required for production is primarily sourced from surface water, either directly from adjacent rivers or from wells close to these rivers. For several years, our plants' water systems and water-intensive processes have been systematically analyzed. A significant portion of the fresh water is used for cooling purposes, such as machine cooling or stabilizing production processes. Key savings potential has been identified, particularly by closing production cycles - by reusing water within the process.

Innovative projects for resource-efficient production

Heinzl Group's commitment to sustainable water use is reflected in numerous implemented projects. For example, heinzelpöls has introduced an automated control system to optimize cooling water usage, improved process water efficiency in its paper machines, and made water from chemical treatment and recovery of production chemicals, such as the vacuum pump and the lean gas cooler, reusable in production.

Water consumption significantly reduced due to oil temperature regulation

In 2024, heinzelpöls introduced an advanced technical solution to reduce water consumption in Steam Turbine 4's oil cooling circuit. Automatic regulation valves now control water flow through the oil cooler, maintaining a precise oil temperature by adjusting the fresh water supply based on incoming oil temperature. In the past, valve adjustments were made manually only a few times per year. By identifying this optimization potential and taking targeted action, significant savings were achieved.

Initial analyses confirm success: while an average of 220 m³ of fresh water was withdrawn per hour in 2021

“Water plays a crucial role in pulp and paper production. That's why we analyze our processes to identify opportunities and take action to maximize water savings at Heinzl Group sites.”

Markus Stocker, Production Engineer Supply & Disposal Pulp Production, heinzelpöls and Triin Padonik, Production Analyst, Unit Sustainability Manager and Impact Team Lead Water, Estonian Cell

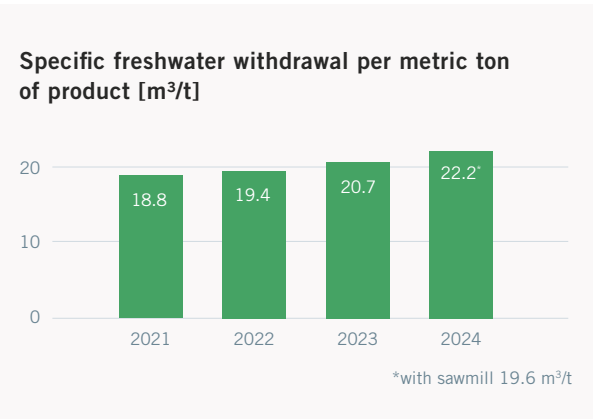


and 2022, active inflow control reduced the withdrawal to 170 m³ per hour in November 2024. As a result, more than 400,000 m³ of fresh water can now be saved annually.

Over the past four years, several small-scale projects at the Pöls site have led to a 16% reduction in specific water withdrawal per metric ton of pulp and paper produced.

We are following a clear plan for efficient use and reuse of water

In 2024, Heinzl Group recorded specific freshwater withdrawals of 22.2 cubic meters per metric ton produced (m³/t), up from 20.7 m³/t in the previous year. This increase was primarily due to two factors: the conversion of the new paper machine (PM6) at Steyermühl, which required water for initial quality tests and pilot operations, and the continued operation of wastewater treatment and energy plants at Raubling despite the production stop. As a result, Heinzl Group recorded an increase in specific water withdrawals, despite implementing several water efficiency measures. Further facts and figures can be found in the [Sustainability Statement](#).



OUTLOOK

Staying on track: 25% reduction in specific freshwater withdrawals by 2030

Heinzl Group remains on track to achieve its ambitious goals related to sustainable water management and protecting water as a valuable resource. A key objective here is to reduce specific freshwater withdrawals by 25% by 2030 while simultaneously closing water cycles in production processes wherever technically feasible.

To ensure long-term success, we continuously invest in advancing our water monitoring efforts. The deployment of new technologies and precise data collection are essential to optimizing processes and unlocking further potential for reducing water consumption. Moving forward, our focus will remain on innovative technologies and efficient processes to achieve additional reductions in freshwater withdrawals.



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ESRS E5SDG 12

Sustainable and Circular Products

MISSION

We make products based on renewable or recycled materials, which are recyclable. We minimize waste and make use of residual materials and by-products both materially and energetically.

For many years, Heinzl Group has relied on renewable raw materials such as certified timber and recovered paper to manufacture its products responsibly and with sustainable resource management. In doing so, production steps follow the principle of closing cycles, using natural resources as efficiently as possible and reducing waste. We use by-products and residual materials for thermal energy generation, material recycling processes or new applications.

ON TRACK 2024

PM6: a clear signal in the packaging industry

The conversion of the paper machine was completed in a record-breaking time of around ten months. The converted PM6 was commissioned in May 2024, increasing Heinzl Group's kraft paper production capacity by additional

150,000 metric tons per year. Processing pulp from heinzelpöls, the machine raises the total annual production capacity of the Starkraft brand to 350,000 metric tons of kraft papers. As a versatile swing machine, it can produce both unbleached and bleached kraft papers, serving as a basis for bags, sachets and other flexible packaging products.



↑ A tambour with unbleached kraft paper on the newly converted PM6 in Steyrermühl

Heinzl Group also prioritizes the longevity of its equipment and materials. Guide wires are refurbished and reused as part of a 2nd-life concept to reduce waste. Repair options are also utilized – for example, a defective roller bearing was repaired, thus reusing 1,376 kg of steel.

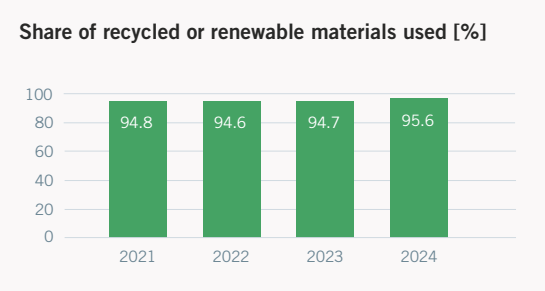
“With the new PM6, we are well positioned for the future to work together to capture growth opportunities in the packaging industry and bring sustainable products to the market.”

Maximilian Ortner, Business Unit Director Starkraft, heinzelpöls and Florian Ruf, General Manager, Steyrermühl



In 2024, 95.6% of our products were made from recycled and renewable materials

An example from our product portfolio is starboard containerboard, made from recovered paper. Compared to grapho SC paper, which was phased out from our portfolio at the end of 2024, the production of these paper grades requires significantly less energy, material, and water. We are also proud that the almost 100% recyclability of the main paper grades we produce was externally validated in 2024 and confirmed on a laboratory scale.



Further key figures and information can be found in the [Sustainability Statement](#).

Waste becomes an opportunity due to the innovative use of by-products

By-products from our production processes are playing an increasingly important role. We essentially try to reduce by-product volumes as much as possible. However, those that cannot be avoided, and which partially qualify as waste, are being repurposed as valuable resource with various applications. Tall oil, for example, which is a by-product of pulp production in Pöls, is partially sold for use as an auxiliary chemical in technical applications, such as road construction and tire manufacturing, and, in part, is burned to produce energy.

The fluidized bed boiler in Steyrermühl efficiently burns residual fibers as fuel. The fly ash captured from this process is sold under the Cinerit® brand as a stabilizing agent in the construction industry. Estonian Cell also embraces innovative solutions to use by-products. In collaboration with an Estonian start-up, sawdust is blended with mycelium, the root network of fungi, to create environment-friendly building materials and furniture.

OUTLOOK

We promote sustainable solutions through innovation and strong partnerships

We rely on innovation and partnerships to continue offering sustainable solutions in the future. As an active partner in the EU research project ELLIPSE, we are advancing the development of biodegradable materials from waste. This project explores how paper and pulp sludge can be used to produce polyhydroxyalkanoates (PHA). These biopolymers offer considerable potential for applications in agriculture, packaging solutions, and coatings. Further information is available at [ellipse-project.eu](#)

Our goals for the future are clearly defined: we will continue to rely on a high proportion of recycled and renewable materials (>95%) and are working to standardize the calculation and assessment of our products' sustainability performance while continuously reducing their CO₂ footprint. The objective is to develop a group-wide guideline for conducting product carbon footprints, ensuring transparency and comparability in our environmental performance.

We are also committed to reduce specific waste volumes from production while maintaining the level of residual materials that are either thermally recycled or repurposed as downstream materials - currently over 95%.

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OWN PRODUCTS

Heinzl Group products comply with high sustainability and quality standards



Discover more about our products and certifications at heinzl.com/en

Heinzl Group, with its production sites – heinzelpöls (Pöls, Steyrmühl) and heinzl-paper (Laakirchen, Steyrmühl) in Austria and Estonian Cell (Kunda) in Estonia - is one of the leading pulp and paper companies in Central and Eastern Europe. In addition to pulp and paper, the portfolio also includes sawn timber (steyrerwood) since 2024.

Elemental chlorine free (ECF) pulp

- heinzelpöls (Pöls, AT)
- Brand Orion
 - Food contact – ISEGA certificate
 - Nordic Swan Ecolabel (listed)
 - EU Ecolabel (listed)
 - Biodegradability EN13432
 - FSC® and PEFC

Unbleached kraft pulp (UKP)

- heinzelpöls (Pöls, AT)
- Brand Orion
 - Food contact – ISEGA certificate
 - FSC® and PEFC

Bleached chemi-thermomechanical pulp (BCTMP)

- Estonian Cell (Kunda, EE)
- Brand Aspen BCTMP
 - Food contact – ISEGA certificate
 - EU Ecolabel
 - Nordic Swan Ecolabel
 - FSC® and PEFC

Bleached and unbleached kraft paper

- heinzelpöls (Pöls & Steyrmühl, AT)
- Brand Starkraft
 - Food compliance - ISEGA certificate
 - OK Compost INDUSTRY
 - OK Compost HOME
 - Biodegradability EN13432
 - FSC® and PEFC

Containerboard

- heinzl-paper (Laakirchen, AT)
- Brand starboard
 - Certificate of Conformity
 - Food contact – ISEGA certificate
 - FSC®

Sawn timber

- heinzl-paper (Steyrmühl, AT)
- Brand steyrerwood
 - FSC® and PEFC

TRADED PRODUCTS

We take responsibility for the market – *together*

In addition to its production sites, Heinzl Group also serves as a central hub for global trading in paper, pulp and cardboard. Our trading segment includes heinzlsales, a global player in pulp, paper, and cardboard, and Europapier, the leading paper wholesaler in Central and Eastern Europe. Beyond marketing its own products, Heinzl Group also manages marketing and distribution activities for our partners in international markets.

The trading portfolio of Europapier Group includes a wide range of graphic, office, and design papers, packaging solutions, hygiene products, and visual communication products. heinzlsales supplements this offering with pulp products, including hardwood, softwood, eucalyptus, fluff, and dissolving pulp - as well as a broad range of paper grades, such as publication, graphic and special papers, kraft and sack kraft papers, containerboard, and cardboard. Additionally, the group subsidiary Bunzl & Biach trades in recovered paper and supplies both our own site Laakirchen as well as external customers.

To strengthen our responsibility in the market, Heinzl Group has established a sustainable procurement task force, focused on reviewing and further developing sustainability performance accross our supply chain.



↑ Heinzl Group handles over 3 million tonnes of paper and pulp per year and offers customized solutions for every need.

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ESRS E4

SDG 15

Biodiversity

MISSION

We strive to use certified wood from sustainably managed forests.

Forests are not only a valuable source of raw materials but also a vital ecosystem, supporting biodiversity that must be preserved through responsible forestry management. That is why we source our wood exclusively from certified forests and follow the cascade principle in its use. This approach ensures that timber is utilized in the most efficient way possible, depending on its quality – ranging from the production of top-quality sawn timber and paper products to the generation of renewable energy from residual materials such as bark and sawdust.

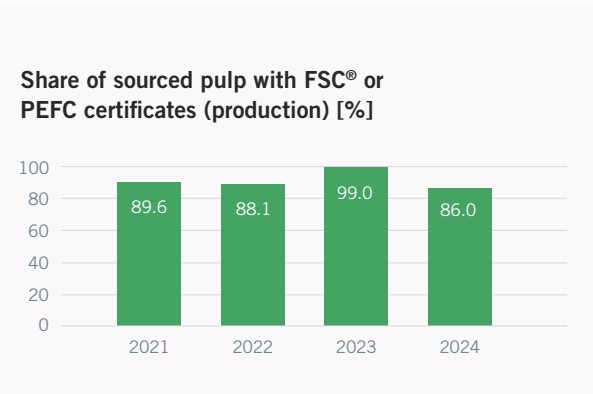
ON TRACK 2024

Our value chain is based on environmentally friendly forestry management

Wood is the key material in the pulp and paper industry, primarily sourced from low-quality timber that is unsuitable for other purposes. The timber we use meets the requirements set by FSC®, PEFC, and the EU Timber Regulation (EUTR). Particular attention is paid to thinning and storm-damaged timber from the region – which supports the local economy and reduces both costs and transport-related emissions. The pulp produced in Pöls consists of approximately 50% thinning and damaged wood and 50% purchased sawmill residues.

The sawmill in Steyrermühl places a strong focus on sustainable sourcing. Suppliers are actively informed about forestry management standards and encouraged to certify their operations. In the past financial year, over 95% of the incoming timber used by Heinzl Group's sawmill was PEFC-certified. This business unit is also firmly committed to the FSC® principles. A due diligence system in accordance with the FSC® Controlled Wood Standard evaluates all incoming deliveries for potential sustainability risks. Additionally, regular supplier audits ensure compliance

with strict sustainability criteria. Further key figures and information can be found in our [Sustainability Statement](#).



↑ The pulp manufactured in Pöls meets the criteria of the FSC® or PEFC certifications. In the preceding year, 99.0% of the pulp processed by Heinzl Group complied with these standards. Due to the fact that the certificates for PM6 were not available until July 2024, this share is only 86.0% group-wide this year, as we had already started production in May. This deviation represents a short-term outlier because of the integration process and formal requirements.

OUTLOOK

We are committed to the highest standards in production and trade

The aim is to ensure that the share of timber from certified, sustainably managed forests (FSC®, PEFC and EUTR) remains high. From 2025, the goal is for 100% of the purchased pulp used in our production activities to come from certified sources. Simultaneously, we will continuously increase the share of certified pulp and paper we trade to ensure a sustainable supply chain. These clear objectives and ambitious projects position Heinzl Group for a responsible future – one in which business development, climate protection, and biodiversity preservation are closely linked, as this is the only way to ensure forests remain a valuable resource that shapes quality of life for future generations.

Responsible forestry practices: insights into Austrian forestry management

Heinzl Group does not own any forested areas and therefore relies on a responsible supply chain. The aim is to ensure that the timber used for pulp production is harvested sustainably - with particular attention to preserving biodiversity in forests.

To gain insight into the principles and efforts undertaken to ensure near-natural forestry management, we spoke with Christian Schnedl, general manager of Papierholz Austria – the central link between forest owners and wood-processing companies – and Michael Sterneck, the forestry director of the Fürstlich Schwarzenberg'sche Familienstiftung. The focus was on timber procurement criteria and balancing commercial forestry interests with biodiversity protection.

“Our forestry management practices follow clearly defined sustainability criteria that combine environmental, commercial, and social requirements,” explains the general manager of Papierholz Austria. “The focus is on sustainable forest management, which is not only based on economic efficiency but also on the protection of biodiversity.”

An important starting point is the use of damaged and thinning timber, which is extracted in a targeted manner to promote forest health and prevent the spread of pests. “We attach particular importance to complying with strict legal requirements. We actively support our suppliers – the forest owners – in complying with internationally recognized standards such as PEFC or FSC®. These certificates ensure not only the traceability of timber back to its origins but also compliance with sustainability criteria.”

Sustainable forest management also includes efforts such as not felling habitat trees, promoting local appropriate tree species, and natural forest rejuvenation. “Promoting biodiversity in our domestic forests means preserving a wide range of species including spruce, fir, sycamore, and beech as well as numerous other flora and fauna, such as woodpeckers, owls, and wood grouses not to mention rare insects and mosses. Structurally rich, mixed forests with dead wood and natural rejuvenation processes are particularly important for this diversity and also enhance

the stability of our forests in times of climatic challenges,” emphasizes Michael Sterneck. The Fürstlich Schwarzenberg'sche Familienstiftung, which manages 18,000 hectares at altitudes between 800 and 2,000 meters in Murau, is firmly committed to putting these principles into practice.

“As forest owners, we can see how climate change is placing stress on our forests, affecting their species composition, structure, and protective function. Targeted forestry practices are crucial in either fostering biodiversity and strengthening forests' protective role or intensifying conflicting objectives. Our goal is not only to adapt forests to cope with climate change challenges, but also to ensure they remain resilient and thriving for future generations,” emphasizes Sterneck.

Papierholz Austria is therefore also dedicated to research and development, focusing on promoting climate-resistant tree species, reforestation mixed forests, and advancing innovative circular economic methods.

“As a responsible partner to the Austrian paper industry, we combine economic interests with the protection of biodiversity and contribute to the stability and vitality of forests.”

Michael Sterneck, Forestry Director and Managing Director, Schwarzenberg Holding GmbH and Christian Schnedl, Managing Director, Papierholz Austria



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A pioneering project for biodiversity,
pulp and renewable energy

Heinzl Group has been invested in the Paracel project since 2022 alongside other, South American and European, entrepreneurial families. Paracel unites three central components: extensive reforestation of degraded land, a pulp mill, and renewable energy generation linked to pulp production. Additionally, the project includes construction of a harbor on the Paraguay River, enabling the efficient transport of pulp over 1,200 km to Uruguay.

The dimensions of the project are impressive. A total of 162 million trees are being planted across 193,000 hectares of forested land. Of this, 54% is designated for eucalyptus plantations for pulp production, 42% for the protection and restoration of primary forests, and the remaining 4% for other uses.

This project aims to generate an annual production capacity of more than 1.8 million metric tons of FSC®-certified pulp, produced on a site spanning 1,300 hectares. At the same time, Paracel will also generate 220 MW per hour of power from biomass – enough to not only cover its own energy requirements but also supply excess energy to the public power grid. This will be made possible by the first-ever license issued by the Paraguayan government for independent energy generation and distribution.



↑ The on-site Paracel team is highly motivated and committed to forging ahead with this project.

The objective of the net biodiversity gain at Paracel is to improve the state of biodiversity in its area of influence by preserving, restoring, and improving natural habitats. These activities include monitoring biodiversity, protecting against forest fires and illegal activities, as well as collaborating with environmental protection initiatives. Paracel received the FSC® Forest Management Certificate (FM/COC) from SCS Global Services (SCS) in December 2024. This certification confirms that Paracel's forestry management practices meet the high environmental, social, and economic standards of the Forest Stewardship Council® and therefore guarantee the responsible and sustainable management of resources.

Paracel also generates emission credits due to its successful reforestation and environmental protection activities. These credits are used to offset emissions generated anywhere in the world which cannot be reduced, eliminated, or avoided – thereby also contributing to curbing climate change. Paracel is actively pursuing the certification process of hydrocarbon credits based on the standards of the Verified Carbon Standard (VCS) and Climate, Community, Biodiversity (CCB).

For more details visit paracel.com.py



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ESRS S1

SDG 8

Good Employer

MISSION

We care about the wellbeing of our people.

We promote talents, provide secure jobs, and support families with childcare and leisure-time benefits. The appreciation for our efforts is reflected in the many employees who have been with us for years, those who return after gaining experience elsewhere, and the families who have been part of our team for generations. Stability, equal opportunities, and integrity are central to how we act, and all underline our status as a dependable employer.

ON TRACK 2024

Heinzl ReGroup elevates leadership and collaboration to a new level

The Group Development Program (GDP) strengthens company-wide collaboration and fosters a shared corporate culture rooted in our group-wide values. As a part of the GDP, managers from all divisions and subsidiaries actively collaborate to define and implement strategically important projects for the group. This initiative encourages colleagues to work ‘on’ the system and not just ‘in’ it - creating synergies and future-oriented concepts that enhance our strength and resilience as a corporate group.

A key element of this program was the group-wide corporate culture survey conducted in April 2024. The insights gained provide a deeper understanding of how our corporate culture is perceived and serve as the foundation for developing a clear cultural framework and leadership principles under

the motto ‘The Heinzl Way of Doing Things’. Another important focus point is integrating sustainability into everyday actions. Our managers embrace the principles ‘green is the new default’ and ‘every job is a climate job’ to develop approaches that embed sustainable practices to be anchored in all areas of the company. Because sustainability goes beyond top-level decisions – it is a responsibility that every employee in every department can contribute to.

“ In the Group Development Program we foster a culture of collaboration and develop targeted measures that go beyond corporate, hierarchical, and departmental boundaries.“

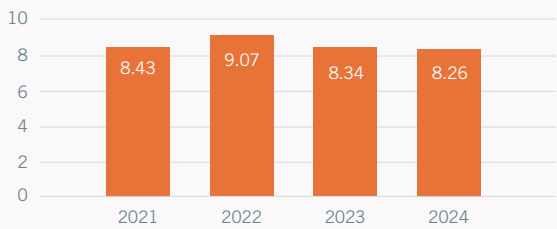
Melanie Luger, Human Resources & Personnel and Organizational Development, heinzelsales and Susanne Möstl-Johannessen, Communication Manager, Heinzl Group



Occupational safety at our sites is a top priority

Close collaboration between sites is the key to harmonizing processes and creating an even safer working environment for all employees. The Safety Group Meeting, for example, provides a valuable platform for sharing experiences and continuously improving safety standards. In addition, various safety programs are being implemented at Heinzl Group sites to further reduce the accident rate.

ESRS S1-14: Reportable occupational accidents per million hours worked (LTIFR)



Besides safety, we place great importance on the physical and psychological well-being of our employees. Various initiatives, including sporting events, regular health checkups, and resilience workshops, actively support employee health. Many subsidiaries within the group also offer psychological coaching and other programs to help employees navigate personal challenges. Further key figures and information can be found in the [Sustainability Statement](#).

← Our managers are constantly working together on innovative solutions, as seen during the Heinzl Group Day – the kick-off event for the Heinzl Group Development Program, Heinzl ReGroup.

Strengthening diversity: Heinzl Group supports Women4Paper-Industry

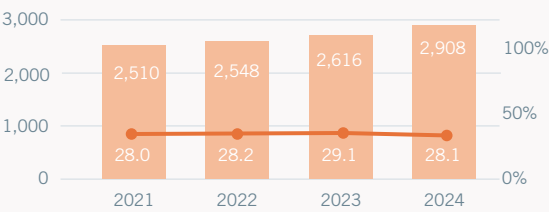
The launch event for Women4PaperIndustry, a new women’s network, initiated by Austropapier, took place in May 2024. More than 100 participants from the paper and pulp industry joined to support the visibility and opportunities of women in the industry. The event served as a platform for experience-sharing, inspiration, and networking.

Many female employees from Heinzl Group attended, seizing the opportunity to connect with colleagues across the industry, to make new contacts, and actively contribute to strengthening diversity in the paper industry. We proudly support this Austropapier initiative, with colleagues also playing an active role during the follow-up event in December 2024 and in co-shaping the program.

A strong team – successful together

Diversity is key to the successful development of our industry. Currently, women make up 28.1% of Heinzl Group’s workforce, and we are committed to steadily increasing this share. Further key figures and information in the [Sustainability Statement](#).

ESRS S1-6: Total number of employees headcount settlement [as of 31.12.]
ESRS S1-6: Share of female employees [%]



*Change in FTE average also in previous years, except for Heinzl Holding, Europapier and heinzelsales

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 Awards of Excellence

Our Awards of Excellence are a means of Heinzl Group honoring extraordinary commitment and excellent performance every year.



IVARI SAMOLBERG, Production Manager, Estonian Cell & production team

Cost savings and innovation

Since the start of the energy crisis, Ivan Samolberg and his production team have been developing pioneering solutions to align processes at Estonian Cell with the high level of energy prices. Thanks to flexible management of production times and technical optimizations, it has been possible to significantly reduce energy consumption and electricity costs.

Further nominees: Bernhard Pascher, heinzelsales: Sales performance kraft liner board
Sebastian Wengert, heinzelpaper: Timber purchasing from Germany



HEINZ KAISER, Project Manager Technical Planning, heinzelpöls

Plant safety and optimization

Heinz Kaiser began more than 43 years ago as a metalworker and has since advanced to become a project leader in the technical planning department. He was involved in numerous projects, including the installation of paper machines and, most recently, in the modernization of the bale packing unit, which saved over two million euros. His expertise and commitment make Heinz a role model for many.

Further nominees: Stefan Huemer, heinzelpaper: ARA & waste management
Juha Vettenranta, Europapier: Commitment to the well-being of suppliers



CHRISTIAN PERSCHLER, Project Manager & engineering team, heinzelpöls (Process Engineer Anca Vintiloiu, Production Technician Daniel Schöttel, Project Initiator Klaus Eibinger)

Converting wastewater into a source of raw materials

Recovering and returning the sequisulfate solution to the materials recovery cycle during pulp production improves process security, reduces the need for maintenance work, and also saves chemicals costing around a million euros a year. With a return on investment within only four months, this project, successfully implemented and concluded by Christian Perschler and his team, is both an economical and an environmental success.

Further nominees: Timo Tummak & big bale Team, Estonian Cell: Alternative packaging standard; Amela Tobler, Europapier: Rapid integration of new operative companies into Heinzl Group's reporting standard

Growing together of our
heinzelpaper mills

Joint events strengthen the sense of community and collaboration between the two heinzelpaper sites in Laakirchen and Steyrermühl. They provide valuable opportunities for employees to exchange ideas, share experience, and build strong network ties.

As part of the Post Merger Integration, a celebration took place in fall 2024 under the motto 'we are heinzelpaper', fostering connections and team spirit. Interactive activities, including a giant puzzle game, created a lively and engaging atmosphere. Another highlight of the year was the shared Christmas event, where both on-site fire brigades treated their colleagues to tasty snacks, a heart-warming

punch, and Christmas cookies. Events like these not only create lasting memories but also play a key role in creating a positive and collaborative corporate culture.

Fit for the future: leadership
training at heinzelpöls

heinzelpöls has developed a comprehensive leadership training program to equip managers with the skills needed to navigate current and future challenges. Up to 60 managers have the opportunity to participate in customized training sessions, tailored to their specific roles, responsibilities, and development needs.



↑ 'we are heinzelpaper' – together we celebrate the solidarity of our mills.

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Bonding in a global team

At heinzelsales in Vienna, the French tradition of 'La Chandeleur' was celebrated with great joy. Our French-speaking colleagues prepared delicious crepes using traditional French and Algerian recipes, complemented by a variety of homemade toppings. While English is our corporate language, the nearly 25% share of French-speaking team members made this celebration a perfect opportunity to add a French flair and strengthen bonds across cultures.

33 children explored our offices during the heinzelsales Kids Day event

heinzelsales welcomed 33 children for a special Kids Day, offering them a glimpse into where their family members work. The day began with an office discovery tour, followed by hands-on activities based on a program developed by Austropapier, introducing the young visitors to paper as a product. Creativity took center stage with artistic projects and mandala-making before the group headed to the Alte Donau Lake. There, the children enjoyed a fun-filled afternoon of pedal boating, swimming, and lunch together. Events like these aim to spark interest in paper products among younger generations while showcasing the exciting career prospects within our industry.



↑ A blaze of colors and smiles at the heinzelsales Kids Day event.



Leading Employer 2024

Heinzl Holding was once again ranked among the top 1% of employers in Austria in 2024. This award is a valued recognition of our commitment to fostering a supportive and dynamic working environment. At the same time, we recognize that there is always room for improvement, and we remain dedicated to making Heinzl Group an even better place to work. The hard work and feedback of our team is a central factor on this path to excellence. A big thank you to all our employees.

OUTLOOK

Shaping the future: focus on values, culture, and safety

Besides focusing on values, culture, and diversity, we also define specific quantitative goals. A key objective is to promote the health and safety of all employees. Our commitment is clear: serious accidents are not acceptable, and strict compliance with legal regulations is non-negotiable. Our strategic efforts focus on uniform standards and an even stronger commitment to occupational safety, with the goal of ensuring a safe and accident-free working environment. Specifically, we aim to reduce the lost time injury frequency rate (LTIFR) at Heinzl Group subsidiaries to below five per year by 2030, with a long-term target of achieving an LTIFR of zero.

At the same time, we continue to strengthen our initiatives to retain qualified employees and to further develop our training programs. These key focus areas underline our commitment to an inclusive, safe, and future-oriented working environment.

ESRS S3 SDG 11

Social Engagement

MISSION

We work together with communities by being a reliable, supporting, and sustainable partner.

Whether during sustainability projects, training programs, or as a local energy provider – our goal is to raise quality of life and positively co-shape the development of the regions in which we act. With our energy supply from renewable sources, we reach households in the surrounding municipalities and therefore makes a significant contribution to regional sustainability. And if there are ever any problems, our proactive complaint management ensures that requests and concerns are answered quickly in order to jointly find solutions and continuously improve our cooperation.

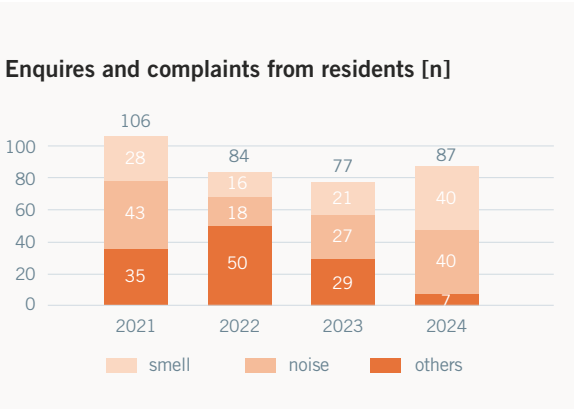
ON TRACK 2024

Sustainable energy for the region

Heinzl Group generates renewable energy in the form of biogas, power, and heat. While a portion is used for our own production processes, the surplus is fed into local distribution grids to supply surrounding municipalities – providing sustainable energy for approximately 30,000 households.

Investments in the community to reduce noise pollution

Both Estonian Cell and heinzelpöls made significant investments in noise protection in 2024. In Kunda, a noise barrier was installed, while in Pöls, extensive noise reduction measures were implemented directly on machinery. This included installing noise suppressors on the exhaust air vents of the sheet dryer and the steam valves of the evaporation plant.



Despite a significant reduction in Pöls, complaints from local residents increased by ten in 2024. This increase is mainly caused by the significant expansion of the operating areas in 2024. Further key figures and information can be found in the [Sustainability Statement](#).

Commitment to the next generation: knowledge, language, and inspiration

heinzelpöls collaborates closely with the local middle school to spark students' interest in MINT subjects (mathematics, IT, natural science, and technology) while providing practical insights into their real-world applications.

Another highlight is the reading initiative organized by heinzelsales, where colleagues volunteered to visit a kindergarten and read to children in their native languages. This not only helped develop the children's language skills but also fostered intercultural exchange.

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Living responsibility: a focus on
community and humanity

Thanks to the support of 80% of the heinzelsales work-
force, Christmas wishes from children and young people
in SOS children's villages were fulfilled. Employees came
together to pack and send gifts, bringing joy to many
during Christmas time.

2024 was also a year full of events
to promote the sense of community
and physical activity

Heinzl Group subsidiaries organized and sponsored two
community running events, open to all ages and back-
grounds. A particular highlight was the first-ever Heinzl
Pöls Trophy, which saw around 170 athletes compete on
September 21. Another standout event was the Paper City
Run in Laakirchen, which drew many enthusiastic parti-
cipants and spectators.

heinzelpöls also contributes to family support initiatives.
In collaboration with the municipality of Pöls, the company
organizes an annual summer camp, offering children
exciting experiences during the school vacation and, at
the same time, take the pressure off their parents.

“ The energy and team spirit
we experienced on and along
the route are what make these
events so special.”

Daniela Reicher, Assistant to the Board and
Maria Stradner, Head of Communication &
Marketing, heinzelpöls



↑ Doing good together – running a total of 1,400 kilo-
meters for a good cause was converted into a check for
EUR 2,800.

OUTLOOK

We see ourselves as dependable
partners and an integral part of the
regions where our sites are located

Our aim is to promote sustainable quality of life and
foster a sense of solidarity with local communities. We
achieve this by continuously expanding supplies of
district heating and power from our sites, benefiting an
increasing number of households. Close collaboration
with local communities is key to maintaining strong
relationships with our neighbours. Proactive measures
are taken to minimize complaints, while also improving
satisfaction among residents near our sites.

In addition, we are strengthening our social commitment
by supporting people in need directly or through the
relevant care centers with donations of goods, products,
time, and money.

TOGETHER FOR OUR

Partners

➤ Mohamed Zarrouk,
Sales Director Paper &
Board Overseas

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ESRS G1SDG 16

Fair Operating Practices

MISSION

We are a reliable and fair business partner for our stakeholders and adhere to the highest professional standards.

Our exemplary handling of corruption and bribery, as well as our proactive approach in all areas of business, underscore our commitment and set us apart. In recent years, there have been no violations of anti-corruption or anti-bribery regulations and no corresponding penalties.

ON TRACK 2024

Our Code of Conduct stands for responsibility, excellence and respect – principles that guide our daily actions and shape our corporate culture

In 2024, Heinzl Group published its new Code of Conduct, which defines clear guidelines for ethical behavior and responsible business practices. The Code of Conduct covers central topics such as the avoidance of corruption and conflicts of interest, the promotion of diversity and equal opportunities, and the protection of the environment, health and safety. Likewise, binding standards for fair competition and responsible procurement are defined. Particular emphasis is placed on training all employees to ensure compliance with these principles. The Code of Conduct serves as a binding guide for all employees of the group to ensure the high standards in their daily work. Details at heinzl.com/en/codeofconduct

In 2024, 96% of all relevant employees have participated in training on compliance policies

To continuously raise awareness of anti-corruption and anti-bribery measures, we provide comprehensive training every two years, supplemented by voluntary repeat testing. In 2024, Heinzl Group achieved a 96% participation rate. This is to be increased further in the future through targeted motivational measures. Further key figures and information in the [Sustainability Statement](#).

“With the new Code of Conduct, we are creating clear guidelines for our daily actions, based on integrity and a shared understanding that strengthens us together.”

Katharina Scheibelreiter, Human Resources, Europapier and Klaus Vlach, Group Compliance Officer, Heinzl Group



OUR VALUE COMPASS

RESPONSIBILITY

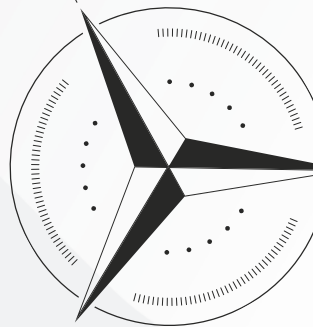
We accept full responsibility for our actions, standing by our successes, commitments, and mistakes.

EXCELLENCE

We strive to exceed expectations regarding quality, service, and efficiency.

RESPECT

We show respect to everyone we work with. We listen to each other and appreciate one another. We are open to giving and receiving constructive feedback.



Kick-off for sustainable procurement: the Sustainable Procurement Task Force gets off to a flying start

In April 2024, Heinzl Group's Sustainable Procurement Task Force was launched – a strategic step to strengthen sustainability along our supply chain. The aim of this initiative is not only to meet the requirements of the Corporate Sustainability Due Diligence Directive (CSDDD), but also to underpin our own commitment to responsible and sustainable procurement. The focus is on introducing a Supplier Code of Conduct, developing a comprehensive Procurement Policy and implementing a Supplier Risk Assessment.

An interdisciplinary team of experts from the purchasing departments of various locations is working closely with the sustainability team to advance these goals. Together, we want to create a supply chain that complies with ecological, social and ethical standards and promotes our long-term corporate goals.

We show commitment – through our active partnership with Austropapier

As a board member of Austropapier, Heinzl Group CEO Sebastian Heinzl has chaired the association's sustainability committee since 2023. The committee's goal is to develop industry positions on sustainability, promote the exchange of best practices, share knowledge and strengthen the industry's positive image through targeted public relations. Since 2023, four topic-related meetings have already taken place, in which these goals were actively pursued. In addition, Heinzl Group employees

are involved in the “Women4PaperIndustry” network, which was founded by Austropapier in May 2024 to network, support and promote female talent in the paper industry.

OUTLOOK

Integrity and fairness as a basis for tomorrow

In order to continuously improve – including in the area of fair business practices – the Sustainable Procurement Task Force, established in 2024, will continue its work in 2025. The aim is to further strengthen the sustainability of our supply chain. This includes the planned publication of a Supplier Code of Conduct and the development of internal guidelines and evaluation criteria to assess and continuously optimize the sustainability performance of our partners.

At the same time, responsible action remains a central component of our corporate culture. All relevant employees receive regular training on anti-corruption, anti-bribery and the Code of Conduct in order to maintain our high ethical standards. Our commitment remains clear: no violations of anti-corruption laws, no donations to political parties and the consistent continuation of our high payment practices.

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Sustainability Statement

The Sustainability Statement has been prepared voluntarily following the current reporting requirements of the European Sustainability Reporting Standard (ESRS). It therefore represents an extension of the Annual Review in accordance with the CSRD (Corporate Sustainability Reporting Directive) regulatory requirements.

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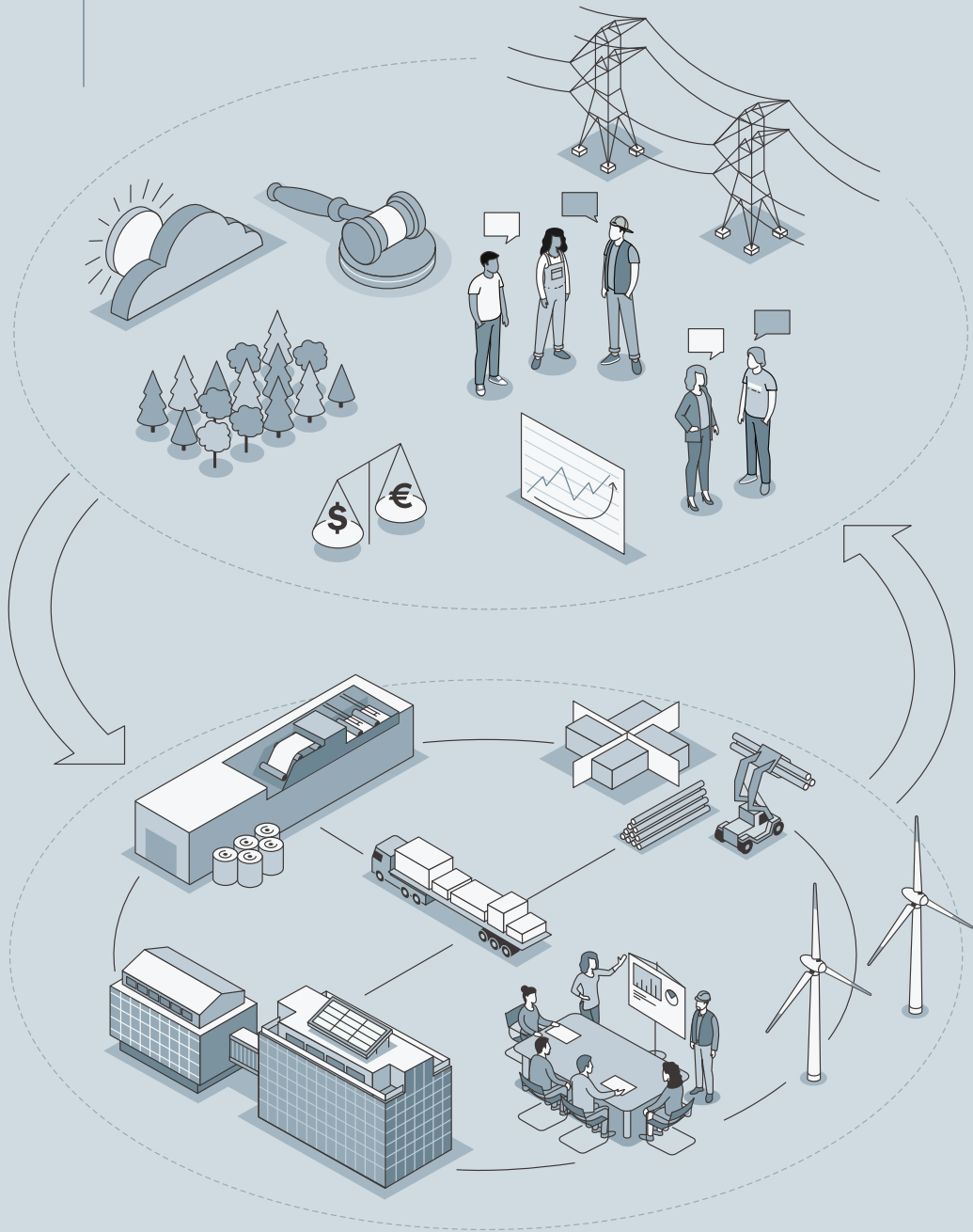
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ESRS 2

General Disclosures

This Sustainability Statement is based on the reporting requirements of the European Sustainability Reporting Standard (ESRS), as of 31 July 2023. It is therefore an extension of the Annual Review following the current structure of the regulatory requirements of the CSRD (Corporate Sustainability Reporting Directive). Heinzl Group is not yet required to report in accordance with the CSRD for the financial year 2024, and the information published in this Sustainability Statement is voluntary.

Basis for Preparation

BP-1 – General basis for preparation of the sustainability statement

This Sustainability Statement covers the financial year 2024 and has been prepared on a consolidated basis. The consolidation scope used to prepare the Sustainability Statement is defined in the same way as in the company's annual financial statements. In principle, all subsidiaries in which the company has a stake of more than 20% are included in the Heinzl Group's sustainability reporting. For more information on the group structure, please refer to chapter [Group Structure](#).

Equity investments of over 50% are fully taken into account, while those between 20% and 50% are only partially included in the data. For example, the Scope 1 and Scope 2 emissions of these equity investments are included in category 3.15 of the corporate carbon footprint, while their Scope 3 emissions are – according to the Greenhouse Gas Protocol - not taken into account.

For the preparation of this Sustainability Statement, both the double materiality assessment and the calculation of the corporate carbon footprint were carried out by looking at Heinzl Group's entire value chain, including upstream and downstream activities. This holistic approach formed the basis for the identification of impacts, risks and opportunities in the double materiality assessment. But the information disclosed in this statement relates primarily to the company's own activities. Key figures also primarily come from the company's own activities. However, in its carbon emissions analysis, Heinzl Group also comprehensively considers

upstream and downstream Scope 3 emission sources. Details can be found in the chapter [Climate Change](#). Further details about the Heinzl Group value chain can be found in chapter [SBM-1 - Strategy, business model and value chain](#).

Note: The sawmill at the Steyrermühl plant has been excluded from specific production related metrics (where the production volume is set as denominator) because it would not realistically reflect values for pulp and paper production. Sawn timber production e.g. requires less water and energy at a high production rate.

BP-2 – Disclosures in relation to specific circumstances Adjustment of time horizons

The time horizons defined in ESRS 1 Section 6.4 have been set from Heinzl Group as follows: short-term (1–3 years), medium-term (3–5 years) and long-term (more than 5 years). This adjustment takes into account the specific planning and business cycles of the Heinzl Group and enables a more precise assessment of the impacts, risks and opportunities. If significant changes in scope, magnitude, reversibility and/or probability were identified across the different time horizons, a specific individual assessment was carried out. Otherwise, an overall assessment was performed. In addition, Heinzl Group incorporates the time horizons of internationally recognized organizations such as IPCC (Intergovernmental Panel on Climate Change, near-term 2021–2040, mid-term 2041–2060, long-term 2081–2100), SBTi (Science Based Targets Initiative, near-term until 2030, long-term until 2050) and TCFD (Taskforce on climate related financial disclosures) into its assessments.

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Calculation and adjustments

When calculating the corporate carbon footprint, especially for Scope 3 emissions, assumptions and estimates are used if no specific data or information is available. To ensure a consistent data basis, secondary data sets for emission factors are used in most cases. Key figures that contain estimated data from the upstream and/or downstream value chain using indirect sources such as industry averages or other approximations are documented accordingly. Both the estimation methods used and the use of secondary data are transparently traceable in internal documentation. The Heinzl Group Corporate Carbon Footprint 2023 and its documentation were externally audited and verified in accordance with ISO 14064-1 and ISO 14064-3.

Since sustainability reporting has so far been voluntary, only a limited number of metrics were published in the past, based on the ESRS. For this reason, no adjustment of comparative figures is made, even if the calculation methods should now be more precise. Relevant documentation is available in internal source documents. If material inconsistencies in the voluntarily disclosed metrics are identified, this is transparently presented and the necessary corrections are explained.

The review of the materiality analysis in 2024 (see chapter [Impact, Risk and Opportunity Management](#)) led to the following adjustments compared to the previous evaluation: The material topics “climate change” and “renewable energy” (ESRS E1) were combined, and the topic “pollution” (ESRS E2) was added.

The reporting principles in this Sustainability Statement is within the framework of the ESRS. However, other frameworks and regulations were also considered to obtain a holistic view of the materiality analysis and its material topics, as well as to evaluate and assess qualitative and quantitative data points:

- b-corp (Benefit Corporation)
- CDP (Carbon Disclosure Project)
- EMAS
- Energy audits and all relevant European and local energy laws
- EU ETS (EU Emissions Trading System)
- FSC® und PEFC
- GHG Protocol
- GRI (Global Reporting Initiative)
- ISBB (International Sustainability Standards Board)
- ISO 14001:2015
- ISO 14064:2018

- ISO 26000:2010
- ISO 50001:2018
- OECD Guidelines for Multinational Enterprises
- PRI (Principles of Sustainable Investment)
- SBTi (Science Based Targets Initiative)
- SDGs (Sustainable Development Goals)
- TCFD (Taskforce on Climate Related Financial Disclosures)
- UNGC (UN Global Contact)

Governance

GOV-1 – The role of the administrative, management and supervisory bodies

Sustainability has always been an integral part of the Heinzl Group’s corporate history. The company’s founder and chairman of the supervisory board, Alfred Heinzl, was an early proponent of environmentally conscious paper production, creation of regional jobs and close cooperation with the local community. Today, Heinzl Holding GmbH continues to pursue this approach consistently. The CEO, together with local management and the Global Sustainability Team, is responsible for the strategic direction and further development of the integrated sustainability and business strategy. As of December 31, 2024, the management of Heinzl Holding GmbH has three members, and the Supervisory Board seven.

Management, Heinzl Holding GmbH

- Sebastian Heinzl, CEO
- Barbara Potisk-Eibensteiner, CFO (ending December 2024)
- Daniela Lorenzer, CFO (starting June 2025)
- Kurt Maier, COO (ending August 2024)
- Karl Achleitner, COO (starting September 2024)

Supervisory Board, Heinzl Holding GmbH

- Alfred Heinzl, Chairman
- Christoph J. Heinzl
- Matthias Heinzl
- Frank Hensel
- Johannes Klezl-Norberg
- Alexander Riklin, Deputy Chairman
- Riia Sillave

In 2024, the proportion of women on these bodies was 20%. Of the ten members of the administrative, management and supervisory bodies, three (30%) were executive, responsible for strategy and day-to-day business, while seven (70%) were non-executive, with advisory and controlling functions. Three members of the Supervisory

Board are considered independent in accordance with the guidelines on independence set out in the Austrian Code of Corporate Governance, thus ensuring objective and impartial decision-making. Details on the involvement of management in the Group’s sustainability organization can be found under “Structure and responsibilities in sustainability management”.

Number of executive members	3
Number of non-executive members	7
Percentage of male members	80%
Percentage of female members	20%
Board Gender (F:M) Diversity ratio	2:8
Percentage of other members	0%
Percentage of total members who are independent	30%

Depending on the supervisory board member in question, supervisory board seats are held for tenures of between three and five years. All Heinzl Group subsidiaries also have their own Supervisory Board members in addition to the Supervisory Board of the holding company. These boards are made up of internal and external members as well as workforce representatives. The following individuals have been appointed until the year defined in parentheses:

External supervisory / advisory board members at Heinzl Group subsidiaries

- Andreas Greiner, Bunzl & Biach GmbH (indefinite)
- Frank Hensel, Europapier International AG (2024)
- Doris Hummer, Laakirchen Papier AG (2024)
- Andrew Paul, Wilfried Heinzl AG (2027)
- Riia Sillave, Estonian Cell (2024)

Workforce representatives acting as supervisory board members at Heinzl Group subsidiaries

- Nadja Blenk, Wilfried Heinzl AG (indefinite)
- Alfred Grunner, Europapier International AG (indefinite)
- Gabriele Grünstäudl (Wilfried Heinzl AG (indefinite)
- Melanie Hahn, Europapier International AG (indefinite)
- Mario Halbrainer-Leingruber, Zellstoff Pöls AG (indefinite)
- Peter Hofstödter, Laakirchen Papier AG (indefinite)
- Johann Kaiser, Zellstoff Pöls AG (indefinite)
- Werner Leitner, Laakirchen Papier AG (indefinite)

New appointments and changes relating to supervisory board members at Heinzl Group subsidiaries in 2024:

- Karl Achleitner
- Melanie Hahn

Structure and responsibilities in sustainability management

The Management Board regularly informs the Supervisory Board of Heinzl Holding GmbH about current developments in the areas of environmental and climate protection, social affairs and governance. This enables the Supervisory Board to monitor and actively support progress in these areas. The Supervisory Board governance structure of the Heinzl Group provides for at least one regular meeting per quarter and ad hoc meetings as required. Attendance lists are kept and minutes are taken to ensure that decisions are documented in a transparent and comprehensible manner.

The Sustainability Steering Committee consists of the holding company’s management team, headed by the CEO, and is responsible for all sustainability matters within the group. This includes identifying and assessing possible impacts, risks and opportunities related to sustainability aspects, as well as developing policies, targets and the measures derived from them. Regular dialogue with the Global Sustainability Team (which combines the Unit Sustainability Managers and the Group Sustainability Team) ensures that the sustainability strategy is implemented effectively and that the identified impacts, risks and opportunities are incorporated into the integrated corporate strategy. At the level of the group companies, one of the two general managers assumes responsibility for defining and monitoring the sustainability strategy and risk management at the site.

Heinzl Group’s Global Sustainability Team has extensive experience and expertise in the field of ESG (Environment Social and Governance). The team’s competencies cover key areas of expertise such as sustainability management, energy management, environmental and safety management, human resource management, circular economy, community engagement, data management and controlling. This expertise forms the basis for identifying and addressing the material impacts, risks and opportunities that are relevant to the company.

In addition, all sustainability managers work closely with the respective departments to develop and implement measures in line with group-wide targets. This involves close coordination with areas such as human resources, production, maintenance, project engineering, sales, finance, IT, purchasing and logistics. To ensure that sustainability skills are continuously developed and kept up to date, all sustainability team members regularly take part in training and professional development on ESG topics.

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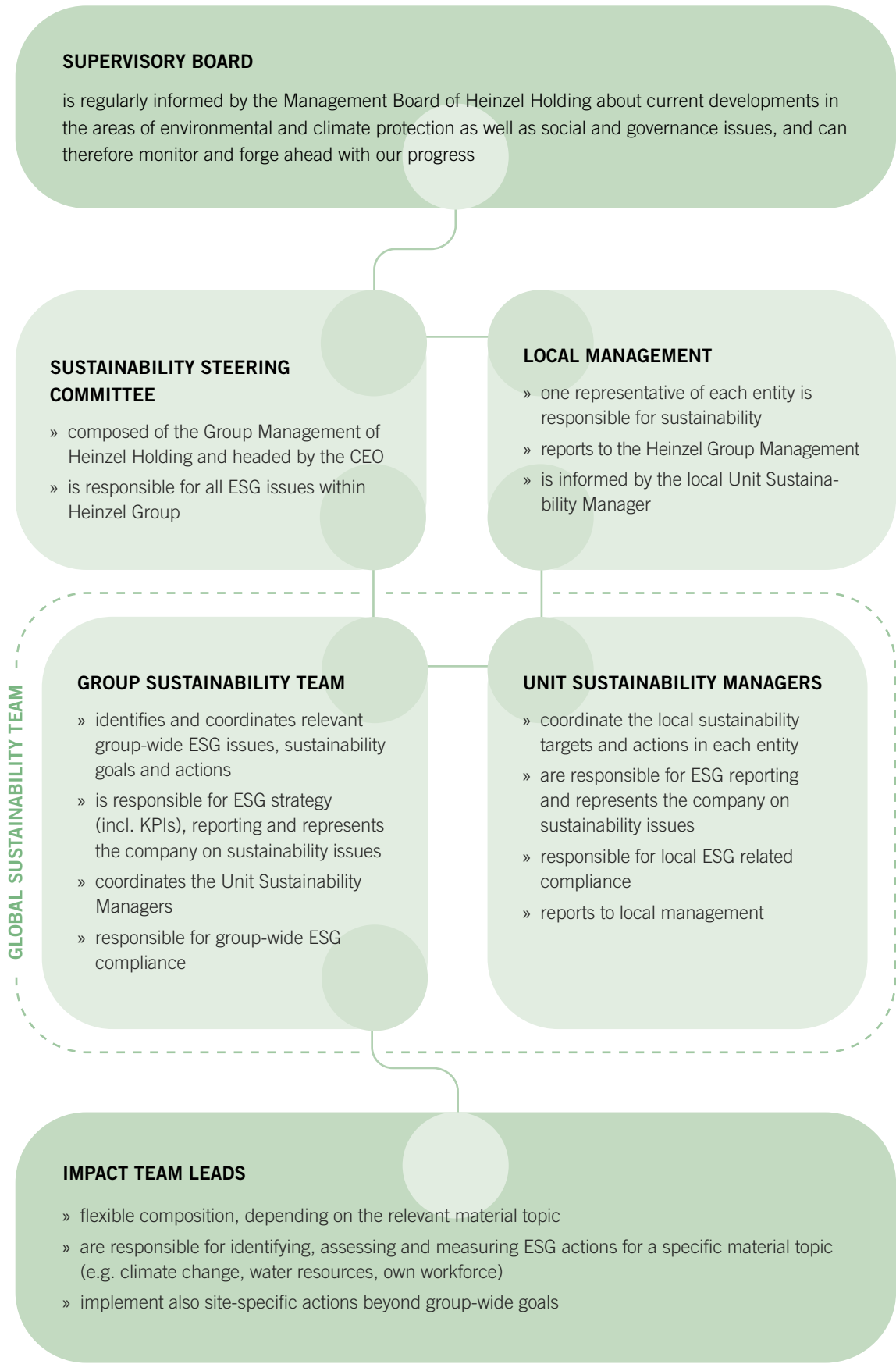
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The graphic below illustrates Heinzl Group's ESG governance:



Identifying, assessing and managing material impacts, risks and opportunities

Heinzl Group has a clear governance structure for identifying, assessing and managing material impacts, risks and opportunities (IROs) throughout the company. Responsibility for risk management is enshrined in the rules of procedure, the management contracts and the internal risk management manual. Risk management is the responsibility of the CFO of Heinzl Holding, while responsibility for controlling the IROs lies with the respective management boards and managing directors of the Heinzl Group companies.

As part of the materiality assessment, risks and opportunities (outside-in perspective) are identified along the central business processes and key areas of the value chain where significant financial impacts are expected. Particular attention is paid to environmental and social risks – such as climate change or regulatory changes – as well as to the opportunities arising from sustainable approaches, including efficiency increases, innovations and new market potential. Based on focus interviews, expert assessments and the risk list drawn up in 2023 based on the TCFD standards, the final overview was structured and prioritized in evaluation workshops according to E, S and G criteria.

Heinzl Group's risk rating matrix is used for the overall risk assessment of a specific risk. The identified top risks are regularly discussed and prioritized in the four fixed meetings of the General Managers and in the Board Audit Committee of Heinzl Holding.

The impact assessment (inside-out perspective) was also carried out as part of the double materiality assessment with the involvement of internal and external teams of experts. The final classification was also agreed at the Group Management Meeting with the General Managers of all subsidiaries. Responsibilities are clearly defined in line with the material topics. The Impact Team Leads play an active role in assessing impacts and developing targets and measures for continuous improvement – for example, the Group HR function as Impact Team Lead for ESRS S1 or the Group Sustainability Manager as Impact Team Lead for Climate Change based on ESRS E1.

The Impact Team Leads report to the Group Sustainability Manager, which acts as the interface between the Global Sustainability Team and Group Management. This ensures a well-founded assessment and subject-specific management of impacts.

GOV-2 – Information provided to and sustainability matters addressed by Heinzl Group's administrative, management and supervisory bodies

The following topics were discussed in the corresponding meetings between management and the Supervisory Board:

- Strategy 2030 incl. main ESG KPIs for climate change, renewable energy, energy efficiency, freshwater withdrawal, health and safety
- Circular Economy: transition from magazine paper to containerboard
- Climate Change: renewable energy concept for specific mills
- Own Workforce: Group Development Program with sustainability focus, IT security, Health and Safety Programs

GOV-3 - Integration of sustainability-related performance in incentive schemes

As early as 2023, Heinzl Group realigned the remuneration policy for its general managers, aligning it more closely with sustainability targets. This targeted approach ensures that Heinzl Group's management level contributes directly to the realization of the company's ambitious sustainability agenda.

The payment of a bonus at Heinzl Group is subject to clearly defined conditions regarding non-financial KPIs. These include prevention of fatal occupational accidents among employees and full compliance with all applicable laws, regulations and compliance rules.

In addition to the economic requirements, 30% of the bonus payment is linked to sustainability criteria. One key performance indicator is site-specific CO₂e emissions per metric ton of production (t CO₂e/t) compared to the previous year. Bonus points are also awarded for reductions, with higher scores achievable for achieving 4.2% or more reduction per year. This target is aligned with the requirements of the Science Based Targets initiative (SBTi) and the implemented climate transition plan. Another key performance indicator for variable compensation is the reduction of scope 3 emissions and the reduction of the Lost Time Injury Frequency Rate (LTIFR). 70% of the variable remuneration is based on local target achievement and 30% on group-wide target achievement. The remuneration system was developed by the company's management and approved by the Supervisory Board.

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GOV-4 - Statement on due diligence

Core elements of due diligence	Paragraphs in the Sustainability Statement
Integration of due diligence into governance, strategy, and business model	See chapter GOV-2
Stakeholder engagement in all key steps	See chapter SBM-2
Identification and assessment of negative impacts	See chapter SBM-3
Actions to mitigate negative impacts	See chapters of material topics
Monitoring the effectiveness of these efforts and communication	See chapters of material topics

GOV-5 - Risk management and internal controls over sustainability reporting

The control mechanisms embedded in sustainability reporting ensure high standards of accuracy, transparency and verifiability in the collection and consolidation of content. Quantitative data collected at the level of the departments responsible, where it is already subject to initial control. During the consolidation process, the Group Sustainability team performs additional checks and plausibility tests. All relevant documents are systematically archived to ensure transparent documentation. Qualitative content is first reviewed and analyzed by the departments providing it. After a further check by the consolidating body in accordance with the dual control principle, content is included in the report. Additionally, qualitative and quantitative data is approved by the Sustainability Steering Committee before publication. The consolidation of the report content is based on clearly defined guidelines, such as the reporting and the KPI manuals per material topic. Close coordination with internal and external control bodies is ensured to meet regulatory requirements and to guarantee the completeness and accuracy of the content.



↑ Tian-Yaw Hsieh,
Finance Manager &
Compliance Officer,
heinzelsales

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Strategy

SBM-1 - Strategy, business model and value chain

Heinzl Group's value chain is divided into the upstream value chain, its own operations and the downstream value chain.

Most important partners (upstream value chain):

Suppliers:

- Raw material suppliers: suppliers of wood, chemicals and other raw materials essential for pulp, paper and sawn timber production. The wood used comes mainly from thinning and storm-felled timber from local suppliers that is not suitable for furniture production and meets the standards of FSC®, PEFC or the European Timber Regulation (EUTR).

- Product suppliers: other important partners for the Heinzl Group's trading companies are producers of goods ready for sale
- Energy suppliers: suppliers of energy for production processes.
- Equipment and technology suppliers: companies that provide machines, technologies and maintenance services for Heinzl Group's production facilities.
- Service providers: providers of support services in various areas.

Logistics service providers:

- Transport companies: service providers that ensure the efficient transportation of products from Heinzl Group's sites to the customers.
- Warehouse service providers: companies that offer warehousing solutions for inventory management and distribution.

At its production sites, Heinzl Group processes raw materials into market pulp, packaging paper and sawn timber. By integrating recovered paper into the production process, the company reduces the need for primary raw materials and supports recycling efforts, which is in line with the principles of the circular economy. Heinzl Group also generates its own renewable energy to reduce dependence on external energy suppliers and increase energy security.

Key customer segments (downstream value chain):

The main customer segments include the paper industry and the processing industry, such as converters, printers and packaging manufacturers. By trading in its own and third-party products, Heinzl Group expands its market presence and product portfolio to meet a wide range of customer requirements.

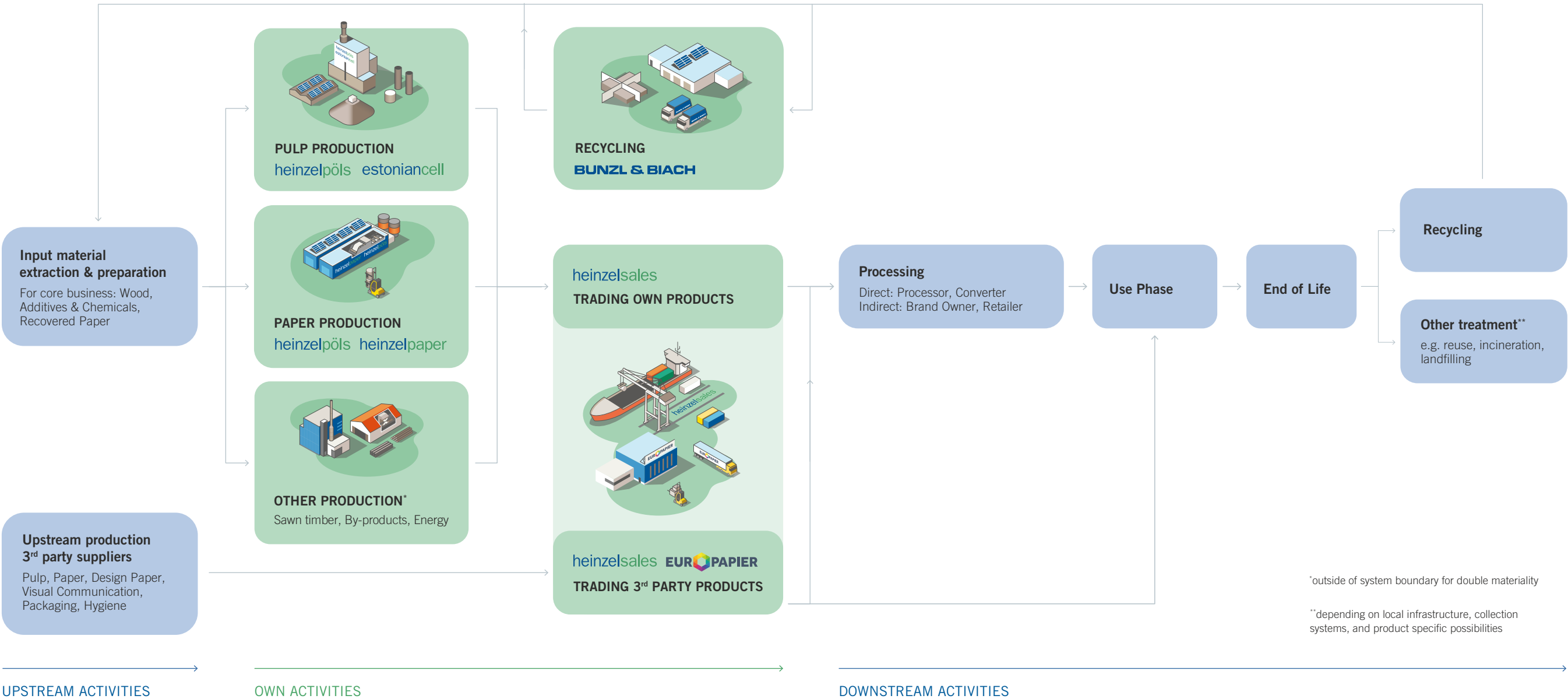
End-of-life:

The products manufactured by Heinzl Group mainly consist of uncoated packaging paper designed for high-quality recycling. In the absence of a recycling infrastructure, this packaging paper is also compostable.

Details of our business model can be found in Annual Review, chapter [Our Value Creation](#) and [The companies of HEINZEL GROUP](#), details of our strategy in chapter [Strategy 2030](#) of the Annual Review.

HEINZEL GROUP Value Chain

AS OF DECEMBER 31, 2024



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SBM-2 - Interests and views of stakeholders

Heinzl Group highly values the integration of stakeholder feedback, fostering respectful and trusting relationships with key stakeholder groups, including employees, customers, suppliers, local communities, owners, banks, authorities

and environmental organizations. This approach ensures the continuous identification of material topics and the proactive incorporation of feedback into strategic decisions. The overview highlights the stakeholder engagement practices implemented within Heinzl Group.

Stakeholder	Engagement and stakeholder priorities and their impact	Examples for engagement formats	Material topics addressed
Employees	Employee development: employee appraisals, training programs, support for students and second-chance education. Workplace benefits: retirement planning, home-office support, childcare, cafeteria, team events and flexible working hours. Health & safety: safety management, health promotion and vaccination programs. Fairness & engagement: diversity, equal opportunities, good leadership and fair compensation. Sustainability: environmental protection, work-life balance	· Denison Survey · Group Development Program · ISO 45001 · Workplace Health Promotion · “Ferien im Betrieb” etc.	E1 E3 E4 E5 S1 S3
	Dialogue: surveys, requests, complaints, events, social media, visits, audits. Products: renewable, certified, high-quality, and safe. Service: competitive prices, on-time delivery, excellent support. Sustainability: product carbon footprint, scope 3 emissions, labor conditions. Retention: satisfaction, long-term relationships, tailored solutions.	· ISO 9001 · ISO 14001 · ISO 50001 · FSC®/PEFC Certificates · EcoVadis Medal - etc.	E1 E3 E4 E5 S1 G1
Customers	Collaboration: dialogue, audits, visits, code of conduct (in development). Quality & Reliability: high-quality materials, on-time deliveries, stable supply chains. Sustainability: promoting sustainable practices, product carbon footprint, scope 3 emissions. Innovation: Joint product and process development and investments. Long-term partnerships: competitive prices and regulatory compliance	· Trade fairs · FSC® audits · Certificates · Supplier visits · Supplier evaluation - etc.	E1 E3 E4 E5 S1 G1
	Environment: reducing noise, dust, waste, and traffic; tree planting and water quality. Community: job creation, regional prosperity, and event sponsoring. Transparency: open communication and reliable partnerships. Investment: supporting local infrastructure and economy. Certified Management: ensuring eco-friendly practices.	· Open House · Heinzl Trophy · ISO 14001 & ISO 50001 · Planting Trees & Beekeeping · Various sponsorships - etc.	E1 E3 E4 E5 S1 S3 G1
Local communities & municipalities	Environment: reducing noise, dust, waste, and traffic; tree planting and water quality. Community: job creation, regional prosperity, and event sponsoring. Transparency: open communication and reliable partnerships. Investment: supporting local infrastructure and economy. Certified Management: ensuring eco-friendly practices.	· Open House · Heinzl Trophy · ISO 14001 & ISO 50001 · Planting Trees & Beekeeping · Various sponsorships - etc.	E1 E3 E4 E5 S1 S3 G1
	Environment: reducing noise, dust, waste, and traffic; tree planting and water quality. Community: job creation, regional prosperity, and event sponsoring. Transparency: open communication and reliable partnerships. Investment: supporting local infrastructure and economy. Certified Management: ensuring eco-friendly practices.	· Open House · Heinzl Trophy · ISO 14001 & ISO 50001 · Planting Trees & Beekeeping · Various sponsorships - etc.	E1 E3 E4 E5 S1 S3 G1
Public authorities & environmental authorities	Environment: reducing noise, dust, waste, and traffic; tree planting and water quality. Community: job creation, regional prosperity, and event sponsoring. Transparency: open communication and reliable partnerships. Investment: supporting local infrastructure and economy. Certified Management: ensuring eco-friendly practices.	· Open House · Heinzl Trophy · ISO 14001 & ISO 50001 · Planting Trees & Beekeeping · Various sponsorships - etc.	E1 E3 E4 E5 S1 S3 G1
	Environment: reducing noise, dust, waste, and traffic; tree planting and water quality. Community: job creation, regional prosperity, and event sponsoring. Transparency: open communication and reliable partnerships. Investment: supporting local infrastructure and economy. Certified Management: ensuring eco-friendly practices.	· Open House · Heinzl Trophy · ISO 14001 & ISO 50001 · Planting Trees & Beekeeping · Various sponsorships - etc.	E1 E3 E4 E5 S1 S3 G1
NGOs & NPOs	Environment: reducing noise, dust, waste, and traffic; tree planting and water quality. Community: job creation, regional prosperity, and event sponsoring. Transparency: open communication and reliable partnerships. Investment: supporting local infrastructure and economy. Certified Management: ensuring eco-friendly practices.	· Open House · Heinzl Trophy · ISO 14001 & ISO 50001 · Planting Trees & Beekeeping · Various sponsorships - etc.	E1 E3 E4 E5 S1 S3 G1
	Environment: reducing noise, dust, waste, and traffic; tree planting and water quality. Community: job creation, regional prosperity, and event sponsoring. Transparency: open communication and reliable partnerships. Investment: supporting local infrastructure and economy. Certified Management: ensuring eco-friendly practices.	· Open House · Heinzl Trophy · ISO 14001 & ISO 50001 · Planting Trees & Beekeeping · Various sponsorships - etc.	E1 E3 E4 E5 S1 S3 G1

Stakeholder	Engagement & Stakeholder Priorities and their Impact	Examples for engagement formats	Material topics addressed
Others (Universities & external experts, lobbying and associations, banks)	Research & Innovation: studies, projects, and new technologies. Collaboration: partnerships, networking, and best practices. Financial Stability: liquidity, risk management, and compliance. Industry Advocacy: representation and market insights. Efficiency: resource optimization and sustainability.	· Financial reports and balance sheets · Rating agency assessments · Austropapier · 4evergreen Alliance · Different research projects (e.g., Ellipse)	E1 E3 E4 E5 S1 S3
	Transparency: regular updates, reports, and AGMs. Sustainability: long-term strategy and responsible growth. Financial Stability: risk management and growth opportunities. Value Creation: increasing company value through strategic orientation.	· Annual reports · Financial reports · Feedback from annual general meetings · Rating agency analyses · Strategic planning documents	E1 E3 E4 E5 S1 S3 G1
Owner	Transparency: regular updates, reports, and AGMs. Sustainability: long-term strategy and responsible growth. Financial Stability: risk management and growth opportunities. Value Creation: increasing company value through strategic orientation.	· Annual reports · Financial reports · Feedback from annual general meetings · Rating agency analyses · Strategic planning documents	E1 E3 E4 E5 S1 S3 G1
	Transparency: regular updates, reports, and AGMs. Sustainability: long-term strategy and responsible growth. Financial Stability: risk management and growth opportunities. Value Creation: increasing company value through strategic orientation.	· Annual reports · Financial reports · Feedback from annual general meetings · Rating agency analyses · Strategic planning documents	E1 E3 E4 E5 S1 S3 G1
Additional stakeholders	Transparency: regular updates, reports, and AGMs. Sustainability: long-term strategy and responsible growth. Financial Stability: risk management and growth opportunities. Value Creation: increasing company value through strategic orientation.	· Annual reports · Financial reports · Feedback from annual general meetings · Rating agency analyses · Strategic planning documents	E1 E3 E4 E5 S1 S3 G1
	Transparency: regular updates, reports, and AGMs. Sustainability: long-term strategy and responsible growth. Financial Stability: risk management and growth opportunities. Value Creation: increasing company value through strategic orientation.	· Annual reports · Financial reports · Feedback from annual general meetings · Rating agency analyses · Strategic planning documents	E1 E3 E4 E5 S1 S3 G1

Heinzl Group relies on a variety of communication measures as part of its stakeholder dialogue. Regular surveys, feedback formats and personal discussions ensure that needs and expectations are identified at an early stage. Professional complaint management systems and digital platforms create additional points of contact and increase accessibility.

One example of this is the active complaints management system operated by the Heinzl Group, which has been used to quickly identify odor nuisances on the sites in Laakirchen and Raubling and to eliminate them through targeted infrastructure investments. Such measures are indirectly incorporated into the definition of material topics, such as S3 (affected communities). Another example would be certified management systems in the areas of safety, environment and energy, which help to optimize production processes and reliably fulfill legal requirements.

Sports and team events boost employee motivation and strengthen team spirit, while leadership training and trainee programs ensure the long-term development of specialists and managers. Regular supplier meetings, audits and visits ensure compliance with sustainability standards and quality requirements along the entire supply chain.

By actively incorporating the perspectives of the stakeholders, valuable insights into their needs and expectations around sustainability are gained and recorded. These findings enable the targeted further development of the sustainability measures at Heinzl Group.

Integration of stakeholder feedback into strategic decision-making
During the reporting period, Heinzl Group did not conduct any targeted stakeholder dialogue in connection with the material topic analysis required by the ESRS, such as

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specific surveys or structured dialogue formats. However, the interests and views of the most important stakeholders in this regard are continuously incorporated into the company through numerous points of contact and are a natural consideration in the strategic decision-making process. These perspectives are also an integral part of the materiality assessment and the due diligence process to ensure that stakeholders' concerns are properly addressed.

The management and Supervisory Board of the Heinzl Group are informed about new stakeholder positions and interests during an ongoing dialog with the Global Sustainability Team. In particular, if the dialog results in impulses for the area of sustainability that could have a potential impact on business activities or strategic orientation, it is ensured that these perspectives are incorporated into the decision-making processes.

SBM-3 - Material impacts, risks and opportunities, and their interaction with strategy and business model

Heinzl Group has both negative and positive actual and potential environmental impacts in own activities and in the value chain. The negative ones include greenhouse gas and air pollutant emissions, water consumption, resource extraction and potential land-use change. At the same time, the company promotes the use of renewable energies, energy efficiency, the circular economy and the sustainable use of resources, and optimizes waste management. A detailed list of the assessed impacts, risks and opportunities will not be published this year, since the Group Sustainability Team is continuously working on the details and will improve the process until Heinzl Group is required to report in accordance with the CSRD.

These impacts shape Heinzl Group's 2030 strategy, which was reformulated in 2022 (for more details, see the Annual Review, chapter [Strategy 2030](#)). Overall Heinzl Group follows the principle of "green is the new default". The default is always the sustainable option. If an employee wants to make a different choice, she or he must prove that their proposed solution is better. It has also been evidence that customers are increasingly demanding sustainable packaging solutions. A credible and transparent sustainability strategy is therefore essential.

Dealing with climate-related risks and opportunities

Heinzl Group currently has no formalized stand-alone process for assessing resilience in terms of its material impacts, risks and opportunities, particularly in relation to physical and transition climate risks. Nevertheless, the company is aware of the potential impacts of these

factors on its business and operations and is continuously considering possible necessary adjustments to its strategy to ensure long-term business continuity. This is already an integral part of the existing risk management. In terms of financial impact, Heinzl Group currently appears to be financially resilient. From a strategic perspective, there are at this time no indications of significant adverse effects from the identified material risks and opportunities. With a view to further strengthen the understanding of long-term resilience and to identify any necessary adjustments at an early stage, Heinzl Group plans to implement a structured resilience assessment process as part of the further developed sustainability strategy.

Impact, Risk and Opportunity Management

Development and integration of double materiality analysis (DMA) at Heinzl Group

Heinzl Group published its first combined Sustainability and Annual Report in 2021, based on ISO 26000 and the Sustainable Development Goals (SDGs). With the introduction of the CSRD, the company will become subject to ESRS disclosure. In preparation, Heinzl Group began a double materiality analysis (DMA) in 2022, which included a top-down assessment and was supplemented by peer benchmarking, sustainability framework analysis, and consultations with the entire group management. The result was a list of material topics that were prioritized at the 2022 Group Management Meeting.

In 2023, these topics were further refined and linked to the corporate strategy and the value chain. At the same time, relevant climate-related risks were identified using the TCFD methodology. In the following year, Heinzl Group conducted a gap analysis to review the previous DMA approaches for their suitability for ESRS 2 disclosures, particularly in the areas of Strategy and Business Model (SBM) and Impacts, Risks and Opportunities (IRO). The identified gaps led to the decision to further develop the DMA and align it with ESRS 1 and 2 to create a solid basis for a CSRD-compliant report.

The DMA review of 2024 covers the Heinzl Group with all its consolidated subsidiaries, as well as the up- and downstream value chains in its main business areas of pulp and paper production and trade. Due to the large number of companies within this consolidation scope, a top-down approach was chosen, thus ensuring that all subsidiaries and their specific circumstances were appropriately included

in the materiality assessment. This was done through initial focus interviews with representatives of significant subsidiaries who have in-depth knowledge of E, S and G-related processes within the entire group.

The process was led by the Group Sustainability Manager and supported by the Global Sustainability Team. This team is made up of Unit Sustainability Managers, each of whom is responsible for a consolidated subsidiary and provided relevant information for the DMA. In addition, experts from central business areas provided qualitative and quantitative data and helped to validate the results. The ultimate responsibility for the DMA lies with the management of Heinzl Holding GmbH, which also makes the final decisions.

The DMA was implemented with the support of external consultants who provided methodological guidelines and developed tools such as the scoring tool for evaluating impacts, risks and opportunities. The identification and evaluation of the material topics was based on the expertise of the specialist managers participating in the evaluation workshops. These were selected based on their direct involvement in the respective business activities and their knowledge of the relevant ESRS topics.

Heinzl Group pursues a systematic approach to identifying, evaluating and managing financial risks and opportunities arising from environmental, social and governance factors. This enables the early identification of potential financial impacts as well as targeted measures to minimize risks and exploit opportunities.

Topic specific Chapters

General note

The topic specific chapters follow the structure of the ESRS. The focus is put on general description of applicable policies, targets and actions. Defined impacts, risks and opportunities are not published this year. However, the results of the double materiality are taken into account in terms of applicable information.

In general, the metrics disclosed are mainly focused on own operations, in addition to information related to the value chain (e.g. Scope 3 emissions in ESRS E1).

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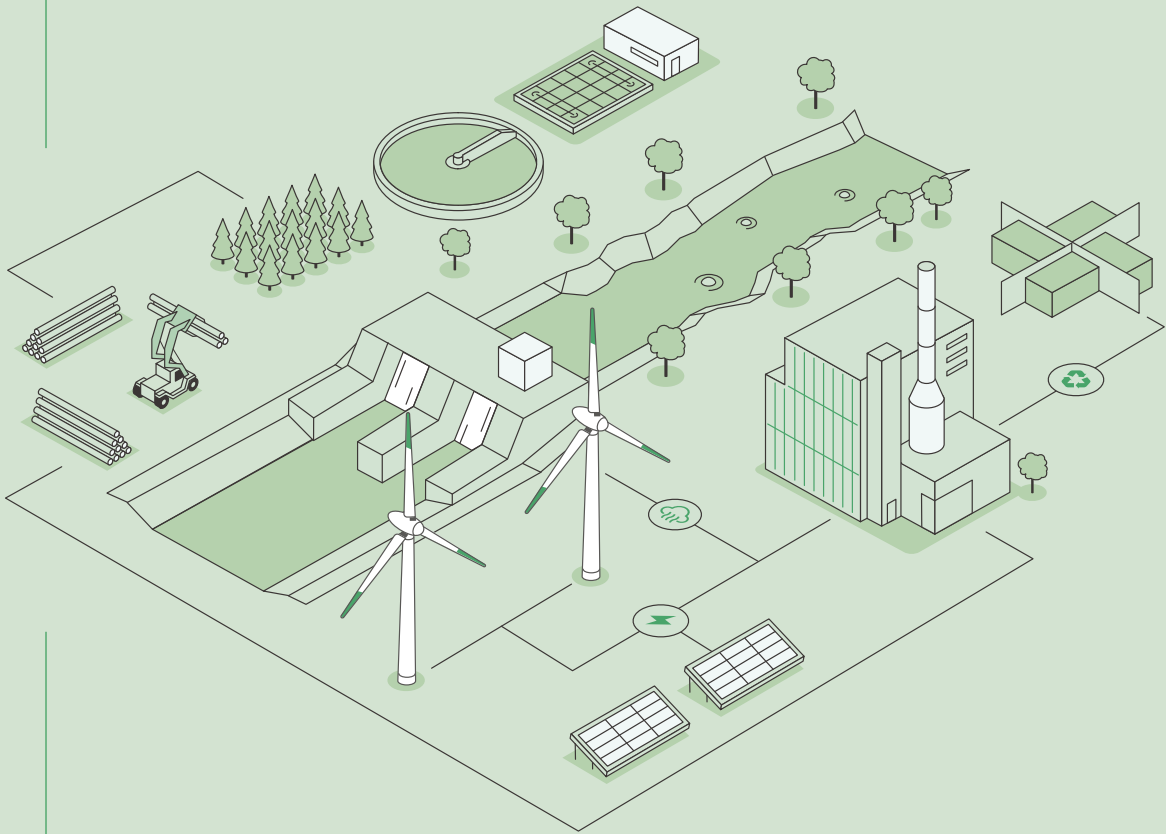
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ESRS E1

Climate Change

The details of Heinzl Group’s initiatives and actions related to the material topic of climate change can be found in the Annual Review, chapter [Climate Change & Renewable Energy](#). The published information focuses on Heinzl Group’s own operations, the production and trading of goods including its up-stream and downstream value chain.

Strategy

E1-1 – Transition plan for climate change mitigation

With its transition plan for climate protection, Heinzl Group is pursuing the goal of significantly reducing its greenhouse gas emissions and fulfilling the requirements of the Paris Agreement to limit global warming to 1.5°C. Heinzl Group has already committed to the Science Based Targets Initiative (SBTi) in 2021 to pursue and implement science-based climate targets. Based on a comprehensive assessment of all relevant direct and indirect emission sources, climate reduction pathways were developed and the necessary measures integrated into corporate planning. In March 2024, both the short-term targets and the net-zero reduction targets were officially validated by SBTi.

Heinzl Group is pursuing the goal of reducing its Scope 1 and Scope 2 emissions by at least 42% by 2030, its Scope 3 emissions by at least 25% and its total emissions by 90% by 2050. The base year was set at 2021. Progress is already evident: since then, Scope 1 and Scope 2 emissions have been reduced by 23.7% to 479,520 tons. The measures to achieve these goals include both technological innovations and strategic changes along the entire value chain. A key lever for defossilisation is the replacement of fossil fuels with climate-friendly alternatives that

address Scope 1 emissions. In addition, the company is investing in increasing energy efficiency within its production processes in order to reduce energy consumption and the associated emissions in the long term.

Another important approach is the defossilisation of purchased energy, with energy suppliers being supported by guarantees of origin and long-term PPAs (power purchase agreements) to invest in low-emission renewable energy sources.

From the 2030s onwards, Heinzl Group plans to increasingly focus on new technologies such as hydrogen investments in further electrification and carbon capture plants in order to reduce the remaining emissions towards net-zero. The remaining 10 % of residual emissions are to be offset with flagship carbon sink projects. These measures have been specifically integrated into the corporate strategy in order to realize the climate targets in line with the science-based targets. The diagrams for the transition plan can be found in the Annual Report, chapter [Climate Change & Renewable Energy](#).

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The following defossilisation levers have been identified to date:

Defossilisation levers	Near term 2030			Net zero 2050		
	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3
Substituting fossil fuels	x	x		x	x	
Increasing energy and production efficiency	x	x		x	x	
Decreasing emission factor from purchased energy (energy grid from renewable sources)		x	x		x	x
Purchasing renewable electricity (PPAs, certificates of origin)		x			x	
Carbon Capture				x		
New technologies (f.e. electrification, hydrogen,, ...)				x		
Defossilisation purchased goods			x			x
Defossilisation logistics upstream and downstream (Modal split, distance, load factor, fuel switch)			x			x
Defossilisation of processing of sold goods			x			x

E1-1 – Further information

Heinzl Group does not yet have fully developed a taxonomy-compliant information on potential committed greenhouse gas emissions in connection with material assets and products. However, systems and processes are currently being developed to provide this information in accordance with the requirements in the future. The disclosure of significant CapEx investments in economic activities in the coal, oil or gas sector in accordance with (E1-1.16f) is not relevant for Heinzl Group as the company does not make any investments in these areas. Heinzl Group is also not subject to the exclusion criteria of the EU Paris-aligned benchmarks in accordance with Delegated Regulation (EU) 2020/1818. Heinzl Group's transition plan is integrated into the company's business strategy and financial planning. The defined climate targets form a central basis for strategic decisions and investment priorities. As part of the corporate strategy, all defossilisation measures are specifically integrated into operational and financial planning. The strategic focus on sustainability is continuously monitored by the company's administrative, management and supervisory bodies to ensure that progress is in line with the overarching corporate goals. Heinzl Group's transition plan has been approved by the company's administrative, management and supervisory bodies. Heinzl Group is consistently implementing its transition plan and made investments totaling around 17 million euros* in 2024 in order to achieve ambitious climate targets. A central focus is on energy efficiency, the use of renewable energies and the circular economy. One example for 2024 is the commissioning of a second anaerobic treatment plant at heinzelpaper. The plant enables the substitution of natural gas with biogas, which is used in a biogas boiler to generate steam. This measure will

reduce CO₂e emissions by around 18,000 tons per year at full load operation.

Impact, risk and opportunity management

Heinzl Group is currently still working on the further development of its processes for the systematic identification and assessment of significant climate-related impacts, risks and opportunities. To date, relevant physical and transitory risks such as water scarcity, extreme weather events, storm-related timber damage, droughts, CO₂ prices in ETS trading, costs for biomass and energy price developments have been identified, subjected to an initial evaluation in accordance with TCFD (Taskforce on Climate-related Financial Disclosure) and integrated within the framework of double materiality. These processes, based on climate scenarios and defined time horizons, will be able to fulfil the reporting requirements in accordance with ESRS 2 IRO-1 in future. In addition, the evaluated sustainability risks will be integrated into the Group's risk management in future and regular risk assessments will be carried out to ensure proactive risk management. The Group's risk policy is fundamentally conservative in order to be as proactively prepared as possible for potential negative effects.

POLICIES

E 1-2 – Policies related to climate change mitigation

In addition to the corporate strategy and the commitment in the Heinzl Group Code of Conduct, there are local corporate mission statements that take the overarching objectives into account. In addition, the existing environ-

mental management and energy management systems of the production sites (ISO 14001, ISO 50001, EMAS) include guidelines for energy efficiency and the reduction of CO₂ emissions.

Since 2022, the focus of the corporate strategy has been on securing renewable, non-fossil energy sources for the production of packaging paper and pulp. The central elements of the strategy include switching to renewable energy sources, the promotion of energy efficiency and the integration of climate protection measures along the entire value chain. Risks and opportunities are continuously monitored and measured using relevant KPIs to ensure the

effectiveness of the measures. The implementation of the strategy is monitored at the highest level - in close dialogue with the Group Sustainability Manager and the Global Sustainability Team - by the Heinzl Group management, who are responsible for compliance with and integration of the sustainability targets. In addition, it is communicated transparently both internally and externally via various channels.

ACTIONS

E1-3 – Actions and resources in relation to climate change policies

Continuous actions are set – examples from 2024:

Topic	Company	Action on site
Scope 1 – renewable energy	heinzelpöls	Gradual replacement of natural gas in the rotary kiln with biogenic fuels. Trial operation with 1,200 tons of biodiesel from June to October 2024. Resulting CO ₂ savings of 2,500 tons per year.
Scope 1 – renewable energy	heinzelpaper	Installation and commissioning of Anaerobic 2 incl. biogas production to increase the anaerobic wastewater treatment capacity. One pre-acidification tank with 3000 m³ and two anaerobic reactors with 3400 m³ volume and additional plant equipment were installed. The biogas produced by the anaerobic purification process is desulphurized in the gas treatment plant. Biogas utilization takes place after compression in the biogas boiler, which produces steam. Saves up to 18,000 t CO ₂ per year.
Energy efficiency	heinzelpöls	An energy efficiency measure was successfully implemented in pulp production in the pre-screening section. The speed of the reject refiner was reduced. The annual savings amount up to 1,250 MWh.
Energy efficiency	heinzelpöls	Optimization of compressed air system. Detection of compressed air leaks using a sonic camera.
Energy efficiency	heinzelpöls	With two separate evaporator bundles, it is now possible to utilize waste heat from the stripper. This results in a total steam saving of up to 4 MW. The project makes it also possible to achieve better turpentine separation in the evaporation plant and to save up to 30m³/h of fresh water.
Scope 2 – renewable energy	heinzelpaper	Additional photovoltaic panels have been installed with a performance of 850 MWh - in total now 3,5 MWp from own photovoltaic panels installed on one mill.
Scope 2 – renewable energy	Estonian Cell	Made first pay-as-produced contracts to purchase renewable electricity (wind & solar).
Scope 2 – renewable energy	Europapier	Switched to renewable electricity or installation of photovoltaics system at trading companies.
Electric mobility	heinzelpaper	E-fork lifts introduced.
Electric mobility	Europapier, heinzelsales	Change to electric vehicles in own fleet for trading companies.
Electric mobility	heinzelpöls, heinzelpaper, Europapier	Charging stations for electric cars installed for employees and guests at an affordable price in different companies.
ESG Trainings	All	ESG and Climate Action Trainings on all sites.

* own calculation, not taxonomy-aligned

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TARGETS AND METRICS

TARGETS

E1-4 – Targets related to climate change mitigation

Mitigating climate change is at the forefront of the global agenda. The Heinzl Group is making its contribution

to this, confirmed by the successful validation of its short and long-term emission reduction targets by the Science Based Targets Initiative (SBTi).

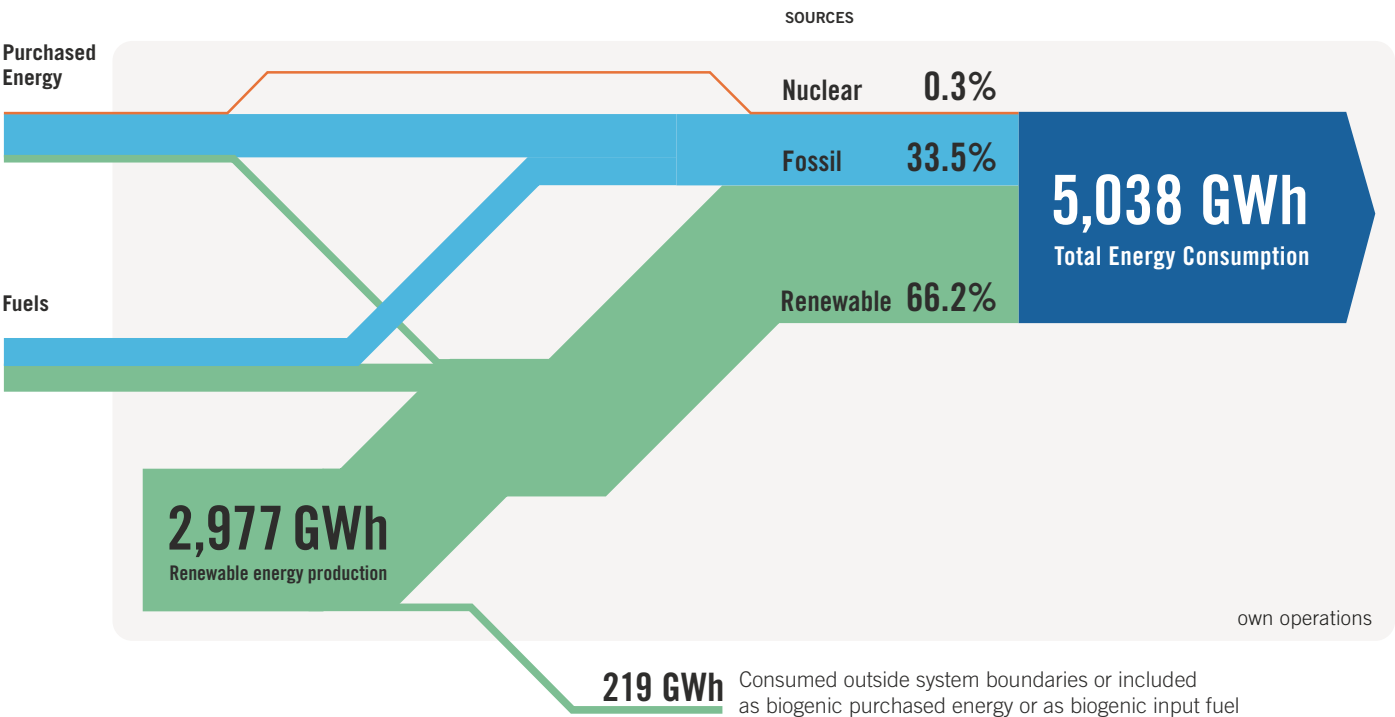
Our contribution	Target Year	Status 2024
– 42% GHG emissions by 2030 (Scope 1+2, base year 2021)	2030	⬆
– 25% GHG emissions by 2030 (Scope 3, base year 2021)	2030	✓
Achieving net-zero GHG emissions by 2050	2050	✓
75% of suppliers set science-based targets by 2028	2028	✓
Continuously reducing GHG emissions per metric ton produced	ongoing	⬆
Evaluating new technologies to capture, store, or use CO ₂	ongoing	✓
Increasing the share of renewable energy to 78% by 2030	2030	⬆
Constantly reducing specific energy consumption in production by means of energy efficiency improvements	ongoing	⬇
Maximizing the use of waste materials and biogenic fuels to generate energy for production purposes and surrounding communities	ongoing	✓
Evaluating renewable energy procurement options, such as via power purchase agreements	ongoing	⬆

⬆ Ahead of plan ✓ Within plan ⬇ Behind plan

METRICS

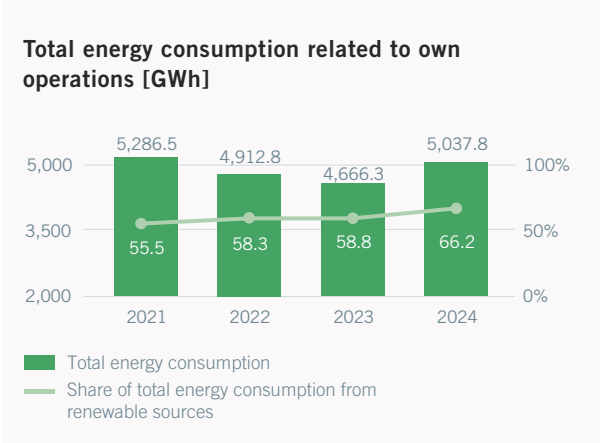
E1-5 – Energy consumption and mix

Total energy consumption of Heinzl Group's production sites [GWh]

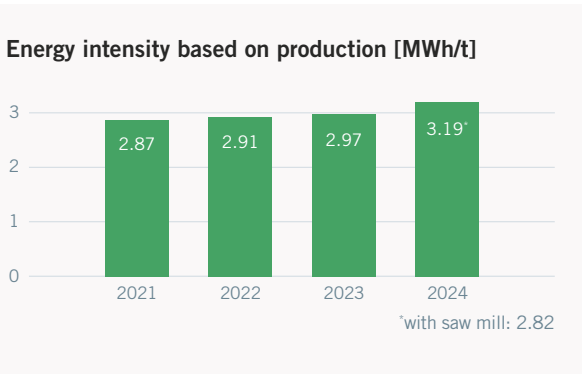
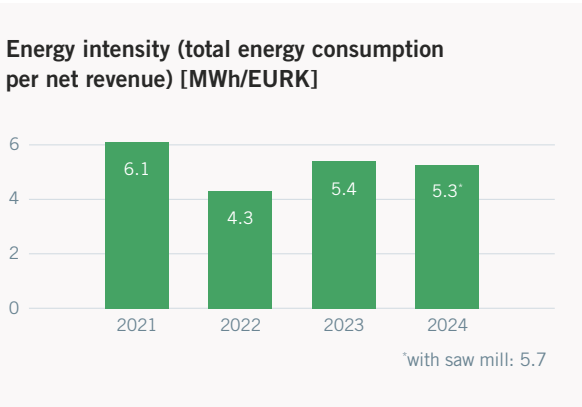


Total energy consumption related to own operations [MWh]		2024	2023	2022	2021
Fuel consumption from coal and coal products	MWh	0	0	0	0
Fuel consumption from crude oil and petroleum products	MWh	23,201	17,147	17,273	16,939
Fuel consumption from natural gas	MWh	565,963 ¹	828,989 ¹	931,868 ²	1,081,348 ²
Fuel consumption from other fossil sources	MWh	935	4,690	3,969	0.00
Consumption purchased or acquired energy (electricity, heat, steam, or cooling) from fossil sources	MWh	1,098,823	1,056,604	1,074,233	1,220,061
Total energy consumption from fossil sources	MWh	1,688,921	1,907,431	2,027,343	2,318,348
Share of fossil sources in total energy consumption	%	33.5	40.9	41.3	43.9
Total energy consumption from nuclear sources	MWh	13,023	16,604	20,891	36,538
Share of nuclear sources in total energy consumption	%	0.3	0.4	0.4	0.7
Fuel consumption from renewable sources, including biomass	MWh	408,163	14,504	42,529	28,957
Consumption of purchased or acquired energy (electricity, heat, steam, or cooling) from renewable sources	MWh	169,673	111,490	94,827	120,983
Consumption of self-generated non-fuel renewable energy	MWh	2,758,037	2,616,259	2,727,169	2,781,697
Total energy consumption from renewable resources	MWh	3,335,874	2,742,253	2,864,526	2,931,637
Share of renewable sources in total energy consumption	%	66.2	58.8	58.3	55.5
Total energy consumption related to own operations	MWh	5,037,818	4,666,288	4,912,760	5,286,523

¹ net calorific value-related energy determination of one mill
² gross calorific value-related energy determination of one mill



There has been an increase of renewable energy share in 2024 due to renewable energy production via the CFB (circulating fluidized bed) boiler at heinzelpaper, higher pulp production and therefore higher renewable energy share and higher biogas use at heinzelpöls.



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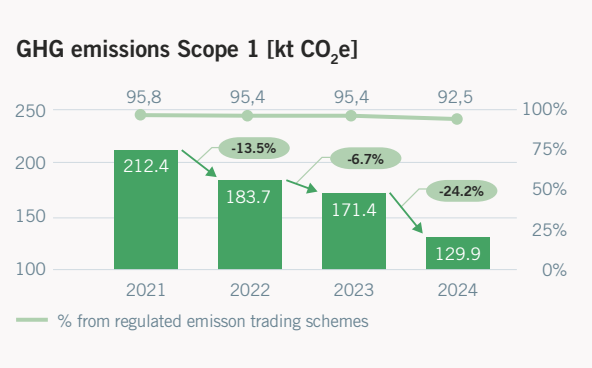
Specific energy consumption based on production increased due to ongoing basic energy consumption incl. energy needed for closing mill (e.g. water treatment plant) in Raubling. Other Heinzl Group mills performed with a lower specific energy consumption due to higher production volume compared to 2023.

E1-6 – Gross Scopes 1,2,3 and total GHG emissions

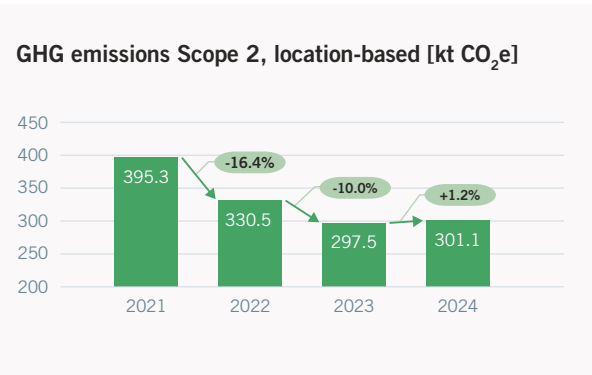
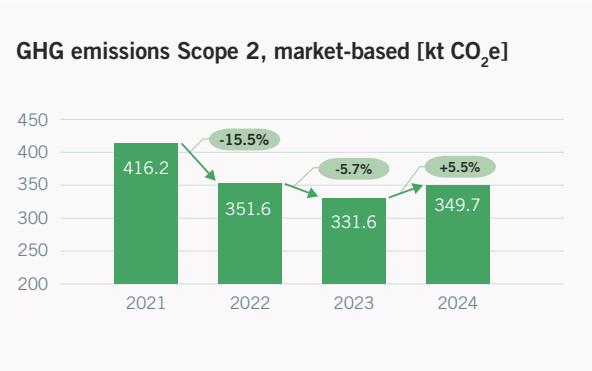
To analyze its greenhouse gas emissions, the Heinzl Group follows the Greenhouse Gas Protocol and takes into account direct emissions (Scope 1), indirect emissions from externally sourced energy (Scope 2) and other indirect emissions along the upstream and downstream

value chain (Scope 3). All greenhouse gas emissions (CO₂ equivalents, CO₂e) were analyzed. The current Scope 3 assessment covers all 15 categories of the entire supply chain for the years 2021-2024. Emission sources were identified, categorized and systematically assigned emission factors through intensive data research. These emission factors are mainly based on secondary data sets from internationally recognized databases. All Scope 3 emission categories were determined as best as possible, with assumptions made for modelling purposes specifically for categories 2, 10, 11 and 12.

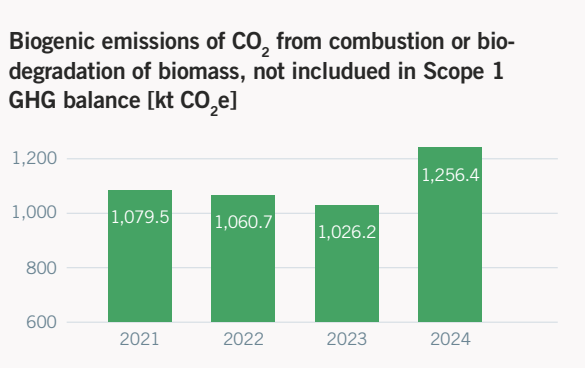
GHG balance [t CO ₂ e]	2024	2023	2022	2021
GHG emissions (Scope 1)	129,865	171,401	183,660	212,327
GHG emissions (Scope 1, from EU-ETS)	120,158	163,507	175,262	203,479
GHG emissions (Scope 2)	349,655	331,632	352,250	416,389
GHG emissions (Scope 2, location-based)	301,125	297,489	330,524	395,282
GHG emissions (Scope 2, market-based)	349,655	331,632	352,250	416,389
GHG emissions (Scope 3, relevant categories)	3,469,223	3,593,118	3,565,328	3,790,104
GHG emissions (Scope 3)	4,009,083	4,151,933	3,946,649	4,185,583
Scope 3 emission sources				
Upstream Scope 3 emission sources				
Cat. 1: Purchased goods and services	1,485,183	1,435,314	1,460,515	1,599,155
Cat. 2: Capital goods	83,638	81,943	20,416	5,150
Cat. 3: Fuel- and energy-related activities	97,246	86,105	109,841	126,409
Cat. 4: Upstream transportation and distribution	119,276	107,326	112,025	119,064
Cat. 5: Waste generated in operations	3,277	3,335	3,477	3,752
Cat. 6: Business travel	732	532	522	525
Cat. 7: Employee commuting	2,426	2,198	2,121	2,108
Cat. 8: Upstream leased assets	0	0	0	0
Downstream Scope 3 emission sources				
Cat. 9: Downstream transportation and distribution	407,718	364,858	380,999	404,793
Cat. 10: Processing of sold products	1,359,800	1,599,515	1,501,947	1,540,684
Cat. 11: Use of sold products	14,325	13,414	13,165	14,097
Cat. 12: End-of-life treatment of sold products	434,438	453,137	337,173	365,401
Cat. 13: Downstream leased assets	0	0	0	0
Cat. 14: Franchises	0	0	0	0
Cat. 15: Investments	1,025	4,258	4,449	4,446
Total GHG emissions (location-based)	4,440,073	4,620,823	4,460,833	4,793,192
Total GHG emissions (market-based)	4,488,603	4,654,966	4,482,559	4,814,299



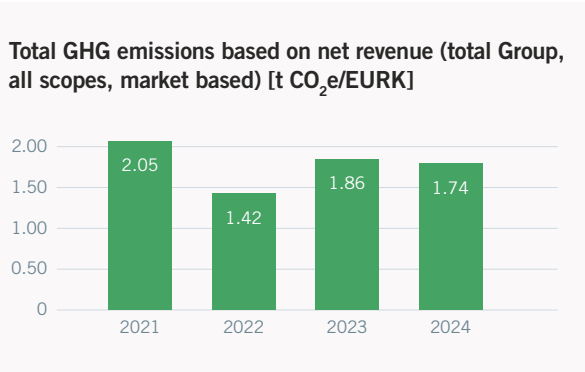
Significant lower Scope 1 emissions due to energy efficiency measures, more biogas use and use of biodiesel and tall pitch instead of natural gas and the production stop at Raubling (high natural gas dependency).



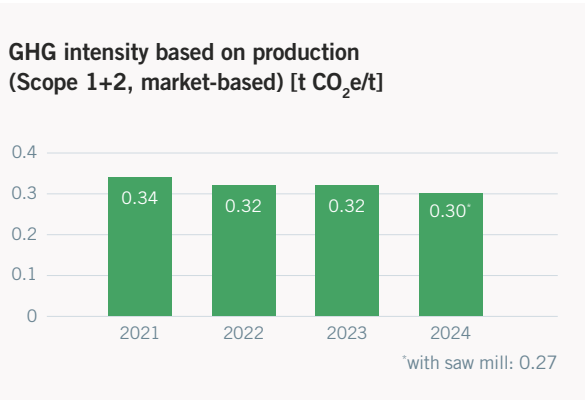
Change of values in 2024 are determined not only by energy efficiency measures, sourcing certificates of origin and implementing power purchase agreements, but also by emissions factors from energy suppliers.



Increase of biogenic emissions due to higher pulp production at Pöls.



The specific values per net revenue are not robust, as the denominator is dependent on price fluctuations and inflation. For this reason, Heinzl Group uses the specific values per quantity produced as the main key performance indicator.



The specific emissions based on production have decreased due to the increase in renewable energy share and due to the implementation of energy efficiency measures

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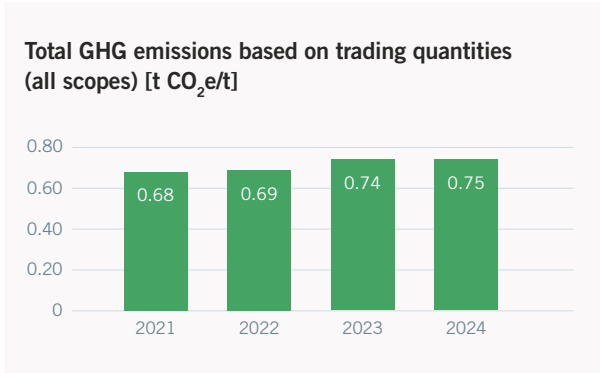
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E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

Heinzel Group has set itself the SBTi-validated net-zero target for 2050. The 10% residual emissions are handled with carbon sink projects via voluntary offsetting transactions. Heinzel Group has defined clear rules that are in line with the current requirements of the Greenhouse Gas Protocol and SBTi itself. Otherwise, the disclosure of E 1- 7 is not relevant for Heinzel Group, as the company currently neither works on greenhouse gas removals nor utilizes carbon credits, with a few minor exceptions in the transition plan.

E1-8 – Internal carbon pricing

The internal carbon price which Heinzel Group uses as a shadow price on scope 1 and scope 2 emissions is calculated and set in parallel to the risk analysis conducted for carbon cost exposure for the EU ETS. The objective of the Internal Carbon Price (ICP) is to drive energy efficiency, to stress test investments, to incentivize consideration of climate-related issues in decision making, to drive low-carbon investment and to influence strategy and/or financial planning. The process of determining the price, as well as the outlook, includes consulting number of external experts, both from energy procurement as well as carbon price modelling in Heinzel Group's ETS cost projection tool.

The process includes closely monitoring prices of allowances in the EU ETS in order to set and adjust current shadow pricing, as well as setting assumptions around the future cost of allowances, which are continuously in motion due to increasing reduction factors as well as other influences.

Expert consultations, past price movements on allowances and “best guesses” help to determine an initial price, which is then discussed and reviewed with the management board, as well as at individual business unit

level. The Heinzel Group modelling and best estimates expect the price of carbon emissions to rise over time, and therefore we have conducted different scenario analyses to understand potential impacts.

While, for ease of use, a static price is mostly being used in the CAPEX planning to show the carbon risk mitigation effects, more linearly increasing pricing until 2040 and beyond is used in scenario modelling to showcase the potential impact under more severe price movements. Based on these evaluations, the business plans are adjusted accordingly.

E1-9 – Anticipated financial effects from material physical and transition risks potential climate-related opportunities

Heinzel Group will comply with the disclosure requirements of E1-9 at the latest when the new Corporate Sustainability Reporting Directive (CSRD legislation) comes into force. However, Heinzel Group is already making preparations to meet the necessary requirements.

ESRS E2

Pollution

The material topic pollution was newly added based on the review of the double materiality analysis in 2024 (focus: pollution of air and water). Data and information from Heinzel Group’s industry sites, heinzelpöls, heinzelpaper and Estonian Cell are considered for this material topic.

Impact, risk and opportunity management

POLICIES

E2-1 – Policies related to pollution

In general, all Heinzel Group production sites have certified environmental management systems in place. In addition, industry-related legislation is complied with, and legal limits for pollutants coming from authorities are met. The policies in the mills also reflect the environmental impact and the pollutants.

There is no specific policy for pollutants established for the value chain, however responsible sourcing is the basis for Heinzel Group's partner selection process and a high proportion of purchased materials are certified. All suppliers and contractors are expected to adhere to Heinzel Group's environmental standards and to comply with national legislation on pollution control. In addition a Heinzel Group Supplier Code of Conduct is currently developed and planned to be rolled out in 2025.

ACTIONS

E2-2 – Actions and resources related to pollution

Heinzel Group is committed to complying with all national and industry-related regulations regarding air and water pollution. Adhering to strict environmental standards, all mills operate in accordance with ISO 14001, ensuring compliance through regular audits and continuous improvements in environmental performance.

To further enhance local environmental actions and prevent pollution, Heinzel Group implemented several initiatives in 2024. As an example a sludge dewatering system, including sludge conveying and storage, was installed

and commissioned at the wastewater treatment plant in Laakirchen. This system enables the separate dewatering of biological sludge and fibrous sludge, incorporating centrifuges, screw conveyors, and a sludge silo with an attached truck unloading facility. The installation also includes measures for odor reduction, improving overall environmental impact.

Additionally, Estonian Cell supplemented its environmental complex permit with updated regulations on fine particles. External measurements were ordered to monitor dust emissions from the flash dryer more precisely, ensuring better control and compliance with air quality standards.

Through continuous process optimization and the implementation of advanced environmental technologies, Heinzel Group remains committed to minimizing the environmental impact of its production sites.

For more information about Heinzel Group's actions on pollution – see the Annual Review, chapter [Clean Environment](#).

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TARGETS AND METRICS

TARGETS

E2-3 – Targets related to pollution

⬆ Ahead of plan ✓ Within plan ⬇ Behind plan

Our contribution	Target Year	Status 2024
Complying with strict governmental requirements to avoid air pollution	ongoing	✓
Complying with strict governmental requirements to avoid water pollution	ongoing	✓
Remaining a reliable partner to local communities for the wastewater treatment	ongoing	✓

METRICS

E2-4 – Pollution of air and water

The pollutants reported for the first reporting period in this Sustainability Statement have been evaluated from the pollutants listed in Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council (European Pollutant Release and Transfer Register “E-PRTR Regulation) and defined on the basis of industry standards and peer analysis.

Collected data are reported based on local legal requirements; if a company has no legal requirements for certain pollutants, this specific metric is not reported for that site. In addition, there are pollutants that do not apply to all production processes and are therefore not measurable. Therefore, pollutants that are reported by most of the sites are therefore documented in the data table.

Emissions to air by pollutant [t/year]	2024**
Carbon monoxide*	503.20
Carbon dioxide*	119,950.12
Total solids	59.43
Nitrogen oxides (NOx)*	733.49
Particles (PM2.5)	10.22
Sulphur dioxide (SO ₂)	14.95
Carbon dioxide from biomass (if applicable)	1,254,917.41

* all production sites included (other pollutants: only measured where legally and technically required)

** previous years not available on consolidated basis

Emissions to water by pollutant [t/year]	2024**
Absorbable organic halogen (AOX)	52.67
Chemical oxygen demand (COD)*	6,386.36
Biological oxygen demand (BOD)*	284.50
Sulfates (SO ₄)	208.60
Nitrogen (N)*	99.60
Phosphorus (P)*	23.80
Suspended solids*	583.15
Total Organic Carbon (TOC)	1,909.20
Aluminum (Al)*	0.26
Ferric (Fe)	0.00
Zinc (Zn)	0.27
Ammonium NH ₄ ⁺	1.24
NO ₂	0.69
NO ₃	20.43
Chlorides	0.00

ESRS E3

Water and Marine Resources

Water plays a central role in paper and pulp production and is used efficiently in many process steps such as stock preparation, cleaning, cooling and drying. Data and information from Heinzl Group’s industrial sites, heinzelpöls, heinzl-paper and Estonian Cell are considered for this material topic.

Impact, risk and opportunity management

POLICIES

E3-1 – Policies related to water and marine resources

In general, all Heinzl Group production sites have certified environmental management systems in place, where water-related guidelines are also defined locally. At Group level, the overall target to reduce freshwater withdrawal per ton produced by 25% by 2030 (base year 2021) forms the basis for all additional measures taken at Heinzl Group production sites.

ACTIONS

E3-2 – Actions and resources related to water and marine resources

Water savings are a strategic priority at Heinzl Group, with a strong commitment to reducing freshwater use across

all our paper and pulp production sites. We continuously invest in water-saving initiatives and monitoring projects to enhance efficiency. In 2024, key measures include the installation of a new control system at heinzelpöls, with the capacity to save 400,000 m³ of water per year. At Estonian Cell, the reuse of cooling water in centrifuges was implemented, leading to potential savings of 2,500 m³ per month. In general reusing the surface water extracted from the rivers (all in low water risk areas according to the World Resource Institute) several times is key for optimizing the freshwater use. At all mills of Heinzl Group, the share of water used several times was 89.2 % in 2024.

For more information about Heinzl Group's actions on water and marine resources – see the Annual Review, chapter [Responsible Water Use](#)

TARGETS AND METRICS

TARGETS

E3-3 – Targets related to water and marine resources

⬆ Ahead of plan ✓ Within plan ⬇ Behind plan

Our contribution	Target Year	Status 2024
Reducing specific freshwater withdrawal per metric ton produced by 25% by 2030	2030	✓
Narrowing, and ideally closing the gap in our water cycle as far as technically feasible	ongoing	✓
Continually improving water usage monitoring	ongoing	✓

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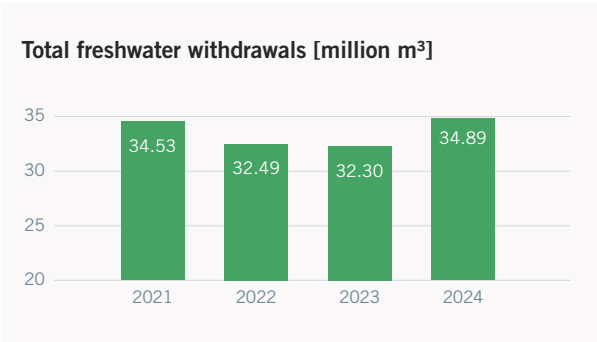
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METRICS

E3-4 – Water related metrics

The key performance indicator for water and marine resources is the specific freshwater withdrawal in relation to the Heinzl Group's own production volumes. In 2024, the production-related water intensity was 22.2 m³ per ton of pulp or paper produced (for more information see the Annual Review, chapter [Responsible Water Use](#)). The sawmill has been excluded from this KPI as it would not realistically reflect the actual water use for pulp and paper production, as sawn timber production requires less water at a high production rate. Including the sawmill, the group-wide water withdrawal was 19.6 m³ per ton in 2024.



In 2024 the total freshwater withdrawal increased due to the acquisition of the site in Steyrermühl and converting of the paper machine PM6.

Additional metrics [million m³]	2024	2023	2022	2021
Total water recycled and reused	31.11	28.12	n.a.*	n.a.*
Total freshwater withdrawal	34.89	32.30	32.49	34.53
Surface water	34.84	32.25	32.42	34.46
Groundwater	0	0	0	0
Seawater	0	0	0	0
Produced water	0	0	0	0
Third-party water	0.05	0.05	0.07	0.07

* documentation not available

ESRS E4

Biodiversity and Ecosystems

The pulp and paper industry, as a value chain link processing renewable raw materials from sources that are vulnerable to climate change and ecosystem breakdown (forests and rivers), is significantly situated with regards to nature-related issues.

This is first and foremost due to its purchasing power over raw materials, making sure those are sustainably sourced, but also through making sure the production sites which are situated in priority locations do not harm the surrounding nature (in rivers or other bordering ecosystems, as well as through harmful emissions). From a financial outside-in perspective, dependencies on ecosystem services expose companies in the pulp and paper industry from medium to long-term risks regarding raw material supply – a key consideration under the TNFD (Taskforce on Nature Related Financial Disclosures recommendations).

Biodiversity is a material topic for the Heinzl Group. Although the company itself does not engage in agriculture or forestry, where the materiality would be obvious, it nevertheless exhibits impacts and dependencies on nature and biodiversity-related issues, and is exposed to risks derived from these impacts and dependencies. Heinzl Group therefore reports on biodiversity and its contribution to responsible sourcing of wood and pulp. The reported policies, actions and targets focus on the industry companies of Heinzl Group (heinzelpöls, heinzelpaper and Estonian Cell). Additional metrics are collected in terms of sourced paper, where also traded paper from trading companies is included (heinzelsales, Europapier, Bunzl & Biach).

Impact, risk and opportunity management

POLICIES

E4-2 – Policies related to biodiversity and ecosystems

Wherever possible, Heinzl Group procures materials from certified sources that are verified according to the standards of PEFC (Program for the Endorsement of Forest Certification) or FSC® (Forest Stewardship Council). This is to ensure that products come from responsibly managed forests. Currently an updated procurement policy and a new Code of Conduct for suppliers are under development.

ACTIONS

E4-3 – Actions and resources related to biodiversity and ecosystems

The proportion of wood sourced from FSC®, PEFC or EUTR (EU timber regulation) certified sources was 100% in 2024 at Heinzl Group's production sites. However, the share of sourced certified pulp at Heinzl Group's production sites decreased from 99% in 2023 to 86%. This is due to regulatory requirements in the certification process of the new paper mill PM6 in Steyrermühl.

For more information about Heinzl Group's actions and initiatives from the forest industry on biodiversity see the Annual Review, chapter [Biodiversity](#).

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TARGETS AND METRICS

TARGETS

E4-4 – Targets related to biodiversity and ecosystems

⬆ Ahead of plan ✓ Within plan ⬇ Behind plan

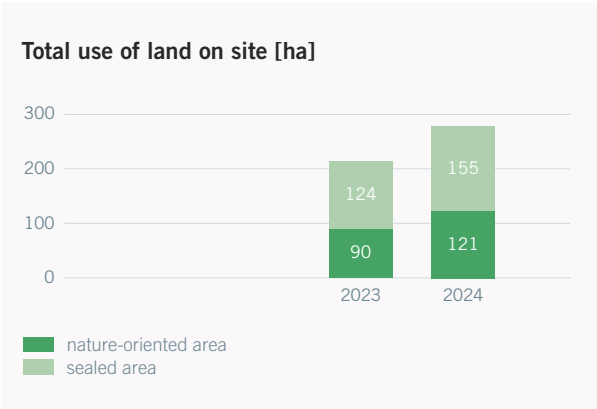
Our contribution	Target Year	Status 2024
Production: Ensuring that timber continues to come from certified, sustainably managed forests (FSC®, PEFC and EUTR)	ongoing	✓
Production: Increasing the certified share of purchased pulp from sustainably managed forests (FSC® and PEFC) to 100% by 2025	ongoing	✓
Trading: Increasing the share of certified pulp and paper from sustainably managed forests (FSC® or PEFC)	ongoing	✓

These targets derive from Heinzl Group's most prominent impact on biodiversity and nature-related issues, namely resource extraction of renewable resources from potential vulnerable ecosystems (forests). Ensuring sustainable sourcing of wood used in production process, Heinzl Group, as a significant user of wood, has a positive impact in setting incentives for forestry business to ensure sustainable forestry practices.

METRICS

E4-5 – Impact metrics related to biodiversity and ecosystems change

Metrics and measures regarding biodiversity and ecosystem change within the system boundaries of Heinzl Group operations are only tangentially relevant, as no business activities derive directly from natural resource extraction, land use or land use change.



Note: The definition of a nature-oriented area is not scientifically determined for each site. However, the assumptions made rely on the best available information and the expertise of specialists (documentation not available for previous years)

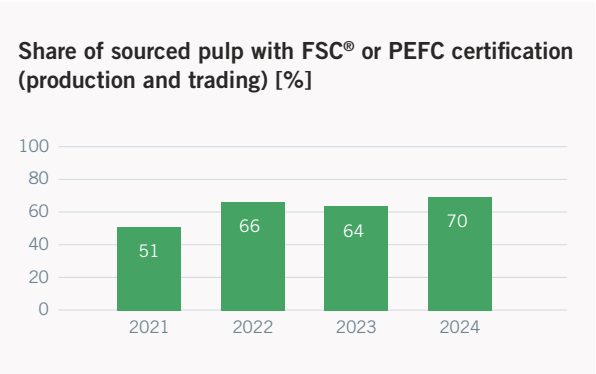
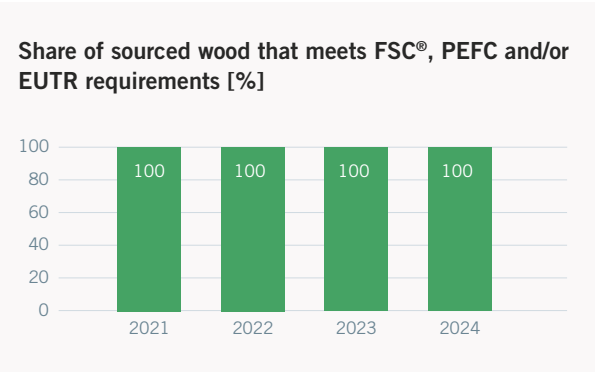
Heinzl Group own metrics on biodiversity

Nature and biodiversity are material topics for the Group due to the dependence on ecosystem services of forests,

the interface of which occurs upstream within forestry businesses. Thus, important metrics and actions regarding biodiversity impacts revolve around purchasing forestry products that are sourced from sustainable forests and making sure resource extraction does not contribute to deforestation.

The Heinzl Group's main KPI about biodiversity is percentages of sourced pulp with FSC® or PEFC certification at Heinzl Groups production sites, which is also reported the Annual Review, chapter [Biodiversity](#).

Additional metrics are monitored on a voluntary basis:



ESRS E5

Resource Use and Circular Economy

The published information focus on Heinzl Group's own activities, the production and trading of goods for in terms of sold products. Materials which are used and waste generated is only considered for Heinzl Groups mills.

Impact, risk and opportunity management

POLICIES

E5-1 – Policies related to resources use and circular economy

Heinzl Group has not established a group-wide policy specifically covering resource inflows and circular economy principles. However, responsible sourcing, renewable resources, and a high proportion of recycled and/or recyclable content are integral to the core business model of Heinzl Group. These principles effectively address sustainability concerns in line with an established Heinzl Group mission statement.

General principles

- Renewable and/or recycled products form the foundation of Heinzl Group business operations.
- The Heinzl Group Code of Conduct furthermore defines the responsible use of raw materials and the active promotion of circular economy practices.
- A group-wide mission statement as well as local principles are established.

Resource inflows

- A high proportion of materials come from renewable or recycled sources, with over 95% of own produced goods in 2024 reflecting this commitment.
- Sustainable sourcing practices are ensured, particularly through the use of certified wood, to uphold environmental responsibility.

Product outflows

- No specific policy for sold products, but the overarching mission inherently guides the approach.
- More than 96% of the content in own products, including by-products, is recyclable, demonstrating alignment with circular economy principles.

Waste outflows

- A circular economy approach is emphasized for by-products, prioritizing additional use and recycling over waste disposal.
- All production sites adhere to ISO 14001 standards to effectively manage waste outflows and continuously improve environmental performance.

Through this approach, Heinzl Group ensures that responsible sourcing and circular economy principles remain embedded in business practices.

ACTIONS

E5-2 – Actions and resources related to resource use and circular economy

To follow the principles of responsible sourcing and circular economy, several actions have been implemented or further developed in 2024:

- Conversion of the paper machine PM6 in Steyrermühl from graphical paper to kraft paper production, both brown and white.
- Conversion of PM11 from magazine paper to container-board, which was finalized by Q2/2025
- External validation of recyclability for produced paper grades, confirming a high proportion of recyclable content.
- Continuous utilization of by-products and waste for energy generation and new product development. This includes residential fibers and tall oil, which serve as energy sources, as well as tall oil used as an auxiliary chemical. Additionally, materials like fly ash and sawdust can be repurposed for various processes or as raw materials for new products.

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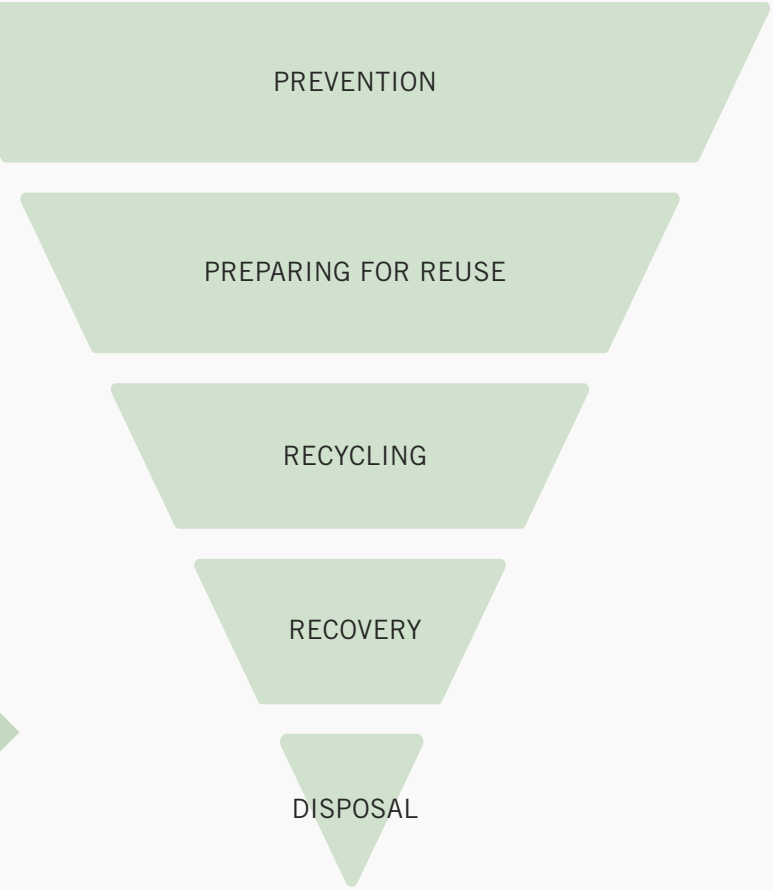
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ACTIONS RELATED TO THE WASTE HIERARCHY



The teams at the production sites remain committed to finding new solutions to reduce waste quantities and develop innovative resource-saving approaches to further enhance circular economy efforts. For more information

PREVENTION

- Ongoing waste reduction initiatives within production facilities (currently 0.15 tons waste per produced ton of pulp or paper).

PREPARING FOR REUSE

- Repairing rather than replacing machine parts such as roller bearings.
- Reuse of old carrier ropes from paper machines with an external partner.

RECYCLING

- 33.8% of total waste generated on production sites is materially recycled. An increase of 3.9% points to 2023.

RECOVERY

- Ongoing research projects exploring fiber sludge as feed-stock for bioplastics.
- Development of new products from by-products, such as Cinerit for the construction sector (fly ash from the CFB boiler).
- Supporting small business innovation, such as furniture made from mushrooms and sawdust from the Estonian mill.
- Internal circularity, utilizing own biomass for energy purposes.

DISPOSAL

- Only a small quantity of waste is still landfilled under safe and controlled conditions (3.4% of total waste generated).

about Heinzl Group's actions on resource use and circular economy – see the Annual Review, chapter [Sustainable and Circular Products](#).

TARGETS AND METRICS

TARGETS

E5-3 – Targets related to resource use and circular economy

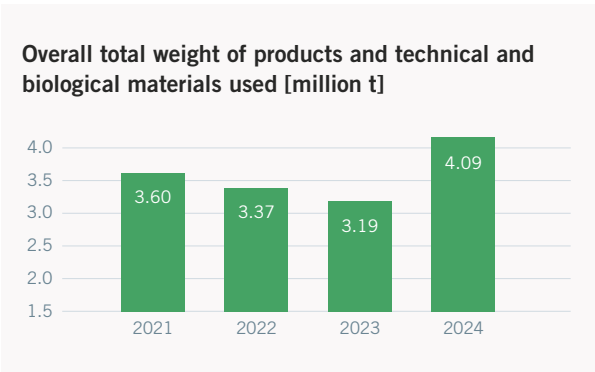
⬆ Ahead of plan ✓ Within plan ⬇ Behind plan

Target classification (following ESRS)	Targets	Target Year	Status 2024
Related to increase circular material use rate, sustainable sourcing and use of renewable resources	Resources: Maintaining the high proportion of recycled and renewable input materials (>95%)	ongoing	✓
Related to minimization of primary raw material, sustainable sourcing and use of renewable resources	Products: Performing life cycle assessments for our most important products	ongoing	⬇
Related to minimisation of primary raw material, increase circular design and ensure sustainable sourcing and use of renewable resources	Products: Continuously reducing the carbon footprint of our main products	ongoing	⬇
Related to increase circular product design	Products: Consolidating the high proportion of recyclable and renewable products sold (>95%)	ongoing	✓
Related to waste management (recycling and prevention)	Recycling: Reducing the specific quantity of waste per metric ton of products manufactured	ongoing	✓
Related to waste management (recycling and other recovery)	Waste: Increasing the share of waste which is recycled either thermally or materially (> 95%)	ongoing	⬆

METRICS

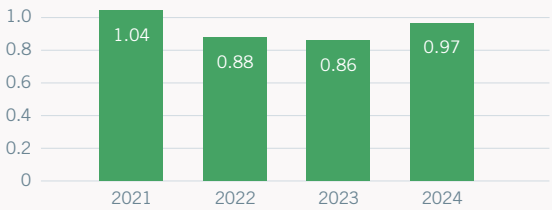
E5-4 - Resource inflows

In this chapter resources inflows in terms of the production of own goods are disclosed. This includes all raw materials used such as wood, pulp, waste paper, but also starch, chemicals and packaging materials used in Heinzl Group's production sites.



In general, the amount of overall weight of produced and traded products was higher compared to 2023 as a new production site (Steyrermühl) joined Heinzl Group in 2024 and the production volume in general increased.

Absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used (incl. packaging) [million t]



Metric increased due to higher production volumes from waste paper. Furthermore also input materials for the CFB boiler in Steyrermühl were considered as recycled components.

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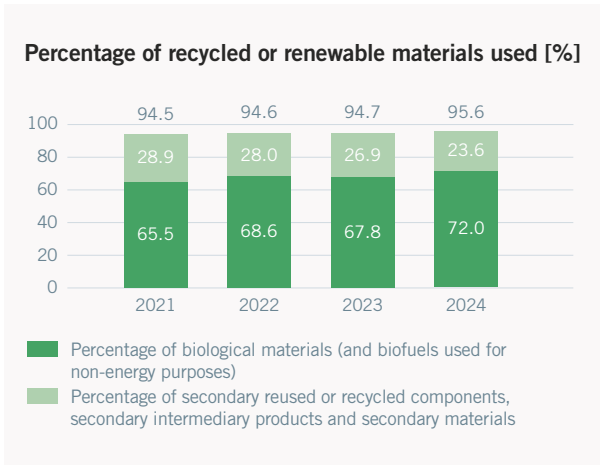
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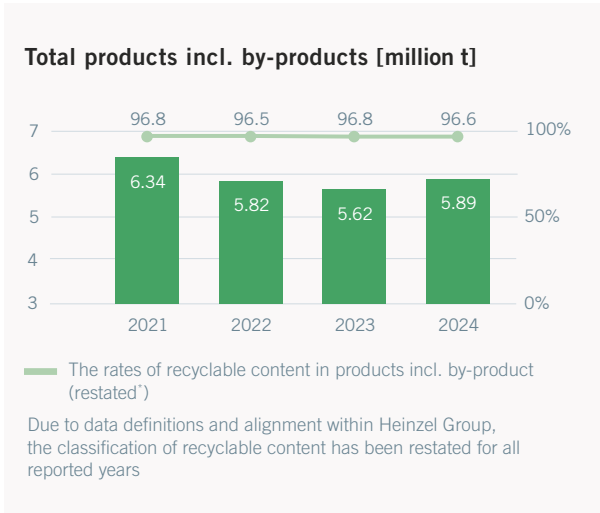


Note: In terms of paper, board and pulp production the following materials are classified as reuse or recycled components: waste paper, deinked pulp.

Higher proportion of biological materials due to the integration of the Steyrermühl sawmill and its wood processing into the Heinzl Group.

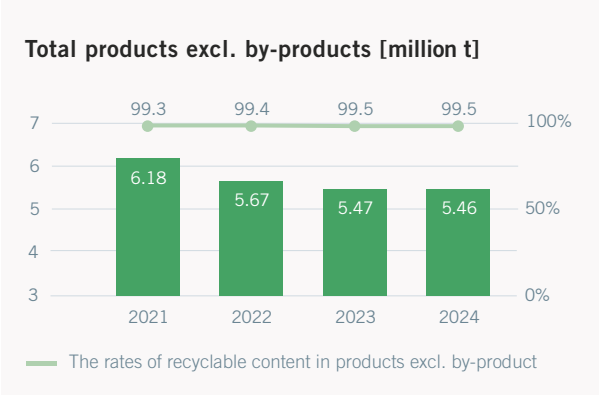
E5-5 - Resource outflows (products)

Resource outflows include all manufactured and traded products in the form of pulp, paper, waste paper and other products.



As the main products produced by Heinzl Group companies can be recycled into new products of the same or similar quality (kraft paper, containerboard and wood), the overall rate is already more than 95%. In 2024, the recyclability of own produced grades was also verified by an external institute.

In addition, most of the traded goods (such as waste paper, paper products and pulp) can also be recycled on a large scale.

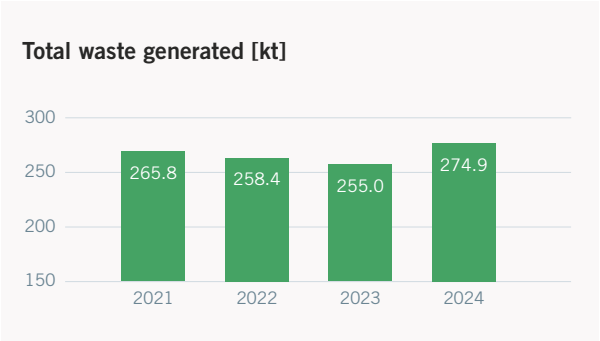


Note on the disclosure of the expected durability

Durability is difficult to measure for paper products as it depends on handling, storage, and application-specific needs. Since the main paper applications are designed for short-term use, traditional durability assessments are less relevant. Therefore the Heinzl Group's metrics focus on the use of recycled and/or renewable materials, as well as recyclability properties of produced goods.

E5-5 - Resource outflows (waste)

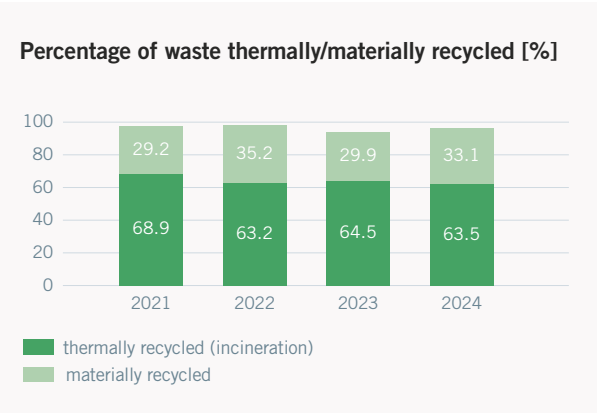
In terms of waste, the waste generated by Heinzl Group's own production facilities is mainly considered, as the waste generated by office operations is not material to the business model.



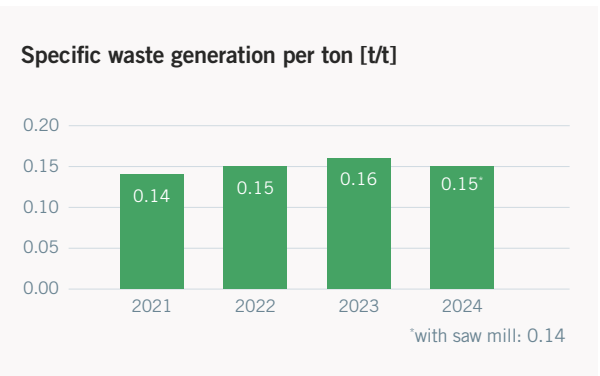
In general, the amount of waste generated was higher compared to 2023 as a new production site (Steyrermühl) joined Heinzl Group in 2024. Additional waste was generated due to the dismantling of the site in Raubling.

Non-hazardous waste [t]	2024	2023	2022	2021
diverted from disposal due to preparation for reuse	32	25	29	29
diverted from disposal due to recycling	47,644	30,583	26,501	29,731
diverted from disposal due to other recovery operations	43,261	45,677	64,439	47,858
Total Non-hazardous waste diverted from disposal	90,937	76,286	90,968	77,618
directed to disposal by incineration	174,396	164,355	163,093	183,047
directed to disposal by landfilling	9,271	14,135	4,069	4,951
directed to disposal by other disposal operations	0	0	0	0
Total Non-hazardous waste directed to disposal	183,667	178,490	167,163	187,999

Hazardous waste [t]	2024	2023	2022	2021
diverted from disposal due to preparation for reuse	0	0	0	0
diverted from disposal due to recycling	62	10	29	27
diverted from disposal due to other recovery operations	0	0	0	0
Total Hazardous waste diverted from disposal	62	10	29	27
directed to disposal by incineration	190	106	122	90
directed to disposal by landfilling	11	1	61	1
directed to disposal by other disposal operations	64	58	33	41
Total Hazardous waste directed to disposal	265	165	216	131
Total amount of radioactive waste	0.001	0.012	0.000	0.000
Total amount of hazardous waste	327	175	245	159



Only a small quantity of waste is still landfilled in a safe and controlled way (3.4% of total waste generated).



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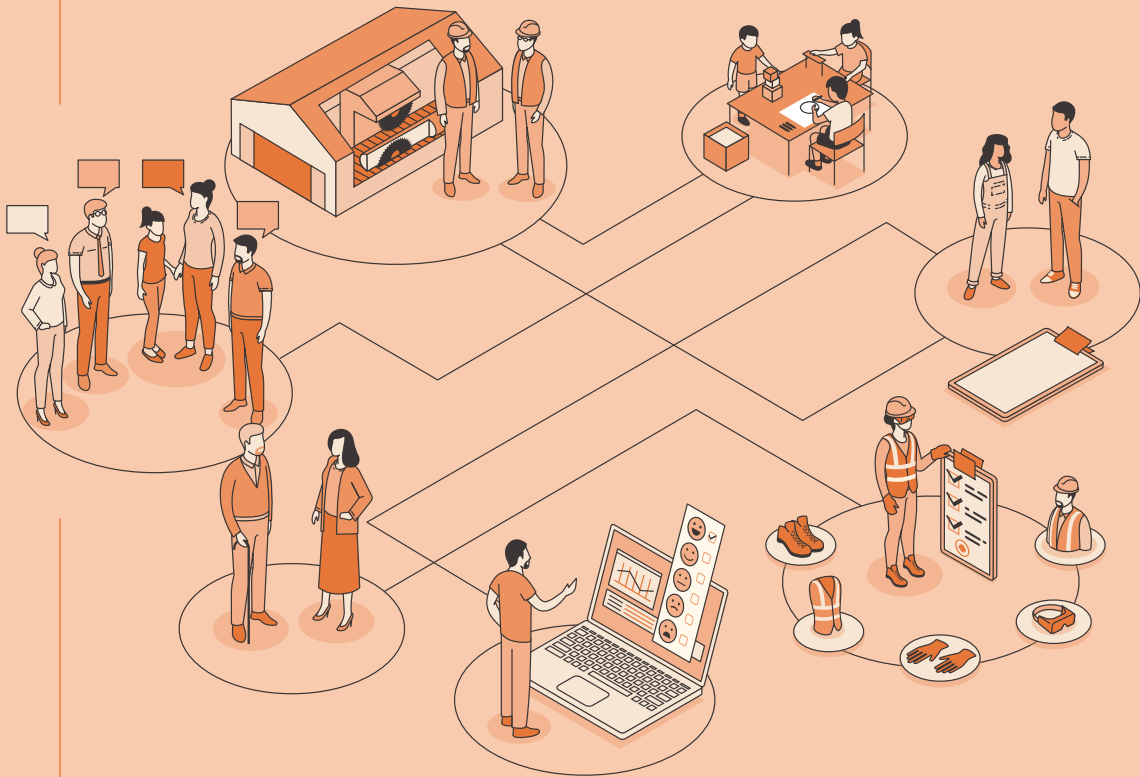
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ESRS S1

Own Workforce

Heinzl Group is a producer of market pulp and packaging papers in Central and Eastern Europe (Austria and Estonia). Most of the employees in Heinzl Group's industry companies work in the production environment (heinzelpöls, heinzelpaper, Estonian Cell).

In addition, Heinzl Group operates a global pulp, paper, and board trading business and a waste paper trading business. These companies employ a large number of office staff as well as warehouse and sorting machine operators. The majority of Heinzl Group's employees are located in Austria and Europe. A small number of employees are based outside Europe (USA, Canada, Russia and Malaysia).

In terms of organizational structure, Heinzl Group operates in several key areas:

- Industrial Operations: includes the management of production facilities, including pulp and paper mills, as well as the sawmill and waste-to-energy plants. These facilities are strategically located in Austria and Estonia and are significant employers in their respective regions.
- Trading Operations: managing of global trading of pulp, paper, and board products. The trading network spans the globe, with over 130 sales offices facilitating international trade.
- Support Functions: specialized departments such as Finance, Human Resources, Sustainability, Marketing, and IT provide essential support services across to the Group's operations.

the company's commitment to workplace safety is reinforced by its Code of Conduct, which serves as a guiding policy.

In addition, Heinzl Group takes a strong stance against violence and harassment in the workplace and addresses these issues through its Code of Conduct to promote a respectful and inclusive working environment. Diversity is a core value at Heinzl Group, with employees of different nationalities contributing to its dynamic workforce. This is particularly evident in the company's global trading business, where a multicultural team plays an important role.

ACTIONS

S1-2 – Process for engaging with own workers and workers' representatives about impacts

Heinzl Group engages with its own employees in a variety of ways. Some examples are listed below:

- Heinzl Group fosters open communication through surveys, information events, and digital platforms like HeinzlNet and the whistleblowing system.
- Employee well-being is supported through health & safety initiatives, workplace health promotion, vaccination programs, and compliance training. Flexible working options, including home office support and "Flexitime", help employees maintain work-life balance.
- Career development is encouraged through training programs, further education, and apprenticeship opportunities. Additional benefits include pension provisions, childcare support, cafeterias, and employee bonuses.
- Heinzl Group also values social dialogue and collective bargaining agreements, ensuring fair working conditions. These commitments align with the company's Code of Conduct, reinforcing a culture of integrity and engagement.

Impact, risk and opportunity management

POLICIES

S1-1 – Policies related to own workforce

The health and safety of its employees is a top priority for Heinzl Group. All production sites operate under local management systems based on ISO 45001, ensuring a safe and secure working environment. On a broader level,

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S1-3 – Process to remediate negative impacts and channels to raise concerns

Employees who become aware of any violation of applicable laws or the Heinzl Group Code of Conduct are required to report it immediately to their supervisor. They are encouraged to speak up about any unethical or illegal behavior, including potential conflicts of interest, misconduct, malpractice (such as bribery), discrimination, harassment, or any violation of human rights. Reporting suspected misconduct in good faith carries no negative consequences for the whistleblower. To further support transparency and accountability, Heinzl Group has implemented a whistleblowing system to address stakeholder concerns. This secure communication platform is available 24/7 from anywhere in the world, allowing individuals to submit written reports at any time. To ensure confidentiality and protect the identity of whistleblowers, the system also offers the option to communicate through an anonymous mailbox.

S1-4 – Taking action on material impacts on own workforce

The wellbeing of employees at Heinzl Group is a top priority, with a strong focus on health and safety, leadership development, and fostering a diverse and inclusive work environment.

Continuous investment in training programs, leadership development initiatives, and a trainee program ensures professional growth and career advancement. In 2024, the Group Development Program was launched as a leadership and culture initiative to strengthen collaboration across the company, alongside specialized leadership training sessions conducted at various sites.

Occupational health and safety efforts are reinforced through different safety programs and Safety Group Meetings aimed at reducing workplace accidents. In 2024, additional initiatives were introduced, including health checks for all employees, on-site mental health programs with psychologists, and sports programs designed to encourage physical well-being. For more information about Heinzl Group's actions on own workforce – see Annual Review, chapter [Good Employer](#).

METRICS

Heinzl Group maintains detailed records of employee demographics, including gender distribution and age, to ensure diversity and inclusivity within the workforce. Beside the metrics shown in this sustainability statement, additional information can be found in this Annual Review, chapter [Good Employer](#); as well as in the [Group Management Report for the Financial Year 2024](#).

Note: Changes to previous reporting period from FTE average to headcount settlement from 2024, which also affects relative values. It has not been possible to convert all previous year's reporting data to headcount settlement basis, this will be implemented in 2025. Round-off errors are part of the following tables and diagrams.

S1-6 - Characteristics of Heinzl Group's employees

Information on employees by contract type and gender

Amount of employees divided by full-time contract, part-time contract, split by male and female [%]	2024	2023	2022	2021
Female, part-time	23.7	26.3	25.0	25.1
Male, part-time	4.3	3.3	3.3	2.8
Female, full-time	70.5	69.4	70.6	71.3
Male, full-time	1.4	1.0	1.2	0.9

Employees by contract type and gender [%]	2024	2023	2022	2021
Female with permanent contract	27.5	28.8	27.4	27.5
Male with permanent contract	70.8	69.6	70.8	71.6
Female with temporary contract	0.6	0.4	0.4	0.3
Male employees temporary contract	1.0	1.1	1.3	1.0
Female with non guaranteed hours	0.0	0.0	0.0	0.0
Male with non guaranteed hours	0.1	0.1	0.1	0.1

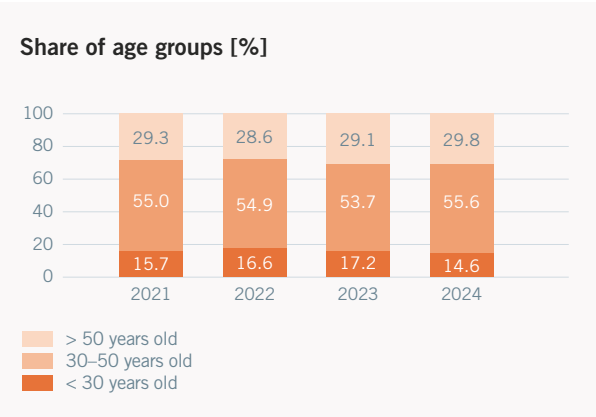
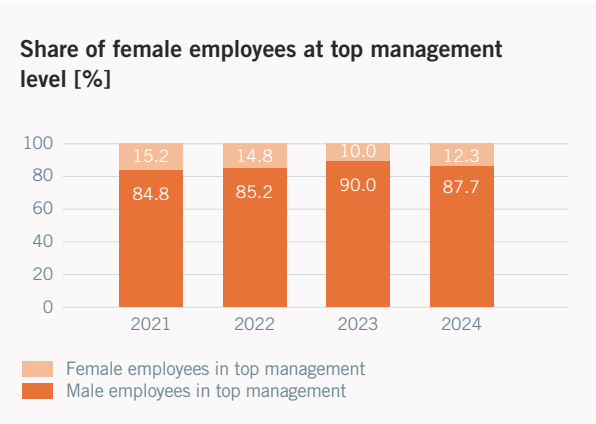
S1-7 – Characteristics of non-employee workers in the Heinzl Group's own workforce

The indicator under ESRS S1-7, relating to the number of employees in the Heinzl Group workforce of non-employee workers (for example external planners, external consultants, leased people), amounts to 53 employees. This is equivalent to 1.8% of the entire workforce.

S1-8 – Collective bargaining coverage and social dialogue

In principle, all workers and employees of Heinzl Group are part of a collective bargaining agreement, provided that the agreement is part of the legal framework in that country. The exceptions are colleagues who are either on the Management Board or for those departments where there is no collective bargaining agreement available.

S1-9 – Diversity metrics



TARGETS AND METRICS

TARGETS

S1-5 – Targets related to own workforce

⬆️ Ahead of plan ✓ Within plan ⬇️ Behind plan

Our contribution	Target Year	Status 2024
Reduce the lost time injury frequency rate (LTIFR) below 5 until 2030, clear path towards LTIFR of 0*	2030	✓
Ensuring the health and safety of all employees	ongoing	✓
Steps to promote employee loyalty and safeguard workforce availability	ongoing	✓
Bolstering the training program for apprentices and managers, investments in tailored training concepts	ongoing	⬆️
Developing steps to safeguard diversity and equal opportunities for women and men, including equal pay	ongoing	✓

* new target 2024

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S1-11 - Social protection employees by types of events

Total number of employees covered against loss of income due to	through...	2024* [%]	2023 [%]
sickness	public programs	99.7	99.5
	company benefit	5.5	42.6
	with no social protection	0.0	0.0
unemployment	public programs	99.7	99.5
	company benefit	0.0	0.0
	with no social protection	0.3	0.5
employment injury and acquired disability	public programs	99.7	99.5
	company benefit	26.7	65.5
	with no social protection	0.3	0.5
parental leave	public programs	99.9	99.5
	company benefit	5.1	42.2
	with no social protection	0.1	0.2
retirement	public programs	100.0	100.0
	company benefit	45.4	38.6
	with no social protection	0.0	0.0

* with improved data quality

S1-13 – Training and skills development metrics

Heinzl Group is fully committed to fostering employee personal and professional development. Within the career management process, qualitative and/or quantitative personal goals are defined at all key career stages to ensure structured career progression. Professional training programs are offered at all career levels to support continuous learning and skill enhancement.

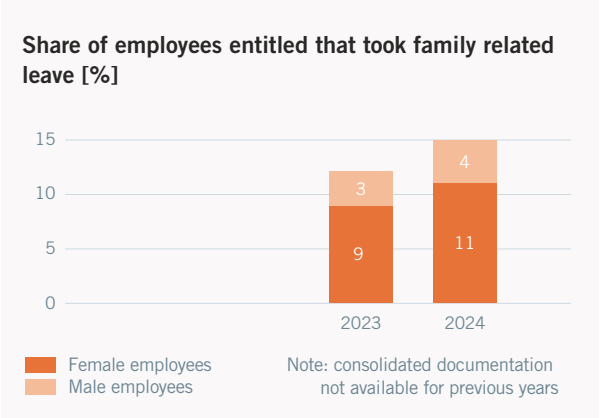
To monitor training efforts, a digital training platform has been implemented to record training hours. However, this platform does not capture all training activities, as some programs are conducted outside the system. To ensure comprehensive tracking, training expenditures and training hours are documented, as well as regular performance and career development reviews conducted.

Further improvements are needed in the documentation of training hours. Therefore, these metrics will not be reported this year, but will remain a focus for future data management development.

S1-14 - Health and safety metrics

Health and safety related actions and metrics can be found in this Annual Review, chapter [Good Employer](#).

S1-15 Work-life balance metrics



S1-17 Incidents, complaints and severe human rights impacts

No serious human rights complaints have been made through the various channels available to employees in recent years. As a result, no material fines, penalties or compensation for damages had to be paid as a result of violations of social and human rights factors and incidents related to our own workforce.

ESRS S3

Affected Communities

Affected communities are defined as local corporate citizens & communities living near Heinzl Group’s sites, regardless of whether it is a production site, a warehouse or an office.

Heinzl Group’s key metrics for the material topic of affected communities also include energy sold - this metrics currently only cover the production sites within the group (heinzelpöls, heinzelpaper, Estonian Cell).

Heinzl Group strictly rejects any business ties that violate human or civil rights. Ethical conduct is fundamental to Heinzl Group, as outlined in the Code of Conduct. We therefore also expect our suppliers to have a positive influence on the affected communities in their environment.

ACTIONS

S3-2 – Processes for engaging with affected communities about impacts

Heinzl Group sees openness and a willingness to engage in discussions as a basis for good collaboration cohabitation with affected communities. The production sites regularly open their doors to local residents to provide insights into business processes and communicate proactively with local corporate citizen.

S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns

Citizen can directly address their complaints and concerns in written or verbal form. The received complaints are managed in local complaint management systems and counteractive measures are taken.

S3-4 – Taking action on material impacts on affected communities

Heinzl Group actively supports local communities at its sites and creates value through various initiatives. Sports and running events bring employees and citizens together, while holiday care, events for children, and close cooperation with educational institutions help foster young talent. In 2024 numerous noise reduction measures have been implemented, and continuous efforts were made to minimize emissions, waste, and traffic. Furthermore, surrounding communities can source renewable energy for heating and electricity from the mills as the renewable energy surplus is sold. The regional economy and infrastructure benefit from job creation, investments, and support for local events.

POLICIES

S3-1 – Policies related to affected communities

Heinzl Group recognizes its responsibility to support the local communities in which it operates and to contribute to their economic, social, and cultural development through various initiatives and active engagement.

A proactive complaint management system ensures that concerns are addressed swiftly, working collaboratively to find solutions, build trust, and continuously improve operations.

Transparent communication and reliable partnerships are at the core of all activities. Through fundraising campaigns and support for local associations, Heinzl Group contributes to social initiatives and enhances the well-being of the community.

At Heinzl Group’s mills, which have been an integral part of the region for centuries, many employees come from the immediate neighborhood and have been working there for generations. With the Code of Conduct, commitment to international conventions, including the Human Rights Charter and ILO core labor standards, ensures a firm stance against child, forced, and compulsory labor, which includes abusing human and civil rights.

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TARGETS AND METRICS

TARGETS

S3-5 – Targets related to affected communities

⬆ Ahead of plan ✓ Within plan ⬇ Behind plan

Our contribution	Target Year	Status 2024
Continuously increasingly the number of household equivalents supplied with district heating and electricity from our production sites	ongoing	✓
Integrating local communities and proactively implementing steps to safeguard excellent relationships with our neighbors	ongoing	✓
Increasing our engagement as a corporate citizen by supporting people in times of distress by means of donations in kind, product, time and financial donations	ongoing	✓
Reducing the number of enquiries and complaints from local residents to a minimum	ongoing	⬇

METRICS

S3 – Heinzl Group's metrics on affected communities

The Heinzl Group's main KPI for affected communities are the amount of citizen complaints, which is also reported in the Annual Review, chapter [Social Engagement](#).

In addition, Heinzl Group defined energy sold and house-hold equivalents supplied with energy as further measures for affected communities.

Energy sold [MWh]	2024	2023	2022	2021
Total energy sold	239,370	231,555	247,515	279,616
Electricity	51,701	60,596	59,897	49,345
Heating	152,500	121,318	119,430	131,814
Steam	3,268	1,622	14,398	18,038
Biogas	31,901	48,019	53,790	80,420

The changes in energy sold are due to the fact that the system boundaries have been adjusted at Laakirchen, as biogas sold to contracting partner for steam generation is not considered in 2024 anymore. The mill in Raubling ceased paper production in 2024 and therefore no energy surplus was generated. Finally, the additional energy sold by Steyrermühl mill resulted in an increase of total sold energy compared to 2023.

↳ Runners at the
heinzelpöls Trophy, 2024



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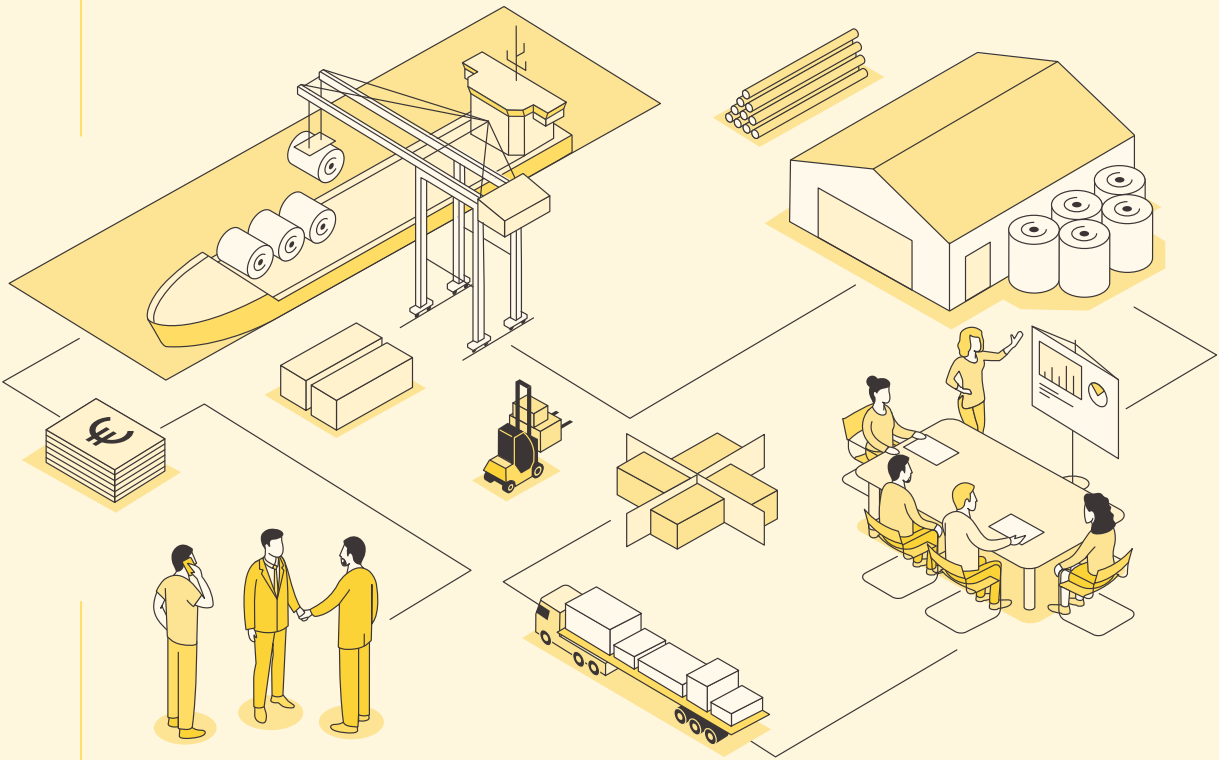
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Governance

52 Business Conduct



ESRS G1

Business Conduct

All Heinzl Group employees must be aware that strict adherence to competi- tion law and to Heinzl Group's policies to ensure legal compliance are part of the terms and conditions of employment. All general managers are responsible for compliance within their business conduct, as are all defined relevant employees.

Impact, risk and opportunity management

- Group Code of Conduct
- Compliance (e.g. Competition Compliance, Anti-Corruption, Money Laundering, Payments, Trade Secrets)
- Finance related practices
- IT Security and data protection

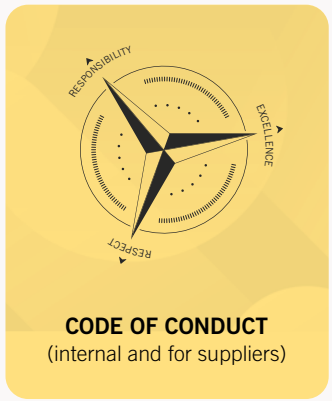
POLICIES

G1-1 – Corporate culture and business conduct policies and corporate culture

Heinzl Group's policies and documents from the over- arching framework which must be complied also on local level. The following group-wide policies cover Heinzl Group's principles in term of business conduct:

Entity-specific policies, process instruction and standard operating procedures ensure management and continued performance on our certified production sites for the dif- ferent management systems such as quality, environment, energy and health and safety.

High-level overview of Heinzl Group policies and procedures:



GROUP POLICIES

GUIDELINES

Local Documents

- Competition compliance
- IT guidelines
- Finance related policies
- IT security & data protection policy
- Further policies under development

- Integrated management system docu- ments according to ISO certification
- Department related documents

ACTIONS

G1-2 – Management of relationships with suppliers

Heinzl Group is committed to fostering strong, ethical, and sustainable partnerships with its suppliers and con- tractors. Therefore, Heinzl Group plans to integrate social and environmental criteria alongside competitive pricing, quality standards, and timely delivery in its supplier selec-

tion and evaluation processes. In future, business part- nerships will be assessed based on their alignment with Heinzl Group's ethical and environmental commitments. All suppliers and contractors are expected to adhere to Heinzl Group's ethical values and comply with applica- ble local and international laws. This includes respecting human rights across the value chain, ensuring fair labor

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practices, and maintaining high environmental protection standards. Heinzl Group's new Supplier Code of Conduct will further define these expectations, reinforcing a supply chain that prioritizes social responsibility, environmental sustainability, and the well-being of people and the planet. For more information about Heinzl Group's actions on business conduct – see the Annual Review, chapter [Fair Operating Practices](#).

G1-3 – Prevention and detection of corruption and bribery

Heinzl Group strictly prohibits corruption worldwide. To prevent any appearance of impropriety, strict internal rules govern gifts and invitations, particularly when dealing with public officials and elected representatives. Employees are expected to avoid bribery, critically assess donations, and refrain from facilitation or accelerated payments. Any benefits, including gifts and hospitality, must remain within reasonable limits, in line with internal guidelines. Cash gifts are neither accepted nor offered.

Heinzl Group is also committed to combatting money laundering through strict guidelines and reporting procedures. Financial transactions are conducted only with pre-approved counterparties and within defined limits. External financing requires approval from Group Treasury and the CFO of Heinzl Holding GmbH. Each subsidiary conducts regular anti-money laundering risk assessments, ensuring adherence to the highest compliance standards and safeguarding the integrity of Heinzl Group's operations.

TARGETS AND METRICS

TARGETS

Heinzl Group has set its own targets for business conduct based on the established sustainability program:

Our contribution	Target Year	Status 2024
All relevant employees have completed training in the areas of anti-corruption, anti-bribery and competition compliance (training and self assessment)	ongoing	✓
Code of Conduct training for all employees established	2026	✓
No violations of anti-corruption or antibribery legislation	ongoing	✓
No donations to political parties also in the future	ongoing	✓
Maintaining the outstanding payment behavior set out in the Heinzl Group frameworks	ongoing	✓

G1-5 – Political influence and lobbying activities

Heinzl Group recognizes its responsibility to contribute to a sustainable and circular economy. As a key player in the pulp and paper industry, Heinzl Group actively engages in advocacy and policy dialogue to drive positive environmental and social outcomes.

As an example Heinzl Group participates in Austropapier, the association of the Austrian paper industry, as participants in different environmental related committees as well as board member and as head of the sustainability committee. Furthermore Heinzl Group participates at Cepi (Confederation of European Paper Industries), in the Cepi Containerboard and in the Cepi Design for Recycling Task Force, to support and shape regulatory frameworks that enable sustainable fiber-based production and recycling. As a member EPIS (European Pulp Industry Sector), Heinzl Group supports the forest-fiber sector's role in achieving the EU's 2050 climate neutrality targets, emphasizing sustainable sourcing, carbon sequestration, and biodiversity protection. Further activities are made in Cepi Eurokraft and at EUGROPA, the European Association of Paper Merchants.

Heinzl Group maintains an open and transparent dialogue with policymakers, industry stakeholders, and non-governmental organizations to ensure that the sector's transition towards sustainability aligns with global and European goals.

METRICS

G1-4 – Incidents of corruption and bribery

Within the Heinzl Group, there were no incidents of corruption and bribery during the reporting periods..

	Unit	2024	2023	2022	2021
Number of convictions for violation of anti-corruption and anti- bribery laws	[amount]	0	0	0	0
Amount of fines for violation of anti-corruption and anti-bribery laws	[€]	0	0	0	0
Number of confirmed incidents of corruption or bribery	[amount]	0	0	0	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	[amount]	0	0	0	0
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	[amount]	0	0	0	0

Anti-corruption and bribery training

During past years Heinzl Group provided training to its functions-at-risks in terms of its competition compliance, anti-corruption and anti-bribery. The frequency of in-person or online compliance training is defined as

minimum bi-annually, however more frequent trainings are possible. In 2024, there is an increase in the number of people covered by trainings:

	Unit	2024	2023	2022	2021
Percentage of functions-at-risk covered by training programs	[%]	96	89	99	98
Functions-at-risk trained	[amount]	1,193	1,054	1,107	998
Functions-at-risk	[amount]	1,247	1,184	1,121	1,017
Total hours of training	[hour]	1778	1230	n.a.*	n.a.*
Total hours in presence training	[hour]	1,540	942	n.a.*	n.a.*
Total hours e-training	[hour]	238	288	n.a.*	n.a.*

* consolidated documentation not available

G1-5 – Political influence & lobbying

During the 2024 financial year Heinzl Group was involved in lobbying activities. No political contributions were made.

	Unit	2024	2023	2022	2021
Financial political contributions made	[€]	0	0	0	0
Amount of internal and external lobbying expenses	[€]	27,801	19,997	22,688	15,477
Amount paid for membership to lobbying associations	[€]	632,582	410,203	390,363	298,401
In-kind political contributions made	[€]	0	0	0	0

⬆ Ahead of plan ✓ Within plan ⬇ Behind plan

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Performance

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TOGETHER FOR OUR

Produktionsmenge
Production Volume



bags

formfill

↑ Jürgen Rieger,
Chief Operating Manager,
heinzelpöls

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Group Management Report for the Financial Year 2024

General economic situation

The geopolitical environment remained tense in 2024 and had a major influence on global markets. In Europe, the Russia-Ukraine War continued to burden the energy sector, leading to uncertainty and high costs. At the same time, conflicts in the Middle East added to instability in energy markets and accounted for the marked volatility seen in terms of oil prices.

Trade relations between the USA and China continued to deteriorate. Customs tariffs on Chinese products had already been increased under the Biden administration, in response to which China imposed export restrictions on important commodities. The re-election of Donald Trump in November 2024 caused additional uncertainty given that he announced a tightening of trade policy and new protectionist measures. These developments put further strain on international supply chains and made it more difficult for companies with global operations to plan ahead.

At the same time, China was also struggling with domestic economic challenges. A real estate crisis and weak consumer demand slowed growth while the trade conflicts with the USA put pressure on the export sector. Europe also felt the consequences of this tension due to export-oriented economies such as Germany being hit particularly hard.

For 2024, the OECD forecasts global GDP growth of 3.2% based on falling inflation rates and an easing of monetary policies in many major economies. The USA recorded solid growth of 2.8%, driven by strong domestic demand and salary increases in real terms. In Europe, growth remains

modest, at 0.8%, with systemic weaknesses and an end to state-sponsored subsidies having a dampening effect. While Spain stands out with growth of 3.1%, Germany continued to stagnate on the grounds of low investment and productivity levels. In China, public sector investment and economic stimuli packages are supporting economic development and accounted for GDP growth of 4.8%.

In 2024, both the European Central Bank (ECB) and the US Federal Reserve (Fed) cut their key lending rates after having responded to the high inflation rates with major increases in 2023. The ECB cut its lending rate in several steps, from 4.25% in June to 3.15% in December, while the Fed reduced its three times, from 5.25% in June to 4.25% by the end of the year. These adjustments reflect the efforts of both central banks to stabilize their economies and keep inflation under control after rates in the prior year had reached the highest levels for years. Over the course of 2024, the euro traded at between 1.06 and 1.12 USD and closed the period at an exchange rate of 1.04.

Sector development

The product portfolio of the trading and production divisions of Heinzl Group encompasses short- and long-fiber pulp as well as packaging papers based on pulp and recovered paper. Until the end of November 2024, Heinzl Group also manufactured graphic papers. Demand in the product areas relevant to Heinzl Group, along with price developments here, varied greatly at times in 2024.

Pulp

The pulp market experienced a marked recovery in early 2024. Contrary to analysts' forecasts, demand in Europe developed dynamically, accompanied by higher sales prices. This led to a short-term stabilization of the market, enabling the negative results of the prior year to be offset in part. In the period to June, the list price of long-fiber pulp (NBSK) rose to USD 1,580 per metric ton in Europe, while that of short-fiber pulp (BEKP) climbed to USD 1,440 per metric ton. A noticeable downturn began in the middle of the year. Weak demand for paper in Europe, rising inventory levels held by pulp customers, and new production facilities coming online in Asia and South America led

to falling prices. This weak level of demand and the new production volumes made it necessary to reduce prices from July, with the effect that the entire price increase seen in the first half of the year had been eroded by the end of the period. Supply-side pressure also increased as a result of newly integrated pulp and paper production facilities. Major production facilities were commissioned in China and Indonesia, the expectations associated with which subsequently proved to be overinflated. These new plants only ran at reduced capacity levels and excess pulp production volumes were increasingly redirected to the open market. This in turn significantly reduced demand for pulp in China, particularly for BEKP. At the same time, the expansion of capacity in the folding carton sector led to oversupply and intensified price pressure in Asian markets as well as in the Middle East. Oversupply was also felt in Europe. Several European paper and cardboard mills were in part shut down in the third quarter due to market conditions, with this having an impact on sales of BEKP in particular. While NBSK was supported by demand from the packaging industry, lower consumer demand led to a decline in the production of special papers. Due to excessive capacity, pulp inventory levels at ports in Europe and China rose in the fourth quarter.

In the period to December, the list price of the long-fiber pulp fell to USD 1,480 per metric ton, while that of short-fiber pulp stood at USD 1,000 per metric ton at the end of the period. The first signs of recovery were seen in December 2024 following announcements by major pulp producers that prices would be increased.

Graphic paper

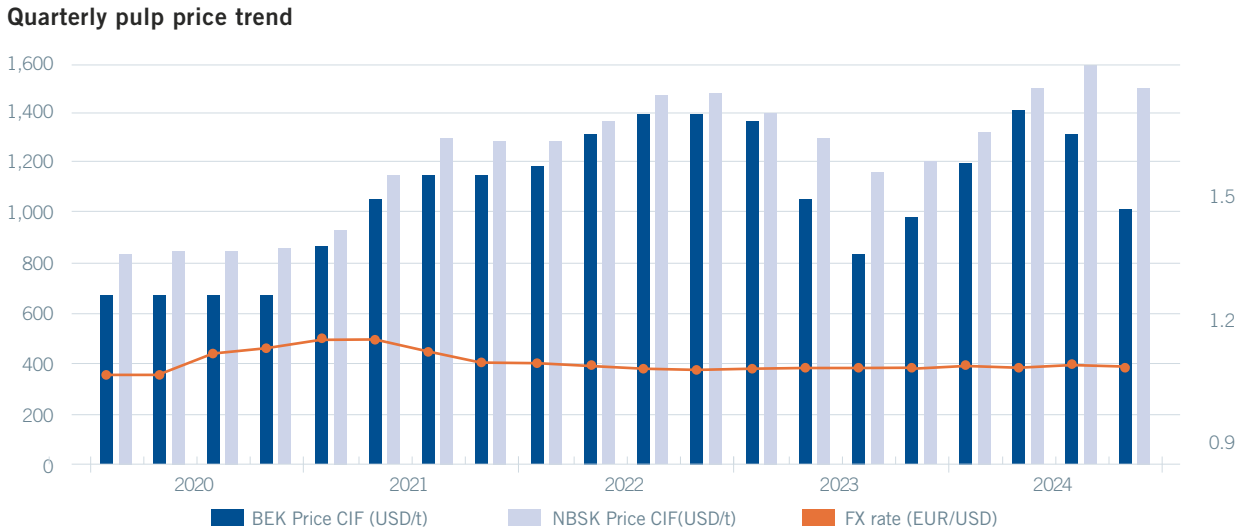
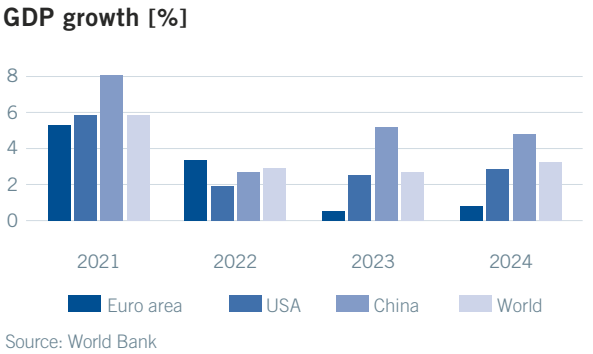
The rise in business associated with Christmas 2023 led to high production capacity utilization in the fourth quarter

of 2023, which continued during the first quarter of 2024. From the second quarter, however, demand for publication papers further declined, accounting for the situation on the market deteriorating over time. According to Eurograph, sales of SC papers in 2024 declined by 9%, although this development varied regionally. While the decline in Central and Eastern Europe (CEE) was moderate at -1%, the negative trend was more pronounced in Western Europe (-10%). The decline in production activity led to a gradual increase in the prices of recovered paper as lower availability of secondary fibers impacted supply. Given that it was not possible to pass on higher commodity-related costs to customers due to the continuing pressure on prices, this further impacted margins.

The strategic decision of Heinzl Group to withdraw from the graphic paper segment at Laakirchen Papier and to convert Paper Machine 11 (PM11) to the production of packaging papers in the first quarter of 2025 caused market-related challenges in the second half of 2024 due to this significantly complicating responding to tenders and strategic customer requests. Despite the challenging market environment, it was largely possible to maintain production volumes in 2024 at the level of the prior year due to close customer relationships and competitive pricing strategies. Heinzl Group finally ceased producing graphic papers at the end of November 2024.

Containerboard

According to CEPI (Confederation of European Paper Industries), the European market for containerboard grew by 3.2% in 2024. Despite this recovery, the market environment remained challenging due to high input costs, new production facilities, and continuing price pressure, all of which placed a further burden on the sector. With the ex-



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ception of December, higher demand accounted for nearly full utilization of production capacity in Europe.

The difficult market environment in the prior year continued, with very low sales prices in early 2024. Intense pressure on prices, particularly due to higher recovered paper prices, had a major impact on the sector and prevented any improvement in terms of margins. It was possible to increase prices step by step from the second quarter, with these reaching a peak in September. These price increases were however purely driven by costs given that demand did not continue to improve. The situation in the market declined again in the third quarter. A further decline in demand levels, intensified by new competitors entering the market, placed more pressure on paper producers in terms of earnings. Customers securing volumes in the fourth quarter during the course of annual meetings led to further price reductions. Delayed declines in input costs and reduced credit limits for many customers only exacerbated the already difficult situation.

Kraft papers

Market developments in the kraft paper sector indicate stabilization compared to the prior year despite the economic challenges facing Europe and geopolitical tensions continuing to suppress consumer demand. In the first half of 2024 in particular, prices rose significantly as a result of upward pulp prices. This positive trend continued in the third quarter before cooling off in the fourth quarter, again putting more pressure on prices. There are still no signs of recovery in the construction sector, with manufacturers of sack kraft paper increasingly shifting their focus to packaging papers with higher grammages. This accounted for intensive competition, particularly in the carrier bag segment. Parallel to this, a clear trend in the direction of carrier bags made of recycled paper was also discernible, especially in textile-based applications with lower requirements in terms of tensile strength. Greater reliance on reusable plastic carrier bags also intensified competitive pressure in this segment. On the other hand, there continues to be a trend in the direction of sustainable packaging solutions based on renewable materials. Transformation projects to substitute plastic with paper continue to be pursued in the area of flexible packaging solutions. International manufacturers of branded products and leading FMCG companies are increasingly relying on paper-based packaging solutions, both in the food and non-food sectors, boosting market demand for kraft papers with low grammages as a result.

Group development 2024

In early 2024, Heinzl Group was confronted with stable demand, particularly with regard to pulp and kraft papers, while the market for containerboard remained under pressure. From the summer onwards however, the weak economy in the eurozone led to a further decline in demand, as a result of which volumes sold and prices in several sectors came under pressure while trade in pulp and kraft liners from overseas increasingly acted as a stabilizing factor.

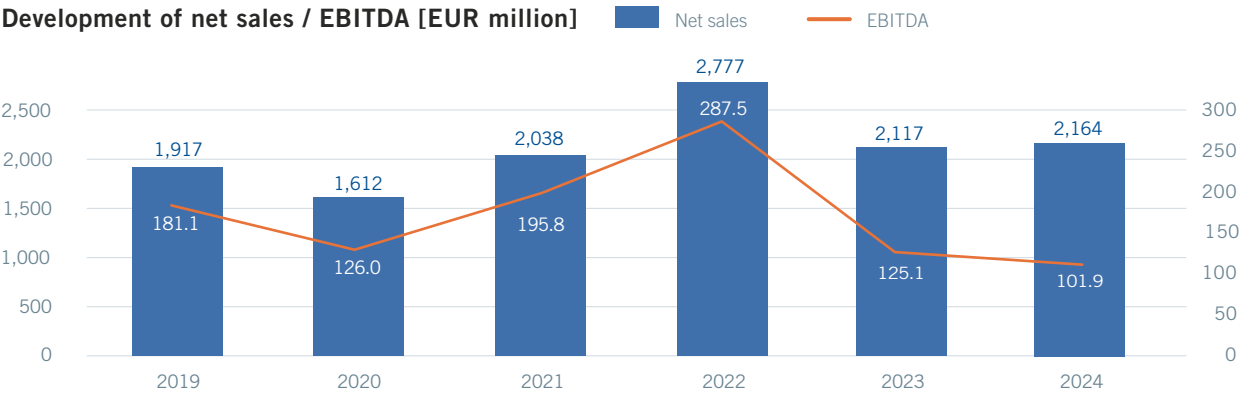
Heinzl Group manufactured approximately 881,000 metric tons of paper and 638,454 metric tons of pulp in 2024, of which around 213,000 metric tons were further processed on PM2 and PM3 in Pöls and on PM6 in Steyrermühl to manufacture 239,860 metric tons of kraft paper. Despite higher production volumes at Estonian Cell, the volume of market pulp declined to 425,163 metric tons, due to the pulp required by the PM6 commissioned in May, equivalent to drop of 17,000 metric tons compared to the prior year. Over the course of the past financial year, the volume manufactured on PM10 in Laakirchen rose by around 43,000 metric tons compared to the previous period due to higher demand for containerboard. Prior to being temporarily shut down in November for conversion purposes, PM11 manufactured around 192,000 metric tons of graphic papers, which is equivalent to a year-on-year decline of 31,000 metric tons.

Despite the absence of volumes from Raubling and the declining volume of graphic papers manufactured, the quantities sold by Heinzl Group in 2024 were, at 3,165,644 metric tons, around 8,000 metric tons higher than in the preceding period due to the additional volumes produced on PM6 and PM10.

UPM Kymmene Austria GmbH (now Heinzl Steyrermühl GmbH) was fully consolidated into Laakirchen Papier on January 1, 2024. The converted PM6 in Steyrermühl, on the other hand, has been consolidated into Starkraft Steyrermühl GmbH as a wholly owned subsidiary of Zellstoff Pöls AG.

Following the shutdown of Raubling Papier in May 2024, this subsidiary has been reported as a discontinued operation retrospectively with effect from January 1, 2024. In accordance with IFRS, this relates to all income statement positions but not balance sheet or cash flow statement positions. The following statements relate to

Development of net sales / EBITDA [EUR million]



continuing operations, with the comparative figures for 2023 having been restated accordingly.

The net sales of Heinzl Group – calculated as gross sales based on customer contracts less transport services and sales deductions – rose due to volume and price factors related to continuing operations from EUR 2,117 million in 2023 to EUR 2,164 million in 2024, equivalent to an increase of around 2.22%.

Heinzl Group's EBITDA in 2024 amounted to EUR 101.9 million and was consequently below the EBITDA of EUR 125.1 million generated in the prior year. Comparing the trading business and industry segments, the EBITDA

share of the production companies in 2024 was only around 45% (prior year: 52%) and the share of the trading companies approximately 55% (prior year: 48%).

EBITDA in the industrial segment suffered in particular as a result of the earnings position at Laakirchen Papier, the standstill and start-up costs associated with PM6 in Steyrermühl, as well as lower profitability at Estonian Cell. Despite essentially stable demand levels and higher capacity utilization at the sites, the persistently low market prices, high commodity prices, and energy price situation negatively impacted earnings. Heinzl Group consequently achieved EBIT of EUR 29.0 million in 2024.

Key group figures

	2022	2023	2024	Change 2023/2024 in basis points
EBITDA margin in %	10.3	5.9	4.7	-1.2
EBITDA, Trading, in %	5.7	3.9	3.7	-0.2
EBITDA, Industry, in %	16	8.1	3.0	-5.1
Return on equity, in %	17.7	0.1	-1.0	-1.1
Equity ratio, in %	61.4	57.7	56.8	-0.9
ROACE, in %	18.2	0.8	-0.2	-1.0
ROACE, Trading, in %	36.7	16.6	14.9	-1.7
ROACE, Industry, in %	15.1	-2.5	-5.6	-3.1

Heinzl Group's EBITDA margin was 4.7% in 2024, attributable to an EBITDA margin in the trading division of 3.7% and an EBITDA margin of 3.0% in production (industry division).

the conversion of PM11 in Laakirchen. The ROACE was consequently -0.1% in 2024, with the industry division being negative at -5.6% and the trading division contributing 14.9%.

The return on average capital employed (ROACE) suffered as a result of the weak earnings position at Laakirchen and Estonian Cell, the investments associated with the commissioning of PM6 in Steyrermühl, and

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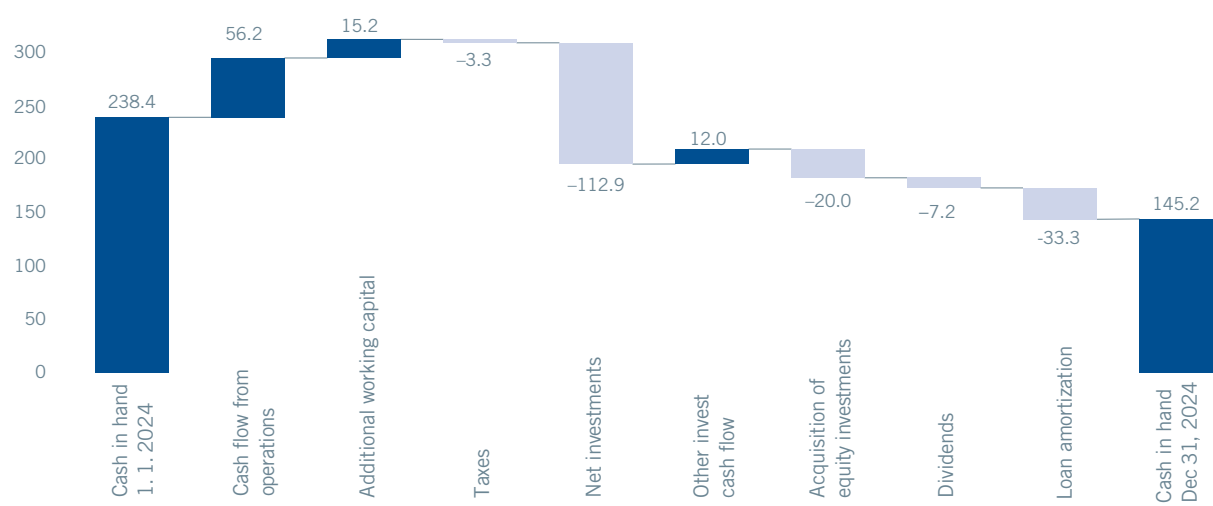
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Cash flow bridge [EUR million]



Cash flow

As a result of reducing working capital by EUR 15.2 million, cash flow from operating activities at Heinzl Group in 2024 amounted to EUR 68.1 million. Cash flow from investing activities included, inter alia, the acquisition of Micro ASU in Bulgaria and the second instalment of the purchase price for the Steyrermühl site. Capital investments (CAPEX) of EUR 113.7 million in 2024 related primarily to the conversion of PM11 in Laakirchen (EUR 37.2 million), the conversion of PM6 in Steyrermühl (EUR 37.3 million) by Starkraft Steyrermühl GmbH, and EUR 19.1 million invested in the UKP project.

Dividends of EUR 7.2 million were distributed from the free cash flow. The PM6 conversion project at Zellstoff Pöls and the PM11 project in Laakirchen have been financed over the long term. EUR 33.2 million of financial liabilities were repaid in 2024. The net debt of Heinzl Group as at December 31, 2024 amounted to EUR 84.5 million, following a net cash position of EUR 1.8 million at the close of 2023. At year-end 2024, the group held cash deposits of EUR 145.2 million.

Performance of key Heinzl Group companies

In EUR M	Net Sales		EBITA		EBIT		Operat. Cash flow	
	2024	2023	2024	2023	2024	2023	2024	2023
heinzelsales	835.8	861.2	26.2	25.5	24.2	24.1	23.1	21.9
Europapier Group	636.5	642.0	27.4	32.6	19.0	24.2	18.0	51.3
Bunzl & Biach Group	168.2	141.8	5.4	6.1	3.1	3.6	9.7	3.1
TRADING BUSINESS¹)	1,639.7	1,644.8	60.0	64.2	47.2	51.9	50.7	76.3
Zellstoff Pöls AG	412.7	392.5	55.6	44.3	18.2	12.0	55.9	46.1
Laakirchen Papier AG	352.3	291.8	-7.3	47.5	-22.3	35.2	-16.9	20.7
AS Estonian Cell	79.3	75.8	-0.5	-13.4	-7.8	-21.0	-6.1	2.4
Raubling Papier GmbH	25.9	98.0	-15.3	-8.6	-22.3	-26.6	-21.6	-6.6
INDUSTRY	848.6	858.1	32.5	69.7	-34.3	-0.4	11.3	62.7

¹ Taking consolidation effects into account

Wilfried Heinzl AG

Wilfried Heinzl AG and its foreign subsidiaries (heinzl-sales) reported a decline in sales volumes from 2,504,326 metric tons in 2023 to 2,407,284 metric tons in 2024. This drop is attributable to the loss of volumes from the

group's site in Raubling as well as lower volumes sourced from external suppliers. As a result, only 49% of the volumes sold in 2024 originated from the group's own facilities, after this share having been 52% in 2023. Of the products sold, around 44% was accounted for by pack-

aging papers, 42% by pulp, 13% by graphic papers, and 1% by other products. With regard to the agency business of heinzelsales, the key markets were Italy, Germany and France, where around 57% of the volumes were sold. In the trading business, the highest volumes sold were in India, the United Arab Emirates, and China. As a consequence of lower market prices for packaging papers and graphic papers, as well as lower volumes, net sales fell from EUR 861 million to EUR 836 million. Despite this, heinzelsales was able to boost EBITDA in 2024 to EUR 26.2 million following EUR 25.5 million in the prior period.

The working capital of heinzelsales at the end of the year, amounting to EUR 81.8 million, was lower than a year earlier. The operating cash flow in the year 2024 amounted to EUR 23.1 million. As a result, the net cash position of the company grew from around EUR 31.2 million to EUR 41.3 million.

Europapier Group

The volume of paper sold by Europapier Group in 2024 rose to 470,900 metric tons and was consequently 39,000 metric tons higher than in the prior period. The targeted diversification strategy proved to be a major success factor here, contributing to stable earnings despite continuing pressure on margins in the paper segment. Average paper prices were approximately EUR 120 per metric ton lower than in the prior year, thereby impacting earnings in this segment. The Visual Communication and Hygiene segments continue to develop well and made a significant contribution to overall earnings. An additional positive effect was the acquisition concluded in May of Micro ASU in Bulgaria which, in turn, is supporting growth in the area of visual communication. Besides the paper business, the packaging segment, particularly industrial packaging, was affected by the weak economic environment. Despite this, the diversification segments still contributed 19% to overall sales. In total, Europapier Group generated net sales of EUR 636.5 million in 2024, representing a decline of EUR 5.5 million compared to the prior year. EBITDA amounted to EUR 27.4 million and was therefore EUR 5.1 million lower year on year. Working capital rose by EUR 6.6 million compared to the prior year, largely due to changes in inventory. Cash flow from operating activities amounted to EUR 18.0 million. Europapier Group held net cash of EUR 23.3 million as at December 31, 2024.

Europapier Group forged ahead with its diversification strategy in 2024 through a range of targeted investments. As mentioned above, Micro ASU (Bulgaria) was acquired

in the area of Visual Communication and the acquisition of ZET in Slovakia further expanded the Hygiene segment. A total of EUR 6.6 million was invested in these projects. Europapier Deutschland GmbH was also founded in order to boost the paper business and establish a stronger market presence in Germany.

Europapier Group holds two equity investments in Russia with a total of around 200 personnel. These subsidiaries independently operate a paper wholesaling business in the Russian market and generated net sales of around EUR 117.5 million in 2024. Europapier International AG, as the parent company within Europapier Group, continues to exert a controlling influence and monitors compliance with all relevant sanctions. To date there have been no breaches of any sanctions.

Bunzl & Biach

Bunzl & Biach Group sold recovered paper with a volume of 981,676 metric tons in 2024, representing a decline of approximately 116,000 metric tons compared to the prior year. This development is primarily attributable to the discontinuation of paper production in Raubling in May 2024 and the shutdown of PM11 in Laakirchen in November 2024 due to the conversion project. It was however possible to largely offset this volume-based decline due to significantly higher recovered paper prices. Driven by high demand and limited availability, the prices of recovered paper rose during 2024 compared to the outset of the year. The net average prices achieved by Bunzl & Biach across the entire portfolio rose from EUR 121 per metric ton in 2023 to EUR 166 per metric ton in 2024. Due to the higher prices and despite declining volumes, net sales rose to approximately EUR 168 million (prior year: EUR 142 million). EBITDA amounted to EUR 5.4 million and was therefore EUR 0.7 million lower year on year. This is primarily accounted for by higher personnel and operating costs.

The decline in working capital to EUR 2.0 million led to a sharp increase in cash flow from operating activities of EUR 9.7 million. As a result, the balance of net cash rose by EUR 6.4 million compared to the prior year to EUR 12.9 million.

Zellstoff Pöls

In May 2024, the Zellstoff Pöls subgroup successfully began production at its new subsidiary Starkraft Steyrermühl GmbH following the conversion of PM6. During the start-up phase, it was decided to base the product portfolio on bleached and unbleached pulp for the manufacture of

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kraft papers of the grades kraft white strong (KWS), kraft white opaque (KWO), and kraft brown (KN) with higher grammages. The new PM6 in Steyrermühl contributed here, with a production volume of 59,672 metric tons, to the overall production volume of 239,858 metric tons. Combined, PM2 and PM3 manufactured a total of 181,198 metric tons, which was approximately 14,000 metric tons more than in the prior year. Zellstoff Pöls manufactured a total of 471,458 metric tons of pulp in 2024, around 22,000 metric tons more than in the preceding period. This represents the highest ever annual volume and reflects the optimized utilization of on-site plant.

A volume of 153,619 metric tons of pulp were processed by the site's own PM2 and PM3, with a further 59,672 metric tons being supplied to PM6 in Steyrermühl. Given the higher supplies of pulp processed on PM2 and PM3 as well as the commissioning of PM6, the quantity of pulp sold on the market fell to 50,096 metric tons. The average pulp price at Zellstoff Pöls in 2024 was EUR 671 per metric ton and therefore around EUR 38 higher than in the preceding year. The average price of paper manufactured on PM2 and PM3, at EUR 1,010 per metric ton, was approximately EUR 70 per metric ton below that in the prior year. Due to the start-up phase on PM6, net sales, at EUR 832 per metric ton, were lower than forecast. Having obtained the food-grade certificate in early October 2024, a step-by-step stabilization of order levels and an upward revision of prices were initiated.

While timber supplies stabilized, timber prices in 2024 were an average of EUR 12 per cubic meter lower than those in the preceding period. The additional shipments from the Steyrermühl sawmill helped to reduce existing bottlenecks and further improve security of supply.

The net sales of the Pöls subgroup in 2024 amounted to EUR 413.0 million in 2024 and consequently EUR 20.0 million higher than in the prior year. This increase is attributable to high pulp sales prices and additional volumes processed.

EBITDA of this subgroup amounted to EUR 55.6 million and therefore EUR 11.0 million higher year on year. The Pöls site contributed EUR 77.1 million to group earnings, of which EUR 55.6 million are accounted for by the pulp segment and EUR 21.5 million kraft papers. Given the fixed costs not being covered until May and the start-up costs, PM6 generated negative EBITDA of EUR -22.0 million over the year.

The working capital of the Pöls subgroup remained on a par with the prior period. The cash flow from operating activities generated therefore amounted to EUR 55.9 million. At a level of approximately EUR 60.0 million, investments during 2024 largely related to the conversion of PM6 in Steyrermühl. Net debt at December 31, 2024 rose to EUR 77.3 million.

Laakirchen Papier

The Laakirchen subgroup focused on the integration of the recently acquired UPM Kymmene Austria in 2024. Besides Laakirchen Papier AG, the Laakirchen subgroup includes Heinzl Steyrermühl GmbH, Steyrermühl SägewerksgesmbH NfG KG, Heinzl Steyrermühl Energie GmbH, and Heinzl Steyrermühl Beteiligungs GmbH. The net sales of the Laakirchen subgroup in 2024 amounted to EUR 352.3 million and consequently EUR 61 million higher than in the prior year due to the integration of new subsidiaries. The EBITDA of this subgroup amounted to a negative EUR -7.3 million. In addition to the negative earnings of Laakirchen Papier, the sawmill in particular suffered in the weak economic environment. There were also unrecovered fixed costs associated with the start-up phase on PM6 and a lower level of efficiency related to energy production at the Steyrermühl site. Cash flow from operating activities during 2024 was negative at EUR -16.9 million. Investments over the course of the year amounted to EUR 44.1 million and primarily related to preparation work associated with the conversion of PM11 which started in December. Net debt at December 31, 2024 rose to EUR 39.3 million.

In the 2024 financial year, Laakirchen Papier manufactured a total of 451,459 metric tons of containerboard on PM10 and 189,246 metric tons of graphic papers on PM11. On November 25, 2024, the last tambour manufactured on PM11 signaled the ultimate end of graphic paper production. PM11 is being converted to manufacture containerboard in future.

Higher demand for containerboard in Europe led to an increase in volume of around 43,000 metric tons manufactured on PM10 compared to the prior year. While prices were falling in the first half of the year, they gradually recovered over the remainder of the period, meaning that the average price in 2024 was around the level seen in 2023.

The positive development of the market was completely eroded by the sharp increase in recovered paper prices and higher energy costs, all of which largely eliminated the

margins here. The average price of recovered paper for containerboard in 2024 amounted to EUR 158 per metric ton and rose by EUR 37 per metric ton from the start of the year. A peak was reached in August at EUR 192 per metric ton. For SC papers, the average price was EUR 210 per metric ton, an increase of EUR 47 per metric ton, with a peak being reached in September of EUR 245 per metric ton.

The persistently weak construction sector in Germany and Austria during 2024 led to a marked decline in demand at the sawmill. Net sales declined as a result of the lower volumes sold and falling sales prices. In addition, rising fixed costs and higher maintenance costs also had a negative impact on earnings.

AS Estonian Cell

Estonian Cell manufactured approximately 167,000 metric tons of pulp in 2024, representing a volume around 31,000 metric tons higher than in the preceding year despite a production shutdown in September due to market conditions and high electricity costs. The rise in demand for short-fiber pulp in early 2024 tailed off markedly from the second quarter, particularly in Asia. Some of the volume was sold by means of spot deals to new overseas customers and to meet demand in the European printing and writing market as it recovered marginally. Overall, around 61% of the volumes sold related to European customers, with the remaining 39% being shipped to overseas markets.

The average net sales prices in 2024 stood at EUR 482 per metric ton and were therefore EUR 3.5 per metric ton below those in the prior year. Due to the higher volume sold, net sales rose by EUR 3.5 million to a total of EUR 79.3 million.

The more favorable cost structure and higher capacity utilization levels contributed to a significant improvement in earnings compared to 2023. The EBITDA in 2024 amounted to EUR -0.5 million, following EUR -13.4 million in 2023.

Compared to the beginning of the year, working capital rose by EUR 5.1 million, primarily due to higher inventory levels of finished goods. Cash flow from operating activities was consequently negative at EUR -6.1 million. Net debt rose from EUR 13.8 million to EUR 22.2 million.

Raubling Papier

Due to the weak demand for containerboard and the high energy prices at the Raubling site, Heinzl Group decided to close this facility in the first half of 2024. The last roll of paper was manufactured in the mill on May 8, 2024. Prior to this, a settlement had been reached with the works' council on the basis of which all employees were made redundant on June 30. A severance scheme was agreed on July 10, 2024, EUR 2.4 million of which was recognized in income in the second half of the year.

Efforts to monetize the plant and equipment began in July. Both paper machines were sold in December for around EUR 9.5 million, with the associated prepayment of EUR 3.6 million being received in January 2025. EBITDA of the discontinued operation in Raubling amounted to EUR -15.3 million in 2024.

As a result of decommissioning both paper machines, Raubling Papier and Heizkraftwerk Bauernfeind are presented are presented in the 2024 consolidated annual results of Heinzl Group as a discontinued operation retrospectively from January 1, 2024. This impacts all income statement positions at the group level but has no influence on the balance sheet or the cash flow statement. The presentation of the individual results continues to take into account the consolidation effects of Raubling, with these factors being subsequently eliminated at the group level. The comparative values in prior years in the notes have already been restated accordingly.

Research and development

The research and development activities of Heinzl Group focus on three areas: developing customer-specific solutions, optimizing the use of resources, and basic research. Heinzl Group also invests in a Climate & Industry Opportunity fund offered by Speedinvest, which helps start-ups reduce the CO₂ emissions of European industries and drive digitalization at industrial companies. The aim of this investment is to generate new ideas and solutions for Heinzl Group.

Customer orientation

Heinzl Group endeavors to satisfy all customer requirements by means of its products. In 2024, Laakirchen Papier focused on the development of new specifications for high-performance fluting and Testliner 2. PM10, converted in 2017 to produce the main grades of wave fluting and

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Liner3 testliner has been fine-tuned to these products in the course of several trial runs. High performance fluting with a grammage range between 110 and 140 g/m² is currently being manufactured regularly. A customer certification of Testliner 2 was successfully concluded.

After completing the conversion of the paper machine and successfully commissioning PM6 at Starkraft Steyrermühl in May 2024, the focus was on the development of four paper grades with grammages ranging between 30 g/m² and 110 g/m². Parallel to this, technical trials were successfully conducted based on the use of BCTMP pulp instead of chemical short-fiber pulp. A key area of development on PM6 at Steyrermühl was optimizing the tensile strength in order to specifically improve the mechanical properties of the new paper grades. This entailed undertaking various steps, including changes to the milling process, the optimized use of chemical excipients, and fine-tuning with regard to machine settings.

Resource efficiency

Replacing fossil fuels with renewable alternatives was also a key focus of development work in 2024 and will continue to play a central role due to the global environment. Tests with various renewable energy sources clarified both their potential and well as their technical and commercial limitations. In the context of efficiently using byproducts and waste products, it is particularly worth highlighting the use of the waste product sequisulfate as make-up chemicals derived from manufacturing bleaching agents in Pöls. This innovation makes it possible to completely eliminate the purchasing of granulated sulfur and cut production costs. At the same time, eliminating sulfur inputs and storage also not only improves occupational safety but also significantly reduces the risk of fire.

The refiner on the long-fiber production line was tested based on RCF long-fiber pulp as part of product development work in 2024. During the conversion of PM10 in Laakirchen, the pulp refiners remained in part but have not as yet been used with OOC pulp. The first pilot phase results with pulp were promising but did not yield the desired increase in tensile strength after the sheet formation and application of starch. Development work is continuing with optimized paper grades in 2025.

Basic research

Several important projects to further develop pulp manufacturing processes were pursued in Pöls in 2024 working closely together with national industrial and research partners. These included the planned use of green liquor

dregs, the implementation of which is scheduled to start in 2025. A further central issue is the separation and exploitation of CO₂ from organic sources during the pulping process. This CO₂ offers diverse application options and has the potential to make a significant contribution to the value chain. Various technical, commercial and logistical factors need to be closely analyzed before any possible implementation. The above research activities underline Heinzl Group's commitment to sustainable innovations and further developing the industry.

Laakirchen Papier is engaging in the further development of decarbonization measures. The submitted DEEP (Decarbonized Energy Efficiency Program) project aims to investigate the use of waste heat from PM10 to generate steam by means of high-temperature heat pumps. Parallel to this, the Biogas4Industry project is evaluating the additional potential of biogas at the Laakirchen site. Both projects aim to evaluate and pave the way for future decarbonization steps.

Environmental protection

Heinzl Group assigns priority to minimizing negative environmental impacts at all its production sites, which is why it ensures strict compliance with all statutory regulations on protecting air and water quality, as well as avoiding unpleasant odors and noise pollution. In addition, volumes of residual products which cannot be processed any further are being continuously reduced.

CO₂ emissions

Heinzl Group has set itself the target of being net zero by 2050 at the latest, with the group's CO₂ emissions to be reduced by 42% by 2030, in accordance with the validated science-based targets, on its way to achieving this goal. One of the projects here was the commissioning of the new anaerobic wastewater treatment plant in Laakirchen in 2024 which reduces the use of fossil-based natural gas. Furthermore, the group will be investing in material-fired boilers and other technical installations in order to significantly reduce fossil-based CO₂ exchange in combination with energy efficiency projects.

Raw materials and energy

The use of raw materials, water, chemicals and energy is being constantly reduced at Heinzl Group sites by means of continuously optimizing production processes. The sustainable use of all necessary resources is aimed

at achieving optimal value added. Laakirchen Papier is intensively involved in the Ellipse project ongoing until 2027, a project which focuses on the enzymatic treatment of residual materials from pulp processing. The aim here is to produce biopolymers and further optimize the use of existing resources.

Water and airborne emissions

The anaerobic plant in Laakirchen has been able to both improve wastewater treatment and increase the capacity of biogas production. At the same time, this facility has also been prepared to process the wastewater from PM11 which will be commissioned in April 2025 after its conversion.

In environmental terms, the focus in 2024 was on the conversion of Paper Machine 6 and the associated challenges related to operating the wastewater treatment plant in Steyrermühl. During the conversion work, the significantly reduced volumes of wastewater and the special requirements in terms of biological cleaning phases were primarily relevant, particularly during the winter months. The step-by-step commissioning of PM6 stabilized the volumes and composition of the wastewater such that the treatment plant was again operating normally towards the end of the year without any limits being exceeded.

Zellstoff Pöls, on the other hand, has invested in modern filtering technologies and process optimizations related to boiler operation to sustainably reduce dust emissions. Emission levels are under the applicable limits and contribute to further improving air quality.

Environmental management

The quality control system deployed at Heinzl Group production sites has been certified according to ISO 9001 and the environmental management system complies with ISO 14001. Furthermore, all of the production sites as well as the trading companies have been certified according to the PEFC (Programme for the Endorsement of Forest Certification Schemes) and FSC® (Forest Stewardship Council) schemes.

Employees

At its sites and trading offices, Heinzl Group employs a total of 2,908 personnel, including around 281 employees who joined the group due to the acquisition of UPM Kymmene Austria GmbH and its subsidiaries with effect from January 1, 2024. The workforce has played a major

contributory role in safeguarding the group's success in recent years. Strategic projects aimed at achieving further growth and sustainable developments are being vigorously pursued by relying on a combination of high commitment levels and entrepreneurial mindsets.

Denison Culture Survey 2024: strengths and development potential

In 2024, Heinzl Group conducted a cultural survey based on the Denison Model in order to systematically analyze perceptions of its corporate culture from employees' points of view. The findings highlight clear strengths related to its mission: a common vision and clearly defined goals provide orientation and boost commitment within the organization. The consistency of the corporate culture, particularly in terms of the congruence between central values and processes, was found to be positive and highlights a stable basis for collaboration.

The survey however also revealed key areas for development. For example, employee inclusion, particularly related to developing skills and cross-departmental collaboration, were considered areas for future improvement. There is also room for improvement in terms of more firmly establishing the corporate values in decision-making processes in order to further increase cultural coherence. The Denison survey provides Heinzl Group with a sound basis for further developing its corporate culture. Projects planned in this area will be focusing on promoting skills, intensifying cross-departmental collaboration, and efforts to align action and corporate values. This will establish a solid foundation at Heinzl Group for sustainable growth and long-term success.

Occupational health and safety

With the clear goal of avoiding all forms of work-related accidents, Heinzl Group constantly invests in safety technology and fire protection measures as well as regularly training employees in the area of safety and raising awareness to minimize the risk of accidents.

Near misses and work-related accidents are reviewed and discussed with Group Management at Heinzl Group on a monthly basis. The main focus of these discussions is on further steps to avoid accidents.

Despite making use of duty rosters that reflect scientific findings on healthy working practices, rotating shifts and night shifts have a negative effect on the human body. In order to keep physical and mental stress as low as possible, Heinzl Group offers a variety of health-related

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programs at its sites, focusing on exercise and nutrition, which are developed in close consultation with company physicians.

Occupational health and safety	2024	2023	2022
Workplace accidents without lost days (LDA0)	43	23	20
Workplace accidents with 1-3 lost days (LDA1)	11	5	4
Workplace accidents with more than 3 lost days (LDA2)	32	33	34
Lost days due to LDA1 or LDA2	657	681	705
Fatal accidents	0	0	1

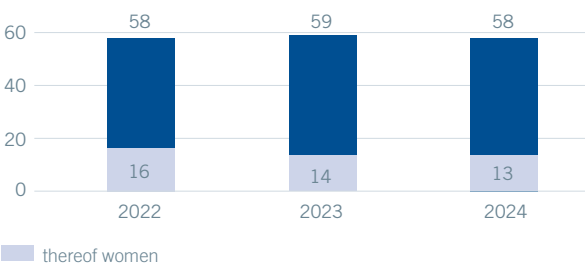
Education and training

Having modern mills and excellent customer service also requires having highly qualified employees. A key success factor in ensuring that this is the case is the ability to identify talented individuals, train and develop them properly, and keep them loyal to the company for a long period of time.

Building on the findings of the Denison Culture Survey 2024, the Group Development Program (GDP) was initiated in order to focus on areas of development and prepare managers to deal with future challenges. This program addresses first and second level managers and pursues the goal of strengthening identification with the group, further developing the corporate culture, and enhancing future-oriented skills, particularly in the areas of sustainability and artificial intelligence. The GDP is being supplemented by practice-focused projects which combine theory and application. With around 85 participants, this program is laying the foundations for strong leadership and the sustainable development of the organization in future.

Targeted training of up-and-coming managers also remains an important element of the personnel strategy. In 2024, Heinzl Group had 66 trainees and apprentices in various vocations. Skilled workers have the opportunity to gain qualifications in different areas, enabling them to be flexibly deployed in a wide variety of positions at a single site. In addition, trainees are also being developed in the areas of trading activities and IT in order to take on sales and expert positions in future. Specialist and leadership development programs aim to promote young talents and further develop management skills at all leadership levels.

Number of apprentices



Age, gender and nationality diversity

Heinzl Group employs people from a wide range of cultures, with different backgrounds, talents, and personalities, all with the aim of reflecting the internationality and diversity of its customers. Heinzl Group attaches a great deal of importance to the gender and age structure of teams. Important aspects here are achieving the right work-life balance by offering solutions such as part-time work and working from home, as well as semi-retirement options.

	2024	2023	2022
Employees (average FTE)	2,908	2,540	2,447
thereof women	818	738	689
Part-time employees	167	98	95
Average length of service in years (weighted)	11.1	10.6	10.9
Fluctuation in % *	13.6	9.8	6.3

* Excluding Raubling and intra-group transfers

Employee representation

Heinzl Group is committed to protecting employee rights and maintaining a respectful and regular dialog with employee representatives. Employees’ interests in Austria are represented by 16 works councilors. They are all in close contact with the respective site and HR managers. At group level, there is also a quarterly exchange between members of the works councils and Group Management.

Risk management

Heinzl Group generally defines a risk as an imminent deviation from corporate goals. All Heinzl Group companies prepare a risk matrix to identify and assess opportunities and risks; this is updated annually and presented to the Audit Committee of the Supervisory Board. The companies’ different areas of activity and the

resulting variety of risk factors mean that risk is spread at the group level. In addition, the high degree of vertical integration reduces vulnerability to external influences. The group’s risk policy is generally characterized by a conservative approach. Considerable importance is attached to avoiding and mitigating risk, something which is achieved, as far as is economically justifiable, by means of appropriate action and supplemented by the group’s insurance program.

Market risks

Market risks may result, in particular, from general economic developments as well as the political and regulatory environment in the relevant sales markets. The pulp and paper markets are also characterized by fierce competition. A major uncontrollable risk is consequently posed by price fluctuations relating to the products sold, which are also subject to exchange rate volatility. A sound liquidity position can adequately cushion such risks.

Procurement risks

On the procurement side, Heinzl Group’s production companies depend on the supply of raw materials, predominantly wood and recovered paper, as well as energy and chemicals. The group proactively counters other procurement risks by using professional purchasing organizations, which continuously monitor the market and look for new potential suppliers. Heinzl Group also operates as a single entity in the market for certain purchasing processes in order to optimize costs. As the potential loss of a major supplier represents a high risk in the trading business, constant efforts are also undertaken to avoid a concentration of suppliers.

Operational risks

The group’s production sites face a risk of equipment failure, something which is accounted for by a comprehensive insurance program that covers the entire Heinzl Group. Production facilities and processes are state-of-the-art and subject to systematic further development. In addition, annual risk audits are conducted together with the group’s insurance company. Risks are identified and appropriate countermeasures taken as part of these audits.

Geopolitical risks

Risks can also arise due to geopolitical conflicts and uncertainty related to international trade disputes resulting in sales markets being lost and supply chains disrupted. Since the start of the Ukraine War, Heinzl Group has been closely monitoring developments in Russia and its

Europapier business in this market. The risks at heinzl-sales associated with the war in the Middle East and the discussion of customs tariffs in the USA are also regularly evaluated.

Acquisition risks

In addition to organic growth, selected acquisitions also frequently support Heinzl Group in the implementation of its growth strategy. The challenges associated with such acquisitions are to successfully integrate the companies acquired in order to achieve strategic goals and tap synergies.

Sustainability risks

In the course of the ESRS materiality analysis for the CSRD reporting purposes, the impacts of material sustainability matters such as climate change, circular economy, workforce, and business practices were systematically analyzed. This analysis was performed on the basis of double materiality taking into account both financial and impact factors. A key focus lay on climate change and reducing CO₂ emissions such as by means of switching to renewable energy sources, increasing energy efficiency, and greater reliance on biomass to generate energy. At the same time, the analysis also considered risks such as rising CO₂ costs, stricter regulatory requirements, and physical climate risks, particularly water scarcity and changes in the availability of commodities. In 2025, Heinzl Group will further intensify its focus on sustainability risks and climate risks and complete its evaluation of climate and scenario risks.

Credit risks

In international trade, the political risk in some countries and, above all, the credit risk of business partners, are monitored continuously and managed by means of credit insurance, internal credit limits, and standardized approval processes.

Personnel risks

The loss of important employees in key positions and difficulties in filling positions may have a negative impact on the company’s success. The Group Development Program, and apprenticeship and training programs counter these risks and promote long-term company affiliation.

IT risks

Given rising levels of cybercrime, the focus is not only on continually improving the technical protection of IT and operational technologies (production-related systems) but also on specifically raising the users’ risk awareness.

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Heinzel Group is preparing itself for the implementation of the EU directive on network and information security (NIS2) which is scheduled to be implemented in Austrian law in 2025. The information security management system (ISMS) is also being further developed and the insourcing of the CISO function in 2024 also focused on this aspect of cyber and information security.

Financial risks

Heinzel Group's financial risks comprise foreign exchange, interest rate, and liquidity risks. In order to reduce the latter to a minimum, the group works with banks possessing good credit ratings in both the investment and borrowing areas, and ensures sufficient access to credit lines. Foreign exchange and interest rate risks are continually monitored and either limited or mitigated by means of appropriate hedging measures. In this regard, the group focuses initially on netting receivables and payables, and forward exchange and exchange rate swap transactions to hedge the remaining exposures. In addition, financial derivatives are also used to hedge gas prices when it is not possible to secure future gas deliveries at fixed prices in advance. More detailed information on this issue is provided in the notes to the consolidated financial statements.

At present, Heinzl Group is aware of no immediate risks which could threaten the continued existence of the group.

Outlook

According to the OECD Economic Outlook, the global economy is forecast to grow by 3.3% in 2025. This growth will be underpinned by a stabilization of inflation and easing of monetary policies. Global trade volumes are expected to increase by 3.6% despite major risks of a downturn due to protectionism and geopolitical tension remaining. GDP in the eurozone is forecast to grow by a modest 1.3%. Stressed employment markets and rising incomes in real terms could support private sector consumption with less restrictive monetary policies also contributing. On the downside, weak demand for exports, particularly from China, and structural challenges such as a lack of qualified personnel and slow digitalization may hamper growth. The OECD expects the USA to grow by 2.8%, driven by stable consumer spending and higher productivity due to technological innovations, particularly related to artificial intelligence. Bolstered by state investment in key technologies, the Chinese economy is

forecast to grow by 4.7%. High levels of saving and the ongoing weakness of the real estate sector are however seen as downside factors. India, with a forecast GDP growth rate of 6.5%, is predicted to remain the global growth driver. This country's development relies on a young, well-educated population and major investments in infrastructure and digitalization.

The product volumes manufactured by Heinzl Group in 2025 will continue to be dependent on economic development in Europe and associated demand levels. In the pulp sector, the forecast is for stable demand and a recovery in terms of prices that had fallen at the end of 2024. A certain recovery in terms of containerboard prices is also expected, with this however being heavily dependent on new production capacity coming online in Europe. In the kraft paper segment, the assumption is that there will be stable prices, with the extended production portfolio, especially due to additional volumes from PM6, boosting the group's position in the market.

Key focus areas for Heinzl Group in 2025 will be on the areas of production, cost management, and energy supplies. Conversion work is continuing on track on PM11 in Laakirchen, with this machine expected to go online in April. Work is also ongoing in Steyermühl to commission and optimize PM6. In terms of costs, carefully focused steps are being taken to tap efficiency improvements and optimize structures. With regard to energy, efforts continue to develop sustainable solutions for the Laakirchen and Estonian sites in order to safeguard energy supplies in the long term and deploy renewable alternatives. Establishing sustainability in all areas of business remains a central element of the corporate strategy.

heinzelsales expects there to be higher levels of availability in terms of volumes sourced from third-party suppliers, which in turn should lead to higher volumes sold in 2025. While the price level of pulp in overseas markets is forecast to be moderate, price increases are expected in the packaging segment. Europapier aims to stabilize the Paper & Packaging segment at the level seen in 2024 by expanding in Germany and as a result of a project in the Baltic region. The aim is to continue forging ahead with the growth strategy in the diversification segments Hygiene, Visual Communication and Packaging Solutions in 2025.

Prices in the recovered paper segment are expected to fall slightly from 2024 levels. A remaining challenge is selling the deinked volumes manufactured on PM11 and

supplying the volumes of brown fibers to Laakirchen in a timely manner after the quarter-long shutdown and start-up phase of the converted paper machine. Zellstoff Pöls expects stable timber prices in 2025 at the level seen in 2024. The supply-side situation however remains tense. Moderate forward prices for energy in Austria and Germany are forecast for 2025. While the weak economic environment is having a braking effect, rising grid charges, higher CO₂ costs, and growing demand for power as a result of electrification and digitalization may lead to a stabilization or slight increase in prices compared to 2024.

Heinzel Group plans to invest around EUR 80 million at its sites in 2025. The largest single investments relate to the conversion of PM11 in Laakirchen and the extended portfolio manufactured on PM2 in Pöls.

Vorchdorf, March 12, 2025

Sebastian Heinzel

Karl Achleitner

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Consolidated Balance Sheet
as of December 31, 2024

IFRS

IN EUR K	NOTE	31.12.2024	31.12.2023
ASSETS			
Intangible assets	5.1	34,756	34,074
Right-of-use assets	5.2	49,984	42,672
Tangible assets	5.3	750,493	658,719
Shares in associated companies	2.4	3,502	3,178
Financial assets and financial investments	7.3	64,632	68,337
Deferred tax assets	4.2	7,592	4,750
Non-current assets		910,958	811,731
Inventories	6.1	251,218	199,219
Trade receivables	6.2	332,971	363,134
Current tax receivables		10,075	20,366
Other current receivables	11.1	46,980	54,597
Other current financial assets	7.2	8,462	17,725
Cash and cash equivalents		145,176	238,375
Current assets		794,882	893,415
TOTAL ASSETS		1,705,840	1,705,146
LIABILITIES AND EQUITY			
Share capital	9.1	3,635	3,635
Capital reserves	9.2	26,123	26,123
Other reserves	9.3	29,471	28,917
Retained earnings	9.4	894,673	909,156
Equity attributable to shareholders of the company		953,903	967,831
Non-controlling interests	2.5, 9.5	15,229	15,365
Total equity	9	969,131	983,195
Non-current financial liabilities	7.1	190,701	210,138
Post-employment benefit obligations	10.1	73,498	44,428
Other non-current liabilities	11.1	9,486	8,778
Deferred tax liabilities	4.2	8,152	7,599
Non-current provisions and liabilities		281,837	270,943
Current financial liabilities	7.1	47,437	44,138
Tax liabilities		6,730	14,510
Trade accounts payable	6.3	321,589	302,681
Contract liability		3,982	4,369
Other current liabilities and deferred income	11.3	70,419	78,671
Current provisions	10.2	4,716	6,639
Current provisions and liabilities		454,872	451,007
Total provisions and liabilities		736,709	721,950
TOTAL LIABILITIES AND EQUITY		1,705,840	1,705,146

Consolidated Income Statement 2024

IFRS

IN EUR K	NOTE	2024	2023
Revenues		2,280,301	2,223,790
Transport services		-115,858	-106,887
Net sales	3.2	2,164,443	2,116,903
Changes in inventories	3.3	11,694	-18,984
Own work capitalized	3.3	3,766	1,945
Other operating income	3.4	24,393	21,408
Cost of material and services	3.5	-1,801,154	-1,746,262
Personnel expenses	3.6	-196,682	-158,250
Scheduled depreciation and amortization	5	-72,946	-64,739
Other operating expenses	3.7	-104,767	-91,604
Share of profit of associated companies	2.4	255	-17
Operating result (EBIT)		29,001	60,399
Financing income		7,372	10,638
Financing expenses		-20,694	-21,116
Financial result	3.8	-13,321	-10,478
Earnings before tax (EBT)		15,680	49,921
Income taxes	4.1	-7,810	-11,468
Net profit for the year from continuing operations		7,870	38,453
Net profit for the year from discontinued operation	3.1	-17,476	-37,502
Net profit for the year		-9,605	951
Attributable to the shareholders of the company		-9,477	1,218
Attributable to non-controlling interests		-128	-267
		-9,605	951

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Consolidated Statement of Comprehensive Income 2024

IFRS

IN EUR K	NOTE	2024	2023
Net profit for the year		951	164,744
Items of other comprehensive income which may be subsequently recycled to profit and loss			
Hedging transactions		-144	-339
Currency translation differences		-533	-3,939
Deferred taxes		33	59
		-644	-4,219
Items of other comprehensive income which will not be subsequently recycled to profit and loss			
Remeasurement of post-employment benefit obligations		1,939	-4,425
Deferred taxes		-741	875
		1,198	-3,550
Other comprehensive income	3.9	554	-7,769
Total comprehensive income		-9,051	-6,818
Attributable to the shareholders of the company			
		-8,923	-6,559
Attributable to non-controlling interests			
		-128	-259
		-9,051	-6,818

Consolidated Cash flow Statement 2024

IFRS

IN EUR K	NOTE	2024	2023
Operating activities			
Operating result (EBIT)		6,671	33,784
Depreciation and amortization	5	74,820	68,723
Impairment	5	5,139	14,007
Changes in net working capital			
Changes in inventories	6.1	-39,638	57,351
Changes in trade receivables	6.2	62,386	31,542
Changes in trade accounts payable	6.3	-7,572	-34,309
Changes in other receivables and liabilities		1,253	7,301
Changes in personnel provisions		-9,808	742
Dividends received		1,046	470
Income taxes paid		-3,264	-30,607
Interest paid		-14,575	-8,894
Interest received		4,221	2,980
Other non-cash items		-11,352	-8,055
Cash flow from operating activities		69,328	135,034
Investing activities			
Payments for company purchases, less acquired cash and asset deals		-15,247	-4,240
Inflows from financial assets		11,217	0
Investment in tangible assets		-107,776	-137,110
Investment in intangible assets		-5,948	-3,500
Acquisition of other investments		-4,766	-500
Income from the sale of tangible assets and intangible assets		830	804
Cash flow from investing activities		-121,690	-144,546
Financing activities			
Dividends paid		-5,000	-16,299
Dividends paid to non-controlling interests		-2,156	-2,270
Borrowing of non-current financial liabilities	7.1	1,583	170,612
Borrowing of current financial liabilities	7.1	4,331	8,035
Repayment of current financial liabilities	7.1	-39,179	-51,775
Cash flow from financing activities		-40,421	108,303
Increase/decrease in cash and cash equivalents		21,201	-42,860
Cash and cash equivalents at the beginning of the year		238,375	142,324
Effect from currency translation differences		-417	-2,741
Increase/decrease in cash and cash equivalents		-92,783	98,792
Cash and cash equivalents at the end of the year		145,176	238,375

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Consolidated Statement of Changes in Equity

IFRS

IN EUR K	Share capital	Capital reserves	Other reserves	Retained earnings	Equity attributable to shareholders of the company	Non-controlling interests	Total equity
Balance as of December 31, 2022	3,635	26,123	36,694	924,258	990,710	16,894	1,007,604
Net profit for the year	0	0	0	1,218	1,218	-267	951
Currency translation differences	0	0	-3,994	0	-3,994	55	-3,939
Hedging transactions	0	0	-280	0	-280	0	-280
Remeasurement of post-employment benefit obligations	0	0	-3,503	0	-3,503	-47	-3,550
Total comprehensive income for the period	0	0	-7,777	1,218	-6,559	-259	-6,818
Addition from acquisition of companies	0	0	0	-22	-22		-22
Dividend payments	0	0	0	-16,299	-16,299	-1,270	-17,569
Balance as of December 31, 2023	3,635	26,123	28,917	909,156	967,831	15,365	983,195
Net profit for the year	0	0	0	-9,477	-9,477	-128	-9,605
Currency translation differences	0	0	-522	0	-522	-11	-533
Hedging transactions	0	0	-111	0	-111	0	-111
Remeasurement of post-employment benefit obligations	0	0	1,187	0	1,187	11	1,198
Total comprehensive income for the period	0	0	554	-9,477	-8,923	-128	-9,051
Disposal from demerger	0	0	0	0	0	-7,315	-7,315
Addition from acquisition of companies	0	0	0	-6	-6	7,987	7,981
Dividend payments	0	0	0	-5,000	-5,000	-680	-5,680
Balance as of December 31, 2024	3,635	26,123	29,471	894,673	953,903	15,229	969,131

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NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS 2024

1. GENERAL

HEINZEL GROUP is engaged in the production of and trade with pulp, paper and board worldwide.

With its industrial locations Zellstoff Pöls (Austria), Laakirchen Papier (Austria) and Estonian Cell (Estonia), HEINZEL GROUP, which is united under the Heinzl Holding umbrella, is one of the main producers of market pulp and packaging paper in Central and Eastern Europe.

The Trading Business consists of heinzelsales, a globally operating trading company for pulp, paper and board, and Europapier International, the leading paper wholesale company in Central and Eastern Europe. In addition, Bunzl & Biach is the largest and most important recovered paper trading company in Austria and a leading wholesaler in Central and Eastern Europe.

The parent company (reporting company) of this group is Heinzl Holding GmbH, based in Austria, 4655 Vorchdorf, Einsiedlinger Straße 47, and is at the same time the ultimate parent company of HEINZEL GROUP.

The consolidated financial statements were prepared based on the going concern principle.

1.1. ACCOUNTING PRINCIPLES

These consolidated financial statements as of December 31, 2024 were prepared pursuant to Section 245a of the Austrian Commercial Code (UGB) in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretations Committee (IFRS IC), which were endorsed in the EU and required mandatory application as of the reporting date.

The reporting currency is the euro. Unless stated otherwise, all amounts are presented in thousands of euros (EUR k) and rounded for the purpose of clarity. Rounding differences may occur as a result of rounding individual items and percentages.

The principle of materiality was applied to the reporting and summary of individual items in the balance sheet, income statement, statement of other comprehensive income, cash flow statement, and the statement of changes in equity.

As in the 2023 reporting period, the reporting period for 2024 also comprises a full financial year of twelve months, beginning on January 1 and ending on December 31.

The consolidated financial statements as of December 31, 2024 were prepared on the basis of amortized cost, however, with the following exceptions:

- » Certain financial instruments are measured at fair value in accordance with IFRS 9.
- » Deferred taxes are calculated based on the concept of temporary differences and reevaluated at every closing date.
- » Defined benefit pension and severance payment plans are measured using the projected unit credit method.
- » Plan assets according to IAS 19 are measured at fair value.

- » Provisions are recognized based on the best possible estimates of the expenses required to meet the present obligations at the closing date, and reevaluated at each closing date.

The income statement is presented using the total cost method.

The indirect method was chosen for the presentation of the cash flow statement. Liquid funds correspond to cash in hand and cash at banks.

Further information regarding accounting and measurement methods are provided in section 13.

1.2. CONSOLIDATION PRINCIPLES

Scope of consolidation

The scope of consolidation is defined in accordance with the principles of IFRS 10 and consisted of 54 companies, including Heinzl Holding GmbH as the parent company, as of December 31, 2024 (31.12.2023: 49 companies) and 9 companies consolidated at equity (31.12.2023: 8 companies).

The scope of companies consolidated in the group developed as follows:

Development of the scope of consolidation	2024	2023
Number of companies at the beginning of the financial year	49	46
Initial consolidation	6	3
Mergers	-1	0
Deconsolidation	0	0
NUMBER OF COMPANIES AS OF 31.12. OF THE FINANCIAL YEAR	54	49

Initial consolidation in the 2023 financial year was related to Starkraft Steyrermühl GmbH, Europapier Hygiene Pro Team, d.o.o., Belgrade, Serbia, as well as Europapier DIPA Llc, Sesvete-Zagreb, Croatia.

In January 2023, Zellstoff Pöls AG paid EUR 35,000 of share capital into Starkraft Steyrermühl GmbH, which has consequently been a wholly-owned subsidiary since then.

The share purchase agreement was also signed in January 2023, making Europapier Hygiene Pro Team, d.o.o, Belgrade, Serbia, a wholly-owned subsidiary of Europapier Dunav Papir, Belgrade, Serbia.

Europapier DIPA was founded on February 10, 2023 and has been held as a wholly-owned subsidiary by Europapier Adria d.o.o., Sesvete-Zagreb, Croatia, since May 3, 2023 based on an asset deal.

In January 2024, Laakirchen Papier AG obtained control over the Steyrermühl companies. In 2024, Europapier Bulgaria EOOD, Sofia, Bulgaria, acquired 100% of Micro Asu EOOD, Sofia, Bulgaria. In September 2024, Europapier International AG acquired 100% of the shelf company Europapier Deutschland GmbH. In the current financial year, Omega Trading Laakirchen GmbH, Laakirchen, was merged with Bunzl & Biach Gesellschaft m.b.H., Vienna, Austria.

Details regarding these transactions are provided under note 2.1 Business combinations.

Due to its minor importance to the asset, financial and earnings position, both individually and overall, the subsidiary Mayr-Melnhof & Wilfried Heinzl Teheran Co., Teheran, was not included in the consolidated financial statements.

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The scope of consolidation of Heinzl Holding GmbH is described in detail under note 2. Group companies.

Currency translation within the group

The consolidated financial statements are prepared in euros, which is the reporting currency of HEINZEL GROUP.

Translation of international financial statements

The financial statements of international subsidiaries which use a functional currency other than the euro are translated in accordance with IAS 21 as follows:

Balance sheet items are translated at the respective mid-rate as of the closing date; the items of the statement of comprehensive income are translated using the mean exchange rates of the respective period.

Differences resulting from currency translation relating to equity are recognized in equity. In the event of loss of control of a foreign company, these accumulated currency differences are recognized through profit or loss (as part of the gain/loss from the disposal).

The following exchange rates were applied:

Exchange rates to EUR	31.12.2024	31.12.2023
BAM	1.9558	1.9558
BGN	1.9558	1.9558
CAD	1.4948	1.4642
CHF	0.9412	0.9260
CZK	25.1850	24.7240
HUF	411.3500	382.8000
MYR	4.6454	5.0775
PLN	4.2750	4.3395
RON	4.9743	4.9756
RUB	106.1028	99.1919
USD	1.0389	1.1050
RSD	117.0149	117.1737

The European Central Bank (ECB) has suspended the publication of its euro-ruble exchange rate since March 1, 2022. Therefore, Europapier Group examined the availability of officially quoted exchange rates from alternative sources in accordance with IAS 21.26 on December 31, 2022. Since Europapier Group changed money from rubles to euros based on the exchange rates of the Russian central bank in 2022, this source was also used for the translation of rubles to euros for the balance sheet date 2022. This approach was also applied in the 2023 and 2024 financial years.

Transactions in foreign currencies

Transactions in foreign currencies are translated into the functional currency at the exchanges rates on the transaction date. Gains and losses resulting from foreign currency valuation are recognized as profit or loss.

1.3. NEW AND AMENDED STANDARDS

The following amendments or new versions of standards and interpretations **were employed for the first time in the 2024 financial year:**

		Endorsement	Mandatory application for HEINZEL GROUP	Material impact on HEINZEL GROUP
AMENDED STANDARDS AND INTERPRETATIONS				
IAS 1	Non-current Liabilities with Covenants – Amendments to IAS 1	December 19, 2023	January 1, 2024	no
IAS 1	Classification of Liabilities as Current or Non-current - Amendments to IAS 1	December 19, 2023	January 1, 2024	no
IFRS 16	Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	November 20, 2023	January 1, 2024	no
IAS 7, IFRS 7	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	May 5, 2024	January 1, 2024	no

The group did not apply early any standards, interpretations or changes which have been published but not yet entered into force.

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Standards, interpretations and amendments to published standards which are not yet mandatory and were not applied early by the group:

		Endorsement	Mandatory application for HEINZEL GROUP	Material impact on HEINZEL GROUP
AMENDED STANDARDS AND INTERPRETATIONS				
IFRS 18	Presentation and Disclosure in Financial Statements	open	January 1, 2027	yes
IFRS 19	Subsidiaries without Public Accountability: Disclosures	open	January 1, 2027	no
IFRS 9, 7	Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity	open	January 1, 2026	no
IFRS 9, 7	Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments	open	January 1, 2026	no
Annual improvements	The amended Standards are:	open	January 1, 2026	no
	IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> - Hedge accounting by a first-time adopter	open	January 1, 2026	no
	IFRS 7 <i>Financial Instruments: Disclosures</i> : -) <i>Gain or loss on derecognition</i> -) <i>Disclosure of deferred difference between fair value and transaction price</i> -) <i>Introduction and credit risk disclosures</i>	open	January 1, 2026	no
	IFRS 9 <i>Financial Instruments</i> -) <i>Lessee derecognition of lease liabilities</i> -) <i>Transaction price</i>	open	January 1, 2026	no
	IFRS 10 <i>Consolidated Financial Statements</i> - Determination of a ‘de facto agent	open	January 1, 2026	no
	IAS 7 <i>Statement of Cash Flows</i> - Cost method	open	January 1, 2026	no
IAS 21	Lack of Exchangeability – Amendments to IAS 21	November 12, 2024	January 1, 2025	no

The group intends to apply these new and amended standards and interpretation from the date on which they enter into force. The new Minimum Taxation Act (“Mindestbesteuerungsgesetz“ – “MinBestG”) entered into force in Austria as of December 31, 2023. Domestic business units of multinational and purely domestic groups with consolidated revenues of more than MEUR 750 in at least two of the preceding four financial years fall within the scope of the Minimum Taxation Act for business years starting on or after December 31, 2023. Many other countries in which HEINZEL GROUP operates have also passed laws implementing global minimum taxation (Pillar Two); most of them entered into force at the beginning of the 2024 financial year. HEINZEL GROUP is a multinational group (the ultimate parent company is Heinzl Holding GmbH, with registered headquarters in Austria), whose consolidated revenues exceed the threshold of MEUR and which consequently falls under the scope of the global minimum taxation rules for the first time in 2024.

1.4. SIGNIFICANT ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires estimates and assumptions that may affect the reported amounts of assets, liabilities and financial obligations as of the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results can differ from these estimates. The principle of true and fair view is fully applied in the use of estimates. In addition, sensitivity analyses are carried out as part of impairment testing. For their calculation, key parameters are changed in order to present possible deviations from the estimates.

The consolidated financial statements include the following material items, the valuation of which is influenced significantly by the underlying assumptions and estimates, which will be described in the following notes more in-depth:

If the estimates and assumptions change, significant adjustments to the carrying values in the subsequent year may be required, in particular for the items listed above.

1.5. CONFLICT IN UKRAINE

With the outbreak of the war in Ukraine, the business activities of Europapier and heinzelsales with Ukrainian customers initially came to a complete halt. In 2023, deliveries to customers were selectively resumed against advance payment. When sanctions were imposed on Russia, heinzelsales completely ceased business with Russian suppliers.

Europapier Group has two investments with approximately 200 employees in Russia. These companies independently operate a paper wholesale business in the Russian market, generating net sales of approximately EUR 118 million in the 2024 financial year (previous year: EUR 117 million). Europapier International AG, the ultimate parent company of Europapier Group, continues to exercise a controlling influence and monitors compliance with all relevant provisions regarding sanctions. Currently, there are no violations of any such provisions.

1.6. MIDDLE EAST CONFLICT

As a result of the attack on Israel by the radical Islamic organization Hamas and the attacks on freighters by Huthi sympathizing with Hamas, major shipping companies have stopped using the strait between the Red Sea and the Gulf of Aden since the end of 2023. This initially led to delays and higher shipping costs for deliveries of HEINZEL GROUP. A negative impact on the Trading Business of heinzelsales, which operates in this region, has not been observed so far, but could emerge if the conflict spread to the neighboring countries.

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2. GROUP COMPANIES

2.1. BUSINESS COMBINATIONS

Acquisition of Hygiene Pro Team d.o.o, Serbia, and Europapier DIPA d.o.o., Croatia

The shares in Hygiene Pro Team d.o.o, Serbia, were acquired by Europapier Dunav d.o.o. at the beginning of the past financial year. The objective of this acquisition was to strengthen the position in the hygiene market and to advance the ongoing diversification strategy of Europapier Group.

The purchase price allocation is calculated as follows:

in EUR k	Fair value
Non-current assets	1,326
Goods for sale	853
Receivables	1,335
Cash and cash equivalents	38
Financial liabilities	-313
Trade accounts payable	-1,416
Other current liabilities and deferred income	-114
Acquired net assets	1,709

in EUR k	Fair value
Purchase price paid	2,630
Acquired net assets at carrying amount	770
Fair Value Adjustments	-1,709
Goodwill	1,691

In addition, Europapier DIPA d.o.o., Croatia, was founded by Europapier Adria d.o.o., Croatia, based on the founding agreement of February 10, 2023. The new company expanded the market position in the Visual Communication segment through an asset deal.

Micro Asu EOOD, Bulgaria

At the beginning of the current financial year, the shares in Micro Asu EOOD, Bulgaria, were acquired by Europapier Bulgaria EOOD. The objective of this acquisition was to strengthen the position on the viscom market and to drive the ongoing diversification strategy of Europapier Group.

The purchase price allocation is calculated as follows:

in EUR k	Fair value
Non-current assets	1,566
Goods for sale	2,535
Receivables	858
Cash and cash equivalents	478
Financial liabilities	0
Trade accounts payable	-102
Other current liabilities and deferred income	-794

Acquired net assets (preliminary)	4,541
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in EUR k	Fair value
Purchase price paid	4,976
Acquired net assets at carrying amount	1,361
Fair Value Adjustments	-4,541
Goodwill (preliminary)	1,795

Europapier Deutschland GmbH, Germany

In addition, Europapier Deutschland GmbH, Germany, was founded on September 4, 2024. The company was entered in the commercial register on September 10, 2024. The nominal capital was fully paid in. The company was founded with the goal to get established in the German market.

Acquisition of UPM Kymmene Austria GmbH

On June 20, 2022, Laakirchen Papier AG signed a purchase agreement with UPM GmbH and UPM-Kymmene Beteiligungs GmbH for the acquisition of UPM-Kymmene Austria GmbH and its subsidiaries. Laakirchen Papier AG made a down payment of EUR 13.5 million for 90% of the shares upon signing this agreement.

Another payment for the preliminary purchase price of EUR 51.6 million became due upon the agreed closing on January 1, 2024.

In the course of 2024, the final purchase price was determined as shown below:

in EUR k	Carry Amount
Non-current assets	41,365
Inventories	9,827
Receivables	16,135
Cash and cash equivalents	39,285
Financial liabilities	-1,228
Trade accounts payable	-11,736
Other current liabilities and deferred income	-43,908
Acquired net assets	49,741

in EUR k	
Purchase price paid	63,684
Acquired net assets at carrying amount	-49,741
Fair value adjustments	-36,790
Deferred taxes on fair value adjustments	8,462
Thereof 90%	-70,262
Badwill	-6,579
NCI from initial consolidation	-7,807

Fair value corresponds to the gross amounts of contract receivables and is equivalent to the receivables. It is assumed that all receivables are collectible. The seller did not see any strategic importance for the site for its own business, which made it

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possible to negotiate a favorable purchase price. Badwill is included under “other operating income” in the income statement. The costs related to the acquisition of EUR 292k were already incurred in 2023. Laakirchen Papier has thus also acquired the saw mill Steyrermühl, a biomass and waste-to-energy power plant as well as other plants.

In the course of the integration of 90% of the shares in UPM-Kymmene Austria GmbH (prior to renaming to EMACS Steyrermühl GmbH) with all subsidiaries, a separation of the non-operating assets (essentially rented real estate assets) and operations was carried out by means of a spin-off and takeover agreement dated December 19, 2024 with retroactive effect from June 30, 2024 and duly entered into the commercial register. Based on this separation, the entire operating assets and the entire operations including all subsidiaries were spun off to the newly founded Heinzl Steyrermühl GmbH, which is wholly owned by Laakirchen Papier AG. Heinzl EMACS Immobilien GmbH, which previously held a 10% non-controlling interest in UPM-Kymmene Austria GmbH (prior to renaming to EMACS Steyrermühl GmbH), received an increased share in return for giving up its shareholder rights in the spun-off operations so that the shareholding in UPM-Kymmene Austria GmbH (prior to renaming to EMACS Steyrermühl GmbH) now equals roughly 77%, while Laakirchen Papier AG still holds roughly 23%.

2.2. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Transactions with non-controlling interests without loss of control are recognized as transactions with the owners of the group acting in their ownership capacity. A difference which arises from the purchase of a non-controlling interest between the fair value of the paid amount and the acquired share in the carrying value of the net assets of the subsidiary is recognized as equity. Profits and losses resulting from a sale to non-controlling interests are also recognized as equity.

There were no transactions with non-controlling interests in the past financial year.

2.3. SHARES IN GROUP COMPANIES

	31.12.2024		31.12.2023	
Name and registered office of the companies	Group share in %	Non-controlling interest in %	Group share in %	Non-controlling interest in %
Zellstoff Pöls Aktiengesellschaft, Pöls, Austria	99.99	0.01	99.99	0.01
AS Estonian Cell, Kunda, Estonia	100.00	–	100.00	–
Wilfried Heinzl Aktiengesellschaft, Vienna, Austria	100.00	–	100.00	–
Heinzl, Bunzl Service GmbH, Vienna, Austria	100.00	–	100.00	–
Heinzl Paper GmbH, Hinterbrühl, Austria	100.00	–	100.00	–
Europapier International AG, Hinterbrühl, Austria	100.00	–	100.00	–
Laakirchen Papier AG, Laakirchen, Austria	99.00	1.00	99.00	1.00
Bunzl & Biach Gesellschaft m.b.H., Vienna, Austria	51.00	49.00	51.00	49.00
Omega Trading Laakirchen GmbH, Laakirchen, Austria	51.00	49.00	51.00	49.00
Austrian Recycling s.r.o., Temelin, Czech Republic	51.00	49.00	51.00	49.00
Green Recycling s.r.o., Cukrovarská, Slovakia	51.00	49.00	51.00	49.00
Heinzl Pulpsales GmbH, Hinterbrühl, Austria	100.00	–	100.00	–
Heinzl Import-Export Inc., New York, U.S.A.	100.00	–	100.00	–
Heinzl Sales Italy S.r.l., Milan, Italy	100.00	–	100.00	–
Heinzelsales USA Trading Inc., New York, U.S.A.	100.00	–	100.00	–
Heinzl Sales France S.A.S., Paris, France	100.00	–	100.00	–
Interfibre AG, Zug, Switzerland	100.00	–	100.00	–
Heinzl Deutschland GmbH, Wiesbaden, Germany	100.00	–	100.00	–
Heinzl Sales Canada Inc., Vancouver, Canada	100.00	–	100.00	–
Europapier Adria d.o.o., Zagreb, Croatia	100.00	–	100.00	–
Europapier Alpe d.o.o., Ljubljana, Slovenia	100.00	–	100.00	–
Europapier - Slovensko s.r.o., Bratislava, Slovakia	100.00	–	100.00	–
Europapier Dunav d.o.o., Belgrade, Serbia	100.00	–	100.00	–
Europapier CE GmbH, Vienna, Austria	100.00	–	100.00	–
Europapier Austria GmbH, Vienna, Austria	100.00	–	100.00	–

Europapier - Hercegtisak d.o.o., Siroki Brijeg, Bosnia and Herzegovina	100.00	–	100.00	–
Europapier Bulgaria EOOD, Sofia, Bulgaria	100.00	–	100.00	–
Europapier Bohemia, spol. s.r.o., Prague, Czech Republic	100.00	–	100.00	–
Europapier CEE GmbH, Hinterbrühl, Austria	100.00	–	100.00	–
Europapier Budapest Kft., Budapest, Hungary	100.00	–	100.00	–
LLC Europapier, Moscow, Russia	100.00	–	100.00	–
Europapier Polska Sp.z.o.o., Błonie, Poland	100.00	–	100.00	–
EU-RO Handelsgesellschaft m.b.H., Frastanz, Austria	100.00	–	100.00	–
Europapier Romania SRL, Bucharest, Rumania	100.00	–	100.00	–
Europapier Poland GmbH, Hinterbrühl, Austria	100.00	–	100.00	–
Heinzl Sales Poland Sp.z.o.o., Warsaw, Poland	100.00	–	100.00	–
Lexica – SFE JSC., Moscow, Russia	99.00	1.00	99.00	1.00
Europapier CIS GmbH, Hinterbrühl, Austria	90.00	10.00	90.00	10.00
Europapier East Europe GmbH, Hinterbrühl, Austria ¹	50.00	50.00	50.00	50.00
Raubling Papier GmbH, Raubling, Germany	94.90	5.10	94.90	5.10
HBB Heizkraftwerk Bauernfeind Betreibergesellschaft mbH, Raubling, Germany	94.90	5.10	94.90	5.10
Projekt Rosenheimer Straße Raubling GmbH, Raubling, Germany	94.90	5.10	–	–
Chiemgau Recycling GmbH, Raubling, Germany	53.50	46.50	53.50	46.50
Moderne Verpackung Hoffmann GmbH, Jeging, Austria	100.00	–	100.00	–
Heinzl Sales Asia Pacific Sdn. Bhd., Kuala Lumpur, Malaysia	100.00	–	100.00	–
Mayr-Melnhof & Wilfried Heinzl Teheran Co., Teheran, Iran ²	64.00	36.00	64.00	36.00
at Will, s.r.o., Kunčice nad Labem, Czech Republic ³	–	100.00	100.00	–
Starkraft Steyrermühl GmbH, Pöls, Austria	100,00	–	–	–
Europapier Hygiene Pro Teamd.o.o. Belgrade, Serbia	100,00	–	–	–
Europapier DIPA d.o.o., Sesevete-Zagreb, Croatia	100,00	–	–	–
Micro Asu EOOD, Bulgarien ⁴	100,00	–	–	–
Europapier Deutschland GmbH, Germany ⁵	100,00	–	–	–
HSG Papier GmbH, Laakirchen, Austria ⁶	100,00	–	–	–
Heinzl Steyrermühl Energie GmbH, Laakirchen, Austria	100,00	–	–	–
Heinzl Steyrermühl Beteiligungs GmbH, Laakirchen, Austria	100,00	–	–	–
Steyrermühl Sägewerksgesellschaft m.b.H. Nfg KG, Laakirchen, Austria	100,00	–	–	–

¹ Omega Trading Laakirchen GmbH, Laakirchen, was merged with Bunzl & Biach Gesellschaft m.b.H., Vienna, during the current financial year.

² The company is fully consolidated due to a controlling influence.

³ Not consolidated due to immateriality.

⁴ 100% of Micro Asu EOOD, Bulgaria, was acquired by Europapier Bulgaria EOOD, Sofia, Bulgaria, in 2024.

⁵ Europapier Deutschland GmbH, Germany, was newly founded in 2024 and is a wholly-owned subsidiary of Europapier International AG.

⁶ Heinzl Steyrermühl GmbH, Laakirchen, was acquired as of 01.01.2024 and spun off with retroactive effect from 30.06.2024. In turn, HSG Papier GmbH, Laakirchen, was newly founded and has been a wholly-owned subsidiary of Laakirchen Papier AG, Laakirchen, since 30.06.2024.

2.4. SHARES IN ASSOCIATED COMPANIES

The shares in companies which are accounted for using the equity method exclusively consist of shares in associated companies. The group does not have any joint ventures.

The following table shows the group's share in the respective companies.

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Name and registered office of the company	Group's share in %	
	31.12.2024	31.12.2023
Papierholz Austria GmbH, St. Gertraud, Austria	25.00	25.00
Bioenergie Aichfeld GmbH, Pöls, Austria	20.00	20.00
EEVG Entsorgungs- und Energieverwertungsgesellschaft m.b.H., Steyrermühl, Austria ¹	0.00	20.00
“Papyrus“ Altpapierservice Handelsgesellschaft m.b.H., Salzburg, Austria	31.67	31.67
Austria Papier Recycling Gesellschaft m.b.H., Vienna, Austria	66.68	33.36
Europapier Dienstleistungs-Gesellschaft m.b.H., Eggenburg, Austria	25.00	25.00
KFZ-Technik Meisterservice Küttner GmbH, Eggenburg, Austria	25.00	25.00
ARO Holding GmbH, Vienna, Austria	20.22	0.00
SRL Steyrermühl Logistik & Recycling GmbH, Laakirchen, Austria	50.00	0.00

¹EEVG Entsorgungs- und Energieverwertungsgesellschaft m.b.H., Steyrermühl has been a fully consolidated entity since December 31, 2024.

The shares in associated companies developed as follows:

In EUR k	2024	2023
BALANCE AS OF 1.1. OF THE FINANCIAL YEAR	3,178	3,624
Addition	69	0
Disposal	0	0
Share of profit	255	-17
Dividend payment	0	-429
BALANCE AS OF 31.12. OF THE FINANCIAL YEAR	3,502	3,178

The operating activities of the associated companies are related to the core business of HEINZEL GROUP. Contributions to earnings are therefore reported under the result from operating activities.

The main companies are listed below:

“Papyrus” Altpapierservice Handelsgesellschaft m.b.H., Salzburg

The group holds an unchanged share of 31.67% in the company as of December 31, 2024. The carrying value of the share amounts to EUR 1,944k as of December 31, 2024 (previous year: EUR 1,724k).

The summarized financial information for the company is presented below:

In EUR k	30.09.2024	30.09.2023
Non-current assets	6,866	7,280
Current assets	5,061	4,451
Non-current liabilities	683	659
Current liabilities	5,107	5,628
Net assets	6,138	5,444
Revenues	32,105	26,933
Net profit for the year	693	-437
Total comprehensive income	693	-437

Bioenergie Aichfeld GmbH, Pöls

The group holds an unchanged share of 20% in the company as of December 31, 2024. The carrying value of the share amounts to EUR 0k as of December 31, 2024 (previous year: EUR 0k).

The negative value as of December 31, 2024 amounts to EUR 699k (previous year: EUR 1,484k).

Future profits will be recorded off balance sheet until the negative value is balanced out. Only after that will profits be recognized in the carrying amount of the investment.

The summarized financial information for the company is presented below:

In EUR k	31.12.2024	31.12.2023
Non-current assets	3,447	3,283
Current assets	2,691	1,818
Non-current liabilities	0	0
Current liabilities	1,983	2,149
Net assets	4,155	2,952
Revenues	5,231	4,391
Net profit for the year	2,117	1,375
Total comprehensive income	2,117	1,375

Papierholz Austria GmbH, St. Gertraud

The group holds an unchanged share of 25% in the company as of December 31, 2024. The carrying value of the share amounts to EUR 1,052k as of December 31, 2024 (previous year: EUR 1.060k).

Due to the company's minor importance to the present consolidated financial statements, the measurement is based on the preliminary values of 2024.

The summarized financial information for the company is presented below:

In EUR k	31.12.2024	31.12.2023
Non-current assets	386	416
Current assets	79,652	78,018
Non-current liabilities	1,073	770
Current liabilities	74,755	73,423
Net assets	4,209	4,241
Revenues	495,624	371,300
Net profit for the year	156	331
Total comprehensive income	156	331

ZPA Fernwärmetransportleitungs GmbH, Köflach

The company was merged with Bioenergie Aichfeld GmbH, Pöls in 2024. On the reporting date on December 31, 2023 the carrying value of ZPA Fernwärmetransportleitungs GmbH, Köflach, would be negative due to a disproportional profit distribution to Zellstoff Pöls Aktiengesellschaft. Therefore, the carrying amount of the investment was set to 0.

Future profits will be recorded off balance sheet until the negative value is balanced out. Only after that will profits be recognized in the carrying amount of the investment.

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The negative value as of December 31, 2023 amounted to EUR 103k.

The summarized financial information for the company is presented below:

In EUR k	31.12.2023
Non-current assets	784
Current assets	259
Non-current liabilities	0
Current liabilities	256
Net assets	786
Revenues	11
Net profit for the year	-233
Total comprehensive income	-233

Austria Papier Recycling Gesellschaft m.b.H., Vienna

The group holds a share of 66.68% in the company as of December 31, 2024, which is accounted for at equity due to immateriality. The carrying value of the share amounts to EUR 336k as of December 31, 2024 (previous year: EUR 290k).

The summarized financial information for the company is presented below:

In EUR k	31.12.2024	31.12.2023
Non-current assets	229	336
Current assets	3,444	3,722
Non-current liabilities	216	206
Current liabilities	2,552	2,982
Net assets	905	870
Revenues	24,817	27,696
Net profit for the year	36	35
Total comprehensive income	36	35

SRL Steyrermühl Logistik & Recycling GmbH, Laakirchen

Since the acquisition of the Steyrermühl company as of January 1, 2024, the group holds a share of 50% in the company. The carrying value of the share as of December 31, 2024 amounts to EUR 18k. At the time of preparation of the consolidated financial statements, no annual financial statements were available yet. The company is immaterial to the overall view of the group.

ARO Holding GmbH, Vienna

Since the acquisition of the Steyrermühl company as of January 1, 2024, the group holds a share of 20.22% in the company. The carrying value of the share as of December 31, 2024 amounts to EUR 37k. At the time of preparation of the consolidated financial statements, only annual financial statements as of December 31, 2023 were available. The company is immaterial to the overall view of the group.

In EUR k	31.12.2023
Non-current assets	28
Current assets	34
Non-current liabilities	0
Current liabilities	2
Net assets	60

Revenues	9
Net profit for the year	2
Total comprehensive income	2

2.5. NON-CONTROLLING INTERESTS

Information on the balance sheet

The following table shows information on the balance sheet of fully consolidated subsidiaries with material non-controlling interests and the reconciliation to the carrying value.

31.12.2024	Before intercompany elimination					
Name of the company	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Net assets	Net assets of non-controlling interests
Austrian Recycling s.r.o., Czech Republic	1,190	1,609	125	2,724	-49	638
Bunzl & Biach Gesellschaft m.b.H., Austria	23,103	27,669	3,680	16,245	30,847	11,049
Chiemgau Recycling GmbH, Germany	6,111	4,808	1,745	3,808	5,367	2,440
Laakirchen Papier AG, Austria	297,010	125,751	139,761	67,089	215,911	1,977
Raubling Papier GmbH, Germany	15,729	12,538	1,232	56,704	-29,669	-1,322
Europapier East Europe, Austria	0	855	0	485	370	185
Green Recycling, Slovakia	198	721	0	678	241	106
Projekt Rosenheimer Straße Raubling, Germany	10,926	61	0	10,768	219	11
HBB Heizkraftwerk Bauernfeind Betreibergesellschaft mbH, Germany	0	2,994	0	3,945	-952	-319
Other						463
CARRYING VALUE AS OF 31.12.2024						15,229

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31.12.2023	Before intercompany elimination					
Name of the company	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Net assets	Net assets of non-controlling interests
Austrian Recycling s.r.o., Czech Republic	1,417	1,731	153	3,191	-197	627
Bunzl & Biach Gesellschaft m.b.H., Austria	23,489	22,637	4,072	13,277	28,777	9,942
Chiemgau Recycling GmbH, Germany	5,945	3,731	1,711	2,661	5,304	2,440
Laakirchen Papier AG, Austria	208,902	246,195	149,166	71,503	234,428	2,225
Omega Trading Laakirchen GmbH, Austria	0	1,526	0	395	1,131	511
Raubling Papier GmbH, Germany	22,933	36,128	2,049	56,624	388	-431
Europapier East Europe, Austria	0	1,895	0	1,468	427	214
Green Recycling, Slovakia	110	913	0	805	218	106
Projekt Rosenheimer Straße Raubling, Germany	10,948	425	0	10,588	785	40
HBB Heizkraftwerk Bauernfeind Betreibergesellschaft mbH, Germany	0	15,611	0	29,397	-13,786	-319
Other						9
CARRYING VALUE AS OF 2023						15,365

Information on the statement of comprehensive income

The following table shows information on the statement of comprehensive income of fully consolidated subsidiaries with material non-controlling interests.

2024	Before intercompany elimination				Attributable to non-controlling interests		
Name of the company	Net sales	Profit/loss for the year	Other comprehensive -sive income	Total comprehensive -sive income	Net profit for the year	Other comprehensive -sive income	Total comprehensive -sive income
Austrian Recycling s.r.o., Czech Republic	10,589	146	2	148	-72	1	-71
Bunzl & Biach Gesellschaft m.b.H., Austria	158,479	3,092	-22	3,070	-1,515	-11	-1,526
Chiemgau Recycling GmbH, Germany	25,722	63	0	63	-29	0	-29
Laakirchen Papier AG, Austria	262,120	-19,343	826	-18,517	193	8	202
Raubling Papier GmbH, Germany	22,979	-30,310	259	-30,051	1,546	13	1,559
Other	0	0	0	0	5	0	5
TOTAL 2024	0	0	0	0	128	12	140

2023	Before intercompany elimination				Attributable to non-controlling interests		
Name of the company	Net sales	Profit/loss for the year	Other comprehensive -sive income	Total comprehensive -sive income	Net profit for the year	Other comprehensive -sive income	Total comprehensive -sive income
Austrian Recycling s.r.o., Czech Republic	13,213	-1,416	9	-1,406	694	4	698
Bunzl & Biach Gesellschaft m.b.H., Austria	121,503	3,359	-76	3,283	-1,646	-37	-1,683
Chiemgau Recycling GmbH, Germany	23,221	56	0	56	-26	0	-26
Laakirchen Papier AG, Austria	291,775	26,844	-945	25,898	-268	-9	-278
Omega Trading Laakirchen GmbH, Austria	3,940	447	0	447	-219	0	-219
Raubling Papier GmbH, Germany	93,749	-29,978	-19	-29,997	1,529	-1	1,528
Other	0	0	0	0	204	0	204
TOTAL 2023				0	267	-43	224

Information on the cash flow statement and dividend payments

The following table shows information on the cash flow statement of fully consolidated subsidiaries with material non-controlling interests.

	Cash flow from				2024	2023
Name of the company	operating activities	investing activities	financing activities	Cash net increase/decrease	Dividends paid to non-controlling interests	Dividends paid to non-controlling interests
Laakirchen Papier AG, Austria	-13,300	-90,190	-7,778	-111,268	0	0
Raubling Papier GmbH, Germany	-22,012	-278	16,117	-6,173	0	0
Bunzl & Biach GmbH, Austria	7,995	-1328	-1,265	5,401	-490	-980
Europapier East Europe, Austria	-696	0	-380	-1,076	-190	-290
TOTAL	0	0	0	0	-680	-1,270

The non-controlling interests in two companies are reported under “non-current financial liabilities”.

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3. PERFORMANCE

3.1. DISCONTINUED OPERATION

At the Supervisory Board Meeting of June 26, 2024, HEINZEL GROUP made the decision to close its subsidiary Raubling Papier GmbH in Germany due to the continued difficult market environment and challenging economic conditions. This decision was followed by a press release published on July 15, 2024, and extensive talks with the local works council, which led to the successful conclusion of a social plan.

Results from discontinued operations

in EUR k	2024	2023
Revenues	27,530	104,663
Transport services	-1,671	-6,698
Net sales	25,859	97,965
Changes in inventories	-1,269	-2,557
Own work capitalized	0	23
Other operating income	274	22,760
Cost of material and services	-32,890	-104,636
Personnel expenses	-10,960	-12,562
Scheduled depreciation and amortization	-1,822	-3,984
Impairment	-5,191	-14,007
Other operating expenses	3,669	-9,616
Operating result (EBIT)	-22,330	-26,615
Financing income	12,940	20
Financing expenses	-8,225	-8,632
Financial result	4,715	-8,612
Earnings before tax (EBT)	-17,615	-35,227
Income taxes	139	-2,275
Net profit for the year from discontinued operattion	-17,476	-37,502
Attributable to the shareholders of the company	-17,476	-37,502
Attributable to non-controlling interests	0	0
	-17,476	-37,502

Cash flow statement for discontinued operations

In EUR k	2024	2023
Operating activities		
Operating result (EBIT)	-22,330	-26,615
Depreciation and amortization	1,822	3,984
Impairment	5,191	14,007
Changes in net working capital:		
Changes in inventories	4,403	2,517
Changes in trade receivables	8,391	3,357
Changes in trade accounts payable	-9,605	2,897
Changes in other receivables and liabilities	-1,224	-4,646
Changes in personnel provisions	-867	-47
Dividends received	0	0
Income taxes paid	2,230	-972
Interest paid	-1,348	-1,040
Interest received	105	20
Other non-cash items	-8,271	-35
Cash flow from operating activities	-21,505	-6,572
Investing activities		
Investment in tangible assets	-293	-4,258
Income from the sale of tangible assets and intangible assets	16	15
Cash flow from investing activities	-278	-4,242
Financing activities		
Borrowing of current financial liabilities	16,117	9,639
Cash flow from financing activities	16,117	9,639
Increase/decrease in cash and cash equivalents	-5,665	-1,175
Cash and cash equivalents at the beginning of the year	7,102	8,278
Effect from currency translation differences	0	0
Increase/decrease in cash and cash equivalents	-5,665	-1,175
Cash and cash equivalents at the end of the year	1,437	7,102

3.2. REVENUE

HEINZEL GROUP's net sales – calculated from gross sales from customer contracts less transport services and sales commissions – declined from EUR 2,214.8 million in 2023 to EUR 2,190.3 million in the 2024 financial year (before reduction due to discontinued operation) due to volume and pricing. This corresponds to a decrease of roughly 1%.

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	Continuing operation		Discontinued operation		Total	
In EUR k	2024	2023	2024	2023	2024	2023
Revenue from contracts with customers	2,280,301	2,223,790	27,857	105,991	2,308,157	2,329,781
Transport services and sales commissions	-115,858	-106,887	-1,998	-8,026	-117,856	-114,913
NET SALES	2,164,443	2,116,903	25,859	97,965	2,190,301	2,214,868

As in the previous year, revenues from contracts with customers in 2024 were essentially generated with the sale of goods. Revenue is recognized solely at a point in time.

Revenue from contracts with customers by category

Revenue from contracts with customers is broken down into the following product groups:

	Continuing operation		Discontinued operation		Total	
In EUR k	2024	2023	2024	2023	2024	2023
Pulp	721,742	728,614	0	0	721,742	728,614
Printing & Writing	400,887	423,079	0	0	400,887	423,079
Publication Papers	177,668	247,698	0	0	177,668	247,698
Packaging & Board	716,582	650,699	27,857	105,991	744,439	756,690
Other grades	141,223	130,548	0	0	141,223	130,548
Paper	1,436,360	1,452,025	27,857	105,991	1,464,216	1,558,017
Sawn timber	73,034	0	0	0	73,034	0
Recovered paper	49,135	43,150	0	0	49,135	43,150
Chemicals	30	0	0	0	30	0
	2,280,301	2,223,790	27,857	105,991	2,308,157	2,329,781

Revenue from contracts with customers is broken down into the following markets:

	Continuing operation		Discontinued operation		Total	
In EUR k	2024	2023	2024	2023	2024	2023
Austria	333,097	269,590	2,523	3,591	335,620	273,181
Central and Eastern Europe (excl. Austria)	385,348	386,891	2,854	12,030	388,202	398,921
Southeast Europe	248,073	210,044	3,243	8,277	251,316	218,321
Western Europe	446,421	418,394	18,881	82,093	465,302	500,487
Middle East	211,680	199,938	0	0	211,680	199,938
Northern Africa	211,304	211,469	339	0	211,643	211,469
Central and Southern Africa	61,494	90,556	0	0	61,494	90,556
Far East/Oceania	201,852	246,992	16	0	201,868	246,992
CIS	121,146	121,559	0	0	121,146	121,559
North America	5,543	1,552	0	0	5,543	1,552
Latin America	54,344	66,804	0	0	54,344	66,804
	2,280,301	2,223,790	27,857	105,991	2,308,157	2,329,781

3.3. CHANGES IN INVENTORIES AND OWN WORK CAPITALIZED

In EUR k	2024	2023
Changes in inventories	11,694	-18,984
Own work capitalized	3,766	1,945
	15,459	-17,039

The changes in inventories consist of the changes in finished products and work in progress as compared to the previous year.

In addition to direct material and production costs, own work capitalized also contains an appropriate share of material and production overhead costs.

3.4. OTHER OPERATING INCOME

In EUR k	2024	2023
Sale of energy, by-products and scrap	1,477	4,233
Research grants and other grants	980	6,776
Rental income	1,164	558
Income from insurance	410	213
Badwill	6,579	0
Other operating income	13,783	9,628
	24,393	21,408

3.5. COST OF MATERIAL AND SERVICES

In EUR k	2024	2023
Raw materials	380,779	297,810
Supplies and operating materials	250,894	257,256
Goods for resale	1,169,481	1,191,197
	1,801,154	1,746,262

3.6. PERSONNEL EXPENSES

In EUR k	2024	2023
Wages	55,713	42,410
Salaries	85,920	69,563
Expenses for severance payments	1,554	1,610
Expenses for pensions	1,403	1,185
Statutory social expenses	38,934	31,443
Voluntary social expenses	13,158	12,039
	196,682	158,250

The expenses for defined contribution plans reported under personnel expenses amounted to EUR 2,779k (2023: TEUR 2,352k), which also includes expenses from the discontinued operation of EUR 50k (2023: EUR 56k).

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3.7. OTHER OPERATING EXPENSES

In EUR k	2024	2023
Incoming freight	20,181	18,253
Insurance	12,267	9,884
Consultants and fees	15,980	16,719
IT and communications costs	8,498	6,288
Energy and other operating expenses	3,481	3,751
Rents and leasing	6,196	5,590
Other external services	13,540	3,531
Bad debt provisions	-1,416	3,833
External personnel costs	2,775	1,817
Cleaning, maintenance and building security	4,511	3,919
Fleet of vehicles	3,466	3,248
Training costs	829	993
Advertising costs	2,976	3,355
Contributions	1,789	2,306
Travel expenses	3,110	3,131
Office material	790	780
Taxes other than taxes on income and earnings	1,601	984
Donations and representational costs	1,167	1,233
Bank and transaction charges	597	598
Miscellaneous other operating expenses	2,429	1,391
	104,767	91,604

The item “Miscellaneous other operating expenses” includes, among other things, disposal costs, bank fees and costs for credit insurance as well as Supervisory Board remunerations.

Expenses for the auditor include EUR 787k (2023: EUR 685k) for the audit of the financial statements and consolidated financial statements for 2024.

3.8. FINANCIAL RESULT

The interest and other financial results consist of the following components:

In EUR k	2024	2023
Interest and similar income	4,039	6,752
Foreign currency gains	0	2
Income from securities	1,625	2,279
Derivatives	662	1,135
Income from disproportional profit distribution from associated companies	1,046	470
Financing income	7,372	10,638
Interest and similar expenses	-13,106	-7,855
Foreign currency losses	-3,164	-2,193
Interest expense from leasing	-1,273	-1,008
Interest expense from personnel provisions	-2,580	-1,482
Expense from derivatives	-270	-8,579
Expense from financial assets	-179	0
Income from disproportional profit distribution from associated companies	-121	0
Financing expenses	-20,694	-21,116
FINANCIAL RESULT	-13,321	-10,478

3.9. OTHER COMPREHENSIVE INCOME

In EUR k	2024			2023		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Currency translation differences	-533	0	-533	-3,939	0	-3,939
Hedging transactions	-144	33	-111	-339	59	-280
Revaluation of obligations to employees	1,939	-741	1,198	-4,425	875	-3,550
	1,262	-708	554	-8,703	934	-7,769

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4. TAXES

4.1. INCOME TAXES

In EUR k	2024	2023
Current income taxes	5,904	12,146
Deferred taxes	1,905	-678
	7,810	11,468

The corporate tax rate applicable to the parent company, Heinzl Holding GmbH, Vorchdorf, as of the closing date was 23% (31.12.2023: 24%).

In EUR k	2024	2023
Earnings before taxes	15,680	49,921
Income tax expenses	-7,810	-11,468
EFFECTIVE TAX RATE (%)	49.8	23.0

The reasons for the difference between the theoretical tax expense based on the Austrian corporate tax rate of 23% and the reported tax expense are presented below:

In EUR k	2024	2023
Earnings before taxes ¹	15,680	13,694
Expected income tax expenditure based on 23% (31.12.2023: 24%)	3,606	3,526
Effects of foreign tax rates	2,151	3,065
Taxes from previous periods	247	356
Use of tax shields	-1,971	-888
Capitalization of loss carryforwards from previous periods	-176	-166
Change in estimates of tax deferrals	3,969	7,966
Effects of initial and subsequent consolidation	0	- 27
Other permanent differences	-15	-89
ACTUAL INCOME TAX EXPENDITURE	7,810	13,743

¹ 2023 includes the discontinued operation, while 2024 does not include it.

With the 2005 Tax Reform Act, the Austrian legislature created the possibility for group taxation. Under this system, following the clearing of prior losses, the tax results of the companies belonging to the tax group are attributed to the tax group parent. To compensate for the tax results being passed on to the tax group parent, an apportionment of taxes is agreed upon in the tax group contracts.

4.2. DEFERRED TAXES

For the calculation of deferred taxes, an income tax rate of 23% is applied to companies located in Austria, whereas for companies located abroad the effective tax rate of the relevant country is used. The corporate tax rate in Austria will be gradually adjusted from 25% (for 2022) to 24% (for 2023) and 23% (for 2024). The corresponding legal provisions have already been implemented.

Heinzl Holding GmbH acts as the tax parent and nearly all Austrian companies are members of the tax group.

Losses occurring within the tax group are immediately utilizable within the companies included in the tax group in the same year in which the losses are incurred. A five-year period was used as reference for the calculation of the share of tax loss carryforwards that the group will be able to employ in the future. The capitalization of deferred taxes was effected to an extent that will make it possible to employ them through future positive operating results. No tax deferrals were formed for additional loss carryforwards in Austria of EUR 40,640k (31.12.2023: EUR 1,276k).

On the basis of current planning, no sufficient future results or risks with regard to fiscal enforceability exist in the Trading Business and Industry segments in certain foreign markets so that these were reported in the amount of EUR 0k (31.12.2023: EUR 0k). Overall, foreign loss carryforwards totaling EUR 47,419k (31.12.2023: EUR 21,067k) were reported in these segments.

In accordance with IAS 12.39, deferred taxes derived from the differences of the pro rata net assets and the fiscal carrying value of interests in subsidiaries totaling EUR 167,181k (31.12.2023: EUR 168,397k) are not recognized, as a sale of the interests is not to be expected in the foreseeable future.

The time differences between the values of the tax statement and the consolidated financial statements are as follows:

	Assets		Liabilities	
In EUR k	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Non-current assets	31,044	18,768	94,550	47,191
Current assets	35,868	16,648	14,958	3,445
Non-current provisions and liabilities	54,797	25,826	0	0
Current provisions and liabilities	16,436	19,150	34,516	39,244
Loss carryforwards	6,292	0	0	0
	144,436	80,391	144,023	89,879
Deferred taxes	32,120	17,539	32,680	20,388
Offsetting of deferred taxes to the same fiscal authority	-24,528	-12,789	-24,528	-12,789
NET DEFERRED TAXES	7,592	4,750	8,152	7,599
	0		0	
Composition in detail	0		0	
Intangible assets	631	945	1,987	1,238
Tangible assets	23,598	10,336	92,563	44,903
Financial assets	6,816	7,487	0	1,050
Non-current assets	31,045	18,768	94,550	47,191

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5. NON-CURRENT ASSETS

5.1. INTANGIBLE ASSETS

In EUR k	Concessions and other rights	Software	Goodwill	Total
GROSS VALUES AS OF 31.12.2022	23,264	17,720	23,878	64,862
Additions	3,241	261	0	3,502
Foreign currency differences	-43	-181	16	-208
Disposals	-981	-162	0	-1,143
Transfers/reclassifications	-3,033	7,785	0	4,752
Additions from initial consolidation	2,266	0	1,693	3,959
GROSS VALUES AS OF 31.12.2023	24,715	25,423	25,587	75,725
Additions	2,406	3,095	0	5,501
Foreign currency differences	-26	-38	-25	-89
Disposals	-4,609	-1,540	0	-6,149
Transfers/reclassifications	-3,741	3,139	0	-603
Additions from initial consolidation	2,865	314	1,795	4,975
GROSS VALUES AS OF 31.12.2024	21,609	30,393	27,357	79,359
ACCUMULATED AMORTIZATION AS OF 31.12.2022	20,243	10,570	6,631	37,444
Scheduled amortization	1,822	3,569	0	5,391
Impairment	0	0	1,467	1,467
Foreign currency differences	-47	-144	0	-191
Disposals	-981	-162	0	-1,143
Transfers/reclassifications	-2,192	2,342	0	150
ACCUMULATED AMORTIZATION AS OF 31.12.2023	18,844	16,175	6,631	41,650
Scheduled amortization	1,948	4,022	0	5,970
Impairment	0	1,012	0	1,012
Foreign currency differences	-27	-24	0	-51
Disposals	-2,546	-1,540	0	-4,086
Rebookings/reclassifications	0	107	0	107
ACCUMULATED AMORTIZATION AS OF 31.12.2024	18,219	19,753	6,631	44,603
NET VALUE AS OF 31.12.2023	5,871	9,248	18,956	34,074
NET VALUE AS OF 31.12.2024	3,390	10,640	20,726	34,756

Goodwill

Goodwill arises when subsidiaries are acquired and represents the surplus of the transferred consideration for the acquisition over the fair value of the group's shares in the acquired identifiable assets, acquired liabilities, contingent liabilities and all non-controlling interests of the acquired company at the acquisition date.

Goodwill is allocated to cash-generating units (CGU) for the purpose of impairment tests. It is allocated to those CGU or groups of CGU in accordance with the business segments identified that are expected to benefit from the combination from which

the goodwill resulted. Each unit or group of units to which goodwill was allocated represents the lowest level within the company at which goodwill is monitored for internal management purposes. As the group is managed based on production sites and business segments, the sub-groups Europapier (EP) and Wilfried Heinzl AG (WHAG) as well as the production companies of the group ("Zellstoff Pöls AG" and "Bunzl & Biach Group") are considered cash-generating units. Since 2022, Russia has been viewed as a separate CGU and is no longer included in the CGU Europapier Group without MV.

Overview of goodwill

In EUR k	31.12.2024	31.12.2023
Moderne Verpackung (MV)	7,238	7,238
Europapier Group without MV	6,332	4,561
Europapier Group	13,570	11,799
WHAG without Heinzl Sales Asia Pacific	3,193	3,193
Wilfried Heinzl Group	3,193	3,193
Bunzl & Biach Group	1,684	1,687
Zellstoff Pöls Group	2,043	2,043
Other	235	235
	20,725	18,957

The test to determine whether goodwill has been impaired is conducted annually. The carrying value of goodwill is compared with the recoverable amount, i.e., the higher of fair value less costs of disposal and the value in use. Impairments are expensed as incurred and not reversed in the subsequent periods.

The annual impairment test for goodwill and intangible assets with an indefinite useful life is carried out at the end of the fourth quarter of the financial year.

The calculations were based on the following assumptions:

	Average growth of revenues		Average increase in costs	
	2024	2023	2024	2023
Moderne Verpackung (MV)	0.78%	2.28%	0.46%	2.51%
Europapier Group without MV	0.78%	0.75%	0.65%	0.46%
WHAG without Heinzl Sales Asia Pacific	8.08%	10.80%	8.10%	11.03%
Zellstoff Pöls AG	3.66%	6.62%	2.17%	4.17%
Bunzl & Biach Group	6.65%	6.91%	6.50%	6.41%

Goodwill was measured using the discounted cash flow method. The measurement is based on the plan figures of the subsequent years (detail planning for the years 2025–2029, terminal value for years after 2029).

The following table shows the main groups of CGU relevant for control and the corresponding carrying values and the resulting surplus of coverage:

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	2024		2023	
In EUR k	Carrying value of CGU	Surplus/ shortfall of coverage	Carrying value of CGU	Surplus/ shortfall of coverage
Moderne Verpackung (MV)	15,980	10,714	16,633	17,741
Europapier Group without MV	102,173	3,691	97,234	18,558
WHAG without Heinzl Sales Asia Pacific	89,325	226,318	84,948	148,350
Zellstoff Pöls AG	520,169	66,101	436,162	14,795
Bunzl & Biach Group	27,679	835	25,481	1,084

Parameters of the groups of CGU relevant for control:

	2024				2023			
	Discount rate before tax	Discount rate after tax	Growth rate for terminal value	Break-even discount rate¹	Discount rate before tax	Discount rate after tax	Growth rate for terminal value	Break-even discount rate¹
Moderne Verpackung (MV)	9.24%	7.56%	1.00%	12.17%	8.80%	7.29%	1.00%	13.97%
Europapier Group without MV	10.38%	8.87%	1.00%	9.16%	10.36%	8.87%	1.00%	10.35%
Heinzl Sales Asia Pacific	8.12%	6.90%	1.00%	8.42%	10.55%	8.81%	1.00%	8.42%
Zellstoff Pöls AG	8.05%	6.74%	1.00%	7.77%	7.89%	6.74%	1.00%	6.95%
Bunzl & Biach Group	7.74%	6.76%	1.00%	6.94%	7.88%	6.77%	1.00%	8.42%

¹ Discount rate starting from which an impairment would occur if cash flow planning remains unchanged.

The impairment tests confirmed that all goodwill is unimpaired. A sensitivity analysis of the goodwill-carrying units showed that if the discount rate increases by 0.18 percentage points, the remaining carrying values are still covered and no impairment is necessary. In addition, a cash flow sensitivity analysis shows that the remaining carrying values are also still covered if the terminal value growth rate decreases by one half of a percentage point.

Research and development

In its research and development activities, HEINZEL GROUP focuses on three areas: developing customer-specific solutions, optimizing the use of resources and basic research. In addition, HEINZEL GROUP also invests in a Climate & Industry Opportunity fund by Speedinvest which supports start-ups in reducing CO₂ emissions of European industries and in accelerating digitalization in industrial enterprises. The goal of this investment is to generate new ideas and solutions for HEINZEL GROUP.

Customer orientation

HEINZEL GROUP strives to meet all customer requirements with its products. Laakirchen Papier focused on the development of new specifications for “High Performance Fluting” and “Testliner” in 2024. After conversion for the production of the “Wave” fluting and “Liner3” testliner grades in 2017, MP 10 was adapted to these products through targeted machine trials. In particular, High Performance Fluting in the grammage range of 110 to 140 gsm is currently regularly part of the production program. Certification by customers for Testliner 2 was successfully completed.

After the completion of the machine conversion and successful commissioning of PM6 at Starkraft Steyrermühl in May 2024, the focus was on the development of four paper grades in the grammage range of 30 gsm to 110 gsm. At the same time, machine trials in which BCTMP pulp was successfully used instead of chemical short-fiber pulp were carried out. Enhancing tear strength was a central development field at PM6 Steyrermühl with the aim to specifically improve the mechanical

properties of the new grades. In doing so, multiple measures were implemented, including refining adjustments, optimized use of chemical additives and specific adjustments to machine settings.

Resource efficiency

The replacement of fossil fuels with renewable alternatives was a central element in the developments again in 2024 and will continue to play an important role in view of the global environment. Tests with various renewable energy sources showed both their potential and their technical and economic limitations. In the context of the efficient use of by-products and waste products, the utilization of the waste stream sesquisulfate from the bleach chemical production as a makeup chemical in Pöls must be highlighted. As a result of this measure, granulated sulfur purchases was fully replaced and production costs were reduced. At the same, occupational safety improved and the fire risk decreased considerably as sulfur input and storage were eliminated.

For the product developments in 2024, the refiner in long fiber strands was tested with RCF long-fiber pulp in a trial for the first time. In the course of the conversion of the PM10 in Laakirchen, the pulp refiners were in part retained but had previously not been operated with OCC pulp. While the initial test results were promising, they did not lead to the desired increase in strength after sheet formation and starch application. The development will be continued with optimized grades of recovered paper in 2025.

Basic research

Important projects for the further development of pulp production processes were conducted in Pöls in 2024 in close cooperation with national partners from industry and research. These projects included the planned use of green liquor dregs, which is expected to be implemented starting in 2025. Another key topic is the capturing and utilization of CO₂ from biological sources in the pulping process. This CO₂ offers a variety of applications and has the potential to make a significant contribution to the value chain. However, economic and logistical factors will be analyzed in detail before any potential implementation. The research projects underline the company's commitment to sustainable innovation and the continuous development of the industry.

Laakirchen Papier is working on advancing decarbonization measures. The submitted research project DEEP (Decarbonized Energy Efficiency Program) analyzes the use of waste heat from PM10 through high-temperature heat pumps for steam generation. At the same time, additional biogas potential for the Laakirchen site is evaluated in the Biogas4Industry project. Both projects serve to evaluate and prepare future decarbonization measures.

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5.2. RIGHT-OF-USE ASSETS

In EUR k	Property and buildings	Machinery	Tools and equipment	Total
GROSS VALUES AS OF 31.12.2022	32,988	13,599	4,036	50,623
Currency differences	-728	0	-6	-734
Additions	8,753	10,359	481	19,592
Disposals	-1,745	0	-360	-2,104
Reclassification	0	529	0	529
GROSS VALUES AS OF 31.12.2023	39,268	24,487	4,151	67,906
Currency differences	-310	0	-1	-311
Additions	6,843	7,493	532	14,867
Disposals	-10,602	0	-1,286	-11,889
Transfers/reclassifications	0	0	0	0
Additions from initial consolidation	473	607	32	1,112
GROSS VALUES AS OF 31.12.2024	35,671	32,587	3,428	71,686
ACCUMULATED DEPRECIATION 31.12.2022	13,275	5,263	2,258	20,795
Scheduled depreciation	4,914	897	800	6,610
Currency differences	-222	0	0	-222
Disposals	-1,654	0	-296	-1,950
Reclassification	0	0	0	0
ACCUMULATED DEPRECIATION 31.12.2023	16,313	6,159	2,761	25,233
Scheduled depreciation	5,390	2,103	726	8,219
Currency differences	-109	0	2	-107
Disposals	-10,597	0	-1,047	-11,644
ACCUMULATED DEPRECIATION 31.12.2024	10,997	8,263	2,442	21,702
NET CARRYING VALUE AS OF 31.12.2023	22,955	18,328	1,390	42,672
NET CARRYING VALUE AS OF 31.12.2024	24,674	24,324	985	49,984

In the 2024 financial year, EUR 268k (2023: EUR 258k) for leases with a short term and EUR 184k (2023: EUR 131k) for leases related to low value goods were recognized as expenses.

5.3. TANGIBLE ASSETS

The net values represent residual carrying values after depreciation, i.e. purchase costs less accumulated depreciation.

In EUR k	Property and buildings	Machinery	Tools and equipment	Assets under construction	Total
GROSS VALUES AS OF 31.12.2022	294,428	996,061	97,788	42,376	1,430,653
Additions	8,157	71,789	6,261	53,322	139,528
Additions from the acquisition of companies	14	0	211	0	225
Foreign currency differences	-2	-170	-40	1	-212
Disposals	-47	-1,544	-4,218	-197	-6,006
Reclassifications	4,042	12,650	3,967	-25,927	-5,269
GROSS VALUES AS OF 31.12.2023	306,591	1,078,785	103,969	69,575	1,558,919
Additions	135	103	5,583	109,237	115,058
Additions from the acquisition of companies	41,484	6,142	1,159	2,376	48,788
Foreign currency differences	-2	-100	-68	0	-170
Disposals	-12,838	-32,770	-5,354	-3361	-54,322
Reclassifications	7,535	149,223	4,038	-160,748	48
GROSS VALUES AS OF 31.12.2024	342,905	1,201,383	109,327	14,705	1,668,320
ACCUMULATED DEPRECIATION 31.12.2022	135,408	634,844	64,125	-42	834,335
Scheduled depreciation	7,044	41,592	8,615	-517	56,734
Impairment	0	14,007	0	0	14,007
Foreign currency differences	-1	-132	-26	0	-158
Disposals	-47	-492	-4,028	0	-4,567
Reclassification	0	0	-150	0	-150
ACCUMULATED DEPRECIATION 31.12.2023	142,404	689,820	68,535	-559	900,200
Scheduled depreciation	7,589	43,797	9,188	0	60,575
Unscheduled depreciation	1,341	2,146	695	0	4,182
Foreign currency differences	-1	-60	-27	0	-88
Disposals	-9,149	-32,363	-4,868	0	-46,380
Reclassification	0	-125	-537	0	-662
ACCUMULATED DEPRECIATION 31.12.2024	142,183	703,216	72,986	-559	917,827
NET CARRYING VALUE 31.12.2023	164,187	388,964	35,434	70,134	658,719
NET CARRYING VALUE 31.12.2024	200,722	498,166	36,341	15,263	750,493

Investments (CAPEX) mainly consisted of CAPEX of EUR 36.4 million for the conversion of the PM11 in Laakirchen, EUR 37.3 million for the conversion of the PM6 in Steyrermühl by Starkraft Steyrermühl GmbH and EUR 19.1 million for the UKP project.

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6. WORKING CAPITAL

6.1. INVENTORIES

Raw materials, supplies, and operating materials are valued using sliding average prices. In addition to direct material and labor costs, group products include an appropriate proportion of material and production overheads.

In EUR k	31.12.2024	31.12.2023
Raw materials	28,162	15,026
Supplies and operating materials	49,825	43,258
Work in progress	3,991	4,704
Finished goods and goods for sale	167,261	135,386
Prepayments on account	1,978	844
	251,218	199,219

Finished goods and goods for sale include emission allowances of EUR 454k (2023: EUR 2,868k). Inventories are measured at the lower of the acquisition or production costs and the net realizable value on the closing date and, if necessary, obsolete inventories are written down. The stored gas was measured using the FIFO method.

The impairment for inventories amounted to EUR 54,6978k as of December 31, 2024 (31.12.2023: EUR 44,208k), of which EUR –10,488k (2023: EUR –9,556k) was recognized through profit or loss.

6.2. TRADE RECEIVABLES

Trade receivables are due from various national and international customers.

In EUR k	31.12.2024	31.12.2023
Trade receivables	331,563	359,377
Trade receivables from associated companies	1,408	3,757
	332,971	363,134

The receivables from associated companies result primarily from the ongoing offsetting of trade receivables within the group and from group financing.

The fair values of trade receivables correspond roughly to the carrying values.

Provisions for impairment of trade receivables

HEINZEL GROUP applies the simplified impairment model for trade receivables without a significant financing component and determines the lifetime expected loss using an impairment matrix in which the expected losses are weighted, depending on amounts overdue, with the probability of occurrence of economic scenarios.

In EUR k	31.12.2024			31.12.2023		
	Nominal value	Impairment	Net carrying value	Nominal value	Impairment	Net carrying value
Not yet due	277,403	5,171	272,232	317,741	6,233	311,508
Overdue	0	0	0			
up to 30 days	36,924	945	35,979	35,129	1,439	33,690
31 to 60 days	6,182	518	5,664	3,927	694	3,233
61 to 90 days	2,820	360	2,460	2,119	590	1,530
91 to 180 days	1,625	305	1,320	6,584	2,338	4,246
181 to 360 days	4,262	990	3,272	6,961	1,880	5,080
more than 360 days	18,853	8,217	10,636	5,839	5,749	90
TOTAL	348,068	16,505	331,563	378,301	18,924	359,377

A significant part of the group's trade receivables is covered by credit insurance pursuant to internal regulations. The expected credit loss for such receivables is recognized as an expected credit loss at a maximum of the deductible (if a deductible has been contractually agreed). The group's receivable defaults and impairments are generally very low.

Provisions for impairment developed as follows:

In EUR k	31.12.2024	31.12.2023
Balance as of 1.1. of the financial year	18,924	16,384
Foreign currency differences	33	-332
Use of provisions	-1,629	-774
Reversals	-6,001	-4,695
Additions	5,178	8,341
BALANCE AS OF 31.12. OF THE FINANCIAL YEAR	16,505	18,924

6.3. TRADE ACCOUNTS PAYABLE

In EUR k	31.12.2024	31.12.2023
Trade accounts payable to third parties	272,264	270,886
Trade accounts payable to associated companies	38,257	23,532
Liabilities from investments	11,068	8,263
	321,589	302,681

The fair value of trade accounts payable corresponds roughly to the carrying value.

6.4. REVERSE FACTORING

All trade accounts payable are classified as current liabilities.

Liabilities which are part of reverse factoring agreements are assessed to determine whether the original trade payable must still be presented or whether it must be derecognized and recognized as a new financial liability based on the agreement. The decisive factor is whether HEINZEL GROUP has been released from its original obligation. In cases where there has been no release from the original obligation, HEINZEL GROUP assesses whether the reverse factoring agreement has led to a new obligation that must be recognized in addition to the trade payable. If this is also not the case, a present value test is carried out to determine whether the reverse factoring agreement has resulted in significant changes in the contractual terms of the trade payable which lead to the recognition of the trade payable and the recognition of a new financial liability.

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Suppliers of HEINZEL GROUP finance their trade receivables from HEINZEL GROUP with reverse factoring agreements. These suppliers can commission their banks to forward payment for the receivables at an earlier point in time. The present value test indicates that these agreements do not significantly change the contract terms (in particular payment terms and interest rates). The agreements do not lead to the reclassification of the trade accounts payable affected to another class of liability under civil law or IFRS regulations from the perspective of HEINZEL GROUP. Therefore, there are no changes to the presentation on the consolidated balance sheet (under trade accounts payable) and the consolidated cash flow statement (under cash flow from operating activities). The potentially affected trade accounts payable totaled EUR 25,631k as of December 31, 2024 (December 31, 2023: EUR 0). The carrying value of the potentially affected trade accounts payable for which suppliers have already received payments from the banks amounts to EUR 25,631k (December 31, 2023: EUR 0). As in the previous year, HEINZEL GROUP did not provide any collateral.

The liquidity risk of the reverse factoring agreements consists of a concentration since the reverse factoring agreements currently in place have been made with only one single financial institution, giving rise to the risk of a revocation of the reverse factoring agreement by this financial institution. The liabilities affected by these reverse factoring agreements are settled in accordance with the agreed due date. The related, estimated outflows are taken into account in liquidity planning. HEINZEL GROUP assesses the risk concentration with regard to sufficient financing sources as rather low because the risk spread of HEINZEL GROUP's financing over different financial institutions is maintained. Furthermore, the reverse factoring agreements include no material financing component and their discontinuation would therefore also not result in a significant increase in financing requirements. Liabilities relating to reverse factoring agreements amount to 11% as of the reporting date (December 31, 2023: 0%) relative to the group's total financial liabilities.

7. NET DEBT

HEINZEL GROUP's net debt is presented in the table below:

In EUR k	2024	2023
Non-current financial liabilities	190,701	210,138
Current financial liabilities	47,437	44,138
Total financial liabilities	238,138	254,276
Other financial assets	8,462	17,725
Cash and cash equivalents	145,176	238,375
NET ASSETS (+) / NET DEBT (-)	-84,500	1,823
Equity	969,131	983,195
GEARING RATIO	8.7%	-0.2%

7.1. FINANCIAL LIABILITIES

Financial liabilities are shown in the table below:

In EUR k	31.12.2024	31.12.2023
Non-current liabilities to banks	166,798	189,513
Non-current lease liabilities	23,902	20,625
TOTAL NON-CURRENT FINANCIAL LIABILITIES	190,701	210,138
Current liabilities to banks	41,450	39,166
Current lease liabilities	5,115	4,660
Other current financial liabilities	872	312
TOTAL CURRENT FINANCIAL LIABILITIES	47,437	44,138
FINANCIAL LIABILITIES TOTAL	238,138	254,276

Other current financial liabilities are related to options for the repurchase of non-controlling interests.

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Development of financial liabilities

Financial liabilities developed as follows:

In EUR k	Non-current	Current	Total
AS OF 31.12.2022	44,457	71,414	115,871
Foreign currency differences	-432	2,479	2,047
Increases	170,612	8,035	178,647
Reclassification due to remaining term	-11,881	11,881	0
Repayments	0	-51,775	-51,775
Non-cash changes	7,383	2,105	9,488
AS OF 31.12.2023	210,138	44,138	254,276
Foreign currency differences	-173	-7	-180
Increases	1,583	4,331	5,914
Reclassification due to remaining term	-29,313	29,313	0
Repayments	0	-39,178	-39,178
Non-cash changes	8,466	8,840	17,306
AS OF 31.12.2024	190,701	47,437	238,138

Non-cash changes in the 2024 financial year are primarily related to additions and remeasurements of lease liabilities.

Financial liabilities carry the following interest:

In EUR k	31.12.2024	31.12.2023
Fixed interest	34,423	51,361
Variable interest	203,715	202,915
	238,138	254,276

The interest rates on financial liabilities according to maturity are as follows:

	2024	2023
Due in 1 year	1.92 % – 5.31%	0.96%-2.20%
Due in 2–5 years	1.92% – 3.96%	1.92%
Due in > 5 years	3.72%	1.92%

The carrying values of the financial liabilities are denominated in the following currencies:

	2024			2023		
In EUR k	Non-current	Current	Total	Non-current	Current	Total
EUR	184,673	43,363	228,036	203,793	38,581	242,374
PLN	913	484	1,397	1,397	416	1,813
CZK	1,559	728	2,287	1,594	609	2,203
USD	382	3	385	557	2	559
HUF	383	369	752	751	258	1,009
Other	2,791	2,490	5,281	2,045	4,271	6,316
	190,701	47,437	238,138	210,137	44,137	254,274

The following table shows the contractual discounted cash flows (incl. interest payment) according to the main groups of interest payables:

Liabilities to banks

In EUR k	31.12.2024	31.12.2023
CARRYING VALUE	209,741	228,991
FAIR VALUE	183,809	231,310
		0
Gross cash flow		0
< 1 year	62,715	69,761
1–2 years	6,970	34,546
2–3 years	6,943	23,094
3–4 years	6,917	22,254
4–5 years	150,880	21,414
> 5 years	642	114,502
GROSS CASH FLOW	235,067	285,571

In order to hedge the interest rate risk of the financial liability carrying long-term variable interest, securities (interest rate swaps) with a nominal value of EUR 107 million (31.12.2023: EUR 113 million) are concluded for the aforementioned liabilities to banks.

Furthermore, loan liabilities are secured through bills of surety and federal guarantees from Oesterreichische Kontrollbank Aktiengesellschaft (OeKB).

In addition, HEINZEL GROUP receives export loans from the OeKB export credit agency.

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Lease liabilities

In EUR k	31.12.2024	31.12.2023
As of 1.1. of the financial year	25,286	22,010
Currency differences	-212	1,257
Additions	5,805	4,703
Additions from remeasurement	3,941	4,492
Disposals	-479	-396
Interest expense	1,276	1,013
Payments	-6,598	-7,794
LEASE LIABILITY	29,018	25,286
thereof non-current	23,902	20,625
thereof current	5,115	4,660

Lease liabilities primarily comprise the rental of warehouse and office buildings, car leasing agreements and the leasing of office machines. Maturities vary.

Additions from remeasurement primarily include the changed assessment of the exercise of extension or termination options as well as changes in future lease payments due to index or interest rate changes.

The following table shows the maturities of lease liabilities in detail:

In EUR k	31.12.2024	31.12.2023
< 1 year	5,115	4,660
1–5 years	12,814	12,097
> 5 years	11,089	8,529
	29,018	25,286

Financial receivables and liabilities from derivative financial instruments

Derivative financial instruments are exclusively used to hedge risks and are listed in the following, with positive amounts representing assets and negative amounts representing liabilities:

In EUR k	31.12.2024	31.12.2023
Currency derivatives (FVTPL)	205	2,071
Interest derivatives (FVTPL)	8,787	11,917
Receivables from interest swaps (FVOCI)	142	286
RECEIVABLES FROM DERIVATIVE FINANCIAL INSTRUMENTS	9,134	14,274
Currency derivatives (FVTPL)	-1,981	-159
Commodity swaps (FVTPL)	-2,250	-15,217
Interest derivatives (FVOCI)	1	4
LIABILITIES FROM DERIVATIVE FINANCIAL INSTRUMENTS	-4,230	-15,371

Currency derivatives include forward exchange transactions and are primarily used to hedge against risks arising from the US dollar (USD), Czech koruna (CZK), Hungarian forint (HUF), Polish zloty (PLN) and Romanian leu (RON) against the euro and have a term of up to one year.

Interest derivatives include interest rate swaps and hedge against the interest rate risk of financial liabilities carrying variable interest. The change in fair value of the outstanding hedging instruments is equivalent to the change in value of the hedged item. The interest rate swaps concluded are effective.

Receivables from derivative financial instruments are reported under the item “Other current receivables” (see note 11.1); liabilities from derivative financial instruments are presented under the item “Other liabilities and deferred income” (see note 11.3).

7.2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, demand deposits, and other short-term, highly liquid financial assets with a maximum original maturity of three months.

In EUR k	31.12.2024	31.12.2023
Cash in hand and cash at banks	145,176	238,375

The adjustment of cash in hand and cash at banks due to exchange rates amounts to EUR -417k (31.12.2023: EUR -2,741k).

7.3. OTHER FINANCIAL ASSETS AND FINANCIAL INVESTMENTS

Other non-current financial assets

The carrying values of other non-current financial assets consist of the following:

In EUR k	31.12.2024	31.12.2023
AT FAIR VALUE THROUGH PROFIT OR LOSS		
Securities	12,425	7,397
AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		
Other interests	52,207	60,941
	64,632	68,337

Other interests primarily consist of the following shares, which are held as non-current assets for strategic reasons and are therefore measured at fair value through other comprehensive income:

Name and registered office of the company	Share in %	
	2024	2023
Kraftwerk Laakirchen GmbH, Laakirchen, Austria	5%	5%
Kraftwerk Katzling GmbH, Pöls, Austria	5%	5%
Reisswolf Österreich GmbH, Leobendorf, Austria	10%	10%
Paracel S.A. Paraguay, South America	5%	5%

The fair value of the interests totals EUR 64,632k, of which EUR 43,714k is attributable to Paracel S.A.

Other current financial assets

The carrying values of other current financial assets consist of the following:

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In EUR k	31.12.2024	31.12.2023
Securities (bonds, investment funds)	8,462	17,725
AT FAIR VALUE THROUGH PROFIT OR LOSS	8,462	17,725

Securities are primarily shares in investment funds. As in the previous year, no securities were pledged in the 2024 financial year.

8. FINANCIAL INSTRUMENTS BY CATEGORY

The following table shows details regarding carrying values and fair values as well as the allocation to the fair value hierarchy in accordance IFRS 13.

In EUR k		31.12.2024		31.12.2023	
Category	Level	Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Financial assets and financial investments					
Amortized cost					
Non-current loans ¹	Level 3	0	0	0	0
At fair value through profit or loss					
Non-current securities FVTPL	Level 1	12,425	12,425	7,397	7,397
Other interests FVOCI	Level 3	52,207	52,207	60,941	60,941
		64,632	0	68,337	0
Trade receivables ¹	–	332,971	0	363,134	0
Other receivables at amortized cost ¹				7,789	0
Current financial assets					
At fair value through profit or loss					
Receivables from currency derivatives	Level 2	205	205	2,071	2,071
Receivables from interest derivatives	Level 2	8,787	8,787	11,917	11,917
Current securities, FVTPL	Level 1	8,462	8,462	17,725	17,725
At fair value through other comprehensive income					
Receivables from interest derivatives	Level 2	142	142	286	286
Cash and cash equivalents ¹	–	145,176	0	238,375	0
Financial liabilities					
At amortized cost					
Liabilities to banks	Level 2	209,120	183,809	228,991	231,310

At fair value through profit or loss					
Liabilities from currency derivatives	Level 2	1,981	1,981	159	159
Liabilities from commodity swaps	Level 2	2,250	2,250	15,217	15,217
Liabilities from options to acquire non-controlling interests	Level 3	14,661	14,661	14,069	14,069
Hedging instruments					
Liabilities from interest derivatives	Level 2	-1	-1	-4	-4
Lease liabilities ²	–	29,018	0	25,286	0
		257,029	0	283,716	0
Trade accounts payable ¹	–	321,589	0	302,681	0

¹ The carrying value of this item measured at amortized cost represents a reasonable approximation of fair value under IFRS 7.29 a). Therefore, no disclosure is made on the fair value hierarchy.

² Disclosure of the fair value is not required under IFRS 7.29 d).

Aggregated by class:

In EUR k	31.12.2024		31.12.2023	
Category	Carrying value	Fair value	Carrying value	Fair value
FINANCIAL ASSETS				
Amortized cost	484,387	0	609,297	0
Fair value through other comprehensive income	52,207	52,207	60,941	60,941
Fair value through profit or loss	20,887	20,887	25,121	25,121
			0	0
FINANCIAL LIABILITIES			0	0
Amortized cost	559,727	0	556,957	0
Fair value through profit or loss	14,661	0	14,069	0
			0	0
DERIVATIVES AND HEDGING INSTRUMENTS ¹			0	0
Fair value through profit or loss	4,761	4,761	-1,388	-1,388

¹ In the item “Derivatives and hedging instruments” positive amounts represent assets and negative amounts represent liabilities. Derivatives and hedging instruments are presented on a net basis.

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Financial instruments are recognized in other comprehensive income with the following net results:

In EUR k	2024	2023
FINANCIAL ASSETS		
Amortized cost	5,013	7,403
Fair value through profit or loss	1,518	2,100
FINANCIAL LIABILITIES		
Amortized cost	-16,662	-10,047
Fair value through profit or loss	-1,273	-1,008
DERIVATIVES		
Fair value through profit or loss	662	-7,444

9. EQUITY

9.1. SHARE CAPITAL

As of December 31, 2024 share capital amounted to EUR 3,635k and remained unchanged compared with the previous year.

9.2. CAPITAL RESERVES

Capital reserves include those parts of reserves not formed from the profit of previous reporting periods. As of December 31, 2024 capital reserves amounted to EUR 26,123k (31.12.2023: EUR 26,123k).

9.3. OTHER RESERVES

Other reserves include the reserves for differences from currency translation, revaluations of post-employment benefit obligations after deferred taxes, the change of the cash flow hedge reserve after deferred taxes as well as effects from the acquisition and sale of non-controlling interests and changes in the investment ratio.

Further information on other comprehensive income is provided under note 3.9.

9.4. RETAINED EARNINGS

Retained earnings comprise the net profit of the financial year and all profits of consolidated companies in the past unless they were paid out.

In the 2024 financial year, distributions amounting to EUR 5,000k (31.12.2023: EUR 16,299k) were made to shareholders of Heinzl Holding GmbH and to holders of non-controlling interests in subsidiaries amounting to EUR 2,156k (31.12.2023: EUR 1,270k). The Management Board intends to propose a dividend payout of EUR 0 for the 2025 financial year to the general meeting.

9.5. NON-CONTROLLING INTERESTS

This item includes the equity attributable to shareholders in fully consolidated subsidiaries. All details are provided under note 2.5.

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10. PROVISIONS

10.1. PENSIONS AND OTHER EMPLOYEE BENEFITS

In EUR k	31.12.2024	31.12.2023
Provisions for severance payments	24,007	21,059
Provisions for pensions	42,177	16,860
Provisions for long-service bonus obligations	7,314	6,509
	73,498	44,428

Provisions for pensions, severance payments and long-service bonus obligations amounting to EUR 72,321k (31.12.2023: EUR 41,269k) are related to the Austrian companies, while the companies in other countries account for EUR 1,177k (31.12.2023: EUR 3,158k). Since the values of the provisions for companies not based in Austria are immaterial, the information regarding the parameters for the valuation of social capital refer to the underlying parameters for the companies in Austria.

Personnel of Austrian companies, whose employment commenced prior to January 1, 2003, are entitled to a one-off payment in the event of their employment being terminated by the employer, or upon their retirement. The amount of this payment is dependent upon the number of years of service and wages or salary at the time of termination. For personnel whose employment commenced after December 31, 2002, this obligation is transferred to a defined contribution plan. Payments to these external employee pension funds are recognized as an expense.

The pension obligations are defined as supplementary pensions on an individual contractual basis, or as part of company agreements. They exist for Zellstoff Pöls AG, Europapier CE GmbH, EU-RO Handelsgesellschaft m.b.H, Laakirchen Papier AG, Bunzl & Biach GmbH, Starkraft Steyrermühl GmbH, HSG Papier GmbH, Steyrermühl Sägewerks-gesellschaft m.b.H. Nfg KG and Raubling Papier GmbH, and contain retirement, occupational invalidity pension, widows' and widowers', and orphans' pensions. The pensionable age corresponds with that of the individual agreements. For employees who are still active the level of payments has been defined in accordance with the individual contracts. The company or the pension fund pays the annual pension amount to employees who have already left the company. The widows' and widowers', and orphans' pensions are established in accordance with the agreements.

In addition, various pension commitments exist that primarily affect employees in Austria.

The valuation of social capital for the Austrian companies is based on the following parameters:

	31.12.2024-	31.12.2023
Discount rate	3.23	3.15 or 3.65
Wage/salary increases	3.50 for 2025	8.00 for 2024
	2.00 from 2026 onwards	5.00 for 2025
		2.00 from 2026 onwards
Pension increases	0.00 or 3.50 / 2.00	0.00 or 8 / 5.00 / 2.00
Retirement age men/women	max. 65/60 years	max. 65/60 years
Mortality tables	AVÖ 2018-P (salaried employees)	AVÖ 2018-P (salaried employees)

The fluctuation probabilities applied in determining the amount of provisions allocated for severance payments and long-service bonuses are calculated on the basis of a fluctuation analysis.

In line with a statement from the Austrian Financial Reporting and Auditing Committee regarding the handling of “old severance payments” pursuant to IAS 19 from March 2013, terminations of employment and “solutions by mutual consent on the part of the employer” are not accounted for in the fluctuation.

Therefore, differing fluctuation probabilities are employed for the provisions for severance payments and long-service bonuses on the basis of employment termination and payout probabilities. The fluctuation probabilities for Austrian companies range between 0 and 9% for long-service bonuses (2023: 0–9%) and between 0 and 9% (2023: 0–9%) and between 0 and 3% for severance payments (2023: 0–3%).

Provisions for severance payments

In EUR k	31.12.2024	31.12.2023
AS OF 1.1. OF THE FINANCIAL YEAR	21,059	19,188
Additions from initial consolidation	7,403	0
Currency translation	1	2
Service costs for the period	713	477
Past service cost	0	0
Interest expense for the period	831	602
Remeasurement	-1,255	3,803
Payments	-4,744	-3,012
AS OF 31.12. OF THE FINANCIAL YEAR	24,007	21,059
thereof included in personnel costs	713	477
thereof included in interest expense	831	602
	1,544	1,078

Remeasurements (actuarial gains/losses) are broken down as follows:

In EUR k	31.12.2024	31.12.2023
Remeasurement from changes in financial assumptions	-670	732
Remeasurement from experience adjustments	-585	3,070
	-1,255	3,803

The weighted average duration amounts to six years.

Analysis of the expected undiscounted claims:

In EUR k	1–5 years	6–10 years	> 10 years	Total
Severance payment claims	12,734	11,273	12,457	36,463

Sensitivity analysis

The following sensitivity analysis presents the effects resulting from the changes of individual, material actuarial factors while conditions remain unchanged otherwise. However, in reality it is more likely that several of these factors change at the same time.

The following actuarial assumptions were considered to be material and stress-tested in the following ranges:

Discount rate +/- 0.25%; wage/salary trend +/- 0.25%; pension trend was not considered

The table shows the change in DBO when one parameter increases/decreases by the respective range, while the other parameters remain unchanged.

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.	31.12.2024		31.12.2023	
In EUR k	Decrease parameter	Increase parameter	Decrease parameter	Increase parameter
Interest rate	369	-359	310	-303
Salary / wage increases	-371	380	-305	311

Provisions for pensions

In EUR k	31.12.2024	31.12.2023
Present value of funded pension obligations	14,478	15,625
Fair value of plan assets	-6,767	-6,985
Deficit of funded pension obligations	7,711	8,641
Actuarial present value of unfunded obligations	34,467	8,220
BALANCE SHEET RECOGNITION PROVISION FOR PENSIONS	42,178	16,860

Defined benefit obligations developed as follows:

In EUR k	31.12.2024	31.12.2023
AS OF 1.1. OF THE FINANCIAL YEAR	23,845	23,528
Addition from Initial consolidation	27,248	0
Service costs for the period	0	0
Interest expense for the period	1,593	769
Remeasurement	-514	1,425
Payments	-3,311	-1,877
AS OF 31.12. OF THE FINANCIAL YEAR	48,945	23,845

Remeasurements (actuarial gains/losses) are broken down as follows:

In EUR k	31.12.2024	31.12.2023
Remeasurement from changes in financial assumptions	-328	1,034
Remeasurement from experience adjustments	-186	391
	-514	1,425

The fair value of plan assets developed as follows:

In EUR k	31.12.2024	31.12.2023
AS OF 1.1. OF THE FINANCIAL YEAR	6,985	6,563
Interest gains for the period	220	228
Income from plan assets	170	803
Contributions by employer	0	12
Payments	-608	-621
AS OF 31.12. OF FINANCIAL YEAR	6,767	6,985

The following amounts relating to provisions for pensions and plan assets were recognized in profit and loss:

In EUR k	31.12.2024	31.12.2023
Recognized in personnel expenses	84	0
Recognized in interest expenses	1,373	541
	1,457	541

The plan assets for the coverage of the pension obligations were reinsured by means of insurance policies concluded with Wiener Städtische Versicherung AG Vienna Insurance Group and Allianz Pensionskasse AG.

The plan asset portfolio structure is shown below:

In %	31.12.2024	31.12.2023
Equity instruments	78%	84%
Debt instruments	16%	13%
Real estate	4%	2%
Other	2%	1%
	100%	100%

The weighted average duration is ten years.

Analysis of the expected maturities of the undiscounted claims:

In EUR k	1–5 years	6–10 years	> 10 years	Total
Pension claims	17,206	15,337	38,629	71,173

Sensitivity analysis

The following sensitivity analysis presents the effects resulting from the changes of individual, material actuarial factors while conditions remain unchanged otherwise. However, in reality it is more likely that several of these factors change at the same time.

The following actuarial assumptions were considered to be material and stress-tested in the following ranges:

Discount rate +/- 0.25%; pension trend +/- 0.25%

The table shows the change in DBO when one parameter increases/decreases by the respective range, while the other parameters remain unchanged.

.	31.12.2024		31.12.2023	
in EUR k	Decrease parameter	Increase parameter	Decrease parameter	Increase parameter
Interest rate	1.246	-1.193	551	-529
Pension increase	-974	1.013	-283	292

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Provisions for long-service bonuses

In EUR k	31.12.2024	31.12.2023
AS OF 1.1. OF THE FINANCIAL YEAR	6,508	5,991
Addition from initial consolidation	1,598	0
Service costs	507	392
Interest expense	248	191
Actuarial gains/losses	-842	628
Payments	-705	-694
AS OF 31.12. OF THE FINANCIAL YEAR	7,314	6,508
thereof included in personnel costs	-335	392
thereof included in interest expenses	248	191
	-87	583

10.2. OTHER PROVISIONS

In EUR k	Legal and consulting costs	Other	Total
AS OF 1.1.2022	2,267	4,629	6,896
Additions	911	3,448	4,359
Disposals through reversal	-1,849	-271	-2,120
Disposals through utilization	-189	-2,307	-2,496
AS OF 31.12.2023	1,140	5,499	6,639
Currency translation	-6	0	-6
Additions	300	1,593	1,893
Disposals through reversal	-228	-304	-532
Disposals through utilization	-94	-3,184	-3,278
AS OF 31.12.2024	1,112	3,604	4,716

The item “Other” includes, among other things, provisions for contractual construction and maintenance measures, and provisions for obligations arising from the Energy Efficiency Act. For other provisions, maturity is expected within a year.

11. OTHER RECEIVABLES AND LIABILITIES

11.1. OTHER CURRENT RECEIVABLES

In EUR k	31.12.2024	31.12.2023
Receivables from tax authorities	22,273	23,078
Supplier bonuses	6,163	7,243
Prepayments and deposits	3,719	4,041
Other receivables	2,827	2,980
Other receivables from associated companies	15	15
Derivatives	9,137	14,788
Deferred expenses	2,847	2,453
	46,980	54,597

The fair values correspond roughly to the carrying values.

11.2. OTHER NON-CURRENT LIABILITIES

In EUR k	31.12.2024	31.12.2023
Obligations from grants received	7,129	7,396
Other	2,357	1,382
	9,486	8,778

The reported grants include grants for the PM2 project, the installation of the steam turbine 4 and the construction of a district heating bleed system at Zellstoff Pöls AG. As all conditions and requirements are currently complied with, there is no risk that repayment of the subsidies will be required.

Subsidies are reversed over the expected useful life of the asset for which they were granted. The reversal is recorded in the consolidated income statement under other operating income.

The maturities of the subsidies are as follows:

In EUR k	31.12.2024	31.12.2023
< 1 year	965	946
> 1 year	6,163	6,450
	7,129	7,396

11.3. OTHER CURRENT LIABILITIES AND DEFERRED INCOME

In EUR k	31.12.2024	31.12.2023
Other liabilities to employees	32,511	29,471
Liabilities from tax accounting	17,133	13,223
Refund liability	4,172	3,980
Liabilities from emission allowances	1,954	266
Liabilities from derivatives	4,307	15,770
Deferred income	4,800	5,618
Other liabilities to third parties	5,542	10,343
	70,419	78,671

Other liabilities to employees primarily include provisions for unused leave and time credits as well as bonus payments.

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12. OTHER DISCLOSURES

12.1. RELATED PARTY TRANSACTIONS

Business relations between the group and related party entities are concluded under conditions at arm’s length.

Balances and transactions between the parent company Heinzl Holding GmbH and all fully consolidated subsidiaries are eliminated in the course of consolidation and therefore not explained.

Business relationships exist with Supervisory Board members, which consist of legal and business consulting as well as marketing services; they are of minor financial significance and were concluded at standard market conditions. The billing of services rendered is subject to arm’s length rates.

12.2. CONTINGENCIES AND OTHER OBLIGATIONS

In EUR k	31.12.2024	31.12.2023
Bank guarantees	4,632	605
Other contingencies	123,080	129,432
	127,712	130,037

Other contingencies include a guarantee of Heinzl Holding GmbH for the liability for receivables of Papierholz Austria GmbH up to a maximum of EUR 28.7 million (2023: EUR 29.5 million), which are predominantly intended for wood and energy purchasing contracts.

12.3. CAPITAL MANAGEMENT

The primary objective of HEINZEL GROUP’s capital management is to secure going concern in the long term by maintaining a solid capital base to finance future growth in existing mills or through acquisition, and to generate adequate returns to enable attractive dividend payments to the shareholders. In any case, the goal is to meet the ratios described below and to increase the company value on a sustained basis.

HEINZEL GROUP manages its capital through the gearing ratio, the ratio of net debt to equity, the equity ratio and the return on average capital employed (ROACE). This indicator describes the interest on the capital employed in operating business or for an investment. Subsequently, the comparison of this profitability key figure with the capital costs of HEINZEL GROUP enables statements with regard to changes in company value. The internal target of HEINZEL GROUP is a ROACE which exceeds the WACC (Weighted Average Cost of Capital) in the medium term by 500 basis points.

During growth steps the target for the gearing ratio is 40% and should only be exceeded up to a maximum of 80% for a limited time. The equity ratio should not fall below 30%.

In the reporting period these key figures developed as follows:

	2024	2023
Net Debt / EBITDA	0.8	0.0
Gearing Ratio	8.7%	-0.2%
ROACE	-0.1%	1.4%

Net debt is calculated from financial liabilities less cash and cash equivalents and other financial assets (see note 7).

12.4. RISK MANAGEMENT

Market risk

HEINZEL GROUP operates in a variety of global markets and is therefore exposed to risks which relate primarily to foreign exchange rates, interest rates and the current values of investments of liquid assets. The group constantly monitors these exposures. To manage the emerging volatility affiliated with these risks, the group uses a variety of derivative financial instruments in accordance with group policy. Where apposite, the group’s objective is to reduce the fluctuations in earnings and cash flows emanating from changes in interest rates, exchange rates, and the value of investments. HEINZEL GROUP undertakes no financial transactions that include a non-assessable risk at the time of their conclusion.

Foreign exchange risk

Group reporting takes place in euros. The exchange rate risks of HEINZEL GROUP derive mainly from the purchase and sale of goods in foreign currency, as well as from financing in foreign currencies. These risks primarily relate to the parity of the US dollar, Czech koruna, Hungarian forint, Polish zloty, Russian ruble, and the Romanian leu against the euro. HEINZEL GROUP uses forward exchange transactions to hedge anticipated foreign currency revenues.

Foreign currency positions and hedging transactions are continuously monitored. Accordingly, if on the closing date of December 31, 2024 the exchange rate of the currencies listed below with regard to foreign currency positions had moved by the stated percentages (“volatility”) against the euro and assuming that all other variables had remained constant, the profit for the year would have been higher or lower by the following amounts.

	2024			2023	
	Volatility + / -	Result effect in EUR k		Result effect in EUR k	
		In case of increase	In case of decrease	In case of increase	In case of decrease
USD	3%	1,132	-1,186	64	-43
CZK	3%	322	-322	328	-328
HUF	3%	283	-283	-19	20
PLN	3%	761	-761	-7	7
RON	3%	283	-283	-45	45
MYR	3%	10	-10	47	-47

Interest rate risk

HEINZEL GROUP manages its net interest rate risk through the ratio of fixed-rate to variable-rate debt. As of December 31, 2024, the share of fixed-interest financial liabilities amounted to 14% (31.12.2023: 20%). For long-term floating rates, interest rate swaps are also used and these are exchanged within the scope of recurrent payments, based on nominal values and agreed fixed and variable interest rates. Interest is fixed in advance for the next three and six months at the respective calendar quarter.

A sensitivity analysis showed that an increase in variable interest rates by 100 bps has no material effect on these consolidated financial statements.

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Counterparty risk

Counterparty risks include the default risk related to derivative financial instruments and money market funds, as well as the credit risk on current account balances and money market transactions. The default risk and credit risk are reduced by exclusively selecting banks and financial institutions as counterparties that have at least a BBB rating at the time of the transaction. Moreover, Group Treasury establishes and monitors specific limits for each counterparty. HEINZEL GROUP does not expect any losses resulting from counterparties defaulting on their contractual obligations and is not subject to any significant cluster risks with respect to trade receivables as the group generally has a large number of customers worldwide.

Liquidity risk

Liquidity risk refers to the risk of not having sufficient liquidity available at all times to meet financial obligations when due and at a reasonable price. Group-wide cash reporting helps to limit this risk and guarantees the transparency required for targeted financial resource management. In addition, HEINZEL GROUP also regularly takes advantage of the financing opportunities offered by the financial markets. A primary goal of liquidity management is to safeguard the financial flexibility and independence of the group and limit any undue refinancing risks.

Liquidity risk is dealt with through the creation of a medium-term financing framework.

The financing framework is underpinned by individually agreed financial covenants. These agreements are intended to accommodate the conflicting interests of both parties. The aim is to obtain information at the earliest possible date of negative developments regarding the debtor and the provision of HEINZEL GROUP with the entrepreneurial freedom to secure corporate financing and liquidity rather than being subject to any unexpected loan cancellations. This allows the contractual parties to initiate proactive countermeasures.

Non-adherence to the financial covenants may lead to the demand of repayment of the debt item.

The following financial covenants are to be found in the credit agreements of HEINZEL GROUP: equity ratio and net financial liabilities/EBITDA.

The covenants are examined quarterly or half-yearly and reported to the lender bank. In addition, adherence to the covenants is also examined during the preparation of the annual budget and forecasting. No infringement of the financial covenants is anticipated for the 2025 budget or the forecast period from 2026 to 2029.

HEINZEL GROUP fulfilled all financial covenants on the December 31, 2024.

12.5. INFORMATION ON BOARD MEMBERS AND EMPLOYEES

During the 2024 financial year, HEINZEL GROUP had an average of 1,182 blue-collar employees (2023: 1,137) and 1,532 white-collar employees (2023: 1,363). A breakdown of employee earnings in the income statement into expenses for wages and expenses for salaries is in accordance with the requirements of the respective country of employment, while a breakdown of the average personnel figures into blue-collar and white-collar employees was carried out according to functional criteria.

In the 2024 financial year, the following persons were appointed as members of the Management Board:

Sebastian Heinzl, Karl Achleitner (from 02.09.2024), Kurt Maier (until 31.08.2024), and Barbara Potisk-Eibensteiner (until 31.12.2024)

The remuneration paid to the members of the Management Board of Heinzl Holding GmbH was as follows:

In EUR k	2024	2023
Fixed amounts	1,005	1,000
Variable amounts	0	1,174
	1,005	2,535

The following persons served as members of the Supervisory Board:

Alfred Heinzl (Chairman), Alexander Riklin (Deputy Chairman), Christoph Johannes Heinzl, Matthias Heinzl, Frank Hensel, Johannes Klezl-Norberg, and Riia Sillave.

The remuneration of the members of the Supervisory Board totaled EUR 87.5k in the past financial year (2023: EUR 140k).

12.6. EVENTS AFTER THE CLOSING DATE

There were no significant events after the closing date.

13. ACCOUNTING AND VALUATION METHODS

13.1. INTANGIBLE ASSETS

Intangible assets are valued at the acquisition cost and depreciated as scheduled using the straight-line method, assuming an amortization period of three to twenty years.

Goodwill

Goodwill is created during the acquisition of subsidiaries and is constituted by the surplus difference between the agreed purchase price and the acquired identifiable assets, the assumed debts and all non-controlling interests of the purchased company, as well as the fair value of its existing equity. Should the purchase costs of the acquired subsidiary be lower than net assets measured at fair value, the resulting difference will be recognized directly as comprehensive income under other operating income.

Concessions and rights

The acquisition costs for computer software, commercial rights and similar rights are capitalized and subject to straight-line amortization over their standard useful life. On average, the expenses for software programs are amortized over a period of four to five years. In the group, licenses and patents demonstrate an amortization period of around three years.

13.2. TANGIBLE ASSETS

Tangible assets are valued at acquisition or production cost, less scheduled depreciation, which is calculated by applying the straight-line method, and impairments. In the 2024 financial year, significant non-scheduled depreciation of tangible assets was recognized for the subsidiary Raubling Papier GmbH (for further details refer to note 5.3. Tangible assets).

Subsequent additional acquisition and production costs are only recognized as part of the acquisition or production costs of the asset, or where appropriate as a separate asset, when it is probable that the group will accrue a future economic benefit as a result and the costs can be reliably determined. The carrying value of the part replaced is written off.

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Expenses for repairs and maintenance that do not represent material replacement investments are recognized in the income statement during the financial year in which they are incurred.

A difference between the proceeds from the sale of plants and the carrying value is reported as a gain or loss under the result from operating activities.

For depreciable tangible assets, the following expected useful lives are assumed:

Buildings including buildings on third-party property	10–50 years
Plant and machinery	5–20 years
Other fixed assets, tools and equipment	3–10 years

13.3. BORROWING COSTS

In accordance with IAS 23, borrowing costs that can be attributed directly to the purchase, construction or production of a qualifying asset are capitalized as part of the cost of acquisition or production of this asset until all the work required for the use of the created asset or for its intended purpose or sale has been largely completed. During the determination of the amount of the capitalized borrowing costs in a certain period, all the income earned from the financial investment that was temporarily invested for the qualifying asset up to the point of use are deducted from the borrowing costs incurred.

As in the previous year, the criteria for a qualifying asset were not met in the 2024 financial year. Therefore, borrowing costs were not capitalized, but recognized as an expense in the period in which they incur.

13.4. IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill and other intangible assets with an indefinite useful life are subjected to an impairment test at least once a year, or when indications of value impairment exist. All other assets and cash-generating units are tested should there be any indications of value impairment.

For impairment testing, assets are grouped on the lowest level generating independent cash flow (cash-generating unit). Goodwill is allocated to those cash-generating units that are expected to benefit from synergies derived from the related business purchase and that represent the lowest level within the group at which management monitors the related cash flows.

An impairment loss is recognized to the amount by which the carrying value of the individual asset or the cash- generating unit exceeds the recoverable amount. The recoverable amount is the higher of the asset's net selling price and the value in use. Impairment losses recognized for cash-generating units, to which goodwill is allocated, primarily reduce the carrying value of goodwill. Any additional impairment losses reduce the carrying value of the other assets in the cash-generating unit on a pro rata basis.

With the exception of goodwill, a reversal of an impairment loss is recognized in the event of a reversal of previously recognized impairment indicators.

13.5. GOVERNMENT GRANTS

In accordance with IAS 20, government grants are only recognized at fair value when reasonable assurance exists that the entity will comply with any conditions attached to the grant and that it will be received. Grants are basically recognized as income over the period necessary to match them with the costs for which they are intended to compensate. Where grants are received for the purchase or production of assets, the amounts are deferred and reversed through other operating income over the useful life of the asset.

13.6. INVENTORIES

Own products and goods are measured at the lower of the acquisition or production costs and the net realizable value. The net realizable value is the estimated selling price less estimated costs of completion and necessary selling costs. Raw materials, supplies, and operating materials are measured using sliding average prices. In addition to direct material and labor costs, group products include an appropriate proportion of material and production overheads (based on normal operational capacity). The costs of acquisition and production do not contain any borrowing costs.

The standard prices for own products are determined in accordance with the FIFO principle.

13.7. EMISSION ALLOWANCES

Allowances allocated for free are capitalized at the value at the date of the allocation and recognized under current assets under inventories. Emission allowances acquired for a consideration are recorded at cost under inventories and measured at fair value at the balance sheet date (however, limited to acquisition costs).

In case of underallocation the corresponding provisions for CO₂ emission allowances are also included under other liabilities. The measurement is based on the closing date rate (or the carrying value) of the allowances.

13.8. FINANCIAL INSTRUMENTS

IFRS 9 “Financial Instruments” deals with the classification, recognition and measurement of financial assets (such as securities, investments, loans, trade receivables as well as cash and cash equivalents) and financial liabilities (such as bonds and loans, trade payables and derivative financial instruments).

Financial assets

Financial assets are classified according to the following three categories under IFRS 9:

The classification is based on the business model within which the assets are held and on the properties of their contractual cash flows.

MEASURED AT AMORTIZED COST (AC)

A financial asset is measured at amortized cost if both of the following conditions are met:

The subsequent measurement is made at amortized cost applying the effective interest method, with no discounting in case of immateriality.

This category comprises the following items:

MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

In subsequent measurements, all changes in fair value are recognized through other comprehensive income, whereby the fair values are measured either by transactions in an active market or – where there is no active market – determined by applying measurement methods.

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This category comprises the following items:

MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

A financial asset that is measured neither at amortized cost nor at fair value through other comprehensive income must be measured at fair value through profit or loss.

In subsequent measurements, all changes in fair value are recognized through profit or loss, whereby the fair values are measured either by transactions in an active market or – where there is no active market – determined by applying measurement methods.

This category comprises the following items:

Securities essentially consist of shares in investment funds which do not meet the SPPI criteria.

Impairment of financial assets

Under the impairment model according to IFRS 9, expected losses must be recognized for all financial instruments within the scope of application. It is not necessary that a loss occurs before an impairment is recognized.

Instruments in the scope of application:

Pursuant to IFRS 9, impairments will be measured on the basis of one of the following principles:

For financial instruments that have not been subject to a significant increase in credit risk since initial recognition, a company must make a provision in the amount of the loan defaults that are anticipated within the next twelve months (**Stage 1**).

For financial instruments that have been subject to a significant increase in credit risk since initial recognition, a company must make a provision in the amount of the loan defaults that are anticipated during the expected life of the financial instrument. An additional distinction is made regarding the existence of objective evidence of impairment:

Stage 2 (increased credit risk, but no objective evidence):

If the credit risk has increased significantly, but there is no objective evidence of impairment, the loss allowance must be increased to the amount of the expected losses throughout the entire remaining term. The method of interest collection initially remains unchanged.

Stage 3 (objective evidence of impairment):

With the occurrence of objective evidence of impairment the recognition of interest income must also be adjusted so that interest income is based on the net carrying value (gross carrying value adjusted for the loss allowance) of the instrument.

IFRS 9 allows the application of a simplified impairment model for trade receivables, lease receivables (IFRS 16) and contractual assets (IFRS 15) in which the impairment is always determined in the amount of the remaining lifetime expected credit loss of the financial instrument. The options to elect can be exercised independently of one another, but have to be consistent.

HEINZEL GROUP applies the simplified impairment model for trade receivables and lease receivables without a significant financing component and determines the expected lifetime expected loss using an impairment matrix in which the expected losses are weighted depending on days overdue with the probability of occurrence of economic scenarios.

The underlying age structure is as follows:

Not yet due

Both historic data and forward-looking information and expectations are taken into account when determining impairments. For this purpose, financial assets are divided into different regions and the credit risk or changes in credit risk for the respective region are considered accordingly.

A significant part of the group's trade receivables is covered by credit insurance in accordance with internal regulations. The expected credit loss for such receivables is recognized as an expected credit loss at a maximum of the deductible (if a deductible has been contractually agreed). The group's receivable defaults and impairments are therefore generally very low.

Receivables are only derecognized when the receipt of payment can no longer be expected, however, at the earliest after three years.

Financial debts

Financial debts are classified in the following categories according to IFRS 9:

The category “at amortized cost” comprises the following items:

The category “at fair value through profit or loss” comprises the following items:

Derivative financial instruments

The group uses derivatives solely for the purpose of risk hedging and not for speculative purposes.

Derivative financial instruments are initially recognized at the fair value determined on the day the contract is concluded.

Subsequent measurement is based on the fair value of the respective closing date. The method of recognizing gains and losses depends on whether the derivative financial instrument was designated as a hedging instrument and, consequently, on the type of hedged item (fair value, cash flow, net investment in a foreign company).

A treasury policy applied throughout HEINZEL GROUP forms the basis of the risk management strategy and contains the respective risk management goals.

Detailed information on derivative financial instruments is provided under note 7.1 Financial liabilities from derivative financial instruments.

DERIVATIVE FINANCIAL INSTRUMENTS WITHOUT A HEDGING RELATIONSHIP

Forward exchange transactions (currency derivatives) serve to hedge fluctuations in the cash flows derived from shifts in the exchange rates used for taking out loans, receivables, sales and purchases. Changes in fair value from forward exchange transactions are recognized through profit or loss as they are not designated as a hedged item.

The part of interest rate swaps not representing a hedging relationship between the hedging instrument and the hedged item is also measured at fair value through profit or loss.

HEDGING INSTRUMENTS: INTEREST DERIVATIVES

Interest rate swaps are accounted for as hedging transactions in accordance with hedge accounting rules if the criteria are met. Changes in fair value are therefore recognized through other comprehensive income.

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This refers primarily to interest derivatives concluded for an existing loan.

The fair values of derivative financial instruments are determined using measurement models based on input parameters observable on the market.

Gains and losses from hedging instruments that are attributable to the effective portion of the changes in the current value of derivatives in cash flow hedges are recognized in the statement of all income and expenses recognized as other income. The ineffective part of the gains or losses is immediately recognized in the income statement.

Financial instruments are recognized centrally and immediately after the completion of transactions. This allows continuous assessment (mark-to-market valuation) and a judgment of the current risk situation. The respective closing date exchange rates were used for the measurement of foreign exchange derivatives.

13.9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash (cash in hand), demand deposits, and other short-term, highly liquid financial assets that are available at any time such as assets at banks with a maximum original maturity of three months.

13.10. EMPLOYEE BENEFITS

Within the group, various plans exist for payments to employees due in the long term.

Pensions, obligations similar to pensions and severance payments

A defined contribution plan is a plan under which the group pays fixed amounts to a non-group company or corporate body. The group is under no legal or de facto obligation to make additional payments should the fund have insufficient assets in order to meet all the employee claims derived from the current and previous financial years. A defined contribution plan is not a defined benefit plan.

Typically, defined benefit plans establish a pension sum that the employee will receive upon retirement, which as a rule is dependent upon one or more factors (such as age, period of service and remuneration). Included among the defined benefit plans are the severance payments to be made in Austria to employees, whose employment relationship commenced prior to January 1, 2003.

The provision made in the balance sheet for defined benefit plans corresponds with the cash value of the defined benefit obligation (DBO) on the closing date less the fair value of the plan assets.

An independent actuary calculates the DBO annually by means of the projected unit credit method. The cash value is established through the discounting of the anticipated future cash outflows with the interest rate for top credit-rated corporate bonds. The corporate bonds are in the currency of the payment amounts and have maturities in line with the pension obligations.

Actuarial gains and losses based on experience adjustments and changes to actuarial assumptions are recognized as equity in “Other comprehensive income” in the period in which they occur.

Service costs and past service costs are recognized immediately as personnel expenses.

Increases in provisions derived purely from compounding are recognized under profit and loss as interest expenses.

In the case of defined contribution plans, the group makes payments to public or private insurance plans on a legal, contractual or voluntary basis. The group has no payment obligations above and beyond the contribution payments. When due, the amounts are recognized as personnel expenses.

Other long-term employee benefits

Other long-term employee benefits include long-term, paid leave of absence such as special leave following long service or leave for personal further training, long-service bonuses and other related payments. As opposed to the accounting prescribed for payments made following the termination of the working relationship, revaluations of the net debt (or net assets) are not recognized as “Other comprehensive income”, but as an expense or income, as is the case with service costs and net interest on the net debt (or net assets).

13.11. PROVISIONS

Provisions are formed when the group (a) has a current legal or de facto obligation resulting from a prior event, (b) it is more likely than not that the settlement of the obligation will result in an asset burden and (c) the amount of the provision could be reliably determined.

Provisions are measured using the cash value of the anticipated expense, whereby a pre-tax interest rate is established that accounts for current market expectations regarding the interest effects and the specific risks relating to the obligation. Increases in provisions derived purely from compounding are recognized under profit and loss as interest expenses.

13.12. LEASING

Upon lease commencement, the group determines whether a contract constitutes a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Accounting by lessees

On the day of provision, the group recognizes a right-of-use asset and a lease liability for all leases with the exception of leases with a short term and leases where the underlying asset is of low value. The group does not elect to account for lease and non-lease components as a single lease component.

The right-of-use asset is initially measured at cost, which corresponds to the initial measurement of the lease liability at the present value of the payments over the term of the lease.

The right-of-use asset is subsequently depreciated on a straight-line basis over the shorter period of the expected useful life of the asset or term of the lease.

Buildings including buildings on third-party property	3–50 years
Plant and machinery	5–20 years
Other fixed assets, tools and equipment	5–8 years

Right-of-use assets are shown separately in the balance sheet.

The group generally uses the incremental borrowing rate to calculate the present value of lease payments as the interest rates underlying the lease can rarely be readily determined.

The lease liability is measured at the carrying value using the effective interest method. The lease liability is remeasured if one of the following conditions occurs:

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In the case of such a remeasurement of the lease liability, the carrying value of the right-of-use asset is adjusted accordingly unless the carrying value of the right-of-use asset is already at zero. In this case the lease liability is adjusted through profit or loss.

Lease liabilities of the group are included in the item “Financial liabilities”.

Accounting by lessors

The group does not act as a lessor.

13.13. CURRENT AND DEFERRED TAXES

The tax expense for the period consists of both current and deferred taxes. Taxes are reported as profit and loss unless they relate to items reported under “Equity” or “Other comprehensive income”. In this case, the taxes are also reported under “Equity” or “Other comprehensive income”.

The current tax expense is calculated using the tax regulations valid on the closing date of the countries in which the company and its subsidiaries are active and generate taxable income. The management examines tax declarations regularly, in particular with regard to issues subject to interpretation and, where appropriate, forms provisions based on the amounts expected to be paid to the fiscal authorities.

Tax deferrals are formed for all the temporary differences between the assets/liabilities tax base and their carrying values in the IFRS financial statements (so-called liabilities method). However, if in the course of a transaction that does not constitute a business combination, deferred taxation emanates from the initial recognition of an asset or a liability that at the time of the transaction had neither an effect upon the balance sheet nor on taxable profit or loss, the deferred tax asset or liability is neither recognized at the date of initial recognition nor subsequently. Deferred taxes are measured using those tax rates (and regulations) that apply on the closing date, or have been substantially adopted into law and which are anticipated to be valid on the date of the realization of the deferred tax accrual or the settlement of the deferred tax liability.

Deferred taxes are only recognized to the extent that a sufficient fiscal surplus is expected in the future against which the temporary difference can be employed.

Deferred tax liabilities resulting from temporary differences in connection with interests in subsidiaries, associated companies and joint arrangements are recognized unless the date of the reversal of the temporary differences can be determined by the group and it is probable that owing to this influence the temporary differences will not be reversed in the foreseeable future. As a rule, the group has no influence on the date of reversal in the case of associated companies. Therefore, temporary differences are only not recognized in those cases where it is contractually regulated that the group can exert an influence on the date of reversal.

Deferred tax accruals and liabilities are netted when a corresponding legally enforceable right to offsetting exists and the deferred tax accruals and liabilities relate to income taxes imposed by the same fiscal authority for either identical or differing tax objects, which intend to complete offsetting on a net basis.

13.14. REVENUE RECOGNITION

Revenues are measured based on a consideration established in a contract with a customer. The group allocates the individual contracts to the different business models and recognizes revenue when control over goods is transferred to a customer. The payment targets usually granted range between 7 and 180 days.

The main business models are the sale of pulp, paper and recovered paper. Revenue is always recognized at a point of time.

Any deductions on sales are taken into account when calculating revenues. In the case of volume-based discounts, a corresponding refund liability is formed.

Vorchdorf, March 12, 2025

Sebastian Heinzl

Karl Achleitner

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AUDITOR’S REPORT

Report on the Consolidated Financial Statements

AUDIT OPINION

We have audited the consolidated financial statements of

Heinzl Holding GmbH, Vorchdorf, Austria,

and its subsidiaries ("the Group"), which comprise the Consolidated Balance Sheet as at 31 December 2024, and the Consolidated Income Statement and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

BASIS FOR OUR OPINION

We conducted our audit in accordance with Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor’s report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Our liability as auditors is guided under Section 275 UGB.

OTHER INFORMATION

Management is responsible for the other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor’s report.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact. If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report with this regard.

RESPONSIBILITIES OF MANAGEMENT AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the additional requirements to Section 245a UGB (Austrian Commercial Code) and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group’s financial reporting process.

AUDITOR’S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement - whether due to fraud or error - and to issue an auditor’s report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

— We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those such risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.

— We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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— We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

— We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty about the entity's ability to continue as a going concern, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

— We communicate to the audit committee regarding, among other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.

GROUP MANAGEMENT REPORT

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the group management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports as applied in Austria.

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Report on the Audit of the Consolidated Financial Statements for the year ended

31 December 2024

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

ENGAGEMENT PARTNER

The engagement partner is Mr Ahammer. Linz, 13 March 2025

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Michael Ahammer Wirtschaftsprüfer

Austrian Chartered Accountant

This report is a translation of the original report in German, which is solely valid. The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

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SUPERVISORY BOARD REPORT

At the Supervisory Board meetings on April 10, June 26, September 25 and December 17, 2024, the management informed the Supervisory Board of the course of business and the company's current position both verbally and in writing. Furthermore, extraordinary Supervisory meetings took place on February 7, 2024 regarding Raubling Papier GmbH, and on March 22, 2024 regarding Paracel.

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, audited the annual financial statements of Heinzl Holding GmbH for the year ending December 31, 2024 and the management report including the accounting records. This also applies to the consolidated financial statements, which were prepared in accordance with IFRS and supplemented by the group management report and further notes under the terms of Section 245a of the Austrian Commercial Code (UGB). The audit confirmed that the accounting records, the annual financial statements and management report, the consolidated financial statements, and the group management report conform to legal requirements and the articles of association. The audit provided no reason for objection, and the auditors duly issued an unqualified opinion for the consolidated financial statements and the annual financial statements of Heinzl Holding GmbH.

The Supervisory Board concurs with the consolidated financial statements and the financial statements of Heinzl Holding GmbH for the year ending December 31, 2024. The Supervisory Board reviewed and approved the Management Board's proposal regarding the appropriation of the profit.

The members of the Supervisory Board extend their thanks to the Management Board and the workforce of the group for their commitment in 2024.

Vienna, April 10, 2025

Alfred Heinzl m.p.
Alexander Riklin m.p.
Christoph Heinzl m.p.
Matthias Heinzl m.p.
Frank Hensel m.p.
Johannes Klezl-Norberg m.p.
Riia Sillave m.p.



AS OF DECEMBER 31, 2024

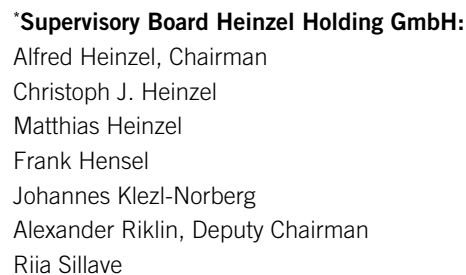
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Further information about the Supervisory Board can be found in the [Sustainability Statement](#).

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IMPRINT

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the reporting team compile and design
the 2024 Sustainability and Annual
Report.

ANY QUESTIONS?

We are happy to help.

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Group Sustainability Manager
Ulla Gürlich,

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