Report of the Management Board
of
Mayr-Melnhof Karton Aktiengesellschaft
Vienna, FN 81906 a,
on the authorisation of the
Management Board, with the approval of the Supervisory Board, to
issue new shares under exclusion of subscription rights
(Agenda item 8 - Authorised capital 2024)

All members of the Management Board submit the following report of the Management Board of Mayr-Melnhof Karton Aktiengesellschaft with its registered office in Vienna pursuant to Section 170 (2) AktG in conjunction with Section 153 (4) sentence 2 AktG to the 30th Ordinary Shareholders' Meeting of Mayr-Melnhof Karton Aktiengesellschaft on April 24, 2024.

1. Share capital and shares

Mayr-Melnhof Karton Aktiengesellschaft with its registered office in Vienna and its business address at 1040 Vienna, Brahmsplatz 6, registered in the commercial register of the Commercial Court of Vienna under FN 81906 a (hereinafter referred to as "Mayr-Melnhof" or the "Company"), has currently issued 20,000,000 no-par value ordinary bearer shares (no-par value shares) with voting rights. The share capital of the company currently amounts to EUR 80,000,000.00.

2. Authorisation

For the upcoming 30th Ordinary Shareholders' Meeting of Mayr-Melnhof, the following resolution is proposed for agenda item 8:

The authorisation of the Management Board resolved at the Ordinary Shareholders' Meeting on April 27, 2022 in accordance with Section 169 AktG to increase the share capital of currently EUR 80,000,000.00 by up to EUR 8,000,000.00 is revoked and replaced by the following authorisation:

The Management Board is authorised for a period of five years after entry of the corresponding amendment to the Articles of Association in the commercial register in accordance with Section 169 AktG, with the approval of the Supervisory Board, to increase the share capital (from the current EUR 80,000,000.00) by up to a further EUR 8,000,000.00 by issuing up to 2,000,000 new ordinary bearer shares (no-par value shares) in the Company against cash and/or non-cash contributions, also in several tranches, and to determine the issue amount, which may not be less than the pro rata amount of the share capital, the issue conditions and the further details of the implementation of the capital increase in agreement with the Supervisory Board and, if necessary, to offer the new shares to shareholders for subscription by way of indirect subscription rights in accordance with Section 153 (6) AktG. The Management Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in whole or in part. The Supervisory Board is authorised to adopt amendments to the Articles of Association resulting from the issue of shares from the authorised capital.

In preparation for this resolution, a written report on the reasons for the authorisation to exclude subscription rights will be submitted to the Shareholders' Meeting by the Management Board in accordance with Section 170 (2) in conjunction with Section 153 (4) AktG, which will also justify the proposed issue amount of the shares.

3. General information

At the Ordinary Shareholders' Meeting on April 27, 2022, the Management Board was authorised in accordance with Section 169 AktG to increase the share capital by issuing up to 2,000,000 shares against cash and/or non-cash contributions with or without the exclusion of subscription rights, generally while maintaining subscription rights [Authorised Capital 2022].

This authorisation is to be renewed and adjusted so that a resolution on new authorised capital combined with the authorisation of the Management Board to exclude subscription rights will be proposed to the Shareholders' Meeting.

4. Cash capital increase

The full or partial exclusion of shareholders' subscription rights in the event of a cash capital increase up to a maximum total amount of 10% of the share capital is in the interests of the company for the following reasons:

It is in the interests of the company to strengthen its capital structure, for example to utilise potential growth opportunities, or to cover the company's financing requirements quickly by placing larger blocks of shares. A corresponding capital or financing requirement may arise in particular for a company acquisition, but also to cover a refinancing requirement of the company or a Group company, for example to repay a bond, loan or other financing. In these cases in particular, a rapid placement of shares in the company may be necessary or expedient.

A capital increase with the exclusion of subscription rights can be carried out much more quickly and cost-effectively, as a share issue with subscription rights requires a considerably longer lead time to prepare and approve an issue prospectus. The preparation of a prospectus regularly requires a lead time of several months and is associated with considerable expense due to the commitment of extensive internal resources and substantial consultancy costs (accompanying investment banks, auditors and lawyers). A placement with the exclusion of subscription rights and the application of a prospectus exemption avoids these disadvantages. A prospectus-free issue can also significantly reduce the company's liability risks compared to a prospectus issue.

The placement of larger blocks of shares with the exclusion of subscription rights can also expand or stabilise the company's shareholder structure. Furthermore, for strategic reasons, it may be expedient for the company's business activities to attract investors as shareholders, in particular investors who can open up new business areas for the company and/or consolidate and strengthen the company's market position through their expertise, business connections and/or investment capital.

By (partially) excluding subscription rights, the company also has the option of approaching one or a selection of selected institutional investors in advance who undertake to subscribe to a certain number of shares (so-called “anchor investor”). The possibility of committing to a fixed allocation to this investor or these investors generally increases the issue price that can be realised by the company on the one hand and, on the other, a positive signalling effect of a fixed placement and takeover of shares with an anchor investor can generally also increase the transaction security for any subsequent rights issue to the benefit of the company.

The capital increase with the exclusion of subscription rights enables a rapid placement within a short offer period. This allows the company to quickly and flexibly utilise market opportunities that arise, particularly with regard to the price level of the shares, for a capital increase.

Potential disadvantages for the company can also be avoided. This applies in particular to negative price changes during the offer period with a negative impact on the success or costs of the capital measures (especially in volatile markets) and the avoidance of the risk of speculation ("short selling") against the shares during the offer period. Reducing the placement risk is particularly important in a difficult stock market environment. Particularly in an uncertain and volatile market environment in terms of macroeconomic factors, the company may be exposed to unfavourable price risks due to market conditions.

In particular, the authorisation to exclude subscription rights will enable the company to take advantage of an accelerated bookbuilding procedure and thus also reduce the placement risk. In an accelerated bookbuilding procedure, the company can evaluate the price expectations of the market precisely and more quickly during a short offer period.

An accelerated bookbuilding process can also minimise the risk that conditions once set may no longer be in line with the market by the time the shares are actually placed on the market. In the case of an issue with (partial) exclusion of subscription rights, on the other hand, the company can set an issue price that has been optimised in line with current market conditions - as far as possible - comparatively quickly and flexibly and use it for a capital increase.

International practice has also shown that with an accelerated bookbuilding procedure, better conditions can generally be achieved than would otherwise be the case, as the immediate placement eliminates the market risk factors that would otherwise be factored in by institutional investors as a price-effective discount to the detriment of the company. Furthermore, the procedure can also achieve a higher level of transaction security, as for institutional investors there is uncertainty about the exercise of subscription rights (subscription behaviour) with an issue with subscription rights (claw-back risk), which entails disadvantages when placing with institutional investors. A (partial) exclusion of subscription rights in a capital increase against cash contribution reduces this claw-back risk, as the (entire) allocation does not depend on the exercise of subscription rights (subscription behaviour), so that investors' discounts on the issue price can be reduced.

The authorisation to exclude subscription rights is suitable, necessary and proportionate:

The authorisation of the Management Board to exclude subscription rights as described above is suitable and necessary to enable the company to raise equity quickly and flexibly to cover financing requirements or strengthen the company's capital structure, to expand or stabilise the company's shareholder structure, to address certain groups of investors and to flexibly and quickly exploit market opportunities and reduce the placement risk.

The exclusion of subscription rights is also proportionate because the volume is limited to a maximum of 10% of the share capital and a permissible dilution of the voting rights of existing shareholders can be assumed in this amount. Existing shareholders can also purchase shares on the stock exchange at any time.

5. Capital increase in kind

The proposed authorised capital includes the possibility of carrying out a capital increase against contributions in kind, also in several tranches, excluding subscription rights.

In the case of a capital increase against contributions in kind, the full or partial exclusion of shareholders' subscription rights is in the interests of the company for the following reasons:

All assets, including real estate and securities issued by the company or claims against the company, can also be considered as assets transferred to the company. A contribution of such assets as a contribution in kind requires the exclusion of shareholders' subscription rights, as the assets to be contributed are usually unique in their composition and can only be contributed by the respective contributor in kind (but not by all shareholders).

The authorisation to issue new shares against contributions in kind with the exclusion of subscription rights is intended to give the Management Board the necessary flexibility to use shares from authorised capital as a (partial) purchase price for existing companies, parts of companies and equity investments in suitable cases. All assets, including real estate, may also be considered as assets transferred to the company.

Depending on market conditions and the future development of the company, strategic transactions should be made possible and it may be expedient or necessary to use shares in the company as consideration or to issue shares as consideration when acquiring companies, parts of companies and equity interests or other assets in order to either compensate shareholders of the respective target companies or - if the seller prefers - to receive shares in the company instead of cash.

The investment/acquisition in return for shares is also advantageous for the company because this form of financing does not increase the company's liquidity requirements and is not burdened with interest expenses. The option of using shares from authorised capital as an acquisition currency gives the company the necessary scope to exploit acquisition opportunities quickly and flexibly.

The contribution of non-cash assets in particular generally requires the exclusion of shareholders' subscription rights, as the assets to be contributed are usually unique in their composition (e.g. companies, parts of companies and investments, real estate) and cannot be contributed by all shareholders.

The exclusion of subscription rights in the event of a non-cash capital increase against the contribution of companies, parts of companies, investments or other assets is therefore in the interests of the company and its shareholders, in particular because this type of investment/acquisition can bring advantages over other investors/bidders and does not burden the company with financing expenses.

If the company wishes to make a certain investment/acquisition, the exclusion of subscription rights is suitable and necessary to achieve the aforementioned objectives. When weighing up the interests, the interests of the company and the shareholders in the investment/transaction prevail.

6. Exclusion of subscription rights for over-allotment options

When placing new shares in the company, it is often advantageous to be able to grant over-allotment options (greenshoe). Greenshoe options can be used to respond to rising or falling demand at short notice during a placement and/or to stabilise the share price. In the case of over-allotment options, additional securities are issued at the same conditions at which the shares were issued in the course of the capital increase. The purpose of such measures, which are customary for securities issues, is to keep the placement volume flexible and to stabilise the share price after the placement of the shares, and are therefore in the interests of the company.

7. Exclusion of subscription rights for the equalisation of fractional amounts

It is in the company's interest to (partially) exclude subscription rights to equalise fractional amounts in order to be able to present a practicable subscription ratio with regard

to the amount of the respective cash capital increase and to facilitate the technical implementation of the capital increase. The new shares excluded from shareholders' subscription rights as fractional amounts will either be sold on the stock exchange or otherwise realised in the best possible way for the company. This procedure is standard market practice and objectively justified because the costs of trading in subscription rights for fractional amounts are disproportionate to the benefit for shareholders and the effects of the restrictions are hardly noticeable.

8. Justification of the expenditure amount

The subscription price for the company's shares in the event of a cash capital increase with (partial) exclusion of subscription rights is determined depending on market conditions, for example on the basis of (average) share prices and the share price level or as part of the accelerated bookbuilding process described above.

In the event of the exclusion of subscription rights as part of a capital increase against contributions in kind, the Management Board will, with the approval of the Supervisory Board, only make use of the authorised capital if the issue amount of the shares or the number of shares to be issued in the company and the contribution in kind provided as consideration are in an appropriate ratio.

The issue amount within the scope of an over-allotment option (greenshoe) is based on the issue amount of the new shares of the capital increase for which the over-allotment option is used.

9. Prospectus exemption for admission to trading

According to Art. 1 (5) (a) of Regulation (EU) 2017/1129 (Prospectus Regulation), an exemption from the prospectus requirement applies to shares that account for less than 20% of the shares admitted to trading on the same regulated market over a period of 12 months. New shares issued from authorised capital can also be admitted to trading on the stock exchange without the approval and publication of a listing prospectus, provided that the 20% limit is not exceeded within 12 months.

10. Possible prevention of shareholder dilution

Within the scope of the usual trading volumes, shareholders are free to purchase additional shares on the stock exchange, so that it should generally be possible for shareholders to prevent a dilution of their shareholding quota by purchasing additional shares on the stock exchange in the event of a capital increase with the exclusion of subscription rights. A noticeable dilution of voting rights is not to be feared in the event of a capital increase totalling a maximum of up to 10% of the share capital.

For the reasons stated, the interests of the company in the purposes pursued with the exclusion of subscription rights and the corresponding measures - which are also indirectly in the interests of all shareholders in any case - outweigh the interests of the company, so that the exclusion of shareholders' subscription rights is not disproportionate.

In summary, it can be concluded that, after weighing up all of the above circumstances, the exclusion of subscription rights is necessary, suitable, appropriate and objectively justified and required in the overriding interests of the company within the limits described. The exclusion of subscription rights is also proportionate because the volume is limited to a maximum of 10% of the share capital and a permissible dilution of the voting rights of existing shareholders can be assumed in this amount, as existing shareholders can acquire shares at any time via the stock exchange to compensate for their dilution.

11. Further reporting

In the event that subscription rights are excluded, the Management Board must publish a further report in accordance with Section 171 (1) in conjunction with Section 153 (4) AktG no later than two weeks before the Supervisory Board adopts the relevant resolution.

Vienna, March 11, 2024

The Management Board

MMag. Peter Oswald m.p.
Chairman

Franz Hiesinger m.p.
Member

This English version is a translation of the German original text.