



Leading in  
Consumer Packaging

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# Management Report

## 1 POSITIONING OF THE MM GROUP AND THE DIVISIONS

### Group

#### **Leading in Consumer Packaging**

The MM Group (MM) is a leading global producer of consumer packaging. The Group provides packaging solutions for cartonboard and folding cartons with an attractive offer in kraft papers, uncoated fine papers, leaflets and labels. MM has a long-term orientation and promotes sustainable development through innovative, recyclable packaging and paper products.

The MM Board & Paper division is Europe's largest cartonboard producer (excluding liquid packaging cartonboard). The MM Packaging division is the leading producer of folding cartons in Europe with a leading position in several markets outside Europe and a market leader in secondary pharma packaging in Europe and North America.

Both divisions of the MM Group, MM Board & Paper and MM Packaging, are managed with independent profit responsibility and supply each other at arm's length. In 2023, MM Board & Paper supplied around 16 % of its cartonboard sales to MM Packaging. The majority of cartonboard and paper production is sold outside the Group. MM Packaging bought more than one quarter of the tonnage processed internally from MM Board & Paper in 2023.

#### **Responsible circular economy an integral part of the business**

Demand for cartonboard and cartonboard packaging correlates to a high extent with private consumption, especially of everyday consumer goods.

Cartonboard is mainly used as a raw material for the production of folding carton packaging. Folding cartons are, besides plastics, the most important primary packaging material for daily consumer goods and in particular fulfill sustainability criteria. In addition to the attractive presentation of the consumer goods and their protection, folding carton packaging is characterised especially by its more sustainable production from renewable fibre materials that can be recycled many times. A responsible circular economy is thus an integral part of the MM Group's business.

#### **Global presence – focus on Europe**

Due to transport costs and service demands, the business of MM Packaging has a mainly regional character, whereby in addition to our production focus in Europe we are also present in North and South America and have local productions in individual Asian countries. Although we also sell our European cartonboard and paper production to more than 110 countries worldwide, the focus is also on Europe, as global cartonboard trade is of only minor importance.

Kraft papers are sold in particular to the food/gastronomy industry and the laminate industry, uncoated fine papers (office and printing papers) especially to paper/office supply retailers in Europe.

#### **Sustainability, innovation and efficiency – our basis for value enhancement and growth**

The creation of long-term value enhancement and growth perspectives is at the centre of the strategic orientation of the MM Group. Improved competitiveness through economies of scale and state-of-the-art technology as well as the focus on sustainability and innovation are to contribute significantly in this direction.

With this goal in mind, MM has implemented the so far most extensive investment programme in 2021-2023, comprising a large number of projects focusing on cost efficiency, technological innovation and growth at major competitive sites of both divisions. While these measures have already showed a noticeable effect in the Packaging division since 2022, the division MM Board & Paper implemented the largest investments so far in state-of-the-art technology, product development and sustainability in 2023 at the sites Frohnleiten, Neuss and Kolicvevo.

Furthermore, in 2022 MM Packaging made its strategic entry into the resilient and growing market for pharma packaging following the acquisition of two large sites in the Board & Paper division in the year before, with the objective of exploiting attractive value enhancement potential and synergies in the subsequent years. In the course of this, the integration of the ex-Essentra Packaging sites was successfully implemented in 2023. In parallel, a smaller machine of the Board and Paper division was decommissioned also in 2023 in order to increase structural efficiency, after the disposal of smaller cartonboard mills in the previous years and the decommissioning of two cartonboard machines. In addition, the structures in the Packaging division are as well continuously adjusted to market requirements.

The strategic transformation of MM in times of multiple crises led not only to a strengthening of the producing units but also to a significant further development of the central Group functions in order to systematically utilise potentials of MM in the long term. Thereby, we particularly recognise the importance of sustainability, innovation and the use of cutting-edge technology as differentiation criteria on the market. In this context, the MM Group was one of the few companies awarded a triple "A" by global environmental non-profit CDP for its leadership in transparency and performance on climate change, forests and water security based on data reported in 2023. With this strategic orientation, MM wants to seize the opportunities offered by modern recyclable packaging made of renewable resources. The employees of MM receive ongoing training in this regard and the management team was extended and supplemented by high-potentials as new talents in line with increased requirements.

## MM Board & Paper

### **Leading cartonboard producer with an attractive offer in kraft papers and uncoated fine papers**

The MM Board & Paper division is the biggest European cartonboard producer (excluding liquid packaging cartonboard). A wide range of cartonboard products for a varied spectrum of applications with a focus on the packaging area is manufactured at six locations in Europe. Approx. 52 % of production is accounted for by coated recycled fibre-based cartonboard and approx. 24 % by virgin fibre-based cartonboard as well as approx. 24 % by uncoated fine papers and kraft papers. Recycled fibres, which are purchased from external suppliers, account for approx. 54 % of the fibres used per year. Another approx. 15 % of the fibres used are groundwood pulp, most of which we produce ourselves at our cartonboard mills and in the division's own fibre mill FollaCell in Norway. Pulp, which accounts for approx. 31 % of the fibre demand, is produced to approx. 88 % by the Group, while approx. 12 % is purchased externally.

**A wide range of applications**

Cartonboard from MM Board & Paper is used as packaging material in numerous consumer goods markets for every day consumer goods. The focus is on Food & Specialities, which account for around 72 % of sales, as well as the premium sector (Pharma & Healthcare, Beauty & Personal Care, etc.). Kraft papers, with a sales share of 9 %, are sold mainly to the food/gastronomy industry and the laminate industry, uncoated fine papers in particular to paper/office supply retailers. The sales organisation of MM Board & Paper is oriented towards optimally satisfying specific requirements of individual market segments. The multi-mill concept which provides for the production of certain cartonboard qualities in several mills guarantees a reliable supply, stable quality and short delivery times.

The main market of MM Board & Paper is Europe, where approx. 89 % of the sales volume was sold in 2023. In addition, a worldwide sales network is maintained, which was recently expanded by a sales office for Board & Paper in the US. In total, more than 1,900 customers in around 110 countries are supplied. These are primarily printing businesses in the medium-sized and highly fragmented European folding carton industry as well as consumer goods producers and the aforementioned customers in the paper sector.

**Competitiveness and growth through efficiency, sustainability and innovative products**

As a key factor in strengthening competitiveness, the most comprehensive investment programme so far has been implemented for the Frohnleiten, Neuss and Koicevo sites in 2023. Furthermore, numerous projects for the continuous implementation of best practices are being pursued across the division. The objective is to align the product range with new opportunities on the market through state-of-the-art technology and to become even more competitive with greater efficiency and sustainability. A well-coordinated process between innovation, product development, and commercialisation aims at both the continuous improvement of existing solutions and processes as well as the development of new applications and market potentials. MM Board & Paper pursues an approach that takes into account aspects from the entire value chain. High quality, functionality, safety, and sustainability of our products as well as comprehensive competence and state-of-the-art services characterise the range of products offered by MM Board & Paper.

**Innovative fibre-based solutions**

Cartonboard and paper are the preferred packaging materials among consumers. Therefore, MM Board & Paper's aim is to create new possibilities for the substitution of plastic packaging with environmentally friendly, innovative solutions made of cartonboard and paper and to increase the functionalities without using further plastics. With this focus, we are developing novel barrier concepts to facilitate the use of cartonboard as an alternative packaging material for a wide range of food products including liquid, chilled, frozen and/or greasy food. The impact of this trend on our cartonboard and paper sales remains difficult to estimate. However, our aim is to use this as an advantage in order to grow faster than the market.

**Focus on high-performance asset base**

MM currently produces on seven high-performance cartonboard machines and three paper machines at six locations. Each of the machines is adapted to provide specific product qualities: three to recycled fibre-based cartonboard, two to virgin fibre-based cartonboard, one to white coated recycling liner and another cartonboard machine flexibly produces both recycled and virgin fibre-based cartonboard grades. In addition, two paper machines produce uncoated fine papers and packaging kraft papers and a further saturating kraft paper, respectively. The cartonboard machines are continuously further developed according to the state of the art with a focus on growth potential and competitive strength.

### **Fibres and energy central cost factors**

Recovered paper is a strategic raw material for the production of coated recycled fibre-based cartonboard, groundwood pulp for virgin fibre-based cartonboard and pulp for kraft and fine papers. Additionally, energy, chemicals, and logistics are other significant cost factors. The high-quality printability of cartonboard is reached through the application of a coating made from chalk, fillers and binders to the outer surface of cartonboard.

MM Board & Paper purchases recycled fibres entirely from Europe, predominantly on the spot market. Due to the continuous decline in print media and office papers, recovered paper will become a scarcer raw material in the longer term, despite high recycling quotas and existing reserves, although we continue to consider the supply for our mills to be secured. We also consider the supply of wood, the raw material for groundwood pulp and pulp, to be ensured due to the ongoing procurement from sustainable forestry. However, as the situation resulting from Covid-19 and thereafter showed, significant fluctuations in supply and prices can occur. MM Board & Paper uses a high share of natural gas as an energy source. The increased use of renewable energy sources, such as biomass and photovoltaics as well as an increase in self-supply have particular priority in the division's investment activities.

### **Intense competition in the cartonboard industry**

MM Board & Paper is the only European supplier with several large production locations of recycled and virgin fibre-based cartonboard, respectively, and, moreover, the only European cartonboard producer with a substantial additional pillar in folding carton production. The largest Scandinavian suppliers operate exclusively in the area of virgin fibre-based cartonboard.

With regards to recycled fibre-based cartonboard, the capacity growth in Europe has been achieved through a continuous technological modernisation of existing mills ("creeping capacity increase") for decades. Regarding virgin fibre-based cartonboard, in particular the structural shift from graphical papers to cartonboard packaging products over the last few years has resulted in the creation of new capacities. In addition, a significant further expansion of virgin fibre-based cartonboard capacities in Europe is to be expected in the coming years as part of the trend towards large, highly efficient facilities and sustainable packaging.

## MM Packaging

### **A leading global folding carton producer**

The core business of MM Packaging focuses on folding cartonboard packages for consumer staples. In the business year 2023, around 3,984 million m<sup>2</sup> were produced and sales of EUR 2,431.1 million were generated. Thus, MM Packaging is not just the leading producer of folding cartons in Europe but also one of the largest worldwide. Due to the recent acquisitions in the Pharma & Healthcare business unit in 2022, MM Packaging is also a leading producer of leaflets and labels for this sector, both in Europe and the US. Transport costs and service requirements often limit the supply radius of folding cartons, which are generally defined as regional products. As a result of significantly lower market barriers in the folding carton business compared to the cartonboard industry, the business in Europe is characterised by an intensely competitive environment and a fragmented supplier structure.

Folding carton production is a multi-step process that can be briefly described as follows: cartonboard is printed, creased in the subsequent cutting process before being separated into packaging blanks which are folded and glued individually according to the demand of the customer industry in the final step of the process. In addition, a large number of processes for finishing the packages is applied. The packages are generally shipped and transported in a folded state with an outer carton. The filling of packages with consumer goods largely takes place at the customers' packing systems. MM Packaging uses all common state-of-the-art preprinting, printing and finishing technologies.

Corrugated cartonboard production is a different industry compared to that of cartonboard and folding cartons with different products and markets in which MM Packaging only touches marginally. There is an overlap for consumer goods packaging made of fine flute (micro-flute), which are also produced at some specialised MM Packaging sites. These combine the stability of flute with the excellent printability of coated cartonboard.

#### **International site network close to our customers**

The site network of MM Packaging with 64 sites in 24 countries has its geographical focus in Europe. In addition, we are now also present on the US East Coast in the area of pharma packaging after the recent major acquisition. Furthermore, MM Packaging also holds a leading market position in individual countries in the Middle East, South America and the Far East. In addition to the broad local positioning, we create competitive advantages by sites specialising in specific market and product segments in the areas Food as well as Premium & Specialities through appropriate know-how, continuous development opportunities, but also balance. In 2023, the main sales market of Europe accounted for approx. 70 % of sales, the Americas for 15 % and the rest of the world for 15 %. The aim of our location policy is to continuously supply our customers with high quality from geographically well-positioned and highly competitive production facilities.

#### **Supplying a wide range of industries**

MM Packaging supplies a wide range of sectors with packaging for consumer staples. The market segment Food accounts for approx. 32 % of sales, Premium & Specialities for approx. 41 % and Pharma & Healthcare for approx. 27 %. The highly specialised Premium business includes the areas home care, personal care, beauty, cigarette, luxury, e-commerce and electronics. The concentration of MM Packaging's organisation on individual specialised business units makes it possible to meet specific market and product requirements with targeted know-how and to selectively control the value-added process.

The major part of the business is generated with large multinational customers which account for approx. 80 % of sales. The allocation of demand via tender procedures and multi-year procurement agreements are the rule in international key customer business. The remaining part of sales goes to local customers. In total, MM Packaging currently supplies more than 2,100 customers worldwide.

#### **Cartonboard – strategic raw material**

Folding carton production starts with cartonboard as essential raw material, constituting both the most important input and cost factor. The selection of used cartonboard, on the one hand, depends on the functionality of the package and, on the other hand, on the specific requirements of individual consumer goods sectors and manufacturers. In accordance with the interdivisional profit-center principle of the Group, MM Packaging procures the required recycled and virgin fibre-based cartonboard and papers via its own purchase organisation. When doing business with international consumer goods manufacturers, the purchase of cartonboard is also decided or negotiated by the customer (direct deals). Major changes in cartonboard prices as well as other significant cost changes are generally taken into account in the sales price formation through appropriate clauses which relate to reference values. In addition to cartonboard and paper, other important raw materials for MM Packaging include inks, varnishes, and tools. The personnel intensity in folding carton production is consistently higher than in cartonboard production.

#### **Sustainability and competitiveness at the centre of investment activity – growth potential organically and through acquisitions**

Similar to the cartonboard market, the demand for folding carton packages correlates with private consumption. Due to the focus on packages for consumer staples, the business of MM Packaging shows a relatively high level of continuity. MM Packaging's aim is to continue to grow organically and through acquisitions by focusing on future markets, such as pharma, as well as by increasing its competitive strength.

For this purpose, we are continuously implementing best practices and invest in state-of-the-art technologies. For example, we are the first to use digital printing for volume business at the large MMP Neupack Polska site. In 2023, a particular focus was placed on the utilisation of the value enhancement potential at selected ex-Essentra Packaging sites and the industrial production of new, more sustainable special packaging for plastic replacement (Moulded Pulp and GreenPeel).

The aim is to continue to grow in line with best industrial practice and to further increase the competitiveness of MM Packaging. The focus is placed on increased specialisation as well as automation, digitalisation, and the development of innovative, more sustainable packaging. Therefore, we give a lot of room to future concepts and ideas so that ongoing change can succeed.

As before, MM Packaging will continue its expansion and acquisition course, in a risk-conscious way, guided by value creation and striving for a sustainably high quality of results.



## 2 DEVELOPMENT IN THE YEAR 2023

### General economic situation

The global economy expanded at a very modest pace in 2023. While the US and China recorded moderate growth, economic performance in the EU, particularly in the industrialised regions of Central Europe, was dampened and declining due to the after-effects of the sharp rise in energy prices of the previous year. Continued high inflation, although declining since the 2<sup>nd</sup> half of the year, a restrictive monetary policy, weakening private consumption and foreign demand as well as further geopolitical tensions were additional factors that slowed down economic development in European countries. Nevertheless, the labour market remained robust. Despite the prospect of a reduction in interest rates by the US and European central banks and a gradual recovery of private purchasing power, there is still a high degree of uncertainty concerning the economy as a whole, including the ongoing conflicts in Ukraine and the Middle East as well as upcoming elections in many countries around the world.

### Industry development

Following a significant downturn in the 4<sup>th</sup> quarter of the previous year, demand on the European cartonboard and paper markets remained at a low level throughout 2023, with market declines of around 20 % for individual product groups. In addition to ongoing destocking along the supply chain, the weak economic situation in Europe and changes in consumer behavior due to high inflation were the main influencing factors. Furthermore, the loss of the Russian market and weak or highly competitive non-European markets contributed to a significant decline in capacity utilisation in the European industry and a considerable increase in price pressure for both virgin and recycled fibre-based cartonboard. In contrast, the folding carton markets recorded a generally heterogeneous development, depending on the end market. Declining purchasing power led to a trend towards lower-priced private label products, particularly in the food sector, which are more frequently packaged in plastic.

On the procurement markets, purchase prices for electricity and gas were again significantly below 2022, but still above the levels of previous years. Prices for recovered paper and pulp declined, particularly in the 1<sup>st</sup> half of the year, before showing an upward trend again.

The year 2023 continued to be characterised by consolidation on the supplier side, but also by the confirmation of future capacity expansions, especially for virgin fibre-based cartonboard in Scandinavia, which will represent a challenge. In the recycled fibre-based cartonboard segment, capacity expansions focused primarily on the modernisation of the MM cartonboard mills in Frohnleiten, Kolicevo and Neuss. As in the past, the European supplier structure in the folding carton business is characterised by strong fragmentation. Overall, the challenging framework conditions have increased the pressure on structurally smaller companies in the cartonboard and folding carton industry.

## Development of business 2023

### Group

After the record result of the previous year, the MM Group faced a significantly lower demand in the paper and cartonboard industry as well as increasing price pressure in 2023. In addition to destocking in the supply chain, inflation-related changes in consumer behaviour which led to lower consumption of everyday goods and the overall economic slowdown in our European main markets were the main causes.

The difficult general conditions were reflected in particular in the weak result and volume development in the division MM Board & Paper. In addition to significant market-related machine downtimes, there was also considerable capex-related downtime as part of the implementation of the so far most extensive modernisation programme at three large cartonboard mills.

In contrast, the division MM Packaging recorded an overall solid performance despite a heterogeneous packaging market. Furthermore, last year's acquisitions in the resilient area of pharmaceutical packaging were successfully integrated with a result development above plan.

The decline in adjusted operating profit to EUR 229.2 million after EUR 562.4 million in 2022 primarily resulted volume- and price-related from the division MM Board & Paper, while MM Packaging recorded a significant increase in both profit and margin.

With demand expected to recover only slowly, MM has focussed on safeguarding and gaining volumes at reasonable margins. The profit & cash protection plan launched in mid-2023, which provides for a significant reduction in working capital and a reduction in capex cash-outs in addition to cost reductions in all areas, has already made a significant contribution to reducing net debt to EUR 1,261.9 million in the reporting year (December 31, 2022: EUR 1,481.5 million).

In line with the profit development and long-term dividend policy, which provides for the distribution of one third of profit, a dividend of EUR 1.50 per share (2022: EUR 4.20) for the financial year 2023 will be proposed to the 30<sup>th</sup> Annual Shareholders' Meeting on April 24, 2024.

### Consolidated income statements

#### Consolidated income statements (condensed version)

(in millions of EUR)	2023	2022	+/-
Sales	4,164.4	4,682.1	- 11.1 %
Adjusted operating profit	229.2	562.4	- 59.2 %
Financial result and result from investments	(60.9)	(43.4)	- 40.5 %
Income tax expense	(47.6)	(121.7)	+ 60.9 %
<b>Profit for the year</b>	<b>89.1</b>	<b>345.3</b>	<b>- 74.2 %</b>

At EUR 4,164.4 million, the Group's consolidated sales were 11.1 % or EUR 517.7 million below the previous year's figure (2022: EUR 4,682.1 million). A volume- and price-related decline in the division MM Board & Paper, was offset by an acquisition-related increase in the division MM Packaging. Regarding the geographical distribution of sales, the share of the main market Europe remained largely constant at 79.2 % (2022: 80.1 %), while that of the Americas increased to 9.3 % (2022: 5.1 %) and the share of sales of the rest of the world decreased to 11.5 % (2022: 14.8 %). Intercompany sales declined volume-related to EUR 185.7 million (2022: EUR 236.6 million) and were mainly related to deliveries from MM Board & Paper to MM Packaging.

### Group sales by destination

(in %)	2023	2022
Europe (excl. BLR, RUS, TUR)	79.2 %	80.1 %
<i>thereof Austria</i>	1.7 %	1.8 %
The Americas	9.3 %	5.1 %
Rest of world	11.5 %	14.8 %
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>

### Expenses

(in millions of EUR)	2023 <sup>1)</sup>	2022	+/-	Percentage of sales	
				2023	2022
Cost of materials and purchased services	2,229.7	2,748.0	- 18.9 %	53.5 %	58.7 %
Personnel expenses	840.1	681.6	+ 23.3 %	20.2 %	14.6 %
Other expenses	687.2	703.7	- 2.3 %	16.5 %	15.0 %
Depreciation and amortisation <sup>2)</sup>	221.4	219.5	+ 0.8 %	5.3 %	4.7 %

<sup>1)</sup> In 2023, the consolidated income statement was changed from the cost of sales method to the nature of expense method. The change in presentation serves to improve comparability within our industry.

<sup>2)</sup> incl. impairment and write-ups on property, plant and equipment, and intangible assets as well as non-current assets held for sale

Cost of materials and purchased services of EUR 2,229.7 million were EUR 518.3 million or 18.9 % below the comparable figure of the previous year (2022: EUR 2,748.0 million). This decline resulted in particular volume- and price-related from lower energy and fibre costs. The share of sales decreased from 58.7 % to 53.5 %.

In contrast, personnel expenses increased mainly acquisition-related from EUR 681.6 million to EUR 840.1 million. Their share of sales rose from 14.6 % to 20.2 %.

Other expenses decreased slightly from EUR 703.7 million to EUR 687.2 million, mainly due to lower logistics costs and despatch acquisitions. Their share of sales was 16.5 % after 15.0 % in the previous year.

Depreciation and amortisation at EUR 221.4 million was close to the previous year's level (2022: EUR 219.5 million), resulting in only a slight change in its share of sales to 5.3 % (2022: 4.7 %).

### Material one-off effects on operating profit and EBITDA

(in millions of EUR)	Operating profit		EBITDA	
	2023	2022	2023	2022
	<b>197.6</b>	<b>510.4</b>	<b>419.0</b>	<b>729.9</b>
Structural adjustment measures	31.6	24.6	31.2	11.7
<i>Restructuring MM Kolicevo<sup>1)</sup></i>	-	24.6	-	11.7
<i>Closure MM Packaging Schilling<sup>2)</sup></i>	14.3	-	14.0	-
<i>Restructuring ex-Essentra Packaging<sup>2)</sup></i>	17.3	-	17.2	-
Acquisitions/divestments	-	(5.1)	-	(5.1)
<i>Proceeds of sale of Russian sites<sup>2)</sup></i>	-	(20.1)	-	(20.1)
<i>Incidental transaction costs acquisitions Eson Pac and Essentra Packaging and sale of Russian sites<sup>2)</sup></i>	-	15.0	-	15.0
Disposal goodwill and customer relationship (exit from Russian market) <sup>2)</sup>	-	32.5	-	32.5
<b>Total of material one-off effects</b>	<b>31.6</b>	<b>52.0</b>	<b>31.2</b>	<b>39.1</b>
<b>Adjusted by material one-off effects</b>	<b>229.2</b>	<b>562.4</b>	<b>450.2</b>	<b>769.0</b>

<sup>1)</sup> MM Board & Paper

<sup>2)</sup> MM Packaging

The decrease in adjusted operating profit to EUR 229.2 million after EUR 562.4 million in 2022 was primarily volume- and price-related from the division MM Board & Paper, while MM Packaging recorded a significant increase. The Group's operating margin was therefore 5.5 % (2022: 12.0 %) and the return on capital employed was 6.5 % (2022: 17.9 %). Adjusted EBITDA amounted to EUR 450.2 million (2022: EUR 769.0 million), resulting in an EBITDA margin of 10.8 % (2022: 16.4 %).

Financial income went up to EUR 8.7 million (2022: EUR 4.3 million). The increase in financial expenses from EUR -32.1 million to EUR -58.3 million resulted in particular from the rise in interest rates for variable-interest loans and further financing of the accomplished acquisitions and organic growth projects. "Other financial result - net" changed to EUR -11.4 million (2022: EUR -15.5 million), in particular owing to currency translation.

Profit before tax was EUR 136.7 million compared to EUR 467.0 million in the previous year. Income tax expense amounted to EUR 47.6 million (2022: EUR 121.7 million), resulting in an effective Group tax rate of 34.8 % (2022: 26.1 %).

### Profit for the year, earnings per share

Profit for the year totalled EUR 89.1 million (2022: EUR 345.3 million), resulting in the net profit margin declining to 2.1 % (2022: 7.4 %). An unchanged total average of 20,000,000 shares was outstanding in the reporting year 2023, resulting in earnings per share of EUR 4.36 (2022: EUR 17.19) based on the profit for the year attributable to the shareholders of the Company of EUR 87.2 million (2022: EUR 343.9 million).

### Assets, capital, and liquid funds

#### Consolidated balance sheets (condensed version)

(in millions of EUR)	Dec. 31, 2023	Dec. 31, 2022 <sup>1)</sup>
Non-current assets	3,159.0	2,882.0
Current assets	1,917.9	1,926.8
<b>Total assets</b>	<b>5,076.9</b>	<b>4,808.8</b>
Total equity	2,012.4	1,959.1
Non-current liabilities	1,971.0	1,883.2
Current liabilities	1,093.5	966.5
<b>Total equity and liabilities</b>	<b>5,076.9</b>	<b>4,808.8</b>

<sup>1)</sup> It should be noted that the purchase price allocation from the acquisition of Essentra Packaging has now been finalised and has resulted in adjustments of the previous year's figures.

The Group's total assets of EUR 5,076.9 million as of December 31, 2023 were EUR 268.1 million above the figure at year-end 2022 (EUR 4,808.8 million). This increase is primarily due to the higher capex volume towards competitive strength and growth. The Group's total equity rose from EUR 1,959.1 million (December 31, 2022) to EUR 2,012.4 million, the growth through profit being offset by the dividend payment. Return on equity was 4.5 % after 19.1 % in the previous year.

Financial liabilities are largely of a long-term nature and increased from EUR 1,761.6 million at year-end 2022 to EUR 2,019.5 million as of December 31, 2023 due to borrowings to finance organic growth projects. The equity ratio was 39.6 % (December 31, 2022: 40.7 %).

With cash available to the Group totalling EUR 757.5 million (December 31, 2022: EUR 280.1 million), net debt decreased from EUR 1,481.5 million to EUR 1,261.9 million at the end of 2023. This is primarily due to the implementation of the profit & cash protection plan. Furthermore, credit lines and credit facilities amounting to EUR 393.0 million (December 31, 2022: EUR 481.4 million), which can be used at any time, were available to the Group at the end of 2023. The net debt to equity ratio was 0.6 and the net debt to EBITDA ratio was 2.8 (December 31, 2022: 0.8; 1.9).

Non-current assets increased mostly investment-related from EUR 2,882.0 million to EUR 3,159.0 million. Current assets changed slightly from EUR 1,926.8 million to EUR 1,917.9 million, with a decrease in inventories and trade receivables being offset by an increase in cash and cash equivalents.

## Cash flow development

**Consolidated cash flow statements** (condensed version)

(in millions of EUR)	2023	2022
Net cash from operating activities	786.2	299.7
Net cash from investing activities	(409.1)	(573.3)
Net cash from financing activities	103.4	191.9
Effect of exchange rate changes	(3.1)	2.2
<b>Net change in cash and cash equivalents (&lt; 3 months)</b>	<b>477.4</b>	<b>(79.5)</b>
<b>Cash and cash equivalents (&lt; 3 months) at the end of the year</b>	<b>757.5</b>	<b>280.1</b>

Cash flow from operating activities reached EUR 786.2 million and was thus EUR 486.5 million above the comparative figure of the previous year (2022: EUR 299.7 million). This difference results in particular from a sharp reduction in working capital, which contrasted with an increase in the previous year.

Cash flow from investing activities changed from EUR -573.3 million to EUR -409.1 million. Higher payments for the acquisition of property, plant and equipment and intangible assets in the current year contrasted in particular with the payment of the purchase prices for the acquisition of the pharmaceutical packaging group Eson Pac and for Essentra Packaging group and with proceeds from the sale of the Russian packaging plants in the previous year. Payments for the acquisition of property, plant and equipment and intangible assets increased in line with the intensified investment programme from EUR 329.4 million to EUR 425.3 million.

Capital expenditures of MM Board & Paper amounting to EUR 233.2 million (2022: EUR 191.8 million) were mainly related to technical modernisation and expansions with a focus on the mills at Frohnleiten, Austria, Neuss, Germany and Kolicveo, Slovenia.

The main focus of MM Packaging's capital expenditures in the amount of EUR 192.1 million (2022: EUR 137.6 million) was placed on technological modernisations at selected sites in pharma as well as beauty & personal care.

Free cash flow changed from EUR -19.7 million to EUR 369.8 million.

Cash flow from financing activities changed from EUR 191.9 million to EUR 103.4 million, which is mainly due to a lower issuance of financing facilities and higher interest payments.

## Definition of financial indicators

### **Adjusted operating profit/adjusted EBITDA**

Operating profit/EBITDA adjusted for material one-off effects (material defined as impact on operating profit of more than EUR 10 million).

### **EBITDA (Earnings before interest, income taxes, depreciation and amortisation)**

Operating profit plus depreciation, amortisation, impairment and write-ups of property, plant and equipment and intangible assets as well as non-current assets held for sale.

### **EBITDA margin/Operating margin**

Adjusted EBITDA/adjusted operating profit divided by sales.

### **Employees**

Employees at the end of the year, including apprentices and part-time employees on a pro-rata basis.

### **Equity ratio**

Total equity divided by total assets.

### **Free cash flow**

Cash flow from operating activities plus proceeds from disposals of property, plant and equipment and intangible assets as well as government grants less payments for acquisition of property, plant and equipment and intangible assets (including payments on account).

### **Net debt/EBITDA**

Net debt/net liquidity divided by adjusted EBITDA.

### **Net debt/equity**

Net debt/net liquidity divided by equity at year-end.

### **Net debt/Net liquidity**

The sum of current and non-current interest-bearing financial liabilities, including lease liabilities according to IFRS 16 as well as factoring liabilities less cash and cash equivalents. In case the sum of cash and cash equivalents exceeds financial liabilities, there is net liquidity.

### **Net profit margin**

Profit for the year divided by sales.

### **Return on capital employed (ROCE)**

Adjusted operating profit divided by the sum of average total equity, average current and non-current interest-bearing financial liabilities, including lease liabilities according to IFRS 16 as well as factoring liabilities, less average cash and cash equivalents.

### **Return on equity (ROE)**

Profit for the year divided by average total equity.

All indicators were calculated exclusively on the basis of the information provided in the consolidated financial statements.

## *Business development in the divisions*

### MM Board & Paper

After the record year 2022, the European cartonboard and paper industry was characterised by an unprecedented downturn in the market environment with decreases in demand of around 20 % in individual product groups. After the sharp drop, which began in the 4<sup>th</sup> quarter of 2022, a bottom was reached in the 2<sup>nd</sup> half of the year. The inflation-related subdued and changed purchasing behaviour of consumers as well as the reduction of high inventories in the supply chain were the main reasons for the significant decline in market demand compared to the previous year. In addition, this historically unprecedented situation was aggravated by the loss of the Russian market and weak or highly competitive overseas markets. The division's average order backlog was 156,000 tonnes, compared to 233,000 tonnes in the previous year.

In line with the market situation, MM, like the whole industry, adjusted production to the reduced demand by means of downtime to a so far unprecedented extent. At the same time, MM Board & Paper implemented a comprehensive modernisation programme to increase the competitiveness of recycled fibre-based cartonboard through more efficient, sustainable and innovative product solutions and processes. As a result, MM Board & Paper also recorded longer capex-related downtimes at the cartonboard mills Frohnleiten, Kolicevo and Neuss, the latter lasting approximately three months.

Due to high existing market capacities, price pressure increased significantly over the course of the year. This was offset by lower energy and fibre costs as well as the positive effects of the implemented profit & cash protection plan, which only partially compensated for the pressure on profit from the decline in volumes and prices.

At 1,945,000 tonnes, production was 20.1 % below the previous year's figure (2022: 2,433,000 tonnes). 1,472,000 tonnes (76 %) thereof were attributable to cartonboard (2022: 1,851,000 tonnes or 76 %) and 473,000 tonnes (24 %) to papers (2022: 582,000 tonnes or 24 %). Based on the average number of employees, 421 tonnes per employee (2022: 520 tonnes) were produced. Sales volumes decreased in line with production by 18.5 % to 1,948,000 tonnes (2022: 2,389,000 tonnes).

At EUR 1,919.1 million, sales were volume- and price-related 30.2 % or EUR 830.9 million below the comparable figure (2022: EUR 2,750.0 million) and, as in the previous year, 92 % thereof were attributable to Europe, 1 % to the Americas and 7 % to the rest of the world (2022: 92 %; 1 %; 7 %).

MM Packaging was again MM Board & Paper's largest customer with a share of deliveries of around 16 % or 234,000 tonnes of cartonboard (2022: 15 % or 264,000 tonnes).

The adjusted operating profit totalled EUR -19.8 million (2022: EUR 405.6 million). The operating margin was at -1.0 % (2022: 14.7 %), the return on capital employed at -1.1 % (2022: 24.0 %). Adjusted EBITDA reached EUR 92.7 million (2022: EUR 511.1 million). Cash flow from operating activities increased to EUR 291.6 million after EUR 244.4 million in the previous year as a result of working capital optimisation.



### Reduction of strategic investment and increase in share of renewable energy at MM Kwidzyn, Poland

Due to uncompetitive wood prices from the Polish State Forests' monopoly and low market demand across paper and board products, it was decided to significantly reduce the planned multiannual strategic investment project at MM Kwidzyn relating to energy, further pulp integration and the product range, which had been announced end of April 2023. Instead, MM Kwidzyn will focus its investments on increasing its already high share of renewable energy of currently 65 % even further. In addition, the small packaging kraft paper machine (PM3) was shut down and the production of "IPACK™ Strong Pro" was concentrated on PM1 and PM2.

### Divisional indicators MM Board & Paper

(in millions of EUR)	2023	2022	+/-
Sales <sup>1)</sup>	1,919.1	2,750.0	- 30.2 %
Adjusted EBITDA	92.7	511.1	- 81.9 %
Adjusted operating profit	(19.8)	405.6	- 104.9 %
Operating profit	(19.8)	381.0	- 105.2 %
Operating margin (%)	-1.0 %	14.7 %	- 1,578 bp
Cash flow from operating activities	291.6	244.4	+ 19.3 %
Return on capital employed (%)	-1.1 %	24.0 %	- 2,502 bp
Tonnage sold (in thousands of tonnes)	1,948	2,389	- 18.5 %
<i>Cartonboard</i>	<i>1,476</i>	<i>1,803</i>	<i>- 18.1 %</i>
<i>Paper</i>	<i>472</i>	<i>586</i>	<i>- 19.5 %</i>
Tonnage produced (in thousands of tonnes)	1,945	2,433	- 20.1 %

<sup>1)</sup> including interdivisional sales

## MM Packaging

The development of demand on the European folding carton market was generally heterogeneous in 2023. In view of the reduction of high inventories along the supply chain, declining consumer purchasing power and a trend towards lower-priced private labels, which are more frequently packaged in plastic, the folding carton business particularly in the food sector has been experiencing a decrease since the beginning of the year. As a result, it was necessary to adjust shifts at individual sites. In contrast, our business in the premium segment showed a more stable overall development, although order intake has also declined in individual markets.

The pleasing growth of MM Packaging compared to the previous year resulted largely from the inclusion of the previous year's acquisitions in the pharmaceutical packaging sector, which contrasted with the divestiture of the Russian sites.

The integration of the ex-Essentra Packaging sites was successfully implemented. Optimisations in quality, service and productivity as well as necessary investments, restructurings and the leveraging of synergies are on the right track, resulting in a result above plan.

In the reporting year, structural adjustments in the existing business affected in particular one packaging site in Germany, resulting in one-off expenses of approximately EUR 14 million.

In the current market environment, MM Packaging is concentrating on gaining additional volumes to ensure capacity utilisation of the plants, as well as on realising further cost savings and working capital reductions as part of the Group-wide profit & cash protection plan.

Sales increased by 12.1 % to EUR 2,431.1 million (2022: EUR 2,168.7 million), primarily acquisition-related. 70 % were accounted for by Europe, 15 % by the Americas and 15 % by the rest of the world (2022: 67 %; 10 %; 23 %). MM Packaging supplies around 2,100 customers in various consumer goods industries. The main markets are Food, Pharma & Healthcare as well as Premium & Specialities, the latter including the markets Home Care, Personal Care, Beauty, Cigarette, Luxury, E-Commerce and Eletronics. As a result of a high concentration in the customer industries, a significant share of business is accounted for by multinational key accounts, whereby around 29 % of sales in 2023 were generated with the five largest customers (2022: 35 %).

At EUR 249.0 million, the adjusted operating profit was EUR 92.2 million higher than the previous year's figure (2022: EUR 156.8 million). Both the current year and the previous year included one-off expenses for structural measures. The operating margin increased to 10.2 % (2022: 7.2 %) and adjusted EBITDA to EUR 357.5 million (2022: EUR 257.9 million). The return on capital employed amounted to 14.9 % (2022: 10.8 %), cash flow from operating activities reached EUR 494.6 million after EUR 55.3 million in 2022.

At 3,984 million m<sup>2</sup>, volume produced was slightly below the previous year's level (2022: 4,056 million m<sup>2</sup>).

### Divisional indicators MM Packaging

(in millions of EUR)	2023	2022	+/-
Sales <sup>1)</sup>	2,431.1	2,168.7	+ 12.1 %
Adjusted EBITDA	357.5	257.9	+ 38.6 %
Adjusted operating profit	249.0	156.8	+ 58.9 %
Operating profit	217.4	129.4	+ 68.0 %
Operating margin (%)	10.2 %	7.2 %	+ 302 bp
Cash flow from operating activities	494.6	55.3	+ 793.5 %
Return on capital employed (%)	14.9 %	10.8 %	+ 402 bp
Produced volume (in millions of m <sup>2</sup> )	3,984	4,056	- 1.8 %

<sup>1)</sup> including interdivisional sales

### 3 RESEARCH AND DEVELOPMENT

The MM Group's research and development activities are directed at strengthening and securing the Group's competitiveness and ability to grow in the long term through innovative and sustainable solutions. In this regard, we aim to recognise market and future trends at an early stage and use them in a way that creates value for our customers and the entire Group. In order to succeed in the long term, we draw on a broad spectrum of resources within and outside our organisation, motivate for new solutions to develop and continuously invest in the future of MM.

Our innovation activities are driven by demand for continuous product and process optimisation, on the one hand, and by the rapid implementation of solutions in respond to changing conditions, on the other hand. In addition, we want to explore new business areas and target applications. Product innovations are always developed and implemented taking into account possible risks for product safety and the use of potential.

#### **Modern innovation process**

With our long experience in developing innovative products and our know-how of structuring innovation processes, we work steadily on reaching our strategic growth and sustainability targets. A responsible use of raw materials and the willingness to question the status quo are the cornerstones of our approach.

All product developments of MM pass through a pre-defined, continuously improved process. This starts with brainstorming and, with the involvement of experts from our specialised departments, leads through evaluation and technical product development to market launch.

We are convinced that innovative strength arises from diversity and the combination of different potentials. Being open to new ideas and willing to engage in dialogue are crucial components of our innovative culture. Therefore, we involve stakeholders such as customers, suppliers, end users and research partners in our innovation process at an early stage. This gives us a differentiated perspective on problems and on the specific requirements our products have to meet, such as state-of-the-art technological functionality, quality, safety and sustainability. This enables us to incorporate new insights and solutions directly into the product development and put our customers' needs at the centre of everything we do. We are exploring new concepts of food packaging and are constantly evaluating technologies for our future board and paper products.

To ensure quality and safety, we rely on external certifications. They are an important proof for customers and end users that our product innovations are more sustainable, socially acceptable and harmless to health. They also serve to certify legal conformity in the area of product safety. Regular testing of both existing products and innovative solutions for compliance with certification criteria ensures strict quality assurance which is also visible to the outside world.

We continued our collaborations with external partners like universities, research institutions and start-ups also in 2023. Application-oriented basic research on the treatment of wood fibres, the use of alternative or modified fibre raw materials and the use of bio-based materials as a substitute for fossil-based raw materials are the main areas of cooperation.

Our internal platform “we.invent” gives all employees the opportunity to become involved by contributing their own ideas, regardless of which country or field they operate in. The contributions are evaluated based on a defined set of criteria in a stage-gate process and selected for implementation.

### **Sustainability in the focus of development and innovation activities**

Both climate change and the Corona pandemic make it clear that security and prosperity depend on how we preserve common goods, such as climate stability and public health, in the long term: society and economy must be designed to be resilient, sustainable and climate-friendly. Against this background, the importance of cartonboard and paper as environmentally friendly packaging is increasing. MM’s objective is to use the opportunity to support customers in substituting plastic with innovative and, at the same time, proven solutions made of paper and cartonboard. In this way, we are also pursuing the current trend towards sustainable packaging with a natural appearance and a high level of convenience and safety as well as perfect integration into online sales.

### **Progressing automation in the Group**

With the aim of creating additional competitive advantages, the automation of work flows and logistics processes in both divisions is continuously pursued. The individual sites are centrally supported in optimising production processes right from the purchase of new machines. This extends from machine configuration and installation to commissioning and acceptance of the machines before they go into production. Reducing downtimes and increasing flexibility are currently at the focus when implementing future-oriented automation concepts at MM.

## Innovation activity in the MM Board & Paper division in 2023

The research and development centre of MM Board & Paper at the Frohnleiten site works together with the R&D capacities at the MM Kotkamills site and external research institutions on the implementation of fundamental findings in the context of science and production.

The innovation focus in 2023 included the development and expansion of innovative dispersion barriers for various packaging applications. These coatings can provide grease resistance, moisture protection as well as heat sealing properties. They enable the use of cartonboard as packaging material for a wide range of liquid, chilled, frozen and/or greasy foods. Our barrier developments meet our customers’ needs for sustainable and recyclable packaging and complement our ongoing efforts to replace plastic.

In addition, incremental product developments such as the expansion of the basis weight range and further optimisation of technical values played an important role in the year 2023.

Newly launched in 2023, ALASKA® BARRIER GREASE, a hard-sized virgin fibre-based cartonboard from the mill Kotkamills with best in class grease resistance and good moisture protection, is specifically designed for chilled, frozen and dry food as well as for foodservice applications and makes an important contribution to plastic avoidance. It is a more sustainable and more cost-effective alternative to PE coating and is produced with a water-based dispersion barrier without any fluorinated polymers and has excellent printability and best finishing characteristics.

Another new product is MCM Brown, a recycled fibre-based cartonboard from the Frohnleiten mill, which has a natural brown reverse side for a natural and authentic appearance, while its high brightness on the top side allows for vibrant printing results. This makes it suitable for a wide range of applications such as food, cosmetics, personal care items, detergents and various other non-food products. In addition, MCM Brown is certified for direct contact with dry food and offers excellent product protection.

## Innovation activity in the MM Packaging division in 2023

### **MM Packaging's innovation network**

The innovation matrix organisation of MM Packaging ensures that the entire technical know-how of the MM Group can be used for the needs and requirements of our customers in an efficient and target-orientated manner. It comprises the following: PacProject, the creative Innovation Centre in Hamburg, the Premium Printing Center in Trier and the Technical Account Management team, which coordinates targeted customer briefings with the local Packaging Development Centers and individual plants, and the Tann-Group's research and development center. Our Divisional Technical Support team and Packaging Development Centers also support our customers, particularly in terms of technical orientation and equipment in order to develop innovative packaging concepts and designs.

At PacProject in Hamburg, concept studies up to the first prototypes are carried out in close coordination with the customer. In collaboration with the Technical Account Management team, first feasibility analyses are already carried out at this stage. At the Premium Printing Center in Trier, highly innovative technologies are used to create packaging designs with extraordinary effects in the shortest possible time. In the area of innovation, the demand for "e-training/learning" on behalf of our customers has increased tremendously. Therefore we offer customised trend workshops, idea workshops and technical trainings.

With the expansion of the Pharma & Healthcare business unit, the division's innovation structure was also extended. The establishment of an XBU Innovation Team (Cross Business Unit Innovation Team), which consists of the Innovation Directors of the individual business units and the head of PacProject, ensures that the growing customer requirements in terms of innovation can be met in the long term through regular best practice exchange. The cooperation between the individual business units serves to identify areas and technologies in which collaboration is beneficial and synergy effects can be achieved. This is accompanied by close cooperation with MM Board & Paper in the area of innovation.

The aim is to differentiate MM as an innovation leader in the view of our customers and position it as preferred supplier by focussing on more sustainable, customer- and market-oriented innovations.

### **Current innovation focus**

In 2023, MM Packaging's innovation activities focused in particular on the topics of sustainability and counterfeit protection. In this context, work was carried out in cooperation with customers, universities of applied sciences and research institutes on optimising recyclable packaging and developing new products.

“GreenPeel”, a new, more sustainable alternative made of cartonboard for food trays with a significantly reduced plastic content, was launched on the market in 2023 and is suitable for numerous applications such as ready meals, snacks, fish and meat. “MM Moulded Pulp”, which is a new focus in the area of fibre-based and plastic free packaging, can be used as an insert for cosmetic products or food containers. In the area of technologies, we are placing a special focus on investments in machinery to increase efficiency and flexibility.

#### **Awards for innovative and more sustainable solutions**

MM Packaging and MM Board & Paper jointly received the “Gold Award” at the European Carton Excellence Awards (ECEA) for an elaborate perfume packaging. The packaging produced from ALASKA® WHITE and processed by MM Packaging convinced the jury with the natural white of the virgin fibre-based cartonboard and the excellent packaging design using double hot foiling.

The award for “General Packaging, Recycled Fibre” was given for an innovative packaging solution made of cartonboard for dissolvable liquid pods, which not only represents an excellent alternative to the original plastic containers, but also reduces complexity in the supply chain and perfectly combines sustainability and functionality with the integrated child-safe closure.

Furthermore, MM Board & Paper won several awards for three packaging solutions made of cartonboard. In the ECEA’s “Food & Drink Packaging, Recycled Fibre” and WorldStar’s “Food” categories, the functional delivery cuff made of Brown-color won, which was developed as a more sustainable solution for the safe and hygienic delivery of food supplies and which saves logistics costs and CO<sub>2</sub> due to its ability to be packed completely flat. A Gin packaging made of ALASKA® STRONG has received “Gold” awards from the German trade magazine “Lebensmittel Praxis” and the ECEA as well as an award from WorldStar. The packaging solution provides reliable protection against damage and gives the product an eye-catching frame at the point of sale thanks to its well-thought-out design.

MM Packaging won the German Innovation Award in the “Excellence in Business to Business/Logistics & Infrastructure” category with the “Paper-based tear tape” project. The solution, made of a strong paper with high stability and low thickness, is an important step towards the ability to produce 100 % plastic-free envelopes and packaging in the future and has already won several awards.

## 4 RISK MANAGEMENT

The MM Group is exposed to a variety of industry-specific and general risks in connection with its international operations. Demand for the products of both divisions, MM Board & Paper and MM Packaging, is closely linked to private consumption, meaning that the development of the economic situation is of central significance for the Group's risk situation. Due to the geographical business focus on Europe and the mainly regional character of cartonboard, paper and packaging as a result of transport costs and service, the economic conditions in the major European economies have a special influence on the Group. In assessing risks regarding procurement, the developments on fibre and energy markets are also of particular importance.

Geopolitical risks, such as those associated with the war in Ukraine, have been considered within the existing risk areas since the financial year 2023. The focus was in particular placed on procurement, with challenges such as bottlenecks in the supply chain and volatility in raw material prices, energy, including prices and availability, payment transactions, compliance requirements as well as risks associated with a potential loss of production (e.g., through plant closures) and a decline in sales. By contrast, the negative effects of the Covid-19 pandemic are no longer considered material for the Group. However, the necessary adjustments made because of the pandemic have also opened up new opportunities. These include, in particular, optimisations in procurement and supply chain management as well as the implementation of home office concepts and new communication channels which ultimately contributed to a reduction in travel. The focus on supply chain risk since the previous year has, among other things, resulted from an increasing complexity of supply chains, a shift in the customer portfolio which now also includes more small and medium-sized customers, changes in customer requirements, such as smaller order quantities and shorter delivery times, as well as efforts towards regionalisation and CO<sub>2</sub> footprint reduction. In order to cope with this increased complexity and secure a leading position in a demanding competitive environment, MM has established supply chain management departments in both divisions, MM Board & Paper and MM Packaging. Risks in this respect are managed by adapted processes, additional suppliers and inventory management. In the risk management system of MM, supply chain risks are covered within the existing risk fields.

In view of the safety and steering instruments already implemented and the early warning indicators, no significant risks that could endanger existence or impair its development are currently identifiable. Compared to the previous year, the gross risks relating to sustainability and financing were classified as higher, while the net risk relating to energy was lower.

Based on the consistent focus on the core business areas for many years, the MM Group has a solid base for identifying potential risks at an early stage and for adequately assessing possible consequences thereof. Dealing with risks is set out in a risk management system. It involves the systematic identification, assessment, control and reporting of significant events and risks which could potentially endanger the Group's existence and influence its development. We define the term risk as a negative deviation from the corporate objectives resulting from an event that might occur in the future with a certain degree of probability. The aim of the risk management system is to reduce substantial risks to an acceptable level by means of appropriate measures in order to safeguard the existence of the Group and its ability to create value in the long term.

For each risk that is identified and considered to be significant for the Group, specific early detection, steering and safeguarding measures are determined, taking into account the Group-wide risk policy, in order to manage the respective risk. These measures are subject to constant evaluation and are continuously developed or amended if necessary. They aim to optimise the Group's risk situation, without diminishing possible opportunities, though.

The Management Board is responsible for the Group's risk management, defines the risk policy which is generally characterised by a conservative approach and determines the framework conditions for risk management throughout the entire Group. There is a focus on prevention and reduction of risks which are, as far as economically reasonable, achieved by targeted control measures and complemented by the Group's insurance program.

The "Risk Management Compliance" department reports directly to the Management Board and ensures that risk management is implemented and conducted on behalf and in the interest of the Management Board. Each risk area that is considered to be significant is assigned to a risk area officer with relevant expertise who is responsible for analysing, assessing, controlling and monitoring the respective risks. Thus, the risk management process does not take place in an isolated way, but as an integral part of the organisation and its procedures. The identified risks are evaluated in terms of potential damage and probability of occurrence before as well as after taking safeguarding and steering measures.

The Group's auditor is responsible for assessing the functionality of the risk management system. He reports to the Supervisory Board and the Management Board.

The most significant risk areas to which the Group is exposed and the measures taken to manage these risks are described below.

## Sales

The demand for cartonboard packages and paper products from MM directly correlates with the overall economic environment but especially with the demand for everyday consumer goods. Market risks may therefore arise mainly from economic volatility and changes in regulatory and political conditions of the various sales markets as well as from a delayed awareness of changes in trends.

Owing to sufficiently available capacities of providers, the sales markets of MM Board & Paper and MM Packaging are characterised by intensified competition. In order to consolidate and extend the market position in the long term, the Group pursues a strategy of strengthening competitiveness of both divisions by enhancing efficiency, sustainability and innovation.

The Group has a total of several thousand customers. MM Board & Paper sells unprocessed cartonboard mainly to the medium-sized European folding carton industry. Kraft papers are sold in particular to the food/gastronomy industry and the laminate industry, uncoated fine papers (office and printing papers) especially to paper/office supply retailers in Europe. The division MM Board & Paper generates around 32 % of divisional sales with 15 main customer groups, excluding MM Packaging. The division MM Packaging supplies in particular printed cartonboard packages to consumer goods manufacturers and generates around 66 % of divisional sales with 40 main customers.



The level of dependency of individual production sites on customers is affected to a large extent by developments in sales and supply, pricing strategies, the composition of the supply chain as well as the political environment.

Customers are constantly assessing their locations network in order to optimise costs and exploit growth opportunities, which may result in a geographical relocation of business. This bears the risk of site closures as well as investment needs at new sites. However, the Group's extensive presence in various market segments and the broad geographical positioning contribute to minimising the risk.

MM relies on comprehensive and well-established measures to safeguard market shares and generate new business. This includes close customer contact, continuous monitoring and market analyses, cooperation in research and development, a sustained quality and cost management as well as ongoing investment. Furthermore, it comprises the monitoring of product life cycles, trend analyses, the systematic expansion of our customer base as well as a regular participation in tenders, trade fairs and congresses.

The growing public interest in sustainability and health is leading to increasing demands from customers, interest groups and legislators with regard to sustainable packaging solutions as well as their product quality and safety. It is highest priority for MM to meet these requirements in order to minimise potential risks relating to sales, compliance or reputation. Within an institutionalised framework, both divisions continuously carry out R&D activities that undergo continuous further development. For example, the idea platform "we.invent" systematically collects ideas from among all MM employees. In addition, the innovation stage gate process is being further developed. This makes it possible to offer safe and innovative products that are sustainably in line with market demands. MM meets the high product safety and quality requirements, among others, by certifying all production sites according to ISO 9001 and through regular quality assurance measures and inspections. In particular in the area of food packaging, a comprehensive range of measures ensures compliance with strict legal regulations and customer requirements, thus contributing to compliance, customer satisfaction and safeguarding sales. This includes the continuous monitoring of current, mainly regulatory developments in the area of food contact materials as well as research and development activities dealing with the migration of ingredients and their effect.

In terms of sustainable and environmentally friendly packaging solutions, MM benefits from the positive public and customer perception of cartonboard and paper as a packaging material. A special focus is currently being placed on the development of substitution products for plastic packaging using alternatives made of cartonboard and paper which are being driven forward proactively and with a strong customer orientation. In line with the trend towards light-weight packages, MM Board & Paper is also expanding its range of products with lower grammages.

The market for cigarette packaging is subject to regulatory risk due to the protection of non-smokers and minors, which is associated with potential effects on sales development. This can affect both the quantity and the value of the product. More and more countries around the world, whose number continued to increase in 2023, require "plain packaging", i. e., standard packages without brand logos. In connection with the EU Tobacco Products Directive, the ban on characterising flavours was extended to heated tobacco products. The Single-Use Plastics Directive from 2019 introduced labelling requirements for tobacco product packaging. Accordingly, all packaging must carry a pictogram indicating the presence of plastic in the cigarette filter and proper disposal. The draft Packaging and Packaging Waste Regulation ("PPWR") proposes further labelling in relation to the recyclability of packaging. Another trend is emerging with regard to the design of the cigarette itself. Specifically, some countries have announced plans to consider or introduce the direct placement of warning labels on cigarettes. In the case of novel products, the widespread use of so-called nicotine pouches should be mentioned, whose introduction is being discussed very controversially. A proposal from the EU Commission to revise TPD2 is no longer expected for 2024, the evaluation phase has started on May 20, 2022. The impact on the relevant sales of the MM Packaging division cannot be quantified yet, but the risk is minimised by broad global geographic sales and a close cooperation

with cigarette manufacturers. Furthermore, the sales risk is also reduced by packaging for so-called “reduced risk products”. Companies operating in this product area may be subject to discrimination in the public perception.

## Production

The Group systematically develops and modernises its production facilities and processes to ensure that they are always state of the art. Thereby, a focus is placed on a sustainably responsible production, taking economic, environmental and social aspects into account with the aim of generating long-term benefits for our stakeholders.

This primarily implies an efficient use of resources in the production of our products, combined with exceptional solution expertise and quality while at the same time aiming for a sound financial conduct. We therefore focus on continuous monitoring of machines and performance, innovation and sustainable investments in the latest technology. Opportunities of automation and digitalisation are actively pursued and implemented. Our aim is to produce according to the highest possible standards throughout the Group.

A high degree of operational readiness of the plants is of crucial importance for the production of cartonboard/paper and folding cartons. Continuous electronic monitoring of individual machines and sections of machines, revisions, maintenance and certifications as well as risk engineering in collaboration with insurance companies are among the most important preventive measures for maintaining continuous operations. Furthermore, division-wide back-up concepts secure readiness for supply even in the event of long-term interruptions of operations. The ability to shift orders to other locations (multi-mill concept) or machines constitutes a core element and is facilitated by focussing on certain format classes and orders that are not dependent on machine manufacturers.

Compliance with required quality standards and norms, especially in the areas of product safety and food contact, is a fundamental precondition for securing our competitiveness and the reputation of our product and service portfolio in the long term. Constant quality assurance procedures along the entire value added chain guarantee the fulfilment of these high standards and allow the seamless traceability of all products. Our continuous R&D activities, constant market observation as well as our longstanding active participation in lobbies and standardisation at national and international level enable us to evaluate new scientific findings, interpretations as well as upcoming changes in a timely manner and incorporate them into our strategies.

By focussing on our core competences, we minimise risks associated with investments, technical innovation and the integration of acquisitions. Investment projects are subjected to a standard multi-level approval procedure as well as a clearly defined tendering process in which relevant specialist departments are systematically involved. Negotiations and drafting of purchase agreements are carried out in cooperation between Corporate Sourcing, Divisional Technology and Corporate Legal. Where appropriate, tests or simulations are carried out under production or laboratory conditions. Investment projects are accompanied during implementation by a continuous control of qualitative as well as quantitative aspects. Product and process innovations undergo extensive test phases and are generally tested in pilot projects before being rolled out.

## Procurement

The performance of both divisions is largely dependent on certain raw materials and input factors which are mainly sourced externally. In the division MM Board & Paper, these include especially fibre materials (recovered paper, wood, pulp), energy, chemicals and logistics services. With regard to the division MM Packaging, these include primarily cartonboard and paper as well as inks and varnishes. For procurement there is basically a risk of availability concerning quantity and quality, on the one hand, and a price risk, on the other hand. We particularly counter the risk of availability through regular market and demand monitoring, continuous contact with a majority of suppliers and the development of long-term strategies to adapt the procurement of raw material to current conditions. We ensure compliance with the agreed properties by incoming goods inspections, continuous quality monitoring and on-site visits at our suppliers. Where reasonable and possible, tenders are conducted for current purchasing volumes.

Fibre materials and chemicals are the most essential raw materials for MM Board & Paper. The division procures them via its own European procurement organisation. Ongoing monitoring and suitable security measures, such as capacity reservations, long-term contracts and backup concepts, are partly successful in counteracting a shortage and price risk due to a higher global demand and in absorbing short-term price peaks. We consider the supply of fibre materials to be basically secure. However, regulatory measures, for example as part of the European Green Deal (EUDR, LULUCF), or (geo)political risks may have an impact on supply. The additionally required groundwood pulp is mainly produced internally in the cartonboard and paper mills and in our Norwegian fibre mill FollaCell.

In close cooperation between production and engineering, we take state-of-the-art measures to control the consumption and optimise the use of raw materials. In this regard, opportunities for substitution and adjustments of formulations are regularly evaluated.

Based on the profit centre principle, purchase of cartonboard and paper for the MM Packaging division is conducted by its own procurement organisation with continuous screening of various cartonboard and paper producers. With regard to securing supply, the intercompany cartonboard procurement from the division MM Board & Paper has recently gained in importance.

Passing on cost increases to customers, e.g., due to inflation, entails the risk of losing customers, although market conditions in both purchasing and sales do not always allow this to be passed on. We endeavour to take into account significant price changes of strategically important input factors in sales pricing, e.g., by appropriate clauses.

Energy (gas, electricity, coal, heating oil) is an input factor of strategic importance, especially for the division MM Board & Paper. In risk assessment, purchase price, basic availability and purchase opportunity are essential parameters. The latter refers to the physical availability of energy, which in the case of gas, coal and oil mainly depends on the political stability of producer and transit countries. Political conflicts, armed conflicts and natural disasters can have a significant impact on the availability and price risk of energy. In some cases, minimum purchase quantities are defined in energy agreements. If the level of those is not reached due to standstills or technical faults, compensation settlements are due (take-or-pay rule). In order to manage the risk, we rely on concluding long-term framework purchase contracts, continuously monitoring price developments and existing hedging contracts as well as linking production and sales planning to the purchase of energy. Medium-term procurement policy is managed based on the regular coordination between the management and an energy procurement team responsible for the entire Group. In addition, measures aimed at reducing specific energy consumption are continuously implemented. Substitution of fossil energy types takes place, for example, through local biomass or replacement fuel plants or by changes in in-house electricity generation. Sales prices are adjusted to price developments on the energy market as quickly as possible. Due to the ongoing war in Ukraine, the availability risk of

energy remains increased. This also affects transport via pipelines, although the expansion of the LNG infrastructure has reduced this risk. Diversifying the transport routes for coal at the suppliers also limits the availability risk of energy.

Due to the political objective of reducing greenhouse gas emissions in the industry, all mills of the division MM Board & Paper are confronted with a regulatory risk regarding the availability of emission permits (CO<sub>2</sub> certificates) which are issued restrictively according to the “cap & trade” principle. Through the use of energy-efficient facilities and convincing benchmark results, MM Board & Paper continues to benefit from a partly free allocation of emission permits. It is expected that the EU will gradually reduce free allocations in order to create incentives for further emission reductions. The European Green Deal, which aims to achieve a climate-neutral EU by 2050, has recently come into play here. There is a dynamic CO<sub>2</sub> allocation in case of activity change by +/-15 %. MM Board & Paper procures missing certificates on the free market under the EU emission trading system, for which a price risk must be taken into account, which is partially mitigated by means of forward contracts.

MM Packaging also faces the risk of indirect emissions pricing. Based on the European Effort Sharing Regulation or the Fuel Emissions Trading Act in Germany, certain sectors (heating and transport) face a CO<sub>2</sub> levy, which may have an impact on the cost side of both divisions as a result of onward charging.

## Sustainability

Basically, sustainability describes sustainable management taking into account economic, ecological and social aspects with the aim of creating long-term benefits for our customers, shareholders, employees and the environment and society and minimising the negative impact on the environment and society. In detail, this means, for example, using resources (recycled paper, cartonboard, virgin fibre, chemicals, energy, water, waste) responsibly and efficiently and ensuring fair working conditions as well as long-term qualitative growth, which will also ensure economic success in the future. Sustainability is therefore an integral part of the Company’s strategy and a pillar of the long-term financial success of the Company.

Risks in this area consist of physical risks (e.g., floods, forest fires, storm damage, drought) and transitory risks (e.g., emission certificates, changing market requirements and consumer behaviour, political developments). Physical risks can lead to direct production losses, supply bottlenecks or increased raw material prices. Transitory risks should primarily be regarded as compliance issues that do not result in short-term production losses, but in the event of violations negatively impact the “license to operate”, which can be reflected economically in declining sales figures, increased penalties and CO<sub>2</sub> taxes, for example. In 2024, particular attention must be paid to the implementation and fulfilment of the requirements set out in the EU Deforestation Regulation EUDR (EU) 2023/1115. From December 30, 2024, the associated risks could range from high fines to a ban on placing products on the market.

The MM Group follows the TCFD framework (Task Force on Climate-Related Financial Disclosures) in order to integrate climate-change-related risks and opportunities into the existing reporting structures in the best possible way. Specific physical and transitory risks were assessed as part of the climate-related risk assessment. For the business activities of the MM Group, advancing climate change results in both physical risks that affect individual locations as well as strategic risks that can affect a business area or the entire Group.

From a macro-political perspective, conflicts which can lead to production losses in conflict regions as well as to bottlenecks with regard to energy and raw material supplies must be taken into account in this connection.

Legal changes, such as those that are coming into force in particular as a result of the European Green Deal, are intensifying the requirements for corporate sustainability, as financial indicators and non-financial indicators are increasingly being seen as dependent on one another (e.g., EU taxonomy). Sustainability is therefore becoming an increasingly important parameter for financial market valuations and investment decisions.

With regard to market requirements, it must be taken into account that sustainability, measured in terms of the product life cycle, is an important decision criterion for customers in the production of needs-based products. Sustainable packaging solutions are often included by customers themselves in their company's own sustainability goals.

Sustainability is also playing an increasingly important role in the competition for young talents. Companies in which sustainability is not implemented or is implemented in an untrustworthy manner will have disadvantages in the future when it comes to attracting and retaining young talents.

To secure and control the sustainability risk, MM relies on a central sustainability management, resource-efficient production of recyclable products, ambitious long-term (science-based) sustainability targets as well as the inclusion of sustainability criteria in the remuneration policy. Non-financial key figures are subject to comprehensive regular monitoring by a dedicated management system. Supply chain monitoring with regard to sustainability risks is system-supported and a specific software solution has been introduced across departments to also implement the EUDR requirements. Furthermore, all cartonboard and paper mills and selected sites of MM Packaging are certified according to PEFC (Program for the Endorsement of Forest Certification Schemes) and FSC® (Forest Stewardship Council). In addition, selected sites are certified according to EMAS (Eco Management and Audit Scheme) and/or ISO 14001 for environmental management systems as well as ISO 50001 for energy management. In the areas of product quality and/or food safety, all cartonboard-producing and almost all folding carton-producing sites are certified (ISO 9001, BRC, ISO 22000, EN 15593, ECMA GMP). Moreover, MM is oriented towards globally valid agendas and target frameworks, such as UN Sustainable Development Goals, European Green Deal or Paris Agreement

## Human Resources

The performance of our Group is largely dependent on qualified, motivated and performance-oriented employees. We focus on sustainable collaboration with the aim of tying our employees to the Company in the long run and attract suitable talent for vacant positions. We achieve this through continuous personnel development, promotion of education, fair remuneration and attractive incentive systems as well as a lived value and corporate culture. Our positioning as an attractive employer is supported by targeted personnel marketing measures.

The central “Group Human Resources & Internal Communication” department acts as a strategic partner of the management and is responsible not only for operational personnel issues at the Group’s headquarters, but also develops target-group-specific standards for the entire MM Group. With a wide range of development and training programmes, we systematically establish conditions which enable talents to grow and contribute their up-to-date expertise to the Company over the long term.

Corporate health management supports our employees through a large number of support and prevention measures with the goal of maintaining health and performance at a high level over their entire working lives.

HR agendas in 2023 were characterised by further integration activities at the sites acquired in recent years (especially ex-Essentra Packaging). The implementation of a Group-wide HR system, which will be rolled out at all locations over the next few years, allows information to be accessed centrally as a central data source and to better meet future reporting requirements. A Group-wide job platform will be used to establish common recruiting standards and find suitable candidates.

In the area of training and development, the focus in 2023 was on IT security. Increasing risks in the area of cybercrime require all employees to be sensitised and are therefore a high priority. Regular mandatory training courses are held throughout the Group. Completion of this training was included in the 2023 targets and is relevant for bonuses. A new management development programme (“Leading Together”) was launched to strengthen junior managers for their tasks and the “Next Generation” apprentice programme was revised to better meet the needs of this target group.

## Pensions/severance payments/pre-retirement

The majority of employees in the Group is covered by defined contribution plans as part of statutory pension schemes. In addition to the statutory pension scheme, the Group has granted defined benefit and defined contribution pension commitments to certain employees on the basis of individual commitments and company agreements. Furthermore, there are defined benefit and defined contribution severance payment obligations and obligations as part of statutory pre-retirement schemes. To monitor and minimise risks, we particularly pursue a clearly structured process that includes provisioning, plausibility check and verification of data at the level of individual companies as well as the entire Group. In addition, centralised monitoring of individual commitments is carried out by the Group’s headquarter.

Liquidity risk is addressed through the use of qualifying insurance policies in Austria and Germany, pension funds in Great Britain and the Philippines and a collective foundation in Switzerland to cover assets. The investment involves an assessment risk. External fund assets are invested as conservatively as possible in line with legal requirements (low equity component, corporate rather than government bonds).

The current level of interest rates has methodically led to an increased discount rate compared to previous years, which results in a decrease of the actuarial present value of obligations. The resulting deduction item in equity can be classified

as absolutely manageable in relation to equity. The projected expenses for pensions and severance payments remain stable.

## Financial risks

Corporate planning is based on professional forecasts, assessments and assumptions concerning future economic and financial developments of the Group. We try to hold the risk of false estimation at bay by a close cooperation of the mills with the specialist departments of the Group and the divisions within the framework of a clearly defined multi-step planning process.

We counter financing and payment transaction risks of the Group in particular by a centrally managed cash and credit management, the careful selection and a continuous monitoring of national and international banking partners and the availability of sufficient credit lines at any time. A breach of contractual agreements (covenants) can lead to increasing surcharges on the base interest rate or the cancellation of financing by the banks. This would necessitate the renegotiation of the financing structure and entail the risk of higher financing costs. Compliance with the covenants is monitored regularly to minimise risk. In addition, the factor of sustainability has an impact on both availability and cost risk, as so-called ESG financing is gaining in importance and the provision of financing and the level of financing interest rates are therefore increasingly dependent on ESG criteria. These are controlled by “Group Sustainability” based on corresponding key figures. In the MM Group, however, ESG indicators do not currently affect the cost of financing. The availability risk of capital increases with the rising proportion of non-ESG-compliant business.

Foreign exchange risks are monitored continuously with system support and are limited or reduced by suitable hedging measures. Hence, the focus is placed on balancing risks naturally by matching receivables and liabilities at individual subsidiaries and at Group level. Price risks are reduced as far as possible by currency congruence in business transactions and by price adjustment mechanisms in long-term agreements. Hedging transactions are only utilised if natural hedging measures are not sufficient. Currency hedging transactions are mainly performed on a central currency trading platform. Currencies that are hedged for fluctuations of their exchange rates are in particular the British pound, the US dollar as well as the Euro for the companies with functional currencies other than the Euro. Derivative financial instruments are neither used for trading nor for speculative purposes.

Regular monitoring and ongoing active optimisation of working capital on the basis of a profit and cash protection plan as well as the minimisation of inventory impairment risks are a high priority. The risk of default on accounts receivable is minimised by ongoing credit rating assessment as well as the obligation to offer credit insurance for all customers, with the exception of selected international customers that enjoy the highest credit rating.

## Accounting

The Management Board is responsible for establishing and developing an appropriate internal monitoring and risk management system for accounting as well as financial reporting and for preparing the consolidated financial statements. This ensures the completeness, reliability, and transparency of financial information. In addition, the appropriateness and efficiency of processes as well as compliance with statutory, contractual and internal regulations is guaranteed.

The accounting process covers all essential tasks which ensure that accounting-relevant information is recorded and processed completely, accurately and in time and that financial reporting is presented in accordance with the applicable accounting standards.

In the organisational and operational structure, clear responsibilities are defined for the individual companies and the Group. The central departments “Group Accounting” and “Planning and Reporting” are responsible for developing up-to-date uniform Group guidelines as well as for organising and controlling financial reporting in the Group.

The reporting to the Management Board and Supervisory Board is effected in a regular, comprehensive and timely manner. Compliance with internal Group guidelines and processes concerning the recording, posting and accounting of business transactions is continuously monitored. The data processing systems used are developed in a targeted manner and are continuously improved. Accounting processes and financial reporting are reviewed regularly for potential risks. Improvement measures are taken as quickly as possible and implemented swiftly. Focus audits and audits of local sites and central processes are carried out by auditors and the Internal Audit department. A large number of measures, such as training, reviews and coordinated Group-wide procedures, ensure that the Group’s accounting is carried out in accordance with IFRS.

## Information technology

Central IT management is based on ISO 31000, information security of the central IT on ISO 27001. The risk of a breakdown of our central data processing is minimised by using a geographically separated back-up data centre and by comprehensive precautionary and regular audit measures. Challenges regarding information security are countered by a wide range of protective measures which are integrated in a Group-wide information security management system (ISMS). The function of the Information Protection Officer includes the Group-wide implementation and continuous updating of security standards.

Cyber and IT risks remain a serious threat to MM. Attacks are becoming more professional and agile, steadily increasing the risk of data loss, business interruption and financial damage. It is important that MM continues to take proactive measures to protect itself against these threats. These include, among others, constant monitoring of all IT systems, automated protection mechanisms and a well-developed business continuity management system (BCMS).

Ransomware development remains a significant risk for MM. The risk of ransomware attacks is expected to continue to increase due to the constant development and distribution of malware variants. MM therefore needs to continuously improve its security and defences in order to be protected against attacks. This includes regular back-ups, training for employees and the implementation of an incident response plan.

The re-certification according to ISO 27001 proves that MM has established a good security management and is continuously improving to ensure the protection of sensitive data and IT systems.



## Other risks

Compliance risks arising from possible non-conformity with standards, laws, ethical codes of conduct, and, where applicable, voluntary commitments, such as the MM Code of Conduct or the universal principles of the UN Global Compact, are managed especially by means of protective measures in the systems, regular, systematic compliance monitoring, the four-eyes principle as well as Group-wide guidelines and trainings. Appropriate guidelines and a compliance screening tool are used to ensure compliance with sanction regulations. Clear instructions on behaviour, a digital approval process and a register of donations help to avoid conflicts of interest regarding the acceptance and giving of gifts. Furthermore, the function “Group Legal” is established, which is responsible for monitoring and controlling the compliance risk and, if necessary, by calling in external experts. The aim is to ensure strict adherence to compliance requirements. This is not least intended to prevent the increasing risks of a breach of the law and possible sanctions resulting from ever more stringent regulation. To counter any improper actions, in addition to the stipulation of approval requirements, in particular protection by the systems, a strengthened internal control system and a modern whistleblowing mechanism are in place.

The corporate governance report which is an integral part of the annual report is available on our website at <https://www.mm.group/en/about-us/responsibility/corporate-governance/>.

In addition to the risks listed here, the Group may be exposed to further risks. We are currently not aware of any such risks or classify them as insignificant.

## 5 DISCLOSURES ACCORDING TO SECTION 243 A PARA. 1 OF THE AUSTRIAN COMMERCIAL CODE

### **Composition of capital, stock categories**

Please refer to the information provided in the consolidated financial statements under note 13.1.

### **Restrictions concerning the voting rights and the transfer of shares**

Approximately 58 % of the shares are held by the core shareholder families in a syndicate. There is a syndicate agreement which regulates the transferability of shares within the syndicate and to outside parties. Issues that concern the Ordinary Shareholders' Meeting are decided by the syndicate with 65 % of the voting rights, measured by the total number of syndicate votes cast. Modifications of the syndicate agreement (concerning changes in voting rights, changes in the purpose or object of the syndicate, creation or withdrawal of special rights) require unanimity, measured by the total number of all syndicate votes.

### **Direct or indirect participation in capital of at least 10 %**

According to the information provided to the Company, there were the following minimum participations of 10 % in the capital at year-end 2023:

MMS Mayr-Melnhof-Saurau Beteiligungsverwaltung KG  
CAMA Privatstiftung

### **Owners of shares with special control rights and a description of these rights**

There are no shares with special control rights.

### **Type of voting rights control for capital participation by employees, if they do not directly exercise the right to vote**

There is no such capital participation model for employees.

### **Provisions for appointment and revocation of members of the Management Board and the Supervisory Board and regarding alteration of the Articles of Association of the Company that do not arise directly from the Act**

There are no provisions of this type.

### **Authorisation of the members of the Management Board that does not arise directly from the Act, in particular with regard to the option of issuing or repurchasing shares**

There are no authorisations of this type.

### **All significant agreements to which the Company is a party and that take effect are modified or terminated in the event of a change of control of the Company as a result of a takeover offer as well as its effects; agreements which would significantly damage the Company if made public are excepted, unless the Company is obligated to make such information public as a result of other statutory provisions**

The protective clause with regard to the disclosure of this information is invoked. The scope of the business in question is considered reasonable.

### **Existence and significant content of compensation agreements between the Company and the members of its Management and Supervisory Boards or employees in the event of a public takeover offer**

There are no agreements of this type.

## 6 CONSOLIDATED NON-FINANCIAL STATEMENT ACCORDING TO SECTION 267 A OF THE AUSTRIAN COMMERCIAL CODE

To comply with section 267 a of the Austrian Commercial Code, the option to set up a separate consolidated non-financial report was chosen.

## 7 OUTLOOK ON THE FINANCIAL YEAR 2024

This outlook reflects the assessment of the Management Board as of March 11, 2024, and does not take into consideration the effects of any acquisitions, disposals or other structural changes in 2024. Previous and subsequent forward-looking statements are subject to known as well as unknown risks and uncertainties that may result in actual events differing from the forecasts made here.

In the highly competitive European cartonboard and paper sector, MM Board & Paper is currently experiencing a positive volume trend, however, at the same time pressure on margins is continuing. Although destocking in the supply chain has largely been completed, we expect only a slow market recovery due to the weak economic situation in Europe and continued restrained consumer spending. At the same time, due to difficult general conditions on non-European export markets continued oversupply and dampened capacity utilisation in Europe are expected to remain.

The pressure to increase competitiveness is therefore constantly increasing. This also applies to MM Packaging, although this sector is overall more resilient due to its broad positioning. Against this backdrop, our profit & cash protection programme will be consistently continued in 2024 and supplemented by targeted structural adjustment measures. Recent increases in production costs will be passed on through corresponding price adjustments.

The capex volume of around EUR 300 million expected for 2024, which includes carry-overs from the previous year, will be focussed on selected projects to improve competitiveness.

With more sustainable and innovative packaging solutions as well as the significantly optimised asset base in recent years and solid financing, MM is very well positioned to successfully manage the persistently challenging market situation.

Vienna, March 11, 2024

### **The Management Board**

Peter Oswald m. p.

Franz Hiesinger m. p.

# Consolidated Financial Statements

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# Consolidated Balance Sheets

(all amounts in thousands of EUR)

Notes

Dec. 31, 2023

Dec. 31, 2022<sup>1)</sup>**ASSETS**

Property, plant and equipment	6	2,056,030	1,796,022
Intangible assets including goodwill	6	1,047,746	1,032,007
Investments accounted for using the equity method, securities and other financial assets	8	10,776	13,153
Deferred tax assets	9	44,486	40,793
<b>Non-current assets</b>		<b>3,159,038</b>	<b>2,881,975</b>
Inventories	10	582,637	730,086
Trade receivables	11	384,512	695,242
Income tax receivables	9	16,284	27,129
Prepaid expenses and other current assets	12	176,902	194,275
Cash and cash equivalents	31	757,515	280,063
<b>Current assets</b>		<b>1,917,850</b>	<b>1,926,795</b>
<b>TOTAL ASSETS</b>		<b>5,076,888</b>	<b>4,808,770</b>

**EQUITY AND LIABILITIES**

Share capital	13	80,000	80,000
Additional paid-in capital	13	172,658	172,658
Retained earnings	13	1,965,210	1,961,996
Other reserves	13	(210,997)	(261,080)
<b>Equity attributable to shareholders of the Company</b>		<b>2,006,871</b>	<b>1,953,574</b>
Non-controlling (minority) interests	13	5,523	5,480
<b>Total equity</b>		<b>2,012,394</b>	<b>1,959,054</b>
Non-current financial liabilities	14	1,768,942	1,674,040
Provisions for non-current liabilities and charges	15	119,841	121,396
Deferred tax liabilities	9	82,178	87,780
<b>Non-current liabilities</b>		<b>1,970,961</b>	<b>1,883,216</b>
Current financial liabilities	14	250,514	87,549
Current tax liabilities	9	25,593	55,705
Trade liabilities	16	515,272	499,677
Deferred income and other current liabilities	17	263,568	293,302
Provisions for current liabilities and charges	18	38,586	30,267
<b>Current liabilities</b>		<b>1,093,533</b>	<b>966,500</b>
<b>Total liabilities</b>		<b>3,064,494</b>	<b>2,849,716</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,076,888</b>	<b>4,808,770</b>

The accompanying notes are an integral part of these consolidated financial statements.

<sup>1)</sup> adjusted due to adjustment of the acquisition of Essentra Packaging (see note 5) and disclosure of non-current assets held for sale in the line item "Prepaid expenses and other current assets" (see note 12) due to immateriality

# Consolidated Income Statements

(all amounts in thousands of EUR except share and per share data)	Notes	2023	2022 <sup>1)</sup>
Sales	19	4,164,403	4,682,060
Change in goods		(69,232)	120,137
Cost of materials and purchased services	10	(2,229,741)	(2,747,975)
Personnel expenses	22	(840,098)	(681,590)
Other operating income	20	80,868	60,939
Other operating expenses	21	(687,190)	(703,650)
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		<b>419,010</b>	<b>729,921</b>
Depreciation, amortisation, impairment and write-up		(221,376)	(219,516)
<b>Operating profit</b>		<b>197,634</b>	<b>510,405</b>
Financial income	25	8,736	4,250
Financial expenses	26	(58,277)	(32,149)
Other financial result – net	27	(11,402)	(15,473)
<b>Profit before tax</b>		<b>136,691</b>	<b>467,033</b>
Income tax expense	9	(47,628)	(121,722)
<b>Profit for the year</b>		<b>89,063</b>	<b>345,311</b>
<b>Attributable to:</b>			
Shareholders of the Company		87,198	343,860
Non-controlling (minority) interests	13	1,865	1,451
<b>Profit for the year</b>		<b>89,063</b>	<b>345,311</b>
<b>Earnings per share for profit attributable to the shareholders of the Company during the year:</b>			
Average number of shares outstanding	28	20,000,000	20,000,000
<b>Earnings per share</b>	<b>28</b>	<b>4.36</b>	<b>17.19</b>

The accompanying notes are an integral part of these consolidated financial statements.

In the financial year 2023, the consolidated income statement was changed from the cost of sales method to the nature of expense method

<sup>1)</sup> adjusted due to the change of method in connection with the disclosure of government grants (see note 3) and adjustment of the acquisition of Essentra Packaging (see note 5)

# Consolidated Comprehensive Income Statements

(all amounts in thousands of EUR)	Notes	2023	2022 <sup>1)</sup>
<b>Profit for the year</b>		<b>89,063</b>	<b>345,311</b>
<b>Other comprehensive income:</b>			
Actuarial valuation of defined benefit pension and severance obligations	13	(4,080)	32,883
Effect of income taxes	9	1,221	(7,730)
<b>Total of items that will not be reclassified subsequently to the income statement</b>		<b>(2,859)</b>	<b>25,153</b>
Foreign currency translations <sup>2)</sup>	13	45,590	(5,833)
Foreign currency translations - Recycling	5	110	20,103
Cash flow hedge - Changes in fair value	7	(59,125)	(29,666)
Cash flow hedge - Recycling	7	67,898	0
Effect of income taxes	9	(1,755)	4,861
<b>Total of items that will be reclassified subsequently to the income statement</b>		<b>52,718</b>	<b>(10,535)</b>
<b>Other comprehensive income (net)</b>		<b>49,859</b>	<b>14,618</b>
<b>Total comprehensive income</b>		<b>138,922</b>	<b>359,929</b>
<b>Attributable to:</b>			
Shareholders of the Company		137,281	358,605
Non-controlling (minority) interests	13	1,641	1,324
<b>Total comprehensive income</b>		<b>138,922</b>	<b>359,929</b>

The accompanying notes are an integral part of these consolidated financial statements.

<sup>1)</sup> adjusted due to adjustment of the acquisition of Essentra Packaging (see note 5)

<sup>2)</sup> incl. hyperinflation adjustments of thous. EUR 1,873 (2022: thous. EUR 22,709)

# Consolidated Statements of Changes in Equity

(all amounts in thousands of EUR)	Notes	Equity attributable to shareholders of the Company							Total	Non-controlling (minority) interests	Total equity
		Share capital	Additional paid-in capital	Retained earnings	Foreign currency translations	Actuarial gains and losses	Cash flow hedge	Other reserves			
<b>Balance at Jan. 1, 2022</b>		<b>80,000</b>	<b>172,658</b>	<b>1,687,923</b>	<b>(218,254)</b>	<b>(66,496)</b>	<b>0</b>	<b>(284,750)</b>	<b>1,655,831</b>	<b>6,047</b>	<b>1,661,878</b>
Adjustments of the initial application IAS 29		0	0	0	8,925	0	0	8,925	8,925	0	8,925
<b>Adjusted balance at Jan. 1, 2022</b>		<b>80,000</b>	<b>172,658</b>	<b>1,687,923</b>	<b>(209,329)</b>	<b>(66,496)</b>	<b>0</b>	<b>(275,825)</b>	<b>1,664,756</b>	<b>6,047</b>	<b>1,670,803</b>
Profit for the year <sup>1)</sup>		0	0	343,860	0	0	0	0	343,860	1,451	345,311
Other comprehensive income <sup>1)</sup>		0	0	343,860	13,348 <sup>2)</sup>	25,130	(23,733)	14,745	14,745	(127)	14,618
<b>Total comprehensive income<sup>1)</sup></b>		<b>0</b>	<b>0</b>	<b>343,860</b>	<b>13,348</b>	<b>25,130</b>	<b>(23,733)</b>	<b>14,745</b>	<b>358,605</b>	<b>1,324</b>	<b>359,929</b>
<b>Transactions with shareholders:</b>											
Dividends paid	13	0	0	(70,000)	0	0	0	0	(70,000)	(1,463)	(71,463)
Change in majority interests		0	0	213	0	0	0	0	213	(428)	(215)
<b>Balance at Dec. 31, 2022</b>		<b>80,000</b>	<b>172,658</b>	<b>1,961,996</b>	<b>(195,981)</b>	<b>(41,366)</b>	<b>(23,733)</b>	<b>(261,080)</b>	<b>1,953,574</b>	<b>5,480</b>	<b>1,959,054</b>
Profit for the year		0	0	87,198	0	0	0	0	87,198	1,865	89,063
Other comprehensive income		0	0	0	45,923 <sup>2)</sup>	(2,859)	7,019	50,083	50,083	(224)	49,859
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>87,198</b>	<b>45,923</b>	<b>(2,859)</b>	<b>7,019</b>	<b>50,083</b>	<b>137,281</b>	<b>1,641</b>	<b>138,922</b>
<b>Transactions with shareholders:</b>											
Dividends paid	13	0	0	(84,000)	0	0	0	0	(84,000)	(1,582)	(85,582)
Change in majority interests		0	0	16	0	0	0	0	16	(16)	0
<b>Balance at Dec. 31, 2023</b>		<b>80,000</b>	<b>172,658</b>	<b>1,965,210</b>	<b>(150,058)</b>	<b>(44,225)</b>	<b>(16,714)</b>	<b>(210,997)</b>	<b>2,006,871</b>	<b>5,523</b>	<b>2,012,394</b>

The accompanying notes are an integral part of these consolidated financial statements.

<sup>1)</sup> adjusted due to adjustment of the acquisition of Essentra Packaging (see note 5)

<sup>2)</sup> incl. hyperinflation adjustments of thous. EUR 1,873 (2022: thous. EUR 22,709)



# Consolidated Cash Flow Statements

(all amounts in thousands of EUR)

	Notes	2023	2022 <sup>1)</sup>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Profit for the year		89,063	345,311
<b>Adjustments to reconcile profit for the year to net cash from operating activities excluding interest and taxes paid:</b>			
Income tax expense	9	47,628	121,722
Depreciation and amortisation of property, plant and equipment, and intangible assets	6	218,504	198,470
Impairment and write-up of property, plant and equipment, and intangible assets <sup>2)</sup>	6	2,872	21,046
Gains (losses) from disposals of property, plant and equipment, and intangible assets	20	(3,050)	628
Financial income	25	(8,736)	(4,250)
Financial expenses	26	58,277	32,149
Result from the disposal of subsidiaries	5	0	13,606
Share of profit (loss) of other investments	27	(443)	(408)
Result from hyperinflation adjustments	27	(3,756)	(353)
Result of associated companies and joint ventures	27	(1,350)	(1,376)
Other adjustments	31	(5,701)	(451)
<b>Net cash from profit</b>		<b>393,308</b>	<b>726,094</b>
<b>Changes in working capital:</b>			
Inventories (incl. payments on account)	10	165,252	(251,921)
Trade receivables	11	313,018	(76,129)
Prepaid expenses and other current assets	12	17,387	(25,190)
Trade liabilities	16	(16,666)	11,857
Deferred income and other current liabilities	17	(18,838)	19,688
Provisions for current liabilities and charges	18	10,445	(17,568)
<b>Changes in working capital</b>		<b>470,598</b>	<b>(339,263)</b>
<b>Cash flow from operating activities excluding interest and taxes paid</b>		<b>863,906</b>	<b>386,831</b>
Income taxes paid		(77,671)	(87,093)
<b>Net cash from operating activities</b>		<b>786,235</b>	<b>299,738</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Proceeds from disposals of property, plant and equipment, and intangible assets <sup>2)</sup>		8,864	8,080
Payments for acquisition of property, plant and equipment, and intangible assets (incl. payments on account)	16	(425,346)	(329,388)
Proceeds from government grants		0	1,851
<b>Free Cash Flow</b>		<b>369,753</b>	<b>(19,719)</b>
Payments for acquisition of companies or other business entities, net of cash and cash equivalents acquired (2023: thous. EUR 0; 2022: thous. EUR 14,444)	5, 31	(1,505)	(384,806)
Proceeds from disposal of companies or other business entities, net of cash and cash equivalents disposed (2023: thous. EUR 0, 2022: thous. EUR 6,725)	5	0	127,275
Proceeds from disposals of securities and other financial assets		188	343
Payments for securities and other financial assets		(244)	(255)
Dividends received	27	443	408
Interest received		8,529	3,290
Other adjustments		21	(95)
<b>Net cash from investing activities</b>		<b>(409,050)</b>	<b>(573,297)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Interest paid		(56,342)	(32,334)
Issuances of interest-bearing financial liabilities incl. factoring liabilities	31	399,709	543,589
Repayments of interest-bearing financial liabilities	31	(135,518)	(233,296)
Repayments of lease liabilities	31	(18,889)	(14,366)
Payments to non-controlling (minority) shareholders		0	(236)
Dividends paid to the shareholders of the Company	13	(84,000)	(70,000)
Dividends paid to non-controlling (minority) shareholders	13	(1,582)	(1,463)
<b>Net cash from financing activities</b>		<b>103,378</b>	<b>191,894</b>
Effect of exchange rate changes on cash and cash equivalents		(3,111)	2,182
<b>Change in cash and cash equivalents</b>		<b>477,452</b>	<b>(79,483)</b>
<b>Cash and cash equivalents at the beginning of the year (in the consolidated balance sheet)</b>		<b>280,063</b>	<b>359,546</b>
<b>Cash and cash equivalents at the end of the year (in the consolidated balance sheet)</b>		<b>757,515</b>	<b>280,063</b>

The accompanying notes are an integral part of these consolidated financial statements.

<sup>1)</sup> adjusted due to adjustment of the acquisition of Essentra Packaging (see note 5)<sup>2)</sup> incl. non-current assets held for sale

# Notes to the Consolidated Financial Statements

## 1 BASIC INFORMATION

### The MM Group

Mayr-Melnhof Karton AG and its subsidiaries (“the Group”) are engaged in manufacturing and selling cartonboard, paper and folding cartons with a focus on Europe. The parent company of the Group is Mayr-Melnhof Karton AG, located at Brahmssplatz 6, 1040 Vienna, Austria. The shares of the Company are listed on the Vienna Stock Exchange.

### Segment information

The Group is divided into two operating segments (see note 19): MM Board & Paper and MM Packaging. MM Board & Paper manufactures and markets numerous grades of cartonboard, focusing on coated cartonboard produced predominantly from recycled fibers as well as virgin fiber-based cartonboard. In addition, the division’s product range also includes kraft papers and uncoated fine papers. MM Packaging processes cartonboard into folding cartons, mainly for the food industry (e. g., cereals, dried foods, sugar, and baked products, high-end confectionery packaging) as well as other consumer goods industries (e. g., cosmetics, toiletries, detergents, household goods, tobacco products, toys and pharmaceuticals). Furthermore the product range of MM Packaging also comprises leaflets and labels.

### Significant events affecting the Group’s financial situation and profitability

The Group’s financial situation and profitability are particularly affected by the overall challenging economic environment. Furthermore, the acquisitions of Eson Pac and Essentra Packaging in the previous year were only included in the consolidation circle during the year, which impairs comparability with the previous year’s figures. Additionally another positive effect on working capital in 2023 resulted from the expansion of factoring agreements (see notes 7 and 11).

## 2 PRINCIPLES OF PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

### Basic accounting principles and declaration of compliance

The consolidated financial statements of Mayr-Melnhof Karton AG and its subsidiaries and notes thereto have been prepared according to section 245 a of the Austrian Commercial Code in accordance with International Financial Reporting Standards and their interpretations released by the International Accounting Standards Board “IASB” to be applied within the European Union. Additional requirements according to section 245 a paragraph 1 of the Austrian Commercial Code have been met.

The consolidated financial statements are prepared based on historical acquisition or manufacturing costs, except for certain positions that are described in the relevant notes (e. g., note 7 and 15).

The present consolidated financial statements comprise the period from January 1 till December 31, 2023 and have been signed by the Management Board and have been approved by the Supervisory Board on March 11, 2024.

The consolidated financial statements are reported in Euro. Unless stated otherwise, all amounts herein, except for share data and per share amounts, are specified in thousands of Euro.

### Change from the cost of sales method to the nature of expense method

As of June 30, 2023, the consolidated income statement was changed from the cost of sales method to the nature of expense method. The nature of expense method compares sales with expenses by cost type. The cost of sales method breaks down expenses by functional area. The change in presentation serves to improve comparability within our industry. The previous year's figures were calculated and restated according to the same principles. For comparability purposes, the consolidated income statements are presented below using the cost of sales method.

(all amounts in thousands of EUR except share and per share data)	2023	2022 <sup>1)</sup>
Sales	4,164,403	4,682,060
Cost of sales	(3,345,048)	(3,544,253)
<b>Gross margin</b>	<b>819,355</b>	<b>1,137,807</b>
Other operating income	78,082	60,609
Selling and distribution expenses	(405,964)	(416,401)
Administrative expenses	(291,290)	(256,888)
Other operating expenses	(2,549)	(14,722)
<b>Operating profit</b>	<b>197,634</b>	<b>510,405</b>
Financial income	8,736	4,250
Financial expenses	(58,277)	(32,149)
Other financial result – net	(11,402)	(15,473)
<b>Profit before tax</b>	<b>136,691</b>	<b>467,033</b>
Income tax expense	(47,628)	(121,722)
<b>Profit for the year</b>	<b>89,063</b>	<b>345,311</b>
<b>Attributable to:</b>		
Shareholders of the Company	87,198	343,860
Non-controlling (minority) interests	1,865	1,451
<b>Profit for the year</b>	<b>89,063</b>	<b>345,311</b>
<b>Earnings per share for profit attributable to the shareholders of the Company during the year:</b>		
Average number of shares outstanding	20,000,000	20,000,000
<b>Earnings per share</b>	<b>4.36</b>	<b>17.19</b>

<sup>1)</sup> adjusted due to the change of method in connection with the disclosure of government grants and adjustment of the acquisition of Essentra Packaging (see note 5)

In the course of this change, energy cost reimbursement amounting to thous. EUR 10,254 was reclassified from the position „Other operating income” to the position „Cost of sales” or to the position „Cost of materials and purchased services” according to the nature of expense method.

### Application of new and revised standards

During the preparation of the consolidated financial statements and notes thereto, relevant amendments to existing IAS and IFRS, as published in the Official Journal of the European Union no later than December 31, 2023 and with an effective date no later than this date, were taken into consideration:

<b>New standards</b>	<b>Content</b>	<b>Effective</b>
IFRS 17	Insurance contracts	1. 1. 2023
<b>Revised standards</b>	<b>Content</b>	<b>Effective</b>
IAS 1	Presentation of Financial Statements - Definition of Materiality	1. 1. 2023
IAS 8	Definition of Accounting Estimates	1. 1. 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1. 1. 2023
IFRS 17	Initial application of IFRS 17 and IFRS 9 - Comparative Disclosures	1. 1. 2023
IAS 12	OECD - Pillar Two Model Rules	1. 1. 2023

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. The scope of application includes insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. The measurement model of IFRS 17 is based on the determination of the current fulfilment values of insurance contracts, so that their carrying amounts must be adjusted in each reporting period due to changes in estimates.

The amendments to IAS 1 and IFRS Practice Statement 2 are intended to support users in deciding which accounting policies they must disclose in their financial statements. An entity is now required to disclose material accounting policy information rather than its significant accounting policies.

The amendments to IAS 8 are intended to help distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates is replaced by a definition of accounting estimates. According to the new definition, accounting-related estimates are "monetary amounts in the financial statements that are subject to measurement uncertainties". Companies develop accounting estimates when the accounting policies require that items in the financial statements are measured in a way that involves measurement uncertainty. A change in an accounting estimate resulting from new information or new developments does not constitute a correction of an error.

The amendment to IAS 12 narrows the scope of the initial recognition exemption, according to which no deferred tax assets or liabilities are to be recognised at the time when an asset or liability is initially recognised. If deductible and taxable temporary differences of the same amount arise simultaneously in a transaction, these no longer fall under the exemption, meaning that deferred tax assets and liabilities must be recognised.

The amendment to IFRS 17 affects companies that apply IFRS 17 and IFRS 9 simultaneously for the first time. The amendment affects financial assets for which comparative information is presented on initial application of IFRS 17 and IFRS 9, but which have not been restated according to IFRS 9. Under the amendment, an entity is permitted to disclose the comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had already been previously applied to this financial asset.

The Group falls within the scope of the OECD Pillar Two model rules ("Pillar Two"), the so-called global minimum taxation. Pillar Two legislation was adopted in Austria and has been effective since January 1, 2024. Pillar Two legislation was also adopted in other countries in which Group companies are domiciled with effect from January 1, 2024 at the earliest.

As of the reporting date, the Group is not subject to any tax burden due to Pillar Two. The Group applies the temporary and mandatory exemption from the recognition of deferred taxes in connection with Pillar Two income taxes, which was the subject of the amendments to IAS 12 published in May 2023.

In accordance with the Pillar Two rules, the Group must pay an additional tax for each country in the amount of the difference between the effective tax rate and the minimum tax rate of 15 %. The Group's effective tax rate at the reporting date is significantly higher than the global minimum tax rate of 15 %.

The Group is currently in the process of assessing the impact of Pillar Two after the legislation has come into force. For the 2023 reporting period, the analysis shows that Group companies are based in some countries where the effective tax rate is below 15 %. This concerns to an insignificant extent in particular UK and Ireland (non-capitalised loss carryforwards), Puerto Rico and Switzerland (low nominal tax rates) as well as Chile, Romania and Slovenia (use of tax reliefs). The Group is also examining the effects regarding the expansion of the Austrian tax group by foreign group companies. These figures are based on the profits and tax expenses determined in the course of preparing the consolidated financial statements in accordance with the Group accounting standard.

Although the effective tax rate for the countries mentioned is below 15 %, the Group may not have to pay Pillar Two income taxes in relation to these countries. This is due to specific adjustments provided by the Pillar Two legislation, which may also result in significant deviations from the effective tax rates calculated in accordance with IAS 12. In addition, substantive exemptions also apply to all countries. Due to the complexity of the application of the legislation and the calculation of the Pillar Two tax rate, the quantitative effects cannot yet be reliably estimated. Even for companies with an effective tax rate of over 15 %, Pillar Two could therefore have tax implications. We are currently working together with tax specialists to support the application of the Pillar Two legislation.

If applicable, the effective regulations were applied in the present consolidated financial statements. The above mentioned changes did not have any significant impact on the Group's financial situation and profitability.

Furthermore, the following revised standards were endorsed by the EU until December 31, 2023; their application is, however, not yet compulsory for the financial year 2023 and they have not yet been applied voluntarily:

Revised standards	Content	Effective
IAS 1	Classifications of Liabilities as Current or Non-Current	1. 1. 2024
IFRS 16	Lease Liability in a Sale and Leaseback	1. 1. 2024
IAS 1	Classifications of Liabilities with covenants as Current or Non-Current	1. 1. 2024

Additionally, the following revised standards were published by IASB until December 31, 2023 but have not yet been endorsed by the EU:

Revised Standards	Content	Effective
IAS 7/ IFRS 7	Supplier Finance Arrangements	1. 1. 2024
IAS 21	Lack of Exchangeability	1. 1. 2025

From today's point of view, the above mentioned revised standards are not expected to have any significant impact on the Group's financial situation and profitability.

### 3 ACCOUNTING PRINCIPLES

The significant accounting and recognition principles applied in the Group are explained in the corresponding note.

#### Consolidation principles and methods

The consolidated financial statements and notes thereto include Mayr-Melnhof Karton AG ("the Company") and its subsidiaries. These are all companies over which the Group has control. The Group has control when it is exposed to both positive and negative variable returns of its involvement in the entity and has an influence on the amount of these variable returns. Generally, an ownership of more than 50 % of voting shares provides an entity with control. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The criteria whether the Group has control over another entity are reviewed even when the Group holds less than 50 % of voting rights. The Group has the majority of shares and voting rights in all of its controlled entities. There are no additional agreements which rule out control.

The subsidiaries, provided that they are not of subordinate importance for the presentation of the financial situation and profitability, are consolidated as of the date on which control is transferred to the Group. They are deconsolidated on the date on which such control ceases to exist or a subsidiary is deemed to be insignificant by the Group.

Changes in shareholdings of the Group which do not lead to a loss of control over the subsidiaries are presented only as equity transactions (change in majority interests) and therefore have no impact on the consolidated income statement.

When the Company loses control of a subsidiary, the deconsolidation gain or loss is recognised in profit or loss. This is calculated as the difference between

- the total amount of the fair value of the consideration received
- less carrying amount of net assets disposed of (incl. goodwill proportionately attributable to the respective CGU) plus the carrying amount of non-controlling (minority) interests.

On disposal of a foreign operation that results in a loss of control, of joint control or of significant influence, the cumulative amount recognised in the currency translation reserve at that date is reclassified to the consolidated income statement as part of the result of deconsolidation.

Non-controlling (minority) interests represent the external shareholders' proportionate share in equity and total annual result in subsidiaries of the Group. These minority interests are presented separately within equity.

Any effects of intercompany transactions are entirely eliminated.

### **Currency translation**

Assets including goodwill and liabilities of foreign subsidiaries with a functional currency other than the Euro are translated into Euro using the average exchange rates as of the balance sheet date. Revenues and expenses are translated using average exchange rates for the year. The annual average rates are calculated as the arithmetic mean of the individual closing rates at month-end, the exchange rate of December 31 of the last year always being taken as the first closing rate. Translation differences arising from the currency translation of assets and liabilities in comparison with the previous year are recognised directly in equity. Gains and losses resulting from foreign currency transactions are recognised in the income statement as incurred.

The transactions of the Company in currencies other than the functional currency are translated using the exchange rates on the date of transaction. Monetary items in foreign currency are translated using the exchange rates on the balance sheet date. Resulting exchange rate differences as well as effects of the realisation are recognised in the income statement.

Translation differences arising in connection with monetary items that are part of a net investment in a foreign operation are initially reported as a separate component of equity and are recognised in the income statement only upon intentional repayment or disposal of the net investment. Currently there are no net investments within the Group.

The exchange rates of the relevant currencies of non-Euro participating countries used in preparing the consolidated financial statements and notes thereto were as follows:

Country:	Currency:	Exchange rate at Dec. 31, 2023	Exchange rate at Dec. 31, 2022	Annual average exchange rate 2023	Annual average exchange rate 2022
		1 EUR =	1 EUR =	1 EUR =	1 EUR =
Bulgaria	BGN	1.96	1.96	1.96	1.96
Canada	CAD	1.46	1.45	1.46	1.37
Chile	CLP	979	917	910	919
China	CNY	7.86	7.42	7.64	7.10
Colombia	COP	4,222	5,134	4,636	4,471
Czech Republic	CZK	24.72	24.12	23.98	24.56
Denmark	DKK	7.45	7.44	7.45	7.44
Great Britain	GBP	0.87	0.89	0.87	0.85
Hungary	HUF	383	401	382	390
Jordan	JOD	0.78	0.75	0.77	0.75
Norway	NOK	11.24	10.51	11.38	10.10
Philippines	PHP	61.47	59.55	60.22	57.34
Poland	PLN	4.35	4.69	4.54	4.68
Romania	RON	4.97	4.95	4.95	4.93
Russia	RUB	99.19	75.66	90.40	69.11
Sweden	SEK	11.10	11.12	11.45	10.62
Switzerland	CHF	0.93	0.98	0.97	1.00
Tunisia	TND	3.39	3.31	3.36	3.26
Turkey	TRY	32.57	19.93	32.57	19.93
Ukraine	UAH	42.21	38.95	39.68	33.93
United States of America	USD	1.11	1.07	1.08	1.05
Vietnam	VND	26,928	25,207	25,863	24,741

As of January 1, 2023 effective, the functional currency of MM Graphia Izmir Karton sanayi ve ticaret anonim sirketi was changed from Turkish lira to Euro. A sustained dominant export quota to Euro countries since the end of 2022 has also been reflected in the pricing mechanism which has been subject to the Euro environment since January 1, 2023. As a result, the primary operating economic environment of this subsidiary is no longer Turkey but the Eurozone. This change resulted in a negative effect of thous. EUR 4,019 on EBITDA in the financial year 2023. Any effects of IAS 29 "Financial Reporting in Hyperinflationary Economies" are not taken into account.

By contrast, IAS 29 "Financial Reporting in Hyperinflationary Economies" continues to be applied to another subsidiary in Turkey. As a result, the relevant non-monetary items in the consolidated balance sheet were no longer presented on a historical cost basis but adjusted for the effects of inflation in prior periods. In accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", the prior-year figures have not been adjusted for financial statements in non-hyperinflationary reporting currencies. The translation differences are recognised in other comprehensive income and accumulated in other reserves in equity.



Adjustments from the consideration of the currency devaluation of the monetary balance sheet items of Turkish subsidiaries in the financial year 2023 are reflected in profit or loss and are included in the consolidated income statement in “Other financial result – net”. The Turkish consumer price index (TÜFE, 2005=100) published by the Turkish Statistical Office (TURKSTAT) was used for this purpose. The value of the index applied at the reporting date was 1,516 and increased by 34 % compared to the previous year (January 1, 2023: 1,128).

For the year ended December 31, 2023, the adjustments from hyperinflation accounting resulted in an increase of total assets in the amount of thous. EUR 6,439 (December 31, 2022: thous EUR 23,070). This mainly results from the indexation of property, plant and equipment of thous. EUR 5,576 (December 31, 2022: thous. EUR 21,891) and inventories of thous. EUR 348 (December 31, 2022: thous. EUR 1,063). On the liabilities side, equity increased by thous. EUR 5,787 (December 31, 2022: thous. EUR 18,666) and deferred tax liabilities by thous. EUR 652 (December 31, 2022: thous. EUR 4,404). In the income statement, there was in particular an increase in cost of materials and depreciation and amortisation, which led to a negative effect on the operating profit in the amount of thous. EUR 2,996 (2022: thous. EUR 13,209). In addition, a monetary gain in the amount of thous. EUR 3,756 (2022: thous. EUR 353) was recognised, which is included in “Other financial result – net”.

### **Business combinations**

All new acquisitions of subsidiaries and businesses are accounted for using the acquisition method.

The acquisition costs of the transaction classified as a business correspond to the fair values of the assets transferred and liabilities received or taken over on the acquisition date (value of consideration transferred).

The identifiable assets acquired and liabilities assumed in the course of business combinations are measured at fair value at the acquisition date. Depending on the nature and materiality of the acquisition, land, buildings, and machines are basically valuated based on independent external expert reports. Intangible assets are, according to their nature and due to the complexity of identifying the fair values, measured based on reports of independent external experts or internally, applying adequate valuation methods. Any non-controlling (minority) interests in the acquiree are recognised at the non-controlling (minority) interests' proportionate share in the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Potential contingent considerations are measured at fair value at the acquisition date. Subsequent changes in contingent consideration classified as asset or liability are also measured at fair value, and the resulting profit or loss is recognised in the profit for the year.

The excess of the consideration transferred and the amount of the non-controlling (minority) interest in the acquiree over the fair value of identifiable net assets acquired shall be capitalised as goodwill. After repeated assessment, negative goodwill shall be recognised directly in the income statement.

### **Derivative financial instruments**

The Group uses derivative financial instruments to hedge risks arising from its operating activities. Financial instruments are not held for the purpose of generating a profit from short-term fluctuations in market price.

#### *Accounting for derivative financial instruments not designated as hedge accounting*

Derivative financial instruments that are not designated as hedge accounting are classified as held for trading and recognised at fair value in accordance with IFRS 9. At the balance sheet date, the fair value of open derivatives is calculated as the present value of future cash flows using currency quotations. Any gain or loss resulting from the valuation is recognised in profit or loss.

#### *Hedge accounting*

In order to reflect the economic effects of risk management activities in the area of over-the-counter hedging of commodity prices in Finland, the MM Group applies the provisions of hedge accounting according to IFRS 9. At the inception of the hedge transaction, the MM Group documents the economic relationship between the hedging instrument and the hedged item, including the risk management objectives and the underlying business strategy for undertaking the hedge. The material terms of the payments from the hedged items and hedging instruments are generally identical or opposite ("critical terms match"). Derivatives are generally initially recognised at fair value on the date a derivative contract is entered into and are measured at fair value at the end of each reporting period. Depending on the fair value (positive or negative), derivative financial instruments are recognised as other receivables or other liabilities. In the previous year, there had been an unrealised day-one gain that resulted from the commodity price hedge in Finland and that was not recognised at the time of designation.

If a derivative is designated as a cash flow hedge, the effective portion of the changes in fair value is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. The effective portion of changes in fair value recognised in other comprehensive income is limited to the cumulative change in the fair value of the hedged item (calculated on a present value basis) since the inception of the hedge. Any ineffective amount of change in the fair value of the derivative is recognised immediately in profit or loss. Reclassification to the consolidated income statement takes place when the corresponding underlying transaction is recognised in profit or loss.

### **Government grants**

Government grants are only recognised if there is reasonable assurance that the conditions attached to them will be met and the grants will be received. Grants related to income are recognised in the Group using the net method and deducted from the associated expenses. In the 2023 financial year, the gross method was changed to the net method (including an adjustment of the previous year's figures) as part of the changeover of the consolidated income statement from the cost of sales method to the nature of expense method, as the net presentation ensures that grants are presented in accordance with their origin on expense items and comparability with other companies.

## 4 DISCRETIONARY DECISIONS, ASSUMPTIONS, AND ESTIMATES

The consolidated financial statements and the notes thereto are prepared in accordance with generally accepted accounting and recognition standards of IFRS using estimates and assumptions for certain items which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the balance sheet date as well as the reported amounts of revenues and expenses during the reporting period and the reported values at the balance sheet date. In the process of applying the Group's accounting policies, management makes various judgments and actual values may ultimately differ from these assumptions and estimates. Estimates are obtained carefully and underlying assumptions are constantly monitored and prospectively recognised. These assumptions are based on past experience and other factors including expectations about future events that could have a financial impact on the Group and are applied appropriately under given circumstances.

The consolidated financial statements and notes thereto include the following material items, the determination of whose carrying amounts is highly dependent on the underlying assumptions and estimates:

### **Useful life of non-current assets**

Property, plant and equipment as well as acquired intangible assets are recognised at acquisition and manufacturing costs and are depreciated/amortised on a straight-line basis over their estimated useful lives. The estimation of useful lives is based on assumptions concerning wear and tear, aging, technical standards, contract periods, and changes in demand. Changes in these factors may result in a shorter or longer useful life of an asset. Hence, the carrying amount would be depreciated/amortised over the remaining shorter or longer useful life, resulting in higher or lower annual depreciation/amortisation expenses (see note 6).

In the course of the transformative acquisitions in both divisions, the Group reviewed the useful lives of property, plant and equipment and intangible assets and extended the useful lives of individual items of property, plant and equipment with effect from January 1, 2023. The reasons for extending the useful lives were, on the one hand, improved materials and repair options and, on the other hand, the later replacement of production facilities due to a lack of technological progress. If this adjustment had not been made, the depreciation, impairments and write-ups reported in the consolidated income statement would have amounted to thous. EUR 230,354.

### **Accounting of business combinations**

As a consequence of company acquisitions a goodwill is reported in the consolidated balance sheet, or a negative difference (badwill) is recognised directly in the income statement after repeated assessment. As part of the initial consolidation of a company acquisition, all identifiable assets, liabilities, and contingent liabilities are recognised at fair value as of the effective acquisition date. The valuation of intangible assets in particular is based on the forecast of the total expected cash flows and strongly depends on the management's assumptions regarding future developments and the underlying developments of the discount rate to be applied (see note 5).

**Impairment of assets**

Goodwill is tested for impairment in the course of an annual impairment test. Furthermore, a recoverability evaluation of fixed assets is performed whenever events that have occurred or circumstances that have changed indicate that the carrying amount of an asset or a group of assets exceeds its recoverable amount. In the course of this impairment test, the evaluation of fixed assets is also based on budget, assessments of market or company-specific discount rates, expected growth rates, and EBITDA margin/cost development. The assumptions involved in these calculations may change and may lead to an impairment loss in future periods (see note 6).

**Other intangible assets**

The Group is obliged to redeem CO<sub>2</sub> emission rights for carbon dioxide emissions incurred during cartonboard and paper production.

These emission rights have partly been allocated free of charge to the Group within the European Union and Norway. If this allocation is not sufficient to cover the volume of CO<sub>2</sub> emissions caused by the respective facility, the Group acquires further certificates on the market.

CO<sub>2</sub> emission rights are recognised in accordance with IAS 38 "Intangible Assets" as intangible assets in "Prepaid expenses and other current assets", measured at cost if they are acquired in return for payment. If the rights have been allocated free of charge, they are measured at cost amounting to zero. If actual carbon dioxide emissions in the course of the reporting period exceed the amount of available emission rights at the balance sheet date, a provision for the missing certificates has to be accounted for, which is presented under the position "Provisions for current liabilities and charges" (see note 18).

Expenses from the use of emission rights acquired in return for payment as well as income from the sale of redundant emission rights are recorded in the income statement.

**Income taxes**

The Group operates in numerous countries and is therefore subject to a wide range of tax laws in numerous tax jurisdictions. Calculating global tax liabilities requires comprehensive assessments that may result in the actual outcome of such tax-related uncertainties differing from the original estimate and in impacts on tax liabilities and deferred taxes (see note 9).

**Realisation of deferred tax assets**

Deferred taxes are calculated by applying the tax rates which are effective on the balance sheet date or have essentially been legally adopted and which are expected to be valid at the time of realisation of a deferred tax asset or the settlement of a deferred tax liability as well as by evaluating the capacity of future taxable income. Future taxable results which differ from the assumptions may result in the fact that the realisation of deferred tax assets becomes improbable, and a change in estimate of deferred tax assets for the respective assets has to be recorded (see note 9).

**Duration of leases**

The Group determines the duration of leases based on the non-cancellable base term of the lease as well as by including the period arising from an option to extend the lease. When assessing whether there is sufficient certainty that the option to extend or terminate the lease is exercised or not, discretionary decisions are made. All relevant factors representing an economic incentive are considered. These are scrutinised and re-evaluated as circumstances change, which can result in an adjustment of the lease term and thus in adjustments of the lease liability and the right-of-use asset. The relevant assumptions for determining the useful life of significant leased offices and warehouses with unlimited agreements were adopted according to strategic objectives, location and costs. The underlying discount rate used to calculate the present value also depends on the determination of the term. For each country, currency and term of the respective leases, a base interest rate is used, which is increased by a credit spread and a country risk premium (see note 14).

**Provisions for pensions, severance payments, and anniversary bonuses**

The actuarial calculation of obligations regarding pensions, severance payments, and anniversary bonuses is based on assumptions about discount rates, salary and pension adjustments, life expectancy, and retirement age. Additionally, the probable employee turnover depending on the years of service is used for assessing anniversary bonuses. Actual outcomes may be different from these assumptions due to changes in the economic environment and market conditions and, as a consequence, can result in a significant change in non-current provision as well as equity (see note 15).

**Other provisions**

The recognition and valuation of other provisions is based on the best possible estimation of probability of the future resources outflow as well as experience and known circumstances as of the balance sheet date. Therefore, the actual realised resources outflow can differ from the provision amount reported on the balance sheet date (see note 15 and 18).

In connection with the Group's activities, obligations for the demolition or dismantling of facilities and for land reclamation may arise. At the time an obligation incurs, it is fully provided for by recognising the present value of future reclamation expenditures. An asset is recognised in the same amount as part of the carrying amount of the asset. The calculation of the obligation is based on best estimates. The compounding of the provisions results in an interest expense or income (in the case of a negative discounting interest rate) and increases or decreases the obligation at each balance sheet date until the facility dismantling. Provisions are recognised for other environmental risks and measures, if these obligations are probable and the amount of the obligation can be reasonably estimated.

Restructuring provisions are recognised in accordance with IAS 37, if a sufficiently detailed formal plan exists and the implementation of the restructuring measures has already begun or the plan has been communicated before the balance sheet date.

**Financial instruments**

The pro rata resale of the hedged gas purchase volumes in the previous year resulted in the elimination of the own-use exemption. For this reason, hedging transactions were designated in this context ("cash flow hedge"), which were measured on the basis of the expected purchase volumes for underlying gas contracts in 2023 as well as for 2024 - 2025 and the TTF future prices available at the designation date (see note 7).

**Inventories**

The acquisition of Essentra Packaging in October 2022 resulted in the exploitation of synergies and the analysis and harmonisation of numerous processes. In this context, the shelf life of cardboard was also analyzed. It can be used for more than the warranty period of 12 months, provided it is stored correctly. The MM Packaging division has the necessary storage capacities to double the usability to 24 months. With effect from January 1, 2023, the valuation allowances for cartonboard in the MM Packaging division were therefore adjusted. Inventories older than 12 months are valued with 25 % discount. Inventories older than 24 months are written down in full. If this adjustment had not been made, the reversals of write-downs on inventories recognised in profit or loss would have amounted to thous. EUR 3,851.

**Climate-related risks**

The MM Group follows the TCFD framework (Task Force on Climate-Related Financial Disclosures) in order to integrate climate change-related risks and opportunities into the existing reporting structures and the consolidated financial statements in the best possible way.

For the business activities of the MM Group, advancing climate change results in both physical risks that affect individual locations and strategic risks that can affect a business area or the entire Group.

The risks are divided into transitory and physical risks. Transitory risks include changes in available energy sources and associated emissions trading systems such as the EU Emissions Trading System (EU ETS). Physical risks relate in particular to the effects of climate change on the availability of resources such as water and forestry raw materials, which are important for paper and cartonboard production. Climate-related risks are subject to significant uncertainties and can potentially have an impact on the reported assets of the MM Group.

In order to carry out a comprehensive risk analysis and to minimise potential risks, various strategies are pursued in business planning and decision-making. On the one hand, measures are developed to reduce CO<sub>2</sub> emissions, which are carefully evaluated and planned. A particular focus here is placed on the way in which these measures can be integrated into business practices in order to achieve long-term environmental and economic benefits.

On the other hand, efforts are focused on securing the procurement of all key sustainable raw materials. This includes ensuring a reliable and sustainable supply chain for all raw materials that are important for the company. A proactive procurement strategy can avoid potential supply bottlenecks and reduce the risk of unforeseen price increases.

In addition, the environmental risk is further reduced through the use of forward hedging transactions for CO<sub>2</sub> certificates, natural gas and electricity. These hedging measures serve to control the costs and risks associated with environmental factors and ensure that the company remains stable and competitive even under difficult market conditions.

## 5 CHANGES IN THE CONSOLIDATED COMPANIES AND OTHER SIGNIFICANT EVENTS

### 5.1 Changes in the consolidated companies in 2023

#### Business combination Essentra Packaging

In these financial statements, the purchase price allocation for Essentra Packaging, which was acquired in October 2022, was completed within the measurement period in accordance with the provisions of IFRS 3. The review of the provisional allocation of the purchase price on the basis of information obtained after the reporting date about the circumstances on the acquisition date led to the following adjustments with an impact on the consolidated balance sheet as of December 31, 2022.

(in thousands of EUR)	Oct. 2, 2022	Adaptions	Oct. 2, 2022 adapted
Property, plant and equipment	196,489	(17,499)	178,990
Intangible assets	22,716	(972)	21,744
Deferred tax assets	2,575		2,575
Inventories	52,672		52,672
Trade receivables	99,523		99,523
Prepaid expenses and other current assets	16,899		16,899
Cash and cash equivalents	13,458		13,458
Deferred tax liabilities	(23,891)	6,198	(17,693)
Provisions for non-current liabilities and charges	(12,011)		(12,011)
Financial liabilities	(21,842)		(21,842)
Trade liabilities	(68,848)		(68,848)
Prepaid expenses, other current liabilities and provisions	(35,954)	3,477	(32,477)
<b>Net assets</b>	<b>241,786</b>	<b>(8,796)</b>	<b>232,990</b>
Goodwill	83,349	16,362	99,711

The purchase price determined as part of the final settlement with the seller on the basis of the final net working capital amounts to thous. EUR 332,701. Accordingly, the existing reclaim from the overpayment of the purchase price at the acquisition date in the item "Prepaid expenses and other current assets" was reduced by thous. EUR 7,566. The adjustments listed in the table have also led to insignificant changes in the consolidated income statement and in currency translation differences as of December 31, 2022. No items in the consolidated cash flow statement are affected by this adjustment, with exception of those that were adjusted in the consolidated income statement.

#### Business combination Eson Pac

In these financial statements, the purchase price allocation of the Eson Pac Group acquired in April 2022 was completed within the measurement period in accordance with the provisions of IFRS 3. The review of the provisional allocation of the purchase price did not result in any adjustments. The contingent purchase price liability recognised in connection with the acquisition was paid to the seller in May 2023.

**Other changes**

In addition, there were further insignificant effects resulting from changes in the consolidated companies (see note 33).

**5.2 Changes in the consolidated companies in 2022****Business combination Eson Pac**

In April 2022, the MM Group acquired 100 % of the shares in Eson Pac, located in Veddige, Sweden, from the majority shareholder Nalka Invest AB as well as family and management minority shareholders. Eson Pac produces and distributes high-quality secondary packaging solutions for the pharmaceutical industry.

The closing of the acquisition was completed on April 11, 2022. The purchase price amounted to thous. EUR 59,447, of which thous. EUR 52,066 were paid in cash on the closing date and the remaining amount was recognised as contingent purchase price liability, based on the estimated EBITDA 2022 according to local law. The purchase price was financed by cash on hand.

The fair values of the acquired assets and liabilities according to IFRS at the acquisition date were as follows:

(in thousands of EUR)	<b>Apr. 11, 2022</b>
Property, plant and equipment	22,783
Intangible assets	17,716
Deferred tax assets	2,565
Inventories	3,934
Trade receivables	10,699
Prepaid expenses and other current assets	862
Cash and cash equivalents	915
Deferred tax liabilities	(5,490)
Provisions for non-current liabilities and charges	(457)
Financial liabilities	(12,100)
Trade liabilities	(4,758)
Prepaid expenses, other current liabilities and provisions	(5,606)
<b>Net assets</b>	<b>31,063</b>
Goodwill	28,383

The fair values of machinery and technical equipment were determined by an independent external expert using a market-based and cost-based approach based on replacement costs for comparable machinery. Real estate was measured at fair value by an independent external expert using the market-based or income-based approach, respectively, depending on available market data.

Intangible assets included, in particular, a customer relationship in an amount of thous. EUR 16,342, based on long-term customer relations and amortised over a useful life of 10 years.



For trade receivables amounting to thous. EUR 10,699 as well as prepaid expenses and other current assets in the amount of thous. EUR 862, the fair values corresponded to the gross amounts. Due to the short-term nature of the receivables, the Group assumed that the future cash flows corresponded to the fair value. The Group has not recognised any contingent consideration in the course of the transaction.

Financial liabilities mainly included liabilities from lease transactions accounted for in accordance with IFRS 16.

The remaining goodwill of thous. EUR 28,383 mainly reflects the expansion and strengthening of the market position in the pharmaceutical sector. Recognised goodwill is not deductible for tax purposes.

In the financial year 2022, acquisition-related costs amounting to thous. EUR 1,088 were recorded as expense and reported under administrative expenses in the consolidated income statement.

Sales and profit before tax from the time the business belonged to the Group and the division in the financial year 2022 amounted to thous. EUR 41,162 and thous. EUR 2,858, respectively. If the business combination had been concluded on January 1, 2022, Eson Pac would have additionally contributed approximately EUR 16 million to the Group's sales or approximately EUR 1.3 million to the Group's profit before tax.

#### **Business combination Essentra Packaging**

In October 2022, the division MM Packaging has successfully finalised the acquisition of Essentra Packaging. The transaction comprises 100 % of the shares in ESNT Packaging & Securing Solutions Limited (UK) and 100 % of the shares in Essentra Packaging US Inc (US) as well as their affiliated companies. Essentra Packaging has 21 manufacturing sites in 10 countries throughout Europe, US mainland and Puerto Rico.

Through this acquisition, MM Packaging expands its folding cartons, leaflets and labels activities for the resilient and profitable Healthcare & Pharma market, creating an attractive platform for further growth. The aim is also to exploit attractive synergy and upside potential through the integration.

The closing of the acquisition was completed on October 2, 2022. The purchase price amounted to thous. EUR 325,135. In addition to a fixed base amount, the calculation was based on the net financial liabilities and the net current assets. On the closing date, thous. EUR 338,075 were paid in cash. The purchase price was financed by cash on hand as well as committed credit lines and facilities from banks.

The fair values of the acquired assets and liabilities according to IFRS at the acquisition date were as follows:

(in thousands of EUR)	<b>Oct. 2, 2022</b>
Property, plant and equipment	196,489
Intangible assets	22,716
Deferred tax assets	2,575
Inventories	52,672
Trade receivables	99,523
Prepaid expenses and other current assets	16,899
Cash and cash equivalents	13,458
Deferred tax liabilities	(23,891)
Provisions for non-current liabilities and charges	(12,011)
Financial liabilities	(21,842)
Trade liabilities	(68,848)
Prepaid expenses, other current liabilities and provisions	(35,954)
<b>Net assets</b>	<b>241,786</b>
Goodwill	83,349

The fair values of machinery and technical equipment were determined by an independent external expert using a cost-based approach based on replacement costs and valorised acquisition costs for comparable machinery. Real estate was measured at fair value by independent external experts using the market-based or income-based approach, respectively, depending on available market data.

Intangible assets included customer relationships in an amount of thous. EUR 22,716, based on long-term customer relations and were amortised over a useful life of up to 13 years.

Trade receivables comprised gross amounts of contractual receivables amounting to thous. EUR 101,216, of which thous. EUR 1,694 were estimated as presumably irrecoverable, resulting in a fair value of thous. EUR 99,523. For prepaid expenses and other current assets in the amount of thous. EUR 16,899, the fair values corresponded to the gross amounts. Due to the short-term nature of the receivables, the Group assumed that the future cash flows corresponded to the fair value. The Group has not recognised any contingent consideration in the course of the transaction.

The remaining goodwill of thous. EUR 83,349 mainly reflects the strengthening of MM's market position in the Healthcare & Pharma market as well as expected synergies from the diversification and expansion of the portfolio. Recognised goodwill is not deductible for tax purposes.

In the financial year 2022, acquisition-related costs amounting to thous. EUR 9,723 were recorded as expense and reported under administrative expenses in the consolidated income statement.

Sales and profit before tax from the time the business belonged to the Group and the division in financial year 2022 amounted to thous. EUR 126,545 and thous. EUR -7,795, respectively. If the business combination had been concluded on January 1, 2022, Essentra Packaging would have additionally contributed approximately EUR 373 million to the Group's sales or approximately EUR 4.5 million to the Group's profit before tax.

### Disposal of businesses

In December 2022, the division MM Packaging sold 100 % of its shares in the Russian sites OOO TANN Nevskiy, Pskov, MM Polygrafoformlenie Packaging LLC, St. Petersburg, und MM Polygrafoformlenie Rotogravure LLC, St. Petersburg to the local investor Granelle. The selling price amounted to EUR 134 million. The sale was in line with MM's strategy to focus on new acquisitions and growth investments. In the course of the sale, a waiver of an intercompany loan in the amount of thous. EUR 9,652 was made.

The assets and liabilities transferred at the date of disposal were as follows:

(in thousands of EUR)	Dec. 15, 2022
Property, plant and equipment	(37,193)
Inventories	(43,804)
Trade receivables	(22,198)
Prepaid expenses and other current assets	(7,311)
Cash and cash equivalents	(6,522)
Deferred tax liabilities	119
Financial liabilities	9,350
Trade liabilities	18,472
Prepaid expenses, other current liabilities and provisions	4,072
<b>Net assets</b>	<b>(85,015)</b>

In addition to the disposal of net assets, an attributable customer relationship in the amount of thous. EUR 9,058 and attributable goodwill of the MM Packaging division in the amount of thous. EUR 23,415 were derecognised. Moreover, due to the reclassification of cumulative currency translation differences from other comprehensive income to the consolidated income statement, an expense in the amount of thous. EUR 19,222 was accounted for.

From these divestments a total expense before tax in the amount of thous. EUR 12,362 was recognised in the financial year 2022 and presented under other operating expense. Furthermore, consulting and transaction costs of thous. EUR 4,157 were incurred and recognised as an expense in the course of the sale.

### Other Changes

In addition, there were further insignificant effects resulting from changes in the consolidated companies.

### 5.3 Other significant events in 2023

The Cervia site of the packaging company MM Packaging Italy S.r.l., which produces folding cartons for the pharmaceutical market in Italy and Europe, was severely affected by flooding in May 2023 and had to cease operations as a result. The costs of the flooding were covered by the insurance except for an insurance deductible.

In total, the Group incurred expenses of thous. EUR 31,612 from restructuring measures, in particular the closure of the Schilling site and the shutdown of Cervia, which mainly resulted from expenses for social plans in the division MM Packaging. There were also insignificant impairments of property, plant and equipment and inventories.

MM has implemented its most extensive investment program throughout the years 2021-23, which included a large number of projects focusing on growth, cost efficiency and technological modernisation at major competitive sites in both divisions. In the Packaging division, these measures have already made a noticeable contribution since 2022. In contrast, the MM Board & Paper division made its largest investments in state-of-the-art technology, product development and sustainability at the Frohnleiten, Neuss and Kolicivo sites in 2023.

### 5.4 Other significant events in 2022

In the division MM Board & Paper, restructuring measures were decided at MM Kolicivo d. o. o., Slovenia, in the financial year 2022. A comprehensive evaluation of the general conditions has shown that an economic continuation of production on the smaller cartonboard machine 2 (BM2) was not possible. The cartonboard machine was shut down at the beginning of November 2022. In mid-November, the MM Group completed the reorganisation. In the course of the termination of production, an impairment of property, plant and equipment of the site in the amount of thous. EUR 12,970 was recognised. Furthermore, expenses for impairments of inventories and a social plan as well as subsequent costs were incurred. In total, expenses in the amount of thous. EUR 24,627 resulted from the shutdown.

## 6 DEVELOPMENT OF FIXED ASSETS

### 6.1 Property, plant and equipment including leases

#### Property, plant and equipment

Property, plant and equipment are recognised at acquisition or manufacturing cost less accumulated depreciation and impairment. Depreciation expense is recognised applying the straight-line method over the following estimated useful lives:

Buildings	10 – 50 years
Technical equipment and machines	3 – 20 years
Other equipment, fixtures and fittings	3 – 20 years

The Group capitalises significant renewal investments and leasehold improvements. Generally, costs resulting in a prolongation of utilisation or in an increase in future utilisation of assets are capitalised. Current costs of maintenance and repairs are recognised as expenses as incurred.

The costs of internally generated assets include the respective direct costs as well as attributable material and manufacturing overhead costs including depreciation.

Borrowing costs that are directly attributable to the acquisition, construction or manufacturing of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. In the financial year 2023, in the course of comprehensive investment measures in the division MM Board & Paper, interest on borrowings in the amount of thous. EUR 1,088 (2022: thous. EUR 1,271) were capitalised. For non-specific financing, a Group-wide interest rate of 3.2 % (2022: 2.0 %) was applied.

### Development of property, plant and equipment 2023

(in thousands of EUR)	Lands, similar land rights and buildings	Technical equipment and machines	Other equipment, fixtures and fittings	Construction in progress	<b>Property, plant and equipment</b>
<b>ACQUISITION OR MANUFACTURING COSTS:</b>					
<b>Balance at Jan. 1, 2023</b>	<b>889,944</b>	<b>2,219,155</b>	<b>188,824</b>	<b>220,498</b>	<b>3,518,421</b>
Effect of exchange rate changes	6,669	7,660	(288)	1,545	15,586
Additions	33,014	179,405	17,517	208,098	438,034
Disposals	(7,157)	(61,163)	(10,195)	(366)	(78,881)
Hyperinflation adjustments	1,908	4,035	136	1	6,080
Reclassifications	29,010	129,734	7,329	(207,839)	(41,766)
Other <sup>1)</sup>	(7,536)	0	0	0	(7,536)
<b>Balance at Dec. 31, 2023</b>	<b>945,852</b>	<b>2,478,826</b>	<b>203,323</b>	<b>221,937</b>	<b>3,849,938</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT:</b>					
<b>Balance at Jan. 1, 2023</b>	<b>311,125</b>	<b>1,276,298</b>	<b>130,613</b>	<b>4,363</b>	<b>1,722,399</b>
Effect of exchange rate changes	(484)	(3,164)	(229)	1	(3,876)
Disposals	(4,354)	(59,043)	(9,780)	0	(73,177)
Depreciation/amortisation expense for the year	39,319	124,324	15,694	0	179,337
Impairments	875	5,611	54	31	6,571
Increase	(1,064)	(2,736)	0	0	(3,800)
Hyperinflation adjustments	133	2,441	55	0	2,629
Reclassifications	(1,875)	(31,979)	(2,321)	0	(36,175)
<b>Balance at Dec. 31, 2023</b>	<b>343,675</b>	<b>1,311,753</b>	<b>134,085</b>	<b>4,395</b>	<b>1,793,908</b>
<b>NET BOOK VALUE:</b>					
<b>Net book value at Dec. 31, 2023</b>	<b>602,177</b>	<b>1,167,073</b>	<b>69,238</b>	<b>217,542</b>	<b>2,056,030</b>
<b>Net book value at Dec. 31, 2022</b>	<b>578,819</b>	<b>942,857</b>	<b>58,211</b>	<b>216,135</b>	<b>1,796,022</b>

<sup>1)</sup> includes the offsetting effect from the discounting of a long-term recultivation provision without impact on the income statement (see note 15)

## Development of property, plant and equipment 2022

(in thousands of EUR)	Lands, similar land rights and buildings	Technical equipment and machines	Other equipment, fixtures and fittings	Construction in progress	<b>Property, plant and equipment</b>
<b>ACQUISITION OR MANUFACTURING COSTS:</b>					
<b>Balance at Jan. 1, 2022</b>	<b>767,901</b>	<b>1,990,756</b>	<b>160,756</b>	<b>149,439</b>	<b>3,068,852</b>
Adjustments of the initial application IAS 29	7,742	31,766	2,127	0	41,635
<b>Adjusted balance at Jan. 1, 2022</b>	<b>775,643</b>	<b>2,022,522</b>	<b>162,883</b>	<b>149,439</b>	<b>3,110,487</b>
Effect of exchange rate changes <sup>1)</sup>	(5,399)	(12,432)	225	(1,849)	(19,455)
Changes in consolidated companies acquired <sup>1)</sup>	99,603	110,257	3,521	0	213,381
Changes in consolidated companies disposed	(21,180)	(53,235)	(5,905)	0	(80,320)
Additions	22,358	105,688	17,356	189,000	334,402
Disposals	(7,575)	(30,210)	(6,707)	(40)	(44,532)
Hyperinflation adjustments	6,102	27,465	4,712	2	38,281
Reclassifications	20,392	49,100	12,739	(116,054)	(33,823)
<b>Balance at Dec. 31, 2022</b>	<b>889,944</b>	<b>2,219,155</b>	<b>188,824</b>	<b>220,498</b>	<b>3,518,421</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT:</b>					
<b>Balance at Jan. 1, 2022</b>	<b>287,689</b>	<b>1,170,366</b>	<b>119,569</b>	<b>1,197</b>	<b>1,578,821</b>
Adjustments of the initial application IAS 29	3,039	26,843	1,666	0	31,548
<b>Adjusted balance at Jan. 1, 2022</b>	<b>290,728</b>	<b>1,197,209</b>	<b>121,235</b>	<b>1,197</b>	<b>1,610,369</b>
Effect of exchange rate changes <sup>1)</sup>	313	(4,642)	335	(2)	(3,996)
Changes in consolidated companies disposed	(11,659)	(26,544)	(4,922)	0	(43,125)
Disposals	(3,035)	(29,242)	(6,284)	0	(38,561)
Depreciation/amortisation expense for the year <sup>1)</sup>	29,553	125,422	15,885	0	170,860
Impairments	2,918	10,256	1,709	3,168	18,051
Hyperinflation adjustments	2,150	17,413	3,858	0	23,421
Reclassifications	157	(13,573)	(1,203)	0	(14,619)
<b>Balance at Dec. 31, 2022</b>	<b>311,125</b>	<b>1,276,298</b>	<b>130,613</b>	<b>4,363</b>	<b>1,722,399</b>
<b>NET BOOK VALUE:</b>					
<b>Net book value at Dec. 31, 2022</b>	<b>578,819</b>	<b>942,857</b>	<b>58,211</b>	<b>216,135</b>	<b>1,796,022</b>
<b>Net book value at Dec. 31, 2021</b>	<b>480,212</b>	<b>820,390</b>	<b>41,187</b>	<b>148,242</b>	<b>1,490,031</b>

<sup>1)</sup> adjusted due to the adjustment of the acquisition of Essentra Packaging (see note 5)

## Leases

The Group is a lessee of leases. The tables present additional information for the right-of-use assets by classes of underlying assets:

(in thousands of EUR)	Lands, similar land rights and buildings	Technical equipment and machines	Other equipment, fixtures and fittings	<b>Property, plant and equipment</b>
<b>Balance at Jan. 1, 2023</b>	<b>94,850</b>	<b>13,494</b>	<b>1,040</b>	<b>109,384</b>
Effect of exchange rate changes	1,537	275	22	1,834
Additions	10,223	2,614	247	13,084
Disposals	(2,296)	(436)	(9)	(2,741)
Depreciation/amortisation expense for the year	(12,724)	(6,048)	(618)	(19,390)
Impairments	(167)	(548)	0	(715)
Reclassifications	(1,600)	(324)	(1)	(1,925)
<b>Balance at Dec. 31, 2023</b>	<b>89,823</b>	<b>9,027</b>	<b>681</b>	<b>99,531</b>

(in thousands of EUR)	Lands, similar land rights and buildings	Technical equipment and machines	Other equipment, fixtures and fittings	<b>Property, plant and equipment</b>
<b>Balance at Jan. 1, 2022</b>	<b>75,126</b>	<b>8,535</b>	<b>1,617</b>	<b>85,278</b>
Effect of exchange rate changes	(1,838)	(504)	(32)	(2,374)
Changes in consolidated companies acquired	22,013	9,099	188	31,300
Additions	9,004	2,218	64	11,286
Disposals	0	(322)	(1)	(323)
Depreciation/amortisation expense for the year	(9,405)	(5,532)	(796)	(15,733)
Reclassifications	(50)	0	0	(50)
<b>Balance at Dec. 31, 2022</b>	<b>94,850</b>	<b>13,494</b>	<b>1,040</b>	<b>109,384</b>

Disposals of right-of-use assets also include contract adjustments and changes in term assumptions.

## 6.2 Intangible assets including goodwill

Intangible assets acquired for valuable consideration which are determined to have a finite useful life are capitalised at acquisition cost and amortised on a straight-line basis over the following estimated useful lives:

Concessions, licenses and similar rights	5 – 10 years
Customer relationships and other intangible assets	5 – 21 years

### Development of intangible assets including goodwill 2023

(in thousands of EUR)	Concessions, licenses and similar rights	Goodwill	Customer relationships and other intangible assets	<b>Intangible assets including goodwill</b>
<b>ACQUISITION OR MANUFACTURING COSTS:</b>				
<b>Balance at Jan. 1, 2023</b>	<b>90,474</b>	<b>773,816</b>	<b>296,191</b>	<b>1,160,481</b>
Effect of exchange rate changes	(340)	25,948	6,626	32,234
Additions	16,345	0	0	16,345
Disposals	(236)	0	0	(236)
Hyperinflation adjustments	94	0	0	94
Reclassifications	7,010	(91)	0	6,919
<b>Balance at Dec. 31, 2023</b>	<b>113,347</b>	<b>799,673</b>	<b>302,817</b>	<b>1,215,837</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT:</b>				
<b>Balance at Jan. 1, 2023</b>	<b>56,065</b>	<b>9,036</b>	<b>63,373</b>	<b>128,474</b>
Effect of exchange rate changes	(327)	3	1,128	804
Disposals	(236)	0	0	(236)
Depreciation/amortisation expense for the year	7,291	0	31,876	39,167
Hyperinflation adjustments	74	0	0	74
Reclassifications	(101)	(91)	0	(192)
<b>Balance at Dec. 31, 2023</b>	<b>62,766</b>	<b>8,948</b>	<b>96,377</b>	<b>168,091</b>
<b>NET BOOK VALUE:</b>				
<b>Net book value at Dec. 31, 2023</b>	<b>50,581</b>	<b>790,725</b>	<b>206,440</b>	<b>1,047,746</b>
<b>Net book value at Dec. 31, 2022</b>	<b>34,409</b>	<b>764,780</b>	<b>232,818</b>	<b>1,032,007</b>



## Development of intangible assets including goodwill 2022

(in thousands of EUR)	Concessions, licenses and similar rights	Goodwill	Customer relationships and other intangible assets	<b>Intangible assets including goodwill</b>
<b>ACQUISITION OR MANUFACTURING COSTS:</b>				
<b>Balance at Jan. 1, 2022</b>	<b>71,732</b>	<b>677,797</b>	<b>271,857</b>	<b>1,021,386</b>
Adjustments of the initial application IAS 29	226	0	0	226
<b>Adjusted balance at Jan. 1, 2022</b>	<b>71,958</b>	<b>677,797</b>	<b>271,857</b>	<b>1,021,612</b>
Effect of exchange rate changes <sup>1)</sup>	(521)	(8,660)	(3,038)	(12,219)
Changes in consolidated companies acquired <sup>1)</sup>	896	128,094	38,557	167,547
Changes in consolidated companies disposed	0	(23,415)	(11,185)	(34,600)
Additions	3,147	0	0	3,147
Disposals	(5,762)	0	0	(5,762)
Hyperinflation adjustments	212	0	0	212
Reclassifications	20,544	0	0	20,544
<b>Balance at Dec. 31, 2022</b>	<b>90,474</b>	<b>773,816</b>	<b>296,191</b>	<b>1,160,481</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT:</b>				
<b>Balance at Jan. 1, 2022</b>	<b>53,544</b>	<b>9,038</b>	<b>44,011</b>	<b>106,593</b>
Adjustments of the initial application IAS 29	180	0	0	180
<b>Adjusted balance at Jan. 1, 2022</b>	<b>53,724</b>	<b>9,038</b>	<b>44,011</b>	<b>106,773</b>
Effect of exchange rate changes <sup>1)</sup>	(419)	(2)	9	(412)
Changes in consolidated companies disposed	0	0	(2,127)	(2,127)
Disposals	(3,532)	0	0	(3,532)
Depreciation/amortisation expense for the year <sup>1)</sup>	6,130	0	21,480	27,610
Impairments	4	0	0	4
Hyperinflation adjustments	167	0	0	167
Reclassifications	(9)	0	0	(9)
<b>Balance at Dec. 31, 2022</b>	<b>56,065</b>	<b>9,036</b>	<b>63,373</b>	<b>128,474</b>
<b>NET BOOK VALUE:</b>				
<b>Net book value at Dec. 31, 2022</b>	<b>34,409</b>	<b>764,780</b>	<b>232,818</b>	<b>1,032,007</b>
<b>Net book value at Dec. 31, 2021</b>	<b>18,188</b>	<b>668,759</b>	<b>227,846</b>	<b>914,793</b>

<sup>1)</sup> adjusted due to the adjustment of the acquisition of Essentra Packaging (see note 5)

In the financial year 2023, depreciation, amortisation and impairment expenses recorded under “Property, plant and equipment” and “Intangible assets including goodwill” amounted to thous. EUR 225,075 (2022: thous. EUR 216,525). The amortisation and impairment of the position “Intangible assets including goodwill” is recorded mainly for assets related to customer relationships as well as for software licences. For details related to impairments and write-ups please refer to note 6.3.

There was no pledge right implied on the Group’s property to secure the liabilities.

The MM Board & Paper division has started to introduce SAP as part of a realignment of the ERP landscape and will continue this project also in subsequent years. In this context, additions to intangible assets include thous. EUR 12,571 for software and customising.

### 6.3 Recoverability of non-current assets

A recoverability evaluation of non-current assets is performed as soon as events have occurred or circumstances have changed, indicating that the carrying amount of an asset or a group of assets could exceed its recoverable amount. In such a case, the carrying amount of the asset or the group of assets is compared to the higher of fair value less costs to sell or its present value of estimated future cash flows from use of the asset. The impairment loss resulting from the comparison of the carrying amounts with the recoverable amount is allocated proportionally to the assets based on the carrying amounts of each asset. The individual assets are not to be reduced below their fair value less costs to sell. If the reason for an impairment no longer exists, a reversal has to be conducted.

#### **Property, plant and equipment and intangible assets with a finite useful life**

Property, plant and equipment and intangible assets with a finite useful life are recognised at acquisition or manufacturing cost less accumulated depreciation and impairment and depreciated over their useful lives. Based on external and internal information sources, the Group monitors events and changed circumstances indicating that those assets could have been impaired (e. g., technical or physical obsolescence of assets or unscheduled downtimes as well as changed economic circumstances).

As soon as such events have occurred or circumstances have changed, the value in use is determined for the concerned cash generating unit based on the present value of estimated future cash flows (Free Cash Flows) before taxes using the discounted cash flow method. If and when necessary, external expert opinions for determining the fair value less costs to sell are additionally obtained. If, based on this procedure and these underlying assumptions, the recoverable amount (value in use or fair value less costs to sell) is lower than the respective book value of the group of assets, the difference is recorded as impairment.

#### *Impairments and write-ups in the financial year 2023*

Due to the generally difficult economic situation for cash-generating units in various countries, the Group has performed an impairment test in which the persistently high energy prices as well as downtimes due to the weak order situation constitute indicators for potential impairment. Based on the information currently available, the Group does not expect any significant negative effects on the future detailed budget and cash flows of its cash-generating units and therefore there was basically no need for impairment of property, plant and equipment.

In the MM Board & Paper division, impairments were recognised for individual machinery and equipment in the amount of thous. EUR 5,001, which mainly resulted from restructuring measures. This was offset by write-ups of thous. EUR 1,771 from the revaluation to the higher fair value less costs of disposal.

In the financial year 2023, impairments on property, plant and equipment were recognised in the amount of thous. EUR 1,570 and write-ups in the amount of thous. EUR 2,028 in the MM Packaging division.

In addition, impairments related to "non-current assets held for sale" in the amount of thous. EUR 100 are included in the position depreciation, amortisation, impairment and write-up in the consolidated income statement.

#### *Impairments in the financial year 2022*

In the course of the restructuring measures at the Kolicvevo site, an impairment on property, plant and equipment of thous. EUR 12,970 had been recognised in the previous year (see note 5.3). Residual book values on buildings had been fully depreciated, machinery to its fair value less costs to sell. In addition, at another cartonboard mill in Germany as well as at some packaging sites, impairments of individual machinery and equipment due to technical obsolescence and underutilisation in the total amount of thous. EUR 5,085 had occurred in the previous year.

In the previous year, impairments of thous. EUR 2,991 had to be recognised at the Bielefeld and Hirschwang sites in connection with "non-current assets held for sale" as the fair value less costs to sell was reassessed.

### **Goodwill**

Goodwill is recognised at acquisition cost and is not amortised but tested for impairment on an annual basis as of December 31 or when there is an indication that a significant impairment may exist.

#### *Goodwill allocation*

Goodwill within the Group is monitored at the level of the operating segments MM Board & Paper and MM Packaging (see note 19). The impairment test is carried out at this organisational level. Goodwill is allocated to the operating segments as follows:

(in thousands of EUR)	<b>Dec. 31, 2023</b>	<b>Dec. 31, 2022<sup>1)</sup></b>
Goodwill MM Board & Paper	457,245	433,557
Goodwill MM Packaging	333,480	331,223
<b>Goodwill Group</b>	<b>790,725</b>	<b>764,780</b>

<sup>1)</sup> adjusted due to the adjustment of the acquisition of Essentra Packaging (see note 5)

Any possible impairment will be recorded in the amount by which the book value of the respective operating segment including the respective goodwill assigned to this segment exceeds the recoverable amount. The recoverable amount is defined as the higher of value in use and fair value less cost to sell of the Group's respective cash generating units. For the impairment test, the respective recoverable amount is determined based on the calculation of value in use for each operating segment.

*Calculation of value in use*

Value in use is determined for the respective operating segment based on the present value of estimated future cash flows (Free Cash Flows) before taxes using the discounted cash flow method (DCF method) based on the following underlying assumptions (parameters):

Discount rate	The discount rate represents the weighted average cost of capital (WACC) of the Group before taxes, and, for the current financial year, it amounts to 10.54 % (2022: 11.59 %) for the segment MM Board & Paper and to 12.50 % (2022: 13.94 %) for the segment MM Packaging. Cost of equity is derived from a general risk premium for which the Group's specific risk premium is taken into consideration by applying the beta factor as well as country-specific risk indicators. The beta factor and cost of debt are derived from peer-group capital market information.
The detailed forecast period	The detailed forecast period is five years (2022: five years). The last planned year is also used for the cash flow calculation hereafter and modified using further assumptions for the terminal value.
Free Cash Flow	The free cash flows in the detailed forecast period are based on the estimates of the medium-term corporate planning of the two segments, which was approved by the Supervisory Board. This includes assumptions about volume and earnings developments which were derived from external forecasts, historical experience, and internal management projections of the market environment, such as material and selling prices, and internal input factors, such as investment and personnel planning.
Growth rate	For the free cash flows after the five year detailed forecast period a continuous growth rate of 1.5 % p. a. (2022: 1.5 % p. a.) including a retention rate is considered.
EBITDA margin/Cost development	Based on the current low level, the Group expects an increase in EBITDA margins in the planning period due to increased capacity utilisation and a stable fixed cost development. Planned capital expenditures are offset by depreciation and amortisation in an appropriate amount.

If, based on this procedure and these underlying assumptions, the recoverable amount (value in use) is determined to be lower than the respective book value of the cash generating operating segment including the respective goodwill assigned, the difference is recorded as impairment.

The Group has conducted its annual impairment test as of December 31, 2023 and December 31, 2022. Neither in 2023 nor in 2022 an impairment on goodwill was recognised on this basis.

*Sensitivity of underlying assumptions*

Regarding the underlying parameters for calculating the value in use, the above stated assumptions were met. From today's perspective, after due deliberation, no significant changes of one or more underlying assumptions used for determining the value in use of both operating segments are expected, which would result in the book value of the respective operating segments including goodwill assigned to this segment exceeding the recoverable amount in the following financial year.

The respective pre-tax discount rate according to which the value in use would equal the book value as of December 31, 2023 amounts to 12.76 % (December 31, 2022: 12.92 %) for the operating segment MM Board & Paper and to 14.52 % (December 31, 2022: 15.56 %) for the operating segment MM Packaging.

A decrease in free cash flows by 10.0 % points or in growth rate by 0.5 % points would not have led to any impairment as of December 31, 2023 for both operating segments.

Further sensitivity analyses of reasonably possible changes in the underlying assumptions of the CGUs MM Board & Paper and MM Packaging included:

- 10 % price increase for fibers or 20 % increase in energy costs in the CGU MM Board & Paper.
- 10 % price increase for cartonboard or 20 % increase in energy costs in the CGU MM Packaging.

None of these sensitivity analyses resulted in the need for impairment.

For more details on climate-related risks please refer to note 4.

As of December 31, 2023, the Group's market capitalisation amounted to thous. EUR 2,532,000 (December 31, 2022: thous. EUR 3,024,000) and the book value of equity amounted to thous. EUR 2,012,394 (December 31, 2022: thous. EUR 1,959,054).

## 7 FINANCIAL INSTRUMENTS DISCLOSURES

### 7.1 Classification and measurement of financial instruments

Financial instruments comprise financial assets and financial liabilities and are recognised in different categories which determine the respective measurement method and thus also the resulting type of income and expense. Below, the financial instruments are assigned to the respective categories. Afterwards, the carrying amounts included in the balance sheet that correspond to the respective categories are presented. In conclusion, the income and expenses resulting from the different categories are shown.

Financial assets of the Group comprise securities, other financial assets, loans, trade receivables, other receivables and assets (except for certain positions which do not represent financial instruments, such as receivables regarding taxes and other charges), cash and cash equivalents as well as derivative financial instruments with a positive balance.

Financial assets are classified and measured as follows:

Category	Examples in MM Group
At amortised cost	Trade receivables, cash and cash equivalents
At fair value through other comprehensive income	Trade receivables in connection with factoring agreements
At fair value through profit or loss	Derivatives

The categories of financial assets are explained in greater detail below.

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

The Group classifies trade accounts receivable that are not sold to banks as part of factoring agreements and all other financial receivables in this category. In addition, all cash and cash equivalents, such as fixed deposits, are classified in this measurement category.

A debt instrument that meets the following two conditions is measured at fair value through other comprehensive income (as items that will subsequently be reclassified to the income statement):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- On specified dates, the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Some of the Group's trade receivables are sold to banks as part of factoring agreements (see note 7.2). That part of the receivables portfolio as of December 31, 2023 that is offered to banks at nominal value after this reporting date, is measured at fair value through other comprehensive income. Measurement at fair value has no material impact on the consolidated financial statements. For this reason, it is assumed that the fair value corresponds to the previous measurement standard of amortised cost.

The Group does not hold any other debt instruments that are measured at fair value through other comprehensive income.

A financial asset that is not measured at amortised cost or at fair value through other comprehensive income shall be valued at fair value through profit or loss. This includes, for example, debt instruments held which do not meet the two business model conditions (e. g., trading portfolio) and/or whose cash flows are not solely payments of principal and interest.

Investments in equity instruments (shareholdings) are basically measured at fair value through profit or loss, if, at their initial recognition, they are not irrevocably designated as at fair value through other comprehensive income, provided that they are not held for trading. However, in limited circumstances, cost may be an appropriate estimate of fair value for (non-listed) equity instruments. This may be the case if insufficient current information is available to measure fair value or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. In the Group, there are equity investments in unconsolidated companies. In general, these are to be measured at fair value. The acquisition costs, however, represent an appropriate estimate of fair value. Due to the minor importance of these entities, particularly with regard to their low business volume and their significance for the Group, fair value has not been calculated.

In the Group, derivative financial assets with a positive fair value and certain securities are classified as at fair value through profit or loss.

#### *Recognition and derecognition*

A regular purchase or sale of financial assets is recognised using the trade date, i. e., the day on which the Group commits itself to purchasing or selling the asset. Financial assets are derecognised when the rights for payment have been transferred or expired and the Group has transferred considerable risks and rewards associated with ownership.

#### *Measurement*

Financial assets classified in the category "at amortised cost" are initially measured at fair value plus transaction costs. At their initial recognition, trade receivables are measured at their transaction price, if they do not contain a significant financing component. In the Group, financial assets are not valued in accordance with the effective interest rate method, thus there is no result recorded from this method in the comprehensive income.

Financial assets classified as "at fair value through profit or loss" are first measured at their fair value; associated transaction costs are directly recognised in profit and loss.

In subsequent periods, financial assets are evaluated either at amortised costs or at their fair value through profit and loss.

*Impairment*

Financial assets are assessed at the end of each reporting period to determine whether an impairment exists. The impairment model of IFRS 9 is based on the premise of providing for expected losses. The Group has implemented a framework for determining simplified expected credit losses from trade receivables in accordance with IFRS 9, which provides reliable results by using suitable parameters based on historical defaults. A detailed description of the model can be found in this note under section c) under credit and default risk.

The Group considers the other financial assets as insignificant regarding potential impairment.

Financial liabilities of the Group comprise interest-bearing financial liabilities incl. factoring liabilities, lease liabilities, trade liabilities, other liabilities (except for certain positions which do not represent financial instruments, such as liabilities regarding taxes and other charges) as well as derivative financial liabilities with a negative balance.

Financial liabilities are classified and measured as follows:

<b>Category</b>	<b>Examples in MM Group</b>
At fair value through profit or loss	Derivatives, contingent purchase price liability
At fair value through other comprehensive income	Gas supply contracts (cash flow hedge)
At amortised cost	Financial liabilities, trade liabilities

Financial liabilities measured at fair value through profit and loss or through other comprehensive income (OCI) are initially recorded at their fair value, transaction costs are directly recognised in profit and loss. At their initial recognition, financial liabilities valued at amortised cost are measured at their fair value net of transaction costs.

In subsequent periods, financial liabilities are evaluated either at amortised costs, using the effective interest method, or at their fair value through profit and loss or through other comprehensive income.



The following table shows in which category financial assets included in the balance sheet are recognised respectively by which method these financial instruments are measured:

(in thousands of EUR)	At fair value through profit and loss	At fair value through OCI	At amortised cost <sup>2)</sup>	<b>Total</b>
<b>Carrying amount at Dec. 31, 2023</b>				
Securities and other financial assets <sup>1)</sup>	1,833	0	995	2,828
Trade receivables	0	45,729	338,783	384,512
Other receivables and assets incl. derivatives <sup>3)</sup>	2,281	0	24,660	26,941
Cash and cash equivalents	0	0	757,515	757,515
<b>Total</b>	<b>4,114</b>	<b>45,729</b>	<b>1,121,953</b>	<b>1,171,796</b>
<b>Carrying amount at Dec. 31, 2022<sup>4)</sup></b>				
Securities and other financial assets <sup>1)</sup>	1,798	0	4,454	6,252
Trade receivables	0	2,472	692,770	695,242
Other receivables and assets incl. derivatives <sup>3)</sup>	3,895	0	28,437	32,332
Cash and cash equivalents	0	0	280,063	280,063
<b>Total</b>	<b>5,693</b>	<b>2,472</b>	<b>1,005,724</b>	<b>1,013,889</b>

<sup>1)</sup> For measurement of "other financial assets" classified as "at fair value through profit and loss", see note 7.6.

<sup>2)</sup> The reported amounts regarding financial assets measured at amortised cost represent a proper approximation to the fair value.

<sup>3)</sup> see note 12

<sup>4)</sup> adjusted due to the adjustment of the acquisition of Essentra Packaging (see note 5)

The following table shows in which category financial liabilities included in the balance sheet are recognised and by which method these financial instruments are measured:

(in thousands of EUR)	At fair value through profit and loss	At fair value through OCI	At amortised cost <sup>1)</sup>	<b>Total</b>
<b>Carrying amount at Dec. 31, 2023</b>				
Interest-bearing financial liabilities incl. factoring liabilities	0	0	1,916,100	1,916,100
Lease liabilities	0	0	103,356	103,356
Trade liabilities	0	0	515,272	515,272
Other liabilities incl. derivatives <sup>2)</sup>	7,791	20,894	34,267	62,952
<b>Total</b>	<b>7,791</b>	<b>20,894</b>	<b>2,568,995</b>	<b>2,597,680</b>
<b>Carrying amount at Dec. 31, 2022<sup>3)</sup></b>				
Interest-bearing financial liabilities	0	0	1,651,288	1,651,288
Lease liabilities	0	0	110,301	110,301
Trade liabilities	0	0	499,677	499,677
Other liabilities incl. derivatives <sup>2)</sup>	9,890	29,666	33,293	72,849
<b>Total</b>	<b>9,890</b>	<b>29,666</b>	<b>2,294,559</b>	<b>2,334,115</b>

<sup>1)</sup> The reported amounts regarding financial liabilities measured at amortised cost represent a proper approximation to the fair value. The fair value of fixed-interest financial liabilities can be found in note 14.1.

<sup>2)</sup> incl. interest accruals from financial liabilities (see note 17)

<sup>3)</sup> adjusted due to the adjustment of the acquisition of Essentra Packaging (see note 5)

The following table shows the types of income and expenses from financial assets assigned to categories and measurement methods, respectively:

(in thousands of EUR)	At fair value through profit and loss	At amortised cost	<b>Total</b>
<b>Income and expense 2023</b>			
<b>In profit for the year</b>	<b>(1,148)</b>	<b>9,914</b>	<b>8,766</b>
Interest/dividends received	443	8,733	9,176
Fair value/carrying amount changes	(1,603)	1,181	(422)
Gains/losses from disposals	12	0	12
<b>In other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in fair value	0	0	0
<b>Net profit/loss</b>	<b>(1,148)</b>	<b>9,914</b>	<b>8,766</b>
<b>Income and expense 2022</b>			
<b>In profit for the year</b>	<b>(205)</b>	<b>1,269</b>	<b>1,064</b>
Interest/dividends received	408	4,250	4,658
Fair value/carrying amount changes	(613)	(2,981)	(3,594)
<b>In other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in fair value	0	0	0
<b>Net profit/loss</b>	<b>(205)</b>	<b>1,269</b>	<b>1,064</b>

The following table shows the types of income and expenses from financial liabilities assigned to categories and measurement methods, respectively:

(in thousands of EUR)	At fair value through profit and loss	At fair value through OCI	At amortised cost	<b>Total</b>
<b>Income and expense 2023</b>				
<b>In profit for the year</b>	<b>(5,367)</b>	<b>(67,898)</b>	<b>(58,397)</b>	<b>(131,662)</b>
Interest	0	0	(58,211)	(58,211)
Cost of materials and purchased services	0	(67,898)	0	(67,898)
Fair value/carrying amount changes	(5,367)	0	(186)	(5,553)
<b>In other comprehensive income</b>	<b>0</b>	<b>8,773</b>	<b>0</b>	<b>8,773</b>
Change in fair value	0	(59,125)	0	(59,125)
Cash flow hedge - recycling	0	67,898	0	67,898
<b>Net profit/loss</b>	<b>(5,367)</b>	<b>(59,125)</b>	<b>(58,397)</b>	<b>(122,889)</b>
<b>Income and expense 2022</b>				
<b>In profit for the year</b>	<b>3,449</b>	<b>0</b>	<b>(32,227)</b>	<b>(28,778)</b>
Interest	0	0	(32,149)	(32,149)
Fair value/carrying amount changes	3,449	0	(78)	3,371
<b>In other comprehensive income</b>	<b>0</b>	<b>(29,666)</b>	<b>0</b>	<b>(29,666)</b>
Change in fair value <sup>1)</sup>	0	(29,666)	0	(29,666)
<b>Net profit/loss</b>	<b>3,449</b>	<b>(29,666)</b>	<b>(32,227)</b>	<b>(58,444)</b>

<sup>1)</sup> There was an unrealised day one gain of thous. EUR 63,427 in the context of hedge accounting.

## 7.2 Factoring

The Group has been recognising a factoring agreement in Finland since 2021. Trade receivables are transferred to a bank in return for cash and are derecognised in full, as the main opportunities and risks associated with the receivables sold have been transferred to the acquirer. Only an insignificant default risk remains in the Group.

In the 2023 financial year, the Group began transferring trade receivables in various currencies to a bank in exchange for cash as part of another factoring agreement. Selected subsidiaries in Austria, Germany, Poland, France, the UK and Spain are participating in this programme. The transferred receivables are fully derecognised in accordance with IFRS 9, as both opportunities and risks have been transferred to the acquirer. The default risk was transferred to the acquirers. Receivables management remains within the Group.

In addition, the Group is occasionally also a contractual partner in supply chain financing agreements with customers of the MM Packaging division in order to optimise liquidity in working capital management by shortening payment terms. There are no further risks in the event of payment difficulties on the part of customers.

### 7.3 Derivatives

The Group recognises derivative financial instruments as financial assets or liabilities measured at their fair value. These hedging relationships established to secure cash flows or fair values related to single underlying transactions reduce the currency risk or procurement risk in the Group.

In this connection, foreign exchange forward and swap transactions are used in order to mitigate the short-term effects of exchange rate fluctuations.

The most important foreign currencies for which the Group protects itself against fluctuation effects are the British Pound, the US Dollar as well as the Euro for the companies with functional currencies other than the Euro. The changes in market values of these derivatives are recognised in “Foreign currency exchange rate gains (losses) – net” (see note 27). The settlement of these transactions and the trade are generally executed by Corporate Treasury.

As of December 31, 2023, the Group had concluded foreign exchange forward and swap contracts with a nominal value of receivables of thous. EUR 521,846 (December 31, 2022: thous. EUR 506,421) and liabilities of thous. EUR 528,059 (December 31, 2022: thous. EUR 505,854) with a negative total market value of thous. EUR 5,510 (December 31, 2022: positive total market value of thous. EUR 1,471).

The derivative financial instruments related to forward exchange contracts are recorded in the consolidated balance sheet under “Prepaid expenses and other current assets” as current assets in the amount of thous. EUR 2,281 (December 31, 2022: thous. EUR 3,895) and under “Deferred income and other current liabilities” as current liabilities in the amount of thous. EUR 7,791 (December 31, 2022: thous. EUR 2,424). Hedge accounting is not applied for these derivative financial instruments.

In the previous year, hedge accounting according to IFRS 9 had been applied for the first time. MM Kotkamills in Finland had been unable to consume the contractually hedged minimum purchase volumes of gas at fixed prices due to shutdowns, which had resulted in a resale of the surplus and thus the elimination of the own-use exemption as of July 1, 2022. Therefore, in this context, a hedging transaction had been designated as of July 1, 2022 (“cash flow hedge”), which had been valued based on the expected purchase volumes for underlying gas contracts in 2023 and the TTF future prices available at the designation date. This had resulted in an unrealised day one gain in the amount of thous. EUR 63,427 as of December 31, 2022 which no longer existed as of December 31, 2023. In 2023, new gas supply contracts were concluded for the financial years 2024 and 2025 and designated as hedging relationships.

As of December 31, 2023, the recognised fair values of these contracts amount to thous. EUR -20,894 based on the TTF future prices effective at the reporting date (December 31, 2022: thous. EUR -29,666). In the financial year 2023, the hedging relationship in Finland was realised with the planned and fixed purchase quantities. An amount of thous. EUR 67,898 (December 31, 2022: thous. EUR 0) was reclassified through profit or loss (recycled). The valuation effects amounted to thous. EUR -59,125 (December 31, 2022: thous. EUR -29,666), resulting in a total effect on other comprehensive income of thous. EUR 8,773 (December 31, 2022: thous. EUR -29,666). As of the balance sheet date, the thereby resulting financial liability amounted to thous. EUR 20,894 (December 31, 2022: thous. EUR 29,666). In this context, there were no significant ineffectivities.

## 7.4 Financial Risk Management

The Group is exposed to various financial risks arising from its operating activities and the structure of its financing. These financial risks include primarily credit risk, liquidity risk, currency risk, and risk of interest rate changes. These risks are limited using centralised risk management which is applied throughout the Group. The identification, analysis, and evaluation of financial risks as well as the decisions concerning the application of financial instruments to manage these risks are basically carried out by the Group's headquarters.

### **Credit and default risk**

Credit risk is the risk arising from a non-fulfilment of contractual obligations by business partners, which may result in losses. The immanent risk of default of business partners resulting from the underlying transaction is widely hedged in the Group by credit risk insurance, bank guarantees, and letters of credit. The criteria to be applied for credit ratings are based on contractual agreements with credit insurance institutions and are defined by internal guidelines.

Credit and default risks are continuously monitored; existing and identifiable risks are provided for by recording appropriate allowances or provisions. For the assessment of the overall risk, existing insurance coverage, possible guarantees, and letters of credit are taken into consideration. Financial instruments which may in certain cases cause a concentration of financial risks within the Group comprise primarily cash and cash equivalents and trade receivables. Trade receivables derive from a broad and diversified customer base with different credit ratings. The financial risk arising from customers is monitored by ongoing credit rating assessments. Additionally, the Group concludes credit insurance contracts in order to cover losses arising from certain potentially non-collectible receivables and goods that have already been produced.

Furthermore, the Group forms allowances based on the expected loss of the total volume of receivables. If trade accounts receivable are insured against default and if an allowance becomes necessary, only the amount not covered by insurance is to be recognised. The Group reports single or specific lump-sum allowances, respectively at Group level the expected credit loss model according to IFRS 9 is applied. The impairment model is based on the premise of providing for expected losses. The Group has implemented a framework for determining simplified expected credit losses from trade receivables in accordance with IFRS 9, which provides reliable results by using suitable parameters based on historical defaults. For the measurement, the Group applies a simplified approach using an allowance matrix which considers probability-weighted total credit losses ("life-time expected credit loss model"). The calculation of estimated expected credit losses is based on actual credit loss experiences over the past four years separately for the regions Europe, the Americas and the rest of the world. The inclusion of forward-looking information in the determination is taken into account by using CDS spreads for the calculation, as they reflect the future default risk. The Group considers the other financial assets as insignificant in view of a potential impairment.

As a result of the broad and diversified customer base and the existing credit insurance contracts, there is no concentrated risk of default. There are mainly trade receivables against customers with credit insurance and customers with very good creditworthiness; accordingly, bad debt losses were insignificant in the past.

The Group also uses foreign exchange forward and swap transactions. All the respective contract partners are renowned international financial institutions with which the Group has ongoing business relations. Therefore and due to the short-term maturities of these hedges, the Group considers the risk of non-fulfilment by a contract partner and the related risk of loss as low.

Money market investments are concluded with corporate banks with investment-grade ratings.

The carrying amounts of financial assets reflect the theoretical maximum default risk.

### **Liquidity risk**

The liquidity risk is referred to as the risk of having to raise the required funds at any time in order to settle the amounts payable in due course. The Group's financing policy is oriented towards long-term financial planning and is managed centrally and monitored constantly. Based on well-timed liquidity management, sufficient liquidity of all the Group's subsidiaries is provided for by the availability of adequate cash and cash equivalents as well as unused credit lines available. The companies of the MM Group are financed mostly internally. Consequently, inter-company credit lines and a cash-pooling system with financial limits are available. Liquidity risk is thus assessed as low.

The following table shows the undiscounted future cash outflows arising from interest-bearing financial liabilities incl. factoring liabilities, lease liabilities, trade liabilities, payment obligations and payment entitlements arising from derivative financial instruments as well as interest for interest-bearing financial liabilities and lease liabilities based on the remaining maturity as of the balance sheet date or referred to the contractually agreed maturity. Outflows in the amount of the fixed gas volumes resulting from the cancellation of the own-use-exemption and the thus resulting liabilities are not included because these are not taken into account as part of liquidity management.

(in thousands of EUR)	Up to 3 months	3 months up to 1 year	1 – 2 years	2 – 5 years	Over 5 years
<b>Balance at Dec. 31, 2023</b>					
Interest-bearing financial liabilities incl. factoring liabilities	90,940	144,074	83,306	812,788	784,992
Interest for interest-bearing financial liabilities	23,989	24,934	42,651	84,904	145,986
Lease liabilities	4,838	10,662	11,666	23,303	52,887
Interest for lease liabilities	936	2,584	2,975	6,789	21,553
Trade liabilities	503,566	11,706	0	0	0
Payment obligations from derivative financial instruments	528,059	0	0	0	0
Payment entitlements for derivative financial instruments	(521,846)	0	0	0	0
<b>Balance at Dec. 31, 2022</b>					
Interest-bearing financial liabilities	0	70,288	149,125	330,125	1,101,750
Interest for interest-bearing financial liabilities	16,864	11,387	25,080	58,904	124,006
Lease liabilities	5,087	12,175	13,247	24,676	55,116
Interest for lease liabilities	942	2,660	3,104	7,066	12,202
Trade liabilities	486,495	12,812	0	370	0
Payment obligations from derivative financial instruments	499,068	6,786	0	0	0
Payment entitlements for derivative financial instruments	(499,421)	(7,000)	0	0	0

### Currency risk

Currency risk is the risk arising from changes in the value of financial instruments due to exchange rate fluctuations. This risk exists when business transactions are processed in currencies other than the functional (local) currency of the Company. This is particularly the case for business relations to customers and suppliers in the British Pound, the US Dollar and the Euro, from the perspective of companies which do not have the Euro as their functional currency. The respective currency risks are, as far as possible, reduced by matching business transactions in similar currencies and by price adjustment mechanisms in longer-term agreements as well as foreign exchange forward and swap transactions.

Provided that currencies related to current and non-current financial receivables and financial liabilities as of December 31, 2023 (December 31, 2022) stated below changed by the below-stated percentage ("volatility"), assuming that all other variables remained constant, the profit for the year and hence equity would have increased or decreased by the following values.

Currency	Volatility	Impact on profit for the year and equity in thousands of EUR	
		2023	2022
EUR <sup>1)</sup>	+/- 5 %	-/+ 727	+/- 327
GBP	+/- 5 %	- /+ 118	- /+ 52
USD	+/- 5 %	- /+ 696	- /+ 257

<sup>1)</sup> From the perspective of companies which do not have the Euro as functional currency.

### Interest rate risk

The interest rate risk is referred to as the risk arising from changes in market interest rates which can result in a fluctuation of the values of balance sheet items or a fluctuation in cash flows. For balance sheet items with fixed interest, the risk consists mainly in fluctuations in value (price risk); when the market interest rate changes, the (present) value of financial instruments with fixed interest payments will also change. Due to these value fluctuations, profit or loss can arise; these are particularly realised when the financial instrument is sold before maturity. For balance sheet items with a variable interest rate, there is mainly the risk of fluctuating cash flows. In case the market interest rate changes, the amount of interest receivable or payable from financial instruments with variable interest payments will also change. Such changes would alter the ongoing interest payments and thus also interest income and expense. As of December 31, 2023, the Group is financed via financial liabilities with variable as well as fixed interest rates and holds almost only financial assets with variable interest rates.

If the interest rates as of December 31, 2023 (December 31, 2022) had been higher or lower by hundred basis points (i. e., 1 %), assuming that all other variables remained constant, the profit for the year and hence equity would have increased or decreased for the whole year as follows:

	Change in interest rate	Impact on profit for the year and equity in thousands of EUR	
		2023	2022
Financial assets with variable interest	+/- 1 %	+/- 4,785	+/- 519
Financial liabilities with variable interest	+/- 1 %	-/+ 7,181	-/+ 5,313

## 7.5 Capital management

Capital employed includes the equity of the Group and interest-bearing financial liabilities less cash and cash equivalents.

Capital management aims in particular at ensuring an equity to total assets ratio that is appropriate for the long-term economic development of the Group, taking into consideration a continuous dividend policy, as well as to ensure the necessary liquidity reserves

Equity and total assets as of December 31, 2023 and December 31, 2022 amounted to:

(in thousands of EUR)	Dec. 31, 2023	Dec. 31, 2022 <sup>1)</sup>
Total equity	2,012,394	1,959,054
Total assets	5,076,888	4,808,770
Equity ratio	39.6 %	40.7 %

<sup>1)</sup> adjusted due to the adjustment of the acquisition of Essentra Packaging (see note 5)

The aim of capital management is an equity ratio ranging from 35 % to 50 %. The Company fulfils legal and statutory minimum capital requirements. Mayr-Melnhof Karton AG is subject to the minimum capital requirements of the Austrian Stock Corporation Act. The Articles of Association do not stipulate capital requirements.



Net debt is calculated as of December 31, 2023 and December 31, 2022 as follows:

(in thousands of EUR)	Dec. 31, 2023	Dec. 31, 2022
Cash and cash equivalents	757,515	280,063
Financial liabilities	(2,019,456)	(1,761,589)
<b>Net debt</b>	<b>(1,261,941)</b>	<b>(1,481,526)</b>

There are financial covenants partly agreed on with lenders for the interest-bearing financial liabilities. The financial covenants are mainly related to the equity ratio and the net debt to EBITDA ratio. Mayr-Melnhof Karton AG has complied with all of these clauses in the financial year.

## 7.6 Measurement at fair value

The amounts of financial assets and financial liabilities which are recognised at fair value are as follows:

(in thousands of EUR)	Dec. 31, 2023	Dec. 31, 2022
<b>Financial assets:</b>		
Trade receivables (level 3) <sup>1)</sup>	45,729	2,472
Derivative financial instruments (level 2)	2,281	3,895
Securities (level 1)	295	283
<b>Financial liabilities:</b>		
Gas supply contracts (level 3) <sup>2)</sup>	20,894	29,666
Derivative financial instruments (level 2)	7,791	2,424
Contingent purchase price liability (level 3)	0	7,466

<sup>1)</sup> from factoring agreements, see note 7.2

<sup>2)</sup> There had been an unrealised day one gain of thous. EUR 63,427 in the context of hedge accounting in the previous year.

### Measurement methods

The Group applies the following hierarchy to determine the measurement method and to identify the fair value of financial instruments, depending on the availability of information about market prices:

Availability of information, sorted by level	Measurement method used
Level 1 – Quoted market prices are available	Measurement based on quoted market prices for similar financial instruments
Level 2 – Quoted market prices for identical instruments are not available, but all necessary measurement inputs can be derived from active markets	Measurement based on measurement methods using directly or indirectly observable market data
Level 3 – There are no (derived) market prices available	Measurement based on valuation models by using input factors, which cannot be observed on the market

The fair value of securities (level 1 measurement) is determined based on the prices quoted on active markets.

The fair value of derivative financial instruments (level 2 measurement) is mostly determined on the basis of spot prices as of the balance sheet date, taking into account forward premiums or discounts with relevant maturity.

In addition, there are financial instruments measured at fair value based on parameters for which no observable market data exist (level 3 measurement). The contingent purchase price liability recognised as part of the acquisition of Eson Pac was paid as agreed in May 2023.

The valuation of the hedge of commodity price risks (“cash flow hedge”) is based on the expected purchase volumes and transit costs (level 3 parameters) for underlying gas contracts in the years 2023 to 2025 and the TTF future prices available at the valuation date.

As of December 31, 2023, other financial assets classified as “at fair value through profit or loss” include investments in unconsolidated companies in the amount of thous. EUR 1,538 (December 31, 2022: thous. EUR 1,515). In general, these must be measured at fair value. However, cost represents an appropriate estimate of fair value. Due to the minor importance of these entities, particularly with regard to their low business volume and their significance to the Group, fair value has not been calculated.

## 8 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, SECURITIES, AND OTHER FINANCIAL ASSETS

### **Investments in associated companies**

Investments in associated companies in which the Group has the ability to exercise significant influence but no dominant control over their operating and financial policies are accounted for using the equity method and are primarily recognised at their acquisition costs. This is generally the case when the voting interest is between 20 % and 50 %. Additionally, the Group also has investments in associated companies which are not measured using the equity method. In general, these are to be measured at fair value. The acquisition costs, however, represent an appropriate estimate of the fair value or the amount is immaterial for the Group.

### **Investments in joint ventures**

Investments in joint ventures are accounted for using the equity method and are primarily recognised at their acquisition costs. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

### **Securities**

The Group measures its securities mostly at fair value through profit and loss. Premiums and accretions of discount of debt securities are allocated over their maturity period and are included in the income statement under the positions “financial income” or “financial expenses”.

Securities are to be classified as non-current if they are not going to be sold or not intended to be sold within 12 months of the balance sheet date. Otherwise, they must be classified as current. Currently the Group does not hold any current securities.

### Other financial assets

Other financial assets comprise other investments, loans, and other financial investments. Other investments are defined as part of the category “at fair value through profit and loss”. However, cost represents an appropriate estimate of the fair value and the amount is of low significance for the Group.

The carrying amounts of investments in associated companies and joint ventures, non-current securities, and other financial assets consist of:

(in thousands of EUR)	Dec. 31, 2023	Dec. 31, 2022
Investments in associated companies	4,217	3,304
Investments in joint ventures	3,731	3,597
Other investments	1,538	1,515
Liability insurance not pledged to beneficiaries	726	4,156
Non-current securities	490	480
Other loans	74	101
<b>Investments accounted for using the equity method, securities and other financial assets</b>	<b>10,776</b>	<b>13,153</b>

As of December 31, 2023 non-current securities of the Group comprised investment funds and fixed-interest-bearing securities in the amount of thous. EUR 490 (December 31, 2022: thous. EUR 480).

The Group holds 45 % of shares in Société Tunisienne des Emballages Modernes (STEM), Tunis, Tunisia (see note 33). The shares in this company represent an individually immaterial associated company that is accounted for using the equity method.

The Group holds 40 % of shares in Zhejiang TF Special Papers Co., Ltd., Quzhou City, China (see note 33). Decisions on relevant activities must be made unanimously. The shares in this company thus represent a joint venture that is individually immaterial and accounted for using the equity method.

The following table summarises the financial information:

(in thousands of EUR)	Investments in associated companies		Investments in joint ventures	
	2023	2022	2023	2022
Share of result for the year <sup>1)</sup>	1,007	842	343	534
Share of other comprehensive income <sup>2)</sup>	(93)	(35)	(209)	(110)
<b>Share of total comprehensive income</b>	<b>914</b>	<b>807</b>	<b>134</b>	<b>424</b>
<b>Total carrying amounts of the Group's shares</b>	<b>4,160</b>	<b>3,247</b>	<b>3,731</b>	<b>3,597</b>

<sup>1)</sup> recognised in “other financial result – net”

<sup>2)</sup> share of currency translations in the consolidated comprehensive income statement

## 9 INCOME TAXES

Income taxes are recognised in profit and loss unless they are associated with positions directly recognised in equity or other comprehensive income of total comprehensive income. In this case, income taxes are also recorded in equity or other comprehensive income of total comprehensive income.

Current tax expense of the period comprises current and deferred taxes and is recognised according to the tax regulations of the countries in which the subsidiaries are active and generate their taxable income.

Deferred tax assets and liabilities are recognised for all temporary differences between tax and the consolidated balance sheet. Deferred taxes are evaluated using the tax rates which are already in force on the balance sheet date or which have essentially been legally adopted and which are expected to be valid at the time of realisation of a deferred tax asset or the settlement of a deferred tax liability. Deferred tax assets are recognised only if there is a probability that sufficient taxable profit will be available for the utilisation of the deductible temporary differences. Unrecognised deferred tax entitlements are reassessed at every balance sheet date. If losses are incurred in the current period or have been incurred in the previous period, deferred tax assets are only recognised in case of objective evidence of a future taxable result, as, for example, through sufficiently positive planning calculations or following an internal reorganisation of subsidiaries.

Deferred tax liabilities arising from temporary differences related to investments in subsidiaries, joint ventures and associated companies are recognised unless the Group is able to control the date of reversal and it is probable that these temporary differences will not be reversed in the foreseeable future due to this influence. This is the case for dividends within the Group that are subject to withholding tax or that are not covered by the international participation exemption, for example.

Deferred tax assets will be offset with deferred tax liabilities only if the entity has the legal right to settle on a net basis, if they are related to income taxes and if they are levied by the same tax authority on the same taxable entity or different taxable entities that intend to realise the asset and settle the liability at the same time. This applies, in particular, to subsidiaries that are part of the Austrian tax group or to entities of the MM Group that are part of a tax unity.

The effect of tax rate changes on deferred tax assets and liabilities is recognised as income tax expense or in the consolidated comprehensive income statement in the period of a tax rate change.

## 9.1 Deferred taxes recognised in the balance sheet

Deferred tax assets and liabilities due to temporary differences and tax loss carryforwards recognised in the balance sheet as of the balance sheet dates are as follows:

(in thousands of EUR)	Dec. 31, 2023	Dec. 31, 2022 <sup>1)</sup>
Intangible assets	1,181	2,318
Property, plant and equipment	15,029	18,733
Inventories	14,794	15,832
Defined benefit plans and other liabilities and charges	16,891	16,298
Loans receivable, investments and securities	9,010	9,907
Loss carryforwards	40,630	18,051
Interest carryforwards	10,670	8,550
Financial liabilities	19,096	20,210
Trade and other liabilities	21,515	17,597
Other	6,995	8,862
<b>Gross deferred tax assets</b>	<b>155,811</b>	<b>136,358</b>
Unrecognised deferred tax assets	(32,038)	(19,580)
<b>Net deferred tax assets</b>	<b>123,773</b>	<b>116,778</b>
Offset	(79,287)	(75,985)
<b>Deferred tax assets in the balance sheet</b>	<b>44,486</b>	<b>40,793</b>
Intangible assets	(41,060)	(60,892)
Property, plant and equipment	(95,830)	(87,531)
Inventories	(1,443)	(1,002)
Defined benefit plans and other liabilities and charges	(9,522)	(7,329)
Trade and other liabilities	(7,761)	(3,247)
Other	(5,849)	(3,764)
<b>Net deferred tax liabilities</b>	<b>(161,465)</b>	<b>(163,765)</b>
Offset	79,287	75,985
<b>Deferred tax liabilities in the balance sheet</b>	<b>(82,178)</b>	<b>(87,780)</b>

<sup>1)</sup> adjusted due to adjustment of the acquisition of Essentra Packaging (see note 5)

The interest carryforwards result from previously unused interest expenses due to the interest barrier regulation in Finland. The unrecognised deferred tax assets in the amount of thous. EUR 32,038 (December 31, 2022: thous. EUR 19,580) comprise thous. EUR 24,080 (December 31, 2022: thous. EUR 10,268) of unrecognised loss carryforwards.

The following table shows the expected realisation of deferred tax assets and liabilities:

(in thousands of EUR)	Dec. 31, 2023	Dec. 31, 2022 <sup>1)</sup>
Deferred tax assets, realised within 12 months	47,247	48,052
Deferred tax assets, realised after 12 months	76,526	68,726
<b>Deferred tax assets</b>	<b>123,773</b>	<b>116,778</b>
Deferred tax liabilities, realised within 12 months	(17,798)	(10,484)
Deferred tax liabilities, realised after 12 months	(143,667)	(153,281)
<b>Deferred tax liabilities</b>	<b>(161,465)</b>	<b>(163,765)</b>

<sup>1)</sup> adjusted due to adjustment of the acquisition of Essentra Packaging (see note 5)

Deferred tax liabilities which result from the difference between the tax carrying amount of investments and pro-rata equity (outside basis differences) were not recognised for certain subsidiaries and investments in joint ventures and associated companies, as it is probable that this temporary difference will not be dissolved in the near future. These retained earnings amounted to thous. EUR 1,451,960 at December 31, 2023 (December 31, 2022: thous. EUR 1,469,097). For retained earnings which are intended for distribution, the valuation of deferred tax liabilities was adjusted according to the applicable capital gains and withholding taxes on profit distribution.

The Group is exposed to various risks arising from its operating activities as well as from national and international regulations. After detailed analyses of potential risks, the Group assumes that due to the lack of predictability regarding the assessment by tax authorities in Austria and abroad, these uncertainties have been sufficiently covered at the time of preparing the financial statements.

## 9.2 Tax loss carryforwards

An overview of the Group's tax loss carryforwards as of the respective balance sheet dates is presented below:

(in thousands of EUR)	Dec. 31, 2023	Dec. 31, 2022
Loss carryforwards with expiration	59,169	6,213
Loss carryforwards with no expiration	112,113	71,248
<b>Loss carryforwards</b>	<b>171,282</b>	<b>77,461</b>

(in thousands of EUR)	Dec. 31, 2023	Dec. 31, 2022
Recognised loss carryforwards	68,083	31,614
Unrecognised loss carryforwards	103,199	45,847
<b>Loss carryforwards</b>	<b>171,282</b>	<b>77,461</b>

The loss carryforwards limited in time will expire between 2024 and 2035, unless they are utilised before these dates. The Group has utilised losses from the Polish company in Kwidzyn within the Austrian tax group. No provision was recognised for these utilised foreign losses, as subsequent taxation would only take place when the company leaves the Austrian tax group or the Polish company is liquidated. This event is within the Group's control and is not foreseeable from today's perspective.

The assessment of the recognition of loss carryforwards showed that for thous. EUR 68,083 (December 31, 2022: thous. EUR 31,614) deferred tax assets amounting to thous. EUR 16,528 (December 31, 2022: thous. EUR 7,780) were recognised. For the remaining amount of thous. EUR 103,199 (December 31, 2022: thous. EUR 45,847), deferred tax assets amounting to thous. EUR 24,080 (December 31, 2022: thous. EUR 10,268) were not recorded in the balance sheet. These relate to the following countries:

(in thousands of EUR)	2023	2022
United Kingdom	33,068	13,058
USA	20,427	1,255
Turkey	17,437	0
France	13,292	13,301
Ireland	11,181	9,159
Spain	4,666	3,356
Finland	2,464	1,897
Germany	462	480
Austria	123	135
The Netherlands	79	231
Italy	0	2,655
Puerto Rico	0	320
<b>Total</b>	<b>103,199</b>	<b>45,847</b>

The expiry dates of these unrecognised loss carryforwards are as follows:

(in thousands of EUR)	2023	2022
1 year	520	0
2 years	1,092	0
3 years	1,641	0
4 years	1,286	1,188
5 years	14,795	708
After 5 years	17,535	0
No expiration	66,330	43,951
<b>Total</b>	<b>103,199</b>	<b>45,847</b>

### 9.3 “Income tax expense” recognised in the income statement

The position “income tax expense” is comprised as follows:

(in thousands of EUR)	<b>2023</b>	<b>2022<sup>1)</sup></b>
<b>Current taxes:</b>		
Current period	60,203	123,787
Due to utilisation of previously unrecognised loss carryforwards	(1,943)	(4,432)
Prior periods	712	26
<b>Deferred taxes:</b>		
Due to temporary differences	1,530	1,577
Due to tax credits and interest carryforwards	(3,255)	1,147
Due to tax loss carryforwards of the current period	(12,848)	(968)
Due to utilisation of recognised loss carryforwards	1,256	1,456
Due to tax loss carryforwards of previous periods and changes in recoverability	2,406	(806)
Due to changes in estimates of deferred tax assets	(275)	2,231
Due to tax rate changes	(158)	(2,296)
<b>Income tax expense</b>	<b>47,628</b>	<b>121,722</b>

<sup>1)</sup> adjusted due to adjustment of the acquisition of Essentra Packaging (see note 5)



#### 9.4 Tax effects on “Other comprehensive income”

The following table shows the tax effects on the individual items of “Other comprehensive income”:

(in thousands of EUR)	Before taxes	Tax impact	After taxes
	<b>2023</b>		
Actuarial valuation of defined benefit pension and severance obligations	(4,080)	1,221	(2,859)
<b>Total of items that will not be reclassified subsequently to the income statement</b>	<b>(4,080)</b>	<b>1,221</b>	<b>(2,859)</b>
Cash Flow Hedge	8,773	(1,755)	7,018
<b>Total of items that will be reclassified subsequently to the income statement</b>	<b>8,773</b>	<b>(1,755)</b>	<b>7,018</b>
	<b>2022</b>		
Actuarial valuation of defined benefit pension and severance obligations	32,883	(7,730)	25,153
<b>Total of items that will not be reclassified subsequently to the income statement</b>	<b>32,883</b>	<b>(7,730)</b>	<b>25,153</b>
Foreign currency translation from net investments	9,205	(1,072)	8,133
Cash Flow Hedge	(29,666)	5,933	(23,733)
<b>Total of items that will be reclassified subsequently to the income statement</b>	<b>(20,461)</b>	<b>4,861</b>	<b>(15,600)</b>

## 9.5 Group tax rate

Reconciliation from the applicable tax rate which results from the geographical allocation of income and the applicable nominal tax rates of the respective tax jurisdictions to the effective tax rate which burdens the profit before tax is as follows:

(in thousands of EUR)	<b>2023</b>	<b>2022<sup>1)</sup></b>
Profit before tax	136,691	467,033
<b>Theoretical tax expense 24 % (2022: 25 %)</b>	<b>32,806</b>	<b>116,758</b>
Foreign tax rate adjustments	1,904	(5,211)
Non-deductible expenses and tax-free income	1,035	9,948
Unrecognised loss carryforwards of the financial year	17,537	2,957
Recognition of loss carryforwards of previous years	660	(1,146)
Utilisation of unrecognised loss carryforwards	(1,943)	(4,432)
Changes of estimates of deferred tax assets	(275)	2,793
Capital gains and withholding tax	4,076	1,223
Tax rate changes	(158)	(2,296)
Non-periodic income tax expense or revenue (current and deferred)	(2,083)	178
Other effects <sup>2)</sup>	(5,931)	950
<b>Income tax expense recognised</b>	<b>47,628</b>	<b>121,722</b>
<b>Effective tax rate</b>	<b>34.84 %</b>	<b>26.06 %</b>

<sup>1)</sup> adjusted due to adjustment of the acquisition of Essentra Packaging (see note 5)

<sup>2)</sup> Other effects include tax credits of thous. EUR -4,965 (2022: thous. EUR -4,679) from various jurisdictions.

## 10 INVENTORIES

Inventories are valued at the lower of acquisition or manufacturing costs and the net realisable value. The net realisable value is based on expected selling prices and takes into consideration remaining costs of completion as well as estimated selling and distribution expenses. In order to determine purchase costs of raw materials, manufacturing and operating supplies as well as goods for resale, a weighted average price method, taking into consideration the sales market, is primarily applied in the division MM Board & Paper. In the packaging division, the purchase costs of raw materials, manufacturing and operating supplies as well as goods for resale are basically recognised using the actual sequence of consumption (specific identification method). The value of raw materials, manufacturing and operating supplies recognised in the balance sheet is based on data from physical stock-taking or from the inventory management system. The devaluation of raw materials, manufacturing and operating supplies depends on each individual case.

Work in process and finished goods consist of direct costs, such as material and labor costs, and material and production overheads as well as production-related administrative costs. Write-downs for slow moving and obsolete inventories are recognised considering the storage period and sales situation.

(in thousands of EUR)	Dec. 31, 2023	Dec. 31, 2022
Raw materials, manufacturing and operating supplies	356,569	437,325
Work in process	48,580	42,313
Finished goods and goods for resale	259,271	338,204
<b>Total</b>	<b>664,420</b>	<b>817,842</b>
Write-downs	(81,783)	(87,756)
<b>Inventories – net</b>	<b>582,637</b>	<b>730,086</b>

In the financial year 2023, write-downs of inventories recognised as an expense amounted to thous. EUR 13,759 (2022: thous. EUR 31,204) the reversal of write-downs of inventories recognised as income amounted to thous. EUR 13,012 (2022: thous. EUR 2,640). The carrying amount of inventories carried at net realisable value amounted to thous. EUR 10,892 (December 31, 2022: thous. EUR 30,447).

Cost of materials and purchased services recognised in cost of goods sold presented in the Group's income statement can be broken down as follows:

(in thousands of EUR)	2023	2022 <sup>1)</sup>
Cost of materials	2,179,505	2,698,652
Cost of purchased services	50,236	49,323
<b>Total</b>	<b>2,229,741</b>	<b>2,747,975</b>

<sup>1)</sup> adjusted due to the change of method in connection with the disclosure of government grants (see note 3) and the change from cost of sale method to the nature of expense method

The position „Cost of materials” includes energy cost reimbursement in the amount of thous. EUR 57,444 (2022: thous. EUR 10,254).

## 11 TRADE RECEIVABLES

Trade receivables are comprised as follows:

(in thousands of EUR)	Dec. 31, 2023	Dec. 31, 2022
Trade receivables	388,306	702,157
Allowances	(3,794)	(6,915)
<b>Trade receivables – net</b>	<b>384,512</b>	<b>695,242</b>

As of December 31, 2023, trade receivables in the amount of thous. EUR 336,307 (December 31, 2022: thous. EUR 67,733) were sold to banks at 100 % of the nominal value or collected early from the factoring bank as part of factoring agreements (see note 7.2).

Customer payments received shortly before December 31, 2023 for receivables already transferred will be transferred to the factoring bank after the balance sheet date. In this context, there are liabilities of thous. EUR 68,837 to the factoring bank (see note 14). These figures result in a total positive effect of thous. EUR 267,470 (December 31, 2022: thous. EUR 67,733).

As of December 31, 2023 und December 31, 2022, the aging of trade receivables overdue but not individually impaired is as follows:

(in thousands of EUR)	Dec. 31, 2023	Dec. 31, 2022
Up to 30 days overdue	15,285	23,174
31 – 60 days overdue	6,340	11,433
61 – 365 days overdue	6,707	9,145
More than 365 days overdue	1,206	461
<b>Total of trade receivables overdue but not impaired</b>	<b>29,538</b>	<b>44,213</b>

For an explanation of the criteria which were considered for the determination of the allowances, please refer to the remarks on credit and default risk (see note 7).

Allowances for trade receivables developed as follows:

(in thousands of EUR)	2023	2022
<b>Allowances at the beginning of the year</b>	<b>6,915</b>	<b>2,579</b>
Effect of exchange rate changes	6	(140)
Changes in consolidated companies	0	1,694
Utilisation	(1,946)	(199)
Reversal	(1,716)	(2,076)
Increase	535	5,057
<b>Allowances at the end of the year</b>	<b>3,794</b>	<b>6,915</b>

## 12 PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets are as follows:

(in thousands of EUR)	Dec. 31, 2023	Dec. 31, 2022 <sup>1)</sup>
Value-added tax receivables	48,647	69,735
Payments on account of property, plant and equipment and inventory	40,520	41,643
Prepaid expenses	35,074	29,254
Other tax receivables	11,772	8,764
Derivative assets	2,281	3,895
Non-current assets held for sale	1,016	2,966
Other receivables and other assets	37,592	38,018
<b>Prepaid expenses and other current assets</b>	<b>176,902</b>	<b>194,275</b>
Thereof financial assets	26,941	32,332
Thereof non-financial assets	149,961	161,943

<sup>1)</sup> adjusted due to adjustment of the acquisition of Essentra Packaging (see note 5) and disclosure of non-current assets held for sale in the item "Prepaid expenses and other current assets" due to immateriality

The line item "Other receivables and other assets" mainly includes receivables from investment grants as well as other grants and a number of individual items.

## 13 EQUITY

### 13.1 Share capital/additional paid-in capital

Ordinary shares are classified as equity.

As in the previous year, the fully-paid share capital of the Company amounts to thous. EUR 80,000 and comprises 20,000,000 approved and issued no-par value shares. One no-par value share grants a calculated share of EUR 4.00 in share capital. Each share participates equally in equity and grants the same rights and responsibilities, especially the entitlement to resolved dividends and the voting right at the Ordinary Shareholder's Meeting. There are neither any different share classes nor shares with special control rights.

Additional paid-in capital derives from the share premium raised at the capital increase in the course of the initial public offer in 1994 and the cancelation of treasury shares less the increase of share capital by conversion of additional paid-in capital in 2008 and 2010, representing the amount of the tied capital reserve.

## 13.2 Retained earnings/dividend

Retained earnings comprise accumulated results from previous years.

Under the Austrian Stock Corporation Act, the amount of dividend available for distribution to shareholders is based on the unappropriated retained earnings from the annual financial statements of Mayr-Melnhof Karton AG, determined in accordance with the Austrian Commercial Code. As of December 31, 2023, the distributable unappropriated retained earnings amounted to thous. EUR 100,000 (December 31, 2022: thous. EUR 150,000).

### Extract from the individual financial statements of Mayr-Melnhof Karton AG

(in thousands of EUR)	2023	2022
<b>Unappropriated retained earnings at the beginning of the financial year</b>	<b>150,000</b>	<b>130,000</b>
Profit of the current financial year	153,067	293,827
Changes in reserves	(119,067)	(203,827)
Dividend paid	(84,000)	(70,000)
<b>Unappropriated retained earnings at the end of the financial year</b>	<b>100,000</b>	<b>150,000</b>

For the year ended December 31, 2023, the Management Board has proposed to the Supervisory Board and subsequently to the Shareholders' Meeting a dividend of EUR 1.50 per voting share after EUR 4.20 for 2022, resulting in a dividend of thous. EUR 30,000 as of the balance sheet date of 2023. The dividend for 2022, amounting to thous. EUR 84,000, was paid out according to schedule on May 10, 2023 (see consolidated statement of changes in equity).

## 13.3 Non-controlling (minority) interests

Non-controlling (minority) interests comprise the interest in equity and total profit for the year attributable to external shareholders' investments in subsidiaries of Mayr-Melnhof Karton AG. The non-controlling (minority) interests as of the acquisition date are presented as part of net assets (equity) of the respective entity or businesses and are adjusted in the following period taking into consideration profit or loss attributable to the shareholders, dividend paid as well as paid-in or paid-out capital.

The summarised information about the subsidiaries in which the Group holds non-controlling (minority) interests is stated below. The disclosures correspond to the amounts before intra-group eliminations. Further information on these subsidiaries can be found in note 33.

(in thousands of EUR)	Dec. 31, 2023		Dec. 31, 2022	
	MM Board & Paper	MM Packaging	MM Board & Paper	MM Packaging
Non-current assets	5,473	15,238	4,456	17,614
Current assets	9,328	19,041	10,837	20,874
Non-current liabilities	1,024	285	1,136	74
Current liabilities	4,455	5,974	6,496	9,158
<b>Net assets</b>	<b>9,322</b>	<b>28,020</b>	<b>7,661</b>	<b>29,256</b>
<b>Carrying amount of the non-controlling (minority) interests</b>	<b>1,428</b>	<b>4,095</b>	<b>1,144</b>	<b>4,336</b>

  

	2023		2022	
	MM Board & Paper	MM Packaging	MM Board & Paper	MM Packaging
Sales	25,435	36,523	31,459	39,887
Profit for the year	2,555	5,366	1,166	6,640
<b>Thereof attributable to non-controlling (minority) interests</b>	<b>711</b>	<b>1,154</b>	<b>206</b>	<b>1,245</b>
Total comprehensive income	3,270	4,446	836	6,030
<b>Thereof attributable to non-controlling (minority) interests</b>	<b>746</b>	<b>895</b>	<b>222</b>	<b>1,102</b>
Dividend paid to non-controlling (minority) interests	446	1,136	454	1,009
<b>Net change in cash and cash equivalents</b>	<b>1,043</b>	<b>(1,805)</b>	<b>(2,047)</b>	<b>3,794</b>

### 13.4 Other comprehensive income of the consolidated comprehensive income statement

Other reserves comprise certain changes directly recognised in equity. These are in particular differences arising from currency translation including hyperinflation adjustments, actuarial gains and losses arising from the defined benefit pension and severance obligations as well as gains and losses arising from the valuation of derivatives. With the exception of currency translations, the other items take into account the related recoverable income taxes.

In 2023, profit and loss recognised in other comprehensive income consisted of currency translations with a positive amount of thous. EUR 45,590 (2022: negative amount of thous. EUR 5,833), a significant amount of which is attributable to the appreciation of the Polish zloty. Actuarial losses amounted to thous. EUR 4,080 (2022: gains of thous. EUR 32,883). Furthermore, gains from cash flow hedge in the amount of thous. EUR 8,773 (2022: losses of thous. EUR 29,666) were recognised in the cash flow hedge reserve.

## 14 FINANCIAL LIABILITIES AND LEASES

Financial liabilities comprise interest-bearing financial liabilities, current financial liabilities from factoring agreements and lease liabilities and are recognised at amortised cost. This amount is calculated as initially paid out nominal value less redemptions plus accrued interest.

The financial liabilities of the Group are as follows:

(in thousands of EUR)	Dec. 31, 2023	Dec. 31, 2022
Non-current interest-bearing financial liabilities	1,681,086	1,581,000
Non-current lease liabilities	87,856	93,040
<b>Non-current financial liabilities</b>	<b>1,768,942</b>	<b>1,674,040</b>
Current interest-bearing financial liabilities	166,177	70,288
Current financial liabilities from factoring agreements	68,837	0
Current lease liabilities	15,500	17,261
<b>Current financial liabilities</b>	<b>250,514</b>	<b>87,549</b>
<b>Financial liabilities</b>	<b>2,019,456</b>	<b>1,761,589</b>



## 14.1 Interest-bearing financial liabilities

As of December 31, 2023 and December 31, 2022, interest-bearing financial liabilities comprised liabilities against banks and insurance companies. These financial liabilities at current interest rates can be summarised as follows:

(in thousands of EUR)	<b>Dec. 31, 2023</b>
3.595 % EUR loan(s) due 2024	166,104
4.630 % EUR loan(s) due 2025	74,098
54.583 % TRY loan(s) due 2025	9,212
4.187 % EUR loan(s) due 2026	268,597
4.688 % EUR loan(s) due 2027	94,097
1.984 % EUR loan(s) due 2028	450,097
4.401 % EUR loan(s) due 2029	54,097
4.401 % EUR loan(s) due 2030	54,097
2.156 % EUR loan(s) due 2031	272,597
5.045 % EUR loan(s) due 2032	45,972
2.854 % EUR loan(s) due 2033	73,222
2.000 % EUR loan(s) due 2035	17,500
2.100 % EUR loan(s) due 2036	142,500
1.882 % EUR loan(s) due 2039	125,000
Used loan facilities	73
<b>Interest-bearing financial liabilities</b>	<b>1,847,263</b>
Thereof non-current interest-bearing financial liabilities	1,681,086
Thereof current interest-bearing financial liabilities	166,177

(in thousands of EUR)	<b>Dec. 31, 2022</b>
2.144 % EUR loan(s) due 2023	68,981
2.349 % EUR loan(s) due 2024	149,125
2.927 % EUR loan(s) due 2025	51,875
2.197 % EUR loan(s) due 2026	246,375
2.699 % EUR loan(s) due 2027	31,875
1.553 % EUR loan(s) due 2028	427,875
2.699 % EUR loan(s) due 2029	31,875
2.699 % EUR loan(s) due 2030	31,875
1.740 % EUR loan(s) due 2031	250,375
3.362 % EUR loan(s) due 2032	23,750
1.900 % EUR loan(s) due 2033	51,000
2.000 % EUR loan(s) due 2035	17,500
2.100 % EUR loan(s) due 2036	142,500
1.882 % EUR loan(s) due 2039	125,000
Used loan facilities	1,307
<b>Interest-bearing financial liabilities</b>	<b>1,651,288</b>
Thereof non-current interest-bearing financial liabilities	1,581,000
Thereof current interest-bearing financial liabilities	70,288

As of December 31, 2023, the weighted average interest rate for these financial liabilities was 3.235 % (December 31, 2022: 2.004 %).

As of December 31, 2023, the Group had available current interest-bearing loan facilities in the amount of thous. EUR 73 (December 31, 2022: thous. EUR 1,307), of which thous. EUR 73 (December 31, 2022: thous. EUR 1,307) had been used as of the balance sheet date. As of December 31, 2023, the weighted average interest rate of these current loans, used by foreign subsidiaries outside the Euro area, was 7.500 % (December 31, 2022: 10.400 %). These loans are subject to common banking terms and conditions.

Of the interest-bearing financial liabilities, loans in the amount of thous. EUR 1,129,210 (December 31, 2022: thous. EUR 1,120,000) are subject to a fixed interest rate whose fair value amounts to thous. EUR 1,017,574 (December 31, 2022: thous. EUR 960,338). The calculation is based on the present value of future cash flows discounted by the currently observable yield curve (level 2). Amortised costs represent a proper approximation to the fair value for financial liabilities subject to variable interest rates.

No collaterals were provided in order to secure the financial liabilities described above. As of December 31, 2023, the Group had unused current and non-current credit lines available in the amount of thous. EUR 392,899 (December 31, 2022: thous. EUR 480,058).

As of December 31, 2023, current revolving bank credits in an amount of thous. EUR 17,980 (December 31, 2022: thous. EUR 67,980) are included in the interest-bearing financial liabilities.

## 14.2 Leases

The Group is predominantly lessee in lease transactions. Leases are recognised as right-of-use asset and a corresponding lease liability at the date at which the leased asset has become available for use by the Group.

Lease liabilities with a term of more than twelve months are measured at the present value of the remaining lease payments.

In principle, the implicit interest rate based on the lease contract is applied, if it can be determined. Otherwise, leases are discounted using the lessee's incremental borrowing rate, i. e., the interest rate that a lessee would have to pay for comparable transactions.

Payments for short-term leases of equipment and vehicles and all leases of low-value assets are not recognised in the balance sheet but as an expense. Lease contracts with terms of up to 12 months are classified as short-term leases.

The Group mainly rents and leases buildings, land, warehouses, offices, and other facilities that are necessary for the operating business. Extension and termination options are included in a number of real estate leases. The Group has assessed these and considered them accordingly. These contract conditions are used to maximise operational flexibility in terms of managing assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

An overview of the lease liabilities recognised in the balance sheet as of December 31, 2023 and December 31, 2022 is presented below:

(in thousands of EUR)	Dec. 31, 2023	Dec. 31, 2022
Non-current lease liabilities	87,856	93,040
Current lease liabilities	15,500	17,261
<b>Lease liabilities</b>	<b>103,356</b>	<b>110,301</b>

Total cash outflows for leases included in lease liabilities amounted to thous. EUR 22,739 (2022: thous. EUR 17,285) in 2023.

Expenses related to payments not included in the measurement of the lease liability are as follows:

(in thousands of EUR)	2023	2022
Expenses related to variable lease payments	8,207	7,797
Expenses related to short-term leases	6,769	3,455
Expenses related to leases of low value assets	1,239	1,623

## 15 PROVISIONS FOR NON-CURRENT LIABILITIES AND CHARGES

Defined benefit pension obligations and other benefits related to severance obligations are valued actuarially in accordance with IAS 19 “Employee benefits” using the projected unit credit method. The present value of defined benefit obligations is calculated based on the years of service, the anticipated development of the employee’s compensation as well as the enacted contractual and statutory pension revaluation requirements. The service cost is recognised in personnel cost; the net interest cost for the provisions is recognised in “other financial result – net”. Actuarial gains and losses as well as gains from plan assets, excluding the amounts which are already included in the net interest on net liability, are recognised in other comprehensive income in the statement of comprehensive income in accordance with IAS 19.

Provisions for anniversary bonuses are valued actuarially for non-current obligations against employees related to the number of years of their service based on collective or plant bargaining agreements using the projected unit credit method. The service cost is recognised in personnel cost; the net interest cost for the provisions is recognised in “other financial result – net”. Actuarial gains and losses are recognised in the income statement in accordance with IAS 19.

Provisions for pre-retirement programs are accrued upon conclusion of individual contractual agreements as well as for probable pre-retirement agreements in the future, if employees have the right to participate in pre-retirement programs based on plant bargaining agreements or collective agreements. Statutory deposits of securities for covering pre-retirement programs are netted with the provisions for pre-retirement programs, provided that they meet the definition of plan assets.

### 15.1 Development of provisions for non-current liabilities and charges

In the financial year 2023, provisions for non-current liabilities and charges developed as follows:

(in thousands of EUR)	<b>Pensions</b>	<b>Severance</b>	<b>Anniversary bonuses</b>	<b>Other</b>	<b>Total</b>
<b>Balance at Jan. 1, 2023</b>	<b>44,844</b>	<b>36,131</b>	<b>10,661</b>	<b>29,760</b>	<b>121,396</b>
Effect of exchange rate changes	60	(848)	0	891	103
Reclassifications	0	(488)	0	3,623	3,135
Utilisation	(5,545)	(3,476)	(1,005)	(697)	(10,723)
Reversal	0	0	(491)	(122)	(613)
Increase	2,346	3,378	2,099	676	8,499
IAS 19 remeasurements through other comprehensive income	2,313	1,762	0	0	4,075
Benefit payments from and contributions to plan assets	1,505	0	0	0	1,505
Discounting effects <sup>1)</sup>	0	0	0	(7,536)	(7,536)
<b>Balance at Dec. 31, 2023</b>	<b>45,523</b>	<b>36,459</b>	<b>11,264</b>	<b>26,595</b>	<b>119,841</b>

<sup>1)</sup> Discounting of a recultivation provision without impact on the income statement with an offsetting effect in property, plant and equipment (see note 6)

In the financial year 2022, provisions for non-current liabilities and charges developed as follows:

(in thousands of EUR)	<b>Pensions</b>	<b>Severance</b>	<b>Anniversary bonuses</b>	<b>Other</b>	<b>Total</b>
<b>Balance at Jan. 1, 2022</b>	<b>75,762</b>	<b>42,798</b>	<b>13,200</b>	<b>18,074</b>	<b>149,834</b>
Effect of exchange rate changes	(283)	(441)	0	(316)	(1,040)
Changes in consolidated companies	(70)	536	0	11,933	12,399
Reclassifications	(1,107)	(375)	0	0	(1,482)
Utilisation	(5,247)	(3,980)	(1,165)	(209)	(10,601)
Reversal	0	0	(2,509)	(154)	(2,663)
Increase	2,294	2,757	1,135	432	6,618
IAS 19 remeasurements through other comprehensive income	(27,757)	(5,164)	0	0	(32,921)
Benefit payments from and contributions to plan assets	1,252	0	0	0	1,252
<b>Balance at Dec. 31, 2022</b>	<b>44,844</b>	<b>36,131</b>	<b>10,661</b>	<b>29,760</b>	<b>121,396</b>

As of December 31, 2023, securities with a fair value of thous. EUR 1,066 (December 31, 2022: thous. EUR 872) have been provided as security for provisions for pre-retirement programs within the scope of the respective legal commitments. At December 31, 2023 and December 31, 2022, those securities were deducted as plan assets from the underlying obligations.

The position "Other" mainly includes non-current obligations for environmental measures and dismantling obligations in the amount of thous. EUR 25,297 (December 31, 2022: thous. EUR 28,389).

In the division MM Board & Paper, the obligations mainly relate to environmental measures in connection with a landfill in Kwidzyn (Poland) as well as post-closure obligations in Kolicveo (Slovenia) and at the former site in Hirschwang. The dismantling obligations in the division MM Packaging mainly result from the obligation of several newly acquired sites of former Essentra Packaging to remove leasehold improvements after termination of the lease. The provision values are determined with their present values assuming the expected costs taking into account term-specific interest rates.

## 15.2 Provisions for pensions and severance payments

The majority of the Group's employees are covered by government-sponsored pension and welfare programs, whereas the Group makes periodic payments to various government agencies, which are expensed as incurred. In addition, the Group provides certain employees with additional retirement benefits through the sponsorship of defined contribution plans and defined benefit plans. The benefits provided by the Group depend on the legal, fiscal, and economic circumstances of each individual country and are primarily based on the length of service and the employee's compensation.

Under the defined contribution plans, the Group makes fixed payments to external pension funds. Once the contributions have been made, the Group does not have any further payment obligations towards the employees. These periodical contribution payments are recognised as part of the annual pension and severance costs and amounted to thous. EUR 17,648 in the financial year 2023 (2022: thous. EUR 13,684).

Defined benefit obligations in the Group consist of pensions and severance payments. These obligations exist in several countries where the Group has employees, in particular in Germany, Austria, and Great Britain.

The pension obligations cover the arrangement of a pension program for active employees and, after fulfilment of the vesting period, for former employees, including their surviving dependants. Essentially, these are managers and also employees for whom a corresponding commitment originating from a time before the acquisition of the respective subsidiary was assumed by the Group. Therefore, obligations exist both towards employees in existing employment relationships and also towards employees who have left or retired.

Expected payments under the pension plan may depend on the salary received by the employee in the last year of service or on an average of several years and, as a rule, are based on the length of service. Pension benefits are granted as a non-recurring payment or as monthly retirement payments. In case of retirement payments, the Group bears the risk of longevity and inflation due to pension adjustments to the full extent.

In Great Britain, the Group operates a defined benefit pension plan which is governed by a board of trustees composed of representatives of the Company and plan participants. The responsibility for investment decisions and contribution schedules lies jointly with the Company and the board of trustees.

Obligations arising from the severance of employees cover legal and contractual claims for non-recurring severance payments made by the Group to employees due to certain reasons, such as termination, dissolution of an employment relationship by mutual agreement, retirement, or death of an employee. These payments significantly depend on the number of years of service and the cause of termination.

Defined benefit pension and other benefit plans are measured and recognised applying the internationally common projected unit credit method according to IAS 19. According to this method, the actuarial calculation of future obligations is based on the proportionate obligations as of the balance sheet date. The valuation was conducted based on assumptions and assessments as of the balance sheet date. Significant influencing factors were discount interest rate, estimated life expectancy, expected salary growth rate, expected pension growth rate as well as retirement age.

Actuarial gains and losses which result from changes in the number of plan participants and from differences between actual trends and estimates that are the basis for calculation are recognised in other comprehensive income in the consolidated comprehensive income statement according to IAS 19.

The calculation of pension and other benefit obligations is based on the following actuarial assumptions:

(in %)	Dec. 31, 2023		Dec. 31, 2022	
	Pensions	Severance	Pensions	Severance
Discount rate	3.56 %	5.25 %	4.03 %	4.89 %
Salary growth rate	3.07 %	4.76 %	3.06 %	4.16 %
Pension growth rate	2.73 %		2.79 %	

The information presented above shows the weighted average of all relevant entities of the Group.

Valuation of life expectancy was performed based on local mortality tables. These are in particular for Austria: AVÖ 2018-P “Angestellte” or “Gemischt” (2022: AVÖ 2018-P “Angestellte” or “Gemischt”), for Germany: Heubeck-Richttafeln 2018 G (2022: 2018 G), for Great Britain: Post Retirement and Pre Retirement: S3PA CMI\_2022\_M/F [1.25 %] (2022: S3PA CMI\_2021\_M/F [1.25 %]). As a rule, the retirement age corresponds to the respective country-specific legal provisions.

The following expenses were recorded for defined benefit pension and severance commitments:

(in thousands of EUR)	2023		2022	
	Pensions	Severance	Pensions	Severance
Service cost	482	1,843	906	2,014
Net interest on the net defined benefit liability	1,662	1,626	846	722
Past service cost	0	14	0	26
Effects due to plan changes	0	(105)	396	(5)
Administration costs from the investment of plan assets	202	0	146	0
<b>Net periodic benefit cost</b>	<b>2,346</b>	<b>3,378</b>	<b>2,294</b>	<b>2,757</b>

The defined benefit obligation and plan assets developed as follows:

(in thousands of EUR)	2023		2022	
	Pensions	Severance	Pensions	Severance
<b>Defined benefit obligation at the beginning of the year</b>	<b>99,040</b>	<b>36,131</b>	<b>143,634</b>	<b>42,798</b>
Effect of exchange rate changes	700	(848)	(1,448)	(442)
Changes in consolidated companies	0	0	(70)	536
Service cost	482	1,843	906	2,014
Interest cost	3,916	1,626	1,744	722
Past service cost	0	14	0	26
Plan participants contributions	79	0	74	0
Remeasurements	4,602	1,762	(36,448)	(5,163)
<i>Thereof (gains)/losses from change in demographic assumptions (e. g. life expectancy, retirement age)</i>	<i>(557)</i>	<i>61</i>	<i>(1,501)</i>	<i>(810)</i>
<i>Thereof (gains)/losses from change in financial assumptions (e. g. discount rate, salary growth rate, pension growth rate)</i>	<i>4,849</i>	<i>1,271</i>	<i>(36,541)</i>	<i>(6,567)</i>
<i>Thereof experience (gains)/losses (deviation between actual value and planned value)</i>	<i>310</i>	<i>430</i>	<i>1,594</i>	<i>2,214</i>
Benefit payments	(5,545)	(3,476)	(5,248)	(3,980)
Reclassifications	0	(488)	(4,500)	(375)
Effects due to plan changes	0	(105)	396	(5)
<b>Defined benefit obligation at the end of the year</b>	<b>103,274</b>	<b>36,459</b>	<b>99,040</b>	<b>36,131</b>

(in thousands of EUR)	Pensions	
	2023	2022
<b>Fair value of plan assets at the beginning of the year</b>	<b>58,780</b>	<b>67,872</b>
Effect of exchange rate changes	640	(1,163)
Interest income	2,428	898
Administrative expense	(202)	(146)
Remeasurements	(91)	(4,110)
<i>Thereof return on plan assets excluding amounts included in interest income - net</i>	<i>(91)</i>	<i>(4,110)</i>
Employer contributions	1,521	1,768
Plan participants contributions	79	74
Benefit payments from plan	(3,024)	(3,020)
Reclassifications	0	(3,393)
<b>Fair value of plan assets at the end of the year</b>	<b>60,131</b>	<b>58,780</b>



An overview of the geographic and divisional allocation of net periodic benefit costs for defined benefit pensions and severance, defined benefit obligation, and the fair value of plan assets for the financial years 2023 and 2022 is represented as follows:

(in thousands of EUR)	2023							
	MM Board & Paper				MM Packaging			
	Germany	Austria	Other countries <sup>1)</sup>	Total	Germany	Austria	Other countries	Total
Net periodic benefit cost	563	729	1,205	<b>2,497</b>	1,135	907	1,185	<b>3,227</b>
Defined benefit obligation at the end of the year	14,040	35,924	39,304	<b>89,268</b>	26,260	15,073	9,132	<b>50,465</b>
Fair value of plan assets at the end of the year	838	28,333	29,203	<b>58,374</b>	849	615	293	<b>1,757</b>

<sup>1)</sup> This primarily includes the pension plan in Great Britain.

(in thousands of EUR)	2022							
	MM Board & Paper				MM Packaging			
	Germany	Austria	Other countries <sup>1)</sup>	Total	Germany	Austria	Other countries	Total
Net periodic benefit cost	283	696	941	<b>1,920</b>	719	1,414	998	<b>3,131</b>
Defined benefit obligation at the end of the year	14,249	33,924	38,559	<b>86,732</b>	24,971	13,945	9,523	<b>48,439</b>
Fair value of plan assets at the end of the year	860	28,766	27,338	<b>56,964</b>	849	656	311	<b>1,816</b>

<sup>1)</sup> This primarily includes the pension plan in Great Britain.

The employers' contributions to plan assets for the year 2023 are expected to amount to thous. EUR 1,416. This includes a contribution for increasing plan assets and for other expenses in Great Britain in the amount of thous. EUR 1,139.

### The structure of plan assets

There are plan assets for pension obligations in Austria and Germany in the form of qualifying insurance policies which are pledged to the respective beneficiaries. The Group contributes to qualifying insurance policies as required.

Further plan assets include a pension plan in Great Britain which is assessed by external asset management according to directives of the responsible board of trustees. Current directives allow for a proportionate investment of 30 % to 40 % in equity instruments and of 60 % to 70 % in debt instruments; minimum diversification is prescribed to diversify the default risk, by which the single investment value is limited to 2 % of the portfolio and the total value of all investments in one company is limited to 4 % of the portfolio. Investments in Private Equity Funds and Hedge Funds are forbidden. The objective of asset management is to maximise the return at an adequate level of risk; index-based benchmarks are given to asset management to measure the achievement of objectives. The Group is obliged to provide regular contributions to the plan assets in Great Britain based on a contribution plan over several years. Furthermore, there are plan assets in the form of a pension plan in the Philippines and a collective foundation in Switzerland.

The portfolio structure of plan assets as of December 31, 2023 and of December 31, 2022:

(in thousands of EUR)	Dec. 31, 2023	in %	Dec. 31, 2022	in %
<b>Equity instruments:</b>				
– developed markets	7,780		7,626	
– emerging markets	1,220		1,161	
<b>Total</b>	<b>9,000</b>	<b>15 %</b>	<b>8,787</b>	<b>15 %</b>
<b>Debt instruments:</b>				
– Corporate bonds	10,816		9,996	
– Government bonds	3,044		2,319	
<b>Total</b>	<b>13,860</b>	<b>23 %</b>	<b>12,315</b>	<b>21 %</b>
<b>Qualifying insurance policies pledged to beneficiaries</b>	<b>36,050</b>	<b>60 %</b>	<b>36,350</b>	<b>62 %</b>
<b>Money market investments/Bank deposits</b>	<b>1,221</b>	<b>2 %</b>	<b>1,328</b>	<b>2 %</b>
<b>Total</b>	<b>60,131</b>	<b>100 %</b>	<b>58,780</b>	<b>100 %</b>

All instruments in the category equity instruments and debt instruments are traded on active markets. Ratings of investments in debt instruments correspond at least to “investment grade”.

### Plan assets market price risk

Return on plan assets is assumed in accordance with IAS 19 using the discount rate for the underlying obligation. That corresponds to the return on corporate bonds with good credit ratings. Provided that the actual return on plan assets exceeds (falls below) the discount interest rate used, net liability from the present plans decreases (increases). Due to the proportion of investments in equity in the plan assets in Great Britain, the actual return may, on the one hand, exceed the return on corporate bonds with good credit ratings in the long term and, on the other hand, result in higher plan asset volatility in the short term. Related price risk is considered as manageable by the Group, as the proportion of investments in equity in total plan assets is low. Furthermore, the obligations which reach maturity in the next years can be fulfilled using current cash flow of the Group and other components of plan assets.

The net liability from pension and severance obligations and the reconciliation to the net liability recognised are as follows:

(in thousands of EUR)	Dec. 31, 2023		Dec. 31, 2022	
	Pensions	Severance	Pensions	Severance
<b>Defined benefit obligation</b>	<b>103,274</b>	<b>36,459</b>	<b>99,040</b>	<b>36,131</b>
<i>Thereof obligations covered by provisions</i>	<i>38,862</i>	<i>36,459</i>	<i>37,846</i>	<i>36,131</i>
<i>Thereof obligations covered by funds</i>	<i>64,412</i>	<i>0</i>	<i>61,194</i>	<i>0</i>
Less fair value of plan assets	(60,131)	0	(58,780)	0
<b>Net liability</b>	<b>43,143</b>	<b>36,459</b>	<b>40,260</b>	<b>36,131</b>
Effect due to asset ceiling	2,380	0	4,584	0
<b>Net liability recognised as provision for non-current liabilities and charges</b>	<b>45,523</b>	<b>36,459</b>	<b>44,844</b>	<b>36,131</b>

The following sensitivity analysis for pension and severance provisions presents the impact a possible change in significant actuarial assumptions might have on the obligation. If one significant assumption is changed, the other assumptions are kept constant.

<b>Impact on the defined benefit obligation 2023</b>			
(in %)	<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
Discount rate	1.00 %	Decrease by 10.8 %	Increase by 11.3 %
Salary growth rate	1.00 %	Increase by 2.8 %	Decrease by 2.7 %
Pension growth rate	1.00 %	Increase by 7.0 %	Decrease by 6.6 %
		<b>Increase by one year in assumption</b>	
Retirement age		Decrease by 1.4 %	
Life expectancy		Increase by 2.5 %	

<b>Impact on the defined benefit obligation 2022</b>			
(in %)	<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
Discount rate	1.00 %	Decrease by 11.2 %	Increase by 11.8 %
Salary growth rate	1.00 %	Increase by 2.6 %	Decrease by 2.6 %
Pension growth rate	1.00 %	Increase by 7.5 %	Decrease by 7.0 %
		<b>Increase by one year in assumption</b>	
Retirement age		Decrease by 0.5 %	
Life expectancy		Increase by 2.7 %	

The weighted average duration of the defined benefit obligation is 11.4 years as of the balance sheet date (December 31, 2022: 12.0 years).

The expected maturity analysis of defined benefit obligations for the next ten years as of December 31, 2023 and December 31, 2022 in relation to actual payments is as follows:

(in thousands of EUR)	<b>Less than a year</b>	<b>Between 1 – 2 years</b>	<b>Between 2 – 5 years</b>	<b>Between 5 – 10 years</b>	<b>Total</b>
<b>As of Dec. 31, 2023</b>					
Defined benefit plans	7,881	6,457	21,541	50,723	<b>86,602</b>
<b>As of Dec. 31, 2022</b>					
Defined benefit plans	6,714	6,840	23,068	50,922	<b>87,544</b>

## 16 TRADE LIABILITIES

Current liabilities are, as a rule, recognised at the redemption amount.

Trade liabilities amounting to thous. EUR 515,272 (December 31, 2022: thous. EUR 499,677) as of December 31, 2023 comprise liabilities from acquisition of property, plant and equipment, and intangible assets amounting to thous. EUR 52,802 (December 31, 2022: thous. EUR 26,441) which are taken into consideration as non-cash transactions within the cash flow from investing activities, as well as advances from customers in an amount of thous. EUR 5,158 (December 31, 2022: thous. EUR 5,823).

## 17 DEFERRED INCOME AND OTHER CURRENT LIABILITIES

Accruals comprise liabilities for which the exact time of utilisation or amount is uncertain and which, at the same time, are definable to a high degree of certainty. Even if the amount and the exact time are occasionally only estimated, the measurement precision of accruals is significantly higher than that of provisions. Therefore they are recognised according to their origin as trade liabilities (see note 16) and other current liabilities, especially in personnel and social costs.

(in thousands of EUR)	Dec. 31, 2023	Dec. 31, 2022 <sup>1)</sup>
Obligations for personnel and social costs	118,821	129,726
Liabilities for customer rebates and bonuses	30,506	30,304
Derivative liabilities	28,685	32,090
Other tax liabilities	28,596	28,869
Deferred income	22,427	30,850
Interest accruals	17,366	14,402
Other liabilities	17,167	27,061
<b>Deferred income and other current liabilities</b>	<b>263,568</b>	<b>293,302</b>
Thereof financial liabilities	62,952	72,849
Thereof non-financial liabilities	200,616	220,453

<sup>1)</sup> adjusted due to adjustment of the acquisition of Essentra Packaging (see note 5)

Obligations for personnel and social costs particularly include premiums and bonuses for employees, unused vacations as well as other deferred personnel-related obligations.

The calculation of liabilities for customer rebates and bonuses is based on the bonus and rebates claims of customers included in the underlying customer arrangements. Bonuses are set up in a way that customers receive a retrospective reimbursement if a certain purchase volume was reached within an invoicing period.

Derivative liabilities mainly arise from hedge accounting in connection with the hedging of raw material prices in Finland (see note 7).

Liabilities from interest accruals mainly result from existing Schuldschein loans and Namensschuldverschreibungen.

Other liabilities particularly changed due to the settlement of the contingent purchase price liability related to the acquisition of Eson Pac Group.

## 18 PROVISIONS FOR CURRENT LIABILITIES AND CHARGES

Provisions are created when the Group has a present legal or constructive obligation to a third party as a result of a past event, if it is probable that it will be settled and if the amount of the obligation can be reliably estimated. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date.

Provisions for large numbers of similar obligations, e. g., warranties, are measured at a probability-weighted expected value of assets reduction based on this group of obligations. A provision is also recognised even if the probability of a claim on assets is negligible for a single obligation included in this group.

In the financial year 2023, provisions for current liabilities and charges developed as follows:

(in thousands of EUR)	Sales	Provision for restructuring costs	Other provisions	<b>Total</b>
<b>Balance at Jan. 1, 2023</b>	<b>5,606</b>	<b>9,759</b>	<b>14,902</b>	<b>30,267</b>
Effect of exchange rate changes	19	0	170	189
Reclassifications	393	(5,622)	2,567	(2,662)
Utilisation	(2,196)	(1,297)	(3,088)	(6,581)
Reversal	(797)	(798)	(3,031)	(4,626)
Increase	4,101	9,949	7,949	21,999
<b>Balance at Dec. 31, 2023</b>	<b>7,126</b>	<b>11,991</b>	<b>19,469</b>	<b>38,586</b>

In the financial year 2022, provisions for current liabilities and charges developed as follows:

(in thousands of EUR)	Sales	Provision for restructuring costs	Other provisions	<b>Total</b>
<b>Balance at Jan. 1, 2022</b>	<b>6,523</b>	<b>8,818</b>	<b>32,877</b>	<b>48,218</b>
Effect of exchange rate changes	(101)	14	(124)	(211)
Changes in consolidated companies	(68)	422	(148)	206
Utilisation	(2,203)	(8,184)	(5,520)	(15,907)
Reversal	(599)	(258)	(19,964)	(20,821)
Increase	2,054	8,947	7,781	18,782
<b>Balance at Dec. 31, 2022</b>	<b>5,606</b>	<b>9,759</b>	<b>14,902</b>	<b>30,267</b>

The provisions for sales are recognised on product warranties and guarantees as well as returned goods. The provisions for product warranties and guarantees are made both on a legal and a contractual basis. Single risks, on the one hand, and the overall risk based on past experience, on the other hand, are taken into consideration for the calculation.

The restructuring provisions as of December 31, 2023 mainly result from the planned measures at the Cervia site (see note 5).

The position "Other provisions" primarily comprises an environmental provision in connection with a landfill site, provisions for litigations and legal costs, provisions for other taxes as well as a variety of immaterial individual items.

## 19 SEGMENT REPORTING INFORMATION

Mayr-Melnhof Karton AG and its subsidiaries operate in two operating areas, the production of cartonboard and paper (division MM Board & Paper) and the production of folding cartons and packaging (division MM Packaging). The Group is organised according to these two operating areas and is managed by the Management Board based on the financial information acquired thereon. Hence, the segments reported correspond to these two operating areas.

The division MM Board & Paper manufactures and distributes numerous grades of cartonboard, focusing in particular on coated cartonboard made from recycled and virgin fibers as well as kraft papers and uncoated fine papers.

The division MM Packaging converts cartonboard into printed folding cartons purchased by customers in a variety of industries including food and consumer goods (e. g., packaging for cereals, dried foods, sugar, confectionary and baked goods, cosmetics and toiletries, detergents, domestic appliances, toys, tobacco products, pharma packaging, and high-grade confectionary). After the acquisitions of Essentra Packaging and Eson Pac in the Pharma & Health Care business area in the previous year, MM Packaging is also active in the production of leaflets and labels.

Data provided by the management information system on which segment reporting is based is in accordance with the accounting and recognition principles applied to the consolidated financial statements. Central operations are completely allocated to the operating segments by an allocation system in analogy with the procedures in the management information system. Results from intersegment transactions have already been eliminated in the segment results.

The Group measures the performance of its operating segments by assessing adjusted EBITDA and adjusted operating profit.

Intersegment sales are carried out on an arm's length basis.

Sales are allocated based on the shipment destinations of finished goods, whereas non-current assets are allocated according to the location of the respective units.

Investments refer to the acquisition of property, plant and equipment as well as intangible assets including goodwill (see note 6). In addition, they also include payments on account (see note 12).

## Revenue recognition

Revenues comprise all income generated by the typical business activities of the MM Group and include income from the sale of numerous grades of cartonboard and folding cartons. The disaggregation of performance obligations under certain circumstances may result in a separation of performance obligations related to rendered transportation services, depending on the individual terms of delivery agreed with customers. These transportation services are, however, of low significance for the Group. Apart from this, no further material multiple-component contracts covering, for example, the performance of services besides the delivery of goods were identified. Tools, such as die cutting tools and engravings, are not to be considered as individual service obligations, because they are necessary for the fulfilment of contracts.

The transaction price to which the Group is entitled in exchange for the transfer of goods consists of the price for the transferred goods and any variable element in the form of customer rebates and bonuses and is to be paid on credit. Due to the agreed terms of payment, there is no financial component. The variable component is considered as "liability for customer rebates and bonuses". The amount of this liability depends on the probable claim of a customer and is regularly evaluated and adjusted, if necessary.

Revenues from manufacturing and selling cartonboard and folding cartons are recognised at a point in time based on the agreed individual terms of delivery.

The segment reporting information concerning the Group's operating segments can be illustrated as follows:

(in thousands of EUR)	2023			
	MM Board & Paper	MM Packaging	Eliminations	Group <sup>1)</sup>
Sales to external customers	1,733,937	2,430,466	0	4,164,403
Intersegment sales	185,139	599	(185,738)	0
<b>Total sales</b>	<b>1,919,076</b>	<b>2,431,065</b>	<b>(185,738)</b>	<b>4,164,403</b>
EBITDA adjusted <sup>2)</sup>	92,706	357,500	0	450,206
Operating profit adjusted <sup>3)</sup>	(19,803)	249,049	0	229,246
Financial income	3,316	6,998	(1,578)	8,736
Financial expenses	(33,857)	(25,998)	1,578	(58,277)
Income tax expense	(610)	(47,018)	0	(47,628)
Investments	249,598	212,898	0	462,496
Depreciation and amortisation	(109,279)	(109,225)	0	(218,504)
Impairments and write-ups <sup>4)</sup>	(3,230)	358	0	(2,872)
Segment assets	3,129,723	2,090,768	(143,603)	5,076,888
Segment liabilities	2,105,748	1,102,349	(143,603)	3,064,494
Employees as of December 31	4,579	10,508	0	15,087

<sup>1)</sup> figures according to primary financial statement components with the exception of adjusted EBITDA and adjusted operating profit (adjusted = significant one-off effects of more than EUR 10 million)

<sup>2)</sup> adjusted for significant one-off effects totaling thous. EUR 31,196 for the MM Packaging division resulting from restructuring measures

<sup>3)</sup> adjusted for significant one-off effects totaling thous. EUR 31,612 for the MM Packaging division resulting from restructuring measures

<sup>4)</sup> for property, plant and equipment, and intangible assets as well as non-current assets held for sale

(in thousands of EUR)	2022 <sup>1)</sup>			
	MM Board & Paper	MM Packaging	Eliminations	Group <sup>2)</sup>
Sales to external customers	2,514,362	2,167,698	0	4,682,060
Intersegment sales	235,610	988	(236,598)	0
<b>Total sales</b>	<b>2,749,972</b>	<b>2,168,686</b>	<b>(236,598)</b>	<b>4,682,060</b>
EBITDA adjusted <sup>3)</sup>	511,060	257,922	0	768,982
Operating profit adjusted <sup>4)</sup>	405,586	156,776	0	562,362
Financial income	944	3,947	(641)	4,250
Financial expenses	(26,007)	(6,783)	641	(32,149)
Income tax expense	(87,267)	(34,455)	0	(121,722)
Investments	194,294	150,786	0	345,080
Depreciation and amortisation	(104,072)	(94,398)	0	(198,470)
Impairments <sup>5)</sup>	(14,297)	(6,749)	0	(21,046)
Segment assets	3,045,180	2,250,538	(486,948)	4,808,770
Segment liabilities	1,954,960	1,381,704	(486,948)	2,849,716
Employees as of December 31	4,776	10,864	0	15,640

<sup>1)</sup> adjusted due to adjustment of the acquisition of Essentra Packaging (see note 5)

<sup>2)</sup> figures according to primary financial statement components with the exception of adjusted EBITDA and adjusted operating profit (adjusted = significant one-off effects of more than EUR 10 million)

<sup>3)</sup> adjusted for significant one-off effects in the amount of thous. EUR 11,731 for the MM Board & Paper division from restructuring measures and in the amount of thous. EUR 27,330 for the MM Packaging division- resulting from acquisitions and disposals

<sup>4)</sup> adjusted for significant one-off effects in the amount of thous. EUR 24,627 for the MM Board & Paper division from restructuring measures and in the amount of thous. EUR 27,330 for the MM Packaging division- resulting from acquisitions and disposals

<sup>5)</sup> for property, plant and equipment, and intangible assets as well as non-current assets held for sale

The following table shows a country-by-country breakdown of net sales based on shipment destinations as well as a summary of non-current assets and capital expenditures based on locations:

(in thousands of EUR)	2023			2022 <sup>1)</sup>		
	Net sales	Non-current assets	Investments	Net sales	Non-current assets	Investments
Europe	3,298,846	2,845,055	411,523	3,751,311	2,579,790	309,507
<i>Austria</i>	70,765	597,143	83,880	85,812	541,586	72,119
<i>Germany</i>	602,537	372,399	78,231	802,924	325,436	55,540
<i>Poland</i>	568,720	801,841	68,607	684,092	736,836	53,555
<i>France</i>	421,785	107,785	28,829	419,376	85,716	10,380
<i>Great Britain</i>	327,851	192,227	7,191	319,505	174,737	18,771
<i>Rest of Europe</i>	1,307,188	773,660	144,785	1,439,602	715,479	99,142
The Americas	386,188	130,106	35,231	239,956	119,234	13,201
Rest of the World	479,369	128,615	15,742	690,793	129,005	22,372
<b>Total</b>	<b>4,164,403</b>	<b>3,103,776</b>	<b>462,496</b>	<b>4,682,060</b>	<b>2,828,029</b>	<b>345,080</b>

<sup>1)</sup> adjusted due to adjustment of the acquisition of Essentra Packaging (see note 5)

Non-current assets comprise property, plant and equipment and intangible assets including goodwill (see note 6).



## 20 OTHER OPERATING INCOME

(in thousands of EUR)	2023	2022
Insurance claims	27,346	2,577
Income from energy sales	21,418	44,091
Rental income	3,244	3,443
Gains and losses from disposal of property, plant and equipment, and intangible assets - net	3,050	(628)
Other income	25,810	11,456
<b>Other operating income</b>	<b>80,868</b>	<b>60,939</b>

The income from insurance claims mainly includes compensation for damages that were reimbursed as a result of the flooding at the Italian site in Cervia (see note 5). In addition, a compensation paid by the Group to a customer was covered by the insurance.

Income from energy sales originate in particular from gas resales in Finland resulting from lower consumption due to market- and conversion-related production downtimes.

Gains and losses from disposal of property, plant and equipment, and intangible assets - net include in particular asset sales in connection with the closure of a packaging site in Germany and other disposals of minor significance.

The position "Other income" mainly includes a grant related to the removal of inherited liabilities in the amount of thous. EUR 5,700, income from energy efficiency refunds in the amount of thous. EUR 3,770 (2022: thous. EUR 1,482), and a large number of individual items. The income from energy efficiency refunds is not offset by any corresponding expenses.

## 21 OTHER OPERATING EXPENSES

(in thousands of EUR)	2023	2022
Logistics, freight and transportation expenses	241,472	280,650
Repairs and maintenance	196,803	183,895
IT and consulting expenses	90,439	86,928
Rental, leasing and insurance expenses	42,541	34,636
Other taxes and charges	16,832	22,678
Other expenses	99,103	94,863
<b>Other operating expenses</b>	<b>687,190</b>	<b>703,650</b>

The position „Other expenses” includes expenses for travel activities and vehicle fleet, marketing, training, cleaning, security, sewer and waste disposal fees as well as a large number of individual items. In the previous year, this item included expenses for company disposals (see note 5).

## 22 PERSONNEL EXPENSES

Personnel expenses from all Group areas can be broken down as follows:

(in thousands of EUR)	2023	2022
Gross wages	338,484	257,527
Gross salaries	293,497	263,932
Severance expenses	25,235	6,705
Pension expenses	16,828	13,913
Expenses for statutory social security as well as payroll-related taxes and compulsory contributions	116,122	100,090
Other welfare expenses	25,309	18,443
Expenses for temporary personnel	24,623	20,980
<b>Total</b>	<b>840,098</b>	<b>681,590</b>

The average number of employees (excluding temporary personnel) is as follows:

(Number of persons)	2023	2022
Factory workers	11,749	10,471
Office staff	3,615	3,153
<b>Total</b>	<b>15,364</b>	<b>13,624</b>

### Remuneration of the management

The key management of the Group includes the Management Board and the Supervisory Board. The remuneration of the management is as follows:

(in thousands of EUR)	2023	2022
Salaries and other short-term employee benefits (incl. remuneration of the Supervisory Board)	4,265	10,037
Post-employment benefits	1,337	1,167
Termination benefits	0	2,517
Long-term employee benefits (Board of Management)	1,356	866
<b>Total</b>	<b>6,958</b>	<b>14,587</b>

The payment of long-term benefits (long-term profit-sharing) is conditional on the achievement of a certain operating margin for the next three years based on a three-year plan. For an operating margin determined at the beginning, the Management Board is entitled to a profit-sharing payment in a defined amount. Deviations from this average operating margin lead to increases or decreases in the target amount.

The short-term benefits of the members of the Management Board are as follows:

(in thousands of EUR)	2023	2022
Fixed remuneration	2,135	2,456
Variable remuneration	1,393	6,840
<b>Total</b>	<b>3,528</b>	<b>9,296</b>

The provision for variable compensations that has not yet been paid out amounted to thous. EUR 3,860 as of December 31, 2023 (December 31, 2022: thous. EUR 8,667).

In the financial year 2023, pensions and other post-employment benefits were paid to former board members and their surviving dependents, amounting to thous. EUR 4,408 (2022: thous. EUR 1,037).

The remuneration of the members of the Supervisory Board elected by the shareholders for the financial year 2023 amounted to thous. EUR 737 (2022: thous. EUR 741).

## 23 EXPENSES FOR THE GROUP AUDITOR

The 29<sup>th</sup> Ordinary Shareholders' Meeting on April 26, 2023 appointed PwC Wirtschaftsprüfung GmbH as auditor for the consolidated and individual financial statements of Mayr-Melnhof Karton AG. Furthermore, they audited the individual financial statements of all material Austrian subsidiaries. In 2023, expenses for services rendered by PwC Wirtschaftsprüfung GmbH in Austria amounted to thous. EUR 1,033 (2022: thous. EUR 807), of which thous. EUR 862 (2022: thous. EUR 747) were related to auditing, thous. EUR 125 (2022: thous. EUR 34) to other assurance services and thous. EUR 46 (2022: thous. EUR 26) were related to other services.

## 24 RESEARCH AND DEVELOPMENT EXPENSES

Research and development costs are recognised as expenses as incurred. Neither as of December 31, 2023 nor as of December 31, 2022 have any development costs been capitalised.

Research and development costs recognised as expenses in the consolidated income statement amounted to thous. EUR 5,644 in the financial year 2023 (2022: thous. EUR 7,429).

## 25 FINANCIAL INCOME

(in thousands of EUR)	2023	2022
Interest from bank deposits	8,326	4,063
Other financial income	410	187
<b>Total financial income</b>	<b>8,736</b>	<b>4,250</b>

## 26 FINANCIAL EXPENSES

(in thousands of EUR)	2023	2022
Interest expense related to financial liabilities	(45,479)	(22,686)
Interest expense on lease liabilities	(3,850)	(2,919)
Other financial expenses	(8,948)	(6,544)
<b>Total financial expenses</b>	<b>(58,277)</b>	<b>(32,149)</b>

The increase in interest expense from financial liabilities mainly results from higher interest rates for variable-rate loans and further financing for the effected acquisitions and organic growth projects. Other financial expenses particularly comprise commitment fees for unused credit lines and commissions in connection with the financing of acquisitions.

## 27 OTHER FINANCIAL RESULT – NET

(in thousands of EUR)	2023	2022
Foreign currency exchange rate gains (losses) – net	(13,155)	(15,386)
Net interest cost from benefit obligation	(3,659)	(1,701)
Result from investments accounted for using the equity method	1,350	1,376
Dividend income	443	408
Result from hyperinflation adjustments (IAS 29)	3,756	353
Other financial income	462	6
Other financial expenses	(599)	(529)
<b>Other financial result – net</b>	<b>(11,402)</b>	<b>(15,473)</b>

## 28 EARNINGS PER SHARE

Earnings per share are calculated in accordance with IAS 33 “Earnings per Share”. The standard requires the calculation and disclosure of two key figures: basic and diluted earnings per share. Basic earnings per share are calculated by dividing profit or loss attributable to the shareholders of the Company by the weighted average number of shares outstanding during the financial year. As there were no dilutive stock options neither as of December 31, 2023 nor as of December 31, 2022, it was not necessary to calculate the diluted earnings per share, which thus correspond to the basic earnings per share.

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year.

	2023	2022 <sup>1)</sup>
Profit attributable to ordinary shareholders of the parent company (in thousands of EUR)	87,198	343,860
Weighted average number of ordinary shares	20,000,000	20,000,000
Basic earnings per share attributable to ordinary shareholders of the parent company (in EUR)	4.36	17.19

<sup>1)</sup> adjusted - see note 5

As in the previous year, the number of shares issued as of December 31, 2023 amounted to 20,000,000 shares.

## 29 COMMITMENTS AND CONTINGENT LIABILITIES

### Commitments from legal proceedings and similar claims

The Group is subject to various claims and legal proceedings that have arisen in the ordinary course of business. Based on all facts available to the Management, the Group believes that the ultimate resolution of these claims and legal proceedings will be unlikely to have a material adverse effect on its financial position or consolidated profit, although no assurance can be given with respect to the outcome of such claims or litigations.

### Commitments from environmental matters

The Group is also subject to various environmental laws and regulations in the countries in which it operates. Expenditures for environmental matters which relate to existing conditions caused by past operations and have no significant future benefit are expensed as incurred. If an expense is probable and the respective amount can be reliably estimated, the Group recognises provisions for environmental risks and post-closure obligations (see notes 15 and 18).

### Other contingent liabilities

As of December 31, 2023, purchase obligations regarding planned capital expenditures for fixed assets and intangible assets amounted to thous. EUR 174,791 (December 31, 2022: thous. EUR 201,754). This development is mainly due to planned Group-wide investment programs focusing on expansion and renewal. In addition, there are long-term purchase obligations in connection with the Group's supply of raw materials and energy, which are managed by Procurement Management.

### 30 DISCLOSURES ON TRANSACTIONS WITH RELATED PARTIES

Raw materials for the production of cartonboard amounting to thous. EUR 8,606 were purchased from other related companies in 2023 (2022: thous. EUR 7,317). As of December 31, 2023, trade liabilities with other related companies amounted to thous. EUR 417 (December 31, 2022: thous. EUR 0).

In 2023, sales from transactions with associated companies amounted to thous. EUR 1,194 (2022: thous. EUR 2,501). As of December 31, 2023, trade and other receivables with associated companies amounted to thous. EUR 404 (December 31, 2022: thous. EUR 672).

Raw materials amounting to thous. EUR 5,942 were purchased from joint ventures in 2023 (2022: thous. EUR 7,451). As of December 31, 2023, trade liabilities with joint ventures amounted to thous. EUR 666 (December 31, 2022: thous. EUR 713).

Transactions with these companies are carried out on an arm's length basis.

Key management personnel of the Group (active Management Board and Supervisory Board members of Mayr-Melnhof Karton AG) and their close relatives are considered as related parties. For information regarding management remuneration, please refer to note 22.

In the financial year 2023 expenses for consulting services rendered by members of the Supervisory Board amounted to thous. EUR 8 (2022: thous. EUR 40). Neither as of December 31, 2023 nor as of December 31, 2022, liabilities were recognised in this context. Standard market rates were charged for these consulting services.

For information on contributions to the pension benefit plan in Great Britain, please refer to note 15.

### 31 NOTES ON THE CONSOLIDATED CASH FLOW STATEMENTS

#### Cash and cash equivalents

Cash and cash equivalents comprise cash, checks, and short-term demand deposits at financial institutions with expiration dates within three months. Cash and cash equivalents denominated in foreign currencies are translated into Euro using the exchange rates at the balance sheet date. For the purpose of the statement of cash flows, the above defined cash and cash equivalents comprise the following:

(in thousands of EUR)	Dec. 31, 2023	Dec. 31, 2022
Fixed deposits	277,077	51,009
Unrestricted bank deposits and cash	479,134	228,235
Other restricted bank deposits	1,304	819
<b>Cash and cash equivalents</b>	<b>757,515</b>	<b>280,063</b>

Cash flow from operating activities is derived from the consolidated financial statements using the indirect method, while cash flows from investing and financing activities are calculated directly on the basis of cash inflows and outflows.

Cash flow from operating activities increased from thous. EUR 299,738 to thous. EUR 786,235. A significant decline in the cash-effective result was offset by a sharp reduction in working capital, which is in particular attributable to the Profit & Cash Protection programme and the increased use of factoring agreements.

Other adjustments in net cash from profit result in particular from the changes in non-current provisions and from effects of exchange rate changes.

Cash flow from investing activities changed from thous. EUR -573,297 to thous. EUR -409,050. Higher payments for the acquisition of property, plant and equipment and intangible assets in the current year contrasted in particular with the payment of the purchase prices for the acquisition of the pharmaceutical packaging group Eson Pac and for Essentra Packaging and with proceeds from the sale of the Russian packaging plants in the previous year. Payments for the acquisition of property, plant and equipment, and intangible assets increased in line with the intensified investment programme from thous. EUR 329,388 in the previous year to thous. EUR 425,346 in the financial year 2023.

The contingent purchase price liability recognised as part of the acquisition of Eson Pac was paid as agreed in May 2023 in the amount of thous. EUR 6,879. In December 2023, the receivable from the overpayment of the purchase price from the acquisition of Essentra Packaging in the amount of thous. EUR 5,374 was settled, resulting in a net position of thous. EUR -1,505.

Cash flow from financing activities changed from thous. EUR 191,894 to thous. EUR 103,378, which is mainly due to a lower issuance of financing facilities and higher interest payments.

The following table shows a reconciliation of financial liabilities from cash and non-cash changes:

(in thousands of EUR)	Non-current financial liabilities	Current financial liabilities	<b>Total</b>
<b>Balance at Jan. 1, 2023</b>	<b>1,674,040</b>	<b>87,549</b>	<b>1,761,589</b>
Issuances of financial liabilities	249,210	150,499	399,709
Repayments of financial liabilities	(1,001)	(153,406)	(154,407)
<b>Total cash changes</b>	<b>248,209</b>	<b>(2,907)</b>	<b>245,302</b>
Effect of exchange rates	1,663	780	2,443
Other non-cash changes	(154,970)	165,092	10,122
<b>Total non-cash changes</b>	<b>(153,307)</b>	<b>165,872</b>	<b>12,565</b>
<b>Balance at Dec. 31, 2023</b>	<b>1,768,942</b>	<b>250,514</b>	<b>2,019,456</b>

Other non-cash changes mainly include additions to lease liabilities which are set off by the acquisition of assets in the same amount. Furthermore, this position includes reclassifications from non-current to current financial liabilities.

(in thousands of EUR)	Non-current financial liabilities	Current financial liabilities	<b>Total</b>
<b>Balance at Jan. 1, 2022</b>	<b>1,349,074</b>	<b>74,003</b>	<b>1,423,077</b>
Issuances of financial liabilities	315,000	228,589	543,589
Repayments of financial liabilities	(10,098)	(237,564)	(247,662)
<b>Total cash changes</b>	<b>304,902</b>	<b>(8,975)</b>	<b>295,927</b>
Changes in consolidated companies	23,468	10,474	33,942
Effect of exchange rates	(2,203)	(211)	(2,414)
Other non-cash changes	(1,201)	12,258	11,057
<b>Total non-cash changes</b>	<b>20,064</b>	<b>22,521</b>	<b>42,585</b>
<b>Balance at Dec. 31, 2022</b>	<b>1,674,040</b>	<b>87,549</b>	<b>1,761,589</b>

## 32 SIGNIFICANT SUBSEQUENT EVENTS AND FURTHER INFORMATION

There have been no subsequent events after the balance sheet date with any material effect on the consolidated financial statements of the Group.



## 33 TABLE OF AFFILIATED AND ASSOCIATED COMPANIES

2023					2022				
Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation	Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation
Mayr-Melnhof Karton Aktiengesellschaft, Vienna (AUT)	EUR	80,000	-	FC <sup>1)</sup>	Mayr-Melnhof Karton Aktiengesellschaft, Vienna (AUT)	EUR	80,000	-	FC <sup>1)</sup>
MM Service GmbH, Vienna (AUT)	EUR	35	100.00 %	FC <sup>1)</sup>	MM Service GmbH, Vienna (AUT)	EUR	35	100.00 %	FC <sup>1)</sup>
<b>MM BOARD &amp; PAPER</b>					<b>MM BOARD &amp; PAPER</b>				
CP (CartPrint) International Trading AG, Worb (CHE)	CHF	100	100.00 %	FC <sup>1)</sup>	CP (CartPrint) International Trading AG, Worb (CHE)	CHF	100	100.00 %	FC <sup>1)</sup>
free-com solutions GmbH, Vienna (AUT)	EUR	35	51.00 %	FC <sup>1)</sup>	free-com solutions GmbH, Vienna (AUT)	EUR	35	51.00 %	FC <sup>1)</sup>
Lokalbahn Payerbach-Hirschwang Gesellschaft m. b. H., Reichenau/Rax (AUT)	EUR	190	100.00 %	FC <sup>1)</sup>	Lokalbahn Payerbach-Hirschwang Gesellschaft m. b. H., Reichenau/Rax (AUT)	EUR	190	100.00 %	FC <sup>1)</sup>
MM BOARD & PAPER GmbH, Vienna (AUT)	EUR	5,000	100.00 %	FC <sup>1)</sup>	MM BOARD & PAPER GmbH, Vienna (AUT)	EUR	5,000	100.00 %	FC <sup>1)</sup>
MM FollaCell AS, Follafooss (NOR)	NOK	10,000	100.00 %	FC <sup>1)</sup>	MM FollaCell AS, Follafooss (NOR)	NOK	10,000	100.00 %	FC <sup>1)</sup>
MM Frohnleiten GmbH, Frohnleiten (AUT)	EUR	7,500	100.00 %	FC <sup>1)</sup>	MM Frohnleiten GmbH, Frohnleiten (AUT)	EUR	7,500	100.00 %	FC <sup>1)</sup>
MM Gernsbach GmbH, Gernsbach (DEU)	EUR	9,205	100.00 %	FC <sup>1)</sup>	MM Gernsbach GmbH, Gernsbach (DEU)	EUR	9,205	100.00 %	FC <sup>1)</sup>
MM Kolicivo d. o. o., Domzale (SVN)	EUR	12,828	100.00 %	FC <sup>1)</sup>	MM Kolicivo d. o. o., Domzale (SVN)	EUR	12,828	100.00 %	FC <sup>1)</sup>
MM Kotkamills Absorbex Oy, Kotka (FIN)	EUR	2	100.00 %	FC <sup>1)</sup>	MM Kotkamills Absorbex Oy, Kotka (FIN)	EUR	2	100.00 %	FC <sup>1)</sup>
MM Kotkamills Boards Oy, Kotka (FIN)	EUR	10,200	100.00 %	FC <sup>1)</sup>	MM Kotkamills Boards Oy, Kotka (FIN)	EUR	10,200	100.00 %	FC <sup>1)</sup>
MM Kotkamills Oy, Kotka (FIN)	EUR	80	100.00 %	FC <sup>1)</sup>	MM Kotkamills Oy, Kotka (FIN)	EUR	80	100.00 %	FC <sup>1)</sup>
MM Kotkamills Wood Oy, Kotka (FIN)	EUR	2	100.00 %	FC <sup>1)</sup>	MM Kotkamills Wood Oy, Kotka (FIN)	EUR	2	100.00 %	FC <sup>1)</sup>
MM Kwidzyn Sp. z o. o., Kwidzyn (POL)	PLN	90,000	100.00 %	FC <sup>1)</sup>	MM Kwidzyn Sp. z o. o., Kwidzyn (POL)	PLN	90,000	100.00 %	FC <sup>1)</sup>
MM Neuss GmbH, Baiersbronn (DEU)	EUR	7,500	100.00 %	FC <sup>1)</sup>	MM Neuss GmbH, Baiersbronn (DEU)	EUR	7,500	100.00 %	FC <sup>1)</sup>
Nomamasa GmbH, Düsseldorf (DEU)	EUR	25	100.00 %	FC <sup>1)</sup>	Nomamasa GmbH, Düsseldorf (DEU)	EUR	25	100.00 %	FC <sup>1)</sup>
Tor-Pal Sp. z o. o., Kwidzyn (POL)	PLN	384	92.59 %	FC <sup>1)</sup>	Tor-Pal Sp. z o. o., Kwidzyn (POL)	PLN	384	92.33 %	FC <sup>1)</sup>

2023					2022				
Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation	Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation
<b>Trading companies &amp; sales offices of MM Board &amp; Paper</b>					<b>Trading companies &amp; sales offices of MM Board &amp; Paper</b>				
Keminer Remmers Spiehs Kartonhandels GmbH, Gernsbach (DEU)	EUR	1,280	100.00 %	FC <sup>1)</sup>	Keminer Remmers Spiehs Kartonhandels GmbH, Gernsbach (DEU)	EUR	1,280	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof & Wilfried Heinzel Tehran Co., Tehran (IRN)	IRR	100,000	36.00 %	NE <sup>2)</sup>	Mayr-Melnhof & Wilfried Heinzel Tehran Co., Tehran (IRN)	IRR	100,000	36.00 %	NE <sup>2)</sup>
MM Board Benelux B.V., Amstelveen (NLD)	EUR	91	100.00 %	FC <sup>1)</sup>	MM Board Benelux B.V., Amstelveen (NLD)	EUR	91	100.00 %	FC <sup>1)</sup>
MM Board Bulgaria EOOD, Sofia (BGR)	BGN	5	100.00 %	FC <sup>1)</sup>	MM Board Bulgaria EOOD, Sofia (BGR)	BGN	5	100.00 %	FC <sup>1)</sup>
MM Board Czech s.r.o., Prague (CZE)	CZK	820	100.00 %	FC <sup>1)</sup>	MM Board Czech s.r.o., Prague (CZE)	CZK	820	100.00 %	FC <sup>1)</sup>
MM Board France SARL, Paris (FRA)	EUR	8	100.00 %	FC <sup>1)</sup>	MM Board France SARL, Paris (FRA)	EUR	8	100.00 %	FC <sup>1)</sup>
MM Board Germany GmbH, Neuss (DEU)	EUR	26	100.00 %	FC <sup>1)</sup>	MM Board Germany GmbH, Neuss (DEU)	EUR	26	100.00 %	FC <sup>1)</sup>
MM B&P Hungary Kft., Budaörs (HUN)	HUF	20	100.00 %	FC <sup>1)</sup>	MM B&P Hungary Kft., Budaörs (HUN)	HUF	20	100.00 %	FC <sup>1)</sup>
MM Board Italy S.R.L., Milan (ITA)	EUR	51	75.00 %	FC <sup>1)</sup>	MM Board Italy S.R.L., Milan (ITA)	EUR	51	75.00 %	FC <sup>1)</sup>
MM Board Mexico S. de R. L. de C. V., Monterrey (MEX)	MXN	3	100.00 %	FC <sup>1)</sup>	-	-	-	-	-
MM Board North Africa SARL, Tunis (TUN)	TND	80	100.00 %	FC <sup>1)</sup>	MM Board North Africa SARL, Tunis (TUN)	TND	80	100.00 %	FC <sup>1)</sup>
MM Board Polska Sp.z.o.o., Poznan (POL)	PLN	50	100.00 %	FC <sup>1)</sup>	MM Board Polska Sp.z.o.o., Poznan (POL)	PLN	50	100.00 %	FC <sup>1)</sup>
MM Board SI d.o.o., Domzale (SVN)	EUR	30	100.00 %	FC <sup>1)</sup>	MM Board SI d.o.o., Domzale (SVN)	EUR	30	100.00 %	FC <sup>1)</sup>
MM Board Spain S.A., Barcelona (ESP)	EUR	60	75.00 %	FC <sup>1)</sup>	MM Board Spain S.A., Barcelona (ESP)	EUR	60	75.00 %	FC <sup>1)</sup>
MM Board UK Limited, Theale-Reading (GBR)	GBP	1,000	100.00 %	FC <sup>1)</sup>	MM Board UK Limited, Theale-Reading (GBR)	GBP	1,000	100.00 %	FC <sup>1)</sup>
MM Board & Paper Sales GmbH, Vienna (AUT)	EUR	35	100.00 %	FC <sup>1)</sup>	MM Board & Paper Sales GmbH, Vienna (AUT)	EUR	35	100.00 %	FC <sup>1)</sup>
MM Board & Paper USA Inc., Wilmington (USA)	USD	0	100.00 %	FC <sup>1)</sup>	-	-	-	-	-
MM Karton Russia LLC, Moscow (RUS)	RUB	14,290	100.00 %	FC <sup>1)</sup>	MM Karton Russia LLC, Moscow (RUS)	RUB	14,290	100.00 %	FC <sup>1)</sup>
MM Shared Services Sp.z.o.o., Warsaw (POL)	PLN	5,662	100.00 %	FC <sup>1)</sup>	MM Shared Services Sp.z.o.o., Warsaw (POL)	PLN	5,662	100.00 %	FC <sup>1)</sup>
Varsity Packaging Limited, Theale-Reading (GBR)	GBP	300	100.00 %	FC <sup>1)</sup>	Varsity Packaging Limited, Theale-Reading (GBR)	GBP	300	100.00 %	FC <sup>1)</sup>

2023					2022				
Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation	Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation
<b>MM PACKAGING</b>					<b>MM PACKAGING</b>				
Beaucrest Limited, Hong Kong (HKG)	HKD	1	100.00 %	NC <sup>(4)</sup>	Beaucrest Limited, Hong Kong (HKG)	HKD	1	100.00 %	NC <sup>(4)</sup>
C. P. Schmidt Verpackungs-Werk Beteiligungsgesellschaft mbH, Kaiserslautern (DEU)	EUR	180	100.00 %	FC <sup>(1)</sup>	C. P. Schmidt Verpackungs-Werk Beteiligungsgesellschaft mbH, Kaiserslautern (DEU)	EUR	180	100.00 %	FC <sup>(1)</sup>
Danubia International, Kiev (UKR)	UAH	1	100.00 %	NC <sup>(4)</sup>	Danubia International, Kiev (UKR)	UAH	1	100.00 %	NC <sup>(4)</sup>
Gundlach GmbH, Bielefeld (DEU)	EUR	52	100.00 %	FC <sup>(1)</sup>	Gundlach GmbH, Bielefeld (DEU)	EUR	52	100.00 %	FC <sup>(1)</sup>
MM Packaging Solutions Ibérica S. L. U, Valencia (ESP)	EUR	7,500	100.00 %	FC <sup>(1)</sup>	MM Packaging Solutions Ibérica S. L. U, Valencia (ESP)	EUR	7,500	100.00 %	FC <sup>(1)</sup>
MM Packaging GmbH /Jordan PSC, Amman (JOR)	JOD	5,000	100.00 %	FC <sup>(1)</sup>	MM Packaging GmbH /Jordan PSC, Amman (JOR)	JOD	5,000	100.00 %	FC <sup>(1)</sup>
Mayr-Melnhof Packaging Marinetti Limitada, Santiago de Chile (CHL)	CLP	5,000	100.00 %	FC <sup>(1)</sup>	Mayr-Melnhof Packaging Marinetti Limitada, Santiago de Chile (CHL)	CLP	5,000	100.00 %	FC <sup>(1)</sup>
Mayr-Melnhof Printing and Packaging Tehran Company, Private Joint Stock, Tehran (IRN)	IRR	514,800,000	100.00 %	FC <sup>(1)</sup>	Mayr-Melnhof Printing and Packaging Tehran Company, Private Joint Stock, Tehran (IRN)	IRR	514,800,000	100.00 %	FC <sup>(1)</sup>
MM Bangor Ltd., Bradford (GBR)	GBP	0	100.00 %	FC <sup>(1)</sup>	MM Bangor Ltd., Bradford (GBR)	GBP	0	100.00 %	FC <sup>(1)</sup>
MM Clayton LLC, Wilmington (USA)	USD	181	100.00 %	FC <sup>(1)</sup>	MM Clayton LLC, Wilmington (USA)	USD	181	100.00 %	FC <sup>(1)</sup>
MM C. P. Schmidt GmbH, Kaiserslautern (DEU)	EUR	3,000	100.00 %	FC <sup>(1)</sup>	MM C. P. Schmidt GmbH, Kaiserslautern (DEU)	EUR	3,000	100.00 %	FC <sup>(1)</sup>
MM Eson Pac AB, Veddige (SWE)	SEK	10,000	100.00 %	FC <sup>(1)</sup>	MM Eson Pac AB, Veddige (SWE)	SEK	10,000	100.00 %	FC <sup>(1)</sup>
MM Eson Pac Denmark A/S, Taastrup (DEN)	DKK	6,000	100.00 %	FC <sup>(1)</sup>	MM Eson Pac Denmark A/S, Taastrup (DEN)	DKK	6,000	100.00 %	FC <sup>(1)</sup>
-	-	-	-	-	MM Eson Pac International AB, Veddige (SWE)	SEK	89	100.00 %	FC <sup>(1)</sup>
-	-	-	-	-	MM Eson Pac Norway AS, Sarpsborg (NOR)	NOK	4,100	100.00 %	FC <sup>(1)</sup>
MM Fiber Packaging S. A. U., Barcelona (ESP)	EUR	1,920	100.00 %	FC <sup>(1)</sup>	MM Fiber Packaging S. A. U., Barcelona (ESP)	EUR	1,920	100.00 %	FC <sup>(1)</sup>
MM Fiber Packaging Ireland Limited, Dublin (IRL)	EUR	378	100.00 %	FC <sup>(1)</sup>	MM Fiber Packaging Ireland Limited, Dublin (IRL)	EUR	378	100.00 %	FC <sup>(1)</sup>
MM Graphia Beteiligungs- und Verwaltungs GmbH, Bielefeld (DEU)	EUR	5,538	100.00 %	FC <sup>(1)</sup>	MM Graphia Beteiligungs- und Verwaltungs GmbH, Bielefeld (DEU)	EUR	5,538	100.00 %	FC <sup>(1)</sup>
MM Graphia Bielefeld GmbH, Bielefeld (DEU)	EUR	526	100.00 %	FC <sup>(1)</sup>	MM Graphia Bielefeld GmbH, Bielefeld (DEU)	EUR	526	100.00 %	FC <sup>(1)</sup>

2023					2022				
Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation	Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation
MM Graphia GmbH, Bielefeld (DEU)	EUR	25	100.00 %	FC <sup>1)</sup>	MM Graphia GmbH, Bielefeld (DEU)	EUR	25	100.00 %	FC <sup>1)</sup>
MM Graphia Izmir Karton sanayi ve ticaret anonim sirketi, Izmir (TUR)	TRY	24,613	100.00 %	FC <sup>1)</sup>	MM Graphia Izmir Karton sanayi ve ticaret anonim sirketi, Izmir (TUR)	TRY	24,613	100.00 %	FC <sup>1)</sup>
MM Graphia Trier GmbH, Trier (DEU)	EUR	3,500	100.00 %	FC <sup>1)</sup>	MM Graphia Trier GmbH, Trier (DEU)	EUR	3,500	100.00 %	FC <sup>1)</sup>
MM Gravure Trier GmbH, Trier (DEU)	EUR	7,000	100.00 %	FC <sup>1)</sup>	MM Gravure Trier GmbH, Trier (DEU)	EUR	7,000	100.00 %	FC <sup>1)</sup>
MM Innovaprint GmbH, Bielefeld (DEU)	EUR	500	100.00 %	FC <sup>1)</sup>	MM Innovaprint GmbH, Bielefeld (DEU)	EUR	500	100.00 %	FC <sup>1)</sup>
MM Labels Lublin Sp. z o. o., Lublin (POL)	PLN	34,078	100.00 %	FC <sup>1)</sup>	-	-	-	-	-
MM Lublin Sp.zo.o., Lublin (POL)	PLN	53,500	100.00 %	FC <sup>1)</sup>	MM Lublin Sp.zo.o., Lublin (POL)	PLN	53,500	100.00 %	FC <sup>1)</sup>
MM Nekicesa S.L.U., Madrid (ESP)	EUR	18,881	100.00 %	FC <sup>1)</sup>	MM Nekicesa S.L.U., Madrid (ESP)	EUR	18,881	100.00 %	FC <sup>1)</sup>
MM Neupack GmbH, Reichenau/Rax (AUT)	EUR	1,820	100.00 %	FC <sup>1)</sup>	MM Neupack GmbH, Reichenau/Rax (AUT)	EUR	1,820	100.00 %	FC <sup>1)</sup>
MM Newport Ltd., Bradford (GBR)	GBP	1,231	100.00 %	FC <sup>1)</sup>	MM Newport Ltd., Bradford (GBR)	GBP	1,231	100.00 %	FC <sup>1)</sup>
MM Packaging Behrens GmbH, Alfeld (Leine) (DEU)	EUR	3,000	100.00 %	FC <sup>1)</sup>	MM Packaging Behrens GmbH, Alfeld (Leine) (DEU)	EUR	3,000	100.00 %	FC <sup>1)</sup>
MM Packaging Beteiligungs- und Verwaltungs GmbH, Bielefeld (DEU)	EUR	500	100.00 %	FC <sup>1)</sup>	MM Packaging Beteiligungs- und Verwaltungs GmbH, Bielefeld (DEU)	EUR	500	100.00 %	FC <sup>1)</sup>
MM Packaging Caesar GmbH, Traben-Trarbach (DEU)	EUR	3,000	100.00 %	FC <sup>1)</sup>	MM Packaging Caesar GmbH, Traben-Trarbach (DEU)	EUR	3,000	100.00 %	FC <sup>1)</sup>
MM Packaging Colombia S.A.S., Santiago de Cali (COL)	COP	84,000,000	100.00 %	FC <sup>1)</sup>	MM Packaging Colombia S.A.S., Santiago de Cali (COL)	COP	84,000,000	100.00 %	FC <sup>1)</sup>
MM Packaging Deeside Limited, Deeside (GBR)	GBP	9,700	100.00 %	FC <sup>1)</sup>	MM Packaging Deeside Limited, Deeside (GBR)	GBP	9,700	100.00 %	FC <sup>1)</sup>
MM Packaging Deutschland GmbH, Bielefeld (DEU)	EUR	26	100.00 %	FC <sup>1)</sup>	MM Packaging Deutschland GmbH, Bielefeld (DEU)	EUR	26	100.00 %	FC <sup>1)</sup>
MM PACKAGING GmbH, Vienna (AUT)	EUR	5,000	100.00 %	FC <sup>1)</sup>	MM PACKAGING GmbH, Vienna (AUT)	EUR	5,000	100.00 %	FC <sup>1)</sup>
MM PACKAGING France S.A.S., Monéteau (FRA)	EUR	7,289	100.00 %	FC <sup>1)</sup>	MM PACKAGING France S.A.S., Monéteau (FRA)	EUR	7,289	100.00 %	FC <sup>1)</sup>
MM Packaging Italy S.r.l., Podenzano (ITA)	EUR	3,000	100.00 %	FC <sup>1)</sup>	MM Packaging Italy S.r.l., Podenzano (ITA)	EUR	3,000	100.00 %	FC <sup>1)</sup>
MM Packaging Leeuwarden B.V., Leeuwarden (NLD)	EUR	18	100.00 %	FC <sup>1)</sup>	MM Packaging Leeuwarden B.V., Leeuwarden (NLD)	EUR	18	100.00 %	FC <sup>1)</sup>
MM Packaging Polska Sp.zo.o., Bydgoszcz (POL)	PLN	71,500	100.00 %	FC <sup>1)</sup>	MM Packaging Polska Sp.zo.o., Bydgoszcz (POL)	PLN	71,500	100.00 %	FC <sup>1)</sup>
MM Packaging Puerto Rico Inc., Guaynabo (PRI)	USD	1	100.00 %	FC <sup>1)</sup>	MM Packaging Puerto Rico Inc., Guaynabo (PRI)	USD	1	100.00 %	FC <sup>1)</sup>
MM Packaging Romania S.R.L., Blejoi (ROU)	RON	5,504	100.00 %	FC <sup>1)</sup>	MM Packaging Romania S.R.L., Blejoi (ROU)	RON	5,504	100.00 %	FC <sup>1)</sup>

2023					2022				
Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation	Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation
MM Packaging Sarreguemines S.A.R.L., Sarreguemines (FRA)	EUR	4,115	100.00 %	FC <sup>1)</sup>	MM Packaging Sarreguemines S.A.R.L., Sarreguemines (FRA)	EUR	4,115	100.00 %	FC <sup>1)</sup>
MM Packaging Schilling GmbH, Heilbronn (DEU)	EUR	2,500	100.00 %	FC <sup>1)</sup>	MM Packaging Schilling GmbH, Heilbronn (DEU)	EUR	2,500	100.00 %	FC <sup>1)</sup>
MM Packaging & Securing Solutions Limited, Bradford (GBR)	GBP	70,149	100.00 %	FC <sup>1)</sup>	MM Packaging & Securing Solutions Limited, Bradford (GBR)	GBP	70,149	100.00 %	FC <sup>1)</sup>
MM Packaging UK Limited, Bradford (GBR)	GBP	139,391	100.00 %	FC <sup>1)</sup>	MM Packaging UK Limited, Bradford (GBR)	GBP	139,391	100.00 %	FC <sup>1)</sup>
MM Packaging Ukraine LLC, Cherkassy (UKR)	UAH	56,896	100.00 %	FC <sup>1)</sup>	MM Packaging Ukraine LLC, Cherkassy (UKR)	UAH	56,896	100.00 %	FC <sup>1)</sup>
MM Packaging Vidon Limited Liability Company, Ho Chi Minh City (VNM)	VND	280,000,000	100.00 %	FC <sup>1)</sup>	MM Packaging Vidon Limited Liability Company, Ho Chi Minh City (VNM)	VND	280,000,000	100.00 %	FC <sup>1)</sup>
MM Premium Vienna GmbH, Vienna (AUT)	EUR	3,050	100.00 %	FC <sup>1)</sup>	MM Premium Vienna GmbH, Vienna (AUT)	EUR	3,050	100.00 %	FC <sup>1)</sup>
MM Packaging US Inc., Wilmington (USA)	USD	5	100.00 %	FC <sup>1)</sup>	MM Packaging US Inc., Wilmington (USA)	USD	5	100.00 %	FC <sup>1)</sup>
MM Wolfen GmbH, Bitterfeld-Wolfen OT Wolfen (DEU)	EUR	25	100.00 %	FC <sup>1)</sup>	MM Wolfen GmbH, Bitterfeld-Wolfen OT Wolfen (DEU)	EUR	25	100.00 %	FC <sup>1)</sup>
MMP Neupack Polska Sp.z.o.o., Bydgoszcz (POL)	PLN	28,700	100.00 %	FC <sup>1)</sup>	MMP Neupack Polska Sp.z.o.o., Bydgoszcz (POL)	PLN	28,700	100.00 %	FC <sup>1)</sup>
MMP Packetis SAS, Chazelles (FRA)	EUR	1,677	100.00 %	FC <sup>1)</sup>	MMP Packetis SAS, Chazelles (FRA)	EUR	1,677	100.00 %	FC <sup>1)</sup>
MMP Premium Polska Sp.z.o.o., Bydgoszcz (POL)	PLN	26,000	100.00 %	FC <sup>1)</sup>	MMP Premium Polska Sp.z.o.o., Bydgoszcz (POL)	PLN	26,000	100.00 %	FC <sup>1)</sup>
MMP Premium Printing Center GmbH, Trier (DEU)	EUR	500	100.00 %	FC <sup>1)</sup>	MMP Premium Printing Center GmbH, Trier (DEU)	EUR	500	100.00 %	FC <sup>1)</sup>
MMP Premium SAS, Ancenis (FRA)	EUR	6,686	100.00 %	FC <sup>1)</sup>	MMP Premium SAS, Ancenis (FRA)	EUR	6,686	100.00 %	FC <sup>1)</sup>
MPC Besitzgesellschaft mbH, Traun (AUT)	EUR	3,700	100.00 %	FC <sup>1)</sup>	MPC Besitzgesellschaft mbH, Traun (AUT)	EUR	3,700	100.00 %	FC <sup>1)</sup>
PacProject GmbH, Hamburg (DEU)	EUR	26	100.00 %	FC <sup>1)</sup>	PacProject GmbH, Hamburg (DEU)	EUR	26	100.00 %	FC <sup>1)</sup>
Private Joint Stock Company "Graphia Ukraina", Cherkassy (UKR)	UAH	5,880	94.78 %	FC <sup>1)</sup>	Private Joint Stock Company "Graphia Ukraina", Cherkassy (UKR)	UAH	5,880	94.78 %	FC <sup>1)</sup>
Société Tunisienne des Emballages Modernes, Tunis (TUN)	TND	9,640	45.00 %	EC <sup>3)</sup>	Société Tunisienne des Emballages Modernes, Tunis (TUN)	TND	9,640	45.00 %	EC <sup>3)</sup>

2023					2022				
Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation	Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation
Superpak Ambalaj sanayi ve ticaret anonim sirketi, Izmir (TUR)	TRY	116,331	100.00 %	FC <sup>1)</sup>	Superpak Ambalaj sanayi ve ticaret anonim sirketi, Izmir (TUR)	TRY	116,331	100.00 %	FC <sup>1)</sup>
TANN ARGENTINA S.A., Buenos Aires (ARG)	ARS	12	100.00 %	NC <sup>4)</sup>	TANN ARGENTINA S.A., Buenos Aires (ARG)	ARS	12	100.00 %	NC <sup>4)</sup>
Tann Beteiligungs GmbH, Traun (AUT)	EUR	35	100.00 %	FC <sup>1)</sup>	Tann Beteiligungs GmbH, Traun (AUT)	EUR	35	100.00 %	FC <sup>1)</sup>
TANN Colombiana S.A.S. i.l., La Ceja/Medellin (COL)	COP	351,000	100.00 %	FC <sup>1)</sup>	TANN Colombiana S.A.S. i.l., La Ceja/Medellin (COL)	COP	351,000	100.00 %	FC <sup>1)</sup>
TANN GERMANY GmbH, Glinde (DEU)	EUR	512	100.00 %	FC <sup>1)</sup>	TANN GERMANY GmbH, Glinde (DEU)	EUR	512	100.00 %	FC <sup>1)</sup>
TANN Holding GmbH, Traun (AUT)	EUR	70	100.00 %	FC <sup>1)</sup>	TANN Holding GmbH, Traun (AUT)	EUR	70	100.00 %	FC <sup>1)</sup>
TANN Invest GmbH, Traun (AUT)	EUR	35	100.00 %	FC <sup>1)</sup>	TANN Invest GmbH, Traun (AUT)	EUR	35	100.00 %	FC <sup>1)</sup>
TANN Longyou Ltd., Longyou (Zhejiang) (CHN)	CNY	97,245	95.69 %	FC <sup>1)</sup>	TANN Longyou Ltd., Longyou (Zhejiang) (CHN)	CNY	97,245	95.69 %	FC <sup>1)</sup>
TANN PAPER Limited, Woodstock (New Brunswick) (CAN)	CAD	600	100.00 %	FC <sup>1)</sup>	TANN PAPER Limited, Woodstock (New Brunswick) (CAN)	CAD	600	100.00 %	FC <sup>1)</sup>
TANN Philippines, Inc., Santo Tomas (Batangas) (PHL)	PHP	470,000	100.00 %	FC <sup>1)</sup>	TANN Philippines, Inc., Santo Tomas (Batangas) (PHL)	PHP	470,000	100.00 %	FC <sup>1)</sup>
TANN Service GmbH, Traun (AUT)	EUR	35	100.00 %	FC <sup>1)</sup>	TANN Service GmbH, Traun (AUT)	EUR	35	100.00 %	FC <sup>1)</sup>
TANN Shanghai Co., Ltd., Shanghai (CHN)	CNY	31,522	51.00 %	FC <sup>1)</sup>	TANN Shanghai Co., Ltd., Shanghai (CHN)	CNY	31,522	51.00 %	FC <sup>1)</sup>
TANNPAPIER GmbH, Traun (AUT)	EUR	1,000	100.00 %	FC <sup>1)</sup>	TANNPAPIER GmbH, Traun (AUT)	EUR	1,000	100.00 %	FC <sup>1)</sup>
TBG Development Philippines, Inc., Makati City (Metro Manila) (PHL)	PHP	53,320	100.00 %	FC <sup>1)</sup>	TBG Development Philippines, Inc., Makati City (Metro Manila) (PHL)	PHP	53,320	100.00 %	FC <sup>1)</sup>
VTV Verpackungstechnische Verfahren GmbH, Kaiserslautern (DEU)	EUR	200	100.00 %	FC <sup>1)</sup>	VTV Verpackungstechnische Verfahren GmbH, Kaiserslautern (DEU)	EUR	200	100.00 %	FC <sup>1)</sup>
Zhejiang TF Special Papers Co., Ltd., Quzhou City (CHN)	CNY	50,000	40.00 %	EC <sup>3)</sup>	Zhejiang TF Special Papers Co., Ltd., Quzhou City (CHN)	CNY	50,000	40.00 %	EC <sup>3)</sup>

The voting rights are equal to the ownership interests. The parent company does not hold any preferred interests in the subsidiary.

<sup>1)</sup> FC ... fully consolidated company

<sup>2)</sup> NE ... joint venture or associated company, but not consolidated at equity due to immateriality

<sup>3)</sup> EC ... consolidated at equity

<sup>4)</sup> NC ... not consolidated due to immateriality

## 34 BOARD MEMBERS

During the financial year 2023, the Board Members were as follows:

### **Management Board**

Peter Oswald (Chairman)

Franz Hiesinger (Member of the Management Board)

### **Supervisory Board**

Wolfgang Eder (Chairman since April 26, 2023)

Rainer Zellner (Chairman until April 26, 2023)

Nikolaus Ankershofen (1<sup>st</sup> Deputy Chairman)

Johannes Goess-Saurau (2<sup>nd</sup> Deputy Chairman)

Alexander Leeb (Member of the Supervisory Board)

Georg Mayr-Melnhof (Member of the Supervisory Board)

Ferdinand Mayr-Melnhof-Saurau (Member of the Supervisory Board)

Klaus Rabel (Member of the Supervisory Board)

Andreas Hemmer (Employee Representative)

Gerhard Novotny (Employee Representative)

Vienna, March 11, 2024

### **The Management Board**

Peter Oswald m. p.

Franz Hiesinger m. p.

# Auditor's Report

## Report on the Consolidated Financial Statements

### Audit Opinion

We have audited the consolidated financial statements of Mayr-Melnhof Karton Aktiengesellschaft, Vienna, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2023, the consolidated income statement, the consolidated comprehensive income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year then ended, and the notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as at December 31, 2023, and of its financial performance and cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs) and the additional regulations of section 245a Austrian Company Code.

### Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 (hereinafter EU Regulation) and Austrian Generally Accepted Standards on Auditing. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with Austrian Generally Accepted Accounting Principles and professional requirements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of the auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the financial year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have structured key audit matters as follows:

- Description
- Audit approach and key observations
- Reference to related disclosures



## 1. Recoverability of goodwill of the operating segments MM Board & Paper and MM Packaging as well as recoverability of the carrying amounts of the cash generating units or group of assets

### Description

Under the item “intangible assets including goodwill”, the consolidated financial statements of Mayr-Melnhof Karton Aktiengesellschaft, Vienna, include goodwill in the amount of thous. EUR 790,725, representing approximately 15.6 % of total assets of the Group. Thous. EUR 457,245 of this item relates to the MM Board & Paper goodwill, which particularly results from the acquisition of the production sites Koktamills (Finland) and Kwidzyn (Poland) in the financial year 2021, and thous. EUR 333,480 relates to the MM Packaging goodwill, which particularly results from the acquisition of Essentra Packaging in this financial year 2022. In order to determine a potential need for impairment, management performs a mandatory impairment test of goodwill each year at the reporting date or if there is any indication that an asset may be impaired. Moreover, the consolidated financial statements as at December 31, 2023 include other intangible assets in the amount of thous. EUR 257,021 and property, plant and equipment in the amount of thous. EUR 2,056,030. In case of any indications in this regard pursuant to IAS 36, management evaluates whether the carrying amounts of a cash generating unit may be impaired.

The impairment of goodwill is tested at the level of the respective operating segment MM Board & Paper or MM Packaging to which the goodwill pertains. In the course of the impairments test an impairment loss on goodwill is recognised if the carrying amount of the operating segment as cash generating unit exceeds the respective recoverable amount. Moreover, an impairment loss is recognised to the extent that the carrying amount of the asset, the group of assets or the cash generating unit exceeds the recoverable amount. The recoverable amount of an asset, a group of assets or a cash generating unit is the higher of the value in use and the fair value less cost of disposal. When evaluating whether there are any indications for impairment, external and internal sources of information are to be taken into account. In doing so, expectations regarding the future market development, assumptions regarding the development of macroeconomic factors as well as the expected development of costs of raw materials (especially wood, recovered paper), the cost of energy and the impact of the climate change on the business activities in the segment are also taken into account. The Group determines the value in use by means of a discounted cash flow method (DCF method). In addition to forecasts of future cash flows (Free Cash Flows) before tax, particularly the capitalisation rate (WACC) is also to be classified as such that it requires significant discretionary decisions. Discounting is made based on the weighted average capital costs of the operating segments or the cash generating unit of the operating segment.

As already slight changes in the capitalisation rate or in future cash flows may have a significant impact on the recoverable amount, there are major estimation uncertainties with regard to the determination of the value in use and thus the recoverable amount of the goodwill, the group of assets or the carrying amount of the cash generating units. In case there are any indications for a potential need for impairment and the value in use is below the carrying amount of the asset, a group of assets or a cash generating unit, management determines the fair value less cost of disposal of the asset, the group of assets or the cash generating unit together with external independent experts, allocating a calculated impairment at the level of the cash generating unit to the assets pertaining to it up to a maximum of their respective fair value less cost of disposal.

In the financial year 2023, no impairment of goodwill was recognised on the basis of impairment tests of goodwill at segment level. In the financial year 2023, no impairment of carrying amounts was recognised on the basis of impairment tests of cash generating units.

Valuation of the recoverable amount is complex, requires relevant expertise and depends on significant assumptions and discretionary decisions made by management to a considerable extent. For the consolidated financial statements, there is the risk that the valuation assumptions serving as a basis for the impairment test – in case the recoverable amounts of the assets, the group of assets or the cash generating unit are not determined appropriately – may result in an unidentified impairment not recognised in the consolidated balance sheet.

### **Audit approach and key observations**

We examined the indications for a possible impairment observed by the Management Board and checked whether there were any indications that the cash generating units identified in this process are at risk and may be impaired.

In the course of our audit and by partially involving our valuation specialists we verified among others the methodical approach in identifying indications for a need for impairment and in performing the impairment test. Moreover, we ascertained the appropriateness of the significant assumptions and input parameters made with regard to the planned development of future cash flows before tax as well as the valuation of the values in use and, where relevant, the fair values less cost of disposal, and evaluated whether all relevant internal and external sources of information were taken into account by management. The future expected cash flows were derived from the budget for 2024 of the segments MM Board & Paper and MM Packaging which was adopted by management and approved by the Supervisory Board. In addition, we evaluated the appropriateness of the calculation especially by reconciliation with general and industry-specific market expectations. In this context, we also verified the Management Boards' estimates regarding the development of revenue and profit margin, working capital development, investment levels and the potential impact of climate change and verified their consideration in determining the future cash flows. Knowing that already slight changes in the discount rate may have a significant impact on the recoverable amount determined in this way, we assessed these changes and how they were derived both with regard to the individual assumptions and parameters based on company-specific information, historical data, available market data and considering a critical overall evaluation and discussed them with management. We checked the valuation models used in determining the values in use for mathematical accuracy and consistency with the valuation principles of the relevant IFRS regulations.

To take into account the existing forecast uncertainties, we verified the sensitivity analyses prepared by management. In doing so, we noted that, considering the information available, the goodwill of the operating segments MM Board & Paper and MM Packaging as well as the carrying amounts of the cash generating units were sufficiently covered by the discounted future cash flows.

Finally, we evaluated whether the disclosures in the notes to the consolidated financial statements on the recoverability of goodwill and of the carrying amounts of the cash generating units are complete and adequate. The carrying amounts of goodwill and of the cash generating units that were identified by management for impairment testing are complete and adequate. The significant assumptions and discretionary decisions made in this context are plausible and within a reasonable range. The disclosures in the notes to the consolidated financial statements as at December 31, 2023 with regard to the recoverability of goodwill and of the carrying amounts of the cash generating units are complete and proper.

**Reference to related disclosures**

Related disclosures with regard to this key audit matter are to be found in the notes to the consolidated financial statements as at December 31, 2023 under note 6 – “Development of fixed assets” in section 6.1 – “Property, plant and equipment including leases”, section 6.2 – “Intangible assets including goodwill” and in section 6.3 – “Recoverability of non-current assets”.

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the management report for the Group and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements**

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs) and the additional regulations of section 245a Austrian Company Code, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is 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 for the Audit of the Consolidated Financial Statements**

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 opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation and with Austrian Generally Accepted Standards on Auditing, which require the application of ISAs, will always detect a material misstatement when it exists. Misstatements can arise 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 the EU Regulation and with Austrian Generally Accepted Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

**In addition, the following applies:**

We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the 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.

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 exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained 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 disclosures, 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 or 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 with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with all relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, on measures taken to eliminate identified threats or on applied safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

#### **Comments on the Management Report for the Group**

Pursuant to Austrian Generally Accepted Accounting Principles, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report for the Group in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian standards on auditing for the audit of the management report for the Group.

#### **Opinion**

In our opinion, the management report for the Group was prepared in accordance with the applicable legal regulations, comprising the details in accordance with section 243a of the Austrian Company Act, and is consistent with the consolidated financial statements.

#### **Statement**

Based on the findings during the audit of the consolidated financial statements and due to the obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

**Additional Information in Accordance with Article 10 of the EU Regulation**

We were elected as statutory auditor at the ordinary general meeting dated April 26, 2023 and subsequently appointed by the Supervisory Board. We have audited the Company since the financial year 2019.

We confirm that the audit opinion in the “Report on the Consolidated Financial Statements” section is consistent with the additional report to the Audit Committee referred to in Article 11 of the EU Regulation.

We declare that no prohibited non-audit services (Article 5 para. 1 of the EU Regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

**Responsible Engagement Partner**

Responsible for the proper performance of the engagement is Mr. Frédéric Vilain, Austrian Certified Public Accountant.

Vienna, March 11, 2024

**PwC Wirtschaftsprüfung GmbH**

Frédéric Vilain m. p.  
Austrian Certified Public Accountant

*This report is a translation of the original report in German, which is solely valid. Publication and sharing with third parties of the consolidated financial statements together with our auditor’s report is only allowed if the consolidated financial statements and the management report for the Group are identical with the German audited version. This auditor’s report is only applicable to the German and complete consolidated financial statements with the management report for the Group. For deviating versions, the provisions of section 281 para. 2 Austrian Commercial Code (UGB) apply.*

*We draw attention to the fact that the English translation of this auditor’s report according to section 274 of the Austrian Commercial Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.*

# Lagebericht

## GEM. § 243 UGB DER MAYR-MELNHOF KARTON AKTIENGESELLSCHAFT ÜBER DAS GESCHÄFTSJAHR VON 1. JÄNNER 2023 BIS 31. DEZEMBER 2023

Die Mayr-Melnhof Karton Aktiengesellschaft ist die geschäftsleitende Holdinggesellschaft des Mayr-Melnhof Konzerns, der in zwei operativen Segmenten geführt wird: MM Board & Paper und MM Packaging.

MM Board & Paper produziert und vermarktet ein vielfältiges Angebot an Karton- und Papierprodukten für ein breites Einsatzspektrum im Verpackungs- und Food-Service-Bereich auf Basis von Recycling- und Frischfasern. Anwendungsschwerpunkte sind Food & Specialities sowie der Premiumbereich (Pharma & Healthcare, Beauty & Personal Care etc.). Kraftpapiere werden insbesondere an die Lebensmittel-/Gastronomiebranche und die Laminatindustrie verkauft, ungestrichene Feinpapiere vor allem an Papier-/Bürobedarfshändler. MM Packaging verarbeitet Karton zu Faltschachteln und deckt bei Verpackungen für Konsumgüter des täglichen Bedarfs ein breites Branchenportfolio in den beiden Hauptmärkten Food & Specialities und Premium ab. Das hoch spezialisierte Premiumgeschäft umfasst die Bereiche Pharma, Healthcare, Beauty, Personal Care, Cigarette und Luxury. Die von der Gesellschaft wahrgenommenen Führungs- und Steuerungsaufgaben umfassen die Bereiche Strategie, Investitionen, Rechnungswesen, Controlling, Steuern, Finanz- und Risikomanagement, Investor Relations, Qualitätswesen, Einkauf, Informationstechnologie und Human Resources.

### 1 GESCHÄFTSVERLAUF UND LAGE DES UNTERNEHMENS IN 2023

#### 1.1 Branchenentwicklung

Die Nachfrage auf den europäischen Karton- und Papiermärkten bewegte sich nach einem signifikanten Einbruch im 4. Quartal des Vorjahres im Verlauf 2023 auf tiefem Niveau mit Marktrückgängen von ca. 20 % in einzelnen Produktgruppen. Neben anhaltendem Lagerabbau entlang der Supply Chain waren die schwache Wirtschaftslage in Europa, sowie Änderungen im Konsumverhalten infolge der hohen Inflation wesentliche Einflussfaktoren. Darüber hinaus trugen der Wegfall des russischen Marktes sowie schwache bzw. wettbewerbsintensive außereuropäische Märkte dazu bei, dass die Kapazitätsauslastung in der europäischen Branche signifikant zurückging und der Preisdruck sowohl bei Frischfaserkarton als auch bei Recyclingkarton erheblich zunahm. Demgegenüber verzeichneten die Faltschachtelmärkte, je nach Endmarkt, eine noch insgesamt heterogene Entwicklung. Sinkende Kaufkraft führte vor allem im Lebensmittelbereich zu einem Trend hin zu günstigeren Handelsmarken, welche zum Teil häufiger in Kunststoff verpackt sind.

Auf den Beschaffungsmärkten lagen die Einkaufspreise für Strom und Gas wieder deutlich unter 2022, jedoch immer noch über dem Niveau der Vorjahre. Die Preise für Altpapier und Zellstoff waren vor allem im 1. Halbjahr rückläufig und zeigten danach wieder eine Aufwärtsbewegung.

Das Jahr 2023 war weiter durch eine Konsolidierung auf Anbieterseite geprägt, aber auch durch die Bestätigung künftiger Kapazitätserweiterungen, vor allem bei Frischfaserkarton in Skandinavien, welche eine Herausforderung darstellen werden. Im Bereich Recyclingkarton konzentrierten sich die Kapazitätserweiterungen im Wesentlichen auf die Modernisierung der MM Kartonwerke Frohnleiten, Kolicveo und Neuss. Wie bisher ist die europäische Anbieterstruktur im Faltschachtelbereich

durch starke Fragmentierung gekennzeichnet. Insgesamt haben die herausfordernden Rahmenbedingungen den Druck auf strukturell kleinere Unternehmen der Karton- und Faltschachtelindustrie erhöht.

## 1.2 Geschäftsverlauf 2023 in den Divisionen

### MM Board & Paper

Eine bisher einzigartige Verschlechterung des Marktumfeldes mit Nachfragerückgängen von ca. 20 % in einzelnen Produktgruppen kennzeichnete die europäische Karton- und Papierindustrie nach dem Rekordjahr 2022. Nach dem starken Einbruch, welcher bereits im 4. Quartal 2022 einsetzte, zeichnete sich in der 2. Jahreshälfte eine Bodenbildung ab. Das inflationsbedingt gedämpfte und geänderte Einkaufsverhalten der Konsumenten sowie der Abbau hoher Lagerstände in der Supply Chain waren wesentliche Gründe für den deutlichen Rückgang der Marktnachfrage gegenüber dem Vorjahr. Darüber hinaus wurde diese historisch beispiellose Situation durch den Wegfall des russischen Marktes sowie schwache bzw. wettbewerbsintensive Überseemärkte verstärkt. Der durchschnittliche Auftragsstand der Division lag bei 156.000 Tonnen nach 233.000 Tonnen im Jahr zuvor.

Entsprechend der Marktlage passte MM, wie auch die Gesamtindustrie, die Produktion durch Abstellmaßnahmen in einem bisher einzigartigen Ausmaß an die reduzierte Nachfrage an. Gleichzeitig setzte MM Board & Paper ein umfassendes Modernisierungsprogramm zur Steigerung der Wettbewerbsfähigkeit bei Recyclingkarton durch effizientere, nachhaltigere sowie innovativere Produktlösungen und Prozesse um. Daher verzeichnete MM Board & Paper in den Kartonwerken Frohnleiten, Kolicveo und Neuss auch längere investitionsbedingte Stillstände, wobei letzterer rund drei Monate dauerte.

Aufgrund hoher bestehender Marktkapazitäten hat sich der Preisdruck im Jahresverlauf massiv verstärkt. Dem standen niedrigere Energie- und Faserkosten sowie die positiven Effekte des implementierten Profit & Cash Protection-Planes gegenüber, welche den Ergebnisdruck aus dem Mengen- und Preisverfall nur teilweise kompensieren konnten.

Die Produktion lag mit 1.945.000 Tonnen 20,1 % unter dem Vorjahreswert (2022: 2.433.000 Tonnen). Davon entfielen 1.472.000 Tonnen (76 %) auf Karton (2022: 1.851.000 Tonnen bzw. 76 %) und 473.000 Tonnen (24 %) auf Papiere (2022: 582.000 Tonnen bzw. 24 %). Bezogen auf den durchschnittlichen Mitarbeiterstand wurden 421 Tonnen (2022: 520 Tonnen) pro Mitarbeiter:in erzeugt. Der Absatz verminderte sich analog zur Produktion um 18,5 % auf 1.948.000 Tonnen (2022: 2.389.000 Tonnen).

Die Umsatzerlöse lagen mit 1.919,1 Mio. EUR mengen- und preisbedingt um 30,2 % bzw. 830,9 Mio. EUR unter dem Vergleichswert (2022: 2.750,0 Mio. EUR) und verteilten sich konstant zum Vorjahr zu 92 % auf Europa, zu 1 % auf Amerika und zu 7 % auf die übrige Welt (2022: 92 %; 1 %; 7 %).

MM Packaging war mit einem Lieferanteil von rund 16 % bzw. 234.000 Tonnen Karton (2022: 15 % bzw. 264.000 Tonnen) unverändert größter Kunde von MM Board & Paper.

Das bereinigte betriebliche Ergebnis lag bei -19,8 Mio. EUR (2022: 405,6 Mio. EUR). Die Operating Margin belief sich auf -1,0 % (2022: 14,7 %), der Return on Capital Employed auf -1,1 % (2022: 24 %). Das bereinigte EBITDA erreichte 92,7 Mio. EUR (2022: 511,1 Mio. EUR). Der Cash Flow aus der Geschäftstätigkeit stieg im Zuge der Working Capital Optimierung auf 291,6 Mio. EUR nach 244,4 Mio. EUR im Jahr zuvor.



### **Reduktion der strategischen Investition und Erhöhung des Anteiles erneuerbarer Energien bei MM Kwidzyn, Polen**

Aufgrund nicht wettbewerbsfähiger Holzpreise des polnischen Staatsforste Monopols und deutlich reduzierter Marktnachfrage bei Papier- und Kartonprodukten wurde beschlossen, das geplante mehrjährige strategische Investitionsprojekt bei MM Kwidzyn mit Schwerpunkten auf Energie, weiterer Zellstoffintegration und Produktportfolio, welches Ende April 2023 angekündigt wurde, deutlich zu reduzieren. MM Kwidzyn wird stattdessen die Investitionen darauf konzentrieren, seinen bereits hohen Anteil an erneuerbaren Energien von derzeit 65 % noch weiter zu erhöhen. Darüber hinaus wurden die kleine Papiermaschine (PM3) für Verpackungskraftpapiere stillgelegt und die Produktion von „IPACK™ Strong Pro“ auf die PM1 und PM2 konzentriert.

### MM Packaging

Auf dem europäischen Faltschachtelmarkt zeigte sich die Nachfrageentwicklung in 2023 insgesamt heterogen. Angesichts des Abbaus hoher Lagerbestände in der Lieferkette, sinkender Kaufkraft der Verbraucher und einem Trend zu preiswerteren Handelsmarken, die häufiger in Plastik verpackt werden, verzeichnete vor allem das Faltschachtelgeschäft im Lebensmittelsektor seit Jahresbeginn einen Rückgang. In der Folge war es notwendig, an einzelnen Standorten Schichten anzupassen. Im Gegensatz dazu zeigte unser Geschäft im Premiumsegment eine insgesamt stabilere Entwicklung, obwohl auch hier in einigen Märkten ein Rückgang der Auftragseingänge zu verzeichnen war.

Das erfreuliche Wachstum von MM Packaging gegenüber dem Vorjahr resultierte großteils aus der Einbeziehung der Akquisitionen des Vorjahres im Bereich Pharmaverpackung, welcher der Verkauf der Standorte in Russland gegenüberstand.

Die Integration der Ex-Essentra Packagingstandorte konnte erfolgreich umgesetzt werden. Optimierungen bei Qualität, Service und Produktivität sowie notwendige Investitionen, Restrukturierungen und die Hebung von Synergien befinden sich auf dem richtigen Weg, wodurch ein Ergebnis über Plan erzielt werden konnte

Strukturelle Anpassungen im Bestandsgeschäft betrafen im Berichtsjahr insbesondere einen Verpackungsstandort in Deutschland, woraus Einmalaufwendungen in Höhe von rund 14 Mio. EUR resultierten.

MM Packaging konzentriert sich im aktuellen Marktumfeld darauf einerseits zusätzliche Mengen zur Sicherstellung der Auslastung der Werke zu gewinnen, und andererseits im Rahmen des konzernweiten Profit & Cash Protection-Planes weitere Kosteneinsparungen und Working Capital Abbau zu realisieren.

Die Umsatzerlöse stiegen vor allem akquisitionsbedingt um 12,1 % auf 2.431,1 Mio. EUR (2022: 2.168,7 Mio. EUR). Diese entfielen zu 70 % auf Europa, zu 15 % auf Amerika sowie zu 15 % auf die übrige Welt (2022: 67 %; 10 %; 23 %). MM Packaging beliefert in verschiedenen Konsumgüterbranchen rund 2.100 Kunden. Die Hauptmärkte sind Food, Pharma & Healthcare sowie Premium & Specialities, wobei Letztere die Märkte Home Care, Personal Care, Beauty, Cigarette, Luxury, E-Commerce und Electronics umfasst. Infolge der hohen Konzentration in den Abnehmerindustrien entfällt ein bedeutender Anteil des Geschäftes auf multinationale Großkunden, sodass in 2023 mit den Top-Fünf-Kunden rund 29 % (2022: 35 %) der Umsatzerlöse erwirtschaftet wurden.

Das bereinigte betriebliche Ergebnis lag mit 249,0 Mio. EUR um 92,2 Mio. EUR über dem Vorjahreswert (2022: 156,8 Mio. EUR). Sowohl im aktuellen Jahr als auch im Vorjahr waren Einmalaufwendungen für strukturelle Maßnahmen enthalten. Die Operating Margin erhöhte sich auf 10,2 % (2022: 7,2 %), das bereinigte EBITDA auf 357,5 Mio. EUR (2022: 257,9 Mio. EUR). Der Return on Capital Employed betrug 14,9 % (2022: 10,8 %), der Cash Flow aus der Geschäftstätigkeit erreichte 494,6 Mio. EUR nach 55,3 Mio. EUR in 2022.

Die produzierte Menge lag mit 3.984 Millionen m<sup>2</sup> leicht unter dem Vorjahresniveau (2022: 4.056 Millionen m<sup>2</sup>).

### 1.3 Geschäftsverlauf der Gesellschaft im Jahr 2023

Im Geschäftsjahr 2023 verzeichnete die Gesellschaft verglichen zum Vorjahr geringere Beteiligungserträge, denen die Dividendenzahlung für 2023 gegenüberstand.

Der Geschäftsverlauf der Gesellschaft war vor allem durch die Ausübung der Holdingfunktionen sowie der Verwaltung der Anteile an verbundenen Unternehmen gekennzeichnet.

### 1.4 Finanzielle Leistungsindikatoren

(in EUR)	2023	2022
Finanzergebnis	171.736.603,44	328.643.040,43
Umsatzerlöse	7.399.788,56	39.462.609,39
Betriebsergebnis	(5.461.848,58)	(38.555.602,13)
Cash Earnings	152.707.167,19	295.291.181,47
Eigenkapitalausstattung	31,31 %	33,62 %
Netto-Geldfluss aus laufender Geschäftstätigkeit	158.662.483,80	299.108.652,45
Netto-Geldfluss aus der Investitionstätigkeit	(386.884.740,27)	14.071.171,42
Netto-Geldfluss aus der Finanzierungstätigkeit	156.000.000,00	245.000.000,00

### 1.5 Nichtfinanzielle Leistungsindikatoren

#### Personal

Die Gesellschaft beschäftigt keine Arbeitnehmer.

#### Umweltbelange

Kreislaufwirtschaft ist durch unsere Konzentration auf Karton- und Papierprodukte, die vorwiegend unter Einsatz nachwachsender Rohstoffe erzeugt und nach dem Gebrauch stofflich wieder vollständig verwertet werden, bereits lange immanenter Teil unserer Tätigkeit. Daher sind wir bestrebt, in der aktuellen Verpackungsdiskussion durch verstärkte Innovation und nachhaltige Investitionstätigkeit im Konzern mit kompetitiven Lösungen aus Karton und Papier neue Möglichkeiten für die Substitution von Kunststoffen zu bieten und attraktives Zukunftspotenzial für MM zu schaffen.

Grundlage der nachhaltigen Ausrichtung der MM Gruppe bilden unsere strategische Positionierung als Marktführer auf Basis von Technologie- und Innovationsführerschaft sowie die Wohlverhaltensregeln unseres Unternehmenskodex (Code of Conduct), welche u. a. auch die universellen Prinzipien des UN Global Compact in den Bereichen Arbeitsnormen, Menschenrechte, Umweltschutz und Korruptionsbekämpfung miteinschließen. Laufende Zielsetzungen und Ressourcenallokationen im Konzern folgen dieser Ausrichtung.

Im aktuellen Trend hin zu nachhaltigen Verpackungsformen ist Kartonverpackung infolge der hohen Kreislauffähigkeit und natürlichen Erneuerung der Faserstoffe sehr gut positioniert.

## 1.6 Zweigniederlassungen

Die Gesellschaft betreibt keine Zweigniederlassungen.

## 2 DIE VORAUSSICHTLICHE ENTWICKLUNG UND DIE RISIKEN DES UNTERNEHMENS

### 2.1 Voraussichtliche Entwicklung des Unternehmens in 2024

Dieser Ausblick entspricht den Einschätzungen des Vorstandes zum 11. März 2024 und berücksichtigt keine Auswirkungen von Akquisitionen, Veräußerungen oder anderen strukturellen Änderungen innerhalb des Jahres 2024. Die vorangegangenen und nachfolgenden vorausblickenden Aussagen unterliegen sowohl bekannten als auch unbekanntem Risiken und Unsicherheiten, die dazu führen können, dass die tatsächlichen Ereignisse von den hier getroffenen Aussagen abweichen können.

Im stark umkämpften europäischen Karton- und Papiersektor ist für MM Board & Paper aktuell ein positiver Volumentrend erkennbar, gleichzeitig hält jedoch der Druck auf die Margen an. Obwohl der Lagerabbau in der Supply Chain weitgehend abgeschlossen ist, erwarten wir aufgrund der schwachen Wirtschaftslage in Europa und weiterhin verhaltener Verbraucherausgaben nur eine langsame Marktbelebung. Angesichts der gleichzeitig schwierigen Rahmenbedingungen auf den außereuropäischen Exportmärkten ist von anhaltendem Überangebot und gedämpfter Auslastung in Europa auszugehen.

Der Druck, die Wettbewerbsfähigkeit zu steigern, nimmt dadurch stetig zu. Dies gilt auch für MM Packaging, obwohl dieser Bereich aufgrund der breiten Aufstellung eine insgesamt höhere Resilienz aufweist. Vor diesem Hintergrund wird unser Profit & Cash Protection-Programm in 2024 konsequent weiterverfolgt und durch gezielte strukturelle Anpassungsmaßnahmen ergänzt. Jüngste Erhöhungen der Herstellungskosten sollen über entsprechende Preisanpassungen weitergegeben werden.

Das für 2024 erwartete Investitionsvolumen von rund 300 Mio. EUR, welches Überläufe aus dem Vorjahr enthält, wird sich auf selektive Projekte zur Steigerung der Wettbewerbsstärke konzentrieren.

MM ist mit nachhaltigeren und innovativen Verpackungslösungen sowie der in den letzten Jahren signifikant optimierten Anlagenbasis und soliden Finanzierung sehr gut aufgestellt, auch die anhaltend herausfordernde Marktsituation erfolgreich zu meistern.

## 2.2 Wesentliche Risiken und Ungewissheiten

Die Gesellschaft ist als geschäftsleitende Holding mit einer Anzahl von Risiken konfrontiert, die ein systematisches und kontinuierliches Risikomanagement erforderlich machen. Zu den Finanzinstrumenten, die in der Gesellschaft in bestimmten Fällen eine Konzentration des Finanzrisikos verursachen können, zählen vor allem liquide Mittel, Wertpapiere und Forderungen aus Beteiligungserträgen. Die Risiken und ihre potenziellen Auswirkungen werden im Rahmen des Risikomanagements erhoben, analysiert und auf Basis der definierten Risikopolitik bewältigt. Ziel ist es, die im Rahmen unserer Tätigkeit entstehenden potenziellen Risiken frühzeitig zu identifizieren, zu bewerten, ihre Folgen abzuschätzen und geeignete Vorsorge- und Sicherungsmaßnahmen einzuleiten.

Finanzinstrumente sind auf Vertrag basierende wirtschaftliche Vorgänge, die einen Anspruch auf Zahlungsmittel beinhalten. Dabei unterscheidet man einerseits originäre Finanzinstrumente wie liquide Mittel, Wertpapiere, Forderungen und Verbindlichkeiten aus Lieferungen und Leistungen oder auch Finanzforderungen und Finanzverbindlichkeiten. Andererseits gehören hierzu auch die derivativen Finanzinstrumente, die als Sicherungsgeschäfte zur Absicherung gegen Risiken aus Änderungen von Währungskursen eingesetzt werden.

Ein aktives Cash- und Credit-Management stellt sicher, dass ausreichend Liquidität (eigene Mittel bzw. jederzeit ausnutzbare Kreditlinien) verfügbar ist, um eingegangene Verbindlichkeiten zu begleichen. Die Einhaltung der Covenants aus aufgenommenen Schuldscheindarlehen, Namensschuldverschreibungen und Darlehen wird zur Risikominimierung regelmäßig überwacht.

Die Forderungen aus Lieferungen und Leistungen bestehen ausschließlich gegenüber verbundenen Unternehmen. Für diese wurden daher keine Kundenkreditversicherungen abgeschlossen.

Die sonstigen Forderungen bestehen im Wesentlichen gegenüber verbundenen Unternehmen und resultieren großteils aus konzerninternen Cash Pool-Vereinbarungen. Im Hinblick auf die wirtschaftliche Situation wird das Risiko als gering angesehen, da sich die verbundenen Unternehmen jederzeit am Markt refinanzieren können.

Für unser Geschäft können zusätzlich zu den aufgeführten Risiken weitere Risiken bestehen. Zum gegenwärtigen Zeitpunkt sind solche Risiken nicht bekannt oder werden diese von uns für vernachlässigbar gehalten.

Die Gesamteinschätzung der Risikosituation der Gesellschaft weist keine bestandsgefährdenden Elemente auf. Derartige Risiken sind auch im kommenden Geschäftsjahr nicht zu erwarten.

### 3 FORSCHUNG UND ENTWICKLUNG

Die Gesellschaft selbst betreibt keine Forschung und Entwicklung. Die nachfolgenden Ausführungen beziehen sich auf den Mayr-Melnhof Konzern.

Die Forschungs- und Entwicklungstätigkeiten der MM Gruppe sind darauf ausgerichtet, durch innovative und nachhaltigere Lösungen die Wettbewerbs- und Wachstumsfähigkeit des Konzerns langfristig zu stärken und abzusichern. Dabei haben wir den Anspruch, Markt- und Zukunftstrends frühzeitig zu erkennen und für unsere Kunden sowie die gesamte Gruppe wertbringend zu nutzen. Damit dies langfristig gelingt, greifen wir auf ein breites Spektrum an Ressourcen in und außerhalb unserer Organisation zurück, motivieren, damit sich Neues entwickeln kann, und investieren kontinuierlich in die Zukunft von MM.

Antrieb unserer Innovationsleistungen ist einerseits der Anspruch auf kontinuierliche Produkt- und Prozessoptimierungen, andererseits die rasche Umsetzung von Lösungen aufgrund sich ändernder Rahmenbedingungen. Darüber hinaus wollen wir neue Geschäftsfelder und Zielanwendungen erschließen. Produktinnovationen werden stets unter Berücksichtigung möglicher Risiken für die Produktsicherheit sowie unter Nutzung der Potenziale entwickelt bzw. umgesetzt.

#### **Moderner Innovationsprozess**

Mit unserer langjährigen Erfahrung in der Entwicklung innovativer Produkte und dem Know-how in der Gestaltung von Innovationsprozessen arbeiten wir kontinuierlich daran, unsere strategischen Wachstums- und Nachhaltigkeitsziele zu erreichen. Ein verantwortungsvoller Umgang mit Rohstoffen und die Bereitschaft, den Status quo infrage zu stellen, sind dabei die Grundpfeiler unseres Ansatzes.

Sämtliche Produktentwicklungen von MM durchlaufen einen vordefinierten und kontinuierlich verbesserten Prozess. Dieser beginnt mit der Ideenfindung und führt unter Einbindung der Expert:innen unserer Fachabteilungen über die Bewertung und technische Produktentwicklung bis hin zur Markteinführung.

Wir sind davon überzeugt, dass Innovationskraft durch Vielfalt und die Kombination unterschiedlicher Potenziale entsteht. Offenheit gegenüber neuen Ideen und die Bereitschaft zum Dialog sind wesentliche Bestandteile unserer Innovationskultur. Deshalb binden wir Stakeholder wie Kunden, Lieferanten, Endverbraucher und Forschungspartner frühzeitig in unseren Innovationsprozess ein. So erhalten wir eine differenzierte Sicht auf Problemstellungen und auf die spezifischen Anforderungen, wie modernste technologische Funktionalität, Qualität, Sicherheit und Nachhaltigkeit, die unsere Produkte erfüllen müssen. Dies ermöglicht es, neue Erkenntnisse und Lösungen direkt in unsere Produktentwicklung einfließen zu lassen und die Bedürfnisse unserer Kunden in den Mittelpunkt unseres Handelns zu stellen. Wir erforschen neue Konzepte für Lebensmittelverpackungen und evaluieren kontinuierlich neue Technologien für unsere zukünftigen Karton- und Papierprodukte.

Zur Gewährleistung von Qualität und Sicherheit setzen wir auf externe Zertifizierungen. Sie sind ein wichtiger Nachweis für Kunden und Endnutzer, dass unsere Produktinnovationen nachhaltiger, sozial verträglich und gesundheitlich unbedenklich sind. Darüber hinaus dienen sie zur Bescheinigung der rechtlichen Konformität im Bereich Produktsicherheit. Das regelmäßige Überprüfen sowohl bestehender Produkte als auch innovativer Lösungen auf Einhaltung der Zertifizierungskriterien gewährleistet gleichzeitig eine strenge, auch nach außen sichtbare Qualitätssicherung.

Unsere Kooperationen mit externen Partnern wie Universitäten, Forschungseinrichtungen und Start-ups haben wir auch im Jahr 2023 fortgesetzt. Die anwendungsorientierte Grundlagenforschung zur Behandlung von Holzfasern, der Einsatz alternativer bzw. modifizierter Faserrohstoffe und die Nutzung biobasierter Materialien als Ersatz für fossile Rohstoffe sind die Hauptfelder der Zusammenarbeit.

Unternehmensintern gibt die Plattform „we.invent“ allen Mitarbeiter:innen die Möglichkeit, sich mit eigenen Ideen einzubringen, unabhängig davon, in welchem Land oder Bereich sie tätig sind. Die Beiträge werden anhand eines klar definierten Kriterienkataloges in einem Stage-Gate-Prozess bewertet und zur Umsetzung ausgewählt.

### **Nachhaltigkeit im Fokus der Entwicklungs- und Innovationstätigkeit**

Sowohl der Klimawandel als auch die Corona-Pandemie machen deutlich, dass Sicherheit und Wohlstand davon abhängen, wie wir Gemeingüter, wie Klimastabilität und öffentliche Gesundheit, langfristig erhalten: Die Gesellschaft und die Wirtschaft müssen widerstandsfähig, nachhaltig und klimafreundlich gestaltet werden. Vor diesem Hintergrund nimmt die Bedeutung von Karton und Papier als umweltfreundliche Verpackung zu. Zielsetzung von MM ist es, die Chance zu nutzen, Kunden bei der Substitution von Kunststoff durch innovative, aber auch bewährte Lösungen aus Papier und Karton zu unterstützen. Dadurch folgen wir auch dem aktuell prägenden Trend zu nachhaltigen Verpackungen mit natürlichem Auftritt und hoher Convenience und Sicherheit sowie perfekter Integration in den Onlinevertrieb.

### **Fortschreitende Automatisierung im Konzern**

Mit dem Ziel, zusätzliche Wettbewerbsvorteile zu schaffen, wird die Automatisierung von Arbeitsabläufen und Logistikprozessen in beiden Divisionen kontinuierlich vorangetrieben. Bereits bei der Anschaffung neuer Maschinen werden die einzelnen Standorte bei der Optimierung der Produktionsprozesse zentral unterstützt. Dies reicht von der Maschinenkonfiguration über die Installation bis hin zur Inbetriebnahme und Abnahme der Maschinen. Bei der Umsetzung zukunftsorientierter Automatisierungskonzepte stehen bei MM derzeit die Reduzierung von Stillstandszeiten sowie die Erhöhung der Flexibilität im Fokus.

## **3.1 Innovationstätigkeit 2023 in der Division MM Board & Paper**

Das Forschungs- und Entwicklungszentrum von MM Board & Paper am Standort Frohnleiten arbeitet gemeinsam mit den F&E-Kapazitäten am Standort MM Kotkamills sowie externen Forschungseinrichtungen an der Umsetzung grundlegender Erkenntnisse im Kontext von Wissenschaft und Produktion.

Zu den Innovationsschwerpunkten im Jahr 2023 gehörte die Entwicklung und Erweiterung innovativer Dispersionsbarrieren für verschiedene Verpackungsanwendungen. Diese Beschichtungen können Fettbeständigkeit, Feuchtigkeitsschutz sowie Heißsiegeleigenschaften bieten. Sie ermöglichen den Einsatz von Karton als Verpackungsmaterial für verschiedenste flüssige, gekühlte, gefrorene und/oder fetthaltige Lebensmittel. Unsere Barriereentwicklungen erfüllen den Bedarf unserer Kunden an nachhaltigen und recycelbaren Verpackungen und ergänzen unsere laufenden Bemühungen, Kunststoff zu ersetzen.

Darüber hinaus spielten inkrementelle Produktentwicklungen wie die Erweiterung des Flächengewichtsbereiches und die weitere Optimierung der technischen Werte eine wichtige Rolle im Jahr 2023.

Der in 2023 neu eingeführte hartgeleimte Frischfaserkarton ALASKA® BARRIER GREASE aus dem Werk Kotkamills mit erstklassiger Fettbeständigkeit und gutem Feuchtigkeitsschutz wurde speziell für gekühlte, gefrorene und trockene Lebensmittel sowie für Foodservice-Anwendungen konzipiert und leistet einen wichtigen Beitrag in der Vermeidung von Kunststoff. Es ist eine nachhaltigere und kostengünstigere Alternative zur PE-Beschichtung und wird mit einer wasserbasierten Dispersionsbarriere ohne fluorierte Polymere hergestellt und verfügt über hervorragende Bedruckbarkeit und beste Veredelungseigenschaften.

Eine weitere Produktneuheit ist MCM Brown, ein Recyclingkarton aus dem Werk Frohnleiten, der über eine natürliche braune Rückseite für ein natürliches und authentisches Erscheinungsbild verfügt, während sein hoher Weißgrad auf der Vorderseite lebendige Druckergebnisse ermöglicht. Dadurch eignet er sich für eine Vielzahl von Anwendungsbereichen wie Lebensmittel, Kosmetika, Körperpflege, Waschmittel und viele weitere Non-Food-Produkte. Darüber hinaus ist MCM Brown für den direkten Kontakt mit trockenen Lebensmitteln zertifiziert und bietet hervorragenden Produktschutz.

## 3.2 Innovationstätigkeit 2023 in der Division MM Packaging

### **MM Packaging Innovationsnetzwerk**

Die Innovations-Matrixorganisation von MM Packaging stellt sicher, dass das gesamte technische Know-how der MM Gruppe effizient und zielgerichtet für die Bedürfnisse und Anforderungen unserer Kunden eingesetzt werden kann. Es setzt sich aus folgenden Einheiten zusammen: aus PacProject, dem kreativen Innovationszentrum in Hamburg, dem Premium Printing Center in Trier sowie dem Technical Account Management-Team, das gezielte Kundenbriefings mit den lokalen Packaging Development-Centern und einzelnen Werken koordiniert, sowie dem Forschungs- und Entwicklungszentrum der Tann-Gruppe. Unser Divisional Technical Support-Team und die Packaging Development-Centers begleiten unsere Kunden insbesondere auch hinsichtlich technischer Ausrichtung und Ausstattung, um innovative Verpackungskonzepte und -designs umzusetzen.

Bei PacProject in Hamburg werden in enger Abstimmung mit dem Kunden Konzeptstudien bis hin zu ersten Prototypen erstellt. In Zusammenarbeit mit dem Technical Account Management-Team werden bereits in dieser Phase erste Machbarkeitsanalysen durchgeführt. Im Premium Printing Center in Trier kommen hoch innovative Technologien zur Anwendung, um Verpackungsdesigns mit außergewöhnlichen Effekten in kürzester Zeit zu realisieren. Die Nachfrage unserer Kunden nach „E-Trainings/Learning“ hat im Bereich Innovation stark zugenommen. Deshalb bieten wir maßgeschneiderte Trendworkshops, Ideenworkshops und technische Trainings an.

Mit der Expansion des Geschäftsfeldes Pharma & Healthcare wurde auch die Innovationsstruktur der Division erweitert. Die Einrichtung eines XBU Innovationsteams (Cross Business Unit Innovation Team), welches sich aus den Innovation Directors der einzelnen Geschäftsfelder und dem Leiter von PacProject zusammensetzt, stellt durch regelmäßigen Best Practice-Austausch sicher, dass der wachsende Kundenanspruch in Bezug auf Innovation langfristig sichergestellt werden kann. Die Kooperation der einzelnen Business Units dient dazu, Bereiche und Technologien zu identifizieren, in denen eine Zusammenarbeit sinnvoll ist und Synergieeffekte erzielt werden können. Damit einher geht auch eine enge Zusammenarbeit mit MM Board & Paper im Bereich Innovation.

Zielsetzung ist es, durch die Fokussierung auf nachhaltigere, kunden- und marktorientierte Innovationen, MM in den Augen unserer Kunden als Innovationsführer zu differenzieren und als bevorzugten Lieferanten zu positionieren.

### **Aktuelle Innovationsschwerpunkte**

Die Innovationstätigkeit von MM Packaging konzentrierte sich im Jahr 2023 insbesondere auf die Themen Nachhaltigkeit und Fälschungssicherheit. In diesem Zusammenhang wurde in Zusammenarbeit mit Kunden, Fachhochschulen und Forschungsinstituten an der Optimierung von wiederverwertbaren Verpackungen und der Entwicklung neuer Produkte gearbeitet.



„GreenPeel“, eine neue nachhaltigere Alternative aus Karton für Lebensmittelschalen mit deutlich reduziertem Kunststoffanteil wurde in 2023 am Markt eingeführt, und eignet sich für zahlreiche Anwendungen wie Fertiggerichte, Snacks, Fisch und Fleisch. „MM Moulded Pulp“, ein neuer Schwerpunkt im Bereich der faserbasierten und plastikfreien Verpackungen kann als Einlage für Kosmetikprodukte oder Behälter für Lebensmittel verwendet werden. Im Bereich Technologien richten wir einen besonderen Fokus auf Investitionen in den Maschinenpark zur Steigerung von Effizienz und Flexibilität.

#### **Auszeichnungen für innovative und nachhaltigere Lösungen**

MM Packaging und MM Board & Paper erhielten bei den European Carton Excellence Awards (ECEA) gemeinsam den „Gold Award“ für eine kunstvoll inszenierte Parfumverpackung. Die aus ALASKA® WHITE produzierte und von MM Packaging verarbeitete Verpackung überzeugte die Jury durch das natürliche Weiß des Frischfaserkartons und das ausgezeichnete Verpackungsdesign mittels zweifacher Heißfolierung.

Der Award für „General Packaging, Recycled Fibre“ wurde für eine innovative Verpackungslösung aus Karton für auflösbare Liquid-Pods verliehen, die nicht nur eine hervorragende Alternative zu den ursprünglichen Kunststoffbehältern darstellt, sondern darüber hinaus auch die Komplexität in der Lieferkette reduziert und mit dem integrierten kindersicheren Verschluss Nachhaltigkeit und Funktionalität perfekt kombiniert.

Ferner durfte sich MM Board & Paper bei drei Verpackungslösungen aus Karton über mehrere Auszeichnungen freuen. In den Kategorien „Food & Drink Packaging, Recycled Fibre“ der ECEA und „Food“ von WorldStar gewann der funktionale Beutelverschluss aus Browncolor, der als nachhaltigere Lösung für die sichere und hygienische Zustellung von Essenslieferungen entwickelt wurde und durch die Möglichkeit, ihn äußerst flach zu verpacken, Logistikkosten und CO<sub>2</sub> einspart. Eine Gin-Verpackung aus ALASKA® STRONG erhielt „Gold“-Auszeichnungen von der deutschen Fachzeitschrift „Lebensmittel Praxis“ und der ECEA sowie eine Auszeichnung von WorldStar. Die Verpackungslösung schützt zuverlässig vor Beschädigungen und verleiht dem Produkt durch ein ausgeklügeltes Design gleichzeitig einen auffallenden Rahmen am Point of sale.

Mit dem Projekt „Aufreißbänder auf Papierbasis“ konnte MM Packaging den German Innovation Award in der Kategorie „Excellence in Business to Business/Logistics & Infrastructure“ für sich entscheiden. Die Lösung aus einem starken Papier mit hoher Stabilität und geringer Dicke ist ein wesentlicher Schritt, um zukünftig Briefumschläge und Verpackungen zu 100 % plastikfrei herstellen zu können und wurde bereits mehrfach prämiert.

#### 4 DIE WESENTLICHEN MERKMALE DES INTERNEN KONTROLL- UND DES RISIKO-MANAGEMENTSYSTEMS IM HINBLICK AUF DEN RECHNUNGSLEGUNGSPROZESS

Der Vorstand ist für die Einrichtung und Ausgestaltung eines angemessenen internen Kontroll- und Risikomanagementsystems im Hinblick auf den Rechnungslegungsprozess sowie die Finanzberichterstattung und die Aufstellung des Konzernabschlusses verantwortlich. Dieses gewährleistet die Vollständigkeit, Zuverlässigkeit und Nachvollziehbarkeit von Finanzinformationen. Darüber hinaus werden die Zweckmäßigkeit und Wirtschaftlichkeit der Prozesse sowie die Einhaltung der gesetzlichen, vertraglichen und internen Regelungen sichergestellt.

Der Rechnungslegungsprozess umfasst dabei alle wesentlichen Arbeitsschritte, die gewährleisten, dass die rechnungslegungsrelevanten Informationen vollständig, richtig und zeitgerecht erfasst und verarbeitet werden und die Abbildung in der Finanzberichterstattung den jeweils anzuwendenden Rechnungslegungsstandards entspricht.

In der Aufbau- und Ablauforganisation sind klare und eindeutige Verantwortungen bezogen auf die Einzelgesellschaften und den Konzern vorgegeben. Den zentralen Funktionsbereichen „Group Accounting“ sowie „Planning and Reporting“ obliegen dabei die Ausgestaltung einheitlicher Konzernrichtlinien auf dem neuesten fachlichen Stand sowie die Organisation und Kontrolle der Finanzberichterstattung im Konzern.

Die Berichterstattung an Vorstand und Aufsichtsrat erfolgt regelmäßig, umfassend und zeitnah. Die Übereinstimmung mit konzerninternen Richtlinien und Verfahren für die Erfassung, Verbuchung und Bilanzierung von Geschäftsfällen wird kontinuierlich kontrolliert. Die eingesetzten Datenverarbeitungssysteme werden gezielt weiterentwickelt und laufend optimiert. Der Rechnungslegungsprozess und die Finanzberichterstattung werden regelmäßig auf mögliche Risiken geprüft. Verbesserungsmaßnahmen werden schnellstmöglich eingeleitet und rasch umgesetzt. Schwerpunktprüfungen sowie Prüfungen der lokalen Standorte und zentralen Prozesse erfolgen durch Wirtschaftsprüfer und interne Revision. Eine Vielzahl von Maßnahmen wie Weiterbildung, Reviews und konzernweit abgestimmte Handlungsweisen stellen sicher, dass die Bilanzierung des Konzerns unter konformer Anwendung der IFRS erfolgt.

## 5 ANGABEN ZU KAPITAL-, ANTEILS-, STIMM- UND KONTROLLRECHTEN UND DAMIT VERBUNDENEN VERPFLICHTUNGEN

### **Zusammensetzung des Kapitals, Aktiengattungen**

Es wird auf die Anhangangabe 3.7 verwiesen.

### **Beschränkungen hinsichtlich der Stimmrechte bzw. der Übertragung von Aktien**

Rund 58 % der Aktien werden von den Kernaktionärsfamilien in einem Syndikat gehalten. Es besteht ein Syndikatsvertrag, welcher die Übertragbarkeit der Aktien innerhalb des Syndikates und nach außen regelt. Angelegenheiten, die die Hauptversammlung betreffen, beschließt das Syndikat mit 65 % der Stimmen, gemessen an der Gesamtzahl der abgegebenen Syndikatsstimmen. Änderungen des Syndikatsvertrages (betreffend Veränderung der Stimmrechte, Änderung des Syndikatszwecks oder –gegenstandes, Begründung oder Entzug von Sonderrechten) bedürfen der Einstimmigkeit, gemessen an der Gesamtzahl aller Syndikatsstimmen.

### **Direkte oder indirekte Beteiligungen am Kapital, die zumindest 10 vom Hundert betragen**

Nach den der Gesellschaft bekannt gegebenen Informationen bestanden per Jahresende 2023 folgende Beteiligungen von mindestens 10 Prozent am Kapital:

MMS Mayr-Melnhof-Saurau Beteiligungsverwaltung KG  
CAMA Privatstiftung

### **Die Inhaber von Aktien mit besonderen Kontrollrechten und eine Beschreibung dieser Rechte**

Es bestehen keine Aktien mit besonderen Kontrollrechten.

### **Die Art der Stimmrechtskontrolle bei einer Kapitalbeteiligung der Arbeitnehmer, wenn sie das Stimmrecht nicht unmittelbar ausüben**

Es besteht kein derartiges Kapitalbeteiligungsmodell für Mitarbeiter.

### **Die sich nicht unmittelbar aus dem Gesetz ergebenden Bestimmungen über die Ernennung und Abberufung der Mitglieder des Vorstandes und des Aufsichtsrates und über die Änderung der Satzung der Gesellschaft**

Es bestehen keine Bestimmungen dieser Art.

### **Die sich nicht unmittelbar aus dem Gesetz ergebenden Befugnisse der Mitglieder des Vorstandes, insbesondere hinsichtlich der Möglichkeit, Aktien auszugeben oder zurückzukaufen**

Es bestehen keine Befugnisse dieser Art.

### **Alle bedeutenden Vereinbarungen, an denen die Gesellschaft beteiligt ist und die bei einem Kontrollwechsel in der Gesellschaft infolge eines Übernahmeangebotes wirksam werden, sich ändern oder enden, sowie ihre Wirkungen; ausgenommen hiervon sind Vereinbarungen, deren Bekanntmachung der Gesellschaft erheblich schaden würde, es sei denn, die Gesellschaft ist zur Bekanntgabe derartiger Informationen aufgrund anderer Rechtsvorschriften ausdrücklich verpflichtet**

Es wird von der Schutzklausel hinsichtlich der Bekanntgabe Gebrauch gemacht. Die Größenordnung des betroffenen Geschäftes ist als überschaubar einzustufen.

### **Bestand und wesentlicher Inhalt von Entschädigungsvereinbarungen zwischen der Gesellschaft und ihren Vorstands- und Aufsichtsratsmitgliedern oder Arbeitnehmern für den Fall eines öffentlichen Übernahmeangebotes**

Es bestehen keine Vereinbarungen dieser Art.

Wien, am 11. März 2024

**Der Vorstand**

Mayr-Melnhof Karton Aktiengesellschaft

MMag. Peter OSWALD e.h.

Mag. Franz HIESINGER e.h.

# Bilanz

AKTIVA (in EUR)	Stand 31. Dez. 2023	Stand 31. Dez. 2022	PASSIVA (in EUR)	Stand 31. Dez. 2023	Stand 31. Dez. 2022
<b>A. ANLAGEVERMÖGEN</b>			<b>A. EIGENKAPITAL</b>		
I. Immaterielle Vermögensgegenstände			I. Eingefordertes und einbezahltes Grundkapital	80.000.000,00	80.000.000,00
1. Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Vorteile sowie daraus abgeleitete Lizenzen	10.588,32	12.353,04	II. Kapitalrücklagen		
			1. Gebundene Kapitalrücklagen	172.658.448,08	172.658.448,08
II. Sachanlagen			III. Gewinnrücklagen		
1. Grundstücke, grundstücksgleiche Rechte und Bauten, einschließlich der Bauten auf fremdem Grund	1.550.763,40	1.614.948,12	1. Andere Rücklagen (freie Rücklagen)	549.462.091,17	430.394.872,52
2. Andere Anlagen, Betriebs- und Geschäftsausstattung	235.693,41	338.579,59	IV. Bilanzgewinn	100.000.000,00	150.000.000,00
	<b>1.786.456,81</b>	<b>1.953.527,71</b>	<i>davon Gewinnvortrag EUR 66.000.000,00 (2022: EUR 60.000.000,00)</i>	<b>902.120.539,25</b>	<b>833.053.320,60</b>
III. Finanzanlagen			<b>B. RÜCKSTELLUNGEN</b>		
1. Anteile an verbundenen Unternehmen	304.066.939,31	304.066.939,31	1. Rückstellungen für Pensionen	813.442,89	748.894,00
2. Ausleihungen an verbundene Unternehmen	1.587.392.800,00	1.200.574.000,00	2. Steuerrückstellungen	7.744.467,23	5.550.272,63
<i>davon mit einer Restlaufzeit von mehr als einem Jahr EUR 1.552.894.175,00 (2022: EUR 1.199.574.000,00)</i>			3. Sonstige Rückstellungen	6.439.691,69	12.869.985,07
3. Beteiligungen	494.917,78	494.917,78		<b>14.997.601,81</b>	<b>19.169.151,70</b>
4. Wertpapiere (Wertrechte) des Anlagevermögens	601.984,00	4.348.124,98	<b>C. VERBINDLICHKEITEN</b>		
	<b>1.892.556.641,09</b>	<b>1.509.483.982,07</b>	<i>davon mit einer Restlaufzeit von bis zu einem Jahr EUR 352.571.487,04 (2022: EUR 185.768.988,50)</i>		
	<b>1.894.353.686,22</b>	<b>1.511.449.862,82</b>	<i>davon mit einer Restlaufzeit von mehr als einem Jahr EUR 1.611.874.780,00 (2022: EUR 1.440.000.000,00)</i>		
<b>B. UMLAUFVERMÖGEN</b>			1. Verbindlichkeiten gegenüber Kreditinstituten	1.680.000.000,00	1.440.000.000,00
I. Forderungen und sonstige Vermögensgegenstände			<i>davon mit einer Restlaufzeit von bis zu einem Jahr EUR 68.125.220,00 (2022: EUR 0,00)</i>		
1. Forderungen gegenüber verbundenen Unternehmen	462.734.318,02	849.817.441,17	<i>davon mit einer Restlaufzeit von mehr als einem Jahr EUR 1.611.874.780,00 (2022: EUR 1.440.000.000,00)</i>		
<i>davon mit einer Restlaufzeit von mehr als einem Jahr EUR 0,00 (2022: EUR 0,00)</i>			2. Verbindlichkeiten aus Lieferungen und Leistungen	203.524,97	159.780,78
2. Sonstige Forderungen und Vermögensgegenstände	10.577.118,58	26.102.278,53	<i>davon mit einer Restlaufzeit von bis zu einem Jahr EUR 203.524,97 (2022: EUR 159.780,78)</i>		
<i>davon mit einer Restlaufzeit von mehr als einem Jahr EUR 0,00 (2022: EUR 0,00)</i>			<i>davon mit einer Restlaufzeit von mehr als einem Jahr EUR 0,00 (2022: EUR 0,00)</i>		
3. Wertpapiere und Anteile			3. Verbindlichkeiten gegenüber verbundenen Unternehmen	268.569.179,98	167.512.195,92
a) sonstige Wertpapiere und Anteile	0,00	0,00	<i>davon mit einer Restlaufzeit von bis zu einem Jahr EUR 268.569.179,98 (2022: EUR 167.512.195,92)</i>		
	<b>473.311.436,60</b>	<b>875.919.719,70</b>	<i>davon mit einer Restlaufzeit von mehr als einem Jahr EUR 0,00 (2022: EUR 0,00)</i>		
II. Kassenbestand und Guthaben bei Kreditinstituten	510.164.557,42	86.920.390,83	4. Sonstige Verbindlichkeiten		
	<b>983.475.994,02</b>	<b>962.840.110,53</b>	<i>davon mit einer Restlaufzeit von bis zu einem Jahr EUR 15.673.562,09 (2022: EUR 18.097.011,80)</i>		
<b>C. RECHNUNGSABGRENZUNGSPOSTEN</b>	<b>3.032.262,97</b>	<b>3.472.529,82</b>	<i>davon mit einer Restlaufzeit von mehr als einem Jahr EUR 0,00 (2022: EUR 0,00)</i>		
<b>D. AKTIVE LATENTE STEUERN</b>	<b>702.464,89</b>	<b>228.957,63</b>	a) Steuern	5.868,21	11.757,45
			b) Soziale Sicherheit	6.344,15	29.234,60
			c) Übrige	15.661.349,73	18.056.019,75
				<b>15.673.562,09</b>	<b>18.097.011,80</b>
<b>SUMME AKTIVA</b>	<b>2.881.564.408,10</b>	<b>2.477.991.460,80</b>	<b>SUMME PASSIVA</b>	<b>2.881.564.408,10</b>	<b>2.477.991.460,80</b>

# Gewinn- und Verlustrechnung

(in EUR)	2023	2022
1. Erträge aus Beteiligungen		
a) Verbundene Unternehmen	101.100.000,00	321.190.000,00
b) Übrige	389.900,00	397.320,00
	<b>101.489.900,00</b>	<b>321.587.320,00</b>
2. Sonstige Zinsen und ähnliche Erträge		
a) Verbundene Unternehmen	113.039.626,41	31.622.714,90
b) Übrige	1.984.054,15	19.806,95
	<b>115.023.680,56</b>	<b>31.642.521,85</b>
3. Aufwendungen aus Finanzanlagen und aus Wertpapieren	(66.514,90)	0,00
4. Zinsen und ähnliche Aufwendungen		
a) verbundene Unternehmen	(6.202.240,23)	(1.109.748,23)
b) übrige	(38.508.221,99)	(23.477.053,19)
	<b>(44.710.462,22)</b>	<b>(24.586.801,42)</b>
<b>5. Zwischensumme aus Z 1 bis 4 (Finanzergebnis)</b>	<b>171.736.603,44</b>	<b>328.643.040,43</b>
6. Umsatzerlöse	7.399.788,56	39.462.609,39
7. Sonstige betriebliche Erträge		
a) Erträge aus dem Abgang vom Anlagevermögen mit Ausnahme der Finanzanlagen	0,00	10.131,65
b) Übrige	101.391,82	2.058.603,25
	<b>101.391,82</b>	<b>2.068.734,90</b>
8. Aufwendungen für Material und sonstige bezogene Herstellungsleistungen		
a) Aufwendungen für bezogene Leistungen	0,00	(42.466.248,79)
	<b>0,00</b>	<b>(42.466.248,79)</b>
9. Personalaufwand		
a) Gehälter	(4.191.132,74)	(12.580.684,25)
b) Soziale Aufwendungen	(2.040.200,72)	(1.366.731,59)
<i>davon Aufwendungen für Altersvorsorgen</i>	(1.410.766,07)	(396.986,56)
<i>aa) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeiterversorgungskassen</i>	(159.522,86)	(129.696,17)
<i>bb) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge</i>	(445.683,71)	(821.909,28)
<i>cc) Sonstige Sozialaufwendungen</i>	(24.228,08)	(18.139,58)
	<b>(6.231.333,46)</b>	<b>(13.947.415,84)</b>
10. Abschreibungen		
a) auf immaterielle Vermögensgegenstände und Sachanlagen	(113.455,80)	(121.995,21)
	<b>(113.455,80)</b>	<b>(121.995,21)</b>
11. Sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Steuern vom Einkommen und vom Ertrag fallen	(1.714,35)	(1.714,35)
b) Übrige	(6.616.525,35)	(23.549.572,23)
	<b>(6.618.239,70)</b>	<b>(23.551.286,58)</b>
<b>12. Zwischensumme aus Z 6 bis 11 (Betriebsergebnis)</b>	<b>(5.461.848,58)</b>	<b>(38.555.602,13)</b>
<b>13. Ergebnis vor Steuern (Zwischensumme aus Z 5 und Z 12)</b>	<b>166.274.754,86</b>	<b>290.087.438,30</b>
14. Steuern vom Einkommen und vom Ertrag	(13.207.536,21)	3.739.189,48
<i>davon latente Steuern EUR (473.507,26) (2022: EUR -1.342.559,82)</i>		
<b>15. Jahresüberschuss</b>	<b>153.067.218,65</b>	<b>293.826.627,78</b>
16. Zuweisung zu Gewinnrücklagen	(119.067.218,65)	(203.826.627,78)
<b>17. Jahresgewinn</b>	<b>34.000.000,00</b>	<b>90.000.000,00</b>
18. Gewinnvortrag aus dem Vorjahr	66.000.000,00	60.000.000,00
<b>19. Bilanzgewinn</b>	<b>100.000.000,00</b>	<b>150.000.000,00</b>

# Anhang

## DER MAYR-MELNHOF KARTON AKTIENGESELLSCHAFT FÜR DAS GESCHÄFTSJAHR VON 1. JÄNNER 2023 BIS 31. DEZEMBER 2023

### 1 ALLGEMEINE ERLÄUTERUNGEN

Der vorliegende Jahresabschluss wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung, Bilanzierung und der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln, aufgestellt. Die Bestimmungen des Unternehmensgesetzbuches in der zum Bilanzstichtag geltenden Fassung stellen die Grundlage dieses Jahresabschlusses dar.

Bei der Bilanzierung und Bewertung wurde den allgemein anerkannten Grundsätzen Rechnung getragen. Dabei wurden die in § 201 Abs. 2 UGB kodifizierten Grundsätze ordnungsmäßiger Buchführung ebenso beachtet wie die Gliederungs- und Bewertungsvorschriften für die Bilanz und die Gewinn- und Verlustrechnung der §§ 195 bis 211 und 222 bis 235 UGB.

Die im vorjährigen Jahresabschluss angewandten Bilanzierungs- und Bewertungsmethoden sowie der Ausweis gegenüber dem Vorjahr sind unverändert geblieben.

Die Gesellschaft ist Mutterunternehmen gemäß § 189a Z 6 UGB des Mayr-Melnhof Konzerns und stellt den Konzernabschluss für den größten und kleinsten Kreis der Unternehmen auf. Dieser Konzernabschluss wird in Wien beim Handelsgericht Wien hinterlegt.

Die rechtlichen und wirtschaftlichen Beziehungen zu verbundenen Unternehmen gemäß § 238 Abs. 1 Z 20 UGB werden nicht angegeben, da sie dem Unternehmen oder einem verbundenen Unternehmen einen erheblichen Nachteil zufügen würden.

Der Grundsatz der Vollständigkeit wurde bei der Erstellung des Jahresabschlusses eingehalten.

Bei der Bewertung der einzelnen Vermögensgegenstände und Schulden wurde der Grundsatz der Einzelbewertung beachtet und eine Fortführung des Unternehmens unterstellt.

Dem Vorsichtsprinzip wurde dadurch Rechnung getragen, dass nur die am Abschlussstichtag verwirklichten Gewinne ausgewiesen wurden. Alle erkennbaren Risiken und drohenden Verluste wurden berücksichtigt.

Schätzungen beruhen auf einer umsichtigen Beurteilung. Soweit statistisch ermittelbare Erfahrungen aus gleich gelagerten Sachverhalten vorhanden sind, hat das Unternehmen diese bei den Schätzungen berücksichtigt.

Die Gliederung der Gewinn- und Verlustrechnung wird nach dem Gesamtkostenverfahren aufgestellt und entsprechend der Holdingfunktion der Mayr-Melnhof Karton Aktiengesellschaft so dargestellt, dass der Finanzerfolg an den Anfang der Gewinn- und Verlustrechnung gestellt wird.

## 2 BILANZIERUNGS- UND BEWERTUNGSMETHODEN

### 2.1 Anlagevermögen

#### **Immaterielle Vermögensgegenstände**

Die Zugänge sind mit Anschaffungs- zuzüglich Anschaffungsnebenkosten bewertet.

Die unter diesem Posten ausgewiesenen Softwarelizenzen sind zu Anschaffungskosten bewertet und werden planmäßig auf 10 Jahre linear abgeschrieben.

#### **Sachanlagen**

Das Sachanlagevermögen ist mit Anschaffungs- zuzüglich Anschaffungsnebenkosten bewertet. Zinsen für Fremdkapital zur Finanzierung der Herstellung von Gegenständen des Anlagevermögens werden nicht aktiviert.

Die Ermittlung der planmäßigen Abschreibung erfolgt linear unter Anwendung folgender Nutzungsdauern:

Gebäude	10 - 40 Jahre
Andere Anlagen, Betriebs- und Geschäftsausstattung	3 - 10 Jahre

Geringwertige Vermögensgegenstände mit Einzelanschaffungskosten unter EUR 1.000,00 (2022: EUR 800,00) werden wie im Vorjahr gem. § 204 Abs. 1a UGB im Jahr ihrer Anschaffung oder Herstellung voll abgeschrieben.

Bei voraussichtlich dauernder Wertminderung werden Gegenstände des Anlagevermögens außerplanmäßig auf den niedrigeren beizulegenden Wert am Abschlussstichtag abgeschrieben. Sofern die dafür maßgeblichen Gründe nicht mehr bestehen, gilt die Verpflichtung, den Betrag der außerplanmäßigen Abschreibung im Umfang der Werterhöhung unter Berücksichtigung der Abschreibungen, die inzwischen vorzunehmen gewesen wären, zuzuschreiben. Im vorliegenden Jahresabschluss sind keine Beträge aus solchen Zuschreibungen enthalten.

#### **Finanzanlagen**

Die Anteile an verbundenen Unternehmen und die Beteiligungen sind zu Anschaffungskosten bewertet. Voraussichtlich dauerhafte und wesentliche Wertminderungen werden durch außerplanmäßige Abschreibungen berücksichtigt.

Als verbundene Unternehmen werden alle Tochterunternehmen bezeichnet, die von der Mayr-Melnhof Karton Aktiengesellschaft unmittelbar oder mittelbar beherrscht werden (§ 189 Z 7 und 8 UGB).

Ausleihungen sind zu Anschaffungskosten bewertet. Voraussichtlich dauerhafte und wesentliche Wertminderungen werden durch außerplanmäßige Abschreibungen berücksichtigt.

In den Wertpapieren (Wertrechte) des Anlagevermögens sind Ansprüche aus Rückdeckungsversicherungen aufgrund von Pensionszusagen enthalten. Der Ansatz dieser Ansprüche erfolgt mit dem Deckungskapital.

Die Gesellschaft hat eine Rückdeckungsversicherung für ihre Pensionsverpflichtung gegenüber den Begünstigten abgeschlossen. Die Ansprüche aus der Rückdeckungsversicherung wurden an die Anspruchsberechtigten verpfändet. Die Ansprüche wurden daher mit entsprechenden Gesamtpensionsverpflichtung saldiert



Bei Finanzanlagen, die keine Beteiligungen sind, erfolgt die Abschreibung auf den niedrigeren beizulegenden (Zeit-) Wert. Bei Finanzanlagen dürfen solche Abschreibungen auch vorgenommen werden, wenn die Wertminderung voraussichtlich nicht von Dauer ist. Sofern die Gründe für die außerplanmäßige Abschreibung nicht mehr bestehen, gilt die Verpflichtung, den Betrag der außerplanmäßigen Abschreibung im Umfang der Werterhöhung unter Berücksichtigung der Abschreibungen, die inzwischen vorzunehmen gewesen wären, zuzuschreiben. Im vorliegenden Jahresabschluss sind keine Beträge aus solchen Zuschreibungen enthalten.

## 2.2 Umlaufvermögen

Bei Gegenständen des Umlaufvermögens erfolgt gegebenenfalls eine Abschreibung, um sie mit dem niedrigeren beizulegenden Wert zum Abschlussstichtag anzusetzen. Sofern die Gründe für die Abschreibung nicht mehr bestehen, gilt die Verpflichtung, den Betrag der Abschreibung im Umfang der Werterhöhung zuzuschreiben. Im vorliegenden Jahresabschluss sind keine Beträge aus solchen Zuschreibungen enthalten.

### **Forderungen und sonstige Vermögensgegenstände**

Forderungen und sonstige Vermögensgegenstände sind mit dem Nennwert angesetzt. Erkennbare Einzelrisiken werden durch Wertberichtigungen berücksichtigt.

### **Wertpapiere und andere Anteile**

Wertpapiere und andere Anteile werden mit den Anschaffungskosten vermindert um allfällige Abschreibungen auf den niedrigeren beizulegenden Wert am Abschlussstichtag angesetzt.

## 2.3 Rückstellungen

Rückstellungen werden nach dem Grundsatz der unternehmerischen Vorsicht in Höhe des voraussichtlichen Erfüllungsbetrages gebildet, der bestmöglich geschätzt wurde.

Die Pensionsrückstellungen werden gemäß der Stellungnahme 27 des Austrian Financial Reporting and Auditing Committee (AFRAC) „Personalrückstellungen (UGB)“, Stand Juni 2022, bilanziert. Bei der Berechnung, die nach dem Anwartschaftsbarwertverfahren („Projected Unit Credit Method“) erfolgt, werden zukünftige Lohn- und Gehaltssteigerungen in Form einer langfristigen Prognose berücksichtigt. Der Zinssatz wird nach dem aktuellen langfristigen Zinssatz am Kapitalmarkt zum Bilanzstichtag bemessen.

Der Berechnung der Pensionsrückstellungen werden das frühestmögliche Anfallsalter für die (vorzeitige) Alterspension gemäß Pensionsreform 2004 (Budgetbegleitgesetz 2003) unter Berücksichtigung der Übergangsregelungen sowie die biometrischen Richttafeln AVÖ 2018-P „Angestellte“ – Rechnungsgrundlage für Pensionsversicherung (2022: AVÖ 2018-P „Angestellte“ – Rechnungsgrundlage für Pensionsversicherung) zugrunde gelegt. Für Vorstandsmitglieder wird ausschließlich auf die Dauer des Vorstandsmandats abgestellt.

Pensionszusagen, die durch verpfändete Rückdeckungsversicherungen gedeckt sind und für die die Gesellschaft wirtschaftlich somit kein Risiko trägt, werden in der Bilanz saldiert ausgewiesen.

Bei der Bilanzierung der Rückstellung für Pensionen, sowie der sonstigen langfristigen personenbezogenen Verpflichtungen wird vom Wahlrecht, die rechnungsmäßigen Zinsen im Finanzergebnis auszuweisen, Gebrauch gemacht.

## 2.4 Verbindlichkeiten

Die Verbindlichkeiten sind mit ihrem Erfüllungsbetrag angesetzt.

## 2.5 Währungsumrechnung

Fremdwährungsforderungen sowie die Zahlungsmittel in Fremdwährungen sind mit dem Anschaffungskurs bzw. dem niedrigeren Devisenkurs zum Bilanzstichtag bewertet worden.

Die Fremdwährungsverbindlichkeiten sind mit dem Anschaffungskurs bzw. dem höheren Devisenkurs zum Bilanzstichtag bewertet worden.

## 3 ERLÄUTERUNGEN ZU EINZELNEN POSTEN DER BILANZ UND GEWINN- UND VERLUSTRECHNUNG

## Bilanz

## 3.1 Anlagenspiegel gemäß § 226 UGB

(in EUR)	Anschaffungs- bzw. Herstellungskosten				Kumulierte Abschreibungen						
	Stand	Zugänge	Abgänge	Umbuchung	Stand	Stand	Zugänge	Abgänge	Stand	Buchwert	Buchwert
	01.01.2023	2023	2023	2023	31.12.2023	01.01.2023	2023	2023	31.12.2023	31.12.2023	31.12.2022
<b>I. Immaterielle Vermögensgegenstände</b>											
1. Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Vorteile sowie daraus abgeleitete Lizenzen	17.647,08	0,00	0,00	0,00	17.647,08	5.294,04	1.764,72	0,00	7.058,76	10.588,32	12.353,04
<b>Summe I</b>	<b>17.647,08</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>17.647,08</b>	<b>5.294,04</b>	<b>1.764,72</b>	<b>0,00</b>	<b>7.058,76</b>	<b>10.588,32</b>	<b>12.353,04</b>
<b>II. Sachanlagen</b>											
1. Grundstücke, grundstücksgleiche Rechte und Bauten, einschließlich der Bauten auf fremdem Grund											
a) Grundwert	577.352,82	0,00	0,00	0,00	577.352,82	0,00	0,00	0,00	0,00	577.352,82	577.352,82
b) Gebäudewert	2.659.935,45	0,00	0,00	0,00	2.659.935,45	1.622.340,15	64.184,72	0,00	1.686.524,87	973.410,58	1.037.595,30
2. Andere Anlagen, Betriebs- und Geschäftsausstattung <sup>1)</sup>	467.483,40	3.917,82	89.861,75	0,00	381.539,47	128.903,81	47.506,36	30.564,11	145.846,06	235.693,41	338.579,59
<b>Summe II</b>	<b>3.704.771,67</b>	<b>3.917,82</b>	<b>89.861,75</b>	<b>0,00</b>	<b>3.618.827,74</b>	<b>1.751.243,96</b>	<b>111.691,08</b>	<b>30.564,11</b>	<b>1.832.370,93</b>	<b>1.786.456,81</b>	<b>1.953.527,71</b>
<b>Summe I und II</b>	<b>3.722.418,75</b>	<b>3.917,82</b>	<b>89.861,75</b>	<b>0,00</b>	<b>3.636.474,82</b>	<b>1.756.538,00</b>	<b>113.455,80</b>	<b>30.564,11</b>	<b>1.839.429,69</b>	<b>1.797.045,13</b>	<b>1.965.880,75</b>
<b>III. Finanzanlagen</b>											
1. Anteile an verbundenen Unternehmen	304.066.939,31	0,00	0,00	0,00	304.066.939,31	0,00	0,00	0,00	0,00	304.066.939,31	304.066.939,31
2. Ausleihungen an verbundene Unternehmen	1.200.574.000,00	579.863.400,00	193.044.600,00	0,00	1.587.392.800,00	0,00	0,00	0,00	0,00	1.587.392.800,00	1.200.574.000,00
3. Beteiligungen	494.917,78	0,00	0,00	0,00	494.917,78	0,00	0,00	0,00	0,00	494.917,78	494.917,78
4. Wertpapiere (Wertrechte) des Anlagevermögens	4.348.124,98	625.068,04	4.390.164,00	18.954,98	601.984,00	0,00	0,00	0,00	0,00	601.984,00	4.348.124,98
<b>Summe III</b>	<b>1.509.483.982,07</b>	<b>580.488.468,04</b>	<b>197.434.764,00</b>	<b>18.954,98</b>	<b>1.892.556.641,09</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>1.892.556.641,09</b>	<b>1.509.483.982,07</b>
<b>Gesamt</b>	<b>1.513.206.400,82</b>	<b>580.492.385,86</b>	<b>197.524.625,75</b>	<b>18.954,98</b>	<b>1.896.193.115,91</b>	<b>1.756.538,00</b>	<b>113.455,80</b>	<b>30.564,11</b>	<b>1.839.429,69</b>	<b>1.894.353.686,22</b>	<b>1.511.449.862,82</b>

<sup>1)</sup> Im Jahr 2023 sind geringwertige Vermögensgegenstände in Höhe von EUR 29,16 zu- und abgegangen.

### 3.2 Aufgliederung der Anteile an verbundenen Unternehmen

(in EUR)	31.12.2023	Geschäftsjahr 2022	
	Anteil in %	Eigenkapital	Jahresergebnis
Lokalbahn Payerbach-Hirschwang Gesellschaft m.b.H., Reichenau/Rax (AUT) <sup>1)</sup>	100,00	3.795.703,70	k. A
MM Service GmbH, Wien (AUT) <sup>1)</sup>	100,00	22.241.104,30	k. A
MM BOARD & PAPER GmbH, Wien (AUT) <sup>1)</sup>	100,00	332.745.982,89	k. A
MM PACKAGING GmbH, Wien (AUT) <sup>1)</sup>	100,00	504.612.853,47	k. A

<sup>1)</sup> Hinsichtlich der Angabe der Jahresergebnisse wird von der Schutzklausel gemäß § 242 Abs. 2 UGB Gebrauch gemacht.

### 3.3 Ausleihungen an verbundene Unternehmen

Im Posten Ausleihungen an verbundene Unternehmen ist ein Betrag in Höhe von EUR 1.587.392.800,00 (31. Dezember 2022: EUR 1.200.574.000,00) enthalten. Davon sind EUR 1.552.894.175,00 (31. Dezember 2022: EUR 1.199.574.000,00) nicht innerhalb eines Jahres fällig.

### 3.4 Wertpapiere (Wertrechte) des Anlagevermögens

Unter Wertpapiere (Wertrechte) des Anlagevermögens sind Rückdeckungsversicherungen ausgewiesen, die auf Grund von Umgliederungen nicht mehr mit der Verpflichtung saldiert werden sowie solche, die im Wesentlichen zugunsten der Pensionsberechtigten verpfändet sind. Die verpfändeten Rückdeckungsversicherungen sind bis zur Vermögensobergrenze mit den Pensionsverpflichtungen saldiert ausgewiesen.

### 3.5 Forderungen

Zum 31. Dezember gliedern sich die Forderungen wie folgt:

(in EUR)	31.12.2023	31.12.2022
<b>1. Forderungen gegenüber verbundenen Unternehmen</b>		
a) aus Lieferungen und Leistungen	3.120.656,59	11.368.088,87
b) aus sonstigen Forderungen	459.613.661,43	838.449.352,30
	<b>462.734.318,02</b>	<b>849.817.441,17</b>
<b>2. Sonstige Forderungen und Vermögensgegenstände</b>	10.577.118,58	26.102.278,53
<b>Gesamt</b>	<b>473.311.436,60</b>	<b>875.919.719,70</b>

Unter den sonstigen Forderungen gegenüber verbundenen Unternehmen sind auch Forderungen aus Cash Pooling-Vereinbarungen in Höhe von EUR 454.213.754,49 (31. Dezember 2022: EUR 816.944.163,01) ausgewiesen, wobei die Mayr-Melnhof Karton Aktiengesellschaft für drei Euro Cash Pools als Cash Pool Leader fungiert.

Weiters sind in den sonstigen Forderungen gegenüber verbundenen Unternehmen Forderungen aus Steuerumlagen in Höhe von EUR 5.392.170,71 (31. Dezember 2022: EUR 10.222.821,13) sowie Forderungen aus dem konzerninternen Clearing („IC-Netting“) in Höhe von EUR 2.254,63 (31.12.2022: EUR 11.211.495,68) enthalten.

Wie im Vorjahr sind in den sonstigen Forderungen und Vermögensgegenständen Erträge von unwesentlicher Höhe enthalten, welche erst nach dem Bilanzstichtag zahlungswirksam werden.

### 3.6 Latente Steuern

Der latente Steueranspruch aus dem Saldo der aktiven und passiven latenten Steuern beträgt zum 31. Dezember 2023 EUR 702.464,89 (31. Dezember 2022: EUR 228.957,63).

Die aktiven latenten Steuern wurden auf Unterschiede zwischen dem steuerlichen und unternehmensrechtlichen Wertansatz zum Bilanzstichtag, unter Zugrundelegung eines Körperschaftsteuersatzes von 23% (31. Dezember 2022: 23%), für folgende Posten gebildet:

	2023		2022	
	Aktive latente Steuern	Passive latente Steuern	Aktive latente Steuern	Passive latente Steuern
Rückstellungen für Pensionen	X		X	

Die aktiven latenten Steuern entwickelten sich wie folgt:

(in EUR)	2023	2022
<b>Aktive latente Steuern 01.01.</b>	<b>228.957,63</b>	<b>1.571.517,45</b>
Auflösung	0,00	(1.342.559,82)
Zuführung	473.507,26	0,00
<b>Aktive latente Steuern 31.12.</b>	<b>702.464,89</b>	<b>228.957,63</b>

### 3.7 Eigenkapital

#### Grundkapital

Das Grundkapital in Höhe von EUR 80.000.000,00 ist in 20.000.000 Stück nennbetragslose Stückaktien aufgeteilt, von denen jede am Grundkapital in gleichem Umfang beteiligt ist.

### 3.8 Rückstellungen

#### Pensionsverpflichtungen

Die Rechenparameter zu den jeweiligen Stichtagen stellen sich wie folgt dar:

(in %)	31.12.2023	31.12.2022
	Pensionen	Pensionen
Abzinsungsfaktor	3,30 %	3,80 %
Langfristige Gehaltssteigerungsraten	3,00 %	3,00 %
Langfristige Rentensteigerungsraten	2,50 %	2,50 %

Versicherungsmathematische Gewinne bzw. Verluste, die sich aufgrund von Änderungen im Bestand der Versorgungsberechtigten und Abweichungen der tatsächlichen Entwicklung gegenüber den der Berechnung zugrunde gelegten Annahmen ergeben, werden zur Gänze erfolgswirksam erfasst.

Die Anwartschaftsbarwerte betreffend Pensionsverpflichtungen sowie die Überleitungen zum bilanzierten Rückstellungsbetrag stellen sich wie folgt dar:

(in EUR)	Pensionen
<b>Bilanzierte langfristige Rückstellung 31.12.2022</b>	<b>7.077.940,38</b>
Zuführung Dienstzeitaufwand 2023	132.011,90
Zuführung Zinsaufwand 2023	227.099,00
Auszahlungen 2023	(1.205.845,00)
Versicherungsmathematische Verluste bzw. (Gewinne) 2023	1.247.770,00
<b>Bilanzierte langfristige Rückstellung 31.12.2023</b>	<b>7.478.976,28</b>
Deckungskapital	(6.665.533,39)
<b>Saldierte Pensionsverpflichtung</b>	<b>813.442,89</b>

Der Zinsaufwand ist unter dem Posten „Zinsen und ähnliche Aufwendungen“ im Finanzergebnis ausgewiesen.

Der Wert der Ansprüche aus der Rückdeckungsversicherung beträgt EUR 6.665.533,39 (31. Dezember 2022: EUR 6.329.046,38). Die Ansprüche aus der Rückdeckungsversicherung wurden an die Anspruchsberechtigten verpfändet und daher, unter Beachtung der Vermögensobergrenze, mit der entsprechenden Gesamtpensionsverpflichtung in Höhe von EUR 7.478.976,28 (31. Dezember 2022: EUR 7.077.940,38) saldiert.

#### Sonstige Rückstellungen

Neben der Rückstellung für die Vorstandsbezüge in Höhe von EUR 4.424.947,00 (31. Dezember 2022: EUR 10.780.970,50), die die variablen Vorstandsbezüge und die kumulierten langfristigen Vergütungszusagen beinhalten, sind in den sonstigen Rückstellungen im Wesentlichen Rückstellungen für nicht konsumierte Urlaube, Rechts-, Prüfungs- und Beratungsaufwand und die Vergütung für die Aufsichtsrats-tätigkeit ausgewiesen. Im Vorjahr waren auch die Leistungen an Herrn Dr. Blaschke im Zusammenhang mit seinem Ausscheiden beinhaltet. Von der Rückstellung für die variablen Vorstandsbezüge sind EUR 1.158.671,52 (31. Dezember 2022: EUR 1.233.600,00) langfristig.

### 3.9 Verbindlichkeiten

Zum 31. Dezember gliedern sich die Verbindlichkeiten wie folgt:

(in EUR)	31.12.2023	Davon Restlaufzeit über 5 Jahre	31.12.2022	Davon Restlaufzeit über 5 Jahre
<b>1. Verbindlichkeiten gegenüber Kreditinstituten</b>	1.680.000.000,00	784.992.000,00	<b>1.440.000.000,00</b>	1.250.000.000,00
<b>2. Verbindlichkeiten aus Lieferungen und Leistungen</b>	203.524,97	0,00	<b>159.780,78</b>	0,00
<b>3. Verbindlichkeiten gegenüber verbundenen Unternehmen</b>				
a) aus Lieferungen und Leistungen	7.473.017,62	0,00	<b>29.497.229,53</b>	0,00
b) aus sonstigen Verbindlichkeiten	261.096.162,36	0,00	<b>138.014.966,39</b>	
	268.569.179,98	0,00	<b>167.512.195,92</b>	<b>0,00</b>
<b>4. Sonstige Verbindlichkeiten</b>				
a) Steuern	5.868,21	0,00	<b>11.757,45</b>	0,00
b) Soziale Sicherheit	6.344,15	0,00	<b>29.234,60</b>	0,00
c) Übrige	15.661.349,73	0,00	<b>18.056.019,75</b>	0,00
	15.673.562,09	0,00	18.097.011,80	0,00
<b>Gesamt</b>	<b>1.964.446.267,04</b>	<b>784.992.000,00</b>	<b>1.625.768.988,50</b>	<b>1.250.000.000,00</b>

Die Verbindlichkeiten gegenüber Kreditinstituten bestehen aus Darlehen in Form von Kreditverträgen, Schuldscheinen und Namensschuldverschreibungen in Höhe von EUR 1.680.000.000,00 (31. Dezember 2022: EUR 1.440.000.000,00). Die Laufzeiten der zu marktüblichen Konditionen verzinsten Darlehen betragen zwischen 1 und 16 Jahren.

Unter den sonstigen Verbindlichkeiten gegenüber verbundenen Unternehmen sind auch Verbindlichkeiten aus den Cash Pooling-Vereinbarungen in Höhe von EUR 256.533.401,40 (31. Dezember 2022: EUR 123.817.386,86) enthalten, wobei die Mayr-Melnhof Karton Aktiengesellschaft für drei Euro Cash Pools als Cash Pool Leader fungiert.

Weiters sind hier sonstige Verbindlichkeiten aus Steuerumlagen in Höhe von EUR 4.751.844,80 (31. Dezember 2022: EUR 2.999.898,96) sowie Forderungen aus dem konzerninternen Clearing („IC-Netting“) in Höhe von EUR 1.373,64 (31.12.2022: Verbindlichkeiten EUR 11.205.667,72) ausgewiesen.

Der in den übrigen sonstigen Verbindlichkeiten enthaltene abgegrenzte Betrag für das Schuldscheindarlehen betreffende Zinsen beträgt EUR 15.416.156,50 (31. Dezember 2022: EUR 13.446.452,20). Des Weiteren sind in diesem Posten umgliederte Rückstellungen für Pensionsverpflichtungen in Höhe von EUR 0,00 (31. Dezember 2022: EUR 4.500.000,00) enthalten.

In den sonstigen Verbindlichkeiten sind Aufwendungen in Höhe von EUR 15.660.872,78 (31. Dezember 2022: EUR 18.055.542,80) enthalten, welche erst nach dem Bilanzstichtag zahlungswirksam werden.

Es gibt keine dinglichen Sicherheiten.

## Gewinn- und Verlustrechnung

### 3.10 Nettoerlöse nach geografischen Märkten

(in EUR)	2023	2022
<b>Verbundene Unternehmen</b>		
Österreich	6.310.048,52	12.347.090,37
Andere EU-Länder	941.511,68	19.959.760,21
Nicht EU-Länder	148.228,36	7.155.758,81
<b>Gesamt</b>	<b>7.399.788,56</b>	<b>39.462.609,39</b>

Zum 1. Jänner 2023 wurde die Verrechnungslogik für Konzerndienstleistungen umgestellt. Die Mayr-Melnhof Karton Aktiengesellschaft ist nicht mehr der Empfänger der Kosten für die durch die jeweilige Konzerngesellschaft erbrachte Dienstleistung. Die Kosten werden an die beiden Divisionsholdings fakturiert und von diesen an die Tochterunternehmen verrechnet. Diese Änderung ist der Grund für den deutlichen Umsatzrückgang.

### 3.11 Aufwendungen für Material und sonstige bezogene Herstellungsleistungen

Die Ursache für den Rückgang der Aufwendungen für bezogenen Leistungen ist unter Punkt 3.10 Nettoerlöse nach geografischen Märkten erläutert.

### 3.12 Personalaufwand

Die in Aufwendungen für Leistungen an betriebliche Mitarbeitervorsorgekassen enthaltenen Beiträge weisen EUR 159.522,86 (2022: EUR 129.696,17) auf.

Die Aufwendungen an ausgelagerte Einheiten in Form von beitragsorientierten Plänen betragen EUR 130.000,02 (2022: EUR 130.000,48).

### 3.13 Sonstige betriebliche Aufwendungen

Zu den Aufwendungen, die im Geschäftsjahr auf die Tätigkeit des Abschlussprüfers entfallen, wird auf die Angaben im Konzernabschluss zum 31. Dezember 2023 der Mayr-Melnhof Karton Aktiengesellschaft verwiesen.

### 3.14 Steuern vom Einkommen und vom Ertrag

Im Dezember 2005 hat die Gesellschaft als Gruppenträger einen Antrag auf Feststellung einer Unternehmensgruppe gemäß § 9 Abs. 8 KStG 1988 mit nachfolgend angeführten verbundenen Unternehmen als Gruppenmitglieder zum Zwecke der Gruppenbesteuerung ab dem Veranlagungsjahr 2005 eingebracht. Es wurde ein Steuerumlagevertrag abgeschlossen, der die Belastungsmethode vorsieht.



Im Dezember 2023 wurde die Unternehmensgruppe um die finnische MM Kotkamills Oy, Kotka und die polnischen MM Kwidzyn Sp. z.o.o., Kwidzyn erweitert.

Die Gruppenmitglieder im Inland sind:

MM BOARD & PAPER GmbH, Wien  
MM Board & Paper Sales GmbH, Wien  
MM Frohnleiten GmbH, Frohnleiten  
MM Neupack GmbH, Reichenau an der Rax  
MM PACKAGING GmbH, Wien  
MM Premium Vienna GmbH, Wien  
MM Service GmbH, Wien  
free-com solutions GmbH, Wien

Die Gruppenmitglieder im Ausland sind:

MM Kotkamills Oy, Kotka  
MM Kwidzyn Sp. z o.o., Kwidzyn

Aufgrund des Umlagevertrages zwischen den inländischen Gesellschaften wurden im Geschäftsjahr 2023 EUR 19.193.507,00 (2022: EUR 12.543.571,12) an die Gruppenmitglieder weiterverrechnet.

In der Steuerberechnung wurde der steuerliche Verlust der MM Kwidzyn Sp. z.o.o. berücksichtigt. Die Steuern vom Einkommen und vom Ertrag weisen im Jahr 2023 einen Aufwand von EUR 13.681.043,47 (2022: Ertrag EUR 5.081.747,96) auf.

Es wurde der Maximalbetrag an verwertbaren ausländischen Verlusten für die Berechnung der Körperschaftssteuer berücksichtigt.

Das Wahlrecht gemäß §198 (9) UGB, für den von der MM Kwidzyn Sp. z.o.o zugerechneten Verlustvortrag, einen Posten für aktive latente Steuer zu bilden wurde nicht genutzt.

Für den aus der polnischen Gesellschaft MM Kwidzyn Sp. z o.o.im Rahmen der österreichischen Steuergruppe verwerteten Verlust in Höhe von EUR 5.547.006,00 wurde keine Rückstellung gebildet, da die Nachversteuerung erst beim Ausscheiden aus der österreichischen Steuergruppe bzw. bei der Liquidation der polnischen Gesellschaft erfolgen würde. Dieser Tatbestand liegt in der Verfügungsmacht des Konzerns und ist aus heutiger Sicht nicht absehbar.

Die Gesellschaft ist von der Einführung der OECD-Säule-2-Modellregeln („Pillar Two“) ab 1. Jänner 2024 betroffen. Wenngleich aus heutiger Sicht die quantitativen Auswirkungen noch nicht zuverlässig abschätzbar sind, ist die Gesellschaft aufgrund von ersten Analysen nicht wesentlich betroffen.

### 3.15 Ergebnisverwendung

Der Vorstand schlägt vor, aus dem Bilanzgewinn in Höhe von EUR 100.000.000,00 eine Dividende von EUR 1,50 je Aktie auszuschütten.

## 4 SONSTIGE ANGABEN

### 4.1 Haftungen

Die Mayr-Melnhof Karton Aktiengesellschaft hat am 12. Jänner 2023 gegenüber der MM Graphia Beteiligungs- und Verwaltungs GmbH, der MM Packaging Beteiligungs- und Verwaltungs GmbH und der MM Neuss GmbH eine Einstandserklärung abgegeben. Die Mayr-Melnhof Karton Aktiengesellschaft verpflichtet sich, dass die Gesellschaften in der Weise geleitet und finanziell ausgestattet werden, dass sie stets in der Lage sind, ihren bis zum Abschlussstichtag (31.12.2022) eingegangenen Verpflichtungen im Geschäftsjahr 2023 nachzukommen. Mit der Abgabe der Einstandserklärung wird der Jahresabschlussstellungsprozess für die drei Gesellschaften optimiert.

### 4.2 Angaben über Organe und Mitglieder

Die Gesellschaft beschäftigt keine Arbeitnehmer.

#### Bezüge des Vorstandes

An die aktiven Vorstandsmitglieder wurden die nachfolgend dargestellten Vergütungen gewährt:

(in EUR)	2023	2022
a) von der Gesellschaft	5.013.449,00	10.291.823,62
<b>Gesamt</b>	<b>5.013.449,00</b>	<b>10.291.823,62</b>
Davon		
a) fixe Bezüge	2.264.508,00	2.586.111,00
b) variable Vergütung	2.748.941,00	7.705.712,62
<b>Gesamt</b>	<b>5.013.449,00</b>	<b>10.291.823,62</b>

An ehemalige Organmitglieder und deren Hinterbliebene wurden im Geschäftsjahr 2023 Gesamtbezüge von EUR 4.407.648,00 (2022: EUR 1.036.791,00) gewährt, hiervon EUR 3.200.483,00 an Dr. Andreas Blaschke.

Herrn Dr. Andreas Blaschke wurden im Zusammenhang mit der Beendigung seiner Vorstandstätigkeit im Geschäftsjahr 2022 die jährliche Erfolgsbeteiligung für das Rumpfsjahr 2023 durch eine Zahlung in der Höhe von einem Drittel (aufgrund der Aliquotierung) des Durchschnittes der jährlichen Erfolgsbeteiligungen 2020–2022 in Höhe von EUR 465.484,28 abschließend abgegolten. Die langfristigen Erfolgsbeteiligungen, die die Zeiträume 2021–2023, 2022–2024 und 2023–2025 betreffen, wurden insgesamt mit einem pauschalen Betrag in Höhe von EUR 800.000,00 abgegolten. Weiters wurde noch das laufende Grundgehalt für den Zeitraum bis zum 30. April 2023 in Höhe von EUR 156.496,56 sowie eine Karenzentschädigung in Höhe von EUR 600.000,00 vergütet. Die bestehenden Pensionsansprüche von Dr. Andreas Blaschke wurden

mit einem einmaligen und einvernehmlich festgelegten Übertragungsbetrag in Höhe von EUR 4.500.000,00 in eine überbetriebliche Pensionskasse übertragen.

Für die Mitglieder des Vorstandes bestehen weder Vorschüsse noch Haftungen.

**Bezüge des Aufsichtsrates**

(in EUR)	2023	2022
von der Gesellschaft	737.124,00	740.978,00
<b>Gesamt</b>	<b>737.124,00</b>	<b>740.978,00</b>

Die Organe der Gesellschaft setzten sich im abgelaufenen Geschäftsjahr wie folgt zusammen:

**Vorstand**

MMag. Peter OSWALD (Vorsitzender)  
Mag. Franz HIESINGER (Mitglied des Vorstandes)

**Aufsichtsrat**

Dipl.-Ing. Rainer ZELLNER (Vorsitzender) bis 26. April 2023  
Dr. Wolfgang EDER (Vorsitzender) ab 26. April 2023  
Dr. Nikolaus ANKERSHOFEN (1. Stellvertretender Vorsitzender)  
Mag. Johannes GOESS-SAURAU (2. Stellvertretender Vorsitzender)  
Dr. Alexander LEEB (Mitglied des Aufsichtsrates)  
MMMag. Georg MAYR-MELNHOF (Mitglied des Aufsichtsrates)  
Mag. Ferdinand MAYR-MELNHOF-SAURAU, MSc (Mitglied des Aufsichtsrates)  
Univ.-Prof. Dr. Klaus RABEL (Mitglied des Aufsichtsrates)  
Andreas HEMMER (Arbeitnehmervertreter)  
Gerhard NOVOTNY (Arbeitnehmervertreter)

4.3 Ereignisse nach dem Abschlussstichtag und weitere Informationen

Darüber hinaus sind nach dem Bilanzstichtag keine Ereignisse eingetreten, die wesentliche Auswirkungen auf die Vermögens-, Finanz- und Ertragslage der Gesellschaft haben.

Wien, am 11. März 2024

**Der Vorstand**

Mayr-Melnhof Karton Aktiengesellschaft

MMag. Peter OSWALD e.h.

Mag. Franz HIESINGER e.h.

# Bestätigungsvermerk

## Bericht zum Jahresabschluss

### Prüfungsurteil

Wir haben den Jahresabschluss der Mayr-Melnhof Karton Aktiengesellschaft, Wien, bestehend aus der Bilanz zum 31. Dezember 2023, der Gewinn- und Verlustrechnung für das an diesem Stichtag endende Geschäftsjahr und dem Anhang, geprüft.

Nach unserer Beurteilung entspricht der beigefügte Jahresabschluss den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage zum 31. Dezember 2023 sowie der Ertragslage der Gesellschaft für das an diesem Stichtag endende Geschäftsjahr in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

### Grundlage für das Prüfungsurteil

Wir haben unsere Abschlussprüfung in Übereinstimmung mit der EU-Verordnung Nr. 537/2014 (im Folgenden EU-VO) und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung durchgeführt. Diese Grundsätze erfordern die Anwendung der International Standards on Auditing (ISA). Unsere Verantwortlichkeiten nach diesen Vorschriften und Standards sind im Abschnitt „Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses“ unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von der Gesellschaft unabhängig in Übereinstimmung mit den österreichischen unternehmensrechtlichen und berufsrechtlichen Vorschriften, und wir haben unsere sonstigen beruflichen Pflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns bis zum Datum des Bestätigungsvermerks erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu diesem Datum zu dienen.

### Besonders wichtige Prüfungssachverhalte

Besonders wichtige Prüfungssachverhalte sind solche Sachverhalte, die nach unserem pflichtgemäßen Ermessen am bedeutsamsten für unsere Prüfung des Jahresabschlusses des Geschäftsjahres waren. Diese Sachverhalte wurden im Zusammenhang mit unserer Prüfung des Jahresabschlusses als Ganzes und bei der Bildung unseres Prüfungsurteils hierzu berücksichtigt, und wir geben kein gesondertes Prüfungsurteil zu diesen Sachverhalten ab.

Unsere Darstellung dieser besonders wichtigen Prüfungssachverhalte haben wir wie folgt strukturiert:

- Sachverhalt
- Prüferisches Vorgehen und Erkenntnisse
- Verweis auf weitergehende Informationen

## **1. Bewertung der Anteile an verbundenen Unternehmen und der Ausleihungen an verbundene Unternehmen**

### **Sachverhalt**

Die unter den Finanzanlagen ausgewiesenen Anteile an verbundenen Unternehmen in Höhe von TEUR 304.067 und Ausleihungen an verbundene Unternehmen in Höhe von gesamt TEUR 1.587.393 stellen einen wesentlichen Anteil an den Aktiva der Gesellschaft dar (in Summe 65,6 % der Bilanzsumme). Bei den Anteilen an verbundenen Unternehmen handelt es sich im Wesentlichen um die Divisionsholdings. Die Ausleihungen betreffen ebenfalls die Divisionsholdings bzw. indirekt gehaltene operative Gesellschaften der Gruppe. Finanzanlagen werden zu fortgeführten Anschaffungskosten bewertet und gemäß § 204 Abs. 2 UGB bei voraussichtlich dauernder Wertminderung auf den niedrigeren am Abschlussstichtag beizulegenden Wert abgewertet. Sowohl im Berichtsjahr als auch in den Vorjahren wurden keine außerplanmäßigen Abschreibungen vorgenommen.

Aufgrund der aktuellen marktwirtschaftlichen Unsicherheiten haben die gesetzlichen Vertreter der Gesellschaft die Anteile an verbundenen Unternehmen und der Ausleihungen an verbundene Unternehmen auf Werthaltigkeit überprüft. In die Ermittlung des beizulegenden Werts der Anteile an verbundenen Unternehmen und der Ausleihungen an verbundene Unternehmen fließen im Rahmen des angewendeten Discounted-Cashflow-Verfahrens zahlreiche bewertungsrelevante Annahmen in Bezug auf die seitens der gesetzlichen Vertreter erwarteten künftigen Zahlungsströme aus der Summe der in der jeweiligen Divisionsholding befindlichen Tochtergesellschaften („Free Cash Flows“, wie etwa Annahmen zu der Umsatz- und Profitabilitätsentwicklung, Entwicklung des Working Capitals, geplante Investitionsniveau sowie die Wachstumsrate für die ewige Rente) ein, die mit erheblichen Schätzungsunsicherheiten und Ermessen verbunden sind. Der für die Ermittlung des beizulegenden Wertes heranzuziehende Kapitalisierungszinssatz (WACC) stellt einen wesentlichen Inputparameter dar und ist ebenfalls als stark ermessensbehaftet einzustufen.

Für den Abschluss besteht aufgrund dieser Schätzungsunsicherheiten das Risiko, dass die Anteile an verbundenen Unternehmen bzw. die Ausleihungen an verbundene Unternehmen nicht werthaltig sind.

### **Prüferisches Vorgehen und Erkenntnisse**

Wir haben die Vorgehensweise des Managements bezüglich der Werthaltigkeitsbeurteilung von Anteilen an verbundenen Unternehmen und Ausleihungen an verbundene Unternehmen dahingehend beurteilt, ob sie einen möglichen Abwertungsbedarf angemessen identifiziert.

Zur Prüfung der Werthaltigkeitsbeurteilung der Gesellschaft haben wir insbesondere das Bewertungsmodell an sich beurteilt und uns mit den wesentlichen Werttreibern der beizulegenden Werte auseinandergesetzt.

Unter teilweiser Einbezug unserer internen Bewertungsspezialisten haben wir überprüft, ob die gewählte Bewertungsmethode anerkannten Bewertungsgrundsätzen entspricht, und haben die seitens der Gesellschaft verwendeten Parameter (insbesondere geplante Zahlungsströme, Wachstumsraten, Entwicklung des Working Capitals, Investitionsniveau sowie Diskontierungszinssätze) mit den Management besprochen, mit unternehmensspezifischen Information bzw. industrierelevante Daten und Quellen verglichen und dahingehend beurteilt, ob sie anhand von historischen Daten plausibel und angemessen sind.

Das von der Gesellschaft eingesetzte Bewertungsmodell ist für die Überprüfung der Werthaltigkeit der Anteile an verbundenen Unternehmen bzw. der Ausleihungen an verbundene Unternehmen geeignet. Die der Ermittlung des beizulegenden Zeitwerts zugrunde liegenden Annahmen und Bewertungsparameter und die damit verbundenen Angaben sind plausibel und angemessen.

### **Verweis auf weitergehende Informationen**

Weitergehende Informationen zu diesem besonders wichtigen Prüfungssachverhalt finden sich im Anhang des Jahresabschlusses zum 31. Dezember 2023 unter Anhangangabe 3.1 – „Finanzanlagen“ unter Abschnitt 2 „Bilanzierungs- und Bewertungsmethoden“.

### **Sonstige Informationen**

Die gesetzlichen Vertreter sind für die sonstigen Informationen verantwortlich. Die sonstigen Informationen umfassen alle Informationen im Geschäftsbericht, ausgenommen den Jahresabschluss, den Lagebericht und den Bestätigungsvermerk.

Unser Prüfungsurteil zum Jahresabschluss erstreckt sich nicht auf diese sonstigen Informationen, und wir geben dazu keine Art der Zusicherung.

Im Zusammenhang mit unserer Prüfung des Jahresabschlusses haben wir die Verantwortlichkeit, diese sonstigen Informationen zu lesen und dabei zu würdigen, ob die sonstigen Informationen wesentliche Unstimmigkeiten zum Jahresabschluss oder zu unseren bei der Abschlussprüfung erlangten Kenntnissen aufweisen oder anderweitig falsch dargestellt erscheinen.

Falls wir auf der Grundlage, der von uns zu den vor dem Datum dieses Bestätigungsvermerks erlangten sonstigen Informationen durchgeführten Arbeiten den Schluss ziehen, dass eine wesentliche falsche Darstellung dieser sonstigen Informationen vorliegt, sind wir verpflichtet, über diese Tatsache zu berichten. Wir haben in diesem Zusammenhang nichts zu berichten.

### **Verantwortlichkeiten der gesetzlichen Vertreter und des Prüfungsausschusses für den Jahresabschluss**

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses und dafür, dass dieser in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie als notwendig erachten, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen, Sachverhalte im Zusammenhang mit der Fortführung der Unternehmenstätigkeit – sofern einschlägig – anzugeben, sowie dafür, den Rechnungslegungsgrundsatz der Fortführung der Unternehmenstätigkeit anzuwenden, es sei denn, die gesetzlichen Vertreter beabsichtigen, entweder die Gesellschaft zu liquidieren oder die Unternehmenstätigkeit einzustellen, oder haben keine realistische Alternative dazu.

Der Prüfungsausschuss ist verantwortlich für die Überwachung des Rechnungslegungsprozesses der Gesellschaft.

### **Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses**

Unsere Ziele sind, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist, und einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil beinhaltet. Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung, die die Anwendung der ISA erfordern, durchgeführte Abschlussprüfung eine wesentliche falsche Darstellung, falls eine solche vorliegt, stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn von ihnen einzeln oder insgesamt vernünftigerweise erwartet werden könnte, dass sie die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Nutzern beeinflussen.

Als Teil einer Abschlussprüfung in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung, die die Anwendung der ISA erfordern, üben wir während der gesamten Abschlussprüfung pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung.

**Darüber hinaus gilt:**

Wir identifizieren und beurteilen die Risiken wesentlicher falscher Darstellungen aufgrund von dolosen Handlungen oder Irrtümern im Abschluss, planen Prüfungshandlungen als Reaktion auf diese Risiken, führen sie durch und erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass aus dolosen Handlungen resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, ist höher als ein aus Irrtümern resultierendes, da dolose Handlungen kollusives Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen oder das Außerkraftsetzen interner Kontrollen beinhalten können.

Wir gewinnen ein Verständnis von dem für die Abschlussprüfung relevanten internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit des internen Kontrollsystems der Gesellschaft abzugeben.

Wir beurteilen die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte in der Rechnungslegung und damit zusammenhängende Angaben.

Wir ziehen Schlussfolgerungen über die Angemessenheit der Anwendung des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit durch die gesetzlichen Vertreter sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die erhebliche Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir die Schlussfolgerung ziehen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, in unserem Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch die Abkehr der Gesellschaft von der Fortführung der Unternehmenstätigkeit zur Folge haben.

Wir beurteilen die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse in einer Weise wiedergibt, dass ein möglichst getreues Bild erreicht wird.

Wir tauschen uns mit dem Prüfungsausschuss unter anderem über den geplanten Umfang und die geplante zeitliche Einteilung der Abschlussprüfung sowie über bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel im internen Kontrollsystem, die wir während unserer Abschlussprüfung erkennen, aus.

Wir geben dem Prüfungsausschuss auch eine Erklärung ab, dass wir die relevanten beruflichen Verhaltensanforderungen zur Unabhängigkeit eingehalten haben, und tauschen uns mit ihm über alle Beziehungen und sonstigen Sachverhalte aus, von denen vernünftigerweise angenommen werden kann, dass sie sich auf unsere Unabhängigkeit und – sofern einschlägig – auf vorgenommene Handlungen zur Beseitigung von Gefährdungen oder angewandte Schutzmaßnahmen auswirken.

Wir bestimmen von den Sachverhalten, über die wir uns mit dem Prüfungsausschuss ausgetauscht haben, diejenigen Sachverhalte, die am bedeutsamsten für die Prüfung des Jahresabschlusses des Geschäftsjahres waren und daher die besonders wichtigen Prüfungssachverhalte sind. Wir beschreiben diese Sachverhalte in unserem Bestätigungsvermerk, es



sei denn, Gesetze oder andere Rechtsvorschriften schließen die öffentliche Angabe des Sachverhalts aus oder wir bestimmen in äußerst seltenen Fällen, dass ein Sachverhalt nicht in unserem Bestätigungsvermerk mitgeteilt werden sollte, weil vernünftigerweise erwartet wird, dass die negativen Folgen einer solchen Mitteilung deren Vorteile für das öffentliche Interesse übersteigen würden.

## **Sonstige gesetzliche und andere rechtliche Anforderungen**

### **Bericht zum Lagebericht**

Der Lagebericht ist aufgrund der österreichischen unternehmensrechtlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob er nach den geltenden rechtlichen Anforderungen aufgestellt wurde.

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Lageberichts in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Wir haben unsere Prüfung in Übereinstimmung mit den Berufsgrundsätzen zur Prüfung des Lageberichts durchgeführt.

### **Urteil**

Nach unserer Beurteilung ist der Lagebericht nach den geltenden rechtlichen Anforderungen aufgestellt worden, enthält zutreffende Angaben nach § 243a UGB und steht in Einklang mit dem Jahresabschluss.

### **Erklärung**

Angesichts der bei der Prüfung des Jahresabschlusses gewonnenen Erkenntnisse und des gewonnenen Verständnisses über die Gesellschaft und ihr Umfeld wurden wesentliche fehlerhafte Angaben im Lagebericht nicht festgestellt.

### **Zusätzliche Angaben nach Artikel 10 der EU-VO**

Wir wurden von der ordentlichen Hauptversammlung am 26. April 2023 als Abschlussprüfer gewählt und im Anschluss vom Aufsichtsrat beauftragt. Wir sind seit dem Geschäftsjahr 2019 Abschlussprüfer der Gesellschaft.

Wir erklären, dass das Prüfungsurteil im Abschnitt „Bericht zum Jahresabschluss“ mit dem zusätzlichen Bericht an den Prüfungsausschuss nach Artikel 11 der EU-VO in Einklang steht.

Wir erklären, dass wir keine verbotenen Nichtprüfungsleistungen (Artikel 5 Abs. 1 der EU-VO) erbracht haben und dass wir bei der Durchführung der Abschlussprüfung unsere Unabhängigkeit von der geprüften Gesellschaft gewahrt haben.

**Auftragsverantwortlicher Wirtschaftsprüfer**

Der für die Abschlussprüfung auftragsverantwortliche Wirtschaftsprüfer ist Herr Frédéric Vilain.

Wien, am 11. März 2024

**PwC Wirtschaftsprüfung GmbH**

Frédéric Vilain e. h.  
Wirtschaftsprüfer

*Die Veröffentlichung oder Weitergabe des Jahresabschlusses mit unserem Bestätigungsvermerk darf nur in der von uns bestätigten Fassung erfolgen. Dieser Bestätigungsvermerk bezieht sich ausschließlich auf den deutschsprachigen und vollständigen Jahresabschluss samt Lagebericht. Für abweichende Fassungen sind die Vorschriften des § 281 Abs. 2 UGB zu beachten.*

# Consolidated Corporate Governance Report

As a listed, internationally active company, the MM Group is committed to responsible Corporate Governance focusing on sustainable value added. We consider this to be an essential prerequisite for achieving our long-term corporate success. We therefore ensure that Corporate Governance is consistently practiced and further developed in all areas of the Company. This includes the whole management and control system of the Company with the approach of promoting trust in the MM Group among our employees, shareholders, business partners and the public and ensuring a high level of transparency.

This present report provides information on the disclosures required by sections 243 c and 267 b of the Austrian Commercial Code.

## COMMITMENT TO THE AUSTRIAN CORPORATE GOVERNANCE CODE

The MM Group has voluntarily committed to compliance with the Code in its respectively applicable version since the Austrian Corporate Governance Code (Österreichischer Corporate Governance Kodex – ÖCGK) became effective in 2002. The Code is based on the provisions of Austrian stock corporation, stock exchange and capital market laws, EU recommendations as well as the guidelines contained in the OECD Principles of Corporate Governance. The Code is regularly reviewed against the background of national and international developments and adjusted as necessary. The current Austrian Corporate Governance Code can be downloaded from the website of the Austrian Working Group for Corporate Governance at [www.corporate-governance.at](http://www.corporate-governance.at). The compliance with the Corporate Governance Code is subject to an annual internal evaluation provided by the MM Group. Furthermore, an external evaluation of compliance with C rules is carried out every three years, which was last performed in 2021 in order to rotation.

The implementation and evaluation for the business year 2023 is based on the Code's version of January 2023. The MM Group continues to comply with all legal provisions without any restrictions. Almost all additional C Rules and R Rules (Recommendations) contained in the Code, which do not require any explanation in case of deviations, have been complied with.

The Company gives the following explanations for deviations from C Rules for 2023:

Rule 27a      The Management Board contracts do not contain any provisions stipulating that the economic situation is to be taken into account in the event of the premature retirement of a Management Board member. However, due to the long-term profit-sharing scheme, future developments are taken into account by means of surcharges or deductions. When concluding new Management Board contracts, this requirement of the ÖCGK is to be taken into account.

## COMPOSITION OF THE BOARD

## The Management Board

**Peter Oswald**

Chairman, CEO

Member of the Management Board

since April 1, 2020

appointed until March 31, 2025

born 1962

Strategic and profit-responsible management of the entire Group and in particular the areas:

- Group strategy
- Group organisation
- Human resources of the Group and Board of the subsidiaries
- External and internal communication and Investor Relations
- Communication with the Presidium and the Supervisory Board members
- Sustainability including occupational safety
- Determination of representatives at associations
- Primary profit responsibility for the division Board & Paper (including sales and marketing, production, innovation and product development)
- Primary profit responsibility for the division Packaging (including sales and marketing, production, innovation and product development)
- Information management (IT)

**Franz Hiesinger**

CFO

Member of the Management Board

since October 1, 2017

appointed until September 30, 2025

born 1965

- Finance and all financing matters
- Group reporting and accounting as well as controlling
- Merger and acquisition matters
- Risk management, insurances
- Legal and tax matters including compliance
- Internal audit
- Procurement
- Information security

The members of the Management Board do not hold any mandates in Supervisory Boards outside the Group.

## The Supervisory Board

### **Wolfgang Eder**

Chairman since April 26, 2023 born 1952	Chairman of the Supervisory Board of voestalpine AG, Linz
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### **Rainer Zellner**

Chairman from April 29, 2015 until April 26, 2023 born 1947	Independent entrepreneur; Chairman of the Supervisory Board of Mayr-Melnhof Holz Holding AG, Leoben
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### **Nikolaus Ankershofen**

1 <sup>st</sup> Deputy Chairman since April 26, 2017 Member of the Supervisory Board since April 28, 2010 born 1969	Lawyer and partner at Ankershofen Goëss Hinteregger Rechtsanwälte OG; Supervisory Board member at Mayr-Melnhof Holz Holding AG, Leoben; Management Board member of several private trusts
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### **Johannes Goess-Saurau**

2 <sup>nd</sup> Deputy Chairman since May 7, 2008 Member of the Supervisory Board since May 18, 2005 born 1955	Manager of his own companies
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### **Alexander Leeb**

Member of the Supervisory Board since May 7, 2008 born 1959	Chairman of the Supervisory Board at Andritz AG, Graz; Deputy Chairman of the Supervisory Board at Plansee Holding AG, Reutte; Chairman of the Board of Trustees of LGT Venture Philanthropy Foundation, Vaduz
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### **Georg Mayr-Melnhof**

Member of the Supervisory Board since May 7, 2008 born 1968	Employee of the archdiocese of Salzburg
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### **Ferdinand Mayr-Melnhof- Saurau**

Member of the Supervisory Board since April 29, 2020 born 1987	Managing partner at various real estate investment and real estate development companies; Management Board member at Oskar Vogl Privatstiftung, Graz
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### **Klaus Rabel**

Member of the Supervisory Board since April 29, 2020 born 1961	Auditor and tax consultant, University Professor of Corporate Valuation and Value-Oriented Management at the Institute of Corporate Accounting and Taxation at the Karl-Franzens-University, Graz; Chairman of the Expert Committee for Business Valuation of the Chamber of Tax Consultants and Certified Public Accountants, Vienna; Member of the Europe MSR Board of the International Valuation Standards Council (IVSC), London; Management Board member of Austrian family trusts and Supervisory Board member in Austrian family-owned companies
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Delegated by the works council:

**Andreas Hemmer**

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Member of the Supervisory Board since October 20, 2009 Employee representative  
born 1968

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**Gerhard Novotny**

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Member of the Supervisory Board since May 10, 1995 Employee representative  
born 1963

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The current mandates of all members of the Supervisory Board elected by the Annual General Meeting will expire at the 31<sup>st</sup> Ordinary Shareholders' Meeting in 2025, which will resolve on the discharge for the financial year 2024. The mandates of the employees' representatives are awarded for an indefinite period of time.

**Members of the Committees of the Supervisory Board**

*Presidium (Committee for Management Board Issues)*

Wolfgang Eder, Chairman (since April 26, 2023)

Rainer Zellner, Chairman (until April 26, 2023)

Nikolaus Ankershofen

Johannes Goess-Saurau

*Audit Committee*

Klaus Rabel, Chairman

Wolfgang Eder (since April 26, 2023)

Rainer Zellner (until April 26, 2023)

Nikolaus Ankershofen

Johannes Goess-Saurau

Gerhard Novotny

**Members of the Supervisory Board with additional Supervisory Board mandates in publicly listed companies**

Wolfgang Eder

Chairman of the Supervisory Board of voestalpine AG, Linz

Alexander Leeb

Chairman of the Supervisory Board, Andritz AG, Graz

**Independence of the members of the Supervisory Board**

The Supervisory Board is committed to the guidelines set out in annex 1 of the Austrian Corporate Governance Code when determining the criteria of their independence:

A Supervisory Board member must not maintain, or have maintained in the past year, any business relations with the Company or any of its subsidiaries with significance for the member of the Supervisory Board. This also applies to relationships with companies in which a member of the Supervisory Board has a considerable economic interest, but not to the performance of institutional functions in the Group. The approval of individual transactions by the Supervisory Board in accordance with L Rule 48 (Company Contracts with Members of the Supervisory Board outside their activity in the Supervisory Board) does not automatically qualify the person as not independent.

The Supervisory Board member must not have acted as an auditor of the Company or have owned a share in the auditing company or have worked there as an employee in the past three years.

The Supervisory Board member must not be a member of the Management Board of another company in which a member of the Company's Management Board is a Supervisory Board member.

The Supervisory Board member must not be closely related (direct offspring, spouse, life partner, parent, uncle, aunt, brother, sister, niece, nephew) to a member of the Management Board or employees in leading positions, the auditor, or employees of the auditing company.

All members of the Supervisory Board have declared their independence in accordance with these criteria. Consequently this also applies to all members of the Committees of the Supervisory Board.

In addition, the members of the Supervisory Board deal with the provisions of the Austrian Corporate Governance Code regarding conflicts of interest at least once a year. Furthermore, new members of the Supervisory Board receive detailed information on the avoidance of conflicts of interest at the start of their activities.

This independence ensures that stakeholder concerns can also be taken into account on a regular basis, without any conflicts of interest.

#### **Representation of interests of a share > 10 % in Mayr-Melnhof Karton AG**

In the Supervisory Board of Mayr-Melnhof Karton AG, there are two independent members representing a shareholding of more than 10 %:

Nikolaus Ankershofen  
Ferdinand Mayr-Melnhof-Saurau

#### **Contracts between members of the Supervisory Board and the Company subject to approval**

In the financial year 2023, the following contracts between Mayr-Melnhof Karton AG and individual members of the Supervisory Board were subject to approval:

Nikolaus Ankershofen  
Ankershofen Goëss Hinteregger Rechtsanwälte OG, where Nikolaus Ankershofen is lawyer and partner, acts as a legal advisor to Mayr-Melnhof Karton AG on an ad-hoc basis. These mandates mainly relate to employment law matters between the Management Board and Mayr-Melnhof Karton AG. Ankershofen Goëss Hinteregger Rechtsanwälte OG charges on the basis of hourly rates customary for lawyers. In the financial year 2023, fees totalling thous. EUR 8 were charged.

## **REMUNERATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD**

Information on the remuneration of the Management Board and the main contact terms as well as the remuneration of the Supervisory Board have been included in the Company's remuneration report, which is presented annually to the Shareholders' Meeting, and in the remuneration policy. Weblink: <https://www.mm.group/en/about-us/responsibility/corporate-governance/>

## INFORMATION ON THE PROCEDURES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The Management Board manages the business in accordance with the law, the bylaws and the Articles of Association of the Company. The latter are available on the Company's website at <https://www.mm.group/en/about-us/responsibility/corporate-governance/>. The bylaws of the Management Board govern the assignment of responsibilities as well as the cooperation within the Management Board and include a list of business cases which require the prior consent of the Supervisory Board. The members of the Management Board cooperate closely as colleagues, informing one another of all significant measures and occurrences within their respective areas of operation. The Management Board of Mayr-Melnhof Karton AG holds regular Board meetings to discuss material topics that are of relevance for the Group and the divisions. In developing and implementing the corporate strategy, the Management Board takes into account aspects of sustainability and associated opportunities and risks with regard to the environment, social issues and corporate governance. The Chairman of the Management Board is responsible for chairing and preparing the meetings and for exchanging information with the Supervisory Board.

### **Type and decision-making power of the Committees of the Supervisory Board**

The Supervisory Board has established the following Committees constituted by its members:

#### *Presidium (Committee for Management Board Issues)*

The principal task of the Presidium is to discuss the Company's strategy and orientation on a continuous basis and to prepare resolutions for the Supervisory Board concerning all strategic matters. Furthermore, this Committee decides on issues concerning the Management Board in accordance with statutory regulations and also fulfils the functions of the Nomination and Compensation Committee. The quality of the Committee's work is guaranteed by the long-standing experience and know-how of its members in the field of remuneration policy.

#### *Audit Committee*

The Committee's decision-making power derives from statutory regulations. The quality of the Committee's work is guaranteed by the long-standing experience and know-how of its members in the fields of finance, accounting and reporting.

It is guaranteed that the Supervisory Board and the Committees are able to take decisions promptly in urgent cases. The Chairmen of the Committees inform the Supervisory Board on a regular basis about the activities of the Committees.

### **Focus of the Supervisory Board**

The Supervisory Board has fulfilled its tasks in accordance with the law, the Articles of Association and the bylaws in the financial year 2023. Six plenary meetings were held, with all members attending at least five of them.

In the light of an unprecedented downturn on the European cartonboard and paper markets due to overcapacity and economic weakness, the Supervisory Board's activities focused on securing the Group's long-term competitiveness in terms of structure, technology, costs and financing. In particular, the loss of the Russian market and unexpected weakness in demand in customer industries traditionally regarded as largely crisis-proof, such as the food sector, necessitated extensive optimisation measures throughout the Group on both the capacity and cost side after years of growth. The fundamental positioning of the Company, with a growth-oriented well-balanced Packaging division alongside the cyclical Board & Paper segment, proved to be an important differentiator in the industry, particularly in times of earnings pressure.



Due to the challenging economic environment, the Supervisory Board's activities from mid-year onwards focused in particular on monitoring the Group-wide profit & cash protection plan and on measures to ensure a balanced long-term financing structure for the company. At MM Packaging, the successful integration of last year's acquisitions, Essentra Packaging and Eson Pac, proved to be a step with considerable potential for value enhancement. At MM Board & Paper, the focus in the past financial year was on supporting the most comprehensive capex programme so far for more efficiency, sustainability and new product qualities at the cartonboard mills Frohnleiten, Neuss and Kolicovo. In addition, as part of its responsibility for sustainability, the Supervisory Board generally dealt with technological options for increasing the share of renewable energy at various Group sites, with the largest single project currently under development at the Kwidzyn site in Poland.

In order to ensure that the Group has the appropriate management expertise in the long term, the Supervisory Board also addressed issues relating to the development of the management team, succession planning and talent management in 2023.

The Supervisory Board also dealt extensively with IT systems/cyber security, sustainability and risk management as well as corporate governance and compliance. An update session was held for the Supervisory Board regarding capital market compliance.

The Supervisory Board carried out a self-evaluation for the financial year 2023 based on a questionnaire, with the result that the activity of the Supervisory Board was assessed as generally efficient. The regular exchange of information as well as the discussion of major topics in cooperation with the Management Board and the Group Auditor contribute significantly thereto. Also in 2023, discussions and explanations in the Supervisory Board and Management Board meetings were characterised by a high degree of constructiveness and openness. All participants had sufficient opportunities to ask questions and participate in discussions.

#### **Focus of the Committees of the Supervisory Board**

In 2023, the Presidium (Committee for Management Board Issues) met fifteen times. It dealt especially with strategic development through investments, restructurings, the current corporate management control and matters relating to the Management Board as well as management succession and prepared the meetings of the Supervisory Board.

In addition, the implementation and review of the remuneration policy and the reporting on remuneration were taken care of (see remuneration report 2023 at <https://www.mm.group/en/for-investors/reports/>).

In 2023, the Audit Committee held two meetings and fulfilled its statutory duties. A focus was placed on dealing with the consolidated financial statements and the annual financial statements for 2022 as well as the preparation of the consolidated financial statements and the annual financial statements for 2023. In this context, the consolidated non-financial report according to section 267 a of the Austrian Commercial Code and its audit were also discussed as well as details concerning the scope of non-auditing services rendered by the auditors, and key audit matters were determined. Klaus Rabel, a financial expert, is Chairman of the Audit Committee.

Due to the regular exchange between the Chairman of the Audit Committee and the Group Auditor outside the meetings, a discussion during the meetings without the participating Management Board members was not necessary.

## MEASURES TO PROMOTE WOMEN AND DESCRIPTION OF THE CONCEPT OF DIVERSITY

As a sustainably operating company, we see diversity as a key driver for creating long-term corporate value. Inclusion and equality improve engagement and job satisfaction and thus contribute directly to the profitability and sustainability of the MM Group. We therefore actively promote diversity at all levels of the Company with the aim of creating an environment in which every individual feels valued, supported and empowered, regardless of their role or location. In doing so, we support the inclusion of a broad range of diversity aspects to ensure a sense of belonging for all. The MM Group's diversity concept is set out in the Code of Conduct and forms part of the Human Resource Guidelines. It is laid down there that we commit ourselves to creating a working environment throughout the Group that is characterised by openness and mutual respect. We monitor compliance with this obligation through various standards. In addition, we carefully monitor and respond to every case reported via the MM Integrity Line (Whistleblowing Hotline). We regard the diversity of our employees as an essential resource and as an enrichment that enables us to perform our tasks even more effectively and innovatively. We oppose any discrimination or harassment based on gender, ethnic origin, skin colour, religion, national origin, disability or sexual orientation. Employees and applicants are assessed in accordance with the principle of equal treatment.

When filling management positions in the Company, the MM Group generally follows the recommendation of the Equal Opportunities Act to pay attention to diversity and to strive in particular for an appropriate distribution of gender, age and competence. As a company in a strongly technically oriented industry, it is especially a strategic objective to further increase the proportion of women in management positions and to achieve the best possible diversity also at top management level. Women hold more and more top management positions within the MM Group for many years. These include in particular the areas of Human Resources, Information Management (IT) and Legal as well as the management of individual subsidiaries. Within the framework of internal management development, we attach great importance to further expanding the share of female participants. We support this with a variety of initiatives such as succession planning, mentoring and ensuring a healthy work-life balance, which promotes the compatibility of career and family through flexible working arrangements. The share of women in the MM Group amounted to around 25 % in 2023. Due to MM's activity in heavy industry and work in shifts, the share of women in the Group and in recruitment tends to be low. However, being an attractive employer for women in both technical and commercial occupations is our long-term aspiration. Every year, awareness is raised in this regard, in particular through various activities on International Women's Day. MM has also recently established a Group-wide human rights policy that documents our clear attitude to non-discrimination at the workplace.

At present, the Supervisory Board consists of nine men and the Management Board, who are the only employees of the listed holding company, consists of two. In the election of Supervisory Board members, attention is paid to the professional and personal qualifications, independence and impartiality of the candidates and to a well-balanced composition. Achieving a more balanced gender ratio of the Supervisory Board remains our objective.

Details on employee development can be found in the "People" section of the non-financial report.

## EXTERNAL EVALUATION

The Code (ÖCGK) provides for a regular (at least every three years) external evaluation of the Company's compliance with the C rules (Comply or Explain). The most recent evaluation was carried out by PwC Wirtschaftsprüfung GmbH, Vienna in the course of the 2021 annual audit. The review of compliance with the rules of the Code regarding the audit was conducted by Georg Eckert, professor at Innsbruck University. As a result of this evaluation, the auditors have determined that the declaration given by Mayr-Melnhof Karton AG regarding compliance with the Corporate Governance Code corresponds to the actual conditions. The next external evaluation is planned for the corporate governance report of the year 2024.

## EVENTS AFTER THE BALANCE SHEET DATE

There were no changes of matters requiring reporting between the reporting date and the preparation of the corporate governance report.

Vienna, March 11, 2024

### **The Management Board**

Peter Oswald m. p.

Franz Hiesinger m. p.

# Statement of the Management Board

according to Section 124 of the Austrian Stock Exchange Act

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of the development and performance of the business and the position of the Group together with a description of the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company together with a description of the principal risks and uncertainties the company faces.

Vienna, March 11, 2024

## **The Management Board**

Peter Oswald m. p.  
Chairman of the  
Management Board

Franz Hiesinger m. p.  
Member of the  
Management Board