



# GROWING TOGETHER

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# Management Report

## 1 POSITIONING OF THE MM GROUP AND THE DIVISIONS

### Group

#### **Cartonboard, paper, packaging - sustainable packaging for consumer goods**

With the strategic acquisitions of the cartonboard and paper mills Kwidzyn, Poland, and Kotkamills, Finland, the MM Group (MM) has moved into the (European) leading group of suppliers of virgin fiber-based cartonboard in 2021, alongside to its already leading position in recycled fiber-based cartonboard in Europe. In addition, kraft papers and uncoated fine papers were included as new business areas in the course of these transactions, which are managed together with cartonboard in the MM Board & Paper division (formerly MM Karton). The MM Packaging division is a leading producer of folding cartons in Europe and, additionally, also holds a leading market position in several countries outside Europe.

Both divisions of the MM Group are managed that each are responsible for their own results and supply each other at arm's length. In 2021, MM Board & Paper supplied around 13 % of its cartonboard sales to MM Packaging. The majority of its cartonboard production, however, is sold to folding carton producers outside the Group and thus to competitors of MM Packaging. MM Packaging bought more than one quarter of the tonnage processed internally from MM Board & Paper in 2021, with recent acquisitions increasing the potential for internal sourcing.

#### **Circular economy - an immanent part of the business model**

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 consumer staples. In addition to the attractive presentation of the consumer goods and their protection, folding carton packaging is characterized in particular by its sustainable production from renewable fiber materials that can be recycled many times. Responsible circular economy is thus an immanent part of the MM Group's business.

#### **Regional focus on Europe**

Demand for cartonboard and cartonboard packaging correlates with private consumption, especially of consumer staples, and therefore shows a relative resilience. Due to transport costs and service demands, the folding carton business has a mainly regional character leading to the geographical focus of our business on the well-developed and sustainable European market. By contrast, global cartonboard trade only has minor importance.

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

#### **Focus on growth, efficiency, sustainability and digitalization**

The creation of long-term growth perspectives is at the center of the recent strategic transformation of the MM Group. Improved competitiveness as well as the focus on sustainability and innovation are to contribute significantly to this. In addition to the acquisition of two large sites, the exit from three small cartonboard mills - sale of the mills Baiersbronn and Eerbeek (2021), closure of the Hirschwang cartonboard site (2020) - as well as restructuring measures in the packaging sector in Germany were carried out with the aim of increasing structural efficiency. Furthermore, the most extensive investment program to date was launched, comprising a number of projects focusing on growth, cost efficiency and technological innovation at major competitive sites of both divisions. With the establishment of the Group function "Sustainability" and modern systems in this area, the increasing importance of sustainability as a differentiation criteria on the market is taken into account. For MM, it is particularly important to utilize the potential from the replacement of plastic

packaging by recyclable packaging made of renewable raw materials with the same functions and the same convenience. More innovative solutions are the key to this transformation, which is why innovation management of MM has also been significantly modernized and expanded. In addition, a comprehensive harmonization and optimization of systems and processes in the course of digitalization aims at being able to use the potentials and synergies of the MM Group in an even better value-adding way in the long term. The management team of MM was broadened in line with these tasks and also supplemented by high potentials.

## MM Board & Paper\*

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

With a total annual production capacity of more than 2.0 million tons of cartonboard, the division MM Board & Paper is the biggest cartonboard producer in Europe (excluding liquid packaging cartonboard). A varied range of cartonboard products for a wide spectrum of applications in the packaging and food service area is manufactured at six locations in Europe. Approx. 65 % of the capacity is accounted for by coated recycled fiber-based cartonboard and approx. 35 % by virgin fiber-based cartonboard. Furthermore, the division has an annual capacity of approximately 260,000 tons of kraft paper and 390,000 tons of uncoated fine paper. Recycled fibers, which are purchased from external suppliers, account for approx. 40 % of the fibers used. Another approx. 20 % of the fibers used are groundwood pulp, most of which we produce ourselves at our cartonboard mills and in the division's own fiber mill FollaCell in Norway. Pulp, which accounts for approximately 28 % of the fiber demand, is produced 65 % by the Group and 35 % is purchased.

### **Cartonboard and paper – a wide range of applications**

Cartonboard products of MM Board & Paper are used as packaging material in numerous consumer goods markets for daily needs. The main areas of application are Food & Specialities, which account for around 89 % of sales, as well as the premium sector with a sales share of 11 %. Kraft papers are sold in particular to the food/gastronomy industry and the laminate industry, uncoated fine papers (office and printing papers) to paper/office supply retailers. In order to optimally satisfy specific requirements of individual market segments, MM Board & Paper's main product groups – recycled fiber-based cartonboard, virgin fiber-based cartonboard, white coated recycling liner (high-quality printable and finishable top layer for corrugated board products in low grammage), packaging kraft paper, saturating kraft paper as well as food service & cupstock – have been set up as separate units within the sales organization. Following the integration of the sales organization, which has already taken place after the recent acquisitions, market penetration is to be further increased with a new branding.

According to the geographic base of MM Board & Paper, Europe is the main market, where approximately 89 % of the sales volume was sold in 2021. In addition, a worldwide sales network is maintained, supplying more than 2,000 customers in around 140 countries. These are in particular printing businesses in the medium-sized and highly fragmented European folding carton industry as well as consumer goods producers and the above-mentioned customers in the paper sector.

\* Division name change from MM Karton to MM Board & Paper after completion of the Kwidzyn acquisition and the resulting expansion of the product portfolio to include "Kraft Papers" and "Uncoated Fine Papers".

### **Growth through efficiency, sustainability innovative products**

As a key factor for further growth, not only comprehensive investment programs have been launched for the Frohnleiten, Neuss and Kolicevo sites, but also projects have already been taken up at the new acquisitions. The objective is to align the product range to new opportunities on the market through technological innovations and to become even more competitive with greater efficiency and sustainability. A coordinated process between innovation activities, product development, and commercialization aims at 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 in order to differentiate on the market. High quality, functionality, safety, and sustainability of our products as well as comprehensive competence and state-of-the-art services characterize the range of products offered by Board & Paper.

### **"Plastic substitution" – potential and sustainable goal**

Due to an increasing demand for sustainable packaging solutions, the trend towards "plastic substitution" continues. MM Board & Paper's aim is to create new possibilities for replacing plastic packaging with environmentally friendly, innovative solutions made of cartonboard and paper and to further increase the functionalities without using plastics. A measurable impact of this trend on our cartonboard and paper sales remains difficult to estimate. However, our ambition is to use this strategically in order to grow faster than the market.

### **High-performance locations**

In 2020/2021, MM has concentrated its production on high-performance sites. At year-end of 2021, production is carried out on eight high-performance cartonboard machines and four paper machines at six locations. Each of the machines is aligned to specific product qualities: three to recycled fiber-based cartonboard, two to virgin fiber-based cartonboard, one to white coated recycling liner and two more cartonboard machines flexibly produce both recycled and virgin fiber-based cartonboard grades. In addition, two paper machines produce uncoated fine paper and two further machines produce packaging kraft paper and 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.

### **Fibers and energy at the center**

Recovered paper is the strategically most important raw material for the production of coated recycled fiber-based cartonboard, groundwood pulp for virgin fiber-based cartonboard and pulp for kraft and fine papers. Additionally, energy, chemicals, and logistics are other significant cost factors. 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 fibers exclusively in Europe, predominantly on the spot market. In addition, long-term supply opportunities from municipalities and waste-management companies are also used to a lesser extent. Due to high European recycling quotas for recovered paper and existing reserves, we consider the raw material of recovered paper to be sustainably secured. We also consider the supply of wood as a 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 showed, massive fluctuations in supply and prices can occur. MM Board & Paper primarily uses natural gas as an energy source. The increased use of renewable energy sources, such as biomass, is a long-term objective.

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

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

With regards to recycled fiber-based cartonboard, the capacity growth in Europe has been achieved through a continuous technological modernization of existing mills ("creeping capacity increase") for decades. Regarding virgin fiber-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, some of which are also sold outside Europe.

## MM Packaging

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

The core business of MM Packaging focuses on folding cartonboard packages for consumer staples. In the year 2021, around 708,000 tons of recycled and virgin fiber-based cartonboard and 145,000 tons of paper have been processed and sales of EUR 1,641.6 million were generated. MM Packaging is thus not just a leading producer of folding cartons in Europe but also one of the largest worldwide. Transport costs and service requirements limit the supply radius of folding cartons, which are thus defined as mainly regional products. As the market barriers in the folding carton business are lower compared to the cartonboard industry, the business is characterized by a continuously intensely competitive environment.

The production of folding cartons 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 then folded individually according to the demand of the customer branch and glued 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. Aspiring best industrial practice, MM Packaging uses all common state-of-the-art preprinting, printing, and finishing technologies.

The production of corrugated cartonboard is a different industry from that of cartonboard and folding cartons with different products and markets in which MM Packaging does not operate. There is an overlap for consumer goods packaging made of fine flute (micro-flute), which are also produced at some specialized MM Packaging sites. These combine the stability of flute with the excellent printability of cartonboard.

### **International site network always close to the customer**

The geographic focus of the site network, consisting of 43 production plants in 18 countries, lies on Europe. In addition, a leading position is also held in individual countries in the Middle East, South America, and the Far East. Aside to the broad local presence, we create competitive advantages by having our sites specializing in specific market and product segments in the areas Food & Specialities as well as Premium through appropriate know-how and continuous further development. The main sales market of Europe accounts for approx. 82 % of sales, the Middle East/Asia markets for 11 %, and the Americas for 7 %. The aim of our location policy is to supply our customers from highly competitive, geographically well-positioned production facilities.

### **Supplying a wide range of industries creates balance and potential**

In the field of packaging for consumer staples, MM Packaging covers a wide range of sectors, thus creating both potential and a solid level of resilience. The two markets Food & Specialities and Premium contribute to MM Packaging's sales in almost equal parts. The highly specialized premium business comprises the areas pharma, beauty & personal care, and cigarette. The concentration of MM Packaging's organization on individual specialized business units makes it possible to meet individual market and product requirements with targeted know-how.

The major part of the business is generated with large multinational consumer goods producers 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 supplies more than 1,700 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 choice 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 divisional profit-center principle of the Group, MM Packaging procures the required recycled and virgin fiber-based cartonboard and papers via its own purchase organization. Within the business with international consumer goods manufacturers, the purchase of cartonboard is also decided or negotiated by the customer. To cover major changes in cartonboard prices, long-term supply contracts with large customers generally include 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.

#### **Investment in increasing competitiveness – growth, organic and through acquisitions**

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

For this purpose, we are investing in state-of-the-art technologies and developing attractive sites close to our customers. For example, in order to participate in the market growth in Central-Eastern Europe and to take advantage of more favorable costs, the large MMP Neupack Polska site (Petersona) is being doubled in size and another packaging plant is being built in Poland (Emerald). Furthermore, the expansion of MMP plants to critical size in Great Britain, Austria and Romania has been initiated. In addition, the company is gradually modernizing its machinery (printing, die-cutting and gluing) in order to increase efficiency and develop at state-of-the-art technology (i. e. digital printing).

The aim is to continue to grow in line with best industrial practice. The focus is on increased site specialization, automation and digitization, and the development of innovative, sustainable packaging. Therefore, we also give a lot of room for innovation so that ongoing change, especially in the replacement of plastic packaging, can succeed.

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

## 2 DEVELOPMENT IN THE YEAR 2021

### General economic situation

The global economy in 2021 was mainly characterized by recovery after the corona-related downturn in the previous year, although the pace varied from region to region. While the economic performance of China and the US returned to pre-crisis levels, the major economies of the EU were not yet able to fully make up for the declines in GDP. Countries that are primarily dependent on contact-intensive sectors of the economy, such as tourism, were at a disadvantage here. Continuing expansive monetary and fiscal policies and the ongoing immunization of the population with effective vaccines played a key role in the economic recovery. As a result, containment measures were largely relaxed again by the middle of the year, giving private consumption further momentum. However, with the economic upturn and global supply and delivery shortages, prices on the raw material markets also accelerated. This impacted industrial production in particular from the 2<sup>nd</sup> quarter, and the economic recovery lost momentum. Drastically rising prices for fuel, gas and electricity ultimately led to the highest inflation in decades towards the end of the year.

### Industry development

In the wake of the overall economic recovery, demand on the cartonboard and folding carton markets as well as for papers showed a strong dynamic in 2021. At the same time, the massive increase in fiber and transport costs and later also in energy costs led to a series of significant price increases in the course of the year.

Recovered paper prices continued to rise dramatically, mainly as a result of high demand, additional capacity in the converting industries, such as corrugated board, as well as pandemic-related lower stock levels and continued lower collection volumes for graphic papers. Pulp also recorded a significant price increase, in particular due to strong demand, logistical constraints, extended production shutdowns and the upward momentum from Asia. By contrast, prices for wood chips remained largely constant. Gas and electricity prices recorded a rapid rise from October onwards due to demand and also as a result of political tensions, with gas prices in some cases quadrupling from their previous level. In addition, many other input factors such as inks, coatings, technical chemicals and packaging materials were characterized by strong inflation with a continuing trend.

The topic of sustainability in packaging, in particular the substitution of plastic, has received further attention and is proactively promoted by all participants along the value added chain, cartonboard/paper and folding carton producers as well as consumer goods manufacturers and retailers. However, due to full employment in the industries, conversions in 2021 were slow to take hold.

In 2021, capacity increases in the cartonboard industry in the European core market were mainly concentrated on ongoing investment activities in already existing plants. On the European periphery, one new recycling and one new virgin fiber-based cartonboard machine were started up. The acquisition of Kotkamills and the Kwidzyn mill by MM marked the most significant change in the European cartonboard market. In the folding carton sector, Graphic Packaging (US) achieved a leading position in Europe through the acquisition of AR Packaging. In addition, the involvement of financial investors in the sector continued. Overall, the heavy cost burden in 2021 has in particular significantly increased the pressure on smaller companies in the cartonboard and folding carton industry. The supplier structure in Packaging continues to be characterized by strong fragmentation.



## Development of business 2021

### Group

The MM Group was able to overall successfully close the financial year 2021, which was characterized by historically unprecedented cost increases, in particular for energy, recovered paper and pulp. The strong pressure on margins was successively compensated for by price increases, which could only be implemented with a time lag due to contractual commitments. The continuing strong demand for cartonboard packaging and papers and thus high capacity utilization in both divisions provided significant support in this respect.

The growth in operating profit by 16.5 % to EUR 269.6 million is attributable to both divisions. While MM Packaging recorded a rather robust ongoing development, the increase in profit of MM Board & Paper is mainly attributable to one-off effects of structural changes.

With the acquisition of the cartonboard and paper mills Kwidzyn in Poland and Kotkamills in Finland as well as the sale of the two smaller cartonboard mills, Bayersbronn and Eerbeek, and the launching of several major investments to increase efficiency, innovation, and sustainability, 2021 was a year of significant strategic transformations at MM in addition to operational challenges. The fundamental objective is to enable long-term growth in sustainable fiber-based packaging solutions as well as an increase in profitability through intensified competitiveness.

Through the acquisitions in the virgin fiber sector, MM has not only strengthened its position as the leading cartonboard and folding carton producer in Europe, but also acquired two new core products, kraft papers and uncoated fine papers, which offer interesting potential and are managed in the division MM Board & Paper.

In line with the solid profit development, a dividend increase to EUR 3.50 per share (2020: EUR 3.20) for the financial year 2021 will be proposed to the 28<sup>th</sup> Annual General Meeting on April 27, 2022.

## Consolidated income statements

### Consolidated income statements (condensed version)

(in millions of EUR)	2021	2020	+/-
Sales	3,069.7	2,528.4	+ 21.4 %
Operating profit	269.6	231.4	+ 16.5 %
Financial result and result from investments	(25.1)	(9.4)	
Income tax expense	(53.8)	(59.8)	
<b>Profit for the year</b>	<b>190.7</b>	<b>162.2</b>	<b>+ 17.5 %</b>

The Group's consolidated sales reached EUR 3,069.7 million which is 21.4 % or EUR 541.3 million above the previous year's figure (2020: EUR 2,528.4 million). This increase was mainly acquisition-related from the division Board & Paper. Regarding the geographical distribution of sales, the focus remained unchanged on Western Europe with 54.2 % (2020: 55.2 %), followed by an increased share in Eastern Europe with 32.4 % (2020: 28.3 %) and a decrease in the share of sales outside Europe to 13.4 % (2020: 16.5 %). Intercompany sales rose to EUR 133.0 million (2020: EUR 116.6 million) and were mainly related to deliveries from MM Board & Paper to MM Packaging.

## Group sales by destination

(in %)	2021	2020
Western Europe (excl. Austria)	52.1 %	53.3 %
Austria	2.1 %	1.9 %
Eastern Europe (incl. Turkey)	32.4 %	28.3 %
Asia and MENA	7.9 %	10.2 %
The Americas	4.8 %	4.9 %
Other	0.7 %	1.4 %
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>

## Cost of sales

(in millions of EUR)	Percentage of sales				
	2021	2020	+/-	2021	2020
Cost of materials and purchased services	1,798.6	1,317.9	36.5 %	58.6 %	52.1 %
Personnel expenses	375.3	363.3	3.3 %	12.2 %	14.4 %
Depreciation and amortization <sup>1)</sup>	125.8	144.0	- 12.6 %	4.1 %	5.7 %
Other expenses	113.9	88.7	28.3 %	3.7 %	3.5 %
<b>Cost of sales</b>	<b>2,413.6</b>	<b>1,913.9</b>	<b>26.1 %</b>	<b>78.6 %</b>	<b>75.7 %</b>

<sup>1)</sup> incl. impairment on property, plant and equipment, and intangible assets

Cost of sales for operating performance increased by EUR 499,7 million or 26,1 % to EUR 2,413.6 million (2020: EUR 1,913.9 million) compared to 2020. This rise resulted in particular from the expansion of business volume due to the acquisitions as well as higher fiber and energy costs. As a result, and due to a time lag in passing on costs, the share in sales changed from 75.7 % to 78.6 %.

## Selling and distribution, administrative and other operating expenses

(in millions of EUR)	Percentage of sales				
	2021	2020	+/-	2021	2020
Personnel expenses	165.2	163.2	1.2 %	5.4 %	6.4 %
Depreciation and amortization <sup>1)</sup>	25.6	23.5	8.7 %	0.8 %	0.9 %
Other expenses	280.6	216.2	29.8 %	9.1 %	8.6 %
<b>Selling and distribution, administrative and other operating expenses</b>	<b>471.4</b>	<b>402.9</b>	<b>17.0 %</b>	<b>15.3 %</b>	<b>15.9 %</b>

<sup>1)</sup> incl. impairment on property, plant and equipment, and intangible assets

Selling and distribution, administrative and other operating expenses also increased, mainly acquisition-related, from EUR 402.9 million to EUR 471.4 million. Their share in sales was kept constant at 15.3 % (2020: 15.9 %).

At EUR 269.6 million, operating profit was 16.5 % or EUR 38.2 million above the previous year (2020: EUR 231.4 million). Around 55 % of this increase is attributable to MM Board & Paper and around 45 % to MM Packaging. One-off expenses from the initial consolidation of the mills Kwidzyn and Kotkamills in the amount of EUR 26.3 million, which are mainly attributable to ancillary acquisition costs including transaction taxes and inventory valuation, as well as restructuring expenses in the division MM Packaging of EUR 20.1 million were offset by one-off income from the sale of the Eerbeek and Bayersbronn mills in the amount of EUR 46.1 million (after incidental transaction costs). In 2020, one-off effects amounted to EUR -64.0 million. The Group's operating margin was therefore at 8.8 % (2020: 9.2 %), the return on capital employed at 12.8 % (2020: 13.7 %). EBITDA rose by 5.5 % or EUR 22.1 million to EUR 421.0 million (2020: EUR 398.9 million), the EBITDA margin reaching 13.7 % (2020: 15.8 %).

Financial income of EUR 3.3 million (2020: EUR 1.7 million) was contrasted with financial expenses of EUR -24.4 million (2020: EUR -7.9 million). The latter increased mainly due to the issuance of Schuldschein loans and Namensschuldverschreibungen to finance the acquisitions and organic growth projects. "Other financial result - net" amounted to EUR -4.0 million (2020: EUR -3.2 million), mainly attributable to changes in the foreign currency result.

Accordingly, profit before tax at EUR 244.5 million was 10.1 % higher than in the previous year (2020: EUR 222.1 million). Income tax expenses totaled EUR 53.8 million (2020: EUR 59.8 million), resulting in an effective Group tax rate of 22.0 % (2020: 27.0 %). The reduction compared to the previous year is mainly due to tax-free income from company disposals.

#### Profit for the year, earnings per share

Profit for the year rose by 17.5 % or EUR 28.5 million to EUR 190.7 million (2020: EUR 162.2 million), the net profit margin remained almost constant compared to the previous year at 6.2 % (2020: 6.4 %). An unchanged total average of 20,000,000 shares was outstanding in the reporting year 2021, resulting in earnings per share of EUR 9.46 (2020: EUR 8.06) based on the profit for the year attributable to the shareholders of the Company of EUR 189.2 million (2020: EUR 161.2 million).

## Assets, capital, and liquid funds

**Consolidated balance sheets** (condensed version)

(in millions of EUR)	Dec. 31, 2021	Dec. 31, 2020
Non-current assets	2,460.0	1,397.9
Current assets	1,554.2	1,001.7
<b>Total assets</b>	<b>4,014.2</b>	<b>2,399.6</b>
Total equity	1,661.9	1,547.1
Non-current liabilities	1,569.4	397.2
Current liabilities	782.9	455.3
<b>Total equity and liabilities</b>	<b>4,014.2</b>	<b>2,399.6</b>

The Group's total assets of EUR 4,014.2 million by December 31, 2021 were EUR 1,614.6 million above the figure at year-end 2020 (EUR 2,399.6 million). This increase is mainly due to the initial consolidation of the acquisitions. The Group's total equity rose from EUR 1,547.1 million (December 31, 2020) to EUR 1,661.9 million, with the profit for the year being offset by the dividend payment. Return on equity was 11.9 % after 10.6 % in the previous year.

Financial liabilities are largely of a long-term nature and increased from EUR 268.4 million at year-end 2020 to EUR 1,423.1 million as of December 31, 2021. This rise resulted in particular from the issuance of Schuldschein loans and Namensschuldverschreibungen in the amount of EUR 1,125.0 million. With an equity ratio of 41.4 % (December 31, 2020: 64.5 %), the MM Group remains solidly financed.

With cash available to the Group totaling EUR 359.5 million (December 31, 2020: EUR 146.2 million), net debt increased from EUR 122.2 million to EUR 1,063.5 million at the end of 2021. Furthermore, credit lines and credit facilities totaling EUR 472.6 million (December 31, 2020: EUR 902.5 million) were available to the Group which can be used at any time.

Non-current assets increased from EUR 1,397.9 million to EUR 2,460.0 million, primarily due to acquisitions. Likewise, current assets also recorded a rise compared to the previous year from EUR 1,001.7 million to EUR 1,554.2 million.

## Cash flow development

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

(in millions of EUR)	2021	2020
Net cash from operating activities	269.8	318.2
Net cash from investing activities	(891.4)	(142.9)
Net cash from financing activities	836.9	(150.8)
Effect of exchange rate changes	(2.0)	(5.1)
<b>Net change in cash and cash equivalents (&lt; 3 months)</b>	<b>213.3</b>	<b>19.4</b>
<b>Cash and cash equivalents (&lt; 3 months) at the end of the year</b>	<b>359.5</b>	<b>146.2</b>

At EUR 269.8 million, cash flow from operating activities was EUR 48.4 million below the comparative figure (2020: EUR 318.2 million). This difference results in particular from a lower cash-effective result. A decline in working capital in the previous year contrasted with an increase in the current year.

Cash flow from investing activities changed from EUR -142.9 million to EUR -891.4 million. This change is mainly attributable to the payment of the purchase prices for the acquisition of the Kwidzyn mill in an amount of around EUR 676.5 million and of Kotkamills in the amount of around EUR 203.1 million, which were offset by proceeds from the sale of the Eerbeek and Bayersbronn mills in the amount of around EUR 152.2 million. Payments for the acquisition of property, plant and equipment and intangible assets increased according to the intensified investment program from EUR 152.8 million to EUR 248.4 million.

Capital expenditures of MM Board & Paper amounting to EUR 103.4 million (2020: EUR 93.5 million) were mainly related to technical modernization and expansions with a focus on the sites in Frohnleiten, Austria, Kolicvevo, Slovenia, and Neuss, Germany.

The main focus of MM Packaging's capital expenditures in the amount of EUR 145.0 million (2020: EUR 59.3 million) were expansions and technological modernizations in Poland, Great Britain, Austria und Russia.

Cash flow from financing activities changed from EUR -150.8 million to EUR 836.9 million, primarily as a result of the issuance of Schuldschein loans and Namensschuldverschreibungen.

## Further information

### **Acquisition of Kotkamills and Kwidzyn**

On August 2, 2021, the acquisition of Kotkamills, Finland, which was agreed in December 2020, was completed for a purchase price of EUR 203.1 million.

MM Kotkamills operates one of the most modern virgin fiber board machine in Europe (built 2016) with a planned capacity of 400,000 tons, a machine for saturating kraft paper with a capacity of 170,000 tons, for which the company is a leading global supplier, and a sawmill.

On August 6, 2021, the acquisition of the Kwidzyn mill, Poland, which was agreed in mid-February 2021, was completed. The purchase price amounted to EUR 676.5 million.

MM Kwidzyn operates at its integrated pulp and paper site in Kwidzyn a pulp mill with an annual capacity of around 400,000 tons and four integrated cartonboard/paper machines. The flagship is a FBB machine with 260,000 tons annual capacity. Moreover, MM Kwidzyn has recently entered the area of MF kraft paper via one of its paper machines to serve the growing demand for flexible fiber-based packaging products with an annual capacity of 75,000 tons. In addition, MM Kwidzyn operates two of the most attractive copy paper machines (UWF) in Europe with an annual total capacity of 410,000 tons.

The acquisitions strengthen the position of MM in the virgin fiber-based cartonboard market (FBB) with an attractive offer of barrier board solutions as well as innovative, sustainable and cost-efficient grades and complement the established market position in recycled fiber-based cartonboard. Furthermore, MM expands the product portfolio with kraft papers and uncoated fine papers (UWF), which are backward integrated with own pulp production.

### **Divestment of the Eerbeek and Baiersbronn virgin fiber-based cartonboard mills**

In August 2021, the division MM Board & Paper sold 100 % of the shares in the virgin fiber-based cartonboard mills Mayr-Melnhof Eerbeek B.V., Netherlands, and Baiersbronn Frischfaser Karton GmbH, Germany, to a subsidiary of funds managed by Oaktree Capital Management, L.P. for a purchase price of EUR 110.5 million. In addition, the buyer settled the existing intercompany loan and cash pool liabilities in the amount of EUR 41.7 million to MM.

Eerbeek and Baiersbronn together have an annual capacity of approximately 245,000 tons of virgin fiber-based board (FBB), which is produced on two cartonboard machines.

### **Issuance of Schuldschein loans and Namensschuldverschreibungen in an amount of EUR 1,125.0 million**

At the end of February, Mayr-Melnhof Karton AG has successfully placed Schuldschein loans and Namensschuldverschreibungen in a total volume of EUR 1 billion with a broadly diversified group of institutional investors in Austria and abroad. The transaction comprises tranches with fixed as well as variable interest rates over a duration of 5 to 15 years with an average duration of 8.8 years and an average interest rate of 1.5 %. As of September 30, 2021, further Namensschuldverschreibungen in the amount of EUR 125.0 million with a maturity of 18 years and a fixed interest rate of 1.88 % were issued. The proceeds from the issue are used to finance the acquisition of Kotkamills, Finland, and Kwidzyn, Poland, as well as for attractive organic growth projects.

### **MM Group has committed to net zero emissions until 2050**

The MM Group supports the global initiative "Business Ambition for 1.5°C", which was launched by the Science Based Targets Initiative and the UN Global Compact, among others. In the course of this, MM has committed itself to setting science-based emission reduction targets across the entire value chain in order to keep global warming to 1.5°C above pre-industrial levels. Moreover, MM aims to achieve net zero emissions by 2050 at the latest.

## Definition of financial indicators

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

Operating profit plus depreciation, amortization and impairment of property, plant and equipment, and intangible assets.

### **EBITDA margin**

EBITDA 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.

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

The sum of current and non-current interest-bearing financial liabilities, including lease liabilities according to IFRS 16 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.

### **Operating margin**

Operating profit divided by sales.

### **Return on Capital Employed (ROCE)**

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 and 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

European cartonboard markets as well as the markets for kraft paper and uncoated fine paper were characterized by strong demand in 2021. On the one hand, this is due to a restocking of the supply chain, which had been reduced during the pandemic, and, on the other hand, to securing volumes as a result of strongly increased delivery times and partly the lack of imports from Asia. Consequently, and owing to the initial inclusion of the acquisitions, the average order backlog of 340,000 tons was higher than the comparable figure of the previous year (2020: 100,000 tons). Despite individual delivery delays due to a lack of transport resources (e.g. truck drivers), production and supplies to our customers were guaranteed. Similar to the previous year, capacity utilization amounted to 97 %.

As a result of strong demand- and supply-related rises in raw material costs (especially fibers, chemicals, packaging materials, transport) as well as energy, several price increases were implemented. However, due to contractual commitments, these often take place with a time lag in relation to the price increases on the procurement markets. Pulp and recovered paper prices continued their upward trend in the second half of the year after a rapid increase in the first half-year. Main reasons for the significant rise in recovered paper prices continue to be the strong demand from the corrugated board industry and the decline in the volume of magazine papers and newsprint.

Particular focus in 2021 was placed on the integration of the strategic acquisitions of the cartonboard and paper mills Kwidzyn, Poland, and Kotkamills, Finland. With the acquisitions, MM Board & Paper not only strengthened its position in virgin fiber-based cartonboard, but also acquired two new core products, kraft papers and uncoated fine papers. As part of the transformation, the two smaller cartonboard mills, Baiersbronn and Eerbeek, were sold. In addition, major investments focusing on strengthening competitiveness through efficiency, innovation and sustainability were launched at the sites at Frohnleiten, Austria, Neuss, Germany, and Kolicovo, Slovenia.

The development of the division's key figures is particularly affected by the changes in consolidated companies.

Production at 2,069,000 tons was acquisition-related 21.0 % higher than in the previous year (2020: 1,710,000 tons). 1,320,000 tons (64 %) thereof were attributable to recycled fiber-based cartonboard and 502,000 tons (24 %) to virgin fiber-based cartonboard (2020: 1,365,000 tons or 80 % and 345,000 tons or 20 %). The remaining 247,000 tons (12.0 %) were attributable to the new product areas of kraft papers and uncoated fine papers. Based on the average number of employees, 616 tons (2020: 693 tons) were produced per employee. Sales volumes increased in line with production by 22.7 % to 2,092,000 tons (2020: 1,704,000 tons).

At EUR 1,561.1 million, sales were mainly acquisition-related 48.6 % or EUR 510.3 million above the comparative figure (2020: EUR 1,050.8 million). With a share of around 61 % in Western Europe (2020: 66 %) and 32 % in Eastern Europe (2020: 22 %), sales to European markets were again higher, thus the sales share in countries outside Europe declined to 7 % (2020: 12 %).

MM Packaging was again MM Board & Paper's largest customer with a share of deliveries of around 13 % or 236,000 tons (2020: 13 % or 226,000 tons).



The operating profit was particularly impacted by higher raw material and energy costs, which could only be compensated with a time lag through higher selling prices. In total it increased, however, by 24.2 % to EUR 107.7 million (2020: EUR 86.7 million), mainly as a result of the recognition of one-off effects of the changes in consolidated companies. The operating margin amounted to 6.9 % (2020: 8.3 %) and the return on capital employed to 11.0 % (2020: 14.5 %). Cash flow from operating activities totaled EUR 108.7 million, compared to EUR 126.3 million in the previous year.

### Divisional indicators MM Board & Paper

(in millions of EUR)	2021	2020	+/-
Sales <sup>1)</sup>	1,561.1	1,050.8	+ 48.6 %
EBITDA	185.2	164.7	+ 12.5 %
Operating profit	107.7	86.7	+ 24.2 %
Operating margin (%)	6.9 %	8.3 %	- 135 bp
Cash flow from operating activities	108.7	126.3	- 13.9 %
Return on capital employed (%)	11.0 %	14.5 %	- 355 bp
Tonnage sold (in thousands of tons)	2,092	1,704	+ 22.7 %
<i>Cartonboard</i>	1,834	1,704	+ 7.6 %
<i>Kraft papers</i>	93	n.a.	
<i>Uncoated fine papers</i>	165	n.a.	
Tonnage produced (in thousands of tons)	2,069	1,710	+ 21.0 %

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

## MM Packaging

Similar to Board & Paper, the European folding carton markets were also characterized by sustained strong demand in 2021. Against this background, MM Packaging recorded high order volumes in all food and non-food application areas. Sales volumes were significantly above the previous year's level, especially in the pharmaceutical, beauty & personal care sectors. At the same time, however, all business units were affected by an increasingly dynamic rise in input costs such as cartonboard, paper, inks, varnishes and packaging materials. Passing on these cost increases to customers as well as maintaining the supply of materials and the ability to deliver were therefore the focus of the current business. MM Packaging succeeded in both, although the costs were passed on successively according to contractual conditions, but often with a time delay due to ongoing further increases.

In order to participate in market growth in Central-Eastern Europe and take advantage of more favorable costs, the doubling of the largest Polish plant MMP Neupack Polska Petersona in Bydgoszcz was driven forward and the construction of a new packaging plant Emerald in Poland near Warsaw was initiated. In addition, expansion investments to expand sites to critical size and focus on growth markets, such as sustainable, plastic-free packaging in Austria, Romania and Great Britain, are being successfully implemented. At the same time, necessary structural adjustment measures to increase competitiveness and safeguard the existing business were continued. This concerned in particular the German packaging site MM Graphia Bielefeld, which ceased operations at the end of September 2021. In this context, one-off expenses in the amount of EUR 20.1 million had to be recognized.

The tonnage of cartonboard and paper processed at 853,000 tons was slightly above the previous year's level (2020: 847,000 tons).

Sales increased by 3.0 % to EUR 1,641.6 million (2020: EUR 1,594.2 million), primarily due to higher volumes. 49 % and 33 % were accounted for by Western and Eastern Europe, respectively, and 18 % by business outside Europe (2020: 50 %; 32 %; 18 %). MM Packaging supplies more than 1,700 customers in various consumer goods industries. Main markets are Food & Specialities as well as Premium, the latter including Health, Beauty & Personal Care and Cigarette. 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 40 % of sales in 2021 were generated with the five largest customers (2020: 40 %).

Operating profit rose by 11.9 % or EUR 17.2 million to EUR 161.9 million (2020: EUR 144.7 million), mainly due to higher volumes and increased cost efficiency. Accordingly, the operating margin totaled 9.9 % (2020: 9.1 %). Return on capital employed amounted to 14.4 % (2020: 13.2 %) cash flow from operating activities to EUR 161.1 million after EUR 191.9 million in 2020.

### Divisional indicators MM Packaging

(in millions of EUR)	2021	2020	+/-
Sales <sup>1)</sup>	1,641.6	1,594.2	+ 3.0 %
EBITDA	235.8	234.2	+ 0.7 %
Operating profit	161.9	144.7	+ 11.9 %
Operating margin (%)	9.9 %	9.1 %	+ 79 bp
Return on capital employed (%)	14.4 %	13.2 %	+ 124 bp
Cash flow from operating activities	161.1	191.9	- 16.1 %
Tonnage processed (in thousands of tons)	853	847	+ 0.7 %

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

### 3 RESEARCH AND DEVELOPMENT

The focus of MM Group's research and development activities is on sustainably securing and strengthening the Group's competitiveness and ability to grow. Innovation is lived as a process that is intended to provide timely solutions for future challenges and opportunities and to create new sustainable solutions that can also go beyond previous business areas. MM aims to identify market and future trends at an early stage and to use them in a way that creates value for 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 organization, regularly create space and incentives for new things to develop, and continuously invest in progress and the future of MM.

On the one hand, innovation activities are driven by demand for continuous product and process optimization, on the other hand, changing legal framework conditions sometimes require further development. Last but not least, the exploration of new, future business areas and target applications is the driver for innovation activities. The development and implementation of product innovations always takes into account possible risks to product safety and seizing opportunities arising from the development of innovative and sustainable packaging solutions.

#### **Modern innovation process**

A newly established innovation and product development organization and the continuously refined innovation process ensure that innovations are supported in a targeted manner from idea generation to implementation by the necessary resources and corresponding experts from our specialized departments. The focus is placed on ensuring that innovations are evaluated in detail and implemented as projects as promptly as possible in order to meet the requirements for state-of-the-art technological functionality, quality, safety and sustainability. 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 sustainable, socially acceptable and harmless to health. They also serve as proof of legal compliance in the area of product safety. Regular testing of both existing products and innovative solutions for compliance with certification criteria also ensures rigorous quality assurance, which is also visible to the outside world.

In order to give all employees the opportunity to be involved in the innovation process through their own ideas, the internal idea platform "we.invent" was also launched. The contributions are evaluated in a stage-gate process and brought to implementation.

#### **Focus on sustainability**

Both the Corona pandemic and climate change remind us that security and prosperity depend on how we preserve common goods, such as public health and climate stability, in the long term: society and economy must be built on a resilient, sustainable, and climate-friendly basis. Cartonboard and paper are thus gaining importance as environmentally friendly packaging, since implementing circular economy has always been an integral part of the MM Group's development and innovation activities. MM's objective is therefore to use the opportunity to support customers in replacing plastic with innovative and, at the same time, proven solutions made of paper and cartonboard. In this way, we are also following the current trend towards sustainable, plastic-free packaging with a natural appearance as well as a high level of convenience and safety and perfect integration into online sales.

**Progressing digitalization in the Group**

While digitization in recent years has focused in particular on digital sales and service platforms, MM has now embarked on an overall modernization of the IT landscape in the Group, which includes Enterprise Resource Planning (ERP), production planning, and production control. On the one hand, this is a challenge for our organization, but at the same time it is a clear step forward. At the end of this multi-year process, MM will be even better positioned with new competitive advantages.

At the same time, the automation of work flows and logistics processes in both divisions is progressively gaining momentum, also with the aim of creating additional competitive advantages. This is also accompanied by the introduction of a large number of new skilled functions in the Group.

**Innovation activity in the MM Board & Paper division in 2021**

On the one hand, innovation and research activities are driven by the demand for continuous improvement of all MM Board & Paper's products and their properties, on the other hand, changing legal framework conditions sometimes require further development. Last but not least, opening up new, future business areas is the driving force for new product developments.

The research and development center of MM Board & Paper at the Frohnleiten site works together with the capacities available at the MM Kotkamills site and external research institutions to implement fundamental findings in the context of science and production. This ensures industry-oriented approach and rapid implementation. The objective is to meet the current requirements in particular with regard to renewable raw materials in exchange for mineral oil-based source materials as well as sustainable production in a closed circular economy.

In connection with this, the focus in 2021 was placed on the one hand on deepening applied research of the latest coating technologies, both in terms of the type of coating and the materials used, and on the other hand on the opportunities opened up by the acquisition of the two new sites at Kotkamills and Kwidzyn to develop new applications.

Another focus was on the treatment of cellulose fibers used for fiber-based packaging solutions to improve both mechanical and sensory properties, obtaining the valuable materials during this treatment.

Topics such as "microplastics" and the "Single Use Plastic Directive" were dealt with in the context of the comprehensive structural changes at MM Board & Paper with the aim of purposefully expanding the portfolio of environmentally friendly, innovative food packaging made of cartonboard or paper.

## Innovation activity in the MM Packaging division in 2021

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

With the establishment of a "Head of Innovation MMP" and a related new innovation organization, the innovation network of MM Packaging was further expanded in 2021. This ensures that the entire technical know-how of the MM Group can be used for the needs and requirements of our customers. It comprises the following: PacProject, the creative Innovation Center in Hamburg (100 % integrated into the new innovation organization since the beginning of 2021), the Premium Printing Center in Trier, and the Technical Account Management team for coordinating targeted customer briefings with the local Packaging Development Centers and individual plants and the Tann-Group's research and development center. In order to take into account also the customers' needs in terms of technical orientation and equipment, there is a close cooperation with the Divisional Technical Support Team. This is accompanied by close cooperation with MM Board & Paper in the area of innovation.

At PacProject in Hamburg, concept studies up to the first prototypes are carried out in close coordination with the customer. Due to the close collaboration with the Technical Account Management team, first feasibility analysis is 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. Demand from our customers for "e-training/learning" has increased strongly in the area of innovation. Therefore we offer customized trend workshops, idea workshops and technical trainings.

### **Current innovation focus**

The pandemic has shown us how important our packaging products are for society. The pressure on plastic packaging continues to increase, e-commerce is booming and the way we work together has changed dramatically. It has never been so fascinating and challenging to meet these rapidly changing conditions with innovative ideas at all levels.

In 2021, MM Packaging's innovation activities focused in particular on the topic of sustainability. In this context, work was carried out in cooperation with customers, universities of applied sciences and research institutes, on optimizing recyclable packaging and developing new products.

One innovation focus was therefore on replacing plastic packaging with paper solutions. With the specific know-how in the field of paper processing, barrier properties, and packaging processes at the MM Innovaprint site in Bielefeld, well-known brands were able to switch from plastic to paper packaging in this context.

In order to take sustainability aspects into account already during the development of a product and to present cost advantages for the customers, "cost initiative in advance" was pursued further. This initiative involves the calculation of costs for ordered products already at the planning stage, taking into account the sustainability aspect. Before a new project is launched, different variants are calculated with regard to technical aspects, market requirements, design and costs of the new product and presented to the customer for selection.

**MMe.commerce experience**

Due to the Corona pandemic, the demand for e-commerce packaging increased significantly. On the newly established MMe platform, MM offers intelligent and innovative e-commerce packaging solutions ranging from cartonboard to the use of corrugated board. MM Packaging plants specialized in e-commerce are currently located in Romania, Austria and Poland.

**Awards for special sustainability**

At the European Carton Excellence Awards, MM Packaging and MM Board & Paper were honored to receive a joint award in the category Food & Drink Packaging, Recycled Fibre for the product "MM Basket". This solution, produced from Brown-color recycled cartonboard and patented by MM Packaging, was developed for storing and carrying stone fruit as an alternative to conventional plastic thermoformed trays. The jury was particularly convinced by the combination of functionality with appealing design and sustainability.

In addition, MM Board & Paper was awarded a prize in the category Food & Drink Packaging, Virgin Fibre for a food packaging that was able to convey the message of sustainability and naturalness particularly well. There were also two Gold Awards for other innovative packaging solutions.

## 4 RISK MANAGEMENT

The MM Group is exposed to a variety of general and industry-specific risks in connection with its international operations. Owing to the correlation of demand for the products of both divisions, MM Board & Paper and MM Packaging, with private consumption, the development of the economic situation has a particularly significant influence on the Group's risk situation. Because of the geographical business focus on Europe and the mainly regional character of cartonboard, paper and packaging due to transport costs and service, the economic conditions in the major European economies are of special importance. With regards to procurement, especially the development on fiber and energy markets is of particular relevance for risk assessment.

In addition to the Covid 19 pandemic, risk management in the financial year 2021 focused on massive price increases on the raw material and energy markets as well as on securing the ability to deliver. Another focus was on the integration of the new acquisitions MM Kotkamills and MM Kwidzyn into the Group's risk management. Due to the situation in connection with the conflict between Russia and Ukraine, geopolitical conflicts and related risks and effects were also considered within the existing risk fields. The MM Group closely monitors developments as well as international measures in order to be able to assess possible effects on the Group at an early stage. Although the Group has initiated numerous effective measures, in particular to pass on cost increases and to maintain the supply chain and operations, the risks of availability of raw materials for MM Packaging, sustainability as well as availability of human resources were assessed to be higher than in the previous year. Furthermore, the potential amount of damage from energy/emission certificates was also classified higher. A higher potential loss with regard to the availability of raw materials for MM Board & Paper followed the acquisitions of MM Kotkamills and MM Kwidzyn. Taking into account the safety and control instruments already in use and the early warning indicators, no significant risks that could endanger the Group's existence or impair its development are, however, currently identifiable.

Owing to a long-term focus on the core business areas, 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 risk management system aims at limiting substantial risks to an acceptable level by means of suitable measures. The existence of the Group and its ability to create value should thus be safeguarded in the long term.

For each risk that is identified and considered to be significant for the Group, specific control, steering and safeguarding measures are determined, taking into account the Group-wide risk policy, in order to manage the respective risk. These measures are continuously evaluated and developed or amended. They are oriented towards improving the Group's risk position, however without restricting possible opportunities.

The Management Board is responsible for the Group's risk management, defines the risk policy which is generally characterized by a conservative approach and sets the framework for Group-wide risk management. There is a focus on risk prevention and risk reduction which are, as far as economically justifiable, achieved by appropriate 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 analyzing, 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 organization 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 assesses the functionality of the risk management system and 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 correlates with the overall economic development, but especially with the demand for consumer staples. Market risks may therefore arise in particular from the overall economic development as well as regulatory and political conditions on individual sales markets.

Owing to sufficiently available capacities of providers, the sales markets of MM Board & Paper and MM Packaging are characterized by intensified competition. The Group therefore pursues a strategy of further asserting and extending the market position of both divisions in the long term through increasing competitiveness with efficiency gains, 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 30 % of divisional sales with 15 to 20 main customer groups, excluding MM Packaging. The packaging division supplies printed cartonboard packages to consumer goods manufacturers and generates around 75 % of divisional sales with 40 main customers. The level of dependency on individual customers is still considered manageable.

Customers assess their locations network in constant evaluations in order to optimize costs and exploit growth opportunities, which may result in a geographical relocation of business. The Group's broad positioning in a great number of market segments and the geographical width of market presence contribute however to minimizing risk.

A broad range of well-established measures has been taken to safeguard market shares and generate new business. These include a close contact with customers, ongoing monitoring, market analyses, cooperation in research and development, sustained quality and cost management, continuous investment activities, a systematic expansion of our customer base, and a regular participation in tenders. Due to the possibilities of digitalization, potentials for customer retention are used especially in business processing and service.



The increased public interest in sustainability and health has been accompanied by growing demands from customers, interest groups, and legislators with regard to sustainable packaging solutions as well as their product quality and safety. It is a particular priority for MM to meet these requirements in order to minimize a potential risk to sales, compliance, or reputation. Embedded in an institutionalized framework, both divisions continuously implement R&D activities that undergo continuous further development. In 2021, for example, "we.invent" was introduced as an idea platform for the systematic recording of ideas from the perspective of MM's around 12,500 employees. In addition, the innovation stage gate process was further expanded. 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 by certifying all production sites according to ISO 9001 and through regular quality assurance measures and inspections. As a result, 100 % of all MM cartonboard grades and the relevant paper products are tested with regard to their impact on consumer health and safety. In particular in the area of food packaging, a variety of effective measures ensure compliance with strict legal regulations and customer requirements, thus contributing to compliance, customer satisfaction and safeguarding sales. These include comprehensive certification in accordance with food safety and hygiene standards, continuous R&D activities, and quality controls with regard to the interaction between packaging and contents (migration studies), as well as measures to meet product traceability requirements.

In terms of sustainable, environmentally friendly packaging solutions, MM as a whole benefits from a positive perception of cartonboard as a packaging material by the general public and customers. Particular importance is currently attached to substitution possibilities for plastic packaging using cartonboard and paper applications which are being taken up proactively and in a customer-orientated manner. Following the trend towards light-weight packages, MM Board & Paper is further expanding its range of qualities with low 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 2021, require "plain packaging", i. e. standard packages without brand logos. The Member States in the European Union have implemented the EU Tobacco Products Directive (TPD2), which requests larger warning labels. A 2021 status report states that the approach of plain packaging with larger health warnings, in particular, should be pursued. A proposal from the EU Commission to revise TPD2 is expected at the beginning of 2024, with the evaluation phase to start already in the 1<sup>st</sup> quarter of 2022. The impact on the relevant sales of the MM Packaging division cannot be quantified yet, but the risk is minimized by broad global geographic sales and a close cooperation with cigarette manufacturers. Companies operating in this product area may be subject to discrimination in the public perception.

## Production

Production plants and processes in the Group are systematically developed or renewed in line with the state of the art. A focus is placed on a sustainably responsible production, taking into account economic, environmental, and social aspects with the aim of creating long-term benefits for our stakeholders, in particular customers, employees, and shareholders.

This primarily involves an economical use of resources (especially of fibers, cartonboard, paper, energy, water, chemicals, and transport) for our production, a high solution expertise, and guaranteeing quality while maintaining a sound financial conduct. We therefore focus on continuous performance benchmarking among locations, innovation, and sustainable investments in the latest technology. Potentials of automation and digitalization are actively pursued and implemented. The aim is to produce according to the highest possible standards throughout the Group.

A high degree of technical availability (operational readiness) of the plants is crucial in both cartonboard/paper and folding carton production. 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 opportunity to produce individual products in various locations constitutes a core element.

Meeting required quality standards and norms, especially in the areas of product safety and food contact, is an essential precondition for the sustainable competitiveness and attractiveness of our products and services. Constant quality assurance measures along the value added chain record compliance with high standards and enable traceability of products. Ongoing investment as well as R&D activities, market observation, and a longstanding collaboration with national and international standardization bodies and lobbies allow us to evaluate and consider new findings and interpretations as well as future developments in a timely manner.

We keep risks regarding investments, technical innovation, and integration of acquisitions limited by focusing on our core competences. Before their realization, investment plans are subjected to a standard multi-level approval process as well as clearly defined tendering procedures involving the specialist departments concerned. Negotiations and drafting of purchase agreements are carried out in cooperation between Corporate Sourcing, Divisional Technology and Corporate Legal. Investment projects are accompanied during implementation by a continuous control of qualitative as well as quantitative aspects. Product and process innovation is subjected to extensive test phases and generally assessed in pilot projects before being rolled out.

## Procurement

The performance of both divisions requires the use of certain essential raw materials and input factors which are mainly obtained externally. In the division MM Board & Paper, these include especially recycled paper, wood and other fiber materials as well as energy, chemicals, and logistics services. With regard to the division MM Packaging, these include primarily cartonboard and paper as well as printing inks, varnishes, glue and finishing materials, but also tools and packaging materials. For procurement there is basically a risk of availability concerning quantity and quality as well as a price risk. We particularly counter the risk of availability through regular market and demand monitoring and continuous contact with a majority of suppliers. 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.

Recovered paper, wood, pulp, and chemicals are the most essential raw materials for MM Board & Paper and sufficiently available in Europe. The division procures them via its own European procurement organization, mainly by monthly or spot orders as well as longer-term contracts. Ongoing monitoring and suitable security measures, such as capacity reservations, long-term contracts, and backup concepts, are partly successful in counteracting the increased shortage and price risk due to a higher global demand and in absorbing short-term price peaks. As a result of high recycling quotas in Europe and existing reserves, a sufficient supply of paper for recycling is basically assured. Due to regulatory measures, there may be shifts in supply. The additionally required groundwood pulp is mainly produced internally in the cartonboard and paper mills and in our Norwegian fiber mill FollaCell.

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

Based on the profit center principle, purchase of cartonboard and paper for the MM Packaging division is conducted by its own procurement organization with continuous screening of various cartonboard and paper producers.

Significant price changes of strategically important input factors are taken into account by appropriate clauses in long-term agreements.

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 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 purchasing policy is managed based on regular consultations between the management and an energy procurement with Group-wide responsibility. Furthermore, 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. Adjustments to selling prices in line with price developments on the energy market are implemented as quickly as possible.

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. Thanks to energy-efficient facilities and correspondingly good benchmarking results, MM Board & Paper continues to benefit from a partly free allocation of emission permits and currently holds sufficient CO<sub>2</sub> certificates. 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 +/-15%. MM Board & Paper procures missing certificates on the free market under the EU emission trading system, whereby 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 minimizing the negative impact on environment and society. In detail, this means, for example, using resources (recycled paper, cartonboard, virgin fiber, 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 Group's strategy and is one of the foundations 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 behavior, 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.

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

Legal changes, such as those that are coming into force as a result of the EU Green Deal in particular, 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). Consequently, sustainability is an 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 the 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. 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).

## Human Resources

The Group relies on qualified, motivated, and performance-oriented employees at all levels in order to achieve corporate success. We promote sustainable collaboration through continuous personnel development, education, appropriate remuneration, and incentive systems as well as a lived value and corporate culture with the aim of tying our employees to the Company in the long run and finding suitable top performers for vacancies. Targeted measures in HR marketing are implemented to ensure the Group's attractiveness as an employer.

The central "Group Human Resources" department acts as a strategic partner of the management and is not only responsible 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 programs such as the MM Academy, the apprentice program "Next Generation" and various trainee programs, we systematically establish conditions under which talents can grow, and up-to-date expertise is made available 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.

Since the start of the Covid-19 pandemic, particular attention has been paid to the measures required to ensure the best possible protection of the health and safety of employees, even under these exceptional circumstances. Higher safety standards, the option to work from home and the use of the latest online communication and e-learning tools make an important contribution in this respect.

HR agendas in 2021 were also characterized by the two large acquisitions as well as the sale of two mills in the MM Board & Paper division. Due to this strategic realignment, organizational structures were changed and new functions established. Changed management structures and teams, but also system and process decisions were necessary. This process will be continued in 2022. All major integration measures are managed via a clear project structure.

## Pensions/severance payments/pre-retirement

The majority of employees in the Group is covered by defined contribution plans as part of statutory pension schemes. Apart from statutory pension schemes, the Group has also made performance- and contribution-based pension commitments to certain employees on the basis of individual commitments and company agreements. Furthermore, there are performance- and contribution-based severance obligations and obligations as part of statutory pre-retirement schemes. For monitoring and minimizing risks, a clearly structured process of data provisioning, plausibility checks, and verification at the level of individual companies or the Group is pursued and individual commitments are monitored 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 continuing low level of interest rates has methodically led to a low discount rate, which increases 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 in 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 liquidity 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. Compliance with the covenants from the Schuldschein loans and Namensschuldverschreibungen issued in 2021 is monitored regularly to minimize risk.

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 as well as foreign exchange forward, swap and option contracts. 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. The related price risks are reduced as far as possible by currency congruence in business transactions and by price adjustment mechanisms in long-term agreements. Derivative financial instruments are neither used for trading nor for speculative purposes.

A central management system continuously optimizes working capital and minimizes impairment risks for inventories. The risk of default on accounts receivable is minimized by constant credit assessment as well as 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 the 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 organizational and operational structure, clear responsibilities are defined for the individual companies and the Group. The central departments "Corporate Accounting" and "Planning and Reporting" are responsible for developing up-to-date uniform Group guidelines as well as for organizing 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 are carried out by auditors and the Internal Audit department.

## 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 central data processing is limited by a geographically separated backup computer center and by a variety of preventive measures and regular checks. Risks regarding information security are countered by a wide range of security measures which are embedded in a Group-wide information security management system (ISMS). The function of an Information Protection Officer ensures the Group-wide establishment and continuous update of security standards. We counter the general rise in cybercrime by continuously refining a prevention, detection and continuity management.

Employees are instructed in regular security training courses and trained to maintain a high level of attention.

## Other risks

Compliance risks arising from possible non-conformity with standards, laws, ethical codes of conduct, and, where applicable, voluntary commitments 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, for example the Code of Conduct (available on our website at <https://www.mm.group/en/about-us/responsibility/code-of-conduct/>) and Group-wide "Group Organizational Guidelines". Furthermore, the function "Group Legal" is established, which is also responsible for compliance training and organization. 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 integrated part of the annual report is available on our website at <https://www.mm.group/en/about-us/responsibility/corporate-governance/>.

We address the "legal compliance" risk in particular through the function "Group Legal", which is responsible for monitoring and controlling the risk area and, if necessary, by calling in external experts. The aim is to comply with legal requirements, the best possible contractual design of business relationships and, finally, to comply with these contractual 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.

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 57 % 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. Modifications of the syndicate agreement require unanimity, measured by the total number of votes cast.

### **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 2021:

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.

### **Authorization 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 authorizations 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 2022

This outlook reflects the assessment of the Management Board as of March 14, 2022, and does not take into consideration the effects of any acquisitions, disposals, or other structural changes in 2022. 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.

Demand and order situation for the products of both divisions have remained in good shape since the beginning of the year. The price increases necessary in view of massive cost increases, especially the extraordinary rise in energy prices, could be implemented for the 1<sup>st</sup> quarter. In addition, a further cartonboard price increase is planned for the 2<sup>nd</sup> quarter in order to compensate for the cost inflation which has been going on since the beginning of the year. Also in the Packaging division, the recent rise in input costs is passed on continuously but often with a time lag due to contractual reasons. As a result of widely booked capacities and longer delivery times, our customers continue to focus on supply security, a demand that we meet with the highest possible flexibility and transparency.

Due to capacity limitations, the Group's sales volume can only increase gradually. However, the expansions recently initiated at several MM Packaging plants should enable more business in the course of the year. At MM Board & Paper, where the investment focus is on efficiency improvements and optimization of the product portfolio, the expansive effects will only gradually take effect from 2023 onwards.

As already indicated, due to intensified investment activity in increasing competitiveness and growth, investments in a range of EUR 250 - 300 million p.a. can also be assumed for 2022 and 2023. At MM Board & Paper, in addition to the major investments in Frohnleiten, Neuss, and Koicevo, the focus is also placed on projects at the new acquisitions MM Kotkamills and MM Kwidzyn in order to be able to utilize attractive potentials in a timely manner. At MM Packaging, in Poland we are pursuing a doubling of the large site in Bydgoszcz as well as the construction of a new packaging plant near Warsaw in order to participate in the market growth in Central-Eastern Europe and to take advantage of more favorable costs. In addition, sites in Great Britain, Austria and Romania are expanded to critical size.

The orientation of the MM Group towards a long-term moderate growth course has proven successful and will be further pursued. While at MM Board & Paper the emphasis is currently on the integration of the new acquisitions, the market presence of MM Packaging is also to be expanded through acquisitions. The focus on optimizing cost structures, digitalization, and innovative, sustainable packaging products to replace plastic packaging will be consistently continued.

In view of ongoing cost inflation and further developments that are difficult to predict, the focus remains on compensating this weight by increasing selling prices as quickly as possible and reducing structural costs in order to catch up again in terms of margins.

The MM Group closely monitors the developments in Russia and Ukraine as well as the international measures and possible impacts on the Group. MM cumulatively generates approx. 9 % of the Group's EBITDA in Russia and Ukraine. In Russia, packaging products for the local demand of daily consumer goods are produced at two sites, St. Petersburg and Pskov. A downtime has to be expected. MM has stopped all cartonboard deliveries to Russia. In Ukraine, where MM produces packaging at the Cherkassy site in the center of the country, operations are currently suspended.

Vienna, March 14, 2022

**The Management Board**

Peter Oswald m. p.

Andreas Blaschke 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, 2021

Dec. 31, 2020

**ASSETS**

Property, plant and equipment	6	1,490,031	996,472
Intangible assets including goodwill	6	914,793	346,347
Investments accounted for using the equity method, securities and other financial assets	8	8,415	7,404
Deferred tax assets	9	46,763	47,700
<b>Non-current assets</b>		<b>2,460,002</b>	<b>1,397,923</b>
Inventories	10	477,263	349,621
Trade receivables	11	541,603	415,804
Income tax receivables	9	32,212	12,158
Prepaid expenses and other current assets	12	136,807	72,593
Cash and cash equivalents	31	359,546	146,241
Non-current assets held for sale	5	6,785	5,230
<b>Current assets</b>		<b>1,554,216</b>	<b>1,001,647</b>
<b>TOTAL ASSETS</b>		<b>4,014,218</b>	<b>2,399,570</b>

**EQUITY AND LIABILITIES**

Share capital	13	80,000	80,000
Additional paid-in capital	13	172,658	172,658
Retained earnings	13	1,687,923	1,564,165
Other reserves	13	(284,750)	(274,477)
<b>Equity attributable to shareholders of the Company</b>		<b>1,655,831</b>	<b>1,542,346</b>
Non-controlling (minority) interests	13	6,047	4,752
<b>Total equity</b>		<b>1,661,878</b>	<b>1,547,098</b>
Non-current financial liabilities	14	1,349,074	215,511
Provisions for non-current liabilities and charges	15	149,834	143,001
Deferred tax liabilities	9	70,486	38,684
<b>Non-current liabilities</b>		<b>1,569,394</b>	<b>397,196</b>
Current financial liabilities	14	74,003	52,915
Current tax liabilities	9	24,371	19,809
Trade liabilities	16	437,726	220,437
Deferred income and other current liabilities	17	198,628	140,183
Provisions for current liabilities and charges	18	48,218	21,932
<b>Current liabilities</b>		<b>782,946</b>	<b>455,276</b>
<b>Total liabilities</b>		<b>2,352,340</b>	<b>852,472</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,014,218</b>	<b>2,399,570</b>

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

# Consolidated Income Statements

(all amounts in thousands of EUR except share and per share data)	Notes	2021	2020
Sales	19	3,069,714	2,528,399
Cost of sales	21	(2,413,557)	(1,913,879)
<b>Gross margin</b>		<b>656,157</b>	<b>614,520</b>
Other operating income	20	84,860	19,808
Selling and distribution expenses	21	(296,107)	(244,758)
Administrative expenses	21	(175,158)	(158,074)
Other operating expenses	21	(137)	(116)
<b>Operating profit</b>		<b>269,615</b>	<b>231,380</b>
Financial income	25	3,319	1,712
Financial expenses	26	(24,369)	(7,863)
Other financial result – net	27	(4,016)	(3,155)
<b>Profit before tax</b>		<b>244,549</b>	<b>222,074</b>
Income tax expense	9	(53,848)	(59,844)
<b>Profit for the year</b>		<b>190,701</b>	<b>162,230</b>
<b>Attributable to:</b>			
Shareholders of the Company		189,174	161,188
Non-controlling (minority) interests	13	1,527	1,042
<b>Profit for the year</b>		<b>190,701</b>	<b>162,230</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>9.46</b>	<b>8.06</b>

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

# Consolidated Comprehensive Income Statements

(all amounts in thousands of EUR)	Notes	2021	2020
<b>Profit for the year</b>		<b>190,701</b>	<b>162,230</b>
<b>Other comprehensive income:</b>			
Actuarial valuation of defined benefit pension and severance obligations	13	(1,518)	(583)
Effect of income taxes	9	1,107	(784)
<b>Total of items that will not be reclassified subsequently to the income statement</b>		<b>(411)</b>	<b>(1,367)</b>
Foreign currency translations <sup>1)</sup>	13	(9,557)	(59,690)
Effect of income taxes	9	(1,154)	2,948
<b>Total of items that will be reclassified subsequently to the income statement</b>		<b>(10,711)</b>	<b>(56,742)</b>
<b>Other comprehensive income (net)</b>		<b>(11,122)</b>	<b>(58,109)</b>
<b>Total comprehensive income</b>		<b>179,579</b>	<b>104,121</b>
<b>Attributable to:</b>			
Shareholders of the Company		177,687	103,219
Non-controlling (minority) interests	13	1,892	902
<b>Total comprehensive income</b>		<b>179,579</b>	<b>104,121</b>

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

<sup>1)</sup> In the financial year 2021, an amount of thous. EUR -1,940 (2020: thous. EUR -133) was reclassified from other comprehensive income to profit for the year.

# 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	Other comprehensive income					
					Foreign currency translations	Actuarial gains and losses	Other reserves			
<b>Balance at Jan. 1, 2020</b>		<b>80,000</b>	<b>172,658</b>	<b>1,466,884</b>	<b>(150,580)</b>	<b>(65,928)</b>	<b>(216,508)</b>	<b>1,503,034</b>	<b>5,275</b>	<b>1,508,309</b>
Profit for the year		0	0	161,188	0	0	0	161,188	1,042	162,230
Other comprehensive income		0	0	0	(56,593)	(1,376)	(57,969)	(57,969)	(140)	(58,109)
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>161,188</b>	<b>(56,593)</b>	<b>(1,376)</b>	<b>(57,969)</b>	<b>103,219</b>	<b>902</b>	<b>104,121</b>
<b>Transactions with shareholders:</b>										
Dividends paid	13	0	0	(64,000)	0	0	0	(64,000)	(1,196)	(65,196)
Change in majority interests	5	0	0	93	0	0	0	93	(229)	(136)
<b>Balance at Dec. 31, 2020</b>		<b>80,000</b>	<b>172,658</b>	<b>1,564,165</b>	<b>(207,173)</b>	<b>(67,304)</b>	<b>(274,477)</b>	<b>1,542,346</b>	<b>4,752</b>	<b>1,547,098</b>
Profit for the year		0	0	189,174	0	0	0	189,174	1,527	190,701
Other comprehensive income		0	0	0	(11,081)	(406)	(11,487)	(11,487)	365	(11,122)
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>189,174</b>	<b>(11,081)</b>	<b>(406)</b>	<b>(11,487)</b>	<b>177,687</b>	<b>1,892</b>	<b>179,579</b>
Reclassification of actuarial effects to retained earnings		0	0	(1,214)	0	1,214	1,214	0	0	0
<b>Transactions with shareholders:</b>										
Dividends paid	13	0	0	(64,000)	0	0	0	(64,000)	(1,220)	(65,220)
Change in majority interests	5	0	0	(202)	0	0	0	(202)	623	421
<b>Balance at Dec. 31, 2021</b>		<b>80,000</b>	<b>172,658</b>	<b>1,687,923</b>	<b>(218,254)</b>	<b>(66,496)</b>	<b>(284,750)</b>	<b>1,655,831</b>	<b>6,047</b>	<b>1,661,878</b>

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

# Consolidated Cash Flow Statements

(all amounts in thousands of EUR)	Notes	Year ended Dec. 31, 2021	Year ended Dec. 31, 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Profit for the year		190,701	162,230
<b>Adjustments to reconcile profit for the year to net cash from operating activities excluding interest and taxes paid:</b>			
Income tax expense	9	53,848	59,844
Depreciation and amortization of property, plant and equipment, and intangible assets	6	148,953	135,964
Impairment of property, plant and equipment, and intangible assets	6	2,395	31,517
Gains (losses) from disposals of property, plant and equipment, and intangible assets	20	(9,497)	263
Financial income	25	(3,319)	(1,712)
Financial expenses	26	24,369	7,863
Result from the disposal of subsidiaries	5	(46,175)	0
Share of profit (loss) of other investments	27	(606)	(344)
Other adjustments	31	(1,985)	(10,105)
<b>Net cash from profit</b>		<b>358,684</b>	<b>385,520</b>
<b>Changes in working capital:</b>			
Inventories	10	(57,357)	(1,316)
Trade receivables	11	(112,218)	(18,017)
Prepaid expenses and other current assets	12	(21,184)	(7,221)
Trade liabilities	16	145,700	6,598
Deferred income and other current liabilities	17	24,745	15,148
Provisions for current liabilities and charges	18	(1,577)	12,222
<b>Changes in working capital</b>		<b>(21,891)</b>	<b>7,414</b>
<b>Cash flow from operating activities excluding interest and taxes paid</b>		<b>336,793</b>	<b>392,934</b>
Income taxes paid		(66,973)	(74,750)
<b>Net cash from operating activities</b>		<b>269,820</b>	<b>318,184</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Proceeds from disposals of property, plant and equipment, and intangible assets		16,536	2,214
Payments for acquisition of property, plant and equipment, and intangible assets (incl. payments on account)	16	(248,430)	(152,772)
Proceeds from government grants		0	6,150
Payments for acquisition of companies or other business entities, net of cash and cash equivalents acquired (2021: thous. EUR 67,747; 2020: thous. EUR 0)	5	(811,825)	0
Proceeds from disposal of companies or other business entities, net of cash and cash equivalents disposed (2021: thous. EUR 4,146, 2020: thous. EUR 0)	5	148,467	500
Proceeds from disposals of securities and other financial assets		177	155
Payments for securities and other financial assets		(251)	(1,226)
Dividends received	27	606	344
Interest received		3,319	1,775
<b>Net cash from investing activities</b>		<b>(891,401)</b>	<b>(142,860)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Interest paid		(12,003)	(7,857)
Issuances of interest-bearing financial liabilities	31	1,225,114	642
Repayments of interest-bearing financial liabilities	31	(302,018)	(69,934)
Repayments of lease liabilities	31	(8,984)	(8,322)
Payments to non-controlling (minority) shareholders		(0)	(136)
Dividends paid to the shareholders of the Company	13	(64,000)	(64,000)
Dividends paid to non-controlling (minority) shareholders	13	(1,220)	(1,196)
<b>Net cash from financing activities</b>		<b>836,889</b>	<b>(150,803)</b>
Effect of exchange rate changes on cash and cash equivalents		(2,003)	(5,087)
<b>Change in cash and cash equivalents</b>		<b>213,305</b>	<b>19,434</b>
<b>Cash and cash equivalents at the beginning of the year (according to the consolidated balance sheet)</b>		<b>146,241</b>	<b>126,807</b>
<b>Cash and cash equivalents at the end of the year (according to the consolidated balance sheet)</b>		<b>359,546</b>	<b>146,241</b>

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



# 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 Brahmplatz 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).

### **Significant events affecting the Group's financial situation and profitability**

The Group's financial situation and profitability are particularly affected by the changes in the consolidated companies, in particular the acquisitions of MM Kotkamills and MM Kwidzyn (see note 5), which impairs comparability with the previous year's figures.

## 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, 2021 and have been signed by the Management Board and have been approved by the Supervisory Board as of March 14, 2022.

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.

### 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, 2021 and with an effective date no later than this date, were taken into consideration:

Revised standards	Content	Effective
IFRS 4	Deferral of IFRS 9	2021
IFRS 9/IAS 39/IFRS 7/ IFRS 4/IFRS 16	Interest Rate Benchmark Reform – Phase 2	2021
IFRS 16	Leases – Covid-19 Related Rent Concessions	2021

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.

With the amendment to IFRS 4 "Insurance Revenue", insurance companies can temporarily continue to apply IAS 39 "Financial Instruments: Recognition and Measurement" instead of IFRS 9 "Financial Instruments" for the accounting of financial instruments until the application of IFRS 17 "Insurance Revenue" becomes effective. There are no cases in which IFRS 4 or IFRS 17 are applied in the MM Group. IFRS 9 is already fully applied for the accounting of financial instruments.

The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relate in particular to certain further simplifications with regard to interest-bearing primary financial instruments as well as simplifications in accounting of hedging relationships affected by the reform of the reference interest rate. In principle, there was no case of application for these simplification rules for the MM Group in the financial year.

The amendments to IFRS 16 provide lessees with an exemption from assessing whether lease concessions granted as a result of the coronavirus pandemic (e. g., rent-free periods or temporary rent reductions) constitute a lease modification. This simplification rule was not applied.

Furthermore, the following new and revised standards were endorsed by the EU until December 31, 2021; their application is, however, not yet compulsory for the financial year 2021:

New standards	Content	Effective
IFRS 17	Insurance contracts	2023
Revised standards	Content	Effective
IFRS 3	Reference to the Conceptual Framework in IFRS	2022
IAS 16	Proceeds before Intended Use	2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract	2022
	Annual Improvements to IFRS 2018 – 2020	2022

Additionally, the following revised standards were published by IASB until December 31, 2021 but have not yet been endorsed by the EU:

Revised Standards	Content	Effective
IAS 1	Classification of Liabilities as Current or Non-current	2023
IAS 1	Disclosure of Accounting policies – Definition of Material	2023
IAS 8	Definition of Accounting Estimates	2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	2023
IFRS 17	Initial Application of IFRS 17 and IFRS 9 – Comparative Information	2023

From today's point of view, the above mentioned new or 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.

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

Any effects of intercompany transactions are entirely eliminated.

### Foreign 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, whereby the exchange rate of December 31 of the last year always being taken as the first closing rate. Differences arising from the translation of assets and liabilities in comparison with the previous periods are recognized as a separate component of equity. Gains and losses resulting from foreign currency transactions are recognized 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 realization are recognized in the income statement.

Exchange rate 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 recognized in the income statement only upon intentional repayment or disposal of the net investment.

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	Exchange rate	Annual average	Annual average
		at Dec. 31, 2021	at Dec. 31, 2020	exchange rate 2021	exchange rate 2020
		1 EUR =	1 EUR =	1 EUR =	1 EUR =
Bulgaria	BGN	1.96	1.96	1.96	1.96
Canada	CAD	1.44	1.56	1.49	1.53
Chile	CLP	964	871	899	899
China	CNY	7.22	8.03	7.64	7.89
Colombia	COP	4,527	4,200	4,438	4,213
Czech Republic	CZK	24.86	26.24	25.69	26.39
Great Britain	GBP	0.84	0.90	0.86	0.89
Hungary	HUF	369	364	358	352
Jordan	JOD	0.80	0.87	0.84	0.81
Norway	NOK	9.99	10.47	10.18	10.69
Philippines	PHP	57.51	58.69	58.43	56.69
Poland	PLN	4.60	4.61	4.58	4.45
Romania	RON	4.95	4.87	4.92	4.84
Russia	RUB	84.07	90.68	87.42	82.03
Switzerland	CHF	1.03	1.08	1.08	1.07
Tunisia	TND	3.28	3.31	3.30	3.21
Turkey	TRY	14.68	9.01	10.33	7.88
Ukraine	UAH	30.92	34.74	32.38	30.61
Vietnam	VND	25,864	28,517	27,213	26,667

**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 valued based on an independent external expert report. 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 recognized 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. Additional changes in contingent consideration classified as asset or liability are also measured at fair value, and the resulting profit or loss is recognized 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 capitalized as goodwill. After repeated assessment, negative goodwill shall be recognized directly in the income statement.

## 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 recognized. 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 recognized at acquisition and manufacturing costs and are depreciated/amortized 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 cause a reduction of the useful life of an asset. Hence, the carrying amount would be depreciated/amortized over the remaining shorter useful life, resulting in higher annual depreciation/amortization expenses (see note 6).

### **Bilanzierung von Unternehmenserwerben**

As a consequence of company acquisitions a goodwill is reported in the consolidated balance sheet, or a negative goodwill is recognized 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 recognized at fair value as of the effective acquisition date. The valuation of intangible assets is in particular 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 annual growth rates, and EBITDA margin/costs 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 recognized 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 exceed the amount of available emission rights in the course of the reporting period 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).

Only expenses from the use of certificates acquired in return for payment, for emissions for which no CO<sub>2</sub> certificates are yet available, 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 consequences for tax liabilities and deferred taxes (see note 9).

**Realization 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 realization 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 realization 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 the lease 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 scrutinized 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 (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 use 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 realized resources outflow can differ from the provision amount reported on the balance sheet date (see note 15 and 18).



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

### 5.1 Changes in the consolidated companies in 2021

In August 2021, the MM Board & Paper division acquired 100 % of the shares in Kotkamills Group Oyj (“Kotkamills”), located in Kotka, Finland. MM Kotkamills operates one of the most modern virgin fiber board machines in Europe (built 2016) as well as a Saturating Kraft Paper machine and a sawmill.

The acquisition strengthens MM's position in the virgin fiber-based board market (FBB) with an attractive range of barrier board solutions that can replace PE (polyethylene)-coated board. In addition, MM enters the growing market for cartonboard for paper cups (cupstock). The acquisition complements MM's established market position in recycled cartonboard. Furthermore, MM diversifies its product offering with Saturating Kraft Paper, in which Kotkamills is one of the leading producers worldwide. The medium-term goal is to increase the sales volume to the capacity of approximately 400,000 tons of cartonboard per year and exploit synergy potential.

The closing of the acquisition was completed on August 2, 2021. The purchase price paid in cash amounts to thous. EUR 203,097 and was financed by issuing Schuldschein loans and Namensschuldverschreibungen.

Furthermore, MM repaid a loan in the amount of thous. EUR 28,621 for Kotkamills on the closing date. In addition, the loans of the previous shareholders (in total thous. EUR 164,987) were taken over by MM.

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

(in thousands of EUR)	Aug. 2, 2021
Property, plant and equipment	213,296
Intangible assets	39,371
Deferred tax assets	7,828
Inventories	38,548
Trade receivables	15,619
Prepaid expenses and other current assets	32,104
Cash and cash equivalents	29,195
Deferred tax liabilities	(11,317)
Provisions for non-current liabilities and charges	(1,342)
Financial liabilities	(210,582)
Trade liabilities	(44,650)
Prepaid expenses, other current liabilities and provisions	(32,066)
<b>Net assets</b>	<b>76,004</b>
Goodwill	127,093

The fair values of buildings, machinery and technical equipment were determined by an independent external expert using a cost-based approach based on replacement costs.

The fair values of land and land rights were determined using the comparison approach, assuming that they were vacant and available as of the valuation date.

Intangible assets include, in particular, a customer relationship in an amount of thous. EUR 39,057, based on long-term customer relations and amortized over a useful life of approximately 9 years.

The acquired CO<sub>2</sub> emission certificates were valued according to a market approach, resulting in “other assets” in the amount of thous. EUR 5,095, which is reported under the line item “Prepaid expenses and other current assets”. At the same time, a provision in the amount of thous. EUR 8,408 was recognized for CO<sub>2</sub> emissions in 2021 until the acquisition date.

Trade receivables comprise gross amounts of contractual receivables amounting to thous. EUR 15,700, of which thous. EUR 81 are estimated as presumably irrecoverable, resulting in a fair value of thous. EUR 15,619. For prepaid expenses and other current assets in the amount of thous. EUR 27,009 the fair values correspond to the gross amounts. Due to the short-term nature of the receivables, the Group assumes that the future cash flows correspond to the fair value. The Group has not recognized any contingent liabilities in the course of the transaction.

The remaining goodwill of thous. EUR 127,093 mainly reflects the strengthening of MM's market position in the virgin fiber cartonboard sector as well as expected synergies from the diversification and expansion of the portfolio. Recognized goodwill is not deductible for tax purposes.

Of the acquisition-related costs amounting to thous. EUR 7,377, thous. EUR 3,187 were recorded as expense in the financial year 2020 and thous. EUR 4,190 in the financial year 2021 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 2021 amounted to thous. EUR 172,973 and thous. EUR 6,704, respectively. Profit before tax was impacted by a one-off effect of thous. EUR 1,342 resulting from the valuation of inventories performed in the course of the purchase price allocation and recognized in cost of sales. If the business combination had been concluded on January 1, 2021, Kotkamills would have additionally contributed approximately EUR 257 million to the Group's sales or approximately EUR 10 million to the Group's profit before tax.

The purchase price allocation had not yet been fully completed as of the balance sheet date, in particular with regard to acquired property, plant and equipment. This process is, however, not expected to result in any further significant changes.

In August 2021, the MM Board & Paper division acquired 100 % of the shares in International Paper (Poland) Holding Sp. z o. o (“Kwidzyn”) from International Paper. At the integrated pulp and paper site in Poland, Kwidzyn operates a pulp mill with an annual capacity of approximately 400,000 tons and four integrated cartonboard/paper machines. The flagship is a virgin fiber-based board machine with a capacity of 260,000 tons p. a.. In addition, MM Kwidzyn has entered the market for MF kraft paper with a paper machine to meet the growing demand for flexible fiber-based packaging products with an annual capacity of 75,000 tons. Furthermore, Kwidzyn operates two of the most attractive copy paper machines (UWF) in Europe with a total annual capacity of 410,000 tons.

The acquisition will strengthen MM Board & Paper's competitive position in the attractive market for high-quality virgin fiber-based cartonboard with innovative, sustainable qualities as well as more efficiency compared to the two market leaders and complement the established market position in recycled fiber-based cartonboard. The entry into new business areas and the integration of pulp and paper at one site additionally create new perspectives. The aim is also to use the advantageous cost position for further growth in Folding Box Board or other packaging grades and to exploit synergy potential.

The closing of the acquisition was completed on August 6, 2021. The purchase price paid in cash amounts to thous. EUR 676,475 and was financed by committed credit lines from banks and the issuance of Schuldschein loans and Namensschuldverschreibungen. In addition to a fixed base amount, the calculation is based on the net financial liabilities and the net current assets.

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

(in thousands of EUR)	Aug. 6, 2021
Property, plant and equipment	267,268
Intangible assets	98,727
Deferred tax assets	12,688
Inventories	67,889
Trade receivables	40,415
Prepaid expenses and other current assets	9,467
Cash and cash equivalents	38,552
Non-controlling (minority) interests	(475)
Deferred tax liabilities	(40,036)
Provisions for non-current liabilities and charges	(19,992)
Financial liabilities	(25,444)
Trade liabilities	(53,543)
Prepaid expenses, other current liabilities and provisions	(29,221)
<b>Net assets</b>	<b>366,295</b>
Goodwill	310,180

Real estate was valued by external independent appraisers at fair value using either a market-based or income-based approach depending on available market data.

The fair values of assets related to cartonboard production were determined by an independent external appraiser using a cost-based approach based on replacement costs.

The intangible assets include, in particular, a customer relationship in an amount of thous. EUR 98,716, based on long-term customer relations and amortized over a useful life of up to 10 years.

Trade receivables include gross amounts of contractual receivables of thous. EUR 40,730, of which thous. EUR 315 are estimated as presumably irrecoverable, resulting in a fair value of thous. EUR 40,415. For prepaid expenses and other assets in the amount of thous. EUR 9,467 the fair values correspond to the gross amounts. Due to the short-term nature of the receivables, the Group assumes that the future cash flows correspond to the fair value. The Group has not recognized any contingent liabilities in the course of the transaction.

In the course of the acquisition, a current provision in the amount of thous. EUR 13,496 was recognized for the amount representing CO<sub>2</sub> emissions in 2021 until the acquisition date and a non-current provision for environmental measures in the amount of thous. EUR 12,672 was recognized.

The non-controlling (minority) interests of thous. EUR 475 have been determined as a proportionate share of the identifiable net assets of the respective subsidiary.

The remaining goodwill of thous. EUR 310,180 mainly reflects the strengthening of MM's market position in the virgin fiber-based cartonboard sector as well as expected synergies from the diversification and expansion of the portfolio. Recognized goodwill is not deductible for tax purposes.

Of the acquisition-related costs amounting to thous. EUR 13,964, thous. EUR 343 were recorded as expense in the financial year 2020 and thous. EUR 13,621 in the financial year 2021 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 amounted to thous. EUR 242,365 and thous. EUR -1,323, respectively, in the financial year 2021. Profit before tax was impacted by a one-off effect of thous. EUR 7,200 resulting from the valuation of inventories performed in the course of the purchase price allocation and recognized in cost of sales. If the business combination had been concluded on January 1, 2021, Kwidzyn would have additionally contributed approximately EUR 263 million to the Group's sales and approximately EUR 12 million to the Group's profit before tax.

The purchase price allocation had not yet been fully completed as of the balance sheet date, in particular with regard to acquired property, plant and equipment. This process is, however, not expected to result in any further significant changes.

In order to finance these acquisitions, Mayr-Melnhof Karton AG has taken out loans in the form of Schuldschein loans and Namensschuldverschreibungen (see note 14.1).

In August 2021, the MM Board & Paper division sold 100 % of the shares in the virgin fiber-based cartonboard mills Mayr-Melnhof Eerbeek B.V., Netherlands, and Baiersbronn Frischfaser Karton GmbH, Germany, to a subsidiary of funds managed by Oaktree Capital Management, L.P. for a purchase price of thous. EUR 110,501. In addition, the buyer settled the existing intercompany loan and cash pool liabilities in the amount of thous. EUR 41,749 to MM. The sale is in line with MM's strategy to focus on new acquisitions and growth investments. The Eerbeek and Baiersbronn mills together have an annual capacity of approximately 245,000 tons of virgin fiber-based cartonboard produced on two cartonboard machines and employ around 400 people. In 2020, sales of approximately EUR 195 million were generated.

From these disposals a total income before tax in the amount of thous. EUR 55,545 was recognized in the financial year 2021, which was offset by disposal and subsequent costs of thous. EUR 9,370 (see note 20).

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

(in thousands of EUR)	Aug. 2, 2021
Property, plant and equipment	(80,046)
Intangible assets	(385)
Deferred tax assets	(3,542)
Inventories	(26,760)
Trade receivables	(29,840)
Prepaid expenses and other current assets	(3,386)
Cash and cash equivalents	(4,646)
Provisions for non-current liabilities and charges	10,438
Financial liabilities	1,200
Trade liabilities	25,748
Prepaid expenses, other current liabilities and provisions	56,263
<b>Net assets</b>	<b>(54,956)</b>

In addition, there were further insignificant changes in individual subsidiaries (see note 33).

## 5.2 Changes in the consolidated companies in 2020

With the exception of immaterial changes at individual subsidiaries, there were no changes in the consolidated companies in the financial year 2020.

## 5.3 Other significant events in 2021

After the shutdown of a rotogravure printing line at the Bielefeld site had already been planned in the 4<sup>th</sup> quarter of 2020, the division MM Packaging now completed the closure of the Bielefeld site of MM Graphia Bielefeld GmbH in 2021 due to necessary market-related structural adjustment measures. This mainly resulted in expenses for impairment of inventories and for the social plan, which impacted the Group's profit before tax in the amount of thous. EUR 20,111. Furthermore, carrying amounts of thous. EUR 5,076 were reclassified to "Non-current assets held for sale".

In addition, there were other restructuring measures which were not of significance for the Group.

## 5.4 Other significant events in 2020

### **Restructuring measures in 2020**

In both divisions, restructuring measures were taken at individual sites in 2020.

In the cartonboard division, the 70-year-old, uncompetitive cartonboard machine at Mayr-Melnhof Karton GmbH's site in Hirschwang, Austria, was decommissioned at the beginning of November due to high upcoming expenses that were not justifiable. In the course of the discontinuation of production, impairment losses had to be recognized on the site's property, plant and equipment, and intangible assets as well as inventories. A social plan was negotiated in connection with the necessary staff reductions. In addition, expenses arose from post-closure obligations for inherited liabilities. Total expenses amounting to thous. EUR 23,486 arose from the closure of the cartonboard mill in Hirschwang. In this context, non-current assets in the amount of thous. EUR 5,230, mainly technical equipment and machinery, were classified as held for sale and reclassified accordingly.

Structural adjustment measures were announced in the packaging division, among others, at MM Graphia Bielefeld GmbH in Bielefeld and at R + S Stanzformen GmbH in Niederdorfelden, both in Germany.

With the planned discontinuation of a rotogravure printing line in Bielefeld, the Group intended to focus on its high-performance sites for this printing technology. This resulted in expenses mainly for impairment losses on property, plant and equipment, and inventories. In addition, there was a reduction in the number of employees, for whom a social plan was negotiated. The Group's result was burdened with thous. EUR 6,702 from this decommissioning.

At R + S, the Group itself has produced cutting dies as tools for use in the packaging division so far. This production was discontinued, resulting mainly in expenses for impairment of property, plant and equipment, and inventories as well as for a social plan. This plant closure caused expenses in the amount of thous. EUR 5,871.

In addition, there were other restructuring measures which were not material for the Group.

### **Other significant events in 2020**

In February 2020, a fire in Hirschwang irreparably destroyed a large warehouse building and inventories therein. In this context, Neupack Ges. m. b. H. in the packaging division received an insurance compensation of thous. EUR 8,750.

As a result of the termination agreement with the former chairman of the Management Board, a total of thous. EUR 7,206 was booked in administrative expenses, equally divided within the divisions.

## 6 DEVELOPMENT OF FIXED ASSETS

### 6.1 Property, plant and equipment including leases

#### **Property, plant and equipment**

Property, plant and equipment are recognized at acquisition or manufacturing cost less accumulated depreciation and impairment. Depreciation expense is recognized 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 capitalizes significant renewal investments and leasehold improvements. Generally, costs resulting in a prolongation of utilization or in an increase in future utilization of assets are capitalized. Current costs of maintenance and repairs are recognized 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.

## Development of property, plant and equipment 2021

(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, 2021</b>	<b>666,801</b>	<b>1,818,669</b>	<b>186,049</b>	<b>74,552</b>	<b>2,746,071</b>
Effect of exchange rate changes	1,101	(7,101)	(786)	328	(6,458)
Changes in consolidated companies	104,685	114,272	(2,520)	2,488	218,925
Additions	15,264	72,233	9,074	151,225	247,796
Disposals	(20,609)	(46,957)	(14,970)	(35)	(82,571)
Reclassifications	659	39,640	(16,091)	(79,119)	(54,911)
<b>Balance at Dec. 31, 2021</b>	<b>767,901</b>	<b>1,990,756</b>	<b>160,756</b>	<b>149,439</b>	<b>3,068,852</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT:</b>					
<b>Balance at Jan. 1, 2021</b>	<b>312,301</b>	<b>1,292,788</b>	<b>143,303</b>	<b>1,207</b>	<b>1,749,599</b>
Effect of exchange rate changes	738	(4,253)	(400)	0	(3,915)
Changes in consolidated companies	(21,692)	(154,107)	(5,795)	0	(181,594)
Disposals	(17,988)	(46,457)	(12,373)	(10)	(76,828)
Depreciation/amortization expense for the year	23,881	97,062	13,184	0	134,127
Impairments	0	0	0	0	0
Reclassifications	(9,551)	(14,667)	(18,350)	0	(42,568)
<b>Balance at Dec. 31, 2021</b>	<b>287,689</b>	<b>1,170,366</b>	<b>119,569</b>	<b>1,197</b>	<b>1,578,821</b>
<b>NET BOOK VALUE:</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>
<b>Net book value at Dec. 31, 2020</b>	<b>354,500</b>	<b>525,881</b>	<b>42,746</b>	<b>73,345</b>	<b>996,472</b>



**Development of property, plant and equipment 2020**

(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, 2020</b>	<b>669,816</b>	<b>1,819,449</b>	<b>190,085</b>	<b>78,676</b>	<b>2,758,026</b>
Effect of exchange rate changes	(14,229)	(34,797)	(3,269)	(951)	(53,246)
Additions	9,364	61,784	10,640	66,976	148,764
Disposals	(2,635)	(18,303)	(7,638)	(804)	(29,380)
Reclassifications	4,485	(9,464)	(3,769)	(69,345)	(78,093)
<b>Balance at Dec. 31, 2020</b>	<b>666,801</b>	<b>1,818,669</b>	<b>186,049</b>	<b>74,552</b>	<b>2,746,071</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT:</b>					
<b>Balance at Jan. 1, 2020</b>	<b>294,171</b>	<b>1,286,173</b>	<b>143,211</b>	<b>0</b>	<b>1,723,555</b>
Effect of exchange rate changes	(4,099)	(20,914)	(2,156)	0	(27,169)
Disposals	(1,931)	(17,034)	(6,904)	(18)	(25,887)
Depreciation/amortization expense for the year	22,213	89,394	13,821	0	125,428
Impairments	12,667	14,898	933	1,225	29,723
Reclassifications	(10,720)	(59,729)	(5,602)	0	(76,051)
<b>Balance at Dec. 31, 2020</b>	<b>312,301</b>	<b>1,292,788</b>	<b>143,303</b>	<b>1,207</b>	<b>1,749,599</b>
<b>NET BOOK VALUE:</b>					
<b>Net book value at Dec. 31, 2020</b>	<b>354,500</b>	<b>525,881</b>	<b>42,746</b>	<b>73,345</b>	<b>996,472</b>
<b>Net book value at Dec. 31, 2019</b>	<b>375,645</b>	<b>533,276</b>	<b>46,874</b>	<b>78,676</b>	<b>1,034,471</b>

## 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, 2021</b>	<b>43,934</b>	<b>2,600</b>	<b>1,576</b>	<b>48,110</b>
Effect of exchange rate changes	34	(138)	65	(39)
Changes in consolidated companies	35,258	5,707	695	41,660
Additions	3,055	2,689	100	5,844
Disposals	(19)	(54)	(43)	(116)
Depreciation/amortization expense for the year	(7,169)	(2,236)	(943)	(10,348)
Reclassifications	33	(33)	167	167
<b>Balance at Dec. 31, 2021</b>	<b>75,126</b>	<b>8,535</b>	<b>1,617</b>	<b>85,278</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, 2020</b>	<b>51,469</b>	<b>3,363</b>	<b>1,743</b>	<b>56,575</b>
Effect of exchange rate changes	(283)	(88)	(26)	(397)
Additions	990	736	802	2,528
Disposals	(575)	(142)	(99)	(816)
Depreciation/amortization expense for the year	(6,667)	(1,269)	(844)	(8,780)
Reclassifications	(1,000)	0	0	(1,000)
<b>Balance at Dec. 31, 2020</b>	<b>43,934</b>	<b>2,600</b>	<b>1,576</b>	<b>48,110</b>

Disposals of the 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 capitalized at acquisition cost and amortized 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

Amortization of intangible assets is recognized based on the nature of the respective intangible assets in cost of sales, selling and distribution as well as administrative expenses.

### Development of intangible assets including goodwill 2021

(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, 2021</b>	<b>67,296</b>	<b>243,508</b>	<b>139,648</b>	<b>450,452</b>
Effect of exchange rate changes	(347)	(2,984)	(1,817)	(5,148)
Changes in consolidated companies	(556)	437,273	137,793	574,510
Additions	4,517	0	0	4,517
Disposals	(6,492)	0	(3,784)	(10,276)
Reclassifications	7,314	0	17	7,331
<b>Balance at Dec. 31, 2021</b>	<b>71,732</b>	<b>677,797</b>	<b>271,857</b>	<b>1,021,386</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT:</b>				
<b>Balance at Jan. 1, 2021</b>	<b>57,646</b>	<b>9,040</b>	<b>37,419</b>	<b>104,105</b>
Effect of exchange rate changes	(324)	(2)	(1,068)	(1,394)
Changes in consolidated companies	(550)	0	0	(550)
Disposals	(6,490)	0	(3,784)	(10,274)
Depreciation/ amortization expense for the year	3,399	0	11,427	14,826
Impairments	0	0	0	0
Reclassifications	(137)	0	17	(120)
<b>Balance at Dec. 31, 2021</b>	<b>53,544</b>	<b>9,038</b>	<b>44,011</b>	<b>106,593</b>
<b>NET BOOK VALUE:</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>
<b>Net book value at Dec. 31, 2020</b>	<b>9,650</b>	<b>234,468</b>	<b>102,229</b>	<b>346,347</b>

**Development of intangible assets including goodwill 2020**

(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, 2020</b>	<b>66,825</b>	<b>245,898</b>	<b>144,282</b>	<b>457,005</b>
Effect of exchange rate changes	(298)	(2,390)	(1,348)	(4,036)
Additions	2,222	0	0	2,222
Disposals	(418)	0	(3,286)	(3,704)
Reclassifications	(1,035)	0	0	(1,035)
<b>Balance at Dec. 31, 2020</b>	<b>67,296</b>	<b>243,508</b>	<b>139,648</b>	<b>450,452</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT:</b>				
<b>Balance at Jan. 1, 2020</b>	<b>56,569</b>	<b>9,048</b>	<b>32,392</b>	<b>98,009</b>
Effect of exchange rate changes	(215)	(8)	(1,198)	(1,421)
Disposals	(413)	0	(3,286)	(3,699)
Depreciation/amortization expense for the year	2,805	0	7,731	10,536
Impairments	14	0	1,780	1,794
Reclassifications	(1,114)	0	0	(1,114)
<b>Balance at Dec. 31, 2020</b>	<b>57,646</b>	<b>9,040</b>	<b>37,419</b>	<b>104,105</b>
<b>NET BOOK VALUE:</b>				
<b>Net book value at Dec. 31, 2020</b>	<b>9,650</b>	<b>234,468</b>	<b>102,229</b>	<b>346,347</b>
<b>Net book value at Dec. 31, 2019</b>	<b>10,256</b>	<b>236,850</b>	<b>111,890</b>	<b>358,996</b>

In the financial year 2021, depreciation, amortization and impairment expenses recorded under “Property, plant and equipment” and “Intangible assets including goodwill” amounted to thous. EUR 148,953 (2020: thous. EUR 167,481). The amortization and impairment of the position “Intangible assets including goodwill” is recorded mainly for assets related to customer relationships and is included in selling and distribution expenses as well as for software licences which are recognized in cost of sales, selling and distribution as well as administration expenses.

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

### 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 recognized 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, value in use is determined for the concerned subsidiary 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.

In 2021 and 2020, the Group assessed whether there was any indication of impairment of assets due to the Covid-19 pandemic and the associated uncertainties. Both external and internal sources of information were used for the analysis. Based on the currently available information, the Group does not expect any material negative effects on the future cash flows of its operating divisions MM Board & Paper and MM Packaging.

Based on currently available estimates and assumptions, impairment losses of thous. EUR 2,395 had to be recorded in connection with “non-current assets available for sale” from the Hirschwang shutdown (see note 5.4). In the previous year, impairment losses of thous. EUR 31,517 had to be recorded, of which thous. EUR 29,723 were related to property, plant and equipment and were mainly recognized in cost of sales, while thous. EUR 1,794 were related to intangible assets and had to be recognized in selling expenses.

## Goodwill

Goodwill is recognized at acquisition cost and is not amortized 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 organizational level. Goodwill is allocated to the operating segments as follows:

(in thousands of EUR)	Dec. 31, 2021	Dec. 31, 2020
Goodwill MM Board & Paper	439,484	4,612
Goodwill MM Packaging	229,275	229,856
<b>Goodwill Group</b>	<b>668,759</b>	<b>234,468</b>

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 9.46 % (2020: 9.95 %) for the segment MM Board & Paper and to 12.25 % (2020: 12.90 %) 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 (2020: 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. (2020: 1.5 % p. a.) including a retention rate is considered.
EBITDA margin/Cost development	Based on the expectation of the Company, a stable EBITDA margin and fixed cost development is assumed. Planned capital expenditures are offset by depreciation and amortization 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, 2021 and December 31, 2020. Neither in 2021 nor in 2020 an impairment on goodwill was recognized 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, 2021 amounts to 11.28 % (December 31, 2020: 17.91 %) for the operating segment MM Board & Paper and to 14.69 % (December 31, 2020: 17.63 %) for the operating segment MM Packaging.

A decrease in free cash flows by 5.0 % points or in growth rate by 0.5 % points would not have led to any impairment, neither as of December 31, 2021 nor as of December 31, 2020, for both operating segments.

As of December 31, 2021 the Group's market capitalization amounted to thous. EUR 3,532,000 (December 31, 2020: thous. EUR 3,300,000) and the book value of equity amounted to thous. EUR 1,661,878 (December 31, 2020: thous. EUR 1,547,098).

## 7 FINANCIAL INSTRUMENTS DISCLOSURES

### 7.1 Classification and measurement of financial instruments

Financial instruments comprise financial assets and financial liabilities and are recognized 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 amortized cost	Trade receivables, cash and cash equivalents
At fair value through other comprehensive income	-
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 amortized 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 on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group classifies trade accounts receivable 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.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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



A financial asset that is not measured at amortized 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 recognized using the trade date, i. e. the day on which the Group commits itself to purchasing or selling the asset. Financial assets are derecognized 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 amortized 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 recognized in profit and loss.

In subsequent periods, financial assets are evaluated either at amortized 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 a potential impairment.

Financial liabilities of the Group comprise interest-bearing financial 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:

Category	Examples in MM Group
At fair value through profit or loss	Derivatives
At amortized cost	Financial liabilities, trade liabilities

Financial liabilities measured at fair value through profit and loss are initially recorded at their fair value, transaction costs are directly recognized in profit and loss. At their initial recognition, financial liabilities valued at amortized cost are measured at their fair value net of transaction costs.

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

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

(in thousands of EUR)	At fair value through profit and loss	At amortized cost <sup>2)</sup>	Total
	Carrying amount at Dec. 31, 2021		
Securities and other financial assets <sup>1)</sup>	1,840	905	2,745
Trade receivables	0	541,603	541,603
Other receivables and assets incl. derivatives <sup>3)</sup>	4,441	15,304	19,745
Cash and cash equivalents	0	359,546	359,546
<b>Total</b>	<b>6,281</b>	<b>917,358</b>	<b>923,639</b>
	Carrying amount at Dec. 31, 2020		
Securities and other financial assets <sup>1)</sup>	1,774	936	2,710
Trade receivables	0	415,804	415,804
Other receivables and assets incl. derivatives <sup>3)</sup>	2,663	8,128	10,791
Cash and cash equivalents	0	146,241	146,241
<b>Total</b>	<b>4,437</b>	<b>571,109</b>	<b>575,546</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 amortized cost represent a proper approximation to the fair value.

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

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

(in thousands of EUR)	At fair value through profit and loss	At amortized cost <sup>1)</sup>	Total
	Carrying amount at Dec. 31, 2021		
Interest-bearing financial liabilities	0	1,338,312	1,338,312
Lease liabilities	0	84,765	84,765
Trade liabilities	0	437,726	437,726
Other liabilities incl. derivatives <sup>2)</sup>	5,957	23,624	29,581
<b>Total</b>	<b>5,957</b>	<b>1,884,427</b>	<b>1,890,384</b>

  

(in thousands of EUR)	At fair value through profit and loss	At amortized cost <sup>1)</sup>	Total
	Carrying amount at Dec. 31, 2020		
Interest-bearing financial liabilities	0	221,792	221,792
Lease liabilities	0	46,634	46,634
Trade liabilities	0	220,437	220,437
Other liabilities incl. derivatives <sup>2)</sup>	2,625	9,812	12,437
<b>Total</b>	<b>2,625</b>	<b>498,675</b>	<b>501,300</b>

<sup>1)</sup> The reported amounts regarding financial liabilities measured at amortized 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> see note 17

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 amortized cost	Total
	Income and expense 2021		
<b>In profit for the year</b>	<b>2,364</b>	<b>2,474</b>	<b>4,838</b>
Interest/dividends received	606	3,319	3,925
Fair value/carrying amount changes	1,758	(845)	913
<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>2,364</b>	<b>2,474</b>	<b>4,838</b>

  

(in thousands of EUR)	At fair value through profit and loss	At amortized cost	Total
	Income and expense 2020		
<b>In profit for the year</b>	<b>1,351</b>	<b>1,341</b>	<b>2,692</b>
Interest/dividends received	344	1,712	2,056
Fair value/carrying amount changes	1,007	(371)	636
<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>1,351</b>	<b>1,341</b>	<b>2,692</b>

All income and expenses are recognized in the income statement.

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 amortized cost	<b>Total</b>
<b>Income and expense 2021</b>			
<b>In profit for the year</b>	<b>(3,332)</b>	<b>(24,068)</b>	<b>(27,400)</b>
Interest	0	(24,369)	(24,369)
Fair value/carrying amount changes	(3,332)	301	(3,031)
<b>Net profit/loss</b>	<b>(3,332)</b>	<b>(24,068)</b>	<b>(27,400)</b>
<b>Income and expense 2020</b>			
<b>In profit for the year</b>	<b>(785)</b>	<b>(7,698)</b>	<b>(8,483)</b>
Interest	0	(7,863)	(7,863)
Fair value/carrying amount changes	(785)	165	(620)
<b>Net profit/loss</b>	<b>(785)</b>	<b>(7,698)</b>	<b>(8,483)</b>

## 7.2 Factoring

The Group recognizes factoring transactions for the first time in connection with the acquisition of MM Kotkamills. Thereby, trade receivables are transferred to a bank against cash and cash equivalents. The receivables were not fully derecognized, as all opportunities and risks associated with the sold receivables were neither transferred nor retained (allocation of significant opportunities and risks between MM and the bank). The assessment of risks resulting from the receivables sold is based on partially retained default risk and late payment risk. MM continues to perform receivables management (servicing) for the receivables sold. MM retains control of the receivables.

The Group continues to recognize the trade receivables sold in the amount of its continuing involvement and reports a corresponding associated liability. The amounts mainly correspond to the maximum retention of thous. EUR 4,972 (December 31, 2020: thous. EUR 0). At the balance sheet date, trade receivables related to the factoring agreement amount to thous. EUR 49,718 (December 31, 2020: thous. EUR 0) prior to the transfer.

### 7.3 Derivatives

The Group recognizes 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 in the Group.

Thereby foreign exchange forward, swap and option contracts 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 recognized 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, 2021, the Group had concluded foreign exchange forward and swap contracts with a nominal value of receivables of thous. EUR 357,917 (December 31, 2020: thous. EUR 205,290) and liabilities of thous. EUR 359,310 (December 31, 2020: thous. EUR 205,072) with negative total market value of thous. EUR 1,516 (December 31, 2020: positive total market value of thous. EUR 38).

The derivative financial instruments are recorded in the consolidated balance sheet under "Prepaid expenses and other current assets" as current assets in the amount of thous. EUR 4,441 (December 31, 2020: thous. EUR 2,663) and under "Deferred income and other current liabilities" as current liabilities in the amount of thous. EUR 5,957 (December 31, 2020: thous. EUR 2,625).

As there is no hedge accounting in the MM Group, the corresponding rules in accordance with IFRS 9 are not applied.

### 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 centralized 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-fulfillment 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 recognized. 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, as well as Asia and MENA. 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, swap and option contracts. All the respective contract partners are renowned international financial institutions with which the Group has ongoing business relations. Therefore, the Group considers the risk of non-fulfillment 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, 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.

(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, 2021</b>					
Interest-bearing financial liabilities	22,607	40,609	96	324,500	950,500
Interest for interest-bearing financial liabilities	14,577	6,285	20,734	58,224	98,838
Lease liabilities	3,466	7,321	9,444	14,468	50,066
Interest for lease liabilities	593	1,722	2,119	5,532	45,914
Trade liabilities	423,493	14,233	0	0	0
Payment obligations from derivative financial instruments	359,310	0	0	0	0
Payment entitlements for derivative financial instruments	(357,917)	0	0	0	0
<b>Balance at Dec. 31, 2020</b>					
Interest-bearing financial liabilities	2,484	43,359	23,685	102,264	50,000
Interest for interest-bearing financial liabilities	217	3,305	3,345	7,301	1,350
Lease liabilities	1,973	5,099	5,562	11,254	22,746
Interest for lease liabilities	362	1,011	1,209	2,907	12,745
Trade liabilities	212,470	7,951	16	0	0
Payment obligations from derivative financial instruments	196,311	8,761	0	0	0
Payment entitlements for derivative financial instruments	(196,571)	(8,719)	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, swap and option contracts.

Provided that currencies related to current and non-current financial receivables and financial liabilities as of December 31, 2021 (December 31, 2020) 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	
		2021	2020
EUR <sup>1)</sup>	+/- 5 %	-/+ 1,565	-/+ 425
GBP	+/- 5 %	+ /- 194	+/- 143
USD	+/- 5 %	- /+ 121	-/+ 63

<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 realized 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, 2021, 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, 2021 (December 31, 2020) had been higher or lower by ten basis points (i.e. 0.1 %), 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	
		2021	2020
Financial assets with variable interest	+/- 0.1 %	+/- 53	+/- 39
Financial liabilities with variable interest	+/- 0.1 %	-/+ 273	-/+ 103



## 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, 2021 and December 31, 2020 amounted to:

(in thousands of EUR)	Dec. 31, 2021	Dec. 31, 2020
Total equity	1,661,878	1,547,098
Total assets	4,014,218	2,399,570
Equity ratio	41.4 %	64.5 %

The aim of capital management is an equity ratio ranging from 35 % to 50 %. The Company fulfills 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, 2021 and December 31, 2020 as follows:

(in thousands of EUR)	Dec. 31, 2021	Dec. 31, 2020
Cash and cash equivalents	359,546	146,241
Financial liabilities	(1,423,077)	(268,426)
<b>Net debt</b>	<b>(1,063,531)</b>	<b>(122,185)</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 recognized at fair value are as follows:

(in thousands of EUR)	Dec. 31, 2021	Dec. 31, 2020
<b>Financial assets:</b>		
Derivative financial instruments (level 2)	4,441	2,663
Securities (level 1)	350	371
<b>Financial liabilities:</b>		
Derivative financial instruments (level 2)	5,957	2,625

### 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

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 general, there are also financial instruments measured at fair value using parameters for which no observable market data exist (level 3 measurement). There are currently no financial instruments for which this measurement method would be applicable in the Group.

As of December 31, 2021 other financial assets classified as “at fair value through profit or loss” include investments in unconsolidated companies in the amount of thous. EUR 1,490 (December 31, 2020: thous. EUR 1,403). 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 recognized 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 recognized 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”. Cost represents an appropriate estimate of the fair value and the amount is of low significance for the Group, however.

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, 2021	Dec. 31, 2020
Investments in associated companies	2,497	2,057
Investments in joint ventures	3,173	2,637
Other investments	1,490	1,403
Liability insurance not pledged to beneficiaries	784	813
Non-current securities	471	494
<b>Investments accounted for using the equity method, securities and other financial assets</b>	<b>8,415</b>	<b>7,404</b>

As of December 31, 2021 non-current securities of the Group comprised investment funds and fixed-interest-bearing securities in the amount of thous. EUR 471 (December 31, 2020: thous. EUR 494).

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 summarizes the financial information:

(in thousands of EUR)	Investments in associated companies		Investments in joint ventures	
	2021	2020	2021	2020
Share of result for the year <sup>1)</sup>	491	74	229	210
Share of other comprehensive income <sup>2)</sup>	23	(121)	307	(94)
<b>Share of total comprehensive income</b>	<b>514</b>	<b>(47)</b>	<b>536</b>	<b>116</b>
<b>Total carrying amounts of the Group's shares</b>	<b>2,440</b>	<b>1,925</b>	<b>3,173</b>	<b>2,637</b>

<sup>1)</sup> recognized in "other financial result - net"

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

## 9 INCOME TAXES

Income taxes are recognized in profit and loss unless they are associated with positions directly recognized 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 recognized according to the tax regulations of the countries in which the subsidiaries are active and obtain their taxable income.

Deferred tax assets and liabilities are recognized 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 realization of the deferred tax asset or the settlement of deferred tax liability. Deferred tax assets are recognized only if there is a probability that sufficient taxable profit will be available for the utilization of the deductible temporary differences. Unrecognized 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 recognized in case of objective evidence of a future taxable result, as, for example, following an internal reorganization of subsidiaries.

Deferred tax liabilities arising from temporary differences related to investments in subsidiaries, joint ventures and associated companies are recognized 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 with-holding 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 realize 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 recognized as income tax expense or in the consolidated comprehensive income statement in the period of a tax rate change.

## 9.1 Deferred taxes recognized in the balance sheet

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

(in thousands of EUR)	Dec. 31, 2021	Dec. 31, 2020
Intangible assets	1,411	1,772
Property, plant and equipment	9,415	10,862
Inventories	11,582	7,591
Defined benefit plans and other liabilities and charges	24,908	28,870
Loans receivable, investments and securities	9,445	2,372
Loss carryforwards	10,187	11,614
Interest carryforwards	10,057	0
Financial liabilities	19,134	12,079
Trade and other liabilities	7,997	2,791
Other	4,173	1,431
<b>Gross deferred tax assets</b>	<b>108,309</b>	<b>79,382</b>
Unrecognized deferred tax assets	(5,054)	(8,907)
<b>Net deferred tax assets</b>	<b>103,255</b>	<b>70,475</b>
Offset	(56,492)	(22,775)
<b>Deferred tax assets in the balance sheet</b>	<b>46,763</b>	<b>47,700</b>
Intangible assets	(58,925)	(25,913)
Property, plant and equipment	(55,086)	(22,831)
Inventories	(811)	(1,108)
Defined benefit plans and other liabilities and charges	(5,612)	(4,919)
Trade and other liabilities	(3,380)	(1,179)
Other	(3,164)	(5,509)
<b>Net deferred tax liabilities</b>	<b>(126,978)</b>	<b>(61,459)</b>
Offset	56,492	22,775
<b>Deferred tax liabilities in the balance sheet</b>	<b>(70,486)</b>	<b>(38,684)</b>

The interest carryforwards result from previously unused interest expenses due to the interest barrier regulation in Finland. The unrecognized deferred tax assets in the amount of thous. EUR 5,054 (December 31, 2020: thous. EUR 8,907) comprise thous. EUR 4,661 (December 31, 2020: thous. EUR 7,904) of unrecognized loss carryforwards.

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

(in thousands of EUR)	Dec. 31, 2021	Dec. 31, 2020
Deferred tax assets, realized within 12 months	29,889	15,194
Deferred tax assets, realized after 12 months	73,366	55,281
<b>Deferred tax assets</b>	<b>103,255</b>	<b>70,475</b>
Deferred tax liabilities, realized within 12 months	(8,828)	(3,433)
Deferred tax liabilities, realized after 12 months	(118,150)	(58,026)
<b>Deferred tax liabilities</b>	<b>(126,978)</b>	<b>(61,459)</b>

Deferred tax liabilities which result from the difference between the tax carrying amount of investments and pro-rata equity (Outside-Basis-Differences) were not recognized 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 1,325,648 at December 31, 2021 (December 31, 2020: thous. EUR 1,226,492). 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, 2021	Dec. 31, 2020
Loss carryforwards with expiration	13,964	21,074
Loss carryforwards with no expiration	24,889	28,463
<b>Loss carryforwards</b>	<b>38,853</b>	<b>49,537</b>

(in thousands of EUR)	Dec. 31, 2021	Dec. 31, 2020
Recognized loss carryforwards	22,324	14,997
Unrecognized loss carryforwards	16,529	34,540
<b>Loss carryforwards</b>	<b>38,853</b>	<b>49,537</b>

The loss carryforwards limited in time will expire between 2022 and 2026 unless they are utilized before these dates.

The assessment of the recognition of loss carryforwards showed that for thous. EUR 22,324 (December 31, 2020: thous. EUR 14,997) deferred tax assets amounting to thous. EUR 5,524 (December 31, 2020: thous. EUR 3,710) were recognized. For the remaining amount of thous. EUR 16,529 (December 31, 2020: thous. EUR 34,540), deferred tax assets amounting to thous. EUR 4,661 (December 31, 2020: thous. EUR 7,904) were not recorded in the balance sheet. The expiry dates of this unrecognized loss carryforwards are as follows:

(in thousands of EUR)	2021	2020
1 year	2,126	2,571
2 years	1,544	2,516
3 years	2,422	5,607
4 years	1,003	2,494
5 years	1,597	6,228
After 5 years	3,376	1,170
No expiration	4,461	13,954
<b>Total</b>	<b>16,529</b>	<b>34,540</b>

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

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

(in thousands of EUR)	2021	2020
<b>Current taxes:</b>		
Current period	56,745	63,240
Due to utilization of previously unrecognized loss carryforwards	(1,939)	(285)
Prior periods	32	1,222
<b>Deferred taxes:</b>		
Due to temporary differences	(128)	(3,827)
Due to tax credits and interest carryforwards	(57)	0
Due to tax loss carryforwards of the current period	(1,538)	(285)
Due to utilization of recognized loss carryforwards	2,207	503
Due to tax loss carryforwards of previous periods and changes in recoverability	(966)	(243)
Due to changes in estimates of deferred tax assets	(420)	0
Due to tax rate changes	(88)	(481)
<b>Income tax expense</b>	<b>53,848</b>	<b>59,844</b>



## 9.4 Tax effects on “Other comprehensive income“

The basis for the amount of income taxes affecting directly to other comprehensive income is the gain from actuarial effects from defined benefit plans and foreign currency translations on net investments booked in 2021 amounting to thous. EUR 4,457 (2020: losses of thous. EUR 5,225). Thereon income taxes amounting to thous. EUR -47 (2020: positive amount of thous. EUR 2,164), were recognized for the financial year 2021. As a result, gains from actuarial effects from defined benefit plans and from foreign currency translations after tax amounted to thous. EUR 4,410 (2020: losses of thous. EUR 3,061).

## 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)	2021	2020
Profit before tax	244,549	222,074
<b>Theoretical tax expense 25 %</b>	<b>61,137</b>	<b>55,519</b>
Foreign tax rate adjustments	(2,536)	(1,271)
Non-deductible expenses and tax-free income	(12,492)	130
Unrecognized loss carryforwards of the financial year	505	1,459
Recognition of loss carryforwards of previous years	(941)	(297)
Utilization of unrecognized loss carryforwards	(1,939)	(285)
Changes of estimates of deferred tax assets	(420)	0
Capital gains and withholding tax	5,272	1,496
Tax rate changes	(88)	(481)
Non-periodic income tax expense or revenue (current and deferred)	3,773	3,541
Other effects	1,577	33
<b>Income tax expense recognized</b>	<b>53,848</b>	<b>59,844</b>
<b>Effective tax rate</b>	<b>22.02 %</b>	<b>26.95 %</b>

## 10 INVENTORIES

Inventories are valued at the lower of acquisition or manufacturing costs and the net realizable value. The net realizable 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 recognized using the actual sequence of consumption (specific identification method). The value of raw materials, manufacturing and operating supplies recognized 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 administrative costs. Write-downs for slow moving and obsolete inventories are recognized considering the storage period and sales situation.

(in thousands of EUR)	Dec. 31, 2021	Dec. 31, 2020
Raw materials, manufacturing and operating supplies	300,446	202,889
Work in process	31,778	26,746
Finished goods and goods for resale	205,315	156,119
<b>Total</b>	<b>537,539</b>	<b>385,754</b>
Write-downs	(60,276)	(36,133)
<b>Inventories – net</b>	<b>477,263</b>	<b>349,621</b>

In the financial year 2021, write-downs of inventories recognized as an expense amounted to thous. EUR 9,445 (2020: thous. EUR 9,485) the reversal of write-downs of inventories recognized as income amounted to thous. EUR 1,111 (2020: thous. EUR 1,655), both under cost of goods sold. The carrying amount of inventories carried at net realizable value amounted to thous. EUR 28,692 (December 31, 2020: thous. EUR 8,340).

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

(in thousands of EUR)	2021	2020
Cost of materials	1,759,135	1,288,624
Cost of purchased services	39,495	29,264
<b>Total</b>	<b>1,798,630</b>	<b>1,317,888</b>

## 11 TRADE RECEIVABLES

Receivables are accounted for at amortized cost, i. e. at par value less allowances.

(in thousands of EUR)	Dec. 31, 2021	Dec. 31, 2020
Trade receivables	544,182	417,274
Allowances	(2,579)	(1,470)
<b>Trade receivables – net</b>	<b>541,603</b>	<b>415,804</b>

As of December 31, 2021 und December 31, 2020, the aging of trade receivables overdue but not impaired is as follows:

(in thousands of EUR)	Dec. 31, 2021	Dec. 31, 2020
Up to 30 days overdue	9,105	5,306
31 – 60 days overdue	6,140	3,400
61 – 365 days overdue	5,509	2,317
More than 365 days overdue	172	265
<b>Total of trade receivables overdue but not impaired</b>	<b>20,926</b>	<b>11,288</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)	2021	2020
<b>Allowances at the beginning of the year</b>	<b>1,470</b>	<b>1,391</b>
Effect of exchange rate changes	16	(41)
Changes in consolidated companies	391	0
Utilization	(143)	(251)
Reversal	(458)	(124)
Increase	1,303	495
<b>Allowances at the end of the year</b>	<b>2,579</b>	<b>1,470</b>

## 12 PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets are as follows:

(in thousands of EUR)	Dec. 31, 2021	Dec. 31, 2020
Value-added tax receivables	42,964	19,652
Prepaid expenses	25,267	10,989
Payments on account of property, plant and equipment and inventory	19,163	9,540
Other tax receivables	14,879	14,639
Derivative assets	4,441	2,663
Other receivables and other assets	30,093	15,110
<b>Prepaid expenses and other current assets</b>	<b>136,807</b>	<b>72,593</b>
Thereof financial assets	19,745	10,791
Thereof non-financial assets	117,062	61,802

The change in the line item “Other receivables and other assets” is mainly due to the assets from CO<sub>2</sub> emission certificates recognized in connection with the acquisition of Kotkamills (see note 5.1) and receivables from factoring transactions.

## 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 share-holders 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, 2021, the distributable unappropriated retained earnings amounted to thous. EUR 130,000 (December 31, 2020: thous. EUR 130,000).

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

(in thousands of EUR)	2021	2020
<b>Unappropriated retained earnings at Jan. 1</b>	<b>130,000</b>	<b>75,000</b>
Net profit of the Company for the year ended Dec. 31	101,181	132,106
Changes in reserves	(37,181)	(13,106)
Dividend paid	(64,000)	(64,000)
<b>Unappropriated retained earnings at Dec. 31</b>	<b>130,000</b>	<b>130,000</b>

For the year ended December 31, 2021, the Management Board has proposed to the Supervisory Board and subsequently to the Shareholders' Meeting a dividend of EUR 3.50 per voting share after EUR 3.20 for 2020, resulting in a dividend of thous. EUR 70,000 as of the balance sheet date of 2021. The dividend for 2020, amounting to thous. EUR 64,000, was paid out according to schedule on May 12, 2021 (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 summarized 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 EUR)	Dec. 31, 2021		Dec. 31, 2020	
	MM Board & Paper	MM Packaging	MM Board & Paper	MM Packaging
Non-current assets	3,007	51,616	527	53,324
Current assets	10,913	68,349	3,109	59,702
Non-current liabilities	1,363	21,257	687	33,242
Current liabilities	4,470	28,681	1,319	16,809
<b>Net assets</b>	<b>8,087</b>	<b>70,027</b>	<b>1,630</b>	<b>62,975</b>
<b>Carrying amount of the non-controlling (minority) interests</b>	<b>1,504</b>	<b>4,543</b>	<b>646</b>	<b>4,106</b>

	2021		2020	
	MM Board & Paper	MM Packaging	MM Board & Paper	MM Packaging
Sales	12,603	84,257	6,067	80,379
Profit for the year	2,091	16,394	524	11,480
<b>Thereof attributable to non-controlling (minority) interests</b>	<b>498</b>	<b>1,029</b>	<b>178</b>	<b>864</b>
Total comprehensive income	586	19,860	749	10,920
<b>Thereof attributable to non-controlling (minority) interests</b>	<b>489</b>	<b>1,403</b>	<b>189</b>	<b>713</b>
Dividend paid to non-controlling (minority) interests	105	1,115	247	949
<b>Net change in cash and cash equivalents</b>	<b>2,110</b>	<b>8,709</b>	<b>0</b>	<b>561</b>

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

Other reserves comprise certain changes directly recognized in equity. These are in particular differences arising from foreign currency translation as well as actuarial gains and losses arising from the defined benefit pension and severance obligations, the latter after considering deferred income taxes.

In 2021, profit and loss recognized in other comprehensive income consisted of foreign currency translations with a negative amount of thous. EUR 9,557 (2020: negative amount of thous. EUR 59,690) as well as actuarial losses in the amount of thous. EUR 1,518 (2020: losses of thous. EUR 583). Thereon income taxes in the amount of thous. EUR -47 (2020: positive amount of thous. EUR 2,164) were recognized for the financial year 2021 (see note 9.4).

## 14 FINANCIAL LIABILITIES AND LEASES

Financial liabilities comprise interest-bearing financial liabilities and lease liabilities and are recognized at amortized 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, 2021	Dec. 31, 2020
Non-current interest-bearing financial liabilities	1,275,096	175,949
Non-current lease liabilities	73,978	39,562
<b>Non-current financial liabilities</b>	<b>1,349,074</b>	<b>215,511</b>
Current interest-bearing financial liabilities	63,216	45,843
Current lease liabilities	10,787	7,072
<b>Current financial liabilities</b>	<b>74,003</b>	<b>52,915</b>
<b>Financial liabilities</b>	<b>1,423,077</b>	<b>268,426</b>

### 14.1 Interest-bearing financial liabilities

As of December 31, 2021 and December 31, 2020, interest-bearing financial liabilities comprised liabilities against banks and insurance companies. These financial liabilities at current interest rates can be summarized as follows:

(in thousands of EUR)	Dec. 31, 2021
0.618 % EUR loan(s) due 2022	59,980
6.082 % CNY loan(s) due 2022	629
6.012 % CNY loan(s) due 2023	96
1.800 % EUR loan(s) due 2024	80,000
0.507 % EUR loan(s) due 2025	20,000
1.528 % EUR loan(s) due 2026	224,500
1.400 % EUR loan(s) due 2028	396,000
1.600 % EUR loan(s) due 2031	218,500
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	2,607
<b>Interest-bearing financial liabilities</b>	<b>1,338,312</b>
Thereof non-current interest-bearing financial liabilities	1,275,096
Thereof current interest-bearing financial liabilities	63,216

(in thousands of EUR)	<b>Dec. 31, 2020</b>
0.596 % EUR loan(s) due 2021	42,674
6.082 % CNY loan(s) due 2021	685
0.806 % EUR loan(s) due 2022	23,000
6.082 % CNY loan(s) due 2022	685
6.473 % CNY loan(s) due 2023	2,138
1.811 % EUR loan(s) due 2024	80,000
5.715 % EUR loan(s) due 2024	126
0.552 % EUR loan(s) due 2025	20,000
2.673 % EUR loan(s) due 2026	50,000
Used loan facilities	2,484
<b>Interest-bearing financial liabilities</b>	<b>221,792</b>
Thereof non-current interest-bearing financial liabilities	175,949
Thereof current interest-bearing financial liabilities	45,843

As of December 31, 2021, the weighted average interest rate for these financial liabilities was 1.578 % (December 31, 2020: 1.614 %).

As of December 31, 2021, the Group had available current interest-bearing loan facilities in the amount of thous. EUR 2,607 (December 31, 2020: thous. EUR 2,484), of which thous. EUR 2,607 (December 31, 2020: thous. EUR 2,484) had been used as of the balance sheet date. As of December 31, 2021, the weighted average interest rate of these current loans, used by foreign subsidiaries, was 1.138 % (December 31, 2020: 1.279 %). These loans are subject to common banking terms and conditions.

At the end of February, Mayr-Melnhof Karton AG issued Schuldschein loans and Namensschuldverschreibungen in the amount of thous. EUR 1,000,000, which are subject to both fixed and variable interest rates over terms of 5 to 15 years with an average maturity of 8.8 years and an average interest rate of 1.5 %. In addition, further Namensschuldverschreibungen in the amount of thous. EUR 125,000 with a maturity of 18 years and a fixed interest rate of 1.88 % were issued at the end of September 2021. These loans serve to finance the acquisition of the mills in Kotkamills, Finland, and Kwidzyn, Poland, as well as organic growth projects.

Of the interest-bearing financial liabilities, loans in the amount of thous. EUR 1,065,725 (December 31, 2020: thous. EUR 118,328) are subject to a fixed interest rate, whose fair value amounts to thous. EUR 1,112,777 (December 31, 2020: thous. EUR 126,929). The calculation is based on the present value of future cash flows discounted by the currently observable yield curve (Level 2). Amortized 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, 2021, the Group had unused non-current credit lines available in the amount of thous. EUR 470,000 (December 31, 2020: thous. EUR 900,000).

As of December 31, 2021, the current revolving bank credits in an amount of thous. EUR 37,980 (December 31, 2020: thous. EUR 37,980) are included in the interest-bearing financial liabilities.



## 14.2 Leases

The Group is predominantly the lessee in lease transactions. Leases are recognized as right-of-use asset and a corresponding 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 associated with short-term leases of equipment and vehicles and all leases of low-value assets are not recognized on 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 property and equipment 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 recognized in the balance sheet as of December 31, 2021 and December 31, 2020 is presented below:

(in thousands of EUR)	<b>Dec. 31, 2021</b>	<b>Dec. 31, 2020</b>
Non-current lease liabilities	73,978	39,562
Current lease liabilities	10,787	7,072
<b>Lease liabilities</b>	<b>84,765</b>	<b>46,634</b>

Total cash outflows for leases in 2021 were thous. EUR 10,851 (2020: thous. EUR 9,907).

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

(in thousands of EUR)	<b>2021</b>	<b>2020</b>
Expenses related to variable lease payments	5,563	5,283
Expenses related to short-term leases	2,194	1,414
Expenses related to leases of low value assets	621	526

## 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 recognized in personnel cost; the net interest cost for the provisions is recognized 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 recognized 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 recognized in personnel cost; the net interest cost for the provisions is recognized in “other financial result – net”. Actuarial gains and losses are recognized 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.

The item “Other” mainly includes post-closure obligations for inherited liabilities and obligations for environmental measures.

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

In the financial year 2021, provisions for non-current liabilities and charges developed as follows:

(in thousands of EUR)	Pensions	Severance	Anniversary bonuses	Pre-retirement programs	Other	Total
<b>Balance at Jan. 1, 2021</b>	<b>81,960</b>	<b>37,284</b>	<b>13,806</b>	<b>317</b>	<b>9,634</b>	<b>143,001</b>
Effect of exchange rate changes	1,003	(751)	0	0	(95)	157
Changes in consolidated companies	(3,739)	7,290	(727)	(224)	8,265	10,865
Reclassifications	0	0	0	0	103	103
Utilization	(4,335)	(4,502)	(608)	0	(427)	(9,872)
Reversal	(37)	(4)	(261)	0	(3)	(305)
Increase	1,884	2,059	990	315	189	5,437
IAS 19 remeasurements through other comprehensive income	581	1,422	0	0	0	2,003
Benefit payments from and contributions to plan assets	(1,555)	0	0	0	0	(1,555)
<b>Balance at Dec. 31, 2021</b>	<b>75,762</b>	<b>42,798</b>	<b>13,200</b>	<b>408</b>	<b>17,666</b>	<b>149,834</b>

In 2020, provisions for non-current liabilities and charges developed as follows:

(in thousands of EUR)	Pensions	Severance	Anniversary bonuses	Pre-retirement programs	Other	Total
<b>Balance at Jan. 1, 2020</b>	<b>85,010</b>	<b>44,113</b>	<b>14,933</b>	<b>576</b>	<b>2,907</b>	<b>147,539</b>
Effect of exchange rate changes	(810)	(450)	0	0	0	(1,260)
Reclassifications	0	0	(36)	0	2,816	2,780
Utilization	(4,780)	(9,998)	(1,048)	(368)	(5)	(16,199)
Reversal	0	0	(2,020)	0	(699)	(2,719)
Increase	2,083	2,628	1,977	109	4,615	11,412
IAS 19 remeasurements through other comprehensive income	(411)	991	0	0	0	580
Benefit payments from and contributions to plan assets	868	0	0	0	0	868
<b>Balance at Dec. 31, 2020</b>	<b>81,960</b>	<b>37,284</b>	<b>13,806</b>	<b>317</b>	<b>9,634</b>	<b>143,001</b>

As of December 31, 2021, securities with a fair value of thous. EUR 954 (December 31, 2020: thous. EUR 1,356) have been provided as security for provisions for pre-retirement programs within the scope of the respective legal commitments. At December 31, 2021 and December 31, 2020, those securities were deducted as plan assets from the underlying obligations.

The change in the position "Other" mainly results from changes in consolidated companies, of which thous. EUR 12,921 relate to additions to obligations for environmental measures in connection with the acquisition of Kotkamills and Kwidzyn (see note 5) and thous. EUR -4,656 to disposals from the deconsolidation of Eerbeek and Baiersbronn.

## 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 recognized as part of the annual pension and severance costs and amounted to thous. EUR 7,868 in the financial year 2021 (2020: thous. EUR 6,396).

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 recognized 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 recognized 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, 2021		Dec. 31, 2020	
	Pensions	Severance	Pensions	Severance
Discount rate	1.24 %	1.85 %	1.02 %	1.35 %
Salary growth rate	2.47 %	3.01 %	2.51 %	2.85 %
Pension growth rate	2.44 %	-	2.00 %	-

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” (2020: AVÖ 2018-P “Angestellte” or “Gemischt”), for Germany: Heubeck-Richttafeln 2018 G (2020: 2018 G), for Great Britain: Post Retirement and Pre Retirement: S3PA CMI\_2020\_M/F [1.25 %] (2020: S3PA CMI\_2019\_M/F [1.25 %]). As a rule, the retirement age corresponds to the respective country-specific legal regulations.

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

(in thousands of EUR)	2021		2020	
	Pensions	Severance	Pensions	Severance
Service cost	970	1,502	1,074	2,040
Net interest on the net defined benefit liability	760	533	877	517
Past service costs	0	5	0	47
Effects due to plan changes	(4)	15	(27)	24
Administration costs	121	0	159	0
<b>Net periodic benefit cost</b>	<b>1,847</b>	<b>2,055</b>	<b>2,083</b>	<b>2,628</b>

The defined benefit obligation and plan assets developed as follows:

(in thousands of EUR)	2021		2020	
	Pensions	Severance	Pensions	Severance
<b>Defined benefit obligation at the beginning of the year</b>	<b>142,106</b>	<b>37,284</b>	<b>146,887</b>	<b>44,113</b>
Effect of exchange rate changes	2,813	(751)	(2,176)	(450)
Changes in consolidated companies	(252)	7,290	0	0
Service cost	970	1,502	1,074	2,040
Interest cost	1,429	533	1,685	517
Past service costs	0	5	0	47
Remeasurements	907	1,422	(557)	991
<i>Thereof (gains)/losses from change in demographic assumptions (e.g. life expectancy, retirement age)</i>	<i>(209)</i>	<i>792</i>	<i>(87)</i>	<i>89</i>
<i>Thereof (gains)/losses from change in financial assumptions (e.g. discount rate, salary growth rate, pension growth rate)</i>	<i>1,555</i>	<i>(688)</i>	<i>651</i>	<i>803</i>
<i>Thereof experience (gains)/losses (deviation between actual value and planned value)</i>	<i>(439)</i>	<i>1,318</i>	<i>(1,121)</i>	<i>99</i>
Benefit payments	(4,335)	(4,502)	(4,780)	(9,998)
Effects due to plan changes	(4)	15	(27)	24
<b>Defined benefit obligation at the end of the year</b>	<b>143,634</b>	<b>42,798</b>	<b>142,106</b>	<b>37,284</b>

(in thousands of EUR)	Pensions	
	2021	2020
<b>Fair value of plan assets at the beginning of the year</b>	<b>60,146</b>	<b>61,877</b>
Effect of exchange rate changes	1,810	(1,366)
Changes in consolidated companies	3,487	0
Interest income	669	808
Administrative expense	(121)	(159)
Remeasurements	326	(146)
<i>Thereof return on plan assets excluding amounts included in interest income - net</i>	<i>326</i>	<i>(146)</i>
Employer contributions	3,705	1,483
Benefit payments from plan	(2,150)	(2,351)
<b>Fair value of plan assets at the end of the year</b>	<b>67,872</b>	<b>60,146</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 2021 and 2020 is represented as follows:

(in thousands of EUR)	2021							
	MM Board & Paper				MM Packaging			
	Germany	Austria	Other countries <sup>1)</sup>	Total	Germany	Austria	Other countries	Total
Net periodic benefit cost	286	700	309	<b>1,295</b>	691	939	977	<b>2,607</b>
Defined benefit obligation at the end of the year	20,047	44,841	55,221	<b>120,109</b>	36,413	21,757	8,153	<b>66,323</b>
Fair value of plan assets at the end of the year	881	29,197	32,825	<b>62,903</b>	846	3,788	335	<b>4,969</b>

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

(in thousands of EUR)	2020							
	MM Board & Paper				MM Packaging			
	Germany	Austria	Other countries <sup>1)</sup>	Total	Germany	Austria	Other countries	Total
Net periodic benefit cost	363	981	562	<b>1,906</b>	818	1,057	930	<b>2,805</b>
Defined benefit obligation at the end of the year	24,197	46,094	42,347	<b>112,638</b>	34,842	22,451	9,459	<b>66,752</b>
Fair value of plan assets at the end of the year	902	29,835	24,685	<b>55,422</b>	809	3,531	384	<b>4,724</b>

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

The employers' contributions to plan assets for the year 2022 are expected to amount to thous. EUR 1,155. This includes a contribution for increasing plan assets and for other expenses in Great Britain in the amount of thous. EUR 893.

### 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 maximize 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, 2021 and of December 31, 2020:

(in thousands of EUR)	Dec. 31, 2021	in %	Dec. 31, 2020	in %
<b>Equity instruments:</b>				
– developed markets	9,951		7,460	
– emerging markets	994		969	
<b>Total</b>	<b>10,945</b>	<b>16 %</b>	<b>8,429</b>	<b>14 %</b>
<b>Debt instruments:</b>				
– Corporate bonds	13,216		12,311	
– Government bonds	2,021		1,987	
<b>Total</b>	<b>15,237</b>	<b>22 %</b>	<b>14,298</b>	<b>24 %</b>
<b>Qualifying insurance policy pledged to beneficiaries</b>	<b>40,439</b>	<b>60 %</b>	<b>36,309</b>	<b>60 %</b>
<b>Money market investment/Bank deposit</b>	<b>1,251</b>	<b>2 %</b>	<b>1,110</b>	<b>2 %</b>
<b>Total</b>	<b>67,872</b>	<b>100 %</b>	<b>60,146</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 of an “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 recognized are as follows:

(in thousands of EUR)	Dec. 31, 2021		Dec. 31, 2020	
	Pensions	Severance	Pensions	Severance
<b>Defined benefit obligation</b>	<b>143,634</b>	<b>42,798</b>	<b>142,106</b>	<b>37,284</b>
<i>Thereof obligations covered by provisions</i>	<i>58,308</i>	<i>42,798</i>	<i>57,210</i>	<i>37,284</i>
<i>Thereof obligations covered by funds</i>	<i>85,326</i>	<i>0</i>	<i>84,896</i>	<i>0</i>
Less fair value of plan assets	(67,872)	0	(60,146)	0
<b>Net liability recognized as provision for non-current liabilities and charges</b>	<b>75,762</b>	<b>42,798</b>	<b>81,960</b>	<b>37,284</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 2021</b>			
(in %)	<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
Discount rate	0.25 %	Decrease by 3.4 %	Increase by 3.6 %
Salary growth rate	0.25 %	Increase by 0.7 %	Decrease by 0.7 %
Pension growth rate	0.25 %	Increase by 2.4 %	Decrease by 2.3 %
		<b>Increase by one year in assumption</b>	
Retirement age		Decrease by 0.9 %	
Life expectancy		Increase by 3.0 %	

<b>Impact on the defined benefit obligation 2020</b>			
(in %)	<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
Discount rate	0.25 %	Decrease by 3.6 %	Increase by 3.8 %
Salary growth rate	0.25 %	Increase by 0.8 %	Decrease by 0.7 %
Pension growth rate	0.25 %	Increase by 2.5 %	Decrease by 2.4 %
		<b>Increase by one year in assumption</b>	
Retirement age		Decrease by 0.8 %	
Life expectancy		Increase by 3.0 %	

The weighted average duration of the defined benefit obligation is 14.3 years as of the balance sheet date (December 31, 2020: 14.8 years).

The expected maturity analysis of defined benefit obligations for the next ten years as of December 31, 2021 and December 31, 2020 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, 2021</b>					
Defined benefit plans	7,049	6,726	22,106	49,662	<b>85,543</b>
<b>As of Dec. 31, 2020</b>					
Defined benefit plans	6,705	5,989	19,943	42,432	<b>75,069</b>

## 16 TRADE LIABILITIES

Current liabilities are, as a rule, stated at cost which presents the consideration to be paid.

Trade liabilities amounting to thous. EUR 437,726 (December 31, 2020: thous. EUR 220,437) as of December 31, 2021 comprise liabilities from acquisition of property, plant and equipment, and intangible assets amounting to thous. EUR 23,222 (December 31, 2020: thous. EUR 21,521) which are taken into consideration by the cash flow from investing activities as non-cash transactions as well as advances from customers in an amount of thous. EUR 4,550 (December 31, 2020: thous. EUR 2,609).

## 17 DEFERRED INCOME AND OTHER CURRENT LIABILITIES

Accruals comprise the liabilities for which the exact time of utilization 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 recognized 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, 2021	Dec. 31, 2020
Obligations for personnel and social costs	103,180	91,275
Liabilities for customer rebates and bonuses	22,049	13,266
Other tax liabilities	20,058	14,339
Deferred income	10,153	7,194
Other liabilities	43,188	14,109
<b>Deferred income and other current liabilities</b>	<b>198,628</b>	<b>140,183</b>
Thereof financial liabilities	29,581	12,437
Thereof non-financial liabilities	169,047	127,746

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.

The change in the position "Other liabilities" is mainly due to accrued interest in connection with the issuance of Schuldschein loans and Namensschuldverschreibungen as well as factoring transactions.

## 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, when it is probable that it will be settled and when the amount of the obligation can be reliably estimated. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period.

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 recognized under liabilities if the probability of a claim on assets is negligible within a single obligation included in this group.

In the financial year 2021, provisions for current liabilities and charges developed as follows:

(in thousands of EUR)	Sales	Other provisions	Total
<b>Balance at Jan. 1, 2021</b>	<b>4,036</b>	<b>17,896</b>	<b>21,932</b>
Effect of exchange rate changes	(208)	3	(205)
Reclassifications	0	97	97
Changes in consolidated companies	(115)	21,413	21,298
Utilization	(795)	(15,421)	(16,216)
Reversal	(351)	(1,341)	(1,692)
Increase	3,956	19,048	23,004
<b>Balance at Dec. 31, 2021</b>	<b>6,523</b>	<b>41,695</b>	<b>48,218</b>

In the financial year 2020, provisions for current liabilities and charges developed as follows:

(in thousands of EUR)	Sales	Other provisions	Total
<b>Balance at Jan. 1, 2020</b>	<b>4,363</b>	<b>7,827</b>	<b>12,190</b>
Effect of exchange rate changes	(190)	(69)	(259)
Reclassifications	0	(2,816)	(2,816)
Utilization	(2,041)	(1,393)	(3,434)
Reversal	(132)	(268)	(400)
Increase	2,036	14,615	16,651
<b>Balance at Dec. 31, 2020</b>	<b>4,036</b>	<b>17,896</b>	<b>21,932</b>

The provisions for sales are recognized 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 by the calculation.

The position "Other provisions" primarily comprises provisions for CO<sub>2</sub> emissions in the amount of thous. EUR 20,556 (December 31, 2020: thous. EUR 0), provisions for restructuring measures in the amount of thous. EUR 8,818 (December 31, 2020: thous. EUR 11,208), 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 organized 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. In the course of the strategic acquisitions of the cartonboard and paper mills in Kwidzyn, Poland, and Kotkamills, Finland, kraft papers and uncoated fine papers were added as new business areas to the division MM Board & Paper (formerly MM Karton).

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, pharmaceutical packaging, and high-grade confectionary).

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 operating profit and profit for the year as presented in the Group's income statement.

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

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

Capital expenditures and depreciation/amortization and impairment refer to the acquisition or depreciation/amortization and impairment of property, plant and equipment as well as intangible assets including goodwill (see note 6).

### **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 dis-aggregation 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 recognized 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)	2021			Consolidated
	MM Board & Paper	MM Packaging	Eliminations	
Sales to external customers	1,428,838	1,640,876	0	3,069,714
Intersegment sales	132,233	759	(132,992)	(0)
<b>Total sales</b>	<b>1,561,071</b>	<b>1,641,635</b>	<b>(132,992)</b>	<b>3,069,714</b>
Operating profit	107,694	161,921	0	269,615
Financial income	394	3,231	(306)	3,319
Financial expenses	(20,678)	(3,997)	306	(24,369)
Profit before tax	86,766	157,783	0	244,549
Income tax expense	(16,845)	(37,003)	0	(53,848)
Profit for the year	69,921	120,780	0	190,701
Capital expenditures	113,082	144,716	0	257,798
Depreciation and amortization <sup>1)</sup>	(75,156)	(73,797)	0	(148,953)
Impairments <sup>1)</sup>	(2,395)	0	0	(2,395)
Segment assets	2,747,648	1,597,304	(330,734)	4,014,218
Segment liabilities	1,865,433	817,637	(330,730)	2,352,340
Employees as of December 31	4,787	7,705	0	12,492

<sup>1)</sup> for property, plant and equipment, and intangible assets

(in thousands of EUR)	2020			
	MM Board & Paper	MM Packaging	Eliminations	Consolidated
Sales to external customers	934,501	1,593,898	0	2,528,399
Intersegment sales	116,251	318	(116,569)	0
<b>Total sales</b>	<b>1,050,752</b>	<b>1,594,216</b>	<b>(116,569)</b>	<b>2,528,399</b>
Operating profit	86,695	144,685	0	231,380
Financial income	421	1,593	(302)	1,712
Financial expenses	(3,158)	(5,007)	302	(7,863)
Profit before tax	83,346	138,728	0	222,074
Income tax expense	(24,987)	(34,857)	0	(59,844)
Profit for the year	58,359	103,871	0	162,230
Capital expenditures	95,022	62,617	0	157,639
Depreciation and amortization <sup>1)</sup>	(54,262)	(81,702)	0	(135,964)
Impairments <sup>1)</sup>	(23,735)	(7,782)	0	(31,517)
Segment assets	1,218,682	1,421,188	(240,300)	2,399,570
Segment liabilities	378,009	714,763	(240,300)	852,472
Employees as of December 31	2,417	7,521		9,938

<sup>1)</sup> for property, plant and equipment, and intangible assets

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)	2021			2020		
	Net sales	Non-current assets	Capital expenditures	Net sales	Non-current assets	Capital expenditures
Austria	65,193	527,808	74,996	47,387	488,216	44,551
Germany	509,420	280,394	40,933	428,202	316,134	42,619
France	296,988	79,729	11,571	273,938	74,546	8,033
Poland	374,298	727,630	36,333	221,139	41,405	2,935
Great Britain	232,191	24,811	18,427	231,991	15,237	3,652
Other Western European countries	563,227	423,314	25,057	415,486	78,885	12,915
Eastern Europe (including Turkey)	619,285	209,516	42,490	494,846	190,239	33,024
Asia and MENA	241,804	97,681	4,444	256,693	100,649	7,224
Americas	146,814	33,941	3,547	123,859	37,508	2,686
Other	20,494	0	0	34,858	0	0
<b>Consolidated total</b>	<b>3,069,714</b>	<b>2,404,824</b>	<b>257,798</b>	<b>2,528,399</b>	<b>1,342,819</b>	<b>157,639</b>

Non-current assets and capital expenditures comprise property, plant and equipment as well as intangible assets including goodwill (see note 6) as well as payments on account of property, plant and equipment (see note 12).

## 20 OTHER OPERATING INCOME

(in thousands of EUR)	2021	2020
Income from the deconsolidation of subsidiaries	47,335	0
Gains and losses from disposal of property, plant and equipment, and intangible assets – net	9,497	625
Insurance claims	1,787	6,645
Rental income	1,750	1,641
Other income - net	24,491	10,897
<b>Other operating income</b>	<b>84,860</b>	<b>19,808</b>

Income from the deconsolidation of subsidiaries includes thous. EUR 46,175 from the disposal of the sites in Eerbeek and Baiersbronn (see note 5.3.) and thous. EUR 1,160 from the deconsolidation of Al-Ekbal Printing and Packaging Co., Amman, Jordan.

The gains and losses from disposal of property, plant and equipment and intangible assets - net mainly result from the sale of “non-current assets held for sale” in connection with the decommissioning of Hirschwang.

Other income – net mainly includes income from energy sales and energy efficiency refunds in the amount of thous. EUR 15,670 (2020: thous. EUR 3,759), as well as a variety of individual items.

## 21 EXPENSES BY NATURE

The consolidated income statements are prepared using the presentation of expenses by function. The following tables comprise a breakdown of expenses by nature for the financial years 2021 and 2020:

(in thousands of EUR)	2021	2020
Cost of materials and purchased services	1,798,630	1,317,888
Personnel expenses	540,472	526,548
Depreciation and amortization <sup>1)</sup>	148,953	135,964
Impairments <sup>1)</sup>	2,395	31,517
Other expenses	394,509	304,910
<b>Total cost of sales, selling and distribution, administrative and other operating expenses</b>	<b>2,884,959</b>	<b>2,316,827</b>

<sup>1)</sup> for property, plant and equipment, and intangible assets

(in thousands of EUR)	2021	2020
Cost of materials and purchased services	1,798,630	1,317,888
Personnel expenses	375,296	363,329
Depreciation and amortization <sup>1)</sup>	123,385	114,716
Impairments <sup>1)</sup>	2,395	29,237
Other expenses	113,851	88,709
<b>Cost of sales</b>	<b>2,413,557</b>	<b>1,913,879</b>

<sup>1)</sup> for property, plant and equipment, and intangible assets

(in thousands of EUR)	2021	2020
Personnel expenses	165,176	163,219
Depreciation and amortization <sup>1)</sup>	25,568	21,248
Impairments <sup>1)</sup>	0	2,280
Other expenses	280,658	216,201
<b>Total selling and distribution, administrative and other operating expenses</b>	<b>471,402</b>	<b>402,948</b>

<sup>1)</sup> for property, plant and equipment, and intangible assets

## 22 PERSONNEL EXPENSES

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

(in thousands of EUR)	2021	2020
Gross wages	211,062	224,767
Gross salaries	202,683	176,034
Severance expenses	21,871	25,540
Pension expenses	8,336	7,116
Expenses for statutory social security as well as payroll-related taxes and compulsory contributions	84,197	82,917
Other welfare expenses	12,323	10,174
<b>Total</b>	<b>540,472</b>	<b>526,548</b>

The average number of employees is as follows:

(Number of persons)	2021	2020
Factory workers	8,489	7,689
Office staff	2,529	2,287
<b>Total</b>	<b>11,018</b>	<b>9,976</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)	2021	2020
Salaries and other short-term employee benefits (incl. remuneration of the Supervisory Board)	10,230	10,196
Post-employment benefits	1,017	575
Termination benefits	0	6,716
Long-term employee benefits (Board of Management)	326	0
<b>Total</b>	<b>11,573</b>	<b>17,487</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 remuneration of the members of the Management Board is as follows:

(in thousands of EUR)	2021	2020
Fixed remuneration	2,492	3,500
Variable remuneration	7,347	5,999
<b>Total</b>	<b>9,839</b>	<b>9,499</b>

The provision for variable compensations that has not yet been paid out amounted to thous. EUR 6,918 as of December 31, 2021 (December 31, 2020: thous. EUR 7,376).

In the financial year 2021 a company pension was paid to former board members and their surviving dependents, amounting to thous. EUR 841 (2020: thous. EUR 328).

The remuneration of the members of the Supervisory Board elected by the shareholders for the financial year 2021 amounted to thous. EUR 717 (2020: thous. EUR 697).

## 23 EXPENSES FOR THE GROUP AUDITOR

The 27<sup>th</sup> Ordinary Shareholders' Meeting on April 28, 2021 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 2021, expenses for services rendered by PwC Wirtschaftsprüfung GmbH in Austria amounted to thous. EUR 743 (2020: thous. EUR 461), of which thous. EUR 644 (2020: thous. EUR 405) were related to auditing and other assurance services and thous. EUR 99 (2020: thous. EUR 56) were related to other services.

## 24 RESEARCH AND DEVELOPMENT EXPENSES

Research and development costs are recognized as expenses as incurred. Neither as of December 31, 2021 nor as of December 31, 2020 have any development costs been capitalized.

Research and development costs recognized as expenses in the income statement amounted to thous. EUR 4,580 in the financial year 2021 (2020: thous. EUR 2,777).

## 25 FINANCIAL INCOME

(in thousands of EUR)	2021	2020
Interest from bank deposits	3,230	1,592
Other financial income	89	120
<b>Total financial income</b>	<b>3,319</b>	<b>1,712</b>

## 26 FINANCIAL EXPENSES

(in thousands of EUR)	2021	2020
Interest expense related to financial liabilities	(17,533)	(4,786)
Interest expense on lease liabilities	(1,867)	(1,585)
Other financial expenses	(4,969)	(1,492)
<b>Total financial expenses</b>	<b>(24,369)</b>	<b>(7,863)</b>

The increase in interest expense on financial liabilities resulted from the issuance of Schuldschein loans and Namensschuldverschreibungen. Other financial expenses mainly 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)	2021	2020
Foreign currency exchange rate gains (losses) – net	(3,862)	(2,758)
Net interest cost from benefit obligation	(1,367)	(1,499)
Result from investments accounted for using the equity method	720	284
Dividend income	606	344
Other financial income	388	474
Other financial expenses	(501)	0
<b>Other financial result – net</b>	<b>(4,016)</b>	<b>(3,155)</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, 2021 nor as of December 31, 2020 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.

	2021	2020
Profit attributable to ordinary shareholders of the parent company (in thousands of EUR)	189,174	161,188
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)	9.46	8.06

As in the previous year, the number of shares issued as of December 31, 2021 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 the 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 the results of its operations, 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 legislations 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 recognizes provisions for environmental risks and post-closure obligations (see note 15).

### Other contingent liabilities

As of December 31, 2021 purchase obligations for fixed assets regarding planned capital expenditures maturing within one year amounted to thous. EUR 136,440 (December 31, 2020: thous. EUR 169,987). This development is mainly due to planned Group-wide investment programs focusing on expansion and renewal.

### 30 DISCLOSURES ON TRANSACTIONS WITH RELATED PARTIES

Raw materials for the production of cartonboard amounting to thous. EUR 5,497 were purchased from other related companies in 2021 (2020: thous. EUR 5,919). As of December 31, 2021, trade liabilities with other related companies amounted to thous. EUR 606 (December 31, 2020: thous. EUR 810).

In 2021, sales from transactions with associated companies amounted to thous. EUR 423 (2020: thous. EUR 949). As of December 31, 2021, trade and other receivables with associated companies amounted to thous. EUR 45 (December 31, 2020: thous. EUR 312).

Raw materials amounting to thous. EUR 4,206 were purchased from joint ventures in 2021 (2020: thous. EUR 1,048). As of December 31, 2021, trade liabilities with joint ventures amounted to thous. EUR 826 (December 31, 2020: thous. EUR 0).

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.

Expenses for consulting services rendered by two members of the Supervisory Board amounted to thous. EUR 143 (2020: thous. EUR 120). As of December 31, 2021 liabilities of thous. EUR 30 (December 31, 2020: thous. EUR 41) were recognized in this context. Standard market rates were charged for these consulting services.

For information about 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, 2021	Dec. 31, 2020
Fixed deposits	52,279	38,857
Unrestricted bank deposits and cash	306,474	107,330
Other restricted bank deposits	793	54
<b>Cash and cash equivalents</b>	<b>359,546</b>	<b>146,241</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 decreased from thous. EUR 318,184 to thous. EUR 269,820. This change is due to a lower cash-effective result. A decrease in working capital in the previous year contrasted with an increase in the current year.

In 2021, 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 -142,860 to thous. EUR -891,401. This change mainly results from the payment of the purchase prices for the acquisition of the Kwidzyn mill in the amount of thous. EUR 676,475 and Kotkamills in the amount of thous. EUR 203,097, which were offset by payments received from the sale of the mills Eerbeek and Baiersbronn in the amount of thous. EUR 152,113. In the financial year 2021, the payments for the acquisition of property, plant and equipment, and intangible assets increased in line with the intensified investment program from thous. EUR 152,772 in the previous year to thous. EUR 248,430.

Cash flow from financing activities changed from thous. EUR -150,803 to thous. EUR 836,889, which is mainly due to the issuance of Schuldschein loans and Namensschuldverschreibungen.

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

(in thousands of EUR)	Non-current interest- bearing financial liabilities	Current interest-bearing financial liabilities	<b>Total</b>
<b>Balance at Jan. 1, 2021</b>	<b>215,511</b>	<b>52,915</b>	<b>268,426</b>
Issuances of financial liabilities	1,125,000	100,114	<b>1,225,114</b>
Repayments of financial liabilities	(167,711)	(143,291)	<b>(311,002)</b>
<b>Total cash changes</b>	<b>957,289</b>	<b>(43,177)</b>	<b>914,112</b>
Changes in consolidated companies	202,432	32,394	<b>234,826</b>
Effect of exchange rates	156	321	<b>477</b>
Other non-cash changes	(26,314)	31,550	<b>5,236</b>
<b>Total non-cash changes</b>	<b>176,274</b>	<b>64,265</b>	<b>240,539</b>
<b>Balance at Dec. 31, 2021</b>	<b>1,349,074</b>	<b>74,003</b>	<b>1,423,077</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 interest- bearing financial liabilities	Current interest-bearing financial liabilities	<b>Total</b>
<b>Balance at Jan. 1, 2020</b>	<b>232,540</b>	<b>112,843</b>	<b>345,383</b>
Issuances of financial liabilities	514	128	642
Repayments of financial liabilities	0	(78,256)	(78,256)
<b>Total cash changes</b>	<b>514</b>	<b>(78,128)</b>	<b>(77,614)</b>
Effect of exchange rates	(576)	(331)	(907)
Other non-cash changes	(16,967)	18,531	1,564
<b>Total non-cash changes</b>	<b>(17,543)</b>	<b>18,200</b>	<b>657</b>
<b>Balance at Dec. 31, 2020</b>	<b>215,511</b>	<b>52,915</b>	<b>268,426</b>

## 32 SIGNIFICANT SUBSEQUENT EVENTS AND FURTHER INFORMATION

The MM Group closely monitors the developments in Russia and Ukraine as well as the international measures and possible impacts on the Group. MM cumulatively generates approx. 9 % of the Group's EBITDA in Russia and Ukraine. In Russia, packaging products for the local demand of daily consumer goods are produced at two sites, St. Petersburg and Pskov. A downtime has to be expected. MM has stopped all cartonboard deliveries to Russia. In Ukraine, where MM produces packaging at the Cherkassy site in the center of the country, operations are currently suspended.

## 33 TABLE OF AFFILIATED AND ASSOCIATED COMPANIES

2021					2020				
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>	Mayr-Melnhof Service GmbH, Vienna (AUT)	EUR	35	100.00 %	FC <sup>1)</sup>
<b>MM BOARD &amp; PAPER</b>					<b>MM KARTON</b>				
-	-	-	-	-	Baiersbronn Frischfaser Karton GmbH, Baiersbronn (DEU)	EUR	2,050	100.00 %	FC <sup>1)</sup>
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>
-	-	-	-	-	Industriewater Eerbeek B. V., Eerbeek (NLD)	EUR	143	37.50 %	NE <sup>2)</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>	Mayr-Melnhof Cartonboard International GmbH, Vienna (AUT)	EUR	5,000	100.00 %	FC <sup>1)</sup>
-	-	-	-	-	Mayr-Melnhof Eerbeek B. V., Eerbeek (NLD)	EUR	7,300	100.00 %	FC <sup>1)</sup>
MM FollaCell AS, Follafooss (NOR)	NOK	10,000	100.00 %	FC <sup>1)</sup>	MM Karton 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>	Mayr-Melnhof Karton Gesellschaft m. b. H., 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>	Mayr-Melnhof 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>	Kolicivo Karton Proizvodnja kartona, 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 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 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 Neuss GmbH, Baiersbronn (DEU)	EUR	7,500	100.00 %	FC <sup>1)</sup>	FS-Karton GmbH, Baiersbronn (DEU)	EUR	7,500	100.00 %	FC <sup>1)</sup>
Tor-Pal Sp. z o. o., Kwidzyn (POL)	PLN	384	100.00 %	FC <sup>1)</sup>	-	-	-	-	-
-	-	-	-	-	Stort Doonweg B. V., Eerbeek (NLD)	EUR	18	50.00 %	NE <sup>2)</sup>

2021					2020				
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 Karton</b>				
Austria Cartón S. A., Barcelona (ESP)	EUR	60	75.00 %	FC <sup>1)</sup>	Austria Cartón S. A., Barcelona (ESP)	EUR	60	75.00 %	FC <sup>1)</sup>
MM B&P Hungary Kft., Budaörs (HUN)	HUF	20	100.00 %	FC <sup>1)</sup>	-	-	-	-	-
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 Mediterra SARL, Tunis (TUN)	TND	80	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Mediterra SARL, Tunis (TUN)	TND	80	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>	Mayr-Melnhof Benelux B. V., Amstelveen (NLD)	EUR	91	100.00 %	FC <sup>1)</sup>
-	-	-	-	-	MM Guang Zhou Yue Ran Paper Co., Ltd. i. l., Guangzhou (CHN)	CNY	1,500	100.00 %	NC <sup>4)</sup>
MM Board Bulgaria EOOD, Sofia (BGR)	BGN	5	100.00 %	FC <sup>1)</sup>	MM Karton 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 Karton Praha s. r. o., Prague (CZE)	CZK	820	100.00 %	FC <sup>1)</sup>
-	-	-	-	-	MM Karton Turkey Ticaret Limited Sirketi i. l., Istanbul (TUR)	TRY	10	100.00 %	FC <sup>1)</sup>
MM Board France SARL, Paris (FRA)	EUR	8	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof 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 Kartonvertrieb GmbH, Neuss (DEU)	EUR	26	100.00 %	FC <sup>1)</sup>
MM Board Italy SRL, Milan (ITA)	EUR	51	75.00 %	FC <sup>1)</sup>	Mayr-Melnhof Italia S. R. L., Milan (ITA)	EUR	51	75.00 %	FC <sup>1)</sup>
MM Board Polska Sp. z o. o., Poznan (POL)	PLN	50	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Karton 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 Prodaja Kartona, trgovina s kartonom d. o. o., Domzale (SVN)	EUR	30	100.00 %	FC <sup>1)</sup>
MM Board UK Limited, Theale-Reading (GBR)	GBP	1,000	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Cartonboard 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 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>	-	-	-	-	-
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>



2021					2020				
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>				
Al-Ekbal Printing & Packaging Co. i. l., Amman (JOR)	JOD	3,500	86.94 %	FC <sup>1)</sup>	Al-Ekbal Printing & Packaging Co. i. l., Amman (JOR)	JOD	3,500	86.94 %	FC <sup>1)</sup>
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>
Mayr-Melnhof Packaging Iberica SL, Valencia (ESP)	EUR	7,500	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Packaging Iberica SL, Valencia (ESP)	EUR	7,500	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Packaging International GmbH /Jordan PSC, Amman (JOR)	JOD	5,000	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Packaging International 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	99.56 %	FC <sup>1)</sup>	Mayr-Melnhof Printing and Packaging Tehran Company, Private Joint Stock, Tehran (IRN)	IRR	514,800,000	99.56 %	FC <sup>1)</sup>
MM C. P. Schmidt GmbH, Kaiserslautern (DEU)	EUR	3,000	100.00 %	FC <sup>1)</sup>	C. P. Schmidt GmbH, Kaiserslautern (DEU)	EUR	3,000	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>
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>	Mayr-Melnhof 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>	Mayr-Melnhof Gravure 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 Graphia Innovaprint GmbH, Bielefeld (DEU)	EUR	500	100.00 %	FC <sup>1)</sup>
MM Neupack GmbH, Reichenau/Rax (AUT)	EUR	1,820	100.00 %	FC <sup>1)</sup>	Neupack Gesellschaft m. b. H., Reichenau/Rax (AUT)	EUR	1,820	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>

2021					2020				
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 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 Deutschland GmbH, Bielefeld (DEU)	EUR	26	100.00 %	FC <sup>1)</sup>	MM Packaging 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>	Mayr-Melnhof Packaging International 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 Polska Sp. z o. o., Bydgoszcz (POL)	PLN	71,500	100.00 %	FC <sup>1)</sup>	MM Packaging Polska Sp. z o. o., Bydgoszcz (POL)	PLN	71,500	100.00 %	FC <sup>1)</sup>
MM Packaging Romania S. R. L., Blejoi (ROU)	RON	5,504	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Packaging Romania S. R. L., Blejoi (ROU)	RON	5,504	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 UK Limited, Deeside (GBR)	GBP	9,700	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Packaging UK Limited, Deeside (GBR)	GBP	9,700	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 Polygrafoformlenie Packaging LLC, St. Petersburg (RUS)	RUB	565,851	100.00 %	FC <sup>1)</sup>	MM Polygrafoformlenie Packaging LLC, St. Petersburg (RUS)	RUB	565,851	100.00 %	FC <sup>1)</sup>
MM Polygrafoformlenie Rotogravure LLC, St. Petersburg (RUS)	RUB	33,000	100.00 %	FC <sup>1)</sup>	MM Polygrafoformlenie Rotogravure LLC, St. Petersburg (RUS)	RUB	33,000	100.00 %	FC <sup>1)</sup>
MM Premium Vienna GmbH, Vienna (AUT)	EUR	3,050	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Packaging Austria GmbH, Vienna (AUT)	EUR	3,050	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>
OOO TANN Nevskiy, Pskov (RUS)	RUB	230,000	100.00 %	FC <sup>1)</sup>	OOO TANN Nevskiy, Pskov (RUS)	RUB	230,000	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>
R + S Stanzformen GmbH, Niederdorfelden (DEU)	EUR	260	100.00 %	FC <sup>1)</sup>	R + S Stanzformen GmbH, Niederdorfelden (DEU)	EUR	260	100.00 %	FC <sup>1)</sup>

2021					2020				
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
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>
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., 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 (CHN)	CNY	50,000	40.00 %	EC <sup>3)</sup>	Zhejiang TF Special Papers Co., Ltd., Quzhou (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.

In the course of a rebranding of the Group, there were changes in the company's names, which were taken into account until the adoption of these consolidated financial statements by the Supervisory Board.

<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 2021, the Board Members were as follows:

### **Management Board**

Peter Oswald (Chairman)

Andreas Blaschke (Member of the Management Board)

Franz Hiesinger (Member of the Management Board)

### **Supervisory Board**

Rainer Zellner (Chairman)

Johannes Goess-Saurau (1<sup>st</sup> Deputy Chairman)

Nikolaus Ankershofen (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)

Franz Rappold (Member of the Supervisory Board)

Andreas Hemmer (Employee Representative)

Gerhard Novotny (Employee Representative)

Vienna, March 14, 2022

### **The Management Board**

Peter Oswald m. p.

Andreas Blaschke 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 sheets as at December 31, 2021, the consolidated income statements, the consolidated comprehensive income statements, the consolidated statement of changes in equity and the consolidated cash flow statements 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, 2021, 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 245 a Austrian Commercial 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. Business combinations – identification and valuation of assets and liabilities acquired in the course of the acquisition of Kotkamills Group Oyj (“Kotkamills”) and International Paper (Poland) Holding Sp. z o. o. (“Kwidzyn”)**

### **Description**

On August 2, 2021, the divisional holding company Mayr-Melnhof Cartonboard International GmbH (now MM BOARD & PAPER GmbH), Vienna, acquired all shares in Kotkamills Group Oyj, Kotka, Finland, including its subsidiaries (“Kotkamills”) by purchase and sale agreement. The consideration transferred at the acquisition date amounted to thous. EUR 203,097. Taking into account the acquired net assets in the amount of thous. EUR 76,004, this resulted in a goodwill in the amount of thous. EUR 127,093.

On August 6, 2021, the divisional holding company Mayr-Melnhof Cartonboard International GmbH (now MM BOARD & PAPER GmbH), Vienna, acquired all shares in International Paper (Poland) Holding Sp. z o. o., Kwidzyn, Poland, including its subsidiaries (“Kwidzyn”) by purchase and sale agreement. The consideration transferred at the acquisition date amounted to thous. EUR 676,475. Taking into account the acquired net assets in the amount of thous. EUR 366,295, this resulted in a goodwill in the amount of thous. EUR 310,180.

In accordance with IFRS 3, the identifiable assets acquired and liabilities assumed were recognized at fair value at the acquisition date, respectively. The identification and valuation of the net assets acquired is complex and requires a series of discretionary decisions and assumptions. In particular, the valuation of intangible assets, buildings and machinery acquired is based to a considerable extent on asset specific assumptions requiring the Management Board to make discretionary decisions and estimates. To determine the fair values of the identifiable assets and liabilities, the Management Board consulted external independent experts for both cases. Both purchase price allocations have not been finalized yet.

For the consolidated financial statements, there is the risk that the assets acquired and liabilities assumed in the course of the acquisitions have been identified inaccurately or have not been valued adequately due to the size and complexity of the business combinations. Moreover, there is the risk that the disclosures required in the notes to the consolidated financial statements pursuant to IFRS 3 are incomplete and incorrect.

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

In order to understand the business combinations, we read the purchase and sale agreements, including the supplementary agreements, entered into between the selling parties and Mayr-Melnhof Cartonboard International GmbH (now MM BOARD & PAPER GmbH), Vienna. In accordance with the relevant regulations of IFRS 3 “Business Combinations”, we have evaluated the provisions agreed in these agreements with regard to the recognition in the consolidated balance sheet and the disclosures in the notes to the consolidated financial statements as at December 31, 2021.

We critically assessed the expertise, skills and objectivity of the engaged experts. Together with our valuation experts, we evaluated whether the significant assumptions and input parameters are appropriate (in particular the assumptions with regard to the growth rate, the discount rate used, the assumptions on the quality of land and buildings relevant to the valuation, the assumptions on the quality and replacement cost of acquired machinery as well as the assumptions on the estimated churn rate of the identified customer bases) and whether the assets and liabilities identified in the course of the purchase price allocation are complete and valued adequately. We checked whether the valuation methods applied are in accordance with the valuation principles of IFRS 3 in conjunction with the relevant regulations of IFRS 13.

Finally, we evaluated whether the disclosures on the business combination Kotka and Kwidzyn in the notes to the consolidated financial statements as at December 31, 2021 are complete and adequate.

The approach serving as a basis for the identification and valuation of the net assets acquired is adequate and complies with the accounting principles that are to be applied. The significant assumptions made by the Management Board and the input parameters applied are reasonable. The provisional presentation pursuant to IFRS 3 paragraph 45 of the business combination in the notes to the consolidated financial statements as at December 31, 2021 complies with the requirements of IFRS 3. The Management Board disclosed the fact that the purchase price allocations have not been finalized yet; the provisional results of the purchase price allocations take into account all material information on relevant facts and circumstances at the acquisition date. Based on current information, no material retrospective adjustments to the purchase price allocations are expected.

### **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, 2021 under note 5 – “Changes in the consolidated companies and other significant events” in section 5.1 – “Changes in the consolidated companies in 2021”, under note 7 “Financial instruments disclosures” in section 7.5 – “Capital management” as well as under note 31 “Notes on the consolidated cash flow statements”.

## **2. Impairment of assets – Recoverability of property, plant and equipment and the carrying amounts of the cash generating units**

### **Description**

The consolidated financial statements of Mayr-Melnhof Karton Aktiengesellschaft, Vienna, include property, plant and equipment in the amount of thous. EUR 1,490,031 as at December 31, 2021. In case of any indications in this regard pursuant to IAS 36, the Management Board evaluates whether property, plant and equipment or the carrying amounts of a cash generating unit may be impaired.

An impairment loss is recognized 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. 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 capitalization rate (WACC) is also to be classified as such that it requires significant discretionary decisions. As already slight changes in the capitalization rate 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 property, plant and equipment, 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. No impairment was recognized in the financial year 2021.

Valuation of the recoverable amount is complex, requires relevant expertise and depends on significant assumptions and discretionary decisions 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 recognized 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 carrying amounts of property, plant and equipment and cash generating units identified in this process are at risk and may be impaired.

Moreover, we evaluated whether all relevant internal and external sources of information were taken into account by management.

We partially involved our valuation experts when examining the appropriateness of the significant assumptions and input parameters as well as the valuation of the values in use and, where relevant, the fair values less cost of disposal. In doing so, we particularly ascertained the appropriateness of the assumptions made with regard to the planned development of future cash flows before tax. The future expected cash flows were derived from the budget for 2022 adopted by the Management Board and approved by the Supervisory Board. We assessed the capitalization rates applied and how they were derived, both with regard to the individual assumptions and parameters based on available market data and considering a critical overall evaluation in comparison with similar companies in the packaging industry. 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.

Finally, we evaluated whether the disclosures in the notes to the consolidated financial statements on the recoverability of property, plant and equipment and the cash generating units are complete and adequate. The carrying amounts of property, plant and equipment and 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, 2021 with regard to the recoverability of property, plant and equipment and 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, 2021 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, 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 245 a Austrian Commercial 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 skepticism 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 risk 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, related 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 243 a Austrian Commercial Code, 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 Shareholders' Meeting dated April 28, 2021. We were appointed by the Supervisory Board on August 27, 2021. 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 Frédéric Vilain, Austrian Certified Public Accountant.

Vienna, March 14, 2022

**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 of the 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 2021 BIS 31. DEZEMBER 2021

Die Mayr-Melnhof Karton Aktiengesellschaft ist die geschäftsleitende Holdinggesellschaft des Mayr-Melnhof Konzerns, der in zwei operativen Segmenten geführt wird: MM Board & Paper (ehemals MM Karton) und MM Packaging.

Der Erweiterung des Produktportfolios durch die Akquisition des Karton- und Papierwerkes Kwidzyn um „Kraftpapiere“ und „Ungestrichene Feinpapiere“ entsprechend, wurde das Segment von MM Karton auf MM Board & Paper umbenannt.

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. Verwendungsschwerpunkte sind „Food & Specialities“ sowie der Bereich „Premium“. Kraftpapiere werden vor allem an die Lebensmittel-/Gastronomiebranche und die Laminatindustrie verkauft, ungestrichene Feinpapiere insbesondere an Papier-/Bürobedarfshändler. MM Packaging verarbeitet Karton zu Faltschachteln und deckt bei Verpackungen für Konsumgüter des täglichen Bedarfes ein breites Branchenportfolio in den beiden Hauptmärkten „Food&Specialities“ und „Premium“ ab. Das hoch spezialisierte Premiumgeschäft umfasst die Bereiche Pharma, Beauty & Personal Care sowie Cigarette. 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 2021

### 1.1 Branchenentwicklung

Im Zuge der gesamtwirtschaftlichen Erholung verzeichnete die Nachfrage auf den Karton- und Faltschachtelmärkten sowie bei Papieren in 2021 eine starke Dynamik. Gleichzeitig führte der massive Anstieg von Faser- und Transportkosten und später auch bei Energiekosten zu einer Serie signifikanter Preiserhöhungen im Jahresverlauf.

Altpapierpreise stiegen vor allem infolge hoher Nachfrage, zusätzlicher Kapazitäten bei den verarbeitenden Industrien, wie z.B. Wellpappe, sowie pandemiebedingt niedrigerer Lagerstände und anhaltend niedrigerer Sammelaufkommen bei grafischen Papieren weiter drastisch an. Zellstoff verzeichnete insbesondere aufgrund starker Nachfrage, logistischer Einschränkungen, verlängerter Produktionsstillstände und der Aufwärtsdynamik aus Asien ebenfalls einen deutlichen Preisanstieg. Hackschnitzel entwickelten sich demgegenüber mit weitgehend konstanten Preisen. Gas- und Strompreise verzeichneten ab Oktober nachfragebedingt, aber auch infolge politischer Spannungen einen galoppierenden Anstieg mit teilweise einer Vervierfachung der Gaspreise zum bisherigen Niveau. Darüber hinaus waren jedoch auch viele andere Inputfaktoren wie Farben, Lacke, technische Chemikalien oder Verpackungsmaterial durch starke Teuerung mit anhaltender Tendenz gekennzeichnet.

Das Thema Nachhaltigkeit bei Verpackungen, insbesondere die Substitution von Kunststoff, ist weiter ins Zentrum gerückt und wird von allen Teilnehmern in der Wertschöpfungskette, Karton-/Papier- und Faltschachtelproduzenten sowie Konsumgüterherstellern und Einzelhandel proaktiv vorangetrieben. Aufgrund der Vollbeschäftigung der Industrien konnten Umstellungen in 2021 jedoch nur langsam Platz greifen.

Kapazitätserhöhungen in der Kartonindustrie konzentrierten sich in 2021 am europäischen Kernmarkt vor allem auf laufende Investitionstätigkeit in bereits bestehende Anlagen. An der europäischen Peripherie kam es zur Inbetriebnahme je einer neuen Recycling- und Frischfaserkartonmaschine. Der Erwerb von Kotkamills und des Werkes Kwidzyn durch MM markierte die bedeutendste Veränderung am europäischen Kartonmarkt. Im Bereich Faltschachtel erreichte Graphic Packaging (US) durch die Übernahme von AR Packaging auch in Europa eine führende Position. Zudem setzte sich das Engagement von Finanzinvestoren im Sektor weiter fort. Insgesamt hat die starke Kostenbelastung in 2021 vor allem den Druck auf kleinere Unternehmen der Karton- und Faltschachtelindustrie deutlich erhöht. Die Anbieterstruktur bei Packaging bleibt insgesamt weiter von starker Fragmentierung geprägt.

## 1.2 Geschäftsverlauf 2021 in den Divisionen

### **MM Board & Paper**

Die europäischen Kartonmärkte wie auch die Märkte für Kraftpapiere und ungestrichenes Feinpapier waren in 2021 durch starke Nachfrage gekennzeichnet. Dies ist einerseits auf eine Wiederauffüllung der während der Pandemie reduzierten Supply Chain zurückzuführen sowie andererseits der Mengensicherung infolge stark gestiegener Lieferzeiten und teilweise dem Ausbleiben von Importen aus Asien geschuldet. Mit rund 340.000 Tonnen lag der durchschnittliche Auftragsstand daher und aufgrund der erstmaligen Einbeziehung der Akquisitionen über dem Vergleichswert des Vorjahres (2020: 100.000 Tonnen). Trotz einzelner Lieferverzögerungen aufgrund fehlender Transportressourcen (z.B. LKW-Fahrer) konnten die Produktion und Versorgung unserer Kunden gewährleistet werden. Analog zum Vorjahr belief sich die Kapazitätsauslastung auf 97 %.

Infolge nachfrage- und angebotsbedingt massiver Steigerungen bei Rohstoffkosten (insbesondere Fasern, Chemikalien, Verpackungsmaterialien, Transport) sowie Energie wurden mehrere Preiserhöhungen umgesetzt. Aufgrund vertraglicher Bindungen erfolgen diese jedoch oft zeitversetzt zum Preisanstieg auf den Beschaffungsmärkten. Zellstoff- und Altpapierpreise setzten nach einem rasanten Anstieg im ersten Halbjahr auch in der zweiten Jahreshälfte die Aufwärtsbewegung weiter fort. Gründe für den signifikanten Altpapierpreisanstieg sind unverändert vor allem die starke Nachfrage der Wellpappen-Industrie sowie der Aufkommensrückgang bei Magazinpapieren und Zeitungsdruck.

Die Integration der strategischen Akquisitionen der Karton- und Papierwerke Kwidzyn, Polen, und Kotkamills, Finnland, bildete in 2021 einen besonderen Schwerpunkt. MM Board & Paper hat mit den Zukäufen nicht nur die Position bei Frischfaserkarton gestärkt, sondern auch zwei neue Kernprodukte, Kraftpapiere und ungestrichene Feinpapiere, erworben. Als Teil der Transformation wurden die beiden kleineren Kartonwerke, Bayersbronn und Eerbeek, veräußert. Darüber hinaus wurden Großinvestitionen mit Schwerpunkt auf Stärkung der Wettbewerbsfähigkeit durch Effizienz, Innovation und Nachhaltigkeit an den Standorten Frohnleiten, Österreich, Neuss, Deutschland, und Kolicovo, Slowenien, auf den Weg gebracht.

Die Entwicklung der Divisionskennzahlen ist in besonderem Maße durch die Änderungen im Konsolidierungskreis geprägt.

Die Produktion lag mit 2.069.000 Tonnen akquisitionsbedingt 21,0 % über dem Vorjahreswert (2020: 1.710.000 Tonnen). Davon entfielen 1.320.000 Tonnen (64 %) auf Recyclingkarton und 502.000 Tonnen (24 %) auf Frischfaserkarton (2020: 1.365.000 Tonnen bzw. 80 % und 345.000 Tonnen bzw. 20 %). Die übrigen 247.000 Tonnen (12,0 %) entfielen auf die neuen Produktbereiche Kraftpapiere und ungestrichene Feinpapiere. Bezogen auf den durchschnittlichen Mitarbeiterstand wurden 617 Tonnen (2020: 693 Tonnen) pro Mitarbeiter erzeugt. Der Absatz erhöhte sich analog zur Produktion um 22,7 % auf 2.092.000 Tonnen (2020: 1.704.000 Tonnen).

Die Umsatzerlöse lagen mit 1.561,1 Mio. EUR insbesondere akquisitionsbedingt um 48,6 % bzw. 510,3 Mio. EUR über dem Vergleichswert (2020: 1.050,8 Mio. EUR). Mit einem Anteil von rund 61 % in Westeuropa (2020: 66 %) und 32 % in Osteuropa (2020: 22 %) wurde wieder mehr auf den europäischen Märkten abgesetzt, wodurch der Verkaufsanteil in Ländern außerhalb Europas auf 7 % (2020: 12 %) zurückging.

MM Packaging war mit einem Lieferanteil von rund 13 % bzw. 236.000 Tonnen Karton (2020: 13 % bzw. 226.000 Tonnen) unverändert größter Kunde von MM Board & Paper.

Das betriebliche Ergebnis war vor allem durch die gestiegenen Rohstoff- und Energiekosten, welche erst zeitverzögert über höhere Verkaufspreise kompensiert werden konnten, belastet. Insgesamt erhöhte sich dieses jedoch vor allem durch die Verbuchung von Einmaleffekten aus den Veränderungen im Konsolidierungskreis um 24,2 % auf 107,7 Mio. EUR (2020: 86,7 Mio. EUR). Die Operating Margin belief sich auf 6,9 % (2020: 8,3 %), der Return on Capital Employed auf 11,0 % (2020: 14,5 %). Der Cash Flow aus der Geschäftstätigkeit betrug 108,7 Mio. EUR nach 126,3 Mio. EUR im Jahr zuvor.

### **MM Packaging**

Ähnlich wie bei Board & Paper waren auch die europäischen Faltschachtelmärkte in 2021 durch anhaltend starke Nachfrage gekennzeichnet. MM Packaging verzeichnete vor diesem Hintergrund in sämtlichen Food- als auch Non-Food-Anwendungsbereichen hohe Auftragseingänge. Der Absatz lag hierbei vor allem in den Bereichen Pharma, Beauty & Personal Care deutlich über dem Vorjahr. Parallel dazu wurden jedoch sämtliche Geschäftsbereiche von einem zunehmend dynamischen Anstieg der Inputkosten wie Karton, Papier, Farben, Lacke und Verpackungsmaterial erfasst. Die Weitergabe dieser Kostensteigerungen an die Kunden sowie die Aufrechterhaltung der Materialversorgung und Lieferfähigkeit standen daher im Mittelpunkt des laufenden Geschäftes. Beides ist MM Packaging gelungen, wobei die Kostenweitergabe entsprechend vertraglicher Bedingungen zwar sukzessive, aber infolge laufend weiterer Erhöhungen oft zeitverzögert erfolgte.

Um am Marktwachstum in Zentral-Ost-Europa zu partizipieren und günstigere Kosten zu nutzen, wurde die Verdoppelung des größten polnischen Werkes MMP Neupack Polska Petersona in Bydgoszcz vorangetrieben und der Bau eines neuen Verpackungswerkes Emerald in Polen nahe Warschau auf den Weg gebracht. Darüber hinaus befinden sich Erweiterungsinvestitionen für den Ausbau von Standorten zu kritischer Größe und Ausrichtung auf Wachstumsmärkte, wie nachhaltige, plastikfreie Verpackungen in Österreich, Rumänien und Großbritannien, erfolgreich in Umsetzung. Gleichzeitig wurden notwendige strukturelle Anpassungsmaßnahmen zur Erhöhung der Wettbewerbsfähigkeit und Absicherung des Bestandsgeschäftes fortgesetzt. Dies betraf insbesondere den deutschen Verpackungsstandort MM Graphia Bielefeld, welcher per Ende September 2021 den Betrieb einstellte. In diesem Zusammenhang waren Einmalaufwendungen in Höhe von 20,1 Mio. EUR zu verbuchen.

Die verarbeitete Tonnage Karton und Papier lag mit 853.000 Tonnen leicht über dem Vorjahreswert (2020: 847.000 Tonnen).

Die Umsatzerlöse stiegen primär mengenbedingt um 3,0 % auf 1.641,6 Mio. EUR (2020: 1.594,2 Mio. EUR). Diese verteilen sich zu 49 % und 33 % auf West- und Osteuropa sowie zu 18 % auf außereuropäisches Geschäft (2020: 50 %; 32 %; 18 %). MM Packaging beliefert in verschiedenen Konsumgüterbranchen mehr als 1.700 Kunden. Die beiden Hauptmärkte sind Food & Specialities sowie Premium, wobei Letzterer die Bereiche Pharma, Beauty & Personal Care und Cigarette umfasst. Infolge der hohen Konzentration in den Abnehmerindustrien entfällt ein bedeutender Anteil des Geschäftes auf multinationale Großkunden, sodass in 2021 mit den Top-Fünf-Kunden rund 40 % (2020: 40 %) der Umsatzerlöse erwirtschaftet wurden.

Das betriebliche Ergebnis konnte vor allem mengenbedingt und aufgrund gesteigerter Kosteneffizienz um 11,9 % bzw. 17,2 Mio. EUR auf 161,9 Mio. EUR (2020: 144,7 Mio. EUR) gesteigert werden. Die Operating Margin belief sich demnach auf 9,9 % (2020: 9,1 %). Der Return on Capital Employed betrug 14,4 % (2020: 13,2 %), der Cash Flow aus der Geschäftstätigkeit 161,1 Mio. EUR nach 191,9 Mio. EUR in 2020.

### 1.3 Geschäftsverlauf der Gesellschaft im Jahr 2021

Im Geschäftsjahr 2021 verzeichnete die Gesellschaft verglichen zum Vorjahr gesunkene Beteiligungserträge, denen die Dividendenzahlung für 2020 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)	2021	2020
Finanzergebnis	123.489.053,13	149.956.435,68
Umsatzerlöse	29.008.963,23	31.022.820,32
Betriebsergebnis	(30.978.293,89)	(20.086.034,55)
Cash Earnings	101.368.606,42	132.467.574,51
Eigenkapitalausstattung	31,36 %	93,88 %
Netto-Geldfluss aus laufender Geschäftstätigkeit	106.023.373,47	130.523.219,60
Netto-Geldfluss aus der Investitionstätigkeit	(1.234.995.908,47)	(823.431,62)
Netto-Geldfluss aus der Finanzierungstätigkeit	1.060.262.366,13	(64.334.236,42)

### 1.5 Nichtfinanzielle Leistungsindikatoren

#### Personal

Die Gesellschaft beschäftigt keine Arbeitnehmer.

### **Umweltbelange**

Verantwortliche Kreislaufwirtschaft ist durch Konzentration unseres Geschäftes 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 innovative und kompetitive Lösungen aus Karton und Papier neue Möglichkeiten für die Substitution von Kunststoffen zu bieten und attraktives Zukunftspotential zu schaffen.

Grundlage der nachhaltigen Ausrichtung der MM Gruppe bilden unsere strategische Positionierung als Marktführer auf Basis von Kosten- 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. Dieser Ausrichtung folgen laufende Zielsetzungen und Ressourcenallokationen im Konzern.

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 2022

Dieser Ausblick entspricht den Einschätzungen des Vorstandes zum 14. März 2022 und berücksichtigt keine Auswirkungen von Akquisitionen, Veräußerungen oder anderen strukturellen Änderungen innerhalb des Jahres 2022. 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.

Nachfrage und Auftragslage zeigen sich für die Produkte beider Divisionen seit Jahresbeginn weiterhin in guter Verfassung. Die angesichts massiver Kostensteigerungen, vor allem des außergewöhnlichen Energiepreisanstieges, notwendigen Preiserhöhungen konnten für das 1. Quartal umgesetzt werden. Darüber hinaus ist eine weitere Kartonpreiserhöhung für das 2. Quartal geplant, um die seit Jahresbeginn fortdauernde Kosteninflation zu kompensieren. Auch in der Packagingdivision erfolgt die Weitergabe des jüngsten Inputkostenanstieges kontinuierlich, jedoch vertragsbedingt oft zeitversetzt. Infolge weithin gebuchter Kapazitäten und längerer Lieferzeiten steht bei unseren Kunden die Versorgungssicherheit nach wie vor im Fokus, der wir durch höchstmögliche Flexibilität und Transparenz nachkommen.

Aufgrund von Kapazitätsbeschränkungen kann das Absatzvolumen der Gruppe nur schrittweise steigen. Die zuletzt in mehreren Werken von MM Packaging in Angriff genommenen Erweiterungen sollten jedoch im Laufe des Jahres mehr Geschäft ermöglichen. Bei MM Board & Paper, wo der Investitionsschwerpunkt auf Effizienzsteigerungen und Optimierung des Produktportfolios liegt, werden die expansiven Effekte erst ab 2023 sukzessive zum Tragen kommen.

Wie bereits indiziert, ist aufgrund der intensivierten Investitionstätigkeit in Erhöhung der Wettbewerbsfähigkeit und Wachstum auch für 2022 und 2023 von Investitionen in einer Bandbreite von 250 – 300 Mio. EUR p.a. auszugehen. Bei MM Board & Paper stehen neben den Großinvestitionen in Frohnleiten, Neuss und Kolicovo auch Projekte bei den Neuakquisitionen MM Kotkamills und MM Kwidzyn im Fokus, um attraktive Potentiale zeitnahe nutzen zu können. Bei MM Packaging verfolgen wir in Polen eine Verdoppelung des großen Standortes in Bydgoszcz sowie den Neubau eines Verpackungswerkes nahe Warschau, um am Marktwachstum in Zentral-Ost-Europa zu partizipieren und günstigere Kosten zu nutzen. Darüber hinaus werden Standorte in Großbritannien, Österreich und Rumänien zu kritischer Größe ausgebaut.

Die Ausrichtung der MM Gruppe auf einen langfristig moderaten Wachstumskurs hat sich bewährt und wird weiterverfolgt. Während bei MM Board & Paper aktuell die Integration der Neuakquisitionen im Vordergrund steht, soll die Marktpräsenz von MM Packaging auch über Akquisitionen erweitert werden. Der Fokus auf Optimierung der Kostenstrukturen, Digitalisierung sowie innovative, nachhaltige Verpackungsprodukte als Ersatz von Kunststoffverpackungen wird konsequent fortgesetzt.

Angesichts der anhaltenden Kosteninflation und schwer einschätzbaren weiteren Entwicklungen bleibt der Fokus darauf gerichtet, die Belastung durch möglichst zeitnahe Erhöhung der Verkaufspreise und strukturelle Kostensenkungen zu kompensieren, um bei den Margen wieder aufzuholen.

Die MM Gruppe beobachtet genau die Entwicklungen in Russland und der Ukraine wie auch die internationalen Maßnahmen und mögliche Auswirkungen auf den Konzern. MM erwirtschaftet kumuliert ca. 9 % des Konzern-EBITDA in Russland und der Ukraine. In Russland werden an zwei Standorten, St. Petersburg und Pskov, Packagingprodukte für den lokalen Bedarf bei täglichen Konsumgütern produziert. Mit einem Stillstand muss gerechnet werden. MM hat alle Kartonlieferungen nach Russland gestoppt. In der Ukraine, wo MM in der Landesmitte am Standort Cherkassy Verpackungen produziert, ist der Betrieb aktuell eingestellt.

Aus heutiger Sicht rechnet die Gesellschaft mit höheren Beteiligungserträgen als im Vorjahr.

## 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 den 2021 aufgenommenen Schuldscheindarlehen und Namensschuldverschreibungen 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. Im Zentrum der Forschungs- und Entwicklungstätigkeiten des Mayr-Melnhof Konzerns steht die nachhaltige Sicherung und Stärkung der Wettbewerbs- und Wachstumsfähigkeit durch Fortschritt in den beiden Divisionen MM Board & Paper und MM Packaging.

Die Innovationstätigkeiten werden einerseits durch den Anspruch stetiger Produkt- und Prozessoptimierungen getrieben, andererseits sind es mitunter sich ändernde gesetzliche Rahmenbedingungen, die Weiterentwicklung bedingen. Nicht zuletzt ist die Erschließung neuer, zukünftiger Geschäftsfelder und Zielanwendungen Antrieb für die Innovationsaktivitäten. Die Entwicklung bzw. Umsetzung von Produktinnovationen erfolgt stets unter Berücksichtigung möglicher Risiken zur Produktsicherheit und Wahrung der Chancen aus der Entwicklung innovativer und nachhaltiger Verpackungslösungen.

Eine neu aufgesetzte Innovations- und Produktentwicklungsorganisation sowie der kontinuierlich weiterentwickelte Innovationsprozess sorgen dafür, dass Innovationen von der Ideenfindung bis zur Umsetzung gezielt von den notwendigen Ressourcen und entsprechenden Expertinnen und Experten unserer Fachabteilungen begleitet werden. Der Fokus ist darauf ausgerichtet, dass Innovationen im Detail evaluiert und möglichst zeitnah als Projekte umgesetzt werden, um den Anforderungen an modernste technologische Funktionalität, Qualität, Sicherheit und Nachhaltigkeit zu entsprechen. Zur Gewährleistung von Qualität und Sicherheit setzen wir auf externe Zertifizierungen. Sie sind ein wichtiger Nachweis für Kunden und Endnutzer, dass unsere Produktinnovationen nachhaltig, sozial verträglich und gesundheitlich unbedenklich sind. Darüber hinaus dienen sie zum Nachweis der rechtlichen Compliance im Bereich Produktsicherheit. Das regelmäßige Überprüfen sowohl bestehender Produkte als auch innovativer Lösungen auf Einhaltung der Zertifizierungskriterien gewährleistet gleichzeitig eine rigorose Qualitätssicherung, die auch nach außen hin sichtbar wird.

Um allen Mitarbeitern die Möglichkeit zu geben, durch eigene Ideen in den Innovationsprozess miteinbezogen werden zu können, wurde zusätzlich die interne Ideenplattform „we.invent“ ins Leben gerufen. Die Beiträge werden in einem Stage-Gate-Prozess bewertet und zur Umsetzung gebracht.

Sowohl die Corona-Pandemie als auch der Klimawandel führen vor Augen, dass Sicherheit und Wohlstand davon abhängen, wie wir Gemeingüter, wie öffentliche Gesundheit und Klimastabilität, langfristig erhalten: Die Gesellschaft und die Wirtschaft müssen widerstandsfähig, nachhaltig und klimafreundlich aufgebaut sein. Karton und Papier gewinnen dadurch als umweltfreundliche Verpackung an Bedeutung, denn die Umsetzung von Kreislaufwirtschaft ist seit jeher ein fester Bestandteil der Entwicklungs- und Innovationstätigkeit der MM Gruppe. Zielsetzung von MM ist es daher, die Chance zu nutzen, Kunden dahingehend zu unterstützen, Plastik mit innovativen, aber auch bewährten Lösungen aus Papier und Karton zu ersetzen. Damit folgen wir auch dem aktuell prägenden Trend zu nachhaltigen, plastikfreien Verpackungen mit natürlichem Auftritt sowie hoher Convenience und Sicherheit und perfekter Einbindung in den Onlinevertrieb.

Konzentrierte sich die Digitalisierung in den vergangenen Jahren insbesondere auf digitale Verkaufs- und Serviceplattformen, hat MM nunmehr den Weg zu einer Gesamtmodernisierung der IT-Landschaft im Konzern eingeschlagen, welche Unternehmens-Ressourcen-Planung (ERP), Produktionsplanung und Produktionssteuerung umfassen. Dies ist einerseits eine Herausforderung für unsere Organisation, aber auch gleichzeitig ein deutlicher Schritt nach vorne. Am Ende dieses mehrjährigen Prozesses wird MM mit neuen Wettbewerbsvorteilen noch besser aufgestellt sein.

Gleichzeitig erfährt die Automatisierung von Arbeitsabläufen und Logistikprozessen in beiden Divisionen fortschreitende Durchdringung, ebenfalls mit dem Ziel, zusätzliche Wettbewerbsvorteile zu schaffen. Damit einher geht auch die Entstehung einer Vielzahl neuer qualifizierter Funktionen im Konzern.

### 3.1 Innovationstätigkeit 2021 in der Division MM Board & Paper

Die Innovations- und Forschungsaktivitäten werden einerseits vom Anspruch stetiger Verbesserung aller Produkte von MM Board & Paper bzw. deren Eigenschaften getrieben, andererseits sind es mitunter sich ändernde gesetzliche Rahmenbedingungen, die Weiterentwicklung bedingen. Nicht zuletzt ist die Erschließung neuer, zukünftiger Geschäftsfelder Antrieb für neue Produktentwicklungen.

Das Forschungs- und Entwicklungszentrum von MM Board & Paper am Standort Frohnleiten erarbeitet gemeinsam mit den am Standort MM Kotkamills vorhandenen Kapazitäten sowie externen Forschungseinrichtungen die Umsetzung grundlegender Erkenntnisse im Kontext von Wissenschaft und Produktion. Dies gewährleistet einen industrienahen Zugang sowie rasche Umsetzung. Zielsetzung ist es, dadurch insbesondere den aktuellen Erfordernissen hinsichtlich nachwachsender Rohstoffe im Austausch von mineralölbasierten Ausgangsmaterialien sowie nachhaltiger Produktion in einer geschlossenen Kreislaufwirtschaft zu entsprechen.

Damit im Zusammenhang stehend, lagen in 2021 die Schwerpunkte einerseits in der Vertiefung angewandter Forschung zu neuesten Beschichtungstechnologien, sowohl die Art der Beschichtung als auch die dabei eingesetzten Materialien betreffend, und andererseits in den durch den Erwerb der beiden neuen Standorte Kotkamills und Kwidzyn sich eröffnenden Möglichkeiten, neue Anwendungen zu erschließen.

Ein weiterer Schwerpunkt betraf die Behandlung der für faserbasierte Verpackungslösungen eingesetzten Zellulosefasern zur Verbesserung sowohl mechanischer als auch sensorischer Eigenschaften, unter Gewinnung der bei dieser Behandlung erhaltenen Wertstoffe.

Themen wie „Mikroplastik“ sowie die „Single Use Plastic Directive“ wurden im Kontext der umfassenden strukturellen Änderungen bei MM Board & Paper behandelt, mit dem Ziel, das Portfolio an umweltfreundlichen, innovativen Lebensmittelverpackungen aus Karton oder Papier zielstrebig auszuweiten.

### 3.2 Innovationstätigkeit 2021 in der Division MM Packaging

Mit der Installation eines „Head of Innovation MMP“ und einer damit verbundenen, neuen Innovationsorganisation wurde das Innovationsnetzwerk von MM Packaging in 2021 weiter ausgebaut. Dieses stellt sicher, dass das gesamte technische Know-how der MM Gruppe für die Bedürfnisse und Anforderungen unserer Kunden genutzt werden kann. Es setzt sich aus folgenden Einheiten zusammen: aus PacProject, dem kreativen Innovationszentrum in Hamburg (seit Anfang 2021 zu 100 % in die neue Innovationsorganisation integriert), dem Premium Printing Center in Trier sowie dem Technical Account Management-Team zur Koordination gezielter Kundenbriefings mit den lokalen Packaging-Development-Centern und einzelnen Werken und dem Forschungs- und Entwicklungszentrum der Tann-Gruppe. Um auch die Bedürfnisse des Kunden hinsichtlich technischer Ausrichtung bzw. Ausstattung zu berücksichtigen, erfolgt eine enge Abstimmung mit dem Divisional Technical Support Team. Damit einher geht auch eine enge Zusammenarbeit mit MM Board & Paper im Bereich der Innovation.

Bei PacProject in Hamburg werden in enger Abstimmung mit dem Kunden Konzeptstudien bis hin zu ersten Prototypen erstellt. Durch die enge Zusammenarbeit mit dem Technical Account Management-Team werden bereits in diesem Stadium erste Machbarkeitsanalysen durchgeführt. Im Premium Printing Center in Trier kommen hochinnovative Technologien zur Anwendung, um Verpackungsdesigns mit außergewöhnlichen Effekten in kürzester Zeit zu realisieren. Die Nachfrage unserer Kunden zu „E-Trainings/Learning“ hat im Bereich Innovation stark zugenommen. Daher bieten wir maßgeschneiderte Trendworkshops, Ideenworkshops und technische Trainings an.

Die Pandemie hat uns gezeigt, wie wichtig unsere Verpackungsprodukte für die Gesellschaft sind. Der Druck auf Kunststoffverpackungen steigt weiter, E-Commerce boomt und die Art und Weise, wie wir zusammenarbeiten, hat sich stark verändert. Noch nie war es so faszinierend und herausfordernd, diesen sich schnell ändernden Rahmenbedingungen mit innovativen Ideen auf allen Ebenen zu begegnen.

In 2021 waren die Innovationstätigkeiten von MM Packaging insbesondere auf die Thematik Nachhaltigkeit gerichtet. In diesem Zusammenhang wurde gemeinsam mit Kunden, Fachhochschulen und Forschungseinrichtungen an der Optimierung kreislaufgerechter Verpackungen sowie an der Entwicklung neuer Produkte gearbeitet.

Ein Innovationsschwerpunkt betraf daher den Ersatz von Plastikverpackungen durch Papierlösungen. Mit dem spezifischen Know-how im Bereich Papierverarbeitung, Barriereeigenschaften und Abpackprozess am Standort MM Innovaprint in Bielefeld konnten in diesem Zusammenhang namhafte Marken von Plastik- auf Papierumverpackung umgestellt werden.

Um die Nachhaltigkeitsaspekte bereits bei der Entwicklung eines Produktes zu berücksichtigen und Kostenvorteile für die Kunden vorzulegen, wurde „Cost-Initiative in advance“ weiterverfolgt. Bei dieser Initiative handelt es sich um die Berechnung der Kosten für bestellte Produkte bereits bei der Planung unter Beachtung des Nachhaltigkeitsaspektes. Vor Beginn eines neuen Projektes werden verschiedene Varianten mit Rücksicht auf die technischen Aspekte, Marktanforderungen, Design und Kosten des neuen Produktes berechnet und dem Kunden zur Auswahl präsentiert.

Coronabedingt hat die Nachfrage nach E-Commerce-Verpackungen signifikant zugenommen. Auf der neu etablierten MMe-Plattform bietet MM intelligente und innovative E-Commerce-Verpackungslösungen, welche von Karton bis zum Einsatz von Wellpappe reichen. Auf E-Commerce spezialisierte Werke von MM Packaging befinden sich aktuell in Rumänien, Österreich und Polen.

Bei den European Carton Excellence Awards durften sich MM Packaging und MM Board & Paper über einen gemeinsamen Preis in der Kategorie Food & Drink Packaging, Recycled Fibre für das Produkt „MM Basket“ freuen. Diese aus Brown-color-Recyclingkarton produzierte und von MM Packaging patentierte Lösung wurde zum Aufbewahren und Tragen von Steinobst als Alternative zu herkömmlichen Kunststoff-Tiefziehschalen entwickelt. Die Jury konnte vor allem durch die Verbindung von Funktionalität mit ansprechendem Design und Nachhaltigkeit überzeugt werden.

Zusätzlich wurde MM Board & Paper mit einem Preis in der Kategorie Food & Drink Packaging, Virgin Fibre für eine Lebensmittelverpackung ausgezeichnet, welche die Botschaft der Nachhaltigkeit und Natürlichkeit besonders gut vermitteln konnte. Darüber hinaus gab es noch zwei Gold-Awards für weitere innovative Verpackungslösungen.

#### 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 „Corporate 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 erfolgen durch Wirtschaftsprüfer und interne Revision.

## 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 57 % 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. Änderungen des Syndikatsvertrages bedürfen der Einstimmigkeit, gemessen an der Gesamtzahl der abgegebenen Stimmen.

### **Direkte oder indirekte Beteiligungen am Kapital, die zumindest 10 vom Hundert betragen**

Nach den der Gesellschaft bekannt gegebenen Informationen bestanden per Jahresende 2021 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 14. März 2022

**Der Vorstand**

Mayr-Melnhof Karton Aktiengesellschaft

MMag. Peter Oswald e.h.

Dr. Andreas Blaschke e.h.

Mag. Franz Hiesinger e.h.



# Bilanz

AKTIVA (in EUR)	Stand 31. Dez. 2021	Stand 31. Dez. 2020	PASSIVA (in EUR)	Stand 31. Dez. 2021	Stand 31. Dez. 2020
<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	14.117,76	15.882,48	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	1.679.127,44	1.724.221,36	1. Andere Rücklagen (freie Rücklagen)	226.568.244,74	189.386.962,71
2. Andere Anlagen, Betriebs- und Geschäftsausstattung	301.803,97	322.935,45	IV. Bilanzgewinn	130.000.000,00	130.000.000,00
	<b>1.980.931,41</b>	<b>2.047.156,81</b>	<i>davon Gewinnvortrag EUR 66.000.000,00 (2020: EUR 11.000.000,00)</i>	<b>609.226.692,82</b>	<b>572.045.410,79</b>
III. Finanzanlagen			<b>B. RÜCKSTELLUNGEN</b>		
1. Anteile an verbundenen Unternehmen	304.066.939,31	284.066.939,31	1. Rückstellungen für Pensionen	1.594.256,00	1.770.005,00
2. Ausleihungen an verbundene Unternehmen	1.135.000.000,00	0,00	2. Steuerrückstellungen	0,00	15.596.228,31
<i>davon mit einer Restlaufzeit von mehr als einem Jahr EUR 1.135.000.000,00 (2020: EUR 0,00)</i>			3. Sonstige Rückstellungen	22.825.715,09	9.222.789,11
3. Beteiligungen	494.917,78	494.917,78		<b>24.419.971,09</b>	<b>26.589.022,42</b>
4. Wertpapiere (Wertrechte) des Anlagevermögens	0,00	0,00	<b>C. VERBINDLICHKEITEN</b>		
	<b>1.439.561.857,09</b>	<b>284.561.857,09</b>	<i>davon mit einer Restlaufzeit von bis zu einem Jahr EUR 171.432.781,55 (2020: EUR 10.703.583,93)</i>		
	<b>1.441.556.906,26</b>	<b>286.624.896,38</b>	<i>davon mit einer Restlaufzeit von mehr als einem Jahr EUR 1.137.651.961,14 (2020: EUR 0,00)</i>		
<b>B. UMLAUFVERMÖGEN</b>			1. Verbindlichkeiten gegenüber Kreditinstituten	1.125.000.000,00	0,00
I. Forderungen und sonstige Vermögensgegenstände			<i>davon mit einer Restlaufzeit von bis zu einem Jahr EUR 0,00 (2020: EUR 0,00)</i>		
1. Forderungen gegenüber verbundenen Unternehmen	315.251.209,63	301.282.443,52	<i>davon mit einer Restlaufzeit von mehr als einem Jahr EUR 1.125.000.000,00 (2020: EUR 0,00)</i>		
<i>davon mit einer Restlaufzeit von mehr als einem Jahr EUR 0,00 (2020: EUR 0,00)</i>			2. Verbindlichkeiten aus Lieferungen und Leistungen	217.505,61	440.118,55
2. Sonstige Forderungen und Vermögensgegenstände	13.949.696,50	18.952.516,74	<i>davon mit einer Restlaufzeit von bis zu einem Jahr EUR 217.505,61 (2020: EUR 440.118,55)</i>		
<i>davon mit einer Restlaufzeit von mehr als einem Jahr EUR 0,00 (2020: EUR 0,00)</i>			<i>davon mit einer Restlaufzeit von mehr als einem Jahr EUR 0,00 (2020: EUR 0,00)</i>		
3. Wertpapiere und Anteile			3. Verbindlichkeiten gegenüber verbundenen Unternehmen	170.982.716,72	10.235.950,22
1. sonstige Wertpapiere und Anteile	79.871.794,84	0,00	<i>davon mit einer Restlaufzeit von bis zu einem Jahr EUR 170.982.716,72 (2020: EUR 10.235.950,22)</i>		
	<b>409.072.700,97</b>	<b>320.234.960,26</b>	<i>davon mit einer Restlaufzeit von mehr als einem Jahr EUR 0,00 (2020: EUR 0,00)</i>		
<b>II. Kassenbestand und Guthaben bei Kreditinstituten</b>	<b>86.603.089,67</b>	<b>321.650,18</b>	4. Sonstige Verbindlichkeiten		
	<b>495.675.790,64</b>	<b>320.556.610,44</b>	<i>davon mit einer Restlaufzeit von bis zu einem Jahr EUR 12.884.520,36 (2020: EUR 27.515,16)</i>		
<b>C. RECHNUNGSABGRENZUNGSPOSTEN</b>	<b>3.927.192,25</b>	<b>517.878,79</b>	<i>davon mit einer Restlaufzeit von mehr als einem Jahr EUR 0,00 (2020: EUR 0,00)</i>		
<b>D. AKTIVE LATENTE STEUERN</b>	<b>1.571.517,45</b>	<b>1.638.631,53</b>	a) Steuern	12.450,48	11.988,56
			b) Soziale Sicherheit	12.718,38	12.340,69
			c) Übrige	12.859.351,50	3.185,91
				<b>12.884.520,36</b>	<b>27.515,16</b>
<b>SUMME AKTIVA</b>	<b>1.942.731.406,60</b>	<b>609.338.017,14</b>	<b>SUMME PASSIVA</b>	<b>1.309.084.742,69</b>	<b>10.703.583,93</b>
				<b>1.942.731.406,60</b>	<b>609.338.017,14</b>
<b>EVENTUALFORDERUNGEN</b>	<b>0,00</b>	<b>0,00</b>	<b>EVENTUALVERBINDLICHKEITEN</b>	<b>0,00</b>	<b>0,00</b>

# Gewinn- und Verlustrechnung

(in EUR)	2021	2020
1. Erträge aus Beteiligungen		
a) Verbundene Unternehmen	130.000.000,00	150.000.000,00
b) Übrige	466.900,00	302.400,00
	<b>130.466.900,00</b>	<b>150.302.400,00</b>
2. Sonstige Zinsen und ähnliche Erträge		
a) Verbundene Unternehmen	9.258.284,55	9.503,63
b) Übrige	30.458,34	0,05
	<b>9.288.742,89</b>	<b>9.503,68</b>
3. Zinsen und ähnliche Aufwendungen		
a) verbundene Unternehmen	(163.695,55)	(5.592,53)
b) übrige	(16.102.894,21)	(349.875,47)
	<b>(16.266.589,76)</b>	<b>(355.468,00)</b>
<b>4. Zwischensumme aus Z 1 bis 3 (Finanzergebnis)</b>	<b>123.489.053,13</b>	<b>149.956.435,68</b>
5. Umsatzerlöse	29.008.963,23	31.022.820,32
6. Sonstige betriebliche Erträge		
a) Erträge aus dem Abgang vom und der Zuschreibung zum Anlagevermögen mit Ausnahme der Finanzanlagen	0,00	11.461,64
b) Erträge aus der Auflösung von Rückstellungen	326.095,45	0,00
c) Übrige	304.364,50	184.553,90
	<b>630.459,95</b>	<b>196.015,54</b>
7. Aufwendungen für Material und sonstige bezogene Herstellungsleistungen		
a) Aufwendungen für bezogene Leistungen	(28.093.824,32)	(27.870.992,08)
	<b>(28.093.824,32)</b>	<b>(27.870.992,08)</b>
8. Personalaufwand		
a) Gehälter	(10.249.898,32)	(13.387.676,27)
b) Soziale Aufwendungen	(1.658.196,65)	(4.116.882,41)
<i>davon Aufwendungen für Altersvorsorgen</i>	<i>(723.382,89)</i>	<i>(576.104,02)</i>
<i>aa) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeiterpensionskassen</i>	<i>(143.210,04)</i>	<i>(2.665.398,56)</i>
<i>bb) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge</i>	<i>(713.495,68)</i>	<i>(632.705,69)</i>
<i>cc) Sonstige Sozialaufwendungen</i>	<i>(78.108,04)</i>	<i>(242.674,14)</i>
	<b>(11.908.094,97)</b>	<b>(17.504.558,68)</b>
9. Abschreibungen		
a) auf immaterielle Vermögensgegenstände und Sachanlagen	(120.210,31)	(100.668,73)
	<b>(120.210,31)</b>	<b>(100.668,73)</b>
10. Sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Steuern vom Einkommen und vom Ertrag fallen	(1.714,35)	(1.714,36)
b) Übrige	(20.493.873,12)	(5.826.936,56)
	<b>(20.495.587,47)</b>	<b>(5.828.650,92)</b>
<b>11. Zwischensumme aus Z 5 bis 10 (Betriebsergebnis)</b>	<b>(30.978.293,89)</b>	<b>(20.086.034,55)</b>
<b>12. Ergebnis vor Steuern (Zwischensumme aus Z 4 und Z 11)</b>	<b>92.510.759,24</b>	<b>129.870.401,13</b>
13. Steuern vom Einkommen und vom Ertrag	8.670.522,79	2.235.807,28
<i>davon latente Steuern EUR -67.114,08 (2020: EUR -264.881,92)</i>		
<b>14. Jahresüberschuss</b>	<b>101.181.282,03</b>	<b>132.106.208,41</b>
15. Zuweisung zu Gewinnrücklagen	(37.181.282,03)	(13.106.208,41)
<b>16. Jahregewinn</b>	<b>64.000.000,00</b>	<b>119.000.000,00</b>
17. Gewinnvortrag aus dem Vorjahr	66.000.000,00	11.000.000,00
<b>18. Bilanzgewinn</b>	<b>130.000.000,00</b>	<b>130.000.000,00</b>

# Anhang

## DER MAYR-MELNHOF KARTON AKTIENGESELLSCHAFT FÜR DAS GESCHÄFTSJAHR VON 1. JÄNNER 2021 BIS 31. DEZEMBER 2021

### 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.

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.

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.

Mit dem im September 2021 abgeschlossenen „Cash Pooling Agreement“ hat die Mayr-Melnhof Aktiengesellschaft die Cash Pool Leader Funktion für zwei Euro Cash Pools übernommen.

## 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 - 7 Jahre

Geringwertige Vermögensgegenstände mit Einzelanschaffungskosten unter EUR 800,00 werden 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 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 und unter Beachtung der Vermögensobergrenze mit der 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.

Die Pensionsrückstellungen werden gemäß der Stellungnahme 27 des Austrian Financial Reporting and Auditing Committee (AFRAC) „Personalrückstellungen (UGB)“, Stand Dezember 2020, 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“ bzw. „Gemischt“ (2020: AVÖ 2018-P „Angestellte“ bzw. „Gemischt“) 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
	01.01.2021	2021	2021	2021	31.12.2021	01.01.2021	2021	2021	31.12.2021	31.12.2021	31.12.2020
<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	1.764,60	1.764,72	0,00	3.529,32	14.117,76	15.882,48
<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>1.764,60</b>	<b>1.764,72</b>	<b>0,00</b>	<b>3.529,32</b>	<b>14.117,76</b>	<b>15.882,48</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	2.641.168,05	18.767,40	0,00	0,00	2.659.935,45	1.494.299,51	63.861,32	0,00	1.558.160,83	1.101.774,62	1.146.868,54
2. Andere Anlagen, Betriebs- und Geschäftsausstattung <sup>1)</sup>	376.358,49	33.452,79	796,79	0,00	409.014,49	53.423,04	54.584,27	796,79	107.210,52	301.803,97	322.935,45
<b>Summe II</b>	<b>3.594.879,36</b>	<b>52.220,19</b>	<b>796,79</b>	<b>0,00</b>	<b>3.646.302,76</b>	<b>1.547.722,55</b>	<b>118.445,59</b>	<b>796,79</b>	<b>1.665.371,35</b>	<b>1.980.931,41</b>	<b>2.047.156,81</b>
<b>Summe I und II</b>	<b>3.612.526,44</b>	<b>52.220,19</b>	<b>796,79</b>	<b>0,00</b>	<b>3.663.949,84</b>	<b>1.549.487,15</b>	<b>120.210,31</b>	<b>796,79</b>	<b>1.668.900,67</b>	<b>1.995.049,17</b>	<b>2.063.039,29</b>
<b>III. Finanzanlagen</b>											
1. Anteile an verbundenen Unternehmen	284.066.939,31	20.000.000,00	0,00	0,00	304.066.939,31	0,00	0,00	0,00	0,00	304.066.939,31	284.066.939,31
2. Ausleihungen an verbundene Unternehmen	0,00	1.135.000.000,00	0,00		1.135.000.000,00	0,00	0,00	0,00	0,00	1.135.000.000,00	0,00
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	0,00	384.157,45	312.264,01	(71.893,44)	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Summe III</b>	<b>284.561.857,09</b>	<b>1.155.384.157,45</b>	<b>312.264,01</b>	<b>(71.893,44)</b>	<b>1.439.561.857,09</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>1.439.561.857,09</b>	<b>284.561.857,09</b>
<b>Gesamt</b>	<b>288.174.383,53</b>	<b>1.155.436.377,64</b>	<b>313.060,80</b>	<b>(71.893,44)</b>	<b>1.443.225.806,93</b>	<b>1.549.487,15</b>	<b>120.210,31</b>	<b>796,79</b>	<b>1.668.900,67</b>	<b>1.441.556.906,26</b>	<b>286.624.896,38</b>

<sup>1)</sup> Im Jahr 2021 sind geringwertige Vermögensgegenstände in Höhe von EUR 796,79 zu- und abgegangen.

### 3.2 Aufgliederung der Anteile an verbundenen Unternehmen

(in EUR)	31.12.2021	Geschäftsjahr 2020	
	Anteil in %	Eigenkapital	Jahresergebnis
MM Service GmbH (vormals Mayr-Melnhof Service GmbH), Wien (AUT) <sup>1)</sup>	100,00	25.762,37	k. A
Lokalbahn Payerbach-Hirschwang Gesellschaft m.b.H., Reichenau/Rax (AUT) <sup>1)</sup>	100,00	3.899.612,98	k. A
MM BOARD & PAPER GmbH (vormals Mayr-Melnhof Cartonboard International GmbH), Wien (AUT) <sup>1)</sup>	100,00	278.113.614,49	k. A
MM PACKAGING GmbH (vormals Mayr-Melnhof Packaging International GmbH), Wien (AUT) <sup>1)</sup>	100,00	479.001.021,47	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

Unter dem Posten Ausleihungen an verbundene Unternehmen ist ein Betrag in Höhe von EUR 1.135.000.000,00 (31. Dezember 2020: EUR 0,00) enthalten, der nicht innerhalb eines Jahres fällig ist.

### 3.4 Wertpapiere (Wertrechte) des Anlagevermögens

Unter Wertpapiere (Wertrechte) des Anlagevermögens sind die Rückdeckungsversicherungen, die im Wesentlichen zugunsten der Pensionsberechtigten verpfändet sind, saldiert mit den Pensionsverpflichtungen ausgewiesen.

### 3.5 Forderungen

Zum 31. Dezember gliedern sich die Forderungen wie folgt:

(in EUR)	31.12.2021	31.12.2020
<b>1. Forderungen gegenüber verbundenen Unternehmen</b>		
a) aus Lieferungen und Leistungen	6.843.567,45	9.140.030,46
b) aus sonstigen Forderungen	308.407.642,18	292.142.413,06
	<b>315.251.209,63</b>	<b>301.282.443,52</b>
<b>2. Sonstige Forderungen und Vermögensgegenstände</b>	13.949.696,50	18.952.516,74
<b>Gesamt</b>	<b>329.200.906,13</b>	<b>320.234.960,26</b>

Unter den sonstigen Forderungen gegenüber verbundenen Unternehmen sind auch Forderungen aus Cash Pooling-Vereinbarungen in Höhe von EUR 304.003.400,92 (31. Dezember 2020: EUR 290.255.861,80) ausgewiesen, wobei die Mayr-Melnhof Karton Aktiengesellschaft für zwei Euro Cash Pools als Cash Pool Leader fungiert.

In den sonstigen Forderungen gegenüber verbundenen Unternehmen sind Forderungen aus Steuerumlagen in Höhe von EUR 4.399.874,67 (31. Dezember 2020: EUR 1.884.507,03) 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 Wertpapiere und Anteile

Unter den Wertpapieren und Anteilen sind Anteile an einem Geldmarktfonds iHv EUR 79.871.794,84 (31. Dezember 2020: EUR 0,00), der wiederum ausschließlich in verzinsliche Wertpapiere und Geldmarktinstrumente investiert, ausgewiesen.

### 3.7 Latente Steuern

Der latente Steueranspruch aus dem Saldo der aktiven und passiven latenten Steuern beträgt zum 31. Dezember 2021 EUR 1.571.517,45 (31. Dezember 2020: EUR 1.638.631,53).

Die aktiven latenten Steuern wurden auf Unterschiede zwischen dem steuerlichen und unternehmensrechtlichen Wertansatz zum Bilanzstichtag, unter Zugrundelegung eines Körperschaftsteuersatzes von 25 %, für folgende Posten gebildet:

	2021		2020	
	Aktive latente Steuern	Passive latente Steuern	Aktive latente Steuern	Passive latente Steuern
Rückstellungen für Abfertigungen			X	
Rückstellungen für Pensionen		X	X	

Die aktiven latenten Steuern entwickelten sich wie folgt:

(in EUR)	2021	2020
<b>Aktive latente Steuern 01.01.</b>	<b>1.638.631,53</b>	<b>1.903.513,45</b>
Auflösung	(67.114,08)	(278.636,25)
Zuführung	0,00	13.754,33
<b>Aktive latente Steuern 31.12.</b>	<b>1.571.517,45</b>	<b>1.638.631,53</b>

### 3.8 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.

### 3.9 Rückstellungen

#### Pensionsverpflichtungen

Die Rechenparameter zu den jeweiligen Stichtagen stellen sich wie folgt dar:

(in %)	31.12.2021	31.12.2020
	Pensionen	Pensionen
Abzinsungsfaktor	0,98 %	0,85 %
Langfristige Gehaltssteigerungsraten	2,50 %	2,50 %
Langfristige Rentensteigerungsraten	2,00 %	2,00 %

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 31.12.2020</b>	<b>11.900.176,66</b>
Zuführung Dienstzeitaufwand 2021	184.854,00
Zuführung Zinsaufwand 2021	94.172,00
Auszahlungen 2021	(840.997,00)
Versicherungsmathematische Verluste bzw. (Gewinne) 2021	659.777,67
<b>Bilanzierte langfristige Rückstellung 31.12.2021</b>	<b>11.997.983,33</b>
Deckungskapital	(10.403.727,33)
<b>Saldierte Pensionsverpflichtung</b>	<b>1.594.256,00</b>

Der Zinsaufwand ist unter dem Posten „Zinsen und ähnliche Aufwendungen“ im Finanzergebnis ausgewiesen.

Der Wert der Ansprüche aus der Rückdeckungsversicherung beträgt EUR 10.403.727,33 (31. Dezember 2020: EUR 10.130.171,66). Die Ansprüche aus der Rückdeckungsversicherung wurden an die Anspruchsberechtigten verpfändet und daher, unter Beachtung der Vermögensobergrenze, mit der entsprechenden Gesamtpensionsverpflichtung in Höhe von EUR 11.997.983,33 (31. Dezember 2020: EUR 11.900.176,66) saldiert.

#### Sonstige Rückstellungen

Neben der Rückstellung für die variablen Vorstandsbezüge des laufenden Jahres in Höhe von EUR 6.918.092,66 (31. Dezember 2020: EUR 7.375.971,00) enthalten die sonstigen Rückstellungen im Wesentlichen Rückstellungen für noch nicht abgerechnete Konzerndienstleistungen in Höhe von EUR 14.176.000,00 (31. Dezember 2020: EUR 0,00), Rückstellungen für nicht konsumierte Urlaube, Rechts-, Prüfungs- und Beratungsaufwand und die Vergütung für die Aufsichtsratsstätigkeit.

Von der Rückstellung für die variablen Vorstandsbezüge sind EUR 355.462,08 (31. Dezember 2020: EUR 0,00) langfristig.

Bei den noch nicht abgerechneten Konzerndienstleistungen handelt es sich um Leistungen, die die Mayr-Melnhof Karton Aktiengesellschaft bei der MM Service GmbH (vormals Mayr-Melnhof Service GmbH, Wien) beauftragt hat. Diese können im Konzern nicht umgelegt werden, da sie im Eigentümerinteresse der Mayr-Melnhof Karton Aktiengesellschaft erbracht wurden.

### 3.10 Verbindlichkeiten

Zum 31. Dezember gliedern sich die Verbindlichkeiten wie folgt:

(in EUR)	31.12.2021	Davon Restlaufzeit über 5 Jahre	31.12.2020	Davon Restlaufzeit über 5 Jahre
<b>1. Verbindlichkeiten gegenüber Kreditinstituten</b>	1.125.000.000,00	950.500.000,00	<b>0,00</b>	0,00
<b>2. Verbindlichkeiten aus Lieferungen und Leistungen</b>	217.505,61	0,00	<b>440.118,55</b>	0,00
<b>3. Verbindlichkeiten gegenüber verbundenen Unternehmen</b>				
a) aus Lieferungen und Leistungen	587.948,26	0,00	<b>3.005.771,67</b>	0,00
b) aus sonstigen Verbindlichkeiten	170.394.768,46	0,00	<b>7.230.178,55</b>	
	<b>170.982.716,72</b>	<b>0,00</b>	<b>10.235.950,22</b>	<b>0,00</b>
<b>4. Sonstige Verbindlichkeiten</b>				
a) Steuern	12.450,48	0,00	<b>11.988,56</b>	0,00
b) Soziale Sicherheit	12.718,38	0,00	<b>12.340,69</b>	0,00
c) Übrige	12.859.351,50	0,00	<b>3.185,91</b>	0,00
	<b>12.884.520,36</b>	0,00	27.515,16	0,00
<b>Gesamt</b>	<b>1.309.084.742,69</b>	<b>950.500.000,00</b>	<b>10.703.583,93</b>	<b>0,00</b>

Die Verbindlichkeiten gegenüber Kreditinstituten bestehen aus Darlehen in Form von Schuldscheinen und Namensschuldverschreibungen in Höhe von EUR 1.125.000.000,00 (31. Dezember 2020: EUR 0,00). Die Laufzeiten der zu marktüblichen Konditionen verzinsten Darlehen betragen zwischen 5 und 15 Jahren.

In den sonstigen Verbindlichkeiten sind Aufwendungen von unwesentlicher Höhe enthalten, welche erst nach dem Bilanzstichtag zahlungswirksam werden.

Unter den sonstigen Verbindlichkeiten gegenüber verbundenen Unternehmen sind auch Verbindlichkeiten aus den Cash Pooling-Vereinbarungen in Höhe von EUR 168.736.147,48 (31. Dezember 2020: EUR 0,00) enthalten, wobei die Mayr-Melnhof Karton Aktiengesellschaft für zwei Euro Cash Pools als Cash Pool Leader fungiert.

Weiters sind hier auch sonstige Verbindlichkeiten aus Steuerumlagen in Höhe von EUR 1.651.036,22 (31. Dezember 2020: EUR 7.230.178,55) ausgewiesen.

## Gewinn- und Verlustrechnung

### 3.11 Nettoerlöse nach geografischen Märkten

(in EUR)	2021	2020
<b>Verbundene Unternehmen</b>		
Österreich	<b>7.591.938,34</b>	7.621.927,52
Andere EU-Länder	<b>16.129.888,40</b>	16.288.908,05
Nicht EU-Länder	<b>5.287.136,49</b>	7.111.984,75
<b>Gesamt</b>	<b>29.008.963,23</b>	<b>31.022.820,32</b>

### 3.12 Personalaufwand

Die Aufwendungen für Leistungen an betriebliche Mitarbeitervorsorgekassen enthaltenen Beiträge betragen EUR 143.210,04 (2020: EUR 74.676,88).

Die Aufwendungen an ausgelagerte Einheiten in Form von beitragsorientierten Plänen betragen EUR 130.000,02 (2020: EUR 499.999,98).

Der Gesamtbetrag der Aufwendungen und Erträge für Altersversorgung für den Vorstand gliedert sich wie folgt:

(in EUR)	2021	2020
Anpassung der Pensionsrückstellung	(175.749,00)	(209.258,63)

### 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 2021 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.

Die Gruppenmitglieder sind:

MM Frohnleiten GmbH, Frohnleiten (vormals Mayr-Melnhof Karton Gesellschaft m.b.H., Frohnleiten)  
 MM BOARD & PAPER GmbH, Wien (vormals Mayr-Melnhof Cartonboard International GmbH, Wien)  
 MM PACKAGING GmbH, Wien (vormals Mayr-Melnhof Packaging International GmbH, Wien)  
 MM Neupack GmbH, Reichenau an der Rax (vormals Neupack Gesellschaft m.b.H., Reichenau an der Rax)  
 MM Premium Vienna GmbH, Wien (vormals Mayr-Melnhof Packaging Austria GmbH, Wien)  
 MM Service GmbH, Wien (vormals Mayr-Melnhof Service GmbH, Wien)  
 free-com solutions GmbH, Wien

Aufgrund des Umlagevertrages zwischen den inländischen Gesellschaften wurden im Geschäftsjahr 2021 EUR 5.807.420,12 (2020: EUR 3.824.819,78) an die Gruppenmitglieder weiterverrechnet.

Die Steuern vom Einkommen und vom Ertrag weisen im Jahr 2021 einen Ertrag von EUR 8.737.636,87 (2020: Ertrag EUR 2.500.689,20) auf.

### 3.15 Ergebnisverwendung

Der Vorstand schlägt vor, aus dem Bilanzgewinn in Höhe von EUR 70.000.000,00 eine Dividende von EUR 3,50 je Aktie auszuschütten.

## 4 SONSTIGE ANGABEN

### 4.1 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)	2021	2020
a) von der Gesellschaft	9.838.549,17	8.995.147,30
b) von verbundenen Unternehmen	0,00	503.493,25
<b>Gesamt</b>	<b>9.838.549,17</b>	<b>9.498.640,55</b>
Davon		
a) fixe Bezüge	2.491.676,06	3.499.878,55
b) variable Vergütung	7.346.873,11	5.998.762,00
<b>Gesamt</b>	<b>9.838.549,17</b>	<b>9.498.640,55</b>

An ehemalige Organmitglieder und deren Hinterbliebene wurden im Geschäftsjahr 2021 Gesamtbezüge von EUR 1.620.996,37 (2020: EUR 7.043.479,43) gewährt.

**Bezüge des Aufsichtsrates**

(in EUR)	2021	2020
von der Gesellschaft	717.020,00	697.500,00
<b>Gesamt</b>	<b>717.020,00</b>	<b>697.500,00</b>

Die Organe der Gesellschaft setzten sich im abgelaufenen Geschäftsjahr wie folgt zusammen:

**Vorstand**

MMag. Peter Oswald (Vorsitzender)  
 Dr. Andreas Blaschke (Mitglied des Vorstandes)  
 Mag. Franz Hiesinger (Mitglied des Vorstandes)

**Aufsichtsrat**

Dipl.-Ing. Rainer Zellner (Vorsitzender)  
 Mag. Johannes Goess-Saurau (1. Stellvertretender Vorsitzender)  
 Dr. Nikolaus Ankershofen (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)  
 Ing. Franz Rappold (Mitglied des Aufsichtsrates)  
 Andreas Hemmer (Arbeitnehmervertreter)  
 Gerhard Novotny (Arbeitnehmervertreter)

**4.2 Ereignisse nach dem Abschlussstichtag und weitere Informationen**

Die Entwicklungen in Russland und der Ukraine werden genau beobachtet wie auch die internationalen Maßnahmen und mögliche Auswirkung auf die Mayr-Melnhof Karton Aktiengesellschaft und ihre verbundenen Unternehmen. MM erwirtschaftet kumuliert ca. 9 % des Konzern-EBITDA in Russland und der Ukraine. In Russland werden an zwei Standorten, St. Petersburg und Pskov, Packagingprodukte für den lokalen Bedarf bei täglichen Konsumgütern produziert. Beide Werke sind aktuell in Betrieb. In der Ukraine, wo MM in der Landesmitte am Standort Cherkassy Verpackungen produziert, ist der Betrieb aktuell eingestellt.

Darüber hinaus sind nach dem Bilanzstichtag keine Ereignisse eingetreten, die wesentliche Auswirkungen auf die Vermögens-, Finanz- und Ertragslage des Konzerns haben.

Wien, am 14. März 2022

**Der Vorstand**

Mayr-Melnhof Karton Aktiengesellschaft

MMag. Peter Oswald e.h.

Dr. Andreas Blaschke 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 2021, 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 2021 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. Organbezüge – Bewertung der Rückstellungen für variable Bezüge**

### **Sachverhalt**

Die variablen Bezüge der Vorstandsmitglieder basieren auf der Erfüllung mehrerer vertraglich vereinbarter Leistungskriterien, insbesondere enthalten sie eine erfolgsabhängige Prämie in Form einer jährlichen Erfolgsbeteiligung basierend auf diversen Konzernergebniskennzahlen des jeweiligen Geschäftsjahres. Darüber hinaus enthält die variable Vergütung eine langfristige Erfolgsbeteiligung über einen Beobachtungszeitraum von 3 Jahren, welcher das Erreichen von Konzernergebniskennzahlen zu Grunde liegt.

Die erfolgsabhängige Prämie wird auf Basis des für das aktuelle Geschäftsjahr aufgestellten Konzernabschlusses der Gesellschaft zum jeweiligen Stichtag ermittelt und entsprechend rückgestellt. Zum 31. Dezember 2021 betragen die Rückstellungen für variable Bezüge der Vorstandsmitglieder EUR 6.918.092,66 (Vorjahr: EUR 7.375.971,00). Die Höhe der variablen Bezüge ist maßgeblich vom Erreichen der vertraglich vereinbarten finanziellen Konzernkennzahlen im Vergleich zum Konzernbudget abhängig. Bei der Ermittlung der finanziellen Konzernkennzahlen werden diese um nicht wiederkehrende Erträge und einmalige Aufwendungen, soweit diese 10 Mio. EUR überschreiten, und aufgrund von materiellen Änderungen im Konsolidierungskreis (z.B. Unternehmenserwerb/Entkonsolidierungen) bereinigt. Neben finanziellen Zielen berücksichtigt die jährliche Erfolgsbeteiligung auch die Erreichung nicht finanzieller Leistungsindikatoren. Der überwiegende Anteil der variablen Vergütung basiert auf finanziellen Zielen. Fehler, insbesondere in der Ermittlung der finanziellen Leistungsindikatoren bzw. Konzernkennzahlen, können wesentliche Auswirkungen auf die Höhe der unter den sonstigen Rückstellungen ausgewiesenen Rückstellungen für variable Bezüge und damit auf den Jahresabschluss haben.

### **Prüferisches Vorgehen und Erkenntnisse**

Im Rahmen der Jahresabschlussprüfung haben wir die Vorstandsverträge gelesen, mit den vom Präsidium des Aufsichtsrates genehmigten Regelungen zu den variablen Bezügen abgestimmt und die von der Gesellschaft erstellte Berechnung der Rückstellungen für variable Bezüge nachvollzogen. Die für die Rückstellungsermittlung relevanten Konzernkennzahlen haben wir mit dem Konzernabschluss zum 31. Dezember 2021 abgestimmt. Vom Vorstand vorgenommene Bereinigungen der Konzernkennzahlen um nicht wiederkehrende Erträge und einmalige Aufwendungen, soweit diese jeweils 10 Mio. EUR überschreiten, und Bereinigungen aufgrund von Änderungen im Konsolidierungskreis haben wir dahingehend geprüft, ob diese korrekt aus den Konzernbuchhaltungsunterlagen abgeleitet wurden und haben diese mit den Detailunterlagen, erhalten im Rahmen der gesonderten Konzernabschlussprüfung, abgestimmt. Des Weiteren haben wir geprüft, ob die Bereinigungen gemäß den Vorstandsverträgen und Beschlüssen des Vergütungsausschusses des Aufsichtsrates zulässig und vollständig sind. Die langfristige Erfolgsbeteiligung haben wir mit dem vom Aufsichtsrat genehmigten Konzernbudget abgestimmt und auf entsprechende aliquote Berücksichtigung in der Rückstellung für variable Bezüge überprüft. Die nicht finanziellen Leistungsindikatoren haben wir mit den vom Vorstand zur Verfügung gestellten und von uns auf Plausibilität geprüften Detailunterlagen abgestimmt. Abschließend haben wir die rechnerische Richtigkeit und Höhe der Rückstellung für variable Bezüge validiert und die von den §§ 238 und 239 UGB geforderten Anhangangaben zu den Organbezügen überprüft.

Aufgrund unserer Prüfungshandlungen konnten wir die sachgerechte Ermittlung der Rückstellungen für variable Bezüge im Jahresabschluss zum 31. Dezember 2021 nachvollziehen. Die bei der Ermittlung der Höhe der variablen Bezüge zur Anwendung gelangten finanziellen Leistungsindikatoren bzw. Konzernkennzahlen wurden entsprechend der in den Vorstandsverträgen vereinbarten Ermittlung der Kennzahlen von dem von uns geprüften Konzernabschluss der Gesellschaft zum 31. Dezember 2021 abgeleitet. Die vom Vorstand vorgenommenen Bereinigungen dieser Konzernkennzahlen um nicht wiederkehrende Erträge und einmalige Aufwendungen sowie Änderungen im Konsolidierungskreis stehen dem Grunde nach im Einklang mit den vertraglichen Vereinbarungen bzw. den Beschlüssen des Präsidiums des Aufsichtsrates und sind der Höhe nach korrekt aus den Konzernbuchhaltungsunterlagen abgeleitet worden. Ebenso konnten die Bereinigungen der



Konzernkennzahlen mit den im Rahmen der von uns gesondert durchgeführten Konzernabschlussprüfung erhaltenen Prüfungsnachweisen von der Höhe her abgestimmt werden und sind der Art nach als nicht wiederkehrende Erträge und einmalige Aufwendungen im Sinne der Vorstandsvertragsbestimmungen zu subsumieren. Die langfristige Erfolgsbeteiligung wurde zutreffend aus dem vom Aufsichtsrat genehmigten Konzernbudget abgeleitet und entsprechend aliquot mit einem Drittel in der Rückstellung für variable Bezüge berücksichtigt. Die für die Rückstellungsermittlung verwendeten nichtfinanziellen Leistungsindikatoren stimmen mit den uns zur Verfügung gestellten Detailinformationen überein und sind plausibel. Die Rückstellungen für variable Bezüge sind rechnerisch richtig. Die von den entsprechenden Regelungen der §§ 238 und 239 UGB geforderten Angaben sind vollständig und zutreffend.

### **Verweis auf weitergehende Informationen**

Weitergehende Informationen zu diesem besonders wichtigen Prüfungssachverhalt finden sich im Anhang des Jahresabschlusses unter Anhangangabe 3 – „Erläuterungen zu einzelnen Posten der Bilanz und Gewinn- und Verlustrechnung“ im Unterpunkt „3.8 Rückstellungen“ sowie in Anhangangabe 4 – „Sonstige Angaben“ im Unterpunkt „4.1 Angaben über Organe und Mitglieder“.

### **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 – damit zusammenhängende 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 28. April 2021 als Abschlussprüfer gewählt. Wir wurden am 27. August 2021 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 14. März 2022

## **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 an internationally active, listed 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 corporate goals. 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 again performed in 2021 in order to rotation.

The implementation and evaluation for the business year 2021 is based on the Code's version of January 2021. 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 2021:

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 should also 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: <ul style="list-style-type: none"> <li>• Group strategy</li> <li>• Group organization</li> <li>• Human resources of the Group and Board of the subsidiaries</li> <li>• External and internal communication and Investor Relations</li> <li>• Communication with the Presidium and the Supervisory Board members</li> <li>• Sustainability including occupational safety</li> <li>• Determination of representatives at associations</li> <li>• Primary profit responsibility for the division Board &amp; Paper (including sales and marketing, production, innovation and product development)</li> <li>• Procurement</li> </ul>
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#### **Franz Hiesinger**

CFO Member of the Management Board since October 1, 2017 appointed until September 30, 2025 born 1965	<ul style="list-style-type: none"> <li>• Finance and all financing matters</li> <li>• Group reporting and accounting as well as controlling</li> <li>• Merger and acquisition matters</li> <li>• Risk management, insurances</li> <li>• Legal and tax matters including compliance</li> <li>• Information management (IT)</li> <li>• Internal Audit</li> </ul>
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#### **Andreas Blaschke**

Management Board member Packaging Member of the Management Board since May 14, 2002 appointed until April 30, 2025 born 1961	<ul style="list-style-type: none"> <li>• Primary profit responsibility for the division Packaging (including sales and marketing, production, innovation and product development)</li> </ul>
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The members of the Management Board do not hold any mandates in Supervisory Boards outside the Group.

## The Supervisory Board

### **Rainer Zellner**

Chairman since April 29, 2015 born 1947	Independent entrepreneur; Chairman of the Supervisory Board of Mayr-Melnhof Holz Holding AG, Leoben
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### **Johannes Goess-Saurau**

1 <sup>st</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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### **Nikolaus Ankershofen**

2 <sup>nd</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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### **Alexander Leeb**

Member of the Supervisory Board since May 7, 2008 born 1959	Deputy Chairman of the Supervisory Board at Plansee Holding AG, Reutte; Deputy Chairman of the Supervisory Board at Andritz AG, Graz; 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; Deputy Chairman of the Professional Committee for Business Administration of the Chamber of Advisors and Auditors, 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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### **Franz Rappold**

Member of the Supervisory Board since April 29, 2020 born 1952	Managing partner at RAFRA Consulting GmbH; Supervisory Board member at Polo Handels AG, Vienna; Supervisory Board member at Mayr-Melnhof Holz Holding AG, Leoben; Management Board member of a private trust; former Management Board member at Mayr-Melnhof Karton AG
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Delegated by the works council:

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**Andreas Hemmer**

Member of the Supervisory Board since October 20, 2009 Employee representative  
born 1968

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**Gerhard Novotny**

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 delegated by the shareholders 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)*

Rainer Zellner, Chairman  
Johannes Goess-Saurau  
Nikolaus Ankershofen

*Audit Committee*

Klaus Rabel, Chairman  
Rainer Zellner  
Johannes Goess-Saurau  
Nikolaus Ankershofen  
Gerhard Novotny

**Members of the Supervisory Board with additional Supervisory Board mandates in publicly listed companies**

Alexander Leeb  
Deputy 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.

#### **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 2021, 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 2021, fees totaling thousand EUR 23 were charged.

Franz Rappold  
RAFRA Consulting GmbH provides consulting services on the basis of a consulting agreement with Mayr-Melnhof Karton AG, which are outside the activities of Franz Rappold as a member of the Supervisory Board. The consulting agreement has a total term of 3 years and ends on June 30, 2022. The contractually agreed consulting fee amounts to thousand EUR 100 per calendar year plus any cash expenses.

## **REMUNERATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD**

Since the financial year 2020, information on the remuneration of the Management Board and the main contractual conditions, as well as the remuneration of the Supervisory Board have been included in the Company's remuneration report which is presented annually to the Annual General Meeting and in the remuneration policy.

## INFORMATION ON THE PROCEDURES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The Management Board manages the business in accordance with the law, the Articles of Association and the bylaws 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 Group- and division-relevant topics. 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 fulfills 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 convened in seven meetings in the financial year 2021, with the participation of the Management Board, and fulfilled its tasks and obligations in accordance with the law, the Articles of Association and the bylaws. All members of the Supervisory Board attended at least six meetings. As a result of Covid-19 restrictions, participation was partially virtual.

In addition to the challenging developments in the current business in view of coping with an unprecedented cost inflation for raw materials and energy, the discussions focused in particular on structural and strategic measures to strengthen competitiveness for further growth. In this context, a major focus was placed on the acquisition and integration of the large board and paper sites Kwidzyn, Poland, and Kotkamills, Finland. This not only significantly expanded MM's position in virgin fiber-based cartonboard, but also included kraft paper and uncoated fine paper as new core products of the division MM Board & Paper. As part of the transformation, the two smaller cartonboard mills, Baiersbronn and Eerbeek, have been disposed of after cartonboard production in Hirschwang, which had no longer been competitive, had been discontinued in the previous year. Furthermore, the so far most comprehensive investment program to strengthen the competitiveness and growth capability of selected sites of both divisions was discussed and approved. In the course of the structural changes and future orientation, the Supervisory Board dealt in depth with matters related to post-merger

integration, organization, human resources (incl. succession planning) as well as the change of MM's IT landscape. Furthermore, topics related to financing (in particular the issuance of Schuldschein loans), risk evaluation, Corporate Governance, compliance, and the increased focus on sustainability were discussed. The Supervisory Board paid particular attention to the Covid-19 pandemic and its impact on business performance, the personnel situation, and the value added chain.

The Supervisory Board carried out a self-evaluation for the financial year 2021 based on a questionnaire, with the result that the activity of the Supervisory Board was assessed to have been 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 to this. Moreover, digital reporting and voting management ensures a high level of efficiency in the organization of the Supervisory Board.

Discussions in the Supervisory Board and Management Board meetings were characterized by openness and a high degree of constructiveness also in 2021. All participants had sufficient opportunities to ask questions and participate in discussions.

#### **Focus of the Committees of the Supervisory Board**

In 2021, the Presidium (Committee for Management Board Issues) met eight times. It dealt especially with strategic transformation through acquisitions, investments, divestments, restructuring, 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 2021 at <https://www.mm.group/en/for-investors/reports/>).

In 2021, the Audit Committee held two meetings and fulfilled its statutory duties. A focus was placed on dealing with the Group financial statements and the individual financial statements for 2020 as well as the preparation of the Group financial statements and the individual financial statements for 2021. In this context, the consolidated non-financial report according to section 267a 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, the MM Group is more than ever committed to taking diversity into account as a long-term success factor. The MM Group's concept of diversity is stated in the Code of Conduct. It is laid down there that we commit ourselves to creating a working environment throughout the Group that is characterized by openness and mutual respect. We are convinced that with a background of different perspectives and experiences, which we consider to be an enrichment, we can perform our tasks even more effectively and innovatively. In our Group-wide, uniform, inclusive human resource policy, we are committed to equal opportunities, irrespective of national/ethnic origin, gender, age, religion or life situation, and assess employees and applicants 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. In line with our strategic objective to achieve the best possible diversity at the top management level and to further increase the proportion of women in management positions, we are pleased to report on progress in 2020/2021. Since 2021, one woman has been appointed to a divisional executive board. In addition, women hold more and more top management positions within the MM Group. These include in particular the areas of Human Resources, Information Management (IT), Strategy/Continuous Improvement, Marketing Communication and Legal. Within the framework of internal management development, we attach great importance to further expand the share of female participants. More flexible work arrangements help to increase the compatibility of career and family. Overall, the share of women in the MM Group amounted to 22.3 %. However, 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. Being an attractive employer for women in both technical and commercial occupations is our long-term aspiration.

At present, the Supervisory Board consists of ten men and the Management Board, the only employees of the listed holding company, of three. 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 external evaluation of the Company's compliance with the C rules (Comply or Explain) was carried out in the course of the annual audit of the financial statements 2021 by PwC Wirtschaftsprüfung GmbH, Vienna. 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 14, 2022

### **The Management Board**

Peter Oswald m. p.

Andreas Blaschke 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 14, 2022

## **The Management Board**

Peter Oswald m. p.  
Chairman of the Management Board

Andreas Blaschke m. p.  
Member of the  
Management Board

Franz Hiesinger m. p.  
Member of the  
Management Board

*The English version of this annual financial report is a translation of the original German text. In case of doubt, the German version takes precedence.*