

**Årsredovisning**  
för  
**CN Sweden Holding AB**

559183-9112

Räkenskapsåret

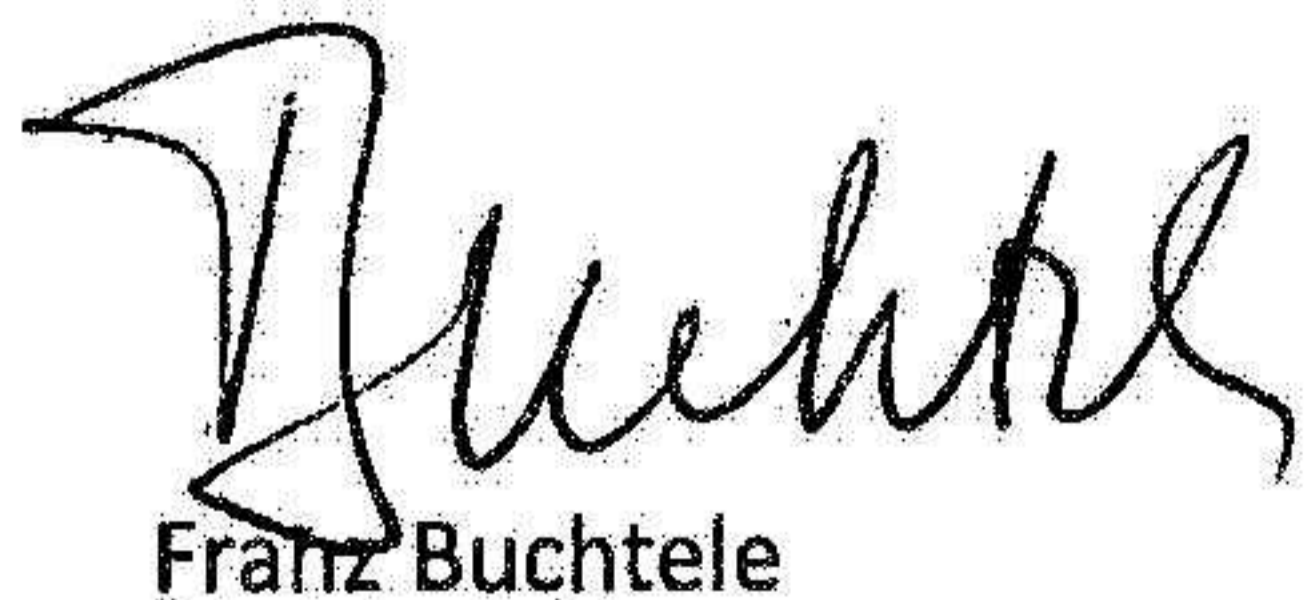
2022

**Fastställelseintyg**

Undertecknad styrelseledamot i CN Sweden Holding AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2023-03-15. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Göteborg 2023-03-15



Franz Buchtele

**Årsredovisning**  
för  
**CN Sweden Holding AB**  
559183-9112  
Räkenskapsåret  
2022

Styrelsen för CN Sweden Holding AB avger följande årsredovisning för räkenskapsåret 2022.

Årsredovisningen är upprättad i svenska kronor, SEK.

## Förvaltningsberättelse

### Verksamheten

#### Allmänt om verksamheten

Bolaget ska, direkt eller indirekt, bedriva verksamhet inom pappers- och förpackningsindustrin samt bedriva därmed förenlig verksamhet.

Företaget har sitt säte i LUND.

#### Väsentliga händelser under räkenskapsåret

Bolaget har fått två vinstdelningar under året vilket påverkat bolagets andelar i koncernföretag samt årets resultat då ingen vinstdelning gjorde föregående år.

#### Ägande förhållande

Bolaget ägs till 100 % av Central National Gottesman Europe GmbH, Österrike.  
Med stöd av ÅRL 7 kap 2 § upprättas inte någon koncernredovisning.

#### Komplementär i kommanditbolag

CN Sweden Kommanditbolag 969789-4245

| Flerårsöversikt (Tkr)             | 2022   | 2021  | 2020   | 2018/19 |
|-----------------------------------|--------|-------|--------|---------|
| Nettoomsättning                   | 0      | 0     | 0      | 0       |
| Resultat efter finansiella poster | 22 775 | -54   | 10 876 | -2      |
| Soliditet (%)                     | 100,0  | 100,0 | 100,0  | 100,0   |

#### Förändringar i eget kapital

|   | Aktie-<br>kapital | Balanserat<br>resultat | Årets<br>resultat | Totalt      |
|---|-------------------|------------------------|-------------------|-------------|
| Belopp vid årets ingång                     | 50 000            | 76 799 476             | -53 664           | 76 795 812  |
| Disposition enligt beslut av<br>årsstämman: |                   | -53 664                | 53 664            | 0           |
| Utdelning                                   |                   |                        | 0                 | 0           |
| Erhållna aktieägartillskott                 |                   | 7 902 936              |                   | 7 902 936   |
| Årets resultat                              |                   |                        | 22 775 455        | 22 775 455  |
| Belopp vid årets utgång                     | 50 000            | 84 648 748             | 22 775 455        | 107 474 203 |

### Resultatdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

|                         |                    |
|-------------------------|--------------------|
| balanserad vinst        | 84 648 748         |
| årets vinst             | 22 775 455         |
|                         | <b>107 424 203</b> |
|                         |                    |
| disponeras så att       |                    |
| till aktieägare utdelas | 5 200 000          |
| i ny räkning överföres  | 102 224 203        |
|                         | <b>107 424 203</b> |

Styrelsen föreslås bemyndigas att besluta om tidpunkt då utdelningen skall betalas.

Styrelsen anser att förslaget är förenligt med försiktighetsregeln i 17 kap. 3 § aktiebolagslagen enligt följande redogörelse: Styrelsens uppfattning är att vinstutdelningen är försvarlig med hänsyn till de krav verksamhetens art, omfattning och risk ställer på storleken på det egna kapitalet, bolagets konsolideringsbehov, likviditet och ställning i övrigt.

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

## Resultaträkning

|   | Not | 2022-01-01<br>-2022-12-31 | 2021-01-01<br>-2021-12-31 |
|---|-----|---------------------------|---------------------------|
| <b>Summa rörelseintäkter, lagerförändringar m.m.</b>          |     | <b>0</b>                  | <b>0</b>                  |
| <b>Rörelsekostnader</b>                                       |     |                           |                           |
| Övriga externa kostnader                                      |     | -27 866                   | -17 556                   |
| Personalkostnader   | 3   | 0                         | 0                         |
| <b>Summa rörelsekostnader</b>                                 |     | <b>-27 866</b>            | <b>-17 556</b>            |
| <b>Rörelseresultat</b>  |     | <b>-27 866</b>            | <b>-17 556</b>            |
| <b>Finansiella poster</b>                                     |     |                           |                           |
| Resultat från andelar i koncernföretag                        |     | 22 802 369                | 77 808                    |
| Resultat från övriga företag som det finns ett ägarintresse i |     | 952                       | 4 021                     |
| Övriga ränteintäkter och liknande resultatposter              |     | 0                         | -117 937                  |
| <b>Summa finansiella poster</b>                               |     | <b>22 803 321</b>         | <b>-36 108</b>            |
| <b>Resultat efter finansiella poster</b>                      |     | <b>22 775 455</b>         | <b>-53 664</b>            |
| <b>Resultat före skatt</b>                                    |     | <b>22 775 455</b>         | <b>-53 664</b>            |
| <b>Årets resultat</b>   |     | <b>22 775 455</b>         | <b>-53 664</b>            |

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## Balansräkning

Not

2022-12-31

2021-12-31

### TILLGÅNGAR

#### Anläggningstillgångar

##### *Finansiella anläggningstillgångar*

Andelar i koncernföretag

4

107 407 051

76 701 745

Ägarintressen i övriga företag

5

1

1

**Summa finansiella anläggningstillgångar**

**107 407 052**

**76 701 746**

**Summa anläggningstillgångar**

**107 407 052**

**76 701 746**

#### Omsättningstillgångar

##### *Kassa och bank*

Kassa och bank

67 152

94 066

**Summa kassa och bank**

**67 152**

**94 066**

**Summa omsättningstillgångar**

**67 152**

**94 066**

**SUMMA TILLGÅNGAR**

**107 474 204**

**76 795 812**

2023050825271

## Balansräkning

Not

2022-12-31

2021-12-31

### EGET KAPITAL OCH SKULDER

#### Eget kapital

##### *Bundet eget kapital*

Aktiekapital

50 000

50 000

**Summa bundet eget kapital**

**50 000**

**50 000**

##### *Fritt eget kapital*

Balanserat resultat

84 648 748

76 799 476

Årets resultat

22 775 455

-53 664

**Summa fritt eget kapital**

**107 424 203**

**76 745 812**

**Summa eget kapital**

**107 474 203**

**76 795 812**

#### Kortfristiga skulder

Upplupna kostnader och förutbetalda intäkter

1

0

**Summa kortfristiga skulder**

**1**

**0**

**SUMMA EGET KAPITAL OCH SKULDER**

**107 474 204**

**76 795 812**

2023050825272

## Noter

### Not 1 Redovisningsprinciper

#### Allmänna upplysningar

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd (BFNAR 2016:10) om årsredovisning i mindre företag.

#### Nyckeltalsdefinitioner

Nettoomsättning

Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster

Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Soliditet (%)

Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

### Not 2 Koncernuppgifter

Den koncern där CN Sweden Holding AB 559183-9112 är dotterbolag och koncernredovisning upprättas är Central National Gottesman Europe GmbH, Wien, Österrike, VAT no ATU14834508

### Not 3 Medelantalet anställda

|                             | 2022 | 2021 |
|-----------------------------|------|------|
| Bolaget har inga anställda. |      |      |

### Not 4 Andelar i koncernföretag

Andel i CN Sweden KB, 969789-4245.

|   | 2022-12-31         | 2021-12-31        |
|---|--------------------|-------------------|
| Ingående anskaffningsvärden                     | 76 701 746         | 68 494 692        |
| Inköp   | 7 902 936          | 10 198 900        |
| Insättningar/uttag                              |                    | -2 069 654        |
| Årets vinst/förlust                             | 22 802 369         | 77 808            |
| <b>Utgående ackumulerade anskaffningsvärden</b> | <b>107 407 051</b> | <b>76 701 746</b> |
| <b>Utgående redovisat värde</b>                 | <b>107 407 051</b> | <b>76 701 746</b> |

**Not 5 Ägarintressen i övriga företag**  
Aktier i Trade Gothenburg AB 559194-9853

|  | 2022-12-31 | 2021-12-31 |
|--|------------|------------|
| Ingående anskaffningsvärden              | 1          | 1          |
| Utgående ackumulerade anskaffningsvärden | 1          | 1          |
| <b>Utgående redovisat värde</b>          | <b>1</b>   | <b>1</b>   |

Undertecknade försäkrar härmed att årsredovisningen har upprättats i enlighet med årsredovisningslagen och god redovisningssed, att aktuella redovisningsnormer har tillämpats och att lämnade uppgifter stämmer med faktiska förhållanden.

Göteborg 2023-03-13



Michael Jones  
Ordförande



Franz Buchtele  
Styrelseledarmot



Josef Felsing  
Styrelseledarmot

Vår revisionsberättelse har lämnats 2023-03-15

Mazars AB



Madeleine Bratt  
Auktoriserad revisor

2023050825275

## REVISIONSBERÄTTELSE

Till bolagsstämman i CN Sweden Holding AB  
Org. nr 559183-9112

### Rapport om årsredovisningen

#### Uttalanden

Vi har utfört en revision av årsredovisningen för CN Sweden Holding AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av CN Sweden Holding AB:s finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

#### Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till CN Sweden Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

#### Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om beslut har fattats om att avveckla verksamheten.

#### Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller på misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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## Rapport om andra krav enligt lagar och andra författningar

### Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för CN Sweden Holding AB för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

### Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till CN Sweden Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

### Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

### Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Göteborg, 2023-03-15

Mazars AB

Madeleine Bratt

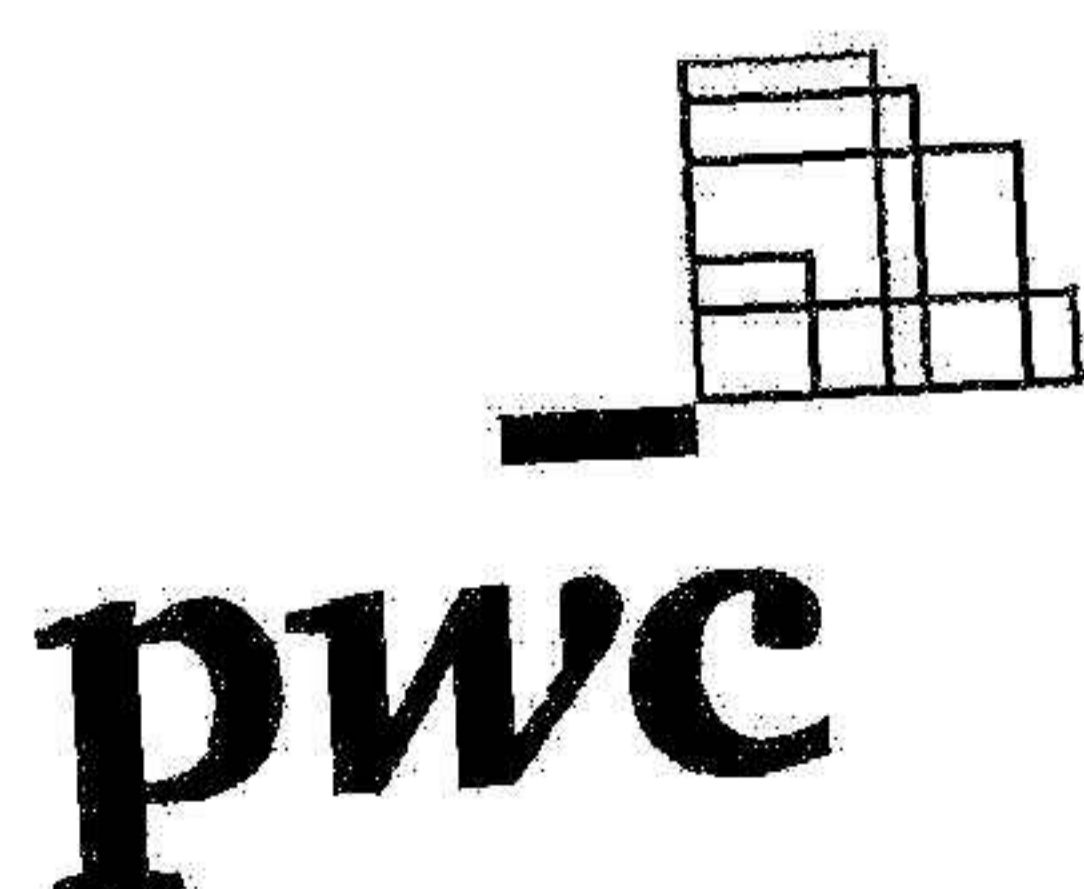
Auktoriserad revisor

2023062820205

# Auditor's Report

Central National Gottesman Europe GmbH,  
Vienna

Consolidated Financial Statement  
as at 31<sup>st</sup> December 2022





**Income statement for the fiscal year 2022  
(Translation)**

|  | 2022          |                      | 2021   |               |
|--|---------------|----------------------|--------|---------------|
|  | EUR           | EUR                  | TEUR   | TEUR          |
| 1. Net sales   |               | 828.682.059,11       |        | 623.074       |
| 2. Other operating income  |               |                      |        |               |
| a) Other   |               | 1.929.510,89         |        | 246           |
| 3. Cost of materials and other purchased services  |               | -746.766.423,72      |        | -563.279      |
| 4. Personnel expenses  |               |                      |        |               |
| a) Salaries  |               | -11.663.865,03       |        | -8.825        |
| b) Social benefits   |               | -2.519.908,27        |        | -1.680        |
| <i>thereof expenses for pensions</i>   | -154.283,90   |                      | -19    |               |
| <i>thereof expenses for severance payments and contributions to staff provision funds</i>                | -309.469,36   |                      | -112   |               |
| <i>thereof expenses for statutory social security, payroll-related taxes and mandatory contributions</i> | -1.635.834,92 |                      | -1.493 |               |
|  |               | -14.183.773,30       |        | -10.505       |
| 5. Depreciation, amortization and write-offs of fixed tangible and intangible assets                     |               | -485.399,84          |        | -484          |
| 6. Other operating expenses  |               | -44.708.645,46       |        | -36.327       |
| <i>thereof taxes not included in line 15</i>   | 0,00          |                      | 0      |               |
| <b>7. Subtotal of lines 1 to 6</b>   |               | <b>24.467.327,68</b> |        | <b>12.725</b> |
| 8. Dividend income   |               | 0,00                 |        | 0             |
| <i>thereof from affiliated companies</i>   |               |                      |        |               |
| 9. Income from other long-term securities and loans  |               | 2.646,18             |        | 3             |
| <i>thereof from affiliated companies</i>   | 0,00          |                      | 0      |               |
| 10. Other interest and similar income  |               | 252.279,66           |        | 202           |
| <i>thereof from affiliated companies</i>   | 0,00          |                      | 0      |               |
| 11. Income from the disposal and write-up of fixed financial assets and current securities               |               | -458.521,63          |        | 0             |
| 12. Other expensens from financial securities  |               | -31.754,16           |        | -10           |
| 13. Interest and similar expenses  |               | -3.215.259,90        |        | -1.220        |
| <i>thereof relating to affiliated companies</i>  | -31.754,16    |                      | 0      |               |
| 14. Subtotal of lines 8 to 11  |               | -3.450.609,85        |        | -1.025        |
| <b>15. Profit/Loss before taxation (subtotal of lines 8 and 12)</b>                                      |               | <b>21.016.717,83</b> |        | <b>11.700</b> |
| 16. Taxes on income  |               | -5.646.209,54        |        | -3.128        |
| <b>17. Profit/Loss after taxation</b>  |               | <b>15.370.508,29</b> |        | <b>8.572</b>  |
| 18. Non-controlling income   |               | 1.300.219,87         |        | -1.236        |
| <b>19. Net income/loss for the year</b>  |               | <b>16.670.728,16</b> |        | <b>7.336</b>  |
| 20. changes in Additional reserves   |               | -5.840.000,00        |        | -7.045        |
| 21. Prior period cumulative losses brought forward   |               | 10.687.394,02        |        | 12.298        |
| <b>22. Retained earnings</b>   |               | <b>21.518.122,18</b> |        | <b>12.589</b> |

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## Notes on the 2022 financial year statements

### A. General principles

Management applied the accounting provisions of the Austrian Commercial Code (*Unternehmensgesetzbuch*, UGB), as amended, to these consolidated financial statements as of 31 December 2022. This involves mandatory preparation of (partial) consolidated financial statements pursuant to section 244 of the Austrian Commercial Code (UGB).

The consolidated financial statements were prepared in compliance with the generally accepted principles of accounting, as well as with the general requirement to present an accurate view of the Company's net assets, financial position, and financial performance.

Generally recognised principles were taken into consideration with regard to accounting and measurement. The principles of accounting as defined in Section 201 (2) UGB were followed as well as the rules for classification and valuation of balance sheet and income statement per Section 195 to 211 and 222 to 235 UGB. The income statement was prepared using the nature-of-expense method.

We complied with the principle of completeness when preparing the consolidated financial statements. Evaluation was undertaken on a going-concern basis.

We applied the principle of individual evaluation when assessing values of assets and liabilities.

The principle of prudence was observed, in particular, by recognising only profits that were generated by the reporting date. We took into consideration all identifiable risks and impending losses that had arisen by the reporting date.

Estimates were based on conservative evaluations. To the extent that ascertainable outcomes could be determined on the basis of analogous circumstances, we took these into consideration when making estimates.

If assets or liabilities are attributable to several items in the balance sheet, they are described in the note for the item under which they are shown..

## B. Consolidation methods

### 1. Scope of consolidation

The results for the following subsidiaries/individual companies were included in the consolidated financial statements:

| <b>Full consolidation</b>                       | Share of<br>capital<br>% |
|---|--------------------------|
| Central National Gottesman Europe GmbH, Vienna  | –                        |
| Central National France S.a.r.l., Paris         | 100                      |
| Central National Española, S.A., Madrid         | 100                      |
| Central National Gottesman Austria GmbH, Vienna | 100                      |
| Central National Turkey, Istanbul               | 100                      |
| Central National Gottesman Germany GmbH, Hanau  | 100                      |
| CN Pulp Geneva S.A., Geneva                     | 100                      |
| Lindenmeyr International Ltd., Reigate          | 100                      |
| CN Sweden Holding AB, Göteborg                  | 100                      |
| CN Sweden LLB, Göteborg                         | 91.8                     |
| CN Sweden AB, Göteborg                          | 100                      |
| CNG Fiber Trade Europe SRL, Lucca               | 100                      |
| CNG Paper Trading L.L.C., Dubai                 | 100                      |

### 2. Capital consolidation

In the capital consolidation, by way of full consolidation, the acquisition costs of the shares in the subsidiaries at the time of acquisition of the shares are now collated with the value of the equity attributable to these shares after disclosure of all hidden charges and reserves, with deduction of any deferred taxes that may be incurred, in accordance with the revaluation method pursuant to Section 254 (1) UGB (until 2015, acquisitions were declared using the book value method). The resulting difference is credited to the carrying amounts of assets and liabilities of the respective subsidiary that are to be declared in the consolidated balance sheet or netted with them, provided that their value is higher or lower than the previous carrying amount.

The differences on the assets side resulting from capital consolidation were generally offset against reserves at the time of initial consolidation until the 2009 financial year. Amounts totalling EUR 862,929.41 were netted accordingly.

Due to the expansion of the scope of consolidation in the 2011 financial year, goodwill totalling EUR 2,661,194 was disclosed as part of the capital consolidation. All of this is derivative goodwill and will be amortised over an expected useful life of six years.

In the 2013 financial year, the shares in Korda Kagit Pazarlama ve Ticaret A.S., Istanbul, were sold on 31 August 2013. As part of the deconsolidation of this company, goodwill in the amount of EUR 773,871.08, which originated from the initial capital consolidation in 2011 and was carried forward, has been declared as an expense.

In the 2015 financial year, 100% of the shares in Lindenmeyr International Ltd, Surrey, Great Britain, were acquired. The positive difference of EUR 2.84 disclosed within the scope of the initial consolidation has been declared as an expense.

The company acquired 2,000 shares (corresponding to 100% of the issued shares) at a nominal value of TRY 200 from Central National Dis Ticart AS, Istanbul, Turkey through the share purchase agreement of 18 September 2015. The company acquired 10 shares (representing 4% of the issued shares) of Central National (Suisse) S.A., Geneva, Switzerland through the share purchase agreement of 14 October 2015. By transfer on 9 November 2015, the company acquired 40 shares (representing 16% of the issued shares) of Central National (Suisse) S.A., Geneva, Switzerland. The company acquired 250 shares (representing 100% of the issued shares) of Central National (Suisse) S.A., Geneva, Switzerland through the share purchase agreement of 28 December 2015. The difference arising from the acquisition was netted with no impact on profit or loss.

In the 2018 financial year, 90% of the shares in CNG Fiber Trade Europe SRL, Lucca, Italy, were acquired. The positive difference (= goodwill) carried as assets of EUR 3 million disclosed within the scope of the initial consolidation will be amortised over 10 years. In the 2022 financial year, the remaining shares amounting to 10% were acquired.

On 19 February 2019, 100% of the shares in the Swedish company "Goldcup 17914 AB" were purchased. The company was then renamed CN Sweden Holding AB and furnished with additional equity in the amount of EUR 6,000,000.00.

On 23 March 2021, the company CNG Paper Trading L.L.C was established in Dubai. The contribution of a deposit was not necessary. In 2022, the remaining shares amounting to 51% were acquired.

### **3. Debt consolidation**

Receivables and liabilities between consolidated companies are offset against one another following reconciliation of booking differences. Historical offsetting differences are netted in equity with no impact on profit or loss and less corresponding deferred tax liabilities.

### **4. Elimination of interim results**

Interim results from supply and service transactions within the Group did not arise.

### **5. Consolidation of income and expenses**

In the consolidated income statement, proceeds from internal sales and other income between included companies are netted with the corresponding expenses, unless they are of minor significance.

### **6. Deferred taxes**

A tax deferral is applied to consolidation processes with an impact on profit and loss to the extent that the deviating tax expense is expected to be offset in later financial years.

### **7. Currency conversion**

Individual financial statements of subsidiaries included in the Group that are prepared in foreign currency are converted into euros on the basis of the modified reporting date method. Any foreign currency conversion adjustments resulting from the process are offset against the free revenue reserves with no effect on profit or loss.

The applied conversion rates were as follows:

| Currency          | Reporting date on |              | Average rate<br>2022 |
|-------------------|-------------------|--------------|----------------------|
|                   | 31/12/2022        | 1/1/2022     |                      |
| 1 U.S. dollar =   | EUR 0.93471       | EUR 0.88067  | EUR 0.94962          |
| 1 Swedish krona = | EUR 0.08970       | EUR 0.09713  | EUR 0.09407          |
| 1 British pound = | EUR 1.13079       | EUR 1.18857  | EUR 1.17266          |
| 1 Turkish lira =  | EUR 0.05004       | EUR 0.06632  | EUR 0.05744          |
| 1 Swiss franc =   | EUR 1.01080       | EUR 0.996413 | EUR 0.99531          |

## C. Accounting policies

### 1. Fixed assets

#### 1.1. Intangible assets and property, plant and equipment

The valuation of **intangible assets** acquired exclusively against payment was based on cost of acquisition, reduced by planned 10% to 50% straight-line depreciation based on useful economic life expectancy.

Full annual depreciation has been included for assets acquired in the first half of the financial year, and one-half of annual depreciation is included for assets acquired in the second half of the financial year.

**Low-value intangible assets** that cost less than EUR 800 are amortised in full in the year of acquisition or manufacture and are shown in the list of assets as additions and disposals.

Unscheduled write-downs to the lower fair value on the reporting date are included if the impairments are expected to be lengthy.

**Property, plant, and equipment** are measured at cost, as reduced by the expected economic useful life in accordance with scheduled straight-line depreciation

of 10% to 50%.

**Low-value assets** in the form of property, plant, and equipment that cost less than EUR 800 are amortised in full in the year of acquisition or manufacture and are shown in the list of assets additions and disposals.

Full annual depreciation has been taken into account for assets acquired in the first half of the financial year, and one-half of annual depreciation is accounted for assets acquired in the second half of the financial year.

Unscheduled write-downs to the lower fair value on the reporting date are included if the impairments are expected to be lengthy.

## **1.2. Financial assets**

**Financial assets** are valued at cost or at fair value on the reporting date, whichever is lower. They are written down in the event of expected permanent, but also temporary impairment. Securities held as fixed assets are valued at weighted averages in accordance with Section 209 (2) UGB.

## **2. Current assets**

### **2.1. Inventories**

**Merchandise** is valued at cost plus pro-rata ancillary costs or at fair value on the reporting date, whichever is lower.

The principle of lower cost or market value was appropriately taken into consideration through observance of procurement prices.

Provision is made for imminent losses from pending transactions by writing down the relevant asset or through provisions.

### **2.2. Receivables and other assets**

**Receivables and other assets** were reported at their nominal values minus any necessary individual value adjustments.

Receivables in foreign currencies are declared at the rate in effect on the date they were billed or at the Group translation rate on the reporting date, whichever is lower. In the case of coverage through forward transactions, they have been valued by taking into consideration the corresponding forward rate.

### **2.3. Cash, deposits with banks**

Deposits with banks denominated in foreign currency are evaluated at the Group translation rate on the reporting date in compliance with the strict lower of cost or market value principle.

## **3. Prepaid expenses**

Included as prepaid expenses are expenditures made prior to the reporting date, to the extent that they represent an expense for a specific time after this date.

## **4. Provisions**

#### 4.1. Pension provisions

The pension provisions were calculated in accordance with the recognised rules of actuarial mathematics in compliance with the provisions of AFRAC Opinion 27 "Provisions for pension, severance, jubilee money and comparable long-term obligations due in accordance with the provisions of the Business Code" (December 2020) and on the basis of the "AVÖ 2018-P – Calculation Bases for Pension Insurance". Calculations were based on the Projected Unit Credit method and on the Net Present Value method for pensions already due (long-term capital market interest rate 3.13% (2021: 0.85%); pension trend 0% to 2% (2021: 0% to 2%), depending on individual pension agreements).

The actuarial interest rate applied assumed a cut-off-date interest rate at 30 November 2022. The cut-off-date interest rate is the interest rate at which a company with an impeccable credit rating on the reporting date can procure debt financing essentially corresponding to the average remaining term to maturity of the obligations.

Interest expenses relating to pension provisions and the effects of a change in the interest rate are included in the relevant personnel expenditure.

#### 4.2. Provisions for severance payments and long-term service allowances

The provisions for severance payments and anniversary bonuses were calculated in accordance with the recognised rules of actuarial mathematics in compliance with the provisions of AFRAC Opinion 27 "Provisions for pension, severance, long service awards and comparable long-term obligations due in accordance with the provisions of the Company Code" (December 2020) and on the basis of the "AVÖ 2018-P – Accounting Bases for Pension Insurance". Calculations were based on the Projected Unit Credit method (long-term capital market interest rate 3.13% (2021: 0.85%), salary trend 3% (2021: 2.0%).

The actuarial interest rate applied assumed a cut-off-date interest rate at 30 November 2022. The cut-off-date interest rate is the interest rate at which a company with an impeccable credit rating on the reporting date can procure debt financing essentially corresponding to the average remaining term to maturity of the obligations.

Interest expenses relating to provisions for severance payments and long-term service allowances as well as the effects of a change in the interest rate have been taken into account in the relevant personnel expenditure.

#### 4.3. Miscellaneous provisions

Applying the principle of prudence, our **miscellaneous provisions** consist of all identifiable risks at the time that the balance sheet was prepared, as well as liabilities that are uncertain in terms of amount or reason. The other provisions were determined on the basis of the value of the settlement amount, which was estimated as best possible.

Miscellaneous provisions also include obligations to pay long-term service allowances under collective bargaining agreements. These provisions are described in Section 4.2.

The obligation was met to create a **provision for deferred tax liabilities** on temporary differences between the result calculated for company law purposes and that for tax purposes. Deferred tax liabilities are taken into account in the case of differences that exist between the value of assets, provisions, liabilities, and accruals and deferrals recognised under company law and tax law that are expected to diminish in subsequent financial years.

Deferred taxes were valued at the corporate tax rate of 25% applicable in the financial year (previous year: 25%).

Because of the obligation to group together all temporary differences, differences that result in a deferral of tax assets are **netted** with the provision for **deferred tax liabilities**.

## **5. Liabilities**

Liabilities have been valued at the amount needed to meet them. Liabilities in foreign currencies are declared at the conversion rate in effect on the date they were incurred or at the Group conversion rate on the reporting date, whichever is higher.

## D. Notes concerning items in the balance sheet

### Assets

#### 1. Fixed assets

The change in fixed assets can be seen in the annex to the notes.

#### Assets of property, plant, and equipment

The Group's **financial obligations** from the use of property, plant, and equipment not recognised in the balance sheets amount to:

|  | in the following<br>financial year<br>EUR | in the following<br>five financial<br>years<br>EUR |
|--|---|--|
| Obligations under leasing and rental contracts | 434,807.61                                | 1,306,234.06                                       |
| Previous year:                                 | in the following<br>financial year<br>EUR | in the following<br>five financial<br>years<br>EUR |
| Obligations under leasing and rental contracts | 394,707.83                                | 1,657,617.14                                       |

#### 2. Current assets

##### Inventories

In inventories, value adjustments were undertaken amounting to EUR 689,218.19 (previous year: TEUR 69).

#### 3. Receivables and other assets

Receivables from affiliated companies include trade receivables and services amounting to EUR 1,499,056.61 (previous year: TEUR 607), all of which are due from non-consolidated Group companies.

The other receivables and assets relate to amounts not yet received from the sale of receivables (EUR 25,482,128.56; previous year: TEUR 23,401), receivables against tax administration procedures (EUR 42,648.17; previous year: TEUR 43) and miscellaneous other receivables (EUR 15,307,685.53; previous year: TEUR 4.592).

The item "Other receivables and assets" includes income of EUR 53,140.97 (previous year: TEUR 37) that becomes cash-effective after the cut-off-date.

## Liabilities

### 1. Equity

#### Proposal for the distribution of net profits:

Management proposes that no dividends be distributed this year and that the profit be carried forward to the new account and placed in the free reserves.

### 2. Provisions

The tax provisions of EUR 6,554,403.60 (previous year: TEUR 3,025) include deferred taxes of EUR 2,024,262.63 (previous year: TEUR 1,673), which consist of deferred tax liabilities in the amount of EUR 1,918,000.00 (previous year: TEUR 1,918) less deferred tax assets of EUR -106,262.63 (previous year: TEUR 245).

**Miscellaneous provisions** consist of the following provisions:

|  | 31/12/2022<br>EUR   | Previous<br>year<br>TEUR |
|--|---------------------|--------------------------|
| Provisions for personnel costs         | 4,186,660.80        | 2,377                    |
| Provisions for freight costs           | 645,175.22          | 1,097                    |
| Deliveries and services not yet billed | 347,804.45          | 199                      |
| Other                                  | 1,483,118.01        | 1,794                    |
|  | <u>6,662,758.48</u> | <u>5,467</u>             |

### 3. Liabilities

The liabilities to affiliated companies include trade payables and services in the amount of EUR 7,410,049.00 (previous year: TEUR 3.709). The liabilities to affiliated companies consist of the following:

|   | <b>31/12/2022</b>   | <b>31/12/2022</b>   |
|---|---------------------|---------------------|
|   | <b>EUR</b>          | <b>EUR</b>          |
| Central National Gottesman Inc.                 | 7,186,875.00        | 3,678,854.00        |
| Central National Shanghai                       | 81,809.00           | 372.00              |
| Central National Gulf                           |                     | 537.00              |
| Central National Brazil Com. Int. De. Neg. LTDA | 30,335.00           | 3,170.00            |
| Central National Asia Ltd                       | 56,131.00           | 31,676.00           |
| Central National Thailand                       |                     | 2,269.00            |
| Central National Argentina S.A.                 |                     | 16,995.00           |
| Central National India Pulp and Paper           | 1.00                | 1.00                |
| Central National de Mexico, S.de R.L. de C.V.   | 46,671.00           | 367.00              |
| Lindenmeyr Central                              |                     | -24,879.00          |
|   | <b>7,410,049.00</b> | <b>3,709,363.00</b> |

Other liabilities include the following material expenses that first had an effect on the income statement after the reporting date:

|                                     | <b>31/12/2022</b> | <b>Previous</b> |
|-------------------------------------|-------------------|-----------------|
|                                     | <b>EUR</b>        | <b>year</b>     |
|                                     |                   | <b>TEUR</b>     |
| Social security-related liabilities | 208,033.98        | 145             |
| Payroll tax-related liabilities     | 369,678.75        | 201             |
| Miscellaneous                       | 18,689.93         | 22              |
|                                     | <u>596,402.66</u> | <u>368</u>      |

There were no liabilities with a remaining term to maturity of more than five years.

### 4. Contingent liabilities

In addition, in connection with the factoring contract, two blank promissory notes were delivered in favour of FactorBank Aktiengesellschaft, Vienna. As at the time that the financial statements were prepared, no events had occurred that would impose a recourse obligation of the Company vis-a-vis FactorBank.

## E. Notes concerning items of the income statement

### 1. Revenues

The Group's turnover is divided into EUR 0.00 (previous year: TEUR 342) domestic turnover and EUR 828,682,059.11 (previous year: TEUR 622,732) in foreign sales.

With reference to Section 251 (1) UGB, no breakdown of sales revenue by area of activity is provided.

| Other operating income                   | 2022<br>EUR         | 2021<br>TEUR |
|--|---------------------|--------------|
| Reversal of provisions                   | 143,304.95          |              |
| Management fee                           | 86,377              |              |
| Release of impairment claims             | 517,602.03          |              |
| Losses from the disposal of fixed assets | -430,563.03         |              |
| Other miscellaneous income               | 1,612,789.94        | 246          |
|  | <b>1,929,510.89</b> | <b>246</b>   |

### 2. Expenses for severance payments and payments made to occupational employee pension funds

The expenses for severance payments and payments made to occupational employee pension funds include expenses for severance payments in the amount of 143.208,00 (previous year: TEUR 87).

### 3. Pension expenses

Pension expenses arise from defined-benefit commitments.

Changes to the pension provisions were taken into account in the following items of the income statement:

|                  | 2022<br>EUR | Previous<br>year<br>TEUR |
|------------------|-------------|--------------------------|
| Pension expenses | 154,283.90  | 19                       |

#### 4. Expenses for provisions for long-term service allowances

The "Salaries" item includes changes in provisions for long term service bonuses in the amount of EUR -40,779.00 (previous year: TEUR -147).

#### 5. Other operating expenses

The recognised miscellaneous other operating expenses include, in particular

|                     | <b>2022</b>          | <b>2021</b>   |
|---------------------|----------------------|---------------|
|                     | <b>EUR</b>           | <b>TEUR</b>   |
| Freight costs       | 20,888,693.33        | 17,304        |
| Commission payments | 19,382,439.07        | 12,220        |
| Insurance policies  | 1,320,426.29         | 791           |
| Other               | 3,528,855.08         | 6,012         |
|                     | <b>45,120,413.77</b> | <b>36,327</b> |

#### 6. Auditing costs

Group auditing costs were made up as follows:

|   | <b>2022</b> | <b>2021</b> |
|---|-------------|-------------|
|   | <b>TEUR</b> | <b>TEUR</b> |
| Costs of auditing the consolidated financial statements | 16.7        | 15.3        |
| Outgoings for other auditing services                   | 65.9        | 66.4        |
| - including audits of individual financial statements   | 65.9        | 66.4        |
|   | <u>82.6</u> | <u>81.7</u> |

## F. Other disclosures

### 1. Financial instruments

#### 1.1. Derivative financial instruments

| Category<br>Type of financial instrument            | Amount        |        | Fair value |            | Carrying amount | Balance sheet item |
|---|---------------|--------|------------|------------|-----------------|--------------------|
|   | Nominal value | Number | positive   | negative   |                 |                    |
| Interest rate swap                                  | 9,000,000.00  | 1      | 0.00       | 231,871.33 | 231,871.33      |                    |
| Currency-dependent products<br>Forward transactions |               |        |            |            |                 |                    |
| Purchase EUR/Sale GBP                               | 462,448.21    | 3      | 11,300.35  |            | 11300.35        | Provisions         |
| Purchase EUR/Sale USD                               | 6,319,803.02  | 27     | 0.00       | 7,884.07   | 7,884.07        | Provisions         |
| Purchase USD/Sale EUR                               | 16,297,947.00 | 23     | 0.00       | 618,914.36 | 618,914.36      | Provisions         |
| Purchase USD/Sale GBP                               | 6,326,985.85  | 7      | 0.00       | 145,338.63 | 145,338.63      | Provisions         |

No provision is made for the negative market value of the interest rate swap, since compensation by the FactorBank is expected to offset disadvantages.

Previous year:

| Category<br>Type of financial instrument            | Amount        |        | Fair value |            | Carrying amount | Balance sheet item |
|---|---------------|--------|------------|------------|-----------------|--------------------|
|   | Nominal value | Number | positive   | negative   |                 |                    |
| Interest rate swap                                  | 9,000,000.00  | 1      | 0.00       | 235,730.94 | 235,730.94      |                    |
| Currency-dependent products<br>Forward transactions |               |        |            |            |                 |                    |
| Purchase EUR/Sale GBP                               | 2,157,893.56  | 5      | 0.00       | 47,657.79  | 47,657.79       | Provisions         |
| Purchase EUR/Sale USD                               | 8,449,934.75  | 33     | 0.00       | 73,502.68  | 73,502.68       | Provisions         |
| Purchase USD/Sale EUR                               | 1,486,960.00  | 7      | 0.00       | 3,515.94   | 3,515.94        | Provisions         |

The forward transactions were evaluated by UniCredit Bank Austria AG. Future cash flows from variable payments, as well as discounting rates, are calculated on the basis of generally recognised models of financial mathematics. Average interbank exchange rates were used in the evaluation of the transactions.

## **1.2. Hedging (additional information concerning derivatives)**

The following types of risk were included:

- Exchange rate risk associated with receivables
- Future exchange rate risk associated with pending transactions

The stated risks originate from the following underlying transactions:

- Deliveries of goods, if the currency rate undergoes a change between purchase and sale
- Pending transactions, if the currency rate undergoes a change between purchase and sale

The hedging period of the currency-dependent products refers to the period from 1. January 2023 to 30 June 2023. The interest rate swap has a term that runs until 31 December 2026.

No evaluation units were created, and in accordance with the principle of individual evaluation in line with the principle of prudence, a provision was created for the negative market values of the forward transactions.

## **2. Mandatory disclosures about governing bodies and employees**

### **2.1. Average workforce size**

|           | 2022 | Previous year |
|-----------|------|---------------|
| Employees | 124  | 102           |

### **2.2. Governing bodies**

#### **a) Costs of severance payments and pensions**

The outgoings in the form of severance payments and pensions for members of management are not declared as permitted under the non-disclosure clause Section 242 (4) UGB.

#### **b) Total remuneration paid to management**

The outgoings in the form of remuneration paid to members of management are not declared as permitted under the non-disclosure clause Section 242 (4) UGB..

#### **c) Composition of management**

Mag. Dr Franz Buchtele

### **3. Relationships with affiliated companies**

Central National Gottesman Europe GmbH, Vienna is group-affiliated with Central National Gottesman Inc, Purchase, New York, and its affiliated companies.

Central National Gottesman Inc, Purchase, New York, USA, prepares the consolidated financial statements for the majority of companies.

### **4. Report on payments made to public authorities**

The Group made no payments to public authorities (Section 243d UGB).

### **5. Material events after the reporting date**

No significant events occurred after the balance sheet key date. The impact that this global pandemic will have on our business is not foreseeable at this time. We have taken all necessary measures to continue to protect our employees and to support our customers and suppliers during this extraordinary time and to remain a reliable partner.

Vienna, 29 April 2023

Managing Director

Mag. Dr Franz Buchtele eh

## Central National Gottesman Europe GmbH, Wien

## Movements in fixed assets:

|   | Acquisition/production cost |                                 |                  |                  | Accumulated amortization/depreciation |                            |                                 |                  | Net book value   |                              |                              |
|---|-----------------------------|---------------------------------|------------------|------------------|---------------------------------------|----------------------------|---------------------------------|------------------|------------------|------------------------------|------------------------------|
|   | Balance<br>1.1.2022<br>EUR  | FX on opening<br>balance<br>EUR | Additions<br>EUR | Disposals<br>EUR | Balance<br>31.12.2022<br>EUR          | Balance<br>1.1.2022<br>EUR | FX on opening<br>balance<br>EUR | Additions<br>EUR | Disposals<br>EUR | Balance<br>31.12.2022<br>EUR | Balance<br>31.12.2021<br>EUR |
| <b>I. Intangible assets</b>   |                             |                                 |                  |                  |                                       |                            |                                 |                  |                  |                              |                              |
| 1. Concessions, industrial property and similar rights and assets, and licenses in such rights and assets | 328.486,86                  | 0,00                            | 81.536,00        | 79.691,76        | 330.331,10                            | 195.940,52                 | 0,00                            | 56.664,52        | 79.691,76        | 173.103,28                   | 132.546,34                   |
| 2. Goodwill   | 2.700.000,00                | 0,00                            | 0,00             | 0,00             | 2.700.000,00                          | 1.090.000,00               | 0,00                            | 270.000,00       | 0,00             | 1.350.000,00                 | 1.620.000,00                 |
|   | 3.028.486,86                | 0,00                            | 81.536,00        | 79.691,76        | 3.030.331,10                          | 1.275.940,52               | 0,00                            | 326.664,52       | 79.691,76        | 1.507.227,82                 | 1.752.546,34                 |
| <b>II. Tangible assets</b>  |                             |                                 |                  |                  |                                       |                            |                                 |                  |                  |                              |                              |
| 1. Other equipment, factory and office equipment *)   | 1.081.440,05                | -23.183,00                      | 120.807,60       | 126.921,88       | 1.052.242,87                          | 727.915,54                 | -13.774,92                      | 158.545,74       | 90.014,68        | 782.673,21                   | 353.524,51                   |
|   | 1.081.440,05                | -23.183,00                      | 120.807,60       | 126.921,88       | 1.052.242,87                          | 727.915,54                 | -13.774,92                      | 158.545,74       | 90.014,68        | 782.673,21                   | 353.524,51                   |
| <b>III. Financial assets</b>  |                             |                                 |                  |                  |                                       |                            |                                 |                  |                  |                              |                              |
| 1. Securities   | 194.200,63                  | 0,00                            | 0,00             | 0,00             | 194.200,63                            | 17.345,31                  | 0,00                            | 31.754,16        | 0,00             | 49.099,38                    | 176.855,32                   |
|   | 194.200,63                  | 0,00                            | 0,00             | 0,00             | 194.200,63                            | 17.345,31                  | 0,00                            | 31.754,16        | 0,00             | 49.099,38                    | 176.855,32                   |
|   | 4.304.127,54                | -23.183,00                      | 202.443,60       | 206.613,44       | 4.276.774,70                          | 2.021.201,37               | -13.774,92                      | 517.154,42       | 189.706,44       | 1.921.898,83                 | 2.282.926,17                 |

**Statement of Cash flow  
(Translation)**

**Appendix 4**

**Central National Gottesman Europe GmbH, Wien**

|  | 2022<br>TEUR         | 2021<br>TEUR          |
|--|----------------------|-----------------------|
| Net Income   | 21.017               | 11.700                |
| +/- Depreciation and Amortisation of property and equipment and goodwill and other intangible assets | 485                  | 484                   |
| +/- Loss/Gain on foreign currency transactions   |                      | 208                   |
| Net cash used by result  | <u>21.502</u>        | <u>12.392</u>         |
| -/+ Decrease/Increase in merchandise inventories   | -1.373               | -1.762                |
| -/+ Decrease/Increase in accounts and acceptances receivables - trade                                | -29.223              | -31.111               |
| -/+ Increase/Decrease in due from related parties  | -13.914              | -160                  |
| +/- Increase/Decrease longterm provisions  | 89                   | -8                    |
| +/- Increase/Decrease short term provisions and accruals (without tax)                               | 1.237                | -1.048                |
| +/- Increase/Decrease in accounts payable  | 12.835               | 7.102                 |
| +/- Increase/Decrease in other current liabilities   | 2.355                | -4.500                |
| Net cash used  | <u>-6.492</u>        | <u>-19.096</u>        |
| - Payment due to income taxes  | -2.117               | -5.367                |
| <b>Net cash used by operating activities</b>   | <b><u>-8.610</u></b> | <b><u>-24.462</u></b> |
| - Acquisition of property and equipment  | -202                 | -185                  |
| - Acquisition of financial related investments   | 78                   | -5.147                |
| <b>Net cash used by investing activities</b>   | <b><u>-124</u></b>   | <b><u>-5.332</u></b>  |
| - Dividends paid to parent   | 0                    | -3.000                |
| + Net Increase/Decrease in bank loan   | 15.131               | 36.169                |
| - Repayment of intercompany loan   |                      | -3.532                |
| <b>Net cash used by financing activities</b>   | <b><u>15.131</u></b> | <b><u>29.637</u></b>  |
| <b>Net cash flow</b>   |                      |                       |
| + Net cash used by operating activities  | -8.610               | -24.462               |
| +/- Net cash used by investing activities  | -124                 | -5.332                |
| - Net cash used by financing activities  | 15.131               | 29.637                |
| <b>Effect on cash and cash equivalents deviations on group finance level</b>                         | <b><u>6.397</u></b>  | <b><u>-157</u></b>    |
| +/- Effect of exchange rate changes on cash and cash equivalents                                     | -2.116               | 12                    |
| + Cash and cash equivalents, beginning of year   | 17.038               | 17.182                |
| <b>= Cash and equivalents, end of year</b>   | <b><u>21.319</u></b> | <b><u>17.038</u></b>  |

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**Group management report of Central National Gottesman Europe GmbH pursuant to section 267 of the Austrian Commercial Code (UGB) for the financial year from 1 January 2021 to 31 December 2022**

## **1. Introduction**

### Activity of the Group

The company is engaged in the trading of paper, cardboard, cellulose and wood, with the focus on sales markets in Europe, Asia, Africa and Latin America. In addition, the company acts as the European intermediate holding company and holds shares in subsidiaries in Italy, France, Spain, Germany, Austria, the UK, Dubai, Turkey, Switzerland and Sweden.

### Strategic performance

The expansion of existing business and the tapping into new markets and new customers with existing and new suppliers are our core objectives. In addition, we are striving to further diversify our product portfolio.

Organic growth and acquisitions in the strategic context form the basis for our sustainable, positive development.

Our business performed very well in the past year. The extraordinary circumstances occasioned by the COVID-19 pandemic had only an insignificantly adverse impact on our performance.

In countries where we operate our own offices, we possess a locational advantage over the competition. As the Group headquarters in Europe, we are striving to further expand this advantage in Europe.

### Industry performance

The market for the paper and cellulose industry was an exceptionally difficult one for many producers and processors in the 2022 financial year. The impact of the COVID pandemic on the paper industry in Europe was significantly reduced, but there were other factors that had a strong negative impact on both the demand and supply. Above all, the enormous increase in energy costs was a cost factor for the energy-intensive paper industry, which dominated price development regardless of demand. Logistics costs for Asian destinations reduced significantly over the course of the year, which immediately led to an increase in import volumes, as the Chinese market was characterised by overcapacity.

Cellulose prices continued to rise sharply until the middle of the year, then briefly held at a high level before prices began to drop in the last third of the year. There were differences when it came to the individual grades and sales regions, with price fluctuations in both directions being stronger in China, as expected. Cellulose prices in Europe also increased significantly year-on-year, with speciality cellulose such as fluff pulp performing best and bleached short fibre increasing more than bleached long fibre. Port stock levels were slightly higher than last year and around the same level as in 2020.

The demand for recycled paper was weak, which was mainly due to a decline in capacity utilisation in the European and American packaging industries. Chinese packaging manufacturers had already been working at low capacity since the start of the COVID pandemic, and exports from China were only inhibited by high freight rates in previous years. Consequently, the price for recycled paper was also low, but still well above historical lows.

For graphic papers, the year was characterised by a strong first half with price increases of up to 50%. The second half of the year was stable for wood-free coated paper, only the price of wood-free uncoated

paper came under pressure. The anti-dumping duties on Chinese wood-free coated paper, which will remain in place at least until mid-2023, are having a major impact on the development of local prices.

Freight costs from Asia went down very quickly and significantly. Mainly for this reason, there was an increase in supply from Asia, predominantly from China and India. This competitive situation combined with falling demand led to price adjustments for offset paper and copy paper in the last quarter of the year. Demand, which had already been falling steadily for years, further declined as a result of the high prices in the first half of the year.

Capacity utilisation at the European mills was well over 90% in the first half of the year. The sharp rise in energy costs resulted either directly in price increases or in monthly fluctuating energy cost surcharges and thus hidden price increases. As the competition from Asia was not yet clearly noticeable in the first 6 months, there was also hardly any resistance to the implementation of the increases. This situation changed drastically towards the end of the second half of the year when, on the one hand, energy costs fell again and, on the other, competition from Asia caused strong competitive pressure.

Shortage of various products and associated supply uncertainty prompted many buyers to increase stocks. When demand then collapsed but goods were still in supply, the dire predicament typical of the paper trade of overstocked warehouses combined with a lack of demand and strong purchasing pressure from the mills arose.

Prices for newsprint and other publication papers rose by 50% to 80% in the USA and Europe during the year, reaching historic highs. However, this was not due to strong demand but the result of further capacity cuts and a lack of competition from other supplier countries. The high prices were ultimately counter-productive as print runs were reduced and titles were discontinued, accelerating the decline in demand. In the last quarter of the year, the price trend turned and there were price reductions for newsprint, SC paper and also LWC papers.

Due to the price development and the tight supply, the earnings situation of the fine paper mills was satisfactory. The strong increase in energy costs could be passed on to customers due to a lack of alternative offers and the generally high price level had a positive effect on the producers' earnings figures. In the course of the year, especially in the last quarter of the year, the yield curve flattened because increased competition, especially from the Asian region, led to falling prices. However, energy costs also fell and there were various support measures that reduced the decline in earnings.

The market situation for producers of packaging materials was not as good as in the previous year. Both corrugated board and cardboard were in weaker demand from the middle of the year and despite considerable endeavours and the high costs, prices had to be reduced on several occasions. In the folding boxboard segment, in addition to the decline in demand, competition from Asia was also a reason for necessary price adjustments. Packaging papers performed better and prices were kept almost stable until the last quarter.

While in Europe the COVID pandemic was no longer a determining factor for economic life in the second half of the year and the expectations grew that the pandemic would be declared over, there was a drastic change of course in China and a turning away from the zero COVID strategy. This once again caused a short-term strain on the supply chains due to a wave of infections, but the impact was far less than feared.

Even if 2022 was not an exhilarating year for packaging material manufacturers and graphic papers performed surprisingly well, the future segment of our industry remains the packaging industry. Online trading is continuing to increase, and the trend toward reducing plastic in packaging and replace it with cellulose or AP products is continuing to strengthen. Printed publications are being replaced even more by online presences and digital media. Axel Springer Verlag has stated that it sees no future for print media and will push for the digital transition. Major corporations, such as Stora Enso, are getting out of paper production and concentrating on packaging and forestry products.

The industry's earnings situation in 2022 was generally good. A few small producers ran into financial problems due to increased costs. The supplier market turned around during the year and customers once again dominate negotiations.

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While in previous years it was the unique pandemic situation that had a massive impact on economic and private life, in the 2022 financial year it was Russia's declaration of war on Ukraine and the attempted annexation of Ukraine. Due to gradually increased sanctions, Russian suppliers were excluded from the European and American sales markets and the supply of forestry products to Russia was also banned. This caused a shift in the flow of goods, creating a completely new situation for both customers and suppliers. Major international corporations have disposed of their holdings in Russia or are still in the process of converting existing sales contracts..

The year 2022, like the previous two years, is also not comparable to previous years due to the pandemic situation coming to an end, the war in Ukraine and the problems in the supply chains. Many trends have accelerated, purchasing behaviour has changed faster and the workplace situation requires new strategies to attract or retain staff.

The imbalance on the markets and the volatile conditions offer us an environment in which trading firms can do business profitably through nimble action. Non-payment risk remains lower than in pre-COVID years, but this could soon change if recession fears materialise. Structural industry risk, particularly in the printing industry, remains at a high level.

Ocean freight rates almost normalised to pre-COVID levels on many routes during the year. Nevertheless, the major shipping lines still achieved excellent results in 2022. Containers are readily available and Asian suppliers are taking advantage of this fact to increase their exports.

After production costs, logistics costs are the most important parameter for our contribution margins and thus essentially for the profitability of our business. Lower freight costs are having a noticeable impact on the flow of goods and the availability of products.

### General economic environment

The year 2022 was still impacted by the outbreak of the COVID-19 pandemic, but much stronger were the effects, consequences and changes caused by the attempted invasion of Ukraine by the aggressor Russia. Naturally, Europe was most affected by the war, as many countries, including Austria, had close relations with Russia and were also strategically closely interconnected. Our company had also built up intensive trade relations with Russia over the years and Ukraine has also become a growing sales market for us. Even before the sanctions came into force, we decided to suspend business with Russia for the duration of the hostilities and our business with Ukraine is naturally significantly reduced.

The issue of inflation, which was already worrying in the previous year, has deteriorated further. Annual inflation in the Eurozone in December was 9.2%! Although this was a decrease compared to the previous month, high inflation is still the biggest problem in the EU in economic and socio-political terms. Price development in the USA was also worrying, but with an annual inflation of 6.5% much better than in Europe.

First the FED and then also the ECB reacted to the growing inflation with several key interest rate hikes. Not unexpectedly, the FED was quicker and also implemented more drastic increases. At the end of the year, the key interest rate was 4.5% in the USA and 2.5% in the Eurozone.

Once again, the trend of the USD rate to the euro was very chequered. At the beginning of the year the rate was 1.14 and in August of that year it fell below parity for the first time during the year. In September, the rate bottomed out at 0.96 and as many analysts predicted further long-term weakening, the rate rose again to 1.07 by the end of the year. Of course, fluctuations of several percentage points within a few days add a speculative aspect to our business, which leads to a distortion of competition.

## **2. Sales and order situation**

### Situation on the sales markets

Demand in China remained weak and yet cellulose suppliers were disciplined enough not to cut prices significantly through heavy reductions. This ensured a stable cellulose market and in the course of the

year, despite a decline in the last months, price increases were noticeable in all markets. The same applied to contract prices in Europe.

The paper economy in 2022 was average, although many producers reported increased revenues and profits. The key factor for the future was that the high prices resulted in an accelerated decline in paper consumption. Packaging manufacturers were not able to achieve the good results of the previous year and had to contend with a sharp drop in demand in the second half of the year.

The tight supply situation in the first eight months led to speculative demand for graphic papers and also for cardboard, as all buyers tried to build up sufficient stocks with additional orders. When the supply bottlenecks were finally eliminated and long overdue deliveries arrived together with punctual deliveries and at the same time demand declined sharply, this led to overstocked warehouses and a significant drop in new orders for industry at the end of the year.

Competition with Chinese producers, which had been absent in the previous year due to high logistics costs, has now fully resumed and only long delivery times and the expectation of further falling prices prevented Asian companies from gaining additional market shares.

In addition to the euro exchange rate and the general price level, it is now also freight rates that require quick changes in the market strategy. The risk of insolvency in the industry has continued to increase, especially in the printing industry.

The specific country risk remains very high in several markets. The structural risk in the publishing and printing industry also remains high. The wholesale sector has benefited from rising prices for many months and generated good results; however, structurally the problems persist.

Risk hedging under these aspects is increasingly becoming more selective.

#### Order situation

The order situation was very good over the entire year.

### **3. Statement and assessment of business development**

As in the previous year, indicators were calculated in the 2022 financial year on the basis of numerators and denominators rounded up or down to TEUR.

#### **3.1 Statement of financial performance**

|  | 2022     |       | 2021     |       | Veränderung |        |
|--|----------|-------|----------|-------|-------------|--------|
|  | TEUR     | %     | TEUR     | %     | TEUR        | %      |
| Umsatzerlöse   | 828.682  | 100   | 623.074  | 100   | 205.608     | 33,0   |
| Bestandsveränderung  |          |       |          |       |             |        |
| <b>Betriebsleistung</b>                                      | 828.682  |       | 623.074  |       | 205.608     | 33,0   |
| Material- und Leistungsaufwand                               | -746.769 | -90,1 | -563.279 | -90,4 | -183.490    | 32,6   |
| <b>Rohertrag</b>   | 81.913   | 9,9   | 59.795   | 9,6   | 22.118      | 37,0   |
| sonstige betriebliche Erträge                                | 1.930    | 0,2   | 246      | 0,0   | 1.684       | 684,6  |
| Personalaufwand  | -14.184  | -1,7  | -10.505  | -1,7  | -3.679      | 35,0   |
| Abschreibungen   | -485     | -0,1  | -484     | -0,1  | 1           | 0,2    |
| sonstige betriebliche Aufwendungen                           | -45.120  | -5,4  | -36.327  | -5,8  | -8.793      | 24,2   |
| <b>Zwischensumme</b>   | 24.053   | 2,9   | 12.725   | 2,0   | 11.328      | 89,0   |
| Zinsensaldo  | -3.215   | -0,4  | -1.220   | -0,2  | -1.995      | 163,5  |
| sonstiges Finanzergebnis                                     | -233     | 0,0   | 195      | 0,0   | -428        | -219,5 |
| <b>Zwischensumme</b>   | -3.448   | -0,4  | -1.025   | -0,2  | -2.423      | 236,4  |
| <b>Ergebnis vor Steuern</b>                                  | 20.605   | 2,5   | 11.700   | 1,9   | 8.905       | 76,1   |
| Steuern vom Einkommen und vom Ertrag                         | -5.646   | -0,7  | -3.128   | -0,5  | -2.518      | 80,5   |
| <b>Jahresüberschuss (vor Anteile anderer Gesellschafter)</b> | 14.959   | 1,8   | 8.572    | 1,4   | 6.387       | 74,5   |
| <b>Anteile anderer Gesellschafter</b>                        | 286      | 0,0   | -1.236   | -0,2  | 1.522       | -123,1 |
| <b>Jahresüberschuss - Konzern</b>                            | 15.245   | 1,8   | 7.336    | 1,2   | 7.909       | 107,8  |

The rise in revenue by EUR 206 million was primarily attributable to higher prices.

Gross profit increased noticeably and is therefore significantly higher compared to the previous year.

Personnel expenses rose, primarily as a result of variable salary components corresponding to the trend in sales and as a result of an increase in staff.

Other operating expenses increased, especially in Central National Europe, due to higher costs compared to the previous year.

The main drivers of net profit for the year were, above all, Central National Europe, Central National Sweden, CNG Fiber Trade and Lindenmeyr International, which reported good results. But the gratifying results of other companies in the subgroup also contributed to the positive divergence.

**Financial performance indicators****Return on investment (ROI)**

|                                    | <b>Values in TEUR</b> | <b>31/12/2022</b> | <b>31/12/2021</b> |
|------------------------------------|-----------------------|-------------------|-------------------|
| Earnings before interest and taxes |                       | 23,820            | 12,920            |
| / Total capital 1/1/.2021          |                       | 170,616           | 129,556           |
| = Return on investment             |                       | <b>13.96%</b>     | <b>9.97%</b>      |

**Return on equity (ROE)**

|                       | <b>Values in TEUR</b> | <b>31/12/2022</b> | <b>31/12/2022</b> |
|-----------------------|-----------------------|-------------------|-------------------|
| Earnings before taxes |                       | 20,605            | 11,700            |
| / Equity 1/1/.2021    |                       | 47,250            | 41,666            |
| = Return on equity    |                       | <b>43.61%</b>     | <b>28.08%</b>     |

**Self-financing ratio**

|                        | <b>Values in TEUR</b> | <b>31/12/2022</b> | <b>31/12/2022</b> |
|------------------------|-----------------------|-------------------|-------------------|
| Undistributed profit   |                       | 56,119            | 42,990            |
| / Total capital        |                       | 219,047           | 170,616           |
| = Self-financing ratio |                       | <b>25.62%</b>     | <b>25.20%</b>     |

## 3.2 Statement of net assets and financial status

|   | 31.12.2022     |             | 31.12.2021     |             | Veränderung   |               |
|---|----------------|-------------|----------------|-------------|---------------|---------------|
|   | TEUR           | %           | TEUR           | %           | TEUR          | %             |
| Immaterielle Vermögensgegenstände                 | 1.507          | 0,7         | 1.753          | 1,0         | 246           | - 14,0        |
| Sachanlagen                                       | 269            | 0,1         | 354            | 0,2         | 85            | - 24,0        |
| Finanzanlagen                                     | 145            | 0,1         | 177            | 0,1         | 32            | - 18,1        |
| <b>Anlagevermögen</b>                             | <b>1.922</b>   | <b>0,9</b>  | <b>2.283</b>   | <b>1,3</b>  | <b>361</b>    | <b>- 15,8</b> |
| Vorräte   | 32.254         | 14,7        | 30.881         | 18,1        | 1.373         | 4,4           |
| Kundenforderungen                                 | 120.969        | 55,2        | 91.747         | 53,8        | 29.222        | 31,9          |
| Konzernforderungen                                | 1.499          | 0,7         | 607            | 0,4         | 892           | 147,0         |
| sonstige Forderungen +RAP                         | 41.083         | 18,8        | 28.061         | 16,4        | 13.022        | 46,4          |
| flüssige Mittel                                   | 21.319         | 9,7         | 17.038         | 10,0        | 4.281         | 25,1          |
| <b>Umlaufvermögen</b>                             | <b>217.124</b> | <b>99,1</b> | <b>168.334</b> | <b>98,7</b> | <b>48.790</b> | <b>29,0</b>   |
| <b>Summe Aktiva</b>                               | <b>219.047</b> | <b>100</b>  | <b>170.617</b> | <b>100</b>  | <b>48.430</b> | <b>28,4</b>   |
| Stammkapital                                      | 727            | 0,3         | 727            | 0,4         | -             | -             |
| Rücklagen   | 35.682         | 16,3        | 30.469         | 17,9        | 5.213         | 17,1          |
| Bilanzgewinn                                      | 20.504         | 9,4         | 12.589         | 7,4         | 7.915         | 62,9          |
| Nicht beherrschende Anteile                       | 3.180          | 1,5         | 3.466          | 2,0         | 286           | - 8,3         |
| <b>Eigenkapital</b>                               | <b>60.093</b>  | <b>27,4</b> | <b>47.250</b>  | <b>27,7</b> | <b>12.843</b> | <b>27,2</b>   |
| Rückstellungen für Abfertigungen<br>und Pensionen | 2.020          | 0,9         | 1.890          | 1,1         | 130           | 6,9           |
| sonstige langfristige Rückstellungen              | 143            | 0,1         | 184            | 0,1         | 41            | - 22,3        |
| langfristige Verbindlichkeiten                    | 8.889          | 4,1         | 600            | 0,4         | 8.289         | 1.381,5       |
| <b>langfristiges Fremdkapital</b>                 | <b>11.052</b>  | <b>5,0</b>  | <b>2.674</b>   | <b>1,6</b>  | <b>8.378</b>  | <b>313,3</b>  |
| sonstige Rückstellungen                           | 13.074         | 6,0         | 8.308          | 4,9         | 4.766         | 57,4          |
| Bankverbindlichkeiten                             | 84.516         | 38,6        | 77.674         | 45,5        | 6.842         | 8,8           |
| Lieferantenverbindlichkeiten                      | 42.361         | 19,3        | 29.526         | 17,3        | 12.835        | 43,5          |
| Konzernverbindlichkeiten                          | 7.410          | 3,4         | 3.709          | 2,2         | 3.701         | 99,8          |
| sonstige Verbindlichkeiten                        | 541            | 0,2         | 1.475          | 0,9         | 934           | - 63,3        |
| <b>übriges Fremdkapital</b>                       | <b>147.902</b> | <b>67,5</b> | <b>120.692</b> | <b>70,7</b> | <b>27.210</b> | <b>22,5</b>   |
| <b>Fremdkapital insgesamt</b>                     | <b>158.954</b> | <b>72,6</b> | <b>123.366</b> | <b>72,3</b> | <b>35.588</b> | <b>28,8</b>   |
| <b>Summe Passiva</b>                              | <b>219.047</b> | <b>100</b>  | <b>170.617</b> | <b>100</b>  | <b>48.430</b> | <b>28,4</b>   |

The growth in customer receivables was attributable to the very good fourth quarter of 2022.

The increase in cash and cash equivalents is due, in particular, to the reporting date.

The main reason for the rise with respect to liabilities to banks and liabilities to suppliers is related to strong demand and price increases.

**Net assets indicators****Turnover rate of receivables**

|                                | Values in TEUR | 31/12/2022 | 31/12/2022 |       |
|--------------------------------|----------------|------------|------------|-------|
| Revenues                       |                | 828,389    | 623,074    |       |
| / Average supplier receivables |                | 106,358    | 76,191     |       |
| = Turnover rate of receivables |                | 7.8        | 8.2        | times |

**Turnover rate of assets**

|                                | Values in TEUR | 31/12/2022 | 31/12/2022 |       |
|--------------------------------|----------------|------------|------------|-------|
| Revenues                       |                | 828,389    | 623,074    |       |
| / Average asset deployment     |                | 194,832    | 150,086    |       |
| = Turnover rate of receivables |                | 4.3        | 4.2        | times |

**Net debt-to-equity ratio (gearing)**

|                            | Values in TEUR | 31/12/2022 | 31/12/2022 |
|----------------------------|----------------|------------|------------|
| Net debt                   |                | 74,249     | 63,310     |
| / Equity                   |                | 60,093     | 47,250     |
| = Net debt-to-equity ratio |                | 123.56%    | 133.99%    |

**Financial condition indicators****Equity ratio**

|                             | Values in TEUR | 31/12/2022 | 31/12/2022 |
|-----------------------------|----------------|------------|------------|
| Equity capital and reserves |                | 60,093     | 47,250     |
| / Total capital             |                | 219,047    | 170,617    |
| = Net debt-to-equity ratio  |                | 27.43%     | 27.69%     |

**Cash ratio**

|                           | Values in TEUR | 31/12/2022 | 31/12/2022 |
|---------------------------|----------------|------------|------------|
| Cash and cash equivalents |                | 21,319     | 17,038     |
| / Current liabilities     |                | 147,902    | 120,692    |
| = Cash ratio              |                | 14.41%     | 14.12%     |

**Quick ratio**

|  | Values in TEUR | 31/12/2022     | 31/12/2021     |
|--|----------------|----------------|----------------|
| Cash and cash equivalents + current receivables + accrued income |                | 184,870        | 137,453        |
| / Current liabilities  |                | 147,902        | 120,692        |
| = Cash ratio   |                | <b>125.00%</b> | <b>113.89%</b> |

**Working capital ratio**

|                                 | Values in TEUR | 31/12/2022     | 31/12/2021     |
|---------------------------------|----------------|----------------|----------------|
| Current assets + accrued income |                | 217,124        | 168,334        |
| / Current liabilities           |                | 147,902        | 120,692        |
| = Cash ratio                    |                | <b>146.80%</b> | <b>139.74%</b> |

**3.3 Cash flow statement**

|  | 2022<br>TEUR  | 2021<br>TEUR  |
|--|---------------|---------------|
| Cash flow from operating activities                              | -8,610        | -24,462       |
| Cash flow from investment activities                             | -124          | -5,332        |
| Cash flow from financing activities                              | 15,131        | 29,637        |
| <b>Change in cash and cash equivalents</b>                       | <b>6,397</b>  | <b>-365</b>   |
| Exchange rate-related changes in Group cash and cash equivalents | -2,116        | 12            |
| Starting amount of cash and cash equivalents                     | 17,038        | 17,182        |
| <b>Ending amount of cash and cash equivalents</b>                | <b>21,319</b> | <b>17,038</b> |

Cash flow from operating activities is primarily characterised by the change in trade receivables and trade payables at the end of the year (particularly supplier receivables and receivables from factoring partners).

Cash flow from financing activities is reflected in the utilisation of existing bank lines.

**4. Research and development**

We do not conduct research and development at our company.

**5. Employees**

In the financial year, the Group had an average of 124 employees (previous year: 102 employees).

Regular workplace evaluations are carried out by the public authorities responsible for this, as well as internally. There were no evaluations that gave reason for concern. Our office spaces are state of the art and thus meet all employee-specific requirements.

Basic and advanced training is concentrated either on department-specific training courses or on work-specific training courses, which are intended to improve skills for the relevant work area.

## 6. Environmental concerns

We are reliant on dealing responsibly with the consumption of energy and other natural resources. Their use influences our operating costs and can have negative effects on the environment, such as through the emission of greenhouse gases that are harmful to the climate. Our approach is to lower the climate-relevant emissions resulting from our business operations and to reduce our consumption of resources. We attach importance to energy-saving and modern equipment and reinvest in this sense. We attempt to avoid travel, including in the operational field, and rely increasingly on online meetings.

## 7. Financial instruments and risk reporting

Financial instruments are contract-based commercial holdings that involve an entitlement to a form of payment. On the one hand, they consist of original financial instruments, such as cash and cash equivalents, securities, trade receivables and trade payables, as well as financial receivables and financial liabilities. On the other, they also include derivative financial instruments, which are used to hedge risks from changes in currency rates.

The Group is confronted with a number of risks, which make systematic, continuous risk management necessary. The financial instruments that can cause a concentration of financial risk in the Group in certain cases include, in particular, cash and cash equivalents, securities and trade receivables. The risks and their potential effects are ascertained and analysed as part of risk management and dealt with on the basis of the defined risk policy. The objective is to identify and assess the potential risks that arise in connection with our activity at an early stage, estimate their consequences and introduce appropriate preventive and hedging measures.

Operational asset risks are covered through central insurance management as well as insurance programmes that are customary in the industry.

Cash and liquidity management ensures that sufficient liquidity is available (own funds and credit lines that are usable at any time) in order to settle assumed liabilities and to finance further growth. A factoring agreement was concluded for the purpose of optimising the provision of liquidity. This agreement reduces the dependence on usable credit lines and ensures dynamic provision of sufficient liquidity in the event of growth. This agreement also makes it possible to finance seasonally arising, short-term sales spikes.

In addition to financing through factoring, the Group also has free bank lines available with four different banks. These lines enable more flexibility and also help to cover possible spikes with regard to liquidity needs.

Our trade receivables relate to a wide and diversified customer structure. The financial risk in connection with customers is controlled through an ongoing review of creditworthiness of customers and centralised working capital management. The Group concludes customer credit insurance policies in order to cover losses from a possible uncollectability of certain receivables. Impairment allowances are created for the entire receivables volume on the basis of expected collectability.

The global orientation of the company's business activities results in delivery and payment flows primarily in USD but also in GBP, whereby countervailing payment flows are juxtaposed and offset in the individual currencies. Foreign currency risks going beyond this are minimised through regular management and bank meetings and the use of appropriate hedging. In this regard, currency futures are utilised to hedge future cash flows from business activities in USD and GBP. No derivatives are used for trading or speculation purposes.

The risk of a loss due to non-performance by a contract partner in the derivative financial instrument sector is insignificant. On the one hand, it is possible to net claims and liabilities under a financial instrument. On the other, all contract partners are renowned international financial institutions with which the Group maintains ongoing business relationships. The Group considers the risk of non-performance by a contract partner to be low.

As a result of the changed basic conditions, our company maintains various stocks. On the one hand, consignment stocks were agreed upon based on long-term (at least annual) supply agreements with fixed prices and purchase obligations. Since the supply agreements with consignment stocks are concluded only with reliable partners, no increased risk is associated with this. On the other hand, for logistical reasons, regional stocks are maintained at reliable forwarders. The linkage to the requirements planning of the purchasers makes it possible to minimise the utilisation risk of the stock. Only standard products are acquired directly from producers. Only small amounts of a quality are acquired in order to be able to respond quickly to a change in demand. As a result of the utilisation potential provided by the global "Central National" network, utilisation is not dependent on local market conditions but instead can be undertaken worldwide.

Other than that, our Group does not hold any stock, apart from a few exceptions for logistical reasons. We make an effort to juxtapose long-term procurement agreement with supply agreements with the same conditions that imposed for the same periods. A potential purchase or supply risk that non-performance by a contract partner could cause should be limited to cases of force majeure that are exempt from an obligation. However, in the event of drastic and lasting price changes, a devaluation risk may arise for the stock.

In addition to the risks listed above, our business can be exposed to other risks. At this time, such risks are not known or are considered by us to be negligible.

The overall assessment of the risk situation of the company does not exhibit any elements that pose a threat to continued existence. Such risks are also not expected in the coming financial year.

## **8. Outlook for the 2023 financial year**

After the public holidays in Europe, business activity in the first month of the new financial year remains weak. Demand for graphic papers and packaging papers is significantly reduced, warehouses are fully stocked and in some cases an improvement in the stock situation is not expected until the end of the first quarter. Further price reductions are being negotiated, but these will not necessarily be rewarded with orders.

Further price reductions are also under discussion for cellulose.

Producers of corrugated base paper are struggling with the same market situation as the producers of graphic paper. The only difference is the lack of competition from Asian suppliers.

The euro exchange rate rose to 1.10 in the first weeks of the year. Both the ECB and the FED implemented another interest rate raise, whereby for the first time the ECB increased more than the FED. Inflation is expected to fall further in both Europe and the USA.

The holidays around the Chinese New Year celebrations were, as is customary, used for larger shut-down measures of the Chinese mills. This year, shutdowns were more extensive than usual as demand remains weak, also in China.

Sea freight rates continue to decline and due to the weak economy there are not sufficient bookings and there are blank sailings, especially in the case of carriers coming from China. A significant change in rates is also not expected over the course of the year.

The pandemic is no longer a major issue and should soon be declared over. Even though energy prices have come down from the extreme spikes of last summer, costs are still 4x what they were before the increase started in the second half of 2021.

The conversion of unprofitable machines to manufacture alternative products continues. In addition, further, large packaging capacities are also planned to come on stream in 2023 and subsequent years. With respect to economic growth and thus paper sales in Europe, our expectations for 2023 are neutral. The expected recession may not materialise. However, increased interest rates combined with continued high inflation are not a good basis for a well performing economic year. An end to the Ukraine war should have a stimulating effect on the economy.

In summary, we expect satisfactory business development also in 2023. The worldwide dispersion of our business and our broad range of products are a competitive advantage that we will use for further growth.

From today's standpoint, we expect a good result for 2023.

Vienna, 29 April 2023

The management  
Central National Gottesman Europe GmbH

Mag. Dr Franz Buchtele eh

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