

MEDIA RELEASE

Clariant signs agreements to divest 50 % stake in Scientific Design joint venture to SABIC

MUTTENZ, FEBRUARY 2, 2022

Clariant, a focused, sustainable and innovative specialty chemicals company, has signed definitive agreements to divest its 50 % stake in the joint venture which owns Scientific Design Company Inc. to its long-term joint venture partner, SABIC. SABIC is executing a call option raised in 2015 to acquire this stake, originally purchased by Süd-Chemie AG in 2003 and acquired by Clariant in 2011, pursuant to a change-of-control clause in the Joint Venture agreement.

Clariant reports a book value for the 50 % stake in Scientific Design Company Inc. of CHF 108 million as of 31 December 2020. Both Clariant and SABIC completed a comprehensive, arms-length due diligence process to value Scientific Design at USD 260 million and Clariant's 50 % share at USD 130 million. Together with a profit-sharing agreement beginning on January 1, 2021 until the closing of the transaction, this represents an attractive valuation for Clariant's 50 % stake at around 12 times Scientific Design's 2021 expected EBITDA, assuming a mid-2022 closing. The final amount is payable at closing, which is subject to the receipt of the required regulatory approvals. The closing is expected to take place in mid-2022.

In 2020, Scientific Design Company Inc. generated sales of CHF 121 million. Scientific Design Company Inc., headquartered in Little Ferry, New Jersey, United States, is present in the development, licensing and catalyst supply of proprietary processes for the production of ethylene oxide (EO), ethylene glycol (EO/EG), bio-ethylene, bio-EO, bio-EG, EO derivatives, polyols and maleic anhydride. In addition to these technologies, Scientific Design Company Inc. produces proprietary catalysts and equipment for use in their own and other industrial processes.

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www.clariant.com

Clariant is a focused, sustainable and innovative specialty chemical company based in Muttenz near Basel/Switzerland. On 31 December 2020, the company employed a total workforce of 13 235. In the financial year 2020, Clariant recorded sales of CHF 3.860 billion for its continuing businesses. The company reports in three business areas: Care Chemicals, Catalysis and Natural Resources. Clariant's corporate strategy is led by the overarching purpose of 'Greater chemistry – between people and planet' and reflects the importance of connecting customer focus, innovation, sustainability, and people.