

AD HOC ANNOUNCEMENT PURSUANT TO ART. 53 LR

Impairment of bioethanol plant in Romania

- **Asset impairment of approximately CHF 225 million relating to Clariant's bioethanol plant in Podari, Romania**
- **Planned commercialization and optimization process of the plant continue with the aim to industrialize the sunliquid® technology**
- **Clariant confirms the unique value of its second-generation bio-based cellulosic ethanol solutions**

MUTTENZ, DECEMBER 12, 2022

Clariant, a focused, sustainable, and innovative specialty chemical company, today announced a financial impairment of its sunliquid® plant in Podari, Romania, amounting to approximately CHF 225 million.

As previously reported, the sunliquid® plant began production in the second quarter of 2022, though has not yet achieved the targeted yields and other operational parameters on an industrial scale. Clariant has thus completed a financial assessment of the plant as part of the annual impairment testing in accordance with International Financial Reporting Standards (IFRS). As a result of this analysis, Clariant has concluded that an impairment to the current asset value of the Podari plant of approximately CHF 225 million is appropriate based on the delayed ramp up and the current financial performance.

Clariant confirms the unique value of the sunliquid® technology and will continue its commercialization. Clariant aims to address the operational challenges by continuously adjusting production processes with the target of achieving commercial viability of the new technology.

“Our sunliquid® technology, which converts agricultural waste into second generation bioethanol, represents a significant step in the development of sustainable renewable fuel. The industrialization of our new technology remains challenging, and therefore impacts underlying financial assumptions, giving rise to the impairment announced today. Nonetheless, we will continue our efforts to achieve commercial viability of the technology,” said Conrad Keijzer, Chief Executive Officer of Clariant.

“While we are disappointed by this impairment, we are however pleased with our strong Group financial performance in the first three quarters of 2022. Consequently, we confirm our 2025 financial targets and continue to focus on the execution of our leading purpose-driven sustainability strategy,” added Keijzer.

This impairment has no impact on cash, will be booked in December 2022 and will, therefore, be reflected in the full year 2022 results, due to be announced on 2 March 2023.

Background on the Podari plant

Construction of the sunliquid® plant was completed in October 2021 and it began production in the second quarter of 2022. The cellulosic ethanol produced at this plant can be applied as a drop-in solution for fuel blending, but also offers further downstream application opportunities for sustainable aviation fuel and bio-based chemicals. Its sunliquid® technology offers a fully integrated process design built on established process technology. Innovative technology features include chemical-free pre-treatment, the integrated production of feedstock- and process-specific enzymes and simultaneous C5 and C6 sugar fermentation.

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Clariant is a focused, sustainable, and innovative specialty chemical company based in Muttenz, near Basel/Switzerland. On 31 December 2021, Clariant totaled a staff number of 11 537 and recorded sales of CHF 4.372 billion in the fiscal year 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.