

AD HOC ANNOUNCEMENT PURSUANT TO ART. 53 LR

Clariant concludes investigation with preliminary continuing operations EBITDA margin of 15.5 % for 2020, increasing the original result by 50 basis points and of 16.2 % for 2021

- Restatement of 2020 financial statements required, implying a continuing operations EBITDA margin of 15.5 % (preliminary, unaudited) vs. 15.0 % previously reported
- 2021 continuing operations EBITDA margin of 16.2 % (preliminary, unaudited) in line with previous guidance
- No impact on sales, cash and cash equivalents previously reported in 2020 and 2021
- Clariant to present its audited Full Year 2021 and restated 2020 results by latest 30 May 2022
- SIX Exchange Regulation (SER) approved extension for Clariant to publish its Integrated Report 2021, including restated 2020 figures, by no later than 15 June 2022
- Annual General Meeting (AGM) scheduled for latest 30 June 2022
- Q1 2022 results will be published by latest 30 June 2022
- Clariant expects compelling sales growth in Q1 2022 as a result of strong global demand driven by higher volumes and pricing, despite current macroeconomic uncertainty
- Stephan Lynen has decided to step down as Chief Financial Officer as of 1 July 2022, and Bill Collins will be appointed as new CFO

MUTTENZ, APRIL 27, 2022

Clariant, a focused, sustainable, and innovative specialty chemical company, today announced that the investigation of accounting issues related to provisions and accruals (as disclosed by Clariant on 14 February 2022) conducted by independent advisors and external counsel (Deloitte and Gibson, Dunn & Crutcher), has been concluded. After reviewing the results of the investigation, the Board of Directors has determined the need for a restatement of the 2020 financial statements and corrections to the quarterly reporting of key financial data for 2020 and 2021.

“We appreciate that our employees brought this matter to our attention, and I am glad that we have now concluded the investigation and can leave this matter behind us. As part of our purpose-led strategy, it remains our utmost priority at Clariant to continue to strengthen a culture built on the highest ethical standards. Following a thorough investigation, we have closely reviewed its results and are committed to further strengthening our controls and processes,” said Conrad Keijzer, Clariant’s Chief Executive Officer.

Restatement summary

Continuing operations (preliminary, unaudited)	Full Year 2020				Full Year 2021 vs 2020 restated			
	restated	reported	Delta	Delta %	2021	2020	% CHF	% LC
in CHF million								
Sales	3 860	3 860	0	0	4 372	3 860	13	15
EBITDA	597	578	19	3	708	597	19	
EBITDA margin	15.5 %	15.0 %	50 bps		16.2 %	15.5 %		

Note: preliminary figures which are subject to the processing of the financial restatement bookings in Clariant’s accounting systems and hence minor deviations might occur, e.g., due to rounding and exchange rate differences

The identified deviations from previously reported figures resulting from the restatement of the 2020 financial statements are due to over- or understated provisions or accruals. The preliminary corrected 2020 figures result in a continuing operations EBITDA of CHF 597 million compared to the previously reported CHF 578 million and a corresponding EBITDA margin of 15.5 % compared to the previously reported 15.0 %. The preliminary figures 2020 and 2021 are subject to the processing of the financial restatement bookings in Clariant’s accounting systems and completion of the external audit, hence minor deviations might occur.

Based on preliminary, unaudited figures, Clariant currently expects a Full Year 2021 continuing operations EBITDA of CHF 708 million and a corresponding EBITDA margin of 16.2 %, in line with the guidance confirmed on 14 February 2022.

The results of the investigation have no impact on the sales, cash and cash equivalents figures reported in 2020 and 2021.

As a result of the investigation findings, Clariant has started to implement necessary remedial actions including immediate action to address internal controls over financial reporting (ICOFR), booking procedures, trainings, and individual suspensions. Other measures are currently being defined and developed.

The preliminary assessment of the impact of the investigation findings on quarterly results, subject to processing and final audit, for the financial years 2020 and 2021 is provided in Appendix I.

On 26 April 2022, SIX Exchange Regulation (SER) granted Clariant a requested extension for the publication of the Full Year 2021 financial results and the Integrated Report 2021, until 15 June 2022. The extension allows Clariant to proceed with the processing of all required 2020 financial restatement bookings in Clariant’s accounting system, the correction of quarterly and half year

figures for 2020, as well as the completion and auditing of the Full Year 2021 results, including the correction of the quarterly and half year figures for 2021.

As required by SER, Clariant hereby reprints para. I of SER's respective decision (English version):

- I. The exemption from obligations for the maintaining of the listing and an extension of the deadline to publish the 2021 annual report and to file such report with SIX Exchange Regulation AG until 15 June 2022 at the latest is granted with the following reservation (lit. a) and under the following conditions (lit. b):
 - a. SIX Exchange Regulation AG reserves the right to potentially suspend trading of the registered shares of Clariant in case its 2021 annual report is not published in accordance with the provisions on ad hoc publicity (Art. 53 of the Listing Rules [LR] in connection with the Directive on Ad hoc Publicity [DAH]) and not filed with SIX Exchange Regulation AG until Wednesday, 15 June 2022, 11.59 pm, at the latest.
 - b. Clariant is required to publish a notice in accordance with the provisions on ad hoc publicity (art. 53 LR in connection with the DAH) concerning this decision until Wednesday, 27 April 2022, 7.30 am, at the latest. The notice must contain:
 - the unaltered reproduction of the wording of para. I. of this decision, placed in a prominent position;
 - the reasons for the delay of the publication of its 2021 annual report and of the filing such report with SIX Exchange Regulation AG;
 - the unaudited key figures such as net revenues, EBITDA, EBIT, profit/loss, balance sheet total, equity etc. with respect to the annual results 2021.

PwC has indicated that it will include a qualification on provisions and accruals related to the Internal Control System existence in its audit opinion on the 2021 consolidated financial statements based on its audit procedures.

Clariant expects to publish its audited Full Year 2021 results including a restated Full Year 2020 by no later than 30 May 2022. The Annual General Meeting 2022 is scheduled for latest 30 June 2022.

In order to process the results of the investigation as diligently and swiftly as possible, Clariant has decided to postpone its First Quarter 2022 trading statement. This will be published by latest 30 June 2022.

With the investigation completed, Clariant's Chief Financial Officer Stephan Lynen has decided to step down by 1 July 2022 to allow for a fresh start.

"Today, we announced the completion of the investigation, strong preliminary results for 2021 as well as the reporting timeline. We are grateful to Stephan for his contributions in various leadership positions, ensuring the conclusion of this investigation and granting a smooth transition," said Peter Steiner, Chairman of the Audit Committee.

„I personally decided to step down and look for a new challenge, leaving behind a strong Clariant. I wish my colleagues, my successor as well as shareholders and stakeholders a successful future,” said Stephan Lynen.

His successor will be Bill Collins, who will join Clariant on 1 July 2022 from ENGIE where he most recently served as the North American Chief Executive Officer as well as Chief Financial Officer. Bill has a strong track record in driving performance and large-scale transformation in complex global businesses including AkzoNobel, Eaton Corporation, and Schneider Electric. He joined ENGIE in 2018 first serving as Group Deputy CFO in Paris.

“I am delighted that Bill is joining us at Clariant. He is a highly regarded finance leader in the industry, and his expertise will be invaluable in leading the finance organization and contributing to our performance-driven culture. As an American who has lived and worked in the U.S., France, Japan, the Netherlands and Switzerland, Bill brings further diversity to Clariant’s leadership team. I would also like to thank Stephan for his dedicated collaboration,” said Conrad Keijzer.

Despite the current macroeconomic uncertainty, Clariant had a good start into 2022 and expects to see compelling sales growth in Q1 2022 as a result of strong global demand, driven by higher volumes and pricing. Clariant expects these developments to largely offset variable cost increases and supply chain uncertainties, which will have a positive impact on Clariant’s profitability. Given continuing macroeconomic uncertainty, Clariant cannot comment on the 2022 outlook at this point but remains committed to its medium-term financial targets.

Appendix I

Continuing operations (preliminary, unaudited)		Full Year 2020															
		Q1 2020				Q2 2020				Q3 2020				Q4 2020			
in CHF million		corrected	reported	Delta	Delta %	corrected	reported	Delta	Delta %	corrected	reported	Delta	Delta %	corrected	reported	Delta	Delta %
Sales		1 019	1 019	0	0	926	926	0	0	893	893	0	0	1 022	1 022	0	0
EBITDA		158	157	1	1	143	135	8	6	131	127	4	3	165	159	6	4
EBITDA margin		15.5 %	15.4 %	10 bps		15.4 %	14.6 %	80 bps		14.7 %	14.2 %	50 bps		16.2 %	15.6 %	60 bps	

Continuing operations (preliminary, unaudited)		Full Year 2021															
		Q1 2021				Q2 2021				Q3 2021				Q4 2021			
in CHF million		corrected	reported	Delta	Delta %	corrected	reported	Delta	Delta %	corrected	reported	Delta	Delta %	reported			
Sales		1 002	1 002	0	0	1 032	1 032	0	0	1 096	1 096	0	0		1 242		
EBITDA		173	164	9	6	163	173	-10	-6	170	180	-10	-6		203		
EBITDA margin		17.3 %	16.4 %	90 bps		15.8 %	16.8 %	-100 bps		15.5 %	16.4 %	-90 bps			16.3 %		

Note: preliminary figures which are subject to the processing of the financial restatement bookings in Clariant's accounting systems and hence minor deviations might occur due to e.g., rounding and exchange rate differences

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This media release contains certain statements that are neither reported financial results nor other historical information. This document also includes forward-looking statements. Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors that are beyond Clariant's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the actions of governmental regulators and other risk factors such as: the timing and strength of new product offerings; pricing strategies of competitors; the Company's ability to continue to receive adequate products from its vendors on acceptable terms, or at all, and to continue to obtain sufficient financing to meet its liquidity needs; and changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, including currency fluctuations, inflation and consumer confidence, on a global, regional or national basis. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Clariant does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.

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.