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DATE 10 August 2022

Corbion first half-year 2022 results

Corbion reported net sales of € 687.4 million in H1 2022. Organic net sales growth was 23.4% for the first half year. Adjusted EBITDA in H1 2022 increased by 16.6% to € 89.9 million.

Olivier Rigaud, CEO, commented: “We are proud to have delivered strong growth in sales and EBITDA during a period of unprecedented cost inflation and supply chain disruptions. Given that we are prioritizing price increases and mix improvements, we are encouraged to see that this has not led to adverse volume impact. This confirms the strength of our differentiated portfolio. I am happy to report that our AlgaPrime DHA business has been profitable as of June. Looking forward, we are on track to substantially improve our absolute Adjusted EBITDA for the company compared to last year, as we continue to adapt to the inflationary environment with price adjustments, and the realization of operational efficiencies. Given our growth prospects, we continue to invest in our production capabilities. Our major investment initiatives are progressing well and according to plan. We remain confident on the delivery of our Advance 2025 targets.

We are clearly ahead of schedule on reducing greenhouse gas emissions. As we already achieved our 2025 CO₂ reduction target, we have increased our commitment by submitting updated 1.5°C targets to the Science Based Targets initiative, in line with the most ambitious goal of the Paris Agreement.

Key financial highlights H1 2022*:

- Total net sales was € 687.4 million (H1 2021: € 515.6 million)
- Net sales organic growth was 23.4%. Core net sales organic growth: 23.0%
- Adjusted EBITDA was € 89.9 million (H1 2021: € 77.1 million; organic growth: -0.4%)
- Adjusted EBITDA margin was 13.1% (H1 2021: 15.0%)
- Operating result was € 59.1 million (H1 2021: € 70.3 million)
- Free cash flow was € -68.6 million (H1 2021: € -13.6 million)
- Covenant net debt/covenant EBITDA at half year-end was 3.3x (year-end 2021: 2.6x)

€ million	YTD 2022	YTD 2021	Total growth	Organic growth
Net sales	687.4	515.6	33.3%	23.4%
Adjusted EBITDA	89.9	77.1	16.6%	-0.4%
Adjusted EBITDA margin	13.1%	15.0%		
Operating result	59.1	70.3	-15.9%	-32.3%
ROCE	10.9%	13.0%		

- For non-GAAP definition see page 19

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Management review H1 2022

Net sales

Net sales in H1 2022 increased by 33.3% to € 687.4 million (H1 2021: € 515.6 million) due to organic growth (23.4%), a positive currency impact (9.7%), and the net effect of acquisitions & divestments (0.2%). Organic net sales growth of 18.5% in H1 2022 in the Sustainable Food Solutions business unit was mostly driven by price/mix improvements. In the Lactic Acid & Specialties business unit, sales organically increased by 26.4% versus H1 2021. A positive price/mix effect (25.3%) was supported by volume growth (4.7%). Organic net sales growth for the Incubator business unit was 87.3%. Organic net sales growth in the non-core activities was 26.3%.

Net sales	Volume	Price/Mix	Organic	Currency	Acquisitions/ (Divestments)	Total growth
YTD 2022 vs YTD 2021						
Core	2.0%	21.0%	23.0%	9.2%	0.2%	32.4%
- Sustainable Food Solutions	0.1%	18.4%	18.5%	10.0%	0.3%	28.8%
- Lactic Acid & Specialties	1.1%	25.3%	26.4%	7.2%	0.0%	33.6%
- Incubator	72.5%	14.8%	87.3%	16.9%	0.0%	104.2%
Non-core	-2.6%	28.9%	26.3%	13.0%	0.0%	39.3%
Total	1.4%	22.0%	23.4%	9.7%	0.2%	33.3%
Q2 2022 vs Q2 2021						
Core	1.5%	24.6%	26.1%	11.8%	0.3%	38.2%
- Sustainable Food Solutions	0.4%	20.8%	21.2%	12.7%	0.4%	34.3%
- Lactic Acid & Specialties	-1.9%	31.3%	29.4%	9.2%	0.0%	38.6%
- Incubator	89.3%	9.2%	98.5%	21.2%	0.0%	119.7%
Non-core	-3.9%	32.4%	28.5%	16.2%	0.0%	44.7%
Total	0.8%	25.7%	26.5%	12.4%	0.2%	39.1%

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EBITDA

Adjusted EBITDA increased by 16.6% to € 89.9 million in H1 2022 mainly due to a positive currency effect of 17.8%. Organic growth was -0.4%.

€ million	YTD 2022	YTD 2021	Q2 2022	Q2 2021	Growth YTD
Net sales					
Core	591.7	446.9	315.5	228.3	32.4%
- Sustainable Food Solutions	365.8	284.1	195.0	145.2	28.8%
- Lactic Acid & Specialties	201.8	151.0	106.0	76.5	33.6%
- Incubator	24.1	11.8	14.5	6.6	104.2%
Non-core	95.7	68.7	51.8	35.8	39.3%
Total Net Sales	687.4	515.6	367.3	264.1	33.3%
Adjusted EBITDA					
Core	75.8	66.0	41.1	27.9	14.8%
- Sustainable Food Solutions	44.7	39.7	24.9	16.5	12.6%
- Lactic Acid & Specialties	39.6	33.1	19.9	14.8	19.6%
- Incubator	(8.5)	(6.8)	(3.7)	(3.4)	-25.0%
Non-core	14.1	11.1	8.8	5.3	27.0%
Total Adjusted EBITDA	89.9	77.1	49.9	33.2	16.6%

Depreciation, amortization, and impairment

Depreciation, amortization, and impairment of fixed assets before Adjustments amounted to € 36.3 million compared to € 30.3 million in H1 2021.

Operating result

Operating result decreased by € 11.2 million to € 59.1 million in H1 2022 (H1 2021: € 70.3 million). Adjusted operating result increased by € 6.8 million to € 53.6 million in H1 2022 (H1 2021: € 46.8 million).

Adjustments

In H1 2022, total adjustments of € 4.2 million were recorded (at Result after tax level), consisting of the following components:

1. Gain of € 9.3 million related to the sale of the Totowa warehouse.

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2. Loss of € 2.2 million related to incremental cost as a result of the Q4 2021 production outage in our Blair facility.
3. Loss of € 0.7 million related to strategic portfolio optimization in the Algae business.
4. Loss of € 0.7 million related to write down of receivables as a result of the conflict in Ukraine.
5. Loss of € 0.2 million related to an adjustment of the sales price for a plot of land in the Dutch municipality of Breda.
6. Tax effects on the above of € -1.3 million.

Financial income and charges

Net financial charges decreased by € 7.7 million to a gain of € 1.8 million, mainly as a result of exchange rate differences.

Taxes

The tax charge on our operations in H1 2022 amounted to € 18.0 million compared to a charge of € 7.3 million in H1 2021 (which included a positive contribution due to the recording of a previously unrecognized deferred tax asset related to the sale of a plot of land in The Netherlands). In H1 2022, the effective tax rate (25.8%) was slightly above the expected effective tax rate based on statutory tax rates of 24.6%. For 2022 we expect an effective tax rate of approximately 25%.

Statement of financial position

Capital employed increased, compared to year-end 2021, by € 191.7 million to € 1,223.7 million. The movements were:

€ million	
Capital expenditure on (in)tangible fixed assets	99.4
New / modifications to lease contracts	6.8
Disposal of fixed assets	-1.2
Depreciation / amortization / impairment of (in)tangible fixed assets	-36.3
Change in operating working capital	76.9
Change in provisions, other working capital and financial assets / accruals	-19.2
Movements related to joint ventures	8.3
Taxes	-9.0
Exchange rate differences	66.0

Major capital expenditure projects were investments related to our lactic acid capacity expansions in existing plants, and capex amounts related to our new 125 kt lactic acid plant in Thailand (expected to become operational in H2 2023).

Operating working capital increased by € 76.9 million, excluding € 18.3 million related to currency effects.

Shareholders' equity increased by € 42.7 million to € 596.8 million. The movements were:

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- The positive result after taxes of € 51.8 million;
- A decrease of € 33.0 million related to the cash dividend for financial year 2021;
- Positive exchange rate differences of € 23.2 million due to the translation of equity denominated in currencies other than the euro;
- Negative movement of € 5.1 million in the hedge reserve;
- Net share-based remuneration movement of € 0.4 million;
- Positive tax effects of € 5.4 million.

At half year-end 2022, the ratio between balance sheet total and equity was 1:0.4 (2021 year-end: 1:0.4).

Cash flow/Financing

Cash flow from operating activities increased compared to H1 2021 by € 2.4 million to € 18.0 million. This is the balance of the higher operational cash flow before movements in working capital of € 14.0 million, a negative impact of the movement in working capital and provisions of € 18.2 million, and lower taxes and interest paid of € 6.6 million.

The cash flow required for investment activities increased compared to H1 2021 by € 57.4 million to € 86.6 million. Capital expenditures (€ 112.7 million) accounted for most of this cash outflow, partly compensated by received dividend from the PLA joint venture and payments received related to the 2021 sale of a plot of land in the municipality of Breda, The Netherlands and the 2022 sale of the Totowa (US) warehouse.

The net debt position at half year-end 2022 was € 610.0 million, an increase of € 149.0 million compared to year-end 2021, mainly caused by the dividend payment, capital expenditures, and increased working capital positions, partly compensated by the positive cash flow from operating activities. The covenant net debt (excluding the subordinated loan) was € 510.6 million at half year-end 2022.

At half year-end 2022, the ratio of the covenant net debt to covenant EBITDA was 3.3x (end of 2021: 2.6x). The interest cover for half year-end was 13.6x (end of 2021: 16.5x). We continue to stay well within the limits of our financing covenants.

Outlook 2022

Even though the business environment continues to experience a heightened uncertainty and volatility, we continue to make good progress towards achieving our Advance 2025 targets.

For our core business, we expect an organic sales growth rate of 20-25% (was: 15%-20%), mostly driven by price increases and mix improvements.

- In Sustainable Food Solutions growth will be mostly driven by price increases and mix improvements, consolidating our significant market share gains we made over the past two years
- In Lactic Acid & Specialties, lactic acid derivatives are expected to continue to perform well across all segments, with growth being mostly driven by increased prices and mix

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improvements. Lactic acid sales to the PLA joint venture are expected to be stable versus last year due to the temporary adverse impact of Chinese lockdown measures and increased freight rates. We remain confident on the longer term prospects for PLA.

- In Incubator we expect AlgaPrime DHA to contribute positively to EBITDA in H2, after achieving the break-even milestone for the month of June. For other Incubator activities, we expect EBITDA investments at approximately -1% of Corbion core sales, in-line with our Advance 2025 strategy.

For our core activities, we expect an additional input cost increase of € 150 million in 2022 (was: € 90 million), on top of the cost increase of € 40 million incurred in 2021. Corbion has implemented price increases to compensate for these increases in input costs.

We expect an Adjusted EBITDA margin for the full year towards the lower end of the range of 12 – 15% for our core activities, reflecting the higher dilutive effect on our margin due to the implemented price increases. We are on track to substantially improve our absolute Adjusted EBITDA compared to last year.

The total estimated capital expenditure for 2022 is € 200 - 230 million, reflecting the peak of the investment for the lactic acid plant in Thailand. In line with our expectations, the Covenant Net Debt/Covenant EBITDA ratio increased to 3.3x at H1 2022. By the end of this year, we expect to improve this ratio compared to the mid-year position.

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Segment information

Sustainable Food Solutions

€ million	YTD 2022	YTD 2021	Q2 2022	Q2 2021
Net sales	365.8	284.1	195.0	145.2
Organic growth	18.5%	15.5%	21.2%	18.7%
Adjusted EBITDA	44.7	39.7	24.9	16.5
Adjusted EBITDA margin	12.2%	14.0%	12.8%	11.4%

Net sales in Sustainable Food Solutions, increased organically by 18.5% in H1 2022. In Q2, organic net sales growth was 21.2%, mostly driven by substantial price increases.

Preservation grew strongly in H1, mostly driven by price increases and mix improvements. Volume growth was limited after substantial market share gains over the past 2 years, and because of lower lactic acid availability in the US in Q1. The US processed meat market, the largest end-market for our preservation solutions, was in mid-single-digit decline in H1.

Functional systems also grew strongly in H1, albeit at a lower rate than Preservation as price increases were comparatively less pronounced. Volume growth was driven by a combination of new product introductions and increased usage of existing products. We are increasingly supporting our customers addressing raw material availability issues through reformulations.

Other Ingredients grew slightly overall. Volumes declined due to the deliberate shedding of some of the lower margin beverage (acidification) business. This was more than offset by price/mix improvements.

The Adjusted EBITDA margin in H1 2022 was lower compared to H1 2021 due to the lagging effect of implementing higher prices, the dilutive effect of price increases on the margin, and last year's investments in organizational capabilities in line with our Advance 2025 strategy.

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Lactic Acid & Specialties

€ million	YTD 2022	YTD 2021		Q2 2022	Q2 2021
Net sales	201.8	151.0		106.0	76.5
Organic growth	26.4%	12.6%		29.4%	25.2%
Adjusted EBITDA	39.6	33.1		19.9	14.8
Adjusted EBITDA margin	19.6%	21.9%		18.8%	19.3%

Net sales in Lactic Acid & Specialties in H1 2022 increased organically by 26.4%. In Q2, organic net sales growth was 29.4%.

All product segments grew significantly during H1, mostly driven by a large price/mix effect, necessary to compensate for input cost inflation. Within the different segments most of the sales growth was driven by lactic acid to the TotalEnergies Corbion joint venture, biobased esters (solvents) for the semiconductor market, and medical biopolymers. All segments showed significant growth in Q2 as well.

The Adjusted EBITDA margin in H1 2022 decreased from 21.9% to 19.6% due to higher input costs not yet fully reflected in increased sales prices and an increase in fixed costs (especially related to investments in organizational capabilities in medical biopolymers, in-line with our Advance 2025 strategy).

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Incubator

€ million	YTD 2022	YTD 2021	Q2 2022	Q2 2021
Net sales	24.1	11.8	14.5	6.6
Organic growth	87.3%	161.1%	98.5%	132.3%
Adjusted EBITDA	(8.5)	(6.8)	(3.7)	(3.4)
Adjusted EBITDA margin	-35.3%	-57.6%	-25.5%	-51.5%

Net sales in Incubator increased organically by 87.3% in H1 2022 driven by strong growth in AlgaPrime DHA (algae-based omega-3). The adoption of AlgaPrime DHA grew significantly with multiple leading aquaculture feed companies.

The Adjusted EBITDA loss in H1 2022 increased to € -8.5 million (H1 2021: € -6.8 million) due to higher variable costs (raw materials and freight) and a negative currency effect (strengthening of the Brazilian Real), partly offset by higher sales. Our AlgaPrime DHA business has shown positive EBITDA as of June.

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Non-core activities

€ million	YTD 2022	YTD 2021		Q2 2022	Q2 2021
Net sales	95.7	68.7		51.8	35.8
Organic growth	26.3%	10.4%		28.5%	18.5%
Adjusted EBITDA	14.1	11.1		8.8	5.3
Adjusted EBITDA margin	14.7%	16.2%		17.0%	14.8%

Non-core activities (Emulsifiers) organic growth was 26.3% in H1 2022. Due to its raw material profile, the non-core emulsifiers business has seen relatively high price increases within the Corbion portfolio. Volumes were down due to continued supply challenges in the business. The Adjusted EBITDA margin decreased from 16.2% to 14.7% due to the substantial dilutive effect of the price increases.

TotalEnergies Corbion joint venture

€ million *	YTD 2022	YTD 2021		Q2 2022	Q2 2021
Net sales	91.9	75.0		43.8	37.9
EBITDA	30.1	27.5		14.4	11.6
EBITDA margin	32.7%	36.7%		32.9%	30.6%

* Results on 100% basis. Corbion owns 50% of Total Corbion PLA

Sales increased by 22.5% in H1 2022. The EBITDA margin decreased from 36.7% to 32.7% as higher plant utilization rates were offset by higher lactic acid costs, higher freight rates, and investments in the organization.

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Consolidated income statement

<i>millions of euros</i>	1st Half-year	
	2022	2021
Net sales	687.4	515.6
Cost of sales	-531.7	-376.2
Gross profit	155.7	139.4
Selling expenses	-37.9	-34.5
Research and development costs	-23.1	-20.2
General and administrative expenses	-44.7	-44.5
Other proceeds	9.1	30.1
Operating result	59.1	70.3
Financial income	10.3	4.7
Financial charges	-8.5	-10.6
Results from joint ventures and associates	8.9	10.4
Result before taxes	69.8	74.8
Taxes	-18.0	-7.3
Result after taxes	51.8	67.5
Per common share in euros		
Basic earnings	0.88	1.15
Diluted earnings	0.87	1.14

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Consolidated statement of comprehensive income

<i>millions of euros</i>	1st Half-year	
	2022	2021
Result after taxes	51.8	67.5
Other comprehensive results to be recycled:		
Translation reserve	23.2	5.6
Hedge reserve	-5.1	9.3
Taxes relating to other comprehensive results to be recycled	5.4	-0.7
Total other comprehensive results to be recycled	23.5	14.2
Other comprehensive results not to be recycled:		
Defined benefit arrangements		-1.5
Total other comprehensive results not to be recycled		-1.5
Total comprehensive result after taxes	75.3	80.2

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Consolidated statement of financial position

<i>before profit appropriation, millions of euros</i>	As at 30-06-2022	As at 31-12-2021
Assets		
Property, plant, and equipment	571.0	466.8
Right-of-use assets	71.3	66.1
Intangible fixed assets	164.3	157.9
Investments in joint ventures and associates	33.4	23.2
Long term employee benefits	0.5	0.5
Other non-current financial assets	96.6	94.8
Deferred tax assets	32.7	27.3
Total non-current assets	969.8	836.6
Inventories	289.6	230.0
Trade receivables	216.0	163.2
Other receivables	46.6	58.2
Income tax receivables	0.6	9.8
Cash and cash equivalents	73.7	42.2
Assets held for sale		1.1
Total current assets	626.5	504.5
Total assets	1,596.3	1,341.1
Equity and liabilities		
Equity	596.8	554.1
Borrowings	379.4	359.1
Lease liabilities	64.3	59.5
Long term employee benefits	5.4	5.1
Deferred tax liabilities	30.4	25.4
Other non-current liabilities	16.9	16.9
Total non-current liabilities	496.4	466.0
Borrowings	228.8	74.7
Lease liabilities	11.2	9.9
Provisions	9.5	8.9
Income tax payables	3.2	1.7
Trade payables	145.2	128.0
Other current liabilities	105.2	97.8
Liabilities directly associated with assets held for sale		
Total current liabilities	503.1	321.0
Total equity and liabilities	1,596.3	1,341.1

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Consolidated statement of changes in equity

<i>before profit appropriation, millions of euros</i>	Share capital	Share premium reserve	Other reserves	Retained earnings	Total
As at 1 January 2021	14.8	55.2	42.4	403.6	516.0
Result after taxes				67.5	67.5
Other comprehensive result after tax			14.2	-1.5	12.7
Transfers to/from Other reserves			2.6	-2.6	
Total comprehensive result after tax			16.8	63.4	80.2
Cash dividend				-33.0	-33.0
Share-based remuneration transfers			-3.9	0.7	-3.2
Share-based remuneration charged to result			1.4		1.4
Total transactions with shareholders			-2.5	-32.3	-34.8
As at 30 June 2021	14.8	55.2	56.7	434.7	561.4
As at 1 January 2022	14.8	55.2	53.9	430.2	554.1
Result after taxes				51.8	51.8
Other comprehensive result after tax			23.5		23.5
Transfers to/from Other reserves			2.3	-2.3	
Total comprehensive result after tax			25.8	49.5	75.3
Cash dividend				-33.0	-33.0
Share-based remuneration transfers			-3.8	2.3	-1.5
Share-based remuneration charged to result			1.9		1.9
Total transactions with shareholders			-1.9	-30.7	-32.6
As at 30 June 2022	14.8	55.2	77.8	449.0	596.8

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Consolidated statement of cash flows

<i>millions of euros</i>	1st Half-year	
	2022	2021
Cash flow from operating activities		
Operating result	59.1	70.3
Adjusted for:		
• Depreciation/amortization of fixed assets	36.3	30.3
• Impairment of fixed assets		3.8
• Result from divestments of fixed assets	-9.2	-31.4
• Share-based remuneration	1.9	1.1
Cash flow from operating activities before movements in working capital and provisions	88.1	74.1
Movement in provisions	0.1	-1.8
Movements in operating working capital:		
• Trade receivables	-41.9	-20.0
• Inventories	-44.9	-6.7
• Trade payables	9.9	-14.6
Movement in other working capital	16.8	1.3
Cash flow from business operations	28.1	32.3
Interest received	1.0	1.0
Interest paid	-7.3	-6.2
Tax paid on profit	-3.8	-11.5
Cash flow from operating activities	18.0	15.6
Cash flow from investment activities		
Acquisition of group companies		-9.1
Dividends received from joint ventures and associates	6.9	4.1
Investment other financial assets	-0.4	
Repayment other financial assets	9.2	
Capital expenditure on (in)tangible fixed assets	-112.7	-52.8
Divestment of (in)tangible fixed assets	10.4	28.6
Cash flow from investment activities	-86.6	-29.2
Cash flow from financing activities		
Proceeds from interest-bearing debts	154.0	38.0
Repayment of interest-bearing debts	-2.6	
Repayment of lease liabilities	-6.0	-5.2
Settlement of derivatives	-14.9	
Paid-out dividend	-33.0	-33.0
Cash flow from financing activities	97.5	-0.2
Net cash flow	28.9	-13.8
Effects of exchange rate differences on cash and cash equivalents	2.6	0.5
Increase/decrease cash and cash equivalents	31.5	-13.3
Cash and cash equivalents at start of financial year	42.2	51.6
Cash and cash equivalents at close of financial year	73.7	38.3

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Accounting information

General

Corbion is the global market leader in lactic acid and lactic acid derivatives, and a leading company in emulsifiers, functional enzyme blends, minerals, vitamins, and algae ingredients. The company delivers high-performance sustainable ingredient solutions made from renewable resources and applied in global markets such as food, home & personal care, animal nutrition, pharmaceuticals, medical devices, and bioplastics. Its products add differentiating functionality to a wide variety of consumer products worldwide.

The figures in this half-year report have not been audited or reviewed by an external auditor.

Principles for the valuation of assets and liabilities and determination of the result

This condensed interim financial information for the half-year ended 30 June 2022 complies with IFRS and has been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim condensed financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2021. In preparing these condensed interim financial statements the main estimates and judgements made by the Board of Management when applying Corbion's accounting policies, were similar to those applied to the annual financial statements for the year ended 31 December 2021.

New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Held for sale

The held for sale item in 2021 relates to a warehouse in Totowa (US) which has been sold in January 2022.

Events after balance sheet date

There has been no subsequent event from 30 June 2022 to the date of issue that affect the Half year condensed Financial statements Q2 2022.

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Consolidated income statement adjustments

The consolidated income statement for financial years first half-year 2022 and first half-year 2021 before adjustments (non-IFRS financial measures) can be presented as follows.

	1st Half-year					
	2022			2021		
	Adjusted figures	Adjustments	IFRS figures	Adjusted figures	Adjustments	IFRS figures
Net sales	687.4		687.4	515.6		515.6
Cost of sales	-529.1	-2.6	-531.7	-374.5	-1.7	-376.2
Gross profit	158.3	-2.6	155.7	141.1	-1.7	139.4
Selling expenses	-36.9	-1.0	-37.9	-30.7	-3.8	-34.5*
Research and development costs	-23.1		-23.1	-20.2		-20.2
General and administrative expenses	-44.7		-44.7	-43.4	-1.1	-44.5
Other proceeds		9.1	9.1		30.1	30.1
Operating result	53.6	5.5	59.1	46.8	23.5	70.3
Less: depreciation/amortization/impairment (in)tangible fixed assets	36.3		36.3	30.3	3.8	34.1
EBITDA	89.9	5.5	95.4	77.1	27.3	104.4
Depreciation/amortization/impairment (in)tangible fixed assets	-36.3		-36.3	-30.3	-3.8	-34.1
Operating result	53.6	5.5	59.1	46.8	23.5	70.3
Financial income	10.3		10.3	4.7		4.7
Financial charges	-8.5		-8.5	-10.6		-10.6
Results from joint ventures and associates	8.9		8.9	10.4		10.4
Result before taxes	64.3	5.5	69.8	51.3	23.5	74.8
Taxes	-16.7	-1.3	-18.0	-10.6	3.3	-7.3
Result after taxes	47.6	4.2	51.8	40.7	26.8	67.5

* Adjustment was reported in Research and development costs in HY 2021 press release, but relates to Selling expenses. For comparison purposes reclassified.

Adjustments relate to significant items in the income statement of such size, nature, or incidence that in view of management require disclosure to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. These items include amongst others write-down of inventories to net realizable value, reversals of write-downs, impairments, reversals of impairments, additions to and releases from provisions for restructuring and reorganization, results on assets sold, gains on the sale of subsidiaries, joint ventures and associates, and any other provision being formed or released. Restructuring costs are defined as the estimated costs of initiated reorganizations, which have been approved by the Executive Committee, and which generally involve the realignment of certain parts of the organization. The company only adjusts for items when the aggregate amount of the events per line item of the income statement exceeds a yearly threshold of € 0.5 million as well as adjustments, each above € 0.1 million, in relation to previously recognized adjustments.

In the first half-year 2022, a total of € 4.2 million adjustments were recorded, consisting of the following components:

1. Gain of € 9.3 million related to the sale of the Totowa warehouse.
2. Loss of € 2.2 million related to incremental cost as a result of the Q4 2021 production outage in our Blair facility.
3. Loss of € 0.7 million related to strategic portfolio optimization in the Algae business.
4. Loss of € 0.7 million related to write down of receivables as a result of the conflict in Ukraine.
5. Loss of € 0.2 million related to an adjustment of the sales price for a plot of land in the Dutch municipality of Breda.
6. Tax effects on the above of € -1.3 million.

In the first half-year 2021, a total of € 26.8 million adjustments were recorded, consisting of the following components:

1. Gain of € 11.1 million related to the sale of the Frozen Dough activities.
2. Gain of € 18.5 million related to the sale of a piece of land.
3. Loss of € 3.8 million related to an impairment on the FDCA development.
4. Loss of € 1.7 million as a result of a litigation claim.
5. Loss of € 0.6 million related to the acquisition of Granotec Mexico.
6. Tax effects on the above of € 3.3 million.

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Segment information

In line with the management responsibilities and internal management reporting for its strategic decision-making process Corbion distinguishes between the segments Sustainable Food Solutions, Lactic Acid & Specialties (together "Core"), and Non-core.

In Sustainable Food Solutions, Corbion has evolved increasingly from an ingredients business into a solutions business. We plan to expand on this solutions model with natural food preservation and functional systems as our core capabilities, enabling us to accelerate growth in close adjacencies.

In our Lactic Acid & Specialties business, we aim to capitalize on our market and technology leadership in lactic acid and lactic acid derivatives. Corbion leads the lactic acid market in technology, production capacity, geographic coverage, and breadth of portfolio.

In our Incubator, where we develop early-stage initiatives, the three main initiatives are: Algae-based omega-3, algae ingredients, and our co-polymers platform. This platform is a lactic acid-based controlled release co-polymers technology, expanding on our (medical) polymer expertise.

Non-core activities comprise emulsifiers which will have a declining strategic fit going forward and will be managed for value.

Segment information by business area

millions of euros	Sustainable Food Solutions		Lactic Acid and Specialties		Incubator		Core ¹⁾		Non-core		Corbion	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Income statement information												
Net sales	365.8	284.1	201.8	151.0	24.1	11.8	591.7	446.9	95.7	68.7	687.4	515.6
Operating result	31.6	33.3	30.7	31.9	-12.9	-9.3	49.4	55.9	9.7	14.4	59.1	70.3
Adjustments to operating result	-7.0	-10.6	0.8	-5.8	0.7		-5.5	-16.4		-7.1	-5.5	-23.5
Adjusted operating result	24.6	22.7	31.5	26.1	-12.2	-9.3	43.9	39.5	9.7	7.3	53.6	46.8
Alternative non-IFRS performance measures												
EBITDA	51.7	50.3	38.8	38.9	-9.2	-6.8	81.3	82.4	14.1	22.0	95.4	104.4
Adjustments to EBITDA	-7.0	-10.6	0.8	-5.8	0.7		-5.5	-16.4		-10.9	-5.5	-27.3
Adjusted EBITDA	44.7	39.7	39.6	33.1	-8.5	-6.8	75.8	66.0	14.1	11.1	89.9	77.1
Ratios alternative non-IFRS performance measures												
EBITDA margin %	14.1	17.7	19.2	25.8	-38.2	-57.6	13.7	18.4	14.7	32.0	13.9	20.2
Adjusted EBITDA margin %	12.2	14.0	19.6	21.9	-35.3	-57.6	12.8	14.8	14.7	16.2	13.1	15.0

1) Includes Sustainable Food Solutions, Lactic Acid and Specialties and Incubator

Corbion generates almost all of its revenues from the sale of goods.

Information on the use of alternative non-IFRS performance measures

these so-called alternative performance measures might be useful for the readers of these financial statements. Corbion management uses these performance measures to make financial, operational, and strategic decisions and evaluate performance of the segments. The alternative performance measures can be calculated as follows:

- EBITDA is the operating result before depreciation, amortization, and impairment of (in) tangible fixed assets
- EBITDA margin is EBITDA divided by net sales x 100

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Financial Instruments

Valuation of financial instruments

Corbion measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements based on inputs other than level 1 quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements based on valuation techniques that include inputs for the asset or liability that are based on observable market data (unobservable inputs).

Breakdown valuation of financial instruments

30 June 2022	Level 1	Level 2	Level 3	Total
Derivatives				
• Foreign exchange contracts				
• Commodity swaps/collars		2.1		2.1
Total		2.1		2.1

Breakdown fair values financial instruments

	30 June 2022		30 June 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial fixed assets				
• Loans, receivables, and other	96.6	97.6	84.2	84.2
Receivables				
• Trade receivables	216.0	216.0	146.9	146.9
• Other receivables	22.9	22.9	32.3	32.3
• Prepayments and deferred income	21.6	21.6	13.6	13.6
Cash				
• Cash other	73.7	73.7	38.3	38.3
Borrowings				
• Private placement	-279.9	-257.4	-247.5	-249.9
• Subordinated loan	-99.5	-89.9		
• Owed to credit institutions	-228.8	-228.8	-80.6	-80.6
Non-interest-bearing liabilities				
• Trade payables	-145.2	-145.2	-86.2	-86.2
• Other payables	-105.2	-105.2	-76.5	-76.5
Derivatives				
• Foreign exchange contracts			-4.3	-4.3
• Commodity swaps/collars	2.1	2.1	9.3	9.3
Total	-425.7	-392.6	-170.5	-172.9

Fair values are determined as follows

- The fair value of receivables equals the book value because of their short-term character.
- Cash and cash equivalents are measured at nominal value which, given the short-term and risk-free character, corresponds to the fair value.
- Market quotations are used to determine the fair value of debt owed to private parties, credit institutions and other debts. As there are no market quotations for most of the loans the fair value of short- and long-term loans is determined by discounting the future cash flows at the yield curve applicable as at the reporting date.
- Financial lease commitments: the fair value is estimated at the present value of the future cash flows, discounted at the interest rate for similar contracts which is applicable as at the reporting date. This fair value equals the book value.
- Given the short-term character, the fair value of non-interest-bearing liabilities equals the book value.
- Currency and interest derivatives are measured on the basis of the present value of future cash flows over the remaining term of the contracts, using the bank interest rate (such as Euribor) as at the reporting date for the remaining term of the contracts. The present value in foreign currencies is converted using the exchange rate applicable as at the reporting date.
- Commodity derivatives are measured on the basis of the present value of future cash flows, using market quotations or own variable market price estimations of the involved commodity as at the reporting date.

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Key figures

<i>millions of euros</i>	1st Half-year	
	2022	2021
Net sales	687.4	515.6
Operating result	59.1	70.3
Adjusted EBITDA ¹	89.9	77.1
Result after taxes	51.8	67.5
Earnings per share in euros ²	0.88	1.15
Diluted earnings per share in euros ²	0.87	1.14
Key data per ordinary share		
Number of issued ordinary shares	59,242,792	59,242,792
Number of ordinary shares with dividend rights	59,012,918	58,952,039
Weighted average number of outstanding ordinary shares	58,950,111	58,900,845
Price as at 30 June	28.86	48.20
Highest price in calendar year	42.00	53.60
Lowest price in calendar year	28.08	41.90
Market capitalization as at 30 June ³	1,703	2,841
Other key data		
Cash flow from operating activities	18.0	15.6
Cash flow from operating activities per ordinary share, in euros ²	0.31	0.26
Free cash flow ⁴	-68.6	-13.6
Depreciation/amortization fixed assets	36.3	30.3
Capital expenditure on (in)tangible fixed assets	99.4	51.1
Equity per share in euros ⁵	10.11	9.52
Number of employees at closing date (FTE)	2,517	2,352
Ratios		
ROCE % ⁶	10.9	13.0
Adjusted EBITDA margin % ⁷	13.1	15.0
Result after taxes/net sales %	7.5	13.1
Net debt position/Covenant EBITDA ⁸	3.3	2.1
Interest cover ⁹	13.6	15.1
Balance sheet figures as per 30/06/2022 and 31/12/2021		
Non-current assets	969.8	836.6
Current assets excluding cash and cash equivalents	552.8	462.3
Non-interest-bearing current liabilities	253.6	227.5
Covenant net debt position ¹⁰	510.6	361.6
Total net debt position ¹¹	610.0	461.0
Other non-current liabilities	16.9	16.9
Provisions	45.3	39.4
Equity	596.8	554.1
Capital employed ¹²	1,223.7	1,032.0
Average capital employed ¹²	1,145.1	935.8
Balance sheet total : equity	1:0.4	1:0.4
Net debt position : equity	1:1	1:1.2
Current assets : current liabilities	1:0.8	1:0.6

1 Adjusted EBITDA is the operating result before depreciation, amortization, impairment of (in)tangible fixed assets and after adjustments.

2 Per ordinary share in euros after deduction of dividend on financing preference shares.

3 Market capitalization is calculated by multiplying the number of ordinary shares with dividend rights by the share price at the closing date.

4 Free cash flow comprises cash flow from operating activities and cash flow from investment activities.

5 Equity per share is equity divided by the number of shares with dividend rights.

6 Return on capital employed (ROCE) is defined by Corbion as adjusted operating result, including results from joint ventures and associates, divided by the average capital employed x 100.

7 Adjusted EBITDA margin % is adjusted EBITDA as defined above divided by net sales x 100.

8 Covenant EBITDA is adjusted EBITDA as defined above, increased by cash dividend of joint ventures received and annualization effect of newly acquired and/ or divested subsidiaries.

9 Interest cover is covenant EBITDA as defined above divided by net interest income and charges.

10 Covenant net debt position comprises borrowings (excluding subordinated loans), and lease liabilities less cash and cash equivalents, including third-party guarantees which are required to be included under the debt covenants.

11 Total net debt position comprises borrowings, and lease liabilities less cash and cash equivalents, including third-party guarantees which are

12 Capital employed and average capital employed are based on balance sheet book values.

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Alternative performance measures (APM)

Within this report, Corbion has included certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Corbion uses these measures to assess the performance of the business and believes that the information is useful to users of the financial information. The non-IFRS financial measures do not have a standardised meaning prescribed by the IASB, therefore may not be comparable to similar measures presented by other issuers.

The table below gives an overview of the alternative performance measures used and their definitions.

APM	Definition
EBITDA	The operating result before depreciation, amortization, and impairment of (in)tangible fixed assets.
Adjusted EBITDA	EBITDA as defined above after applying adjustments.
Adjusted EBITDA margin %	Adjusted EBITDA as defined above divided by net sales x 100.
Adjusted EBITDA excluding acquisitions and divestments, at constant currencies	Adjusted EBITDA as defined above excluding the impact of acquisitions and divestments, based on prior-year currency rates.
Covenant EBITDA	Adjusted EBITDA as defined above increased by cash dividend of joint ventures received and annualization effect of newly acquired subsidiaries.
Organic EBITDA growth	Adjusted EBITDA as defined above versus prior year excluding impact of acquisitions and divestments and excluding currency impact.
Organic sales growth	Sales versus prior year excluding impact of acquisitions and divestments and excluding currency impact.
Adjusted operating result	Operating result after adjustments.
Adjusted result after taxes	Result after taxes after adjustments.
Interest cover	Covenant EBITDA as defined above divided by net interest income and charges.
Covenant net debt position	Borrowings (excluding subordinated loans) and lease liabilities less cash and cash equivalents, including third-party guarantees which are required to be included under the debt covenants.
Total net debt position	Interest-bearing debts and lease liabilities less cash and cash equivalents, including third-party guarantees which are required to be included under the debt covenants.
Capital employed	The sum of equity, non-current liabilities, interest-bearing current liabilities, and lease liabilities minus cash and cash equivalents.
Average capital employed	Average of the quarterly average capital employed in the reporting period.
Free cash flow	Cash flow from operating activities plus cash flow from investment activities.
Return on capital employed (ROCE)	Adjusted operating result as defined above, including results from joint ventures and associates, divided by the average capital employed x 100.
Adjustments	Adjustments relate to significant items in the income statement of such size, nature or incidence that in view of management require disclosure to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. These items include amongst others write-down of inventories to net realizable value, reversals of write-downs, impairments, reversals of impairments, additions to and releases from provisions for restructuring and reorganization, results on assets sold, gains on the sale of subsidiaries, joint ventures and associates, and any other provision being formed or released. Restructuring costs are defined as the estimated costs of initiated reorganizations, which have been approved by the Executive Committee, and which generally involve the realignment of certain parts of the organization. The company only adjusts for items when the aggregate amount of the events per line item of the income statement exceeds a yearly threshold of € 0.5 million as well as adjustments, each above € 0.1 million, in relation to previously recognized adjustments.

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The table below gives a selection of the APMs used to the most directly comparable IFRS measure.

€ million	Q2 2022	Q2 2021
Operating result	59.1	70.3
Depreciation, amortization and impairments	36.3	34.1
EBITDA	95.4	104.4
<i>Adjustments to EBITDA</i>		
- Profit on sale warehouse	-9.3	
- Portfolio optimization Algae	0.7	
- Write down receivables as a result of the Ukraine conflict	0.7	
- Incremental cost as a result of the production outage in our Blair facility	2.2	
- Profit on sale of land	0.2	-18.5
- Bookprofit sale Frozen Dough		-11.1
- Litigation claim		1.7
- Acquisition costs		0.6
Total adjustments to EBITDA	-5.5	-27.3
Adjusted EBITDA	89.9	77.1
Adjusted EBITDA (A)	89.9	77.1
Net sales (B)	687.4	515.6
Adjusted EBITDA margin (A/B)	13.1%	15.0%
Operating result	59.1	70.3
<i>Adjustments to operating result</i>		
- Adjustments to EBITDA	-5.5	-27.3
- Impairments		3.8
Total adjustments to operating result	-5.5	-23.5
Adjusted operating result	53.6	46.8
Result after taxes	51.8	67.5
<i>Adjustments to result after taxes</i>		
- Adjustments to operating result	-5.5	-23.5
- Tax effect on above adjustments	1.3	-3.3
Total adjustments to result after taxes	-4.2	-26.8
Adjusted result after taxes	47.6	40.7
Cash flow from operating activities	18.0	15.6
Cash flow from investment activities	-86.6	-29.2
Free cash flow	-68.6	-13.6

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Equity	596.8	561.4
Borrowings	608.2	328.1
Lease liabilities	75.5	52.6
Other non-current liabilities	16.9	19.4
-/- Cash and cash equivalents	-73.7	-38.3
Capital employed Q2	1,223.7	923.2
Capital employed end Q4 prior year (A)	1,032.0	818.7
Capital employed end Q1 (B)	1,162.4	891.2
Capital employed end Q2 (C)	1,223.7	923.2
Average capital employed Q2 ((A+B)/2+(B+C)/2)/2	1,145.1	881.1
Adjusted operating result	53.6	46.8
Adjusted result from joint ventures and associates	8.9	10.4
Adjusted operating result basis for ROCE (A)	62.5	57.2
Annualized operating result basis for ROCE (A*2) (B)	125.0	114.4
Average capital employed for the year (C)	1,145.1	881.1
Return on capital employed (B/C)	10.9%	13.0%
Borrowings	608.2	328.1
Lease liabilities	75.5	52.6
-/- Cash and cash equivalents	-73.7	-38.3
Total net debt position	610.0	342.4
Borrowings	608.2	328.1
Lease liabilities	75.5	52.6
-/- Subordinated loan	-99.4	
-/- Cash and cash equivalents	-73.7	-38.3
Covenant net debt position	510.6	342.4
Adjusted EBITDA Q2 (A)	89.9	77.1
Adjusted EBITDA FY Prior year (B)	135.7	158.8
Adjusted EBITDA Q2 Prior year (C)	77.1	83.8
Impact sold business (D)		1.3
Annualization effect of newly acquired subsidiaries (E)		0.6
Dividend received from joint ventures (F)	6.9	8.3
Rolling Covenant EBITDA Q1 (A+B-C-D+E+F)	155.4	159.8
Net debt position (A)	510.6	342.4
Rolling covenant EBITDA Q2	155.4	159.8
Covenant net debt position/ Rolling covenant EBITDA	3.3	2.1
Interest income	-1.3	-0.9
Interest expenses	7.6	5.4
Net interest financial income and charges Q2	6.3	4.5
Rolling covenant EBITDA (A)	155.4	159.8
Net interest financial income and charges Q2 (B)	6.3	4.5
Net interest financial income and charges FY Prior year (C)	9.6	9.9
Net interest financial income and charges Q2 Prior year (D)	4.5	3.8
Interest cover (A/(B+C-D))	13.6	15.1
Adjusted EBITDA	89.9	77.1
Impact acquisitions and divestments	0.6	2.0
Currency impact	-13.7	8.6
Adjusted EBITDA excluding acquisitions and divestments, at constant currencies	76.8	87.7
Adjusted EBITDA prior year (A)	77.1	83.8
Adjusted EBITDA excluding acquisitions and divestments, at constant currencies current year (B)	76.8	87.7
Organic EBITDA growth ((B-A)/A)*100%	-0.4%	4.7%
Total Corbion PLA BV (100% basis)		
Operating result	26.3	24.1
Depreciation, amortization, and impairments	3.8	3.4
EBITDA	30.1	27.5

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This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

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Background information:

Corbion is the global market leader in lactic acid and its derivatives, and a leading supplier of emulsifiers, functional enzyme blends, minerals, vitamins, and algae ingredients. We use our unique expertise in fermentation and other processes to deliver sustainable solutions for the preservation of food and food production, health, and our planet. For over 100 years, we have been uncompromising in our commitment to safety, quality, innovation and performance. Drawing on our deep application and product knowledge, we work side-by-side with customers to make our cutting-edge technologies work for them. Our solutions help differentiate products in markets such as food, home & personal care, animal nutrition, pharmaceuticals, medical devices, and bioplastics. In 2021, Corbion generated annual sales of € 1.070,8 million and had a workforce of 2,493 FTE. Corbion is listed on Euronext Amsterdam. For more information: www.corbion.com