

AD HOC ANNOUNCEMENT PURSUANT TO ART. 53 LR

Clariant shuts its sunliquid® bioethanol plant in Romania

- **Strategic review concluded: Board of Directors has decided to close bioethanol plant in Podari, Romania, and to downsize related activities in Germany**
- **Asset impairments of approximately CHF 110 million and provisions relating to closure of approximately CHF 60 – 90 million in Q4 2023**
- **Anticipated cash impact of CHF 110 – 140 million in 2024**
- **Continued focus on execution of Clariant’s purpose-led growth strategy**

MUTTENZ, DECEMBER 6, 2023

Clariant, a sustainability-focused specialty chemical company, today announced its decision to shut down its sunliquid® bioethanol production in Podari, Romania, and to downsize related activities of the business line Biofuels & Derivatives in Germany (Straubing, Planegg and Munich).

After developing the sunliquid® technology, Clariant had taken the decision in 2017 to establish its own commercial sunliquid® plant in Podari, which began producing bioethanol in the second quarter of 2022. In July 2023, Clariant started a strategic evaluation of the options for the plant after it became clear that the plant did not achieve Clariant’s targeted operational parameters.

Clariant management has concluded that, given continued losses, the economics of the plant in Podari cannot justify for Clariant to continue ramp up which would require significant additional capital expenditure. Following today’s announcement, activities within the business line Biofuels & Derivatives that supported the development and ramp-up of the plant will be downsized. Required capabilities to maintain the technology and to fulfill existing contractual obligations will be kept.

“After a careful review of all the strategic options, we have decided to close the Podari operation. We will work closely with employee representatives in Romania and Germany and are committed to finding solutions that are most socially responsible. For a company that focuses as much on innovation as we do, it is imperative to take firm decisions when a project does not fulfill expectations and to execute even more rigorously on our sustainable growth strategy,” said Conrad Keijzer, Chief Executive Officer of Clariant.

Clariant has also completed a preliminary financial assessment of the impact of this closure, as summarized in the table below. The company has concluded that restructuring costs and provisions relating to the closure and downsizing of approximately CHF 60 – 90 million, impacting EBITDA, will be incurred in December 2023. In addition, further impacts of approximately CHF 110 million will be incurred at the EBIT level, including a non-cash impairment to the current asset value of the Podari plant and other remaining assets.

These amounts will mainly be booked in December 2023 and will therefore be reflected in the full year 2023 results, due to be announced on 29 February 2024. Clariant anticipates a cash impact relating to the closure costs of approximately CHF 110 – 140 million in full year 2024. Additional costs of maintaining required capabilities relating to the technology licenses of CHF 10 – 15 million are anticipated in the full year 2024.

Summary of total financial impact related to the decision:

Negative impact (CHF million)	FY 2023	FY 2024
EBITDA	60 – 90	10 – 15
EBIT (incl. EBITDA impact)	170 – 200	10 – 15
Cash flow		110 – 140

Clariant has also reflected the financial impact of today's announcement related to the closure of sunliquid® operations on the EBITDA full year guidance, resulting in reported EBITDA expectation for the full year 2023 of CHF 570 – 600 million (from previously CHF 650 – 700 million).

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Clariant is a focused specialty chemical company led by the overarching purpose of 'Greater chemistry – between people and planet'. By connecting customer focus, innovation, and people the company creates solutions to foster sustainability in different industries. On 31 December 2022, Clariant totaled a staff number of 11 148 and recorded sales of CHF 5.198 billion in the fiscal year for its continuing businesses. As of January 2023, the Group conducts its business through the three newly formed Business Units Care Chemicals, Catalysts, and Adsorbents & Additives. Clariant is based in Switzerland.