

2022

LANXESS AG ANNUAL FINANCIAL STATEMENTS

LANXESS AKTIENGESELLSCHAFT, COLOGNE

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Income Statement

LANXESS AG

€ thousand	Notes	Dec. 31, 2021	Dec. 31, 2022
Sales	(1)	5,408	5,780
Cost of sales	(2)	(5,307)	(5,546)
Gross profit		101	234
General administration expenses		(50,455)	(48,846)
Other operating income	(3)	1,836	1,876
Other operating expenses	(4)	(290)	(772)
Operating result		(48,808)	(47,508)
Income from investments in affiliated companies		0	987,903
Expense for loss absorption from affiliated companies		(98,035)	0
Income from other securities and loans included in financial non-current assets	(5)	8,258	7,292
Net interest expense	(6)	20,043	85,568
Write-downs of financial assets and marketable securities		(3,927)	(3,963)
Other financial income and expenses – net	(7)	(8,000)	(11,690)
Financial result		(81,661)	1,065,110
Income taxes	(8)	38,462	(4,045)
Income after income taxes		(92,007)	1,013,557
Net loss/income for the year		(92,007)	1,013,557
Carryforward to new account	(20)	43,865	11,194
Withdrawal from other retained earnings	(20)	151,102	0
Addition to other retained earnings	(20)	0	(506,779)
Offsetting against the difference from the acquisition of treasury shares		(1,102)	0
Income from capital reduction	(20)	1,102	0
Addition to capital reserves	(20)	(1,102)	0
Distributable profit		101,858	517,972

Statement of Financial Position

LANXESS AG

€ thousand	Notes	Dec. 31, 2021	Dec. 31, 2022
ASSETS			
Non-current assets	(12)		
Property, plant and equipment		40	38
Financial assets			
Investments in affiliated companies	(13)	738,864	738,864
Loans to subsidiaries	(14)	198,363	98,670
Other loans	(15)	59,911	58,442
		997,178	896,014
Current assets			
Receivables and other assets			
Receivables from affiliated companies	(16)	4,932,066	8,426,625
Other assets	(17)	138,292	44,066
Securities	(18)	491,000	78,500
Liquid assets		593,410	77,399
		6,154,768	8,626,590
Prepaid expenses	(19)	31,809	31,120
Total assets		7,183,755	9,553,724

€ thousand	Notes	Dec. 31, 2021	Dec. 31, 2022
EQUITY AND LIABILITIES			
Equity	(20)		
Capital stock (conditional capital €9,152 thousand)		86,346	86,346
Capital reserves		1,235,706	1,235,706
Other retained earnings		406,702	913,481
Distributable profit		101,858	517,972
		1,830,612	2,753,505
Provisions			
Provisions for pensions and other post-employment benefit obligations	(21)	95,716	105,773
Tax provisions	(22)	15,267	16,896
Other provisions	(23)	28,648	24,139
		139,631	146,808
Liabilities			
Bonds	(24)	3,300,000	3,300,000
Liabilities to banks	(25)	24,868	730,228
Trade payables	(26)	1,624	2,540
Payables to affiliated companies	(27)	1,884,992	2,618,099
Other liabilities	(28)	2,028	2,544
		5,213,512	6,653,411
Total equity and liabilities		7,183,755	9,553,724
Contingent liabilities from guarantees	(30)	139,037	152,342

Notes to the Annual Financial Statements of LANXESS Aktiengesellschaft, Cologne, for the Fiscal Year 2022

GENERAL INFORMATION

The Board of Management and Supervisory Board have issued the declaration required under Section 161 of the German Stock Corporation Act (AktG) regarding the German Corporate Governance Code. This has been made available to the stockholders and can be found at www.lanxess.com in the Investors section under Corporate Governance.

FUNDAMENTALS

The annual financial statements of LANXESS AG, Cologne (registered at Cologne District Court, HRB 53652), are prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act that are applicable to large stock corporations as well as the supplementary provisions of the articles of association. As in the previous year, the management report of LANXESS AG has been combined with the management report of the LANXESS Group in application of Section 315, Paragraph 5 HGB in conjunction with Section 298, Paragraph 2 HGB.

To enhance clarity, certain items in the income statement and the statement of financial position are combined and

are explained in the Notes. Also for reasons of clarity, the "of which" items required for certain financial statement items are included exclusively in the Notes.

The income statement has been drawn up using the cost-of-sales method.

Financial income and expenses whose disclosure is not covered by a mandatory item and which cannot be assigned to a separate item are reported under other financial income or expenses.

As the primary parent company of the LANXESS Group, LANXESS AG has prepared consolidated financial statements as of December 31, 2022, in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union.

The annual financial statements and combined management report for fiscal year 2022 prepared in application of Section 315, Paragraph 5 HGB in conjunction with Section 298, Paragraph 2 HGB are published together with the auditor's report in the German Federal Gazette (Unternehmensregister). They are made available at www.lanxess.de under Investors, Publications.

ACCOUNTING POLICIES AND VALUATION PRINCIPLES

Intangible assets that have been acquired are recognized at cost and amortized on a straight-line basis over their estimated useful lives. Self-generated intangible assets are not capitalized.

Property, plant and equipment is carried at the cost of acquisition. Assets subject to depletion are depreciated. Write-downs are made for any declines in value that go beyond the depletion reflected in depreciation and are expected to be permanent. Additions made in the reporting year are depreciated using the straight-line method.

Low-value assets costing up to €250.00 are expensed in the year of acquisition. Low-value assets costing between €250.00 and €1,000.00 are combined in a collective item and depreciated over five years using the straight-line method.

Useful lives of intangible assets, property, plant and equipment:

Software licenses	3 to 4 years
Computer equipment	3 to 4 years
Furniture, fixtures and other equipment	4 to 10 years

Investments in affiliated companies are recognized at cost of acquisition, less write-downs for any decline in value that is expected to be permanent. Where the reasons for write-downs made in previous years no longer apply or only partially apply, the respective items are written back accordingly, provided that the write-back does not cause the carrying amount to exceed the cost of acquisition.

Cash has been deposited in a fiduciary account to meet the obligations relating to the "demographic change fund" for employees defined in the collective bargaining agreement for the German chemical industry. This cash deposit is administered on behalf of LANXESS AG by the fiduciary agent Willis Towers Watson and is ring-fenced against other creditors' claims. The level of benefits owed to the employees thus meets the conditions for classification as "securities-linked pension or similar commitments" pursuant to Section 253, Paragraph 1, Sentence 3 HGB. The fund assets as defined in Section 246, Paragraph 2, Sentence 2, Subsentence 1 HGB are measured at fair value pursuant to Section 253, Paragraph 1, Sentence 4 HGB and offset against the underlying commitments pursuant to Section 246, Paragraph 2, Sentence 2, Subsentence 1 HGB. Since, in the case of "securities-linked pension and similar commitments," adjusting the carrying

amount of the commitments to the fair value of the corresponding assets acts as a de facto bar to distribution, the ban on distribution pursuant to Section 268, Paragraph 8, Sentence 3 in conjunction with Sentence 1 HGB therefore does not apply.

Loans receivable that are interest-free or bear low rates of interest are carried at present value; other loans receivable are carried at nominal value.

Receivables and other assets are stated at nominal value, less any necessary write-downs. The amounts of such write-downs reflect the probability of default.

Marketable securities are valued at the lower of cost and fair value.

Bank deposits held in euro are recognized at their nominal value; such assets held in foreign currencies are translated at the spot rate on the closing date of the financial statements.

Disbursements prior to the closing date that represent spending for a specific period thereafter are recognized as prepaid expenses. Also included are the differences between the issue and settlement amount for bonds issued by LANXESS AG that will be amortized over the maturity of the bonds.

Deferred taxes are calculated for temporary differences between the accounting valuations and tax valuations of assets, liabilities and deferred items. As the primary company of the LANXESS Group's fiscal entity in Germany, LANXESS AG therefore has to recognize

temporary differences relating both to its own financial statements and to those of companies with which it forms a fiscal entity. In addition to temporary differences, tax loss carryforwards are also accounted for. Deferred taxes are based on the aggregate income tax rate for all companies in LANXESS AG's fiscal entity, which is currently 29.3% (previous year: 29.1%). The combined income tax rate comprises corporate income tax, trade tax and the solidarity surcharge. Any resulting tax liability would be recognized as a deferred tax liability in the statement of financial position. The option of capitalizing tax refunds is not utilized. In the reporting year, there was a net surplus of deferred tax assets, which is not recognized.

The capital stock is stated at par value.

Provisions for pensions and other post-employment benefits are computed using the projected unit credit method on the basis of biometric probability using the Heubeck 2018 G reference tables. Expected future salary and pension increases are taken into account. The current assumptions for salary increases are unchanged from the previous year at 2.50% for non-managerial employees and 2.75% for managerial employees. For older pension commitments, the expected rate of increase was increased to 2.0% in the annual financial statements for 2022 (previous year: 1.50%). For pension commitments from 2001 onwards, the expected rate of increase is unchanged from the previous year at 1.00%. The discount rate used is 1.78% (previous year: 1.87%) for pensions, 0.58% (previous year: 0.40%) for early retirement benefits and 1.44% (previous year: 1.35%) for miscellaneous post-employment benefits.

The interest rate used to discount pension and other post-employment benefit obligations to December 31, 2022, is the average market interest rate for the past ten fiscal years for an assumed residual maturity as calculated and published by the Deutsche Bundesbank. The assumed residual maturity is 15 years for pensions and other post-employment benefits and one year for early retirement benefits.

For employees who joined after December 31, 2016, and new employees, LANXESS has launched a pension model comprising employee- and employer-financed components as an accessory to pension liability insurance. The settlement amount of the obligation equates to the fair value of the pension liability insurance secured via a contractual trust arrangement (CTA), which constitutes fund assets as defined in Section 246, Paragraph 2, Sentence 2 HGB, so the obligation and fund assets balance out to zero. In the case of the present commitment, the interest expense equals the income from the pension liability insurance. Both amounts are to be netted in accordance with Section 246, Paragraph 2, Sentence 2 HGB.

Tax provisions are established for the amounts of tax arrears expected to be payable less the advance payments made and for tax risks.

The other provisions are established to cover all foreseeable risks and uncertain liabilities, based on reasonable estimates of the future settlement amounts of such

commitments. Future price and cost increases are taken into account if there are sufficient objective indications that they will occur. Provisions maturing in more than one year are discounted to present value using the average market interest rate for the past seven years, based on their remaining maturities.

Liabilities are generally reflected at their settlement amounts.

Contingent liabilities arising from sureties and debt guarantees are shown at the amounts equivalent to the loans or commitments actually outstanding on the closing date.

Income and expenses are accrued in the fiscal year.

Foreign currency receivables and liabilities, forward exchange contracts and other currency derivatives are recognized using the mark-to-market method. Foreign currency receivables and payables are valued at middle spot exchange rates, while currency derivatives contracts concluded to hedge them are valued at the forward market rates on the closing date. Valuation gains and losses are offset against one another. Provisions for impending losses are established with respect to any excess of losses over gains. Gains are only recognized if they relate to receivables and payables due within one year. Foreign currency cash and cash equivalents and balances with banks are translated at the average exchange rates prevailing on the closing date.

NOTES TO THE INCOME STATEMENT

1 | Sales

Sales revenues totaled €5,780 thousand (previous year: €5,408 thousand) and related mainly to services provided to LANXESS Deutschland GmbH in Germany on the basis of a service agreement.

2 | Cost of Sales

The cost of sales totaling €5,546 thousand (previous year: €5,307 thousand) primarily comprised expenses relating to the services provided. These were in particular personnel and general administration expenses.

3 | Other Operating Income

The other operating income included prior-period income of €1,872 thousand (previous year: €2,258 thousand) from the reversal of provisions.

4 | Other Operating Expenses

The other operating expenses included prior-period expenses of €39 thousand (previous year: €108 thousand).

5 | Income from Other Securities and Loans Included in Financial Non-Current Assets

The income from other securities and loans included in financial non-current assets comprised income of €5,388 thousand (previous year: €8,258 thousand) from long-term loans to LANXESS Deutschland GmbH.

6 | Net Interest Expense

€ thousand	2021	2022
Other interest and similar income		
from third parties	6,837	85,278
from affiliated companies	75,427	83,658
	82,264	168,936
Interest and similar expenses		
from third parties	56,772	66,284
for the interest portion of provisions for pensions and other non-current provisions	1,926	1,774
to affiliated companies	3,523	15,310
	62,221	83,368
Net interest expense	20,043	85,568

Other interest and similar income from third parties is mainly influenced by the settlement of interest rate swaps in the amount of €83,215 thousand.

7 | Other Financial Income and Expenses – Net

€ thousand	2021	2022
Other financial expenses		
Exchange losses	203,545	603,739
Miscellaneous financial expenses	13,694	12,980
	217,239	616,719
Other financial income		
Exchange gains	208,022	602,670
Miscellaneous financial income	1,217	2,359
	209,239	605,029
Other financial income (expenses) – net	(8,000)	(11,690)

The exchange gains and losses were principally attributable to foreign currency items relating to LANXESS AG and to the valuation of foreign currency transactions undertaken with third parties on behalf of Group companies.

The miscellaneous financial expenses were mainly for guarantee commission payments to affiliated companies. Miscellaneous financial income largely comprised guarantee commission payments received from affiliated companies.

8 | Income Taxes

The tax expense of €4,045 thousand in the reporting year (previous year: €38,462 thousand) is the aggregate of the tax expense of €3,438 thousand for the reporting year (previous year: €1,713 thousand) and the tax expense of €607 thousand (previous year: €40,175 thousand) in respect of previous years.

Tax expense does not include deferred taxes. As of December 31, 2022, LANXESS AG expected to receive a future tax benefit resulting from temporary accounting differences, both in its own financial statements and in those of companies with which it forms a fiscal entity for tax purposes. This amount was calculated on the basis of a combined income tax rate of 29.3% (LANXESS AG and companies with which it has profit and loss transfer agreements).

Deferred tax liabilities mainly relate to differences in valuations of property, plant and equipment, intangible assets and equity interests in Group companies. A deferred tax asset is recognized as a result of the higher pension obligations recognized for accounting purposes than for tax purposes. Other deferred tax assets relate to provisions that are not tax-deductible, such as those for impending losses or for pre-retirement leave, and valuation differences, as in the case of provisions for service anniversaries and miscellaneous provisions and liabilities.

9 | Personnel Expenses

€ thousand	2021	2022
Wages and salaries	32,246	28,834
Social expenses and expenses for pensions and other benefits	13,749	12,682
of which for pensions	12,602	10,876
	45,995	41,516

The interest portion of personnel-related provisions, especially provisions for pensions, is recognized not in personnel expenses but in interest expense.

10 | Employees

	Dec. 31, 2021	Average 2022	Dec. 31, 2022
General administration	144	144	147

11 | Audit Fees

All fees for the services of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft are published in the notes to the LANXESS Group consolidated financial statements. The fees were mainly paid for the audit of LANXESS AG's annual financial statements and of the consolidated financial statements including the early warning system and for the review of the condensed consolidated interim financial statements. Fees were also paid for other audit-related services and other services. The other audit-related services primarily include services in connection with sustainability reporting and for audit certificates. The other services include project-related consulting services.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

12 | Non-Current Assets

€ thousand	Gross carrying amounts				Amortization/depreciation and write-downs				Net carrying amounts	
	Jan. 1, 2022	Additions	Disposals	Dec. 31, 2022	Jan. 1, 2022	Additions	Disposals	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022
Intangible assets										
Software licenses	60	0	0	60	60	0	0	60	0	0
	60	0	0	60	60	0	0	60	0	0
Property, plant and equipment										
Furniture, fixtures and other equipment	141	20	25	136	101	22	25	98	40	38
	141	20	25	136	101	22	25	98	40	38
Financial assets										
Investments in affiliated companies	738,864	0	0	738,864	0	0	0	0	738,864	738,864
Loans to subsidiaries	198,363	0	99,693	98,670	0	0	0	0	198,363	98,670
Other loans	59,911	0	1,469	58,442	0	0	0	0	59,911	58,442
	997,138	0	101,162	895,976	0	0	0	0	997,138	895,976
Total non-current assets	997,339	20	101,187	896,172	161	22	25	158	997,178	896,014

13 | Shareholdings Pursuant to Section 285, No. 11 HGB

The mandatory disclosures in accordance with Section 285, No. 11 HGB are contained in the list of shareholdings.

14 | Loans to Subsidiaries

Loans to subsidiaries comprised one long-term loan to LANXESS Deutschland GmbH.

15 | Other Loans

The other loans almost entirely comprised the pro rata trust assets of LANXESS Pension Trust e.V. (LXS Trust). LANXESS AG has transferred cash amounting to €56,834 thousand, of which €0 thousand in the reporting year, to LXS Trust in several tranches under a contractual trust arrangement (CTA) to secure pension obligations.

The pro rata trust assets of LANXESS AG are invested in shares in a special fund run by an investment management company. Revenue recognition by LANXESS AG takes place at the time a distribution resolution is reached by the investment management company. Contractually agreed obligations for the payment of additional premiums by the trustor may also have an impact. Two distribution resolutions were passed in the reporting period.

The net income and expenses of minus €435 thousand recorded in the reporting year (previous year: minus €36 thousand) largely resulted from distributed income. The fair value of the assets of LXS Trust exceeded their carrying amount at year end.

Since the assets allocated to the CTA do not constitute plan assets within the meaning of Section 246, Paragraph 2, Sentence 2 HGB, they are measured at cost of acquisition pursuant to Section 253, Paragraph 1, Sentence 4 HGB and not at fair value, and there is no ban on their distribution.

Cash has been deposited in a fiduciary account annually to meet the obligations relating to the “demographic change fund” for employees defined in the collective bargaining agreement for the German chemical industry. The fair value of the fiduciary assets corresponds to the fair value of the obligations under the “demographic change fund” amounting to €332 thousand (previous year: €308 thousand). The carrying amounts of the fiduciary assets and the obligations recognized under other provisions have been netted, as have income and expenses.

16 | Receivables from Affiliated Companies

Receivables from affiliated companies totaling €8,426,625 thousand (previous year: €4,932,066 thousand) related mainly to short-term loans receivable, including accrued interest, receivables from financial transactions and receivables under profit and loss transfer agreements. Trade receivables amounting to

€1,307 thousand (previous year: €1,160 thousand) existed in connection with the service agreement described in Note (1). Furthermore, there were no receivables with maturities in excess of one year, as in the previous year.

17 | Other Assets

Other assets comprised the following:

€ thousand	2021	2022
Tax claims		
from income taxes	78,149	5,968
from sales taxes	29,254	28,971
Miscellaneous assets	30,889	9,127
	138,292	44,066

All of the other assets were due in the respective following year.

18 | Securities

The securities of €78,500 thousand (previous year: €491,000 thousand) comprise units in money market funds that can be sold at any time.

19 | Prepaid Expenses

The prepaid expenses in fiscal year 2022 mainly included discounts of €30,823 thousand (previous year: €31,357 thousand) on the bonds issued.

20 | Equity

Changes in equity in 2022 were as follows:

€ thousand	Dec. 31, 2021	Dividend	Net income	Withdrawal from	Addition to	Dec. 31, 2022
Capital stock	86,346	0	0	0	0	86,346
Capital reserves	1,235,706	0	0	0	0	1,235,706
Other retained earnings	406,702	0	0	0	506,779	913,481
Distributable profit	101,858	(90,664)	1,013,557	(506,779)	0	517,972
	1,830,612	(90,664)	1,013,557	(506,779)	506,779	2,753,505

As of the closing date, the capital stock was thus still divided into 86,346,303 no-par bearer shares with a notional share in the capital stock of €1.00 per share. All shares carry the same rights and obligations. One vote is granted per share, and profit is distributed per share.

On the basis of the proposed resolution submitted to the Annual Stockholders' Meeting, the Annual Stockholders' Meeting on May 25, 2022, resolved to utilize the distributable profit for fiscal year 2021, amounting to €101,858 thousand, as follows:

- › To pay a dividend totaling €90,664 thousand (€1.05 per no-par share entitled to the dividend)
- › To carry forward €11,194 thousand to new account

Authorized Capital I

Pursuant to Section 4, Paragraph 3 of LANXESS AG's articles of association, the Annual Stockholders' Meeting on May 15, 2018, authorized the Board of Management until May 14, 2023, with the approval of the Supervisory Board, to increase the capital stock on one or more occasions by issuing new no-par bearer shares against cash or contributions in kind up to a total amount of €18,304,587 (Authorized Capital I). Stockholders are generally entitled to subscription rights when Authorized Capital I is utilized. However, these rights can be excluded in certain cases which are defined in Section 4, Paragraph 3 of the articles of association of LANXESS AG. Authorized Capital I has not yet been utilized.

Conditional Capital

The Annual Stockholders' Meeting of LANXESS AG on May 15, 2018, authorized the Board of Management until May 14, 2023, with the approval of the Supervisory Board, to issue – in one or more installments – warrant bonds and/or convertible bonds, profit-participation rights and/or income bonds or a combination of these instruments (collectively referred to as “bonds”) – as either registered or bearer bonds – with a total nominal value of up to €1,000,000,000, with or without limited maturity, and to grant option rights to, or impose exercise obligations on, the holders or creditors of warrant bonds, profit-participation rights with warrants or income bonds with warrants, and/or to grant conversion rights to, or impose conversion obligations on, the holders or creditors of convertible bonds, convertible profit-participation rights or convertible income bonds in respect of bearer shares of the company representing a total pro rata increase of up to €9,152,293 in the company's capital stock on the terms to be defined for these bonds. Pursuant to Section 4, Paragraph 5 of the articles of association, the capital stock of LANXESS AG is thus conditionally increased by up to €9,152,293 (conditional capital). The Board of Management is authorized, with the approval of the Supervisory Board, to exclude subscription rights in certain cases which are detailed in the authorization. The Board of Management will consider other capital measures with stockholders'

subscription rights disappplied in its decision to disapply stockholders' subscription rights when issuing convertible bonds or bonds with warrants, profit participation rights or income bonds (or combinations of these instruments). The authorization to issue bonds has yet to be utilized.

By way of self-commitment, the Board of Management has also undertaken to perform capital measures (be it from authorized or conditional capital) with stockholders' subscription rights disappplied up to a maximum total amount of 20% of the company's current capital stock. This restriction applies when issuing new shares utilizing authorized capital, utilizing treasury shares or issuing bonds with warrants or conversion rights/obligations on the basis of which shares must be issued, with stockholders' subscription rights disappplied in each case. The Board of Management will abide by this self-commitment until a future Annual Stockholders' Meeting again resolves to authorize the Board of Management to implement capital measures under exclusion of stockholders' subscription rights.

Share buyback and retirement

At the end of fiscal year 2022, neither the company nor dependent or majority-owned entities, or third parties acting for the account of the company or for the account of dependent or majority-owned entities, held shares in the company or had taken shares in the company as a pledge.

On May 23, 2019, the Annual Stockholders' Meeting of LANXESS AG resolved to issue an authorization for the purchase and utilization of own shares by the Board of Management. The authorization allows the Board of Management to acquire shares in the company representing up to 10% of the capital stock until May 22, 2024, and to utilize them for any purpose permitted by law. This authorization may also be utilized by subsidiaries of the company or by third parties on behalf of the company or its subsidiaries. The Board of Management utilized this authorization when, in fiscal year 2020, a total of 1,101,549 of the company's shares were repurchased. All repurchased shares were canceled in fiscal year 2021, reducing the company's capital stock by way of a simplified capital reduction in accordance with Section 71 Paragraph 1, No. 8 Sentence 6 AktG. The above authorization of the Board of Management also allows the purchase and utilization of treasury shares of up to 8.72% of the company's capital stock as of the end of fiscal year 2022 until May 22, 2024.

21 | Provisions for Pensions and Other Post-Employment Benefits

Pension provisions relate to pension obligations for present and former employees and to commitments under early retirement programs.

Provisions for pensions and other post-employment benefits as of December 31, 2022, amounted to €105,773 thousand (previous year: €95,716 thousand). The difference pursuant to Section 253, Paragraph 6, Sentence 1 HGB for the fiscal year amounted to €6,369 thousand (previous year: €9,152 thousand) and is subject to the ban on distribution pursuant to Section 253, Paragraph 6, Sentence 2 HGB.

The settlement amounts of the obligations from the pension and similar commitments accessory to the pension liability insurance amounted to €1,342 thousand (previous year: €920 thousand) and were netted against the fair value of the pledged pension liability insurance, which constitutes fund assets as defined in Section 246, Paragraph 2, Sentence 2 HGB, of €1,342 thousand (previous year: €920 thousand). The interest expenses of €13 thousand in the reporting period and income from the pension liability insurance of €13 thousand were likewise offset.

22 | Tax Provisions

The tax provisions relate to income taxes of €16,896 thousand (previous year: €15,267 thousand) for previous years.

23 | Other Provisions

The other provisions are established for variable compensation components (APP, LTSP, LTPB and SPP) for employees, vacation and overtime credits, long-service anniversaries and other uncertain liabilities. Other uncertain liabilities comprised, among other things, the expected cost of the Annual Stockholders' Meeting for fiscal year 2022 and the fixed compensation of the Supervisory Board.

The short-term component of variable compensation is the Annual Performance Payment (APP). It includes a financial and a non-financial performance criterion, which are defined by the Board of Management and the Supervisory Board before the beginning of the respective fiscal year. Currently, the financial performance criterion is EBITDA (operating earnings before depreciation, amortization, write-downs and reversals) pre exceptionals and the non-financial performance criterion is the lost time injury frequency rate (LTIFR: accidents per million hours worked) for accidents with days lost.

The long-term, variable components of the compensation system are the Long-Term Stock Performance Plan (LTSP), the Long-Term Performance Bonus (LTPB) and the Sustainability Performance Plan (SPP).

Under the LTSP 2010–2013 program introduced in fiscal year 2010, rights were granted for the years 2010–2013. Awards are based on the performance of LANXESS stock relative to the Dow Jones STOXX 600 ChemicalsSM Index. The LTSP 2014–2017 program introduced in fiscal year 2014 is essentially identical to the LTSP 2010–2013. The main difference is that awards are based on the performance of LANXESS stock relative to the MSCI World Chemicals Index. The total term of all tranches in both programs is generally seven years. In fiscal year 2016, the exercise period for the 2013 tranche of the LTSP 2010–2013 compensation program was extended by two years, so the full term of this tranches is nine years. The vesting period is four years for each tranche.

LTSP 2018–2021 was introduced in Germany and the U.S. in fiscal year 2018. The tranche has a total term of four years and exclusively comprises the vesting period. The issue date for the rights granted and still outstanding is January 1 of each year. For each year during the term of the LTSP plan, the basic price of the company's stock is calculated from the average closing prices for the stock in Xetra trading on the Frankfurt Stock Exchange. To calculate the average, for each tranche year the closing prices of the last ten trading days in the calendar month of December of the previous year and the closing prices for the first ten trading days of the calendar month of January of the current tranche year are calculated. The

value of a right is dependent on the average performance of LANXESS stock relative to the MSCI World Chemicals Index during the vesting period. The performance relative to the index is calculated individually for each of the four years of the vesting period.

The LTSP 2022–2025 program introduced in fiscal year 2022 is essentially identical to the LTSP 2018–2021. Unlike the previous compensation program, awards under LTSP 2022–2025 are based on the performance of LANXESS stock relative to the FTSEurofirst 300 Eurozone Chemicals.

Due to its long-term nature, the LTPB considers sustainable corporate development. At the end of the three-year term of the tranches, the exact amount of the LTPB results one-third each from the respective APP target attainment in the three fiscal years. A tranche (2021-2023 tranche) of the LTPB was committed for the last time in fiscal year 2021. The LTPB will end on December 31, 2023, and has been replaced by the new SPP. The SPP considers the long-term development of non-financial sustainability criteria. The assessment period for these criteria is four years. On the basis of LANXESS's published interim goal for 2025, the Supervisory Board set a target for CO₂e emissions reduction for the measurement period 2021–2024 and 2022–2025, which is included in the SPP as a performance criterion.

24 | Bonds

Bonds as of the end of the reporting year totaled €3,300,000 thousand (previous year: €3,300,000 thousand) and comprised the following:

€ thousand	Interest rate %	Maturity	Volume
Eurobond 2018/2025	1.125	May 2025	500,000
Eurobond 2016/2026	1.000	October 2026	500,000
Private placement 2012/2027	3.950	April 2027	100,000
Eurobond 2021/2027	0.000	September 2027	500,000
Eurobond 2022/2028	1.750	March 2028	600,000
Eurobond 2021/2029	0.625	December 2029	600,000
Hybrid bond 2016/2076	4.500	December 2076	500,000
			3,300,000

25 | Liabilities to Banks

The liabilities to banks of €730,228 thousand (previous year: €24,868 thousand) comprise loans, accrued interest on bonds and fees.

26 | Trade Payables

All trade payables are to third parties.

27 | Payables to Affiliated Companies

Payables to affiliated companies amounting to €2,618,099 thousand (previous year: €1,884,992 thousand) mainly comprised loans, including accrued interest, and liabilities relating to financial transactions.

28 | Other Liabilities

€ thousand	Dec. 31, 2021	Dec. 31, 2022
Tax liabilities	702	667
Social security liabilities	1	5
Miscellaneous liabilities	1,325	1,872
	2,028	2,544

29 | Further Information on Liabilities

The residual maturities of liabilities are as follows:

€ thousand	Dec. 31, 2021			Dec. 31, 2022		
	Up to 1 year	More than 1 year	of which more than 5 years	Up to 1 year	More than 1 year	of which more than 5 years
Bonds	600,000	2,700,000	1,700,000	0	3,300,000	1,700,000
Liabilities to banks	24,868	0	0	730,228	0	0
Trade payables	1,624	0	0	2,540	0	0
Payables to affiliated companies	1,884,992	0	0	2,610,054	8,045	0
Other liabilities	2,028	0	0	2,544	0	0
	2,513,512	2,700,000	1,700,000	3,345,366	3,308,045	1,700,000

30 | Contingent Liabilities from Guarantees

Under the master agreement that was concluded between Bayer AG and LANXESS AG together with the Spin-Off and Takeover Agreement, Bayer AG and LANXESS AG agreed, among other things, on commitments regarding mutual indemnification for liabilities in

line with the respective asset allocation, and on special arrangements allocating responsibility to deal with claims in the areas of product liability, environmental contamination and antitrust violations. The master agreement also contains arrangements for the allocation of tax effects relating to the spin-off and to the preceding measures to create the subgroup that was subsequently spun off.

LANXESS AG has given the following guarantees on behalf of subsidiaries:

€ thousand	Dec. 31, 2021	Dec. 31, 2022
to banks	81,975	98,747
to suppliers	27,310	25,408
to other third parties	29,752	28,187
	139,037	152,342

In addition, LANXESS AG has provided guarantees on behalf of subsidiaries for payment obligations relating to future deliveries under long-term procurement agreements.

The contingent liabilities shown above include obligations relating to pension benefits of €28,187 thousand (previous year: €29,752 thousand).

Based on the information available to us, the companies concerned should be able to fulfill the underlying obligations in all cases. The guarantees are not expected to be utilized.

OTHER MANDATORY DISCLOSURES

31 | Notification of Interests Held in the Company (Section 160, Paragraph 1, No. 8 AktG)

Notifications of interests held in LANXESS AG are set out in the disclosures pursuant to Section 160, Paragraph 1, No. 8 AktG.

32 | Derivative Financial Instruments

In the course of their business, LANXESS AG and companies in the LANXESS Group are exposed to risks of changes in exchange rates and market prices. Derivative financial instruments are used in some cases to hedge against these risks. These comprise so-called over-the-counter (OTC) instruments that are not traded on an exchange. They mainly include forward exchange contracts, interest rate swaps and forward commodity contracts.

The use of such instruments is governed by uniform guidelines and is subject to stringent internal controls. It is confined to hedging of the Group's operating business and the related investments and financing transactions.

The purpose of using derivative financial instruments is to reduce fluctuations in earnings and cash flows caused by changes in exchange rates, interest rates and market prices.

There is a risk that the value of financial derivatives may change as a result of fluctuations in underlying parameters such as exchange rates. Where derivatives are used for hedging purposes, the possibility of a loss of value due to a drop in prices is offset by corresponding increases in the values of the hedged contracts.

In the case of derivatives with a positive fair value, a credit or default risk arises if the counterparties cannot meet their obligations. To minimize this risk, credit limits are assigned to individual banks, and framework agreements are used that allow offsetting of the fair value of open derivative positions in the event of insolvency of a counterparty.

The notional amount of financial derivative contracts concluded with external counterparties was €2,323,570 thousand as of December 31, 2022 (previous year: €2,484,098 thousand). Back-to-back derivative contracts with a notional amount of €1,980,158 thousand (previous year: €1,841,426 thousand) were concluded with Group companies. The total notional amount of derivatives was €4,303,727 thousand (previous year: €4,325,524 thousand). This figure also contains those derivatives included in valuation units.

The derivatives comprised the following:

€ thousand	Notional amount		Fair value		Carrying amount	
	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022
Forward exchange contracts						
Positive fair values	1,798,098	1,603,858	51,447	37,253	0	0
Negative fair values	2,008,574	2,681,519	50,859	43,235	353	2,679
	3,806,672	4,285,377	588	(5,982)	(353)	(2,679)
Interest rate swaps						
Positive fair values	500,000	0	3,302	0	0	0
Negative fair values	0	0	0	0	0	0
	500,000	0	3,302	0	0	0
Forward commodity contracts						
Positive fair values	9,426	9,175	482	564	0	0
Negative fair values	9,426	9,175	482	564	0	0
	18,852	18,350	0	0	0	0
	4,325,524	4,303,727	3,890	(5,982)	(353)	(2,679)

Financial Derivatives Used to Hedge Currency Risks

LANXESS AG used forward exchange contracts to hedge exchange rate risks.

Hedging was undertaken using forward exchange contracts for highly probable forecast transactions by Group companies in foreign currencies and was passed through to these Group companies on a back-to-back basis.

Forward exchange contracts with a notional amount of €486,121 thousand (previous year: €667,926 thousand) and a fair value of €3,280 thousand (previous year: minus €3,546 thousand) were concluded with external counterparties to hedge highly probable forecast transactions by Group companies in foreign currencies. They were matched by transactions with Group companies with a notional amount of €486,121 thousand (previous year: €667,926 thousand) and had a fair value of minus €3,280 thousand (previous year: €3,546 thousand). Changes in the value of the corresponding external and internal transactions move in opposite directions and will offset one another by 2025. These transactions were grouped in valuation portfolios and not recognized in the statement of financial position.

To hedge currency risks relating to receivables and payables of LANXESS AG and Group companies (risk in the statement of financial position),

LANXESS AG concluded forward exchange contracts with external counterparties with a notional amount of €1,828,274 thousand (previous year: €1,306,746 thousand) and a fair value of €3,413 thousand (previous year: €17,616 thousand). Some of these transactions were passed through to Group companies. Contracts with these internal counterparties had a notional amount of €1,484,861 thousand (previous year: €1,164,073 thousand) and a fair value of minus €9,395 thousand (previous year: minus €17,028 thousand). Where forward exchange contracts concluded to hedge foreign currency receivables and payables of Group companies were passed through to the companies concerned by way of internal contracts, they were grouped in valuation portfolios together with the opposing transactions. At the closing date, valuation portfolios comprising external and internal transactions had absolutely equal fair values. They mature in 2023. These transactions were not reflected in the statement of financial position.

Forward exchange contracts that were used to hedge foreign currency risk in the statements of financial position of Group companies and were not matched by internal transactions had a fair value of €2,679 thousand (previous year: €353 thousand).

Further valuation units (micro hedges) comprised foreign currency loans from Group companies to LANXESS AG or vice versa for which forward exchange contracts had been concluded on a back-to-back basis. The

carrying amount of loans granted by LANXESS AG was €180,565 thousand at year end (previous year: €0 thousand), while the carrying amount of loans to LANXESS AG was €1,230,115 thousand (previous year: €255,009 thousand). The net currency risk was €9,433 thousand (previous year: €2,695 thousand). The external forward exchange contracts had a net positive fair value of €3,490 thousand (previous year: €3,275 thousand) and are all due in 2023. They were not recognized in the statement of financial position.

Financial Derivatives Used to Hedge Interest Rate Risks

LANXESS AG used interest rate swaps to hedge interest rate risks when issuing financing instruments.

The hedges comprise external interest rate swaps that hedge highly probable forecast transactions for the Group's refinancing and are to be issued directly by LANXESS AG on the capital market.

After refinancing a bond maturing in November 2022 with a similar instrument was no longer necessary due to the expected payments for the contribution of the High Performance Materials business unit to the planned joint venture with Advent in the planned amount, the interest rate swaps in place in the past year with a nominal volume of €500,000 thousand were settled through profit or loss in the third quarter of 2022. This resulted in a gain of €83,215 thousand, recognized in net interest expense.

Financial Derivatives Used to Hedge Price Risks

Forward commodity contracts concluded with external counterparties, all of which mature within one year, were passed through to Group companies on a back-to-back basis. The results of such transactions that had terminated by year end canceled each other out. Micro hedges were established for open transactions, giving a net zero result.

Valuation Methods

The fair values of financial derivatives are determined using customary valuation methods and are based on the market data (market values) available at the measurement date. The following principles are applied:

- › The fair values of forward exchange contracts are derived from their trading or listed prices using the “forward method.”
- › The fair values of forward commodity contracts are also derived from their trading or listed prices using the “forward method.”

The effectiveness of hedge relationships is measured using the dollar-offset method.

33 | Total Compensation of the Board of Management and Supervisory Board (Pursuant to Section 285, No. 9 a HGB)

For fiscal year 2022, total compensation of €10,763 thousand (previous year: €15,059 thousand) was paid to the members of the Board of Management of LANXESS AG, comprising €7,279 thousand (previous year: €10,211 thousand) in short-term compensation (annual base salary, Annual Performance Payment (APP), benefits in kind and other) and €3,484 thousand (previous year: €4,848 thousand) in multi-year compensation.

The multi-year compensation includes total payments of €1,130 thousand (previous year: €2,647 thousand) under the Long-Term Performance Bonus (LTPB) and the stock-based Long-Term Stock Performance Plan (LTSP). The number of compensation rights granted under the LTSP was 2,354,022 (previous year: 2,201,250). The fair value of these rights at the grant date was €2,354 thousand (previous year: €2,201 thousand). In fiscal year 2022, stock-based compensation resulted in expense of minus €761 thousand (previous year: income €126 thousand).

Dr. Stephanie Coßmann left office as a Board of Management member early as of March 31, 2022. In connection with the mutually agreed termination of Dr. Coßmann's appointment as a member of the Board of Management, a settlement payment totaling €1,475 thousand was made. This resulted in an expense of €1,159 thousand in fiscal year 2022.

In addition, net expenses of €4,061 thousand (previous year: €3,920 thousand) were incurred to provide retirement pensions for the members of the Board of Management. The present value of the benefit obligation as of the end of 2022 for those members of the Board of Management serving on that date was €25,769 thousand (previous year: €23,068 thousand). The net expenses for Dr. Stephanie Coßmann, who left the Board of Management, amounted to €310 thousand.

The members of the Supervisory Board received total compensation of €1,843 thousand in fiscal year 2022 (previous year: €1,848 thousand).

In addition, the employee representatives on the Supervisory Board who are employees of the LANXESS Group received salaries under their employment contracts. The amounts of these salaries represented appropriate compensation for the employees' functions and tasks within the Group.

Compensation of the Supervisory Board

€ thousand	Fixed compensation	Compensation for committee membership	Attendance allowance	Total
2022	1,160	495	188	1,843
2021	1,160	496	192	1,848

34 | Total Remuneration of Former Members of the Board of Management and of Members of the Board of Management Who Stepped Down During the Fiscal Year (Pursuant to Section 285, No. 9 a and No. 9 b HGB)

Payments totaling €1,505 thousand (previous year: €1,427 thousand) and relating to pension benefits were made to former members of the Board of Management in fiscal year 2022, €318 thousand (previous year: €318 thousand) of which related to one-time capital payments. €3,637 thousand (previous year: €3,066 thousand) was recognized as current pension expense.

Provisions of €37,002 thousand were recognized as of December 31, 2022 (previous year: €33,199 thousand) for the current pensions and the pension entitlements of former members of the Board of Management.

35 | Loans and Advances Granted to Members of the Board of Management and the Supervisory Board (Pursuant to Section 285, No. 9 c HGB)

There were no loans or advances to members of the Board of Management or the Supervisory Board as of December 31, 2022, nor had any other financial commitments been entered into for these individuals.

36 | Amounts Barred from Distribution (Pursuant to Section 253, Paragraph 6, Sentence 2 HGB)

Amounts subject to the bar on distribution as of the closing date:

€ thousand	Dec. 31, 2021	Dec. 31, 2022
Provisions for pensions (seven-year average interest rate)	104,769	112,345
less provisions for pensions (ten-year average interest rate)	(95,617)	(105,976)
Difference	9,152	6,369
Total amount barred from distribution	9,152	6,369

As of December 31, 2022, the level of unrestricted reserves exceeded the total volume of amounts barred from distribution. Therefore, no bar on distribution applies to the distributable profit of €517,972 thousand.

37 | Events After the End of the Reporting Period

No events of special significance took place after December 31, 2022, that are expected to materially affect the financial position or results of operations of LANXESS AG.

38 | Appropriation of Earnings

Regarding the appropriation of distributable profit of €517,972 thousand, the Board of Management proposes that the Annual Stockholders' Meeting resolve on the payment of a dividend of €1.05 per no-par share entitled to the dividend. This equates to a total distribution of €90,664 thousand. The amount remaining after deduction of the planned dividend, €427,308 thousand, is to be carried forward to new account.

39 | Corporate Officers

Supervisory Board

Members of the Supervisory Board hold offices as members of the supervisory board or a comparable supervising body of the corporations listed.

The following representatives of the company's stockholders are currently members of the Supervisory Board:

<p>Dr. Matthias L. Wolgruber (Chairman) Self-employed consultant Former Chairman of the Management Board of ALTANA AG</p> <p>Further offices LANXESS Deutschland GmbH, Cologne¹⁾ (Chairman) ALTANA AG, Wesel¹⁾ (Chairman of the Supervisory Board) Cabot Corporation, Boston, Massachusetts, U.S.</p>
<p>Hans van Bylen Self-employed consultant Former Chairman of the Management Board of Henkel AG & Co. KGaA Former President of Verband der Chemischen Industrie e.V. (VCI)</p> <p>Further offices LANXESS Deutschland GmbH, Cologne¹⁾ Akzo Nobel N.V., Amsterdam, Netherlands (since April 23, 2022) Etex NV, Luchthaven Brussel Nationaal, Belgium Ontex Group NV, Erembodegem (Aalst), Belgium (Chairman) SN Airholding NV, Brussels, Belgium (resigned December 15, 2022)</p>
<p>Dr. Heike Hanagarth Self-employed management consultant Former member of the Board of Management of Deutsche Bahn AG, Berlin</p> <p>Further offices LANXESS Deutschland GmbH, Cologne¹⁾ Martur Fompak International/Automotive Seating Systems AS, Istanbul, Turkey NXT Boardroom GmbH, Munich (Member of the Advisory Board) Rivean Capital Advisory GmbH, Frankfurt am Main (Member of the Advisory Board – formerly Gilde Buy Out Partners BV)</p>

Pamela Knapp

Member of the Boards of Management and Supervisory Boards of various European commercial enterprises

Former CFO of GfK SE

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾

Signify NV, Eindhoven, Netherlands (Member of the Supervisory Board and Chairwoman of the Audit Committee)

Compagnie de Saint-Gobain S.A., Courbevoie, France (Member of the Board of Directors – Conseil d'Administration – and Chairman of the Audit Committee)

HKP Deutschland GmbH (Member of the Advisory Board)

Dr. Rainier van Roessel (appointed May 25, 2022)

Self-employed consultant

Former member of the Board of Management and Labor Relations Director of LANXESS AG

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾ (since May 25, 2022)

K+S Aktiengesellschaft, Kassel¹⁾

K+S Minerals and Agriculture GmbH, Kassel¹⁾

Lawrence A. Rosen

Member of the Supervisory Boards of various commercial enterprises

Former member of the Board of Management of Deutsche Post AG

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾

Qiagen N.V., Venlo, Netherlands (Chairman of the Supervisory Board)

Deutsche Post AG, Bonn

Theo H. Walthie (resigned May 25, 2022)

Self-employed consultant

Former Global Business Group President for the Hydrocarbons & Energy Business of the Dow Chemical Company

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾ (resigned May 25, 2022)

1) Statutory supervisory boards

The following representatives of the company's employees are currently members of the Supervisory Board:

Ralf Sikorski (Vice Chairman)

Vice Chairman of the German Mining, Chemical and Energy Industrial Union, Hanover

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾ (Vice Chairman)

Chemie Pensionsfonds AG, Wiesbaden¹⁾ (Chairman)

RAG AG, Herne¹⁾

RWE AG, Essen¹⁾ (Vice Chairman)

RWE Power AG, Cologne and Essen¹⁾ (Vice Chairman)

RWE Generation SE, Essen¹⁾

KSBG – Kommunale Verwaltungsgesellschaft GmbH, Essen¹⁾ (Vice Chairman, resigned April 4, 2022)

Birgit Bierther

Chairwoman of the LANXESS Works Council at the Cologne site

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾

Armando Dente

District manager at IGBCE, Cologne-Bonn district

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾

INEOS Deutschland Holding GmbH, Cologne¹⁾

INEOS Manufacturing Deutschland GmbH, Cologne¹⁾

Dr. Hans-Dieter Gerriets

Chairman of the LANXESS Group Managerial Employees' Committee and Chairman of the LANXESS Managerial Employees' Committee; manager of a production facility in the Advanced Industrial Intermediates business unit of LANXESS Deutschland GmbH

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾

Iris Schmitz

Chairwoman of the LANXESS Central Works Council and
Chairwoman of the LANXESS Works Council at the Leverkusen site
Vice Chairwoman of the LANXESS Group Works Council

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾
Saltigo GmbH, Leverkusen¹⁾

Manuela Strauch

Chairwoman of the LANXESS Works Council at the Uerdingen site
Vice Chairwoman of the LANXESS Central Works Council
Chairwoman of the LANXESS Group Works Council

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾

1) Statutory supervisory boards

Board of Management

The following persons are currently members of the Board of Management:

Member of the Board of Management	External offices	Offices within the LANXESS Group
Matthias Zachert Chairman of the Board of Management	• Member of the Supervisory Board of Siemens AG, Berlin and Munich	• Chairman of the Executive Board of LANXESS Deutschland GmbH
Dr. Anno Borkowsky Member of the Board of Management		• Member of the Executive Board of LANXESS Deutschland GmbH • Chairman of the Board of Directors of LANXESS Hong Kong Ltd. • Chairman of the Board of Directors of LANXESS Corp. • Chairman of the Board of Directors of LANXESS Chemical (China) Co. Ltd. • Chairman of the Board of Directors of LANXESS India Private Ltd.
Dr. Stephanie Coßmann (resigned March 31, 2022) Member of the Board of Management and Labor Relations Director		• Member of the Executive Board of LANXESS Deutschland GmbH (resigned March 31, 2022) • Member of the Board of Administration of LANXESS N.V. (resigned March 31, 2022)
Dr. Hubert Fink Member of the Board of Management		• Member of the Executive Board of LANXESS Deutschland GmbH • Chairman of the Supervisory Board of Saltigo GmbH • Executive member of the Board of Administration of LANXESS Performance Materials N.V. • Member of the Board of Administration of LANXESS Belgium N.V. • Chairman of the Supervisory Board of LANXESS Performance Materials GmbH (Member since July 1, 2022; Chairman since December 14, 2022)
Michael Pontzen Member of the Board of Management and Chief Financial Officer		• Member of the Executive Board of LANXESS Deutschland GmbH • Member of the Board of Directors of LANXESS Corp. • Member of the Board of Directors of LANXESS Solutions Korea Inc. • Member of the Board of Directors of EPM Polymer Additives Holding Corp. • Member of the Board of Directors of Emerald Performance Materials, LLC

Disclosures Pursuant to Section 160, Paragraph 1, No. 8 of the German Stock Corporation Act (AktG)

Notified by	Date of change	Threshold	Voting rights		Voting rights via instruments		Attributable voting rights
		%	%	absolute	%	absolute	
The Capital Group Companies, Inc., Los Angeles, CA, U.S.	Feb. 1, 2022	10.00	10.02	8,650,020	0.00	0	The Capital Group Companies, Inc., Los Angeles, CA, U.S. (10.02% pursuant to Sections 33, 34 WpHG new version)
DWS Investment GmbH, Frankfurt, Germany	Oct. 31, 2022	5.00	9.80	8,457,847	0.02	15,700	DWS Investment GmbH, Frankfurt, Germany (9.80% pursuant to Sections 33, 34 WpHG new version and 0.02% pursuant to Section 38 No. 1 WpHG new version)
The Goldman Sachs Group, Inc., Wilmington, DE, U.S.	Nov. 7, 2022	3.00	0.09	80,871	3.31	2,855,191	The Goldman Sachs Group, Inc., Wilmington, DE, U.S. (0.09% pursuant to Sections 33, 34 WpHG new version and 3.31% pursuant to Section 38 No. 1 WpHG new version)
Warren E. Buffett	Dec. 21, 2017	5.00	5.02	4,589,596	0.00	0	General Reinsurance AG, Cologne, Germany (5.02% pursuant to Sections 21, 22 WpHG old version, Sections 33, 34 WpHG new version)
Ministry of Finance on behalf of the State of Norway, Oslo, Norway	Jan. 9, 2023	5.00	4.59	3,959,423	0.52	450,828	Norges Bank, Oslo, Norway (4.59% pursuant to Sections 33, 34 WpHG new version and 0.52% pursuant to Section 38 No. 1 WpHG new version)
SMALLCAP World Fund, Inc. ¹⁾	May 26, 2022	5.00	5.02	4,333,515	0.00	0	SMALLCAP World Fund, Inc., Lutherville Timonium, MD, U.S. (5.02% pursuant to Sections 33, 34 WpHG new version)
Israel Englander	Jun. 1, 2022	3.00	0.00	0	4.84	4,176,886	Israel Englander (4.84% pursuant to Section 38 No. 1 WpHG new version)
New Perspective Fund ¹⁾	Apr. 11, 2022	3.00	4.51	3,896,295	0.00	0	New Perspective Fund, Wilmington, DE, U.S. (4.51% pursuant to Sections 33, 34 WpHG new version)
BlackRock, Inc., Wilmington, DE, U.S.	Jan. 11, 2023	3.00	3.07	2,650,237	0.56	484,569	BlackRock, Inc., Wilmington, DE, U.S. (3.07% pursuant to Sections 33, 34 WpHG new version and 0.56% pursuant to Section 38 No. 1 WpHG new version)
UBS Group AG, Zürich, Switzerland	Jan. 13, 2020	3.00	2.94	2,566,755	0.26	228,929	UBS Group AG, Zürich, Switzerland (2.94% pursuant to Sections 33, 34 WpHG new version and 0.26% pursuant to Section 38 No. 1 WpHG new version)
Otis Mason Hawkins	Jul. 14, 2022	3.00	3.02	2,606,146	0.00	0	Otis Mason Hawkins (3.02% pursuant to Sections 21, 22 WpHG old version, Sections 33, 34 WpHG new version)
Allianz Global Investors GmbH	Apr. 16, 2018	3.00	2.96	2,713,368	0.08	74,804	Allianz Global Investors GmbH, Frankfurt am Main, Germany (2.96% pursuant to Sections 33, 34 WpHG new version and 0.08% pursuant to Section 38 No. 1 WpHG new version)

¹⁾ Subsidiary of The Capital Group Companies, Inc., Los Angeles, CA, USA.

List of Shareholdings

LANXESS AG, either directly or indirectly, holds at least 20% of the shares in the following companies (information pursuant to Section 285, No. 11 HGB). The figures stated for equity and net income/loss are derived from the annual financial statements prepared in accordance with local law.

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Fully consolidated companies			
Germany			
Bond-Laminates GmbH, Brilon	100	3	0 ¹⁾
CheMondis GmbH, Cologne	100	0	0 ¹⁾
IAB Ionenaustauscher GmbH Bitterfeld, Greppin	100	31	0 ¹⁾
IMD Natural Solutions GmbH, Dortmund	100	1	0 ¹⁾
LANXESS Deutschland GmbH, Cologne	100	1,299	0 ¹⁾
LANXESS Global Business Services GmbH, Cologne	100	0	0 ¹⁾
LANXESS Organometallics GmbH, Bergkamen	100	52	0 ¹⁾
LANXESS Performance Materials GmbH, Cologne	100	245	0 ¹⁾

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Fully consolidated companies			
LANXESS Trademark GmbH & Co. KG, Leverkusen	100	0	0
MC (Germany) GmbH, Cologne	100	0	0
Saltigo GmbH, Leverkusen	100	28	0 ¹⁾
THESEO Deutschland GmbH, Wietmarschen	100	1	(2)
Zehnte LXS GmbH, Cologne	100	1,235	(1)
EMEA (excluding Germany)			
Anderol B.V., Venlo, Netherlands	100	18	4
Antec International Ltd., Sudbury, Suffolk, Great Britain	100	37	10
BIOLINK LIMITED, Hull, Great Britain	100	4	0
Chemtura France S.A.S., Fitz James, France	100	6	0
DDP Specialty Products Poland Sp.z.o.o., Warschau, Poland	100	1	0
Emerald Kalama Chemical B.V., Rotterdam, Netherlands	100	128	11
Emerald Kalama Chemical Holdings Ltd., St. Helier, Jersey	100	(26)	(1)
Emerald Kalama Chemical Ltd., Widnes, Great Britain	100	39	(6)
Emerald Kalama Chemical SRL, Mailand, Italy	100	3	1
EUROPIGMENTS, S.L., Barcelona, Spain	52	5	1
Great Lakes Holding S.A.S., Fitz James, France	100	7	0
Intace S.A.S., Courbevoie, France	100	3	1

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Fully consolidated companies			
LANXESS (Pty) Ltd., Modderfontein, South Africa	100	(40)	(11)
LANXESS Belgium NV, Kallo, Belgium	100	266	(60)
LANXESS Central Eastern Europe s.r.o., Bratislava, Slovakia	100	30	8
LANXESS Chemicals S.L., Barcelona, Spain	100	1,471	28
LANXESS Epierre SAS, Epierre, France	100	2	0
LANXESS Holding UK Unlimited, Manchester, Great Britain	100	141	0
LANXESS Investments Netherlands B.V., Venlo, Netherlands	100	548	1
LANXESS Kimya Ticaret Limited Şirketi, Istanbul, Turkey	100	2	1
LANXESS Limited, Manchester, Great Britain	100	20	3
LANXESS Manufacturing Netherlands B.V., Venlo, Netherlands	100	230	1
LANXESS N.V., Antwerpen, Belgium	100	149	(34)
LANXESS Performance Materials S.R.L., Mailand, Italy	100	3	0
LANXESS Performance Materials s.r.o., Bratislava, Slovakia	100	8	0
LANXESS Performance Materials UK Ltd., Manchester, Great Britain	100	3	0

1) Result after profit transfer

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Fully consolidated companies			
LANXESS S.A.S., Courbevoie, France	100	31	2
LANXESS S.r.l., Mailand, Italy	100	55	10
LANXESS Sales Netherlands B.V., Venlo, Netherlands	100	27	3
LANXESS Solutions Italy S.r.L., Latina, Italy	100	50	(7)
LANXESS Solutions UK Ltd., Manchester, Great Britain	100	190	41
LANXESS Switzerland GmbH, Frauenfeld, Switzerland	100	177	5
LANXESS Urethanes UK Ltd., Baxenden NR Accrington, Great Britain	100	21	2
MC (Netherlands) 1 B.V., Oegstgeest, Netherlands	100	(183)	(2)
MC (Netherlands) 2 B.V., Oegstgeest, Netherlands	100	(1)	(1)
MC Tiurkey Teknoloji Ltd. Sirketi, Istanbul, Turkey	100	0	0
Microbial Control (Italy) S.r.l., Mailand, Italy	100	0	0
Microbial Control (Switzerland) GmbH, Freienbach, Switzerland	100	41	7
Microbial Control France SAS, Courbevoie Cedex, France	100	1	1
Microbial Control Sweden Technologies AB, Stockholm, Sweden	100	0	0
N&H International Holding 3 B.V., Oegstgeest, Netherlands	100	394	7
Nutrition & Biosciences (Finland) Oy, Helsinki, Finland	100	0	0

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Fully consolidated companies			
Nutrition & Biosciences (UK) Ltd., Manchester, Great Britain	100	0	0
Nutrition & Biosciences South Africa (Pty.) Ltd., Gauteng, South Africa	100	0	0
Nutrition & Biosciences Spain S.L.U., Asturias, Spain	100	0	1
OOO LANXESS, Moskau, Russia	100	3	(1)
OOO LANXESS Lipetsk, Lipetsk, Russia	100	3	0
Specialty Products FZE, Dubai, UAE	100	1	0
Sybron Chemical Industries Nederland B.V., Ede, Netherlands	100	44	0
Sybron Chemicals International Holdings Ltd., Manchester, Great Britain	100	0	0
THESEO FRANCE SAS, Laval, France	100	5	0
North America			
Emerald Kalama Chemical LLC, Cuyahoga Falls, U.S.	100	195	23
Emerald Performance Materials LLC, Wilmington, U.S.	100	2	0
LANXESS Canada Co./Cie, Halifax, Canada	100	108	(4)
LANXESS Corporation, Wilmington, U.S.	100	2,782	172
LANXESS Services US LLC, Wilmington, U.S.	100	1	0

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Fully consolidated companies			
LANXESS Performance Materials Holding Corp., Wilmington, U.S.	100	(71)	(72)
LANXESS Performance Materials LLC, Wilmington, U.S.	100	64	0
MC (US) 3 LLC, Wilmington, U.S.	100	70	(171)
Nutrition & Biosciences Canada Company, Oakville, Canada	100	1	2
Nutrition & Biosciences USA 2, LLC, Wilmington, U.S.	100	84	7
Rohm and Haas Wood Treatment LLC, Wilmington, U.S.	100	47	7
Sybron Chemical Holdings Inc., Wilmington, U.S.	100	18	0
Latin America			
Chemtura Corporation Mexico, S. de R.L. de C.V., Mexico City, Mexico	100	14	(1)
IPEL-Itibanyl Produtos Especiais Ltda., Jarinu, Brazil	100	17	2
LANXESS Industria de Materiais de Performance Ltda, São Paulo, Brazil	100	60	(2)
LANXESS Indústria de Produtos Químicos e Plásticos Ltda., São Paulo, Brazil	100	142	15
LANXESS Performance Materials S.A. de C.V., Mexico City, Mexico	100	15	6
LANXESS S.A. de C.V., Mexico City, Mexico	100	47	8

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Fully consolidated companies			
LANXESS S.A., Buenos Aires, Argentina	100	20	(11)
MC BRAZIL IMPORTAÇÃO E EXPORTAÇÃO DE MICROBIÓTICOS LTDA., Bairro Cristais, Brazil	100	7	1
Nutrition & Biosciences Argentina S.A.U., Buenos Aires, Mexico	100	2	3
Nutrition & Biosciences Chile SpA, Santiago, Chile	100	0	0
Nutrition & Biosciences Colombia S.A.S., Bogotá D.C., Colombia	100	0	0
Nutrition & Biosciences Mexico S. de R.L. de C.V., Mexico City, Mexico	100	2	1
THESEO SAÚDE ANIMAL LTDA., Descalvado, Brazil	100	(3)	(1)
Asia-Pacific			
Chemtura China Holding Co. Ltd., Schanghai, China	100	28	2
Danisco Nutrition & Biosciences Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	100	0	0
Danisco Nutrition & Biosciences Taiwan Limited, Taipei City, Taiwan	100	2	(2)
EPM Emerald Performance Hong Kong Ltd., Hong Kong, Hong Kong	100	0	0
LANXESS (Changzhou) Co., Ltd., Changzhou, China	100	85	8
LANXESS (Liyang) Polyols Co., Ltd., Liyang, China	100	(10)	(5)

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Fully consolidated companies			
LANXESS (Ningbo) Pigments Co., Ltd., Ningbo City, China	100	7	(6)
LANXESS (Wuxi) High Performance Composite Materials Company Limited, Wuxi, China	100	74	19
LANXESS Additives Taiwan Ltd., Kaohsiung, Taiwan	100	3	(2)
LANXESS Advanced Materials (Nantong) Co., Ltd., Nantong, China	100	22	4
LANXESS Chemical (China) Co., Ltd., Schanghai, China	100	103	(5)
LANXESS Hong Kong Limited, Hong Kong, Hong Kong	100	897	490
LANXESS India Private Ltd., Thane, India	100	216	19 ²⁾
LANXESS K.K., Tokyo, Japan	100	53	2
LANXESS Korea Limited, Seoul, Republic of Korea	100	19	9
LANXESS Performance Materials (HK) Limited, Hong Kong, Hong Kong	100	26	(56)
LANXESS Performance Materials (India) Private Limited, Thane, India	100	85	0
LANXESS Performance Materials (Korea) Limited, Seoul, Republic of Korea	100	25	0
LANXESS Pte. Ltd., Singapore, Singapore	100	65	5
LANXESS Pty. Ltd., Granville, Australia	100	13	0

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Fully consolidated companies			
LANXESS Solutions Australia Pty. Ltd., West Gosford, Australia	100	3	0
LANXESS Solutions India Private Ltd., Thane, India	100	0	0 ²⁾
LANXESS Solutions Japan Ltd., Tokyo, Japan	100	6	0
LANXESS Solutions Korea Inc., Seoul, Republic of Korea	100	2	0
LANXESS Specialty Chemicals Co., Ltd., Shanghai, China	100	(30)	(5)
MC (New Zealand) Technologies Ltd., Auckland, New Zealand	100	0	0
Microbial Control (Australia) Pty. Ltd., Sydney, Australia	100	0	0
Microbial Control (Hong Kong) Ltd., Hong Kong, Hong Kong	100	(2)	(2)
Microbial Control (India) Private Ltd., Delhi, India	100	5	3
Microbial Control (Thailand) Co., Ltd., Bangkok, Thailand	100	6	1
Microbial Control Japan, Tokyo, Japan	100	1	1
Microbial Control Technologies (Shanghai) Co., Ltd., Shanghai, China	100	81	1
Nutrition & Biosciences Korea Ltd., Seoul, Republic of Korea	100	1	1
Nutrition & Biosciences Singapore Pte. Ltd., Singapore, Singapore	100	(2)	(1)
PT Blue Cube Indonesia, Jakarta, Indonesia	100	1	0
Rhein Chemie (Qingdao) Co., Ltd., Qingdao, China	90	34	1

1) Result after profit transfer

2) Financial statements as of March 31, 2022

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Jointly controlled entities			
Germany			
DuBay Polymer GmbH, Hamm, Germany	50	28	2
North America			
Rubicon LLC, Salt Lake City, U.S.	50	(7)	1 ²⁾
Associate			
North America			
Viance LLC, Raleigh, U.S.	49	0	14
Non-consolidated immaterial subsidiaries			
Germany			
LANXESS Middle East GmbH, Cologne	100	0	0 ¹⁾
LANXESS Trademark Management GmbH, Leverkusen	100	0	0
Neunte LXS GmbH, Cologne	100	0	0 ¹⁾
EMEA (excluding Germany)			
Gulf Stabilizers Industries Sales FZCO, Dubai, UAE	52	0	0
W. Hawley & Son Ltd., Manchester, Great Britain	100	0	0

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Latin America			
Comercial Andinas Ltda., Santiago de Chile, Chile	100	0	0
Asia-Pacific			
LANXESS Thai Co., Ltd., Bangkok, Thailand	100	3	1
LANXESS Vietnam Co., Ltd., Ho Chi Minh City, Vietnam	100	0	0
PCTS Specialty Chemicals Malaysia (M) Sdn. Bhd., Kuala Lumpur, Malaysia	100	1	0

1) Result after profit transfer

2) Financial statements as of December 31, 2021

Cologne, March 1, 2023
LANXESS Aktiengesellschaft

The Board of Management

Matthias Zachert Dr. Anno Borkowsky

Dr. Hubert Fink Michael Pontzen

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable financial reporting principles, the annual financial statements give a true and fair view of the earnings, asset and financial position of the LANXESS AG, and the combined management report includes a fair review of the development and performance of the business and the position of the LANXESS Group and LANXESS AG, together with a description of the principal opportunities and risks associated with the expected development of the LANXESS Group and LANXESS AG.

Cologne, March 1, 2023
LANXESS Aktiengesellschaft

The Board of Management

Matthias Zachert Dr. Anno Borkowsky

Dr. Hubert Fink Michael Pontzen

Independent Auditor's Report

"To LANXESS Aktiengesellschaft, Cologne

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of LANXESS Aktiengesellschaft, Cologne, which comprise the balance sheet as at 31 December 2022, and the statement of profit and loss for the financial year from 1 January to 31 December 2022 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of LANXESS Aktiengesellschaft, which is combined with the group management report, for the financial year from 1 January to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of the disclosure marked as unaudited in section "Monitoring the opportunity and risk management system" of the management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- › the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its financial performance for the financial year from 1 January to 31 December 2022 in compliance with German Legally Required Accounting Principles and
- › the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the disclosure in section "Monitoring the opportunity and risk management system" of the management report referred to above.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

① Recoverability of investments in affiliated companies

Our presentation of this key audit matter has been structured as follows:

- ① Matter and issue
- ② Audit approach and findings
- ③ Reference to further information

Hereinafter we present the key audit matter:

① **Recoverability of investments in affiliated companies**

① Investments in affiliated companies amounting to EUR 739 million (7.7% of total assets) are reported under the "Financial Assets" balance sheet item in the annual financial statements of LANXESS AG. The investments in affiliated companies comprise the investment in LANXESS Deutschland GmbH, which holds further investments in turn.

Investments in affiliated companies are measured in accordance with German commercial law at the lower of cost and fair value. The impairment testing of the shares in LANXESS Deutschland GmbH also takes into account the fair values of its indirect and direct investments, since these could have a material impact on the fair value of the shares in LANXESS Deutschland GmbH. The respective

fair values of LANXESS Deutschland GmbH and its indirect and direct investments are determined if there are indications of possible impairment. For this purpose, the investments are reviewed to establish whether the carrying amount of the investment is not covered by the corresponding (share of) net assets of the company, the company has a history of making losses or there are other indicators which could result in the permanent impairment of the investment.

The fair values for investments are generally calculated as the present values of the expected future cash flows derived from the planning projections prepared by the Company.

The reviews for indications impairment and the fair values determined did not result in a need for any write-downs for the fiscal year.

The outcome of the reviews and valuations depends in particular on planning projections, the estimation of future cash inflows as well as discount and growth rates, which are subject to material uncertainty. Against this background and in view of its material importance for LANXESS AG's assets, liabilities, and financial performance, this matter was of particular significance for our audit.

② As part of our audit, we reviewed and evaluated the methodological procedure as adopted for the purposes of the impairment testing of the shares in LANXESS

Deutschland GmbH, among other things. Using the annual financial statements of LANXESS Deutschland GmbH, we verified that the carrying amount of the investment in LANXESS Deutschland GmbH is covered by the company's net assets and that there is no history of making losses. In addition, we conducted interviews with the client, examined the documentation for matters that could result in the permanent impairment of the investment and also obtained information on this subject from the executive directors. We also inspected the planning projections for the various business areas at the level of LANXESS AG and verified that these contained no evidence for the permanent impairment of the investments either. We assessed the appropriateness of the future cash inflows used in the planning projections, among other things by comparing this data with the current budgets in the five-year plan approved by the executive directors, and reconciling it against general and sector-specific market expectations. Overall, the assumptions used by the executive directors are in line with our expectations.

We also assessed the recoverability of the investments held by LANXESS Deutschland GmbH. For this purpose, we investigated whether the carrying amount of the investment is covered by the (share of) the net assets of the respective company. In the case of those companies with (a share of) net assets below the carrying amount of the investment, a history of losses or other indicators that could result in the permanent impairment of the investment, we obtained the relevant determination of

fair value for the investment and assessed whether the fair values were properly calculated and whether they affect the carrying amount of the investment in LANXESS Deutschland GmbH.

In our view, on the basis of the available information, the procedures adopted by the executive directors for the purpose of the impairment testing of the shares in LANXESS Deutschland GmbH, including the measurement parameters applied and underlying measurement assumptions, are appropriate overall for the proper measurement of the investments in affiliated companies.

③ The Company's disclosures relating to the investments in affiliated companies are contained in the notes to the financial statements in the section entitled "Accounting Policies and Valuation Principles".

Other Information

The executive directors are responsible for the other information. The other information comprises the disclosure marked as unaudited in section "Monitoring the opportunity and risk management system" of the management report as an unaudited part of the management report.

The other information comprises further

- › the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- › the separate non-financial report to comply with §§ 289b to 289e HGB and with §§ 315b to 315c HGB

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- › is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- › otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation

of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- › Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- › Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- › Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- › Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- › Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- › Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- › Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from

these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the electronic file LXS_AG_JA+LB_ESEF-2022-12-31.ZIP and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial

statements and the accompanying management report for the financial year from 1 January to 31 December 2022 contained in the "Report on the Audit of the Annual Financial Statements and on the Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF-documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- › Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- › Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- › Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the annual financial statements on the technical specification for this electronic file.
- › Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 25 May 2022. We were engaged by the supervisory board on 16 November 2022. We have been the auditor of the LANXESS Aktiengesellschaft, Cologne, without interruption since the financial year 2004.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Folker Trepte.

Cologne, March 2, 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Folker Trepte
Wirtschaftsprüfer

ppa. Martin Krug
Wirtschaftsprüfer"



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