

First Supplement dated 30 August 2021
to the Debt Issuance Programme Prospectus dated 14 May 2021

*This document constitutes a supplement (the "**First Supplement**") within the meaning of Article 23(1) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**"), to the base prospectus of LANXESS Aktiengesellschaft in respect of non-equity securities within the meaning of Article 2(c) of the Prospectus Regulation ("**Non-Equity Securities**") (the "**Debt Issuance Programme Prospectus**" or the "**Prospectus**").*

This First Supplement is supplemental to, and should only be read in conjunction with the Prospectus dated 14 May 2021. Therefore, with respect to future issues of Notes under the Programme of LANXESS Aktiengesellschaft, references in the Final Terms to the Prospectus are to be read as references to the Prospectus as supplemented by this First Supplement.



LANXESS Aktiengesellschaft

(incorporated in the Federal Republic of Germany)
as Issuer

€ 5,000,000,000

Programme for the Issuance of Debt Instruments (the "**Programme**")

The Issuer has requested the *Commission de Surveillance du Secteur Financier* of the Grand Duchy of Luxembourg (the "**CSSF**") in its capacity as competent authority under the Prospectus Regulation and the Luxembourg act relating to prospectuses for securities dated 16 July 2019 (*Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières et portant mise en œuvre du règlement (UE) 2017/1129*), as amended (the "**Luxembourg Law**") to approve this First Supplement and to provide the competent authorities in the Federal Republic of Germany and the Republic of Austria with a certificate of approval attesting that the First Supplement has been drawn up in accordance with the Prospectus Regulation ("**Notification**"). The Issuer may request the CSSF to provide competent authorities in additional host Member States within the European Economic Area with a Notification.

This First Supplement has been approved by the CSSF, has been filed with said authority and will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of LANXESS (<https://lanxess.com/en/Investors/Creditor-Relations/Debt-Issuance-Programme/Debt-Issuance>).

RESPONSIBILITY STATEMENT

LANXESS Aktiengesellschaft, with its registered office at Kennedyplatz 1, 50569 Cologne, Federal Republic of Germany (the "**Issuer**", "**LANXESS**", "**LANXESS AG**", the "**Company**" and, together with its affiliated companies within the meaning of the German Stock Corporation Act (*Aktiengesetz*), the "**LANXESS Group**" or the "**Group**") is solely responsible for the information given in this First Supplement.

The Issuer hereby declares that to the best of its knowledge the information contained in this First Supplement, for which it is responsible, is in accordance with the facts and that this First Supplement makes no omission likely to affect its import.

Terms defined or otherwise attributed meanings in the Prospectus have the same meaning in this First Supplement.

This First Supplement should only be distributed in connection with and should only be read in conjunction with the Prospectus.

To the extent that there is any inconsistency between any statement in this First Supplement and any other statement in or incorporated by reference into the Prospectus, the statements in this First Supplement will prevail.

Save as disclosed in this First Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Prospectus.

The Issuer has confirmed to the Dealers that the Prospectus as supplemented by this First Supplement contains all information with regard to the Issuer and the Notes which is material in the context of the Programme and the issue and offering of Notes thereunder, the information contained therein with respect to the Issuer and the Notes is accurate in all material respects and is not misleading, the opinions and intentions expressed therein with respect to the Issuer and the Notes are honestly held, there are no other facts with respect to the Issuer or the Notes the omission of which would make the Prospectus as supplemented by this First Supplement misleading in any material respect, and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained therein.

No person has been authorised to give any information which is not contained in or not consistent with the Prospectus as supplemented by this First Supplement or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as in the public domain and, if given or made, such information must not be relied upon as having been authorised by the Issuer, the Dealers or any of them.

To the extent permitted by the laws of any relevant jurisdiction, neither the Arranger nor any Dealer nor any other person mentioned in the Prospectus as supplemented by this First Supplement, excluding the Issuer, is responsible for the information contained in the Prospectus as supplemented by this First Supplement or completed by any Final Terms or any other document incorporated therein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

RIGHT TO WITHDRAW

In accordance with Article 23 (2a) of the Prospectus Regulation, investors who have already agreed to purchase or subscribe for Notes before this First Supplement was published and where the Notes had not yet been delivered to the investors at the time when the significant new factor, material mistake or material inaccuracy arose or was noted have the right, exercisable within three working days after the publication of this First Supplement, to withdraw their acceptances. The final date of the right of withdrawal will be 2 September 2021. Investors should contact the Issuer at the address specified on the last page of this First Supplement for the exercise of the right of withdrawal.

I. Replacement information pertaining to the section "RISK FACTORS"

- The section "Risk Factors regarding LANXESS AG - 7. Legal and country-specific environment and compliance - *Acquisitions and integration*" on page 14 of the Prospectus shall be replaced by the following:

"Acquisitions and integration – specifically the announced acquisition of the microbial control business from International Flavors & Fragrances Inc.

When information is gathered in the context of acquisitions, it is possible that certain facts required to assess an acquisition candidate's future performance or to determine the purchase price are not available or are not correctly interpreted. Insufficient integration of acquired companies or businesses can result in the expected value added not being generated. If assumptions concerning future developments – such as the realization of synergies – do not materialize, this might result in a write-down on assets.

The aforementioned especially applies to the transaction dated 23 August 2021 in which LANXESS has signed an agreement to acquire the microbial control business from the US-based company International Flavors & Fragrances Inc. (IFF). For the transaction with an enterprise value of USD 1.3 billion LANXESS has secured bridge financing which is expected to be refinanced with senior corporate bonds. Closing of the transaction is expected in the second quarter of 2022 and subject to the approval of the relevant antitrust authorities and other customary conditions. In addition, the microbial control business still has to be fully carved-out by IFF until the closing. If the closing of the announced transaction fails, LANXESS may be liable to pay termination fees or mark-to-market compensation for certain obligations. This might in particular include the utilization of call rights for bonds and the termination of foreign exchange transactions executed in order to finance and hedge the acquisition.

In addition, the acquisition and integration of IFF's microbial control business may expose LANXESS, among others, to the following risks: uncertainties as to the timing of the transaction in view of the ongoing comprehensive carve-out and IT separation of the microbial control business from IFF; the risk that regulatory approvals required for the transaction are only obtained subject to conditions which may involve the re-sale of (minor) parts of the microbial control business; competitive responses to the transaction; litigation relating to the transaction; uncertainty of the expected financial performance of the combined business following completion of the transaction; the ability of LANXESS to achieve the synergies contemplated by the transaction within the expected time frame and to promptly and effectively integrate IFF's microbial control business; the effects of the combination of LANXESS' and IFF's microbial control business; or the risks of dependency on certain suppliers."

II. Replacement information pertaining to the section "FORM OF FINAL TERMS"

- The heading "FORM OF FINAL TERMS (*MUSTER - ENDGÜLTIGE BEDINGUNGEN*)" on page 128 of the Prospectus shall be deleted and inserted at the beginning of page 126 of the Prospectus.

III. Supplemental and replacement information pertaining to the section "LANXESS AG"

- The section "1. STATUTORY AUDITORS" on page 148 of the Prospectus shall be supplemented by the following:

"PwC has reviewed the unaudited condensed consolidated interim financial statements of LANXESS AG as of and for the six-months period ended 30 June 2021."

- The section "3. SELECTED QUARTERLY INFORMATION" on pages 149 to 150 of the Prospectus shall be replaced by the following:

"The following table presents additional and voluntary financial information of the Issuer for the periods from 1 January 2020 until 30 June 2020 and from 1 January 2021 until 30 June 2021 that have been derived from the unaudited condensed consolidated interim financial statements of the Issuer reviewed by PwC for the period from 1 January 2021 to 30 June 2021.

	1 January to 30 June	
In € million	2021	2020
Sales	3,524	3,140
EBITDA ¹ (pre exceptionals) ²	519	469
EBITDA ¹ pre ² margin	14.7%	14.9%
Operating result (EBIT)	223	165
Income after income taxes (attributable to LANXESS AG stockholders / net income)	164	862
Net cash provided by operating activities (continuing operations)	23	165
Cash outflows for purchases of intangible assets, property, plant and equipment	(162)	(162)
	30 June	31 December
In € million	2021	2020
Total assets	9,149	8,880
Equity	3,352	2,999

¹ EBITDA is calculated from earnings before interest and income taxes (EBIT) by adding back depreciation and impairments of property, plant, and equipment as well as amortization and impairments of intangible assets and subtracting reversals of impairment charges on property, plant, equipment and intangible assets. Grants and subsidies from third parties for the acquisition and construction of property, plant and equipment are accounted for as deferred income using the gross method. In this respect, no adjustments other than for gross depreciation and amortization are made when calculating EBITDA.

² EBITDA pre exceptionals is EBITDA disregarding exceptional items. Such exceptional items are effects of an unusual nature or magnitude but for which inclusion in the evaluation of business performance over several reporting periods does not seem to be appropriate. They may include write-downs reversals of impairment charges or the proceeds from the disposal of assets, certain expenses for strategic projects in the fields of IT and digitalization, restructuring expenses and income from the reversal of provisions established in this connection, and reductions in earnings resulting from portfolio adjustments or purchase price allocations. For the reconciliation of EBITDA pre exceptionals to operating result (EBIT), see the table below.

Reconciliation of EBITDA Pre Exceptionals to Operating Result (EBIT)

The line items "EBITDA pre exceptionals" in the table above have been reconciled as follows:

	1 January to 30 June	
In € million	2021	2020
EBITDA ¹ (pre exceptionals) ²	519	469
Depreciation and amortization/reversals of impairment charges	(239)	(252)
Exceptional items in EBITDA	(57)	(52)
Operating result (EBIT)	223	165

EBITDA pre exceptionals is the central indicator that LANXESS uses to steer the business operations of the LANXESS Group and the individual segments. Every operational decision or achievement is judged in the short and long term by its sustainable impact on EBITDA pre exceptionals. LANXESS uses EBITDA pre exceptionals as key controlling parameter because it facilitates assessment of the company's development over several reporting periods.

¹ EBITDA is calculated from earnings before interest and income taxes (EBIT) by adding back depreciation and impairments of property, plant, and equipment as well as amortization and impairments of intangible assets and subtracting reversals of impairment charges on property, plant, equipment and intangible assets. Grants and subsidies from third parties for the acquisition and construction of property, plant and equipment are accounted for as deferred income using the gross method. In this respect, no adjustments other than for gross depreciation and amortization are made when calculating EBITDA.

² EBITDA pre exceptionals is EBITDA disregarding exceptional items. Such exceptional items are effects of an unusual nature or magnitude but for which inclusion in the evaluation of business performance over several reporting periods does not seem to be appropriate. They may include write-downs reversals of impairment charges or the proceeds from the disposal of assets, certain expenses for strategic projects in the fields of IT and digitalization, restructuring expenses and income from the reversal of provisions established in this connection, and reductions in earnings resulting from portfolio adjustments or purchase price allocations.

Margin on EBITDA Pre Exceptionals per segment and for the group

	1 January to 31 December	
In %	2020	2019
Advanced Intermediates	16.8%	17.0%
Specialty Additives	16.4%	18.0%
Consumer Protection	21.0%	18.9%
Engineering Materials	12.7%	16.4%
Group	14.1%	15.0%

- The section "10. TREND INFORMATION – RECENT DEVELOPMENTS" on page 153 to 154 of the Prospectus shall be supplemented by the following:

"On 7 July 2021, the €500 million bond issued in October 2016 was repaid three months prior to maturity. In the consolidated interim financial statements as of 30 June 2021, this bond is recognized under other current financial liabilities.

On 3 August 2021, LANXESS completed the acquisition of 100% of the shares in Emerald Kalama Chemical. The U.S. company is one of the world's leading manufacturers of specialty chemicals, primarily for the consumer goods sector. These include preservatives for use in food, household products and cosmetics, flavors and fragrances as well as preservative products for animal nutrition and animal health. In addition, the product portfolio is expanded by specialty chemicals for industrial applications, such as for the plastics and adhesives industries. The acquisition is a targeted enhancement of LANXESS's position in the global business with antimicrobial active ingredients and preservatives, especially for consumer protection products and animal health. After deducting liabilities, the purchase price was approximately US\$1.04 billion which LANXESS financed from existing liquidity.

On 23 August 2021, LANXESS has signed an agreement to acquire the microbial control business from the US-based company International Flavors & Fragrances Inc. (IFF). The microbial control business comprises two production sites in the US and approximately 270 employees worldwide. Sales amount to around USD 450 million* with EBITDA pre exceptionals approximating USD 100 million*. Around 75 percent of sales are generated in America and Asia. The acquisition will strengthen LANXESS' specialty chemicals portfolio with the expansion of the growth areas disinfection, personal care and material protection. The microbial control business reports high margins with an asset light production network supporting cash flow generation. Annual synergies of around EUR 30 million (thereof already around EUR 25 million by 2024) are expected. For the transaction with an enterprise value of USD 1.3 billion LANXESS has secured bridge financing which is expected to be refinanced with senior corporate bonds. Closing of the transaction is expected in the second quarter of 2022 and among other items subject to the approval of the relevant regulatory authorities. In addition, the microbial control business has to be carved-out by IFF. With the recent acquisitions, LANXESS has created growth opportunities and is now shifting its capital allocation priorities. Against this background, the currently suspended share buy-back program of LANXESS in the amount of EUR 463 million will be terminated. The approximately 1.1 million repurchased shares under the program will be cancelled.

* on a normalized level, meaning in an average year"

- The table under the heading "11. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES – B. SUPERVISORY BOARD" on pages 155 to 156 of the Prospectus shall be replaced by the following:

"B. SUPERVISORY BOARD

The Supervisory Board of LANXESS AG consists of the following members:

Member of Board	Further Offices
Dr. Matthias L. Wolfgruber (Chairman)	Chairman of the Supervisory Board of LANXESS Deutschland GmbH, Cologne Chairman of the Supervisory Board of ALTANA AG, Wesel Member of Board of Directors of Cabot Corporation, Boston Massachusetts/USA

Member of Board	Further Offices
Birgit Bierther	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne
Hans van Bylen	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne Chairman of the Board of Directors of Ontex Group NV, Erembodegem (Aalst), Belgium Member of the Board of Directors of Etex NV, Luchthaven Brussel Nationaal, Belgium Member of the Board of Directors of SN Airholding NV, Brussels, Belgium
Werner Czaplik	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne
Armando Dente	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne Member of the Supervisory Board of INEOS Deutschland Holding GmbH, Cologne Member of the Supervisory Board of INEOS Manufacturing Deutschland GmbH, Cologne ¹
Dr. Hans-Dieter Gerriets	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne
Dr. Heike Hanagarth	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne Member of the Advisory Board of Gilde Buy Out Partners BV, Utrecht, The Netherlands Member of the Advisory Board of NXT Boardroom GmbH, Munich
Pamela Knapp	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne Member of the Board of Directors – Conseil d'Administration of Compagnie de Saint-Gobain S.A., Courbevoie, France Member of the Supervisory Board – Conseil de Surveillance of Peugeot S.A., Rueil-Malmaison, France Member of the Board of Directors of Signify NV, Eindhoven, Netherlands Member of the Advisory Board of HKP Deutschland GmbH
Lawrence A. Rosen	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne Chairman of the Supervisory Board of Qiagen N.V., Venlo, The Netherlands Member of the Supervisory Board of Deutsche Post AG
Ralf Sikorski (Vice Chairman)	Vice Chairman of the Supervisory Board of LANXESS Deutschland GmbH, Cologne Vice Chairman of the Supervisory Board of LANXESS Deutschland GmbH, Cologne Member of the Supervisory Board of Chemie Pensionsfonds AG, Munich Member of the Supervisory Board of RAG AG, Herne Member of the Supervisory Board of RWE AG, Essen Vice Chairman of the Supervisory Board of RWE Power AG, Cologne and Essen Member of the Supervisory Board of RWE Generation SE, Essen Vice Chairman of the Supervisory Board of KSBG – Kommunale Verwaltungsgesellschaft GmbH, Essen
Manuela Strauch	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne
Theo H. Walthie	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne"

- The section "14. HISTORICAL FINANCIAL INFORMATION AND QUARTERLY INFORMATION" on page 156 of the Prospectus shall be supplemented by the following:

"The unaudited condensed consolidated interim financial statements of LANXESS AG as of and for the six-months period ended on 30 June 2021, prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) contained in LANXESS' Interim Report (*Zwischenbericht*) for the six-months period ended on 30 June 2021 on pages 20 to 38, are incorporated by reference into this Prospectus."

- The paragraph under the heading "17. SIGNIFICANT CHANGES" on page 157 of the Prospectus shall be replaced by the following:

"There has been no significant change in the financial position of LANXESS since 30 June 2021 and there has not been any significant change in the financial performance of LANXESS since 30 June 2021, the end of the last financial period for which financial information has been published, to the date of the Prospectus."

IV. Supplemental information pertaining to the section "INCORPORATION BY REFERENCE"

- The list in the section "INCORPORATION BY REFERENCE" on pages 167 to 168 of the Prospectus shall be supplemented by the following:

- **"The unaudited condensed consolidated interim financial statements of LANXESS Group for the six-months period ended on 30 June 2021 consisting of**
 - Statement of Financial Position (page 20 of the Half-year Financial Report)
 - Income Statement (page 21 of the Half-year Financial Report)
 - Statement of Comprehensive Income (page 21 of the Half-year Financial Report)
 - Statement of Changes in Equity (page 22 of the Half-year Financial Report)
 - Statement of Cash Flows (page 23 of the Half-year Financial Report)
 - Notes to the consolidated Financial Statements (pages 26 to 35 of the Half-year Financial Report)
 - the Review Report (page 38 of the Half-year Financial Report)

(https://lanxess.com/-/media/Project/Lanxess/Corporate-Internet/Investors/Reporting/2021/2021-Q2-LANXESS-EN_web.pdf)"

NAMES AND ADDRESSES**ISSUER**

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50569 Cologne
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FISCAL AND PAYING AGENT

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ARRANGER

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