

Q³

INTERIM REPORT

JANUARY – SEPTEMBER 2021

KEY FINANCIAL FIGURES AT A GLANCE

CONSOLIDATED INCOME STATEMENT

		Q3 2021	Q3 2020
Sales	EUR m	3,738.2	2,880.9
Operating gross profit	EUR m	862.3	695.2
Operating EBITDA	EUR m	342.9	264.4
Operating EBITDA/operating gross profit	%	39.8	38.0
Profit after tax	EUR m	161.0	120.6
Basic earnings per share	EUR	1.02	0.76
Diluted earnings per share	EUR	1.01	0.76

CONSOLIDATED BALANCE SHEET

		Sep. 30, 2021	Dec. 31, 2020
Total assets	EUR m	9,547.5	8,143.5
Equity	EUR m	3,870.9	3,611.6
Working capital	EUR m	1,960.4	1,346.6
Net financial liabilities	EUR m	2,031.5	1,339.9

CONSOLIDATED CASH FLOW

		Q3 2021	Q3 2020
Net cash provided by/used in operating activities	EUR m	203.8	454.4
Investments in non-current assets (capex)	EUR m	-38.0	-38.5
Free cash flow	EUR m	155.0	420.7

KEY DATA ON THE BRENNTAG SHARES

		Sep. 30, 2021	Dec. 31, 2020
Share price	EUR	80.58	63.34
No. of shares (unweighted)		154,500,000	154,500,000
Market capitalization	EUR m	12,449	9,786
Free float	%	100.0	100.0

COMPANY PROFILE

Brenntag is the global market leader in chemical and ingredients distribution. The company plays a central role in connecting the chemical industry's customers and suppliers. Headquartered in Essen, Brenntag had over 17,000 employees worldwide and a network spanning more than 670 locations in over 77 countries in 2020. Brenntag generated sales of around EUR 11.8 billion last year. The two global divisions, Brenntag Essentials and Brenntag Specialties, provide a full-line portfolio of industrial and specialty chemicals and ingredients. We offer tailor-made application, marketing and supply chain solutions, technical and formulation support, comprehensive regulatory expertise and digital solutions for a wide range of industries. Brenntag pursues specific sustainability goals and is committed to sustainable solutions both in chemical distribution and in the industries it serves. Brenntag shares have been listed on the Frankfurt Stock Exchange since 2010 and are included in the DAX and the DAX 50 ESG. For further information, visit www.brenntag.com.

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LETTER FROM THE CEO



BRENNTAG CONTINUED ITS SUCCESSFUL PERFORMANCE IN THE THIRD QUARTER OF 2021 AND ONCE AGAIN ACHIEVED OUTSTANDING RESULTS. WE HAVE REPEATEDLY DEMONSTRATED THE RESILIENCE OF OUR BUSINESS MODEL AND WILL CONTINUE OUR POSITIVE BUSINESS PERFORMANCE FOR THE REMAINDER OF 2021.

Dear ladies and gentlemen, dear shareholders,

Brenntag continued its successful performance in the third quarter of 2021 and once again achieved outstanding results. Despite the still-unusual and in many respects challenging market conditions, the Group achieved operating gross profit of around EUR 862 million, an increase of around 24% on a constant currency basis. Operating EBITDA grew at an even stronger rate of around 30% on a constant currency basis to roughly EUR 343 million in the reporting period.

From the very beginning, 2021 has been marked by extraordinary operating conditions. The effects of the COVID-19 pandemic continue to hamper the macroeconomy in many countries. In addition, the pressure on global supply chains has steadily increased in recent months, and the third quarter was impacted in particular by exceptional developments on global energy markets.

Against this background, we are very pleased with our quarterly results. Our two divisions, Brenntag Essentials and Brenntag Specialties, once again achieved strong results. Brenntag Essentials reported operating gross profit of EUR 520.2 million. Operating EBITDA was up by around 28.7% on a constant currency basis to EUR 210.3 million. In this division, the North America segment reported very strong results, while Asia Pacific was once again affected by strict lockdowns as a result of the COVID-19 pandemic.

Brenntag Specialties also continued its successful performance, delivering excellent results in the third quarter and, as per our long-term expectations, growing at a stronger rate than Brenntag Essentials. The division's operating gross profit rose by 30% on a constant currency basis to EUR 334.3 million. Operating EBITDA reached EUR 152.9 million, a rise of 42.3%. All segments and almost all customer industries contributed to this excellent result.

At EUR 155 million, free cash flow was once again a solid figure. Moreover, we increased profit after tax significantly compared with the prior-year quarter. At EUR 161.0 million, this was up by just over 33% on the third quarter of 2020. Earnings per share also showed a very encouraging rise of around 34% to EUR 1.02.

Alongside our operating activities, we continue to work hard on our transformation programme, “Project Brenntag”, which is intended to strategically position our company for the future and will enable us to address the individual requirements of our markets and business partners faster and better. We continued to make very good progress here in the third quarter and are fully on schedule in implementing the various measures. Since the inception of “Project Brenntag”, the transformation programme has made an additional contribution to operating EBITDA of around EUR 70 million. We have now closed a total of 68 of the planned 100 sites, but at the same time have also invested in our site network, for example in the setting-up of mega-sites. Mega-sites are our large sites working to the latest standards at strategically and logistically important hubs in our global network.

In the course of transforming our company, we have also sharpened our focus as regards potential acquisition targets. In the third quarter, we were able to report the acquisition of Matrix Chemical, LLC. The company, which now belongs to the Brenntag Group, specializes in the distribution of solvents and is the largest acetone distributor in North America. By closing the acquisitions of Zhongbai Xingye and JM Swank, we also bolstered our Specialties portfolio considerably.

At the end of September 2021, we reinforced our balanced and long-term financial profile by issuing a new benchmark bond for EUR 500 million on the European capital market. This was the first bond to be issued by Brenntag under a newly established debt issuance programme. The bond has a maturity of eight years and carries a coupon of 0.50%. The issue price of the bond was 99.711%. We will use the proceeds from the bond issue to pay down existing financial liabilities and finance the Group’s general business development.

Brenntag has been able to report an extremely successful 2021 so far. In September, there was another very positive development for us: when Germany’s leading index was reformed, Brenntag SE moved up to the DAX. Our Group is now one of Germany’s 40 leading listed companies. That makes us very proud and would not have been possible without the exceptional commitment of our employees. We are pleased about the greater public attention that our company will experience as a result of joining the DAX and see this as additional motivation to lead Brenntag to continued success in the future.

Now a look at the rest of 2021: in September this year, we raised our guidance for operating EBITDA for the second time due to our very positive business performance. Brenntag expects operating EBITDA for financial year 2021 to be between EUR 1,260 million and EUR 1,320 million. This forecast takes into account our organic growth, the efficiency improvements expected to be achieved in implementing our transformation programme, “Project Brenntag”, and the contribution to earnings from acquisitions already closed. It is based on the assumption at the date of the forecast’s publication that exchange rates will remain stable.

At macroeconomic level, we expect the currently exceptional and challenging market conditions to continue into 2022. Our good product availability and our high reliability of supply have so far paid off for Brenntag. We were thus able to help our customers maintain production. We will also continue to concentrate on maintaining our supply chains despite the currently adverse circumstances and leveraging our global reach to consistently offer our partners an excellent and reliable service. We have repeatedly demonstrated the resilience of our business model and will continue our positive business performance for the remainder of 2021.

On behalf of the entire Board of Management of Brenntag SE, our sincere thanks go to all our stakeholders for the confidence they place in us and their continuous support for our company. A special word of thanks goes to our employees for their outstanding efforts in these challenging times.

Best wishes



Dr Christian Kohlpaintner
Chief Executive Officer

Essen, November 3, 2021

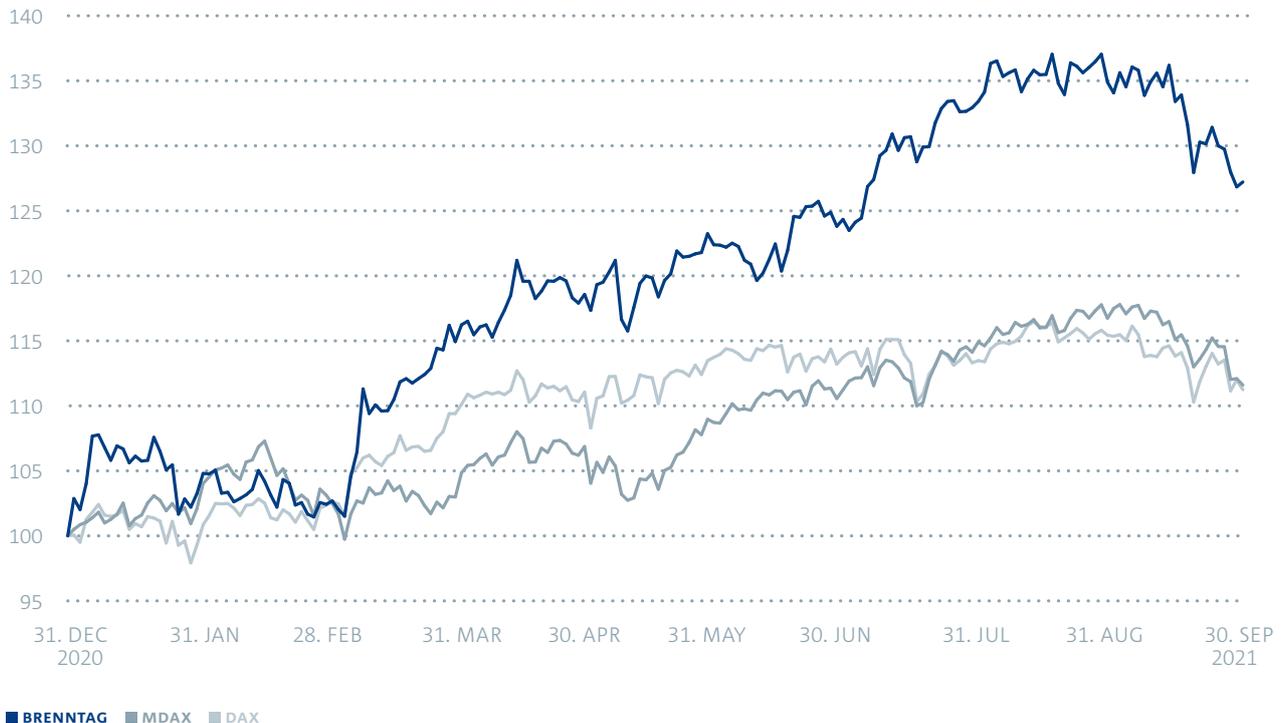
BRENNTAG ON THE STOCK MARKET

In the third quarter of 2021, global equity markets initially continued on the positive trend seen in the first six months of this year. The successful measures to contain the COVID-19 pandemic led to the easing of general restrictions and had a positive impact on the global economy. In the further course of the quarter, worries about the global rise in inflation and China's economic performance triggered greater volatility on the equity markets. Moreover, in September, the US Federal Reserve announced that it would start to scale back its expansionary monetary policy and end it by mid-2022.

2021 saw the completion of the biggest reform in the history of Germany's leading index, the DAX. In September this year, the DAX universe was expanded from 30 to 40 companies, the aim being to better represent the German economy than was the case in the past. At the same time, the rules on becoming and remaining a member of the DAX were revised.

The main indicator for inclusion in the DAX is now the free float market capitalization. Brenntag SE has been a member of Germany's leading index since September 20, 2021.

Both Germany's leading index, the DAX, and the MDAX performed well in the third quarter of 2021. The DAX initially reached its year-to-date low of 13,433 points on January 29, 2021. It reached its high of 15,977 points on August 13, 2021. At the end of the third quarter, the DAX stood at 15,261 points, up 11.2% compared with the end of 2020. The MDAX marked its year-to-date low of 30,717 points on March 5, 2021 and reached its high of 36,276 points on September 2, 2021. It closed at 34,370 points, leading to a gain of 11.6% compared with the 2020 closing price.



A.01 BRENNTAG SHARE PRICE PERFORMANCE (INDEXED)

BRENNTAG SHARE PRICE PERFORMANCE

Brenntag shares performed very well again in the third quarter of 2021, continuing the trend seen in the first half of the year. The share price rose continuously from its year-to-date low of EUR 64.26 on February 26, 2021 to reach its high of EUR 86.80 on August 18, 2021. On September 30, 2021, Brenntag shares closed at EUR 80.58, up 27.2% compared with the prior-year closing price. Including the dividend payment, Brenntag's share price performance of 29.5% as at September 30, 2021 was once again well above that of the benchmark indices the DAX with 11.2% and the MDAX with 11.6%.

REFERENCE DATA ON THE BRENNTAG SHARES

As at September 30, 2021, the subscribed capital of Brenntag SE totalled EUR 154.5 million. The share capital is divided into 154,500,000 no-par value registered shares, each with a notional value of EUR 1.00.

Since going public in 2010, Brenntag shares have been listed in Deutsche Börse AG's Prime Standard segment. Since June 2010, Brenntag shares had been part of the MDAX, the second-largest German share index. Following the reform of Germany's leading index, the DAX, and its expansion from 30 to 40 companies in September 2021, Brenntag SE is now listed on the DAX.

With a market capitalization of EUR 12.936 billion as at September 30, 2021, Brenntag shares ranked 31st among all listed companies in Germany, according to the Deutsche Börse AG criteria. Brenntag shares are also included in major international indices such as selected MSCI indices and the STOXX Europe 600, which tracks the performance of the 600 largest companies from 17 European countries. In addition, Brenntag shares are included in various sustainability indices such as the DAX 50 ESG and the DAX ESG Target Index.

	Sep. 30, 2021	Dec. 31, 2020
Number of shares	154,500,000	154,500,000
WKN	A1DAH H	A1DAH H
ISIN	DE000A1DAH H0	DE000A1DAH H0
Trading symbol	BNR	BNR
Market segments	Regulated Market / Prime Standard	Regulated Market / Prime Standard
Trading venues	Xetra and all German regional exchanges	Xetra and all German regional exchanges
Selected indices	DAX, MSCI, STOXX Europe 600, DAX 50 ESG, DAX ESG Target Index	MDAX, MSCI, STOXX Europe 600, DAX 50 ESG

A.02 REFERENCE DATA ON THE BRENNTAG SHARES

SHAREHOLDER STRUCTURE

As at November 1, 2021, notification had been received from the following shareholders under Section 33 of the German Securities Trading Act (WpHG) that their share of the voting rights exceeded the 3% or 5% threshold:

Shareholder	Interest in %	Date of notification
BlackRock	>5	Apr. 23, 2021
Wellington Management Group	>5	Jul. 10, 2020
Burgundy Asset Management	>3	Oct. 16, 2018
Columbia Threadneedle	>3	Nov. 7, 2020
FMR LLC	>3	Oct. 27, 2021
Yacktman Asset Management LP	>3	Apr. 27, 2020

A.03 SHAREHOLDER STRUCTURE

All voting rights notifications are published on the company's website at www.brenntag.com/voting_rights_announcements.

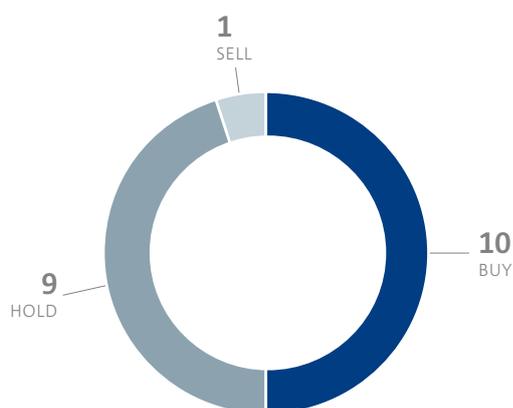
At the time of reporting, 100% of Brenntag shares were in free float as defined by Deutsche Börse.

ANALYSTS' OPINIONS

Brenntag is continuously monitored and rated by a large number of international financial analysts. Currently (as at November 1, 2021), 20 banks regularly publish research reports on our company's latest performance and issue recommendations. Ten analysts have a buy recommendation, nine have a hold recommendation and one has a sell recommendation on the Brenntag shares. Many analysts value Brenntag as a growth stock with strong cash flow generation. Furthermore, they see additional potential as a result of the measures initiated by the Brenntag Board of Management as part of the transformation programme "Project Brenntag". At the beginning of November 2021, the average share price target was EUR 91.27.

- Baader Helvea
- Bank of America
- Bankhaus Metzler
- Berenberg
- Citigroup
- Credit Suisse
- Deutsche Bank
- DZ Bank
- Exane BNP Paribas
- Goldman Sachs
- HSBC
- Independent Research
- J.P. Morgan Cazenove
- Jefferies
- Kepler Cheuvreux
- Nord LB
- Oddo BHF
- Stifel
- UBS
- Warburg Research

A.05 ANALYSTS COVERING BRENNTAG SE



A.04 ANALYSTS' OPINIONS

Up-to-date information can be found in the Investor Relations section of our website at www.brenntag.com/analysts_opinions.

CREDITOR RELATIONS

Brenntag's strong credit profile is reflected in investment grade ratings from international rating agencies Standard & Poor's and Moody's: Standard & Poor's assigns a "BBB" rating (outlook: positive). In September 2021, Standard & Poor's changed the outlook from "stable" to "positive". In March 2021, Moody's raised Brenntag SE's rating to "Baa2" (outlook: stable). Previously, Moody's had assigned Brenntag a "Baa3" rating (outlook: positive).

		Bond (with Warrants) 2022		Bond 2025	
Issuer		Brenntag Finance B.V.		Brenntag Finance B.V.	
Listing		Frankfurt Open Market (Freiverkehr)		Luxembourg stock exchange	
ISIN		DE000A1Z3XQ6		XS1689523840	
Aggregate principal amount	USD m	500	EUR m	600	
Denomination	USD	250,000	EUR	1,000	
Minimum transferrable amount	USD	250,000	EUR	100,000	
Coupon	%	1.875	%	1.125	
Interest payment	semi-annual	Jun. 2/Dec. 2	annual	Sep. 27	
Maturity		Dec. 2, 2022		Sep. 27, 2025	

A.06 KEY DATA ON THE BONDS OF THE BRENNTAG GROUP

	Sep. 30, 2021	Dec. 31, 2020
No. of shares	154,500,000	154,500,000
Basic earnings per share (in EUR) ¹⁾	1.02	3.02
Diluted earnings per share (in EUR) ¹⁾	1.01	3.02
Book value per share (in EUR) ²⁾	24.6	23.0
XETRA closing price (in EUR)	80.58	63.34
XETRA high (in EUR)	86.80	64.96
XETRA low (in EUR)	64.26	29.68
XETRA average price (in EUR)	75.89	49.92
Average daily trading volumes XETRA and Frankfurt		
Shares k	303	408
EUR k	22,992	19,613
Market capitalization (in EUR m) ³⁾	12,449	9,786

A.07 KEY DATA ON THE BRENNTAG SHARES

- ¹⁾ Profit attributable to shareholders of Brenntag SE/number of shares.
²⁾ Equity attributable to shareholders of Brenntag SE/number of shares.
³⁾ Market capitalization at the end of the reporting period..

SERVICE FOR SHAREHOLDERS

You can find comprehensive information on Brenntag SE and the Brenntag shares on the Corporate Investor Relations website. In addition to financial reports and presentations, it also contains all the key dates on the financial calendar. The conference calls on the publication of the quarterly and annual results are recorded and offered in audio format. Shareholders and interested parties can register to be placed on the investor mailing list by visiting the Corporate Investor Relations website. The Investor Relations team would also be happy to help you in person.

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GROUP INTERIM MANAGEMENT REPORT

FOR THE PERIOD FROM
JANUARY 1 TO SEPTEMBER 30, 2021

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GROUP OVERVIEW

Business Activities and Group Structure

BUSINESS ACTIVITIES

Brenntag's growth opportunities along with its resilient business model are based not only on complete geographic coverage, a wide product portfolio and a comprehensive offering of value-added services, but especially on high diversity across our suppliers, customers and industries and our targeted use of the potential offered by outsourcing.

We connect chemical manufacturers (our suppliers) and chemical users (our customers) and offer a full-line portfolio of industrial and specialty chemicals and ingredients as well as tailor-made application, marketing and supply chain solutions, technical and formulation support, comprehensive regulatory expertise and digital solutions. Brenntag purchases large-scale quantities of industrial and specialty chemicals and ingredients from a large number of suppliers, enabling us to achieve economies of scale and offer our roughly 185,000 customers a full-line range of products and value-added services. Brenntag is the strategic partner and service provider for manufacturers of industrial and specialty chemicals and ingredients at the one end and chemical and ingredients users at the other end of the value chain. Brenntag's role is also expressed in our brand identity "ConnectingChemistry". We store the products we purchase in distribution facilities, pack them into quantities the customers require and deliver them, typically in less-than-truckloads.

To enable us to best respond to our customers' and suppliers' diverse and changing requirements, we have since January 1, 2021 been managing our business through two global divisions: Brenntag Essentials and Brenntag Specialties. Brenntag Essentials markets a broad portfolio of process chemicals across a wide range of industries and applications. Brenntag Specialties focuses on selling ingredients and value-added services to the selected industries, Nutrition, Pharma, Personal Care/HI&I (Home, Industrial & Institutional), Material Science (Coatings & Construction, Polymers, Rubber), Water Treatment and Lubricants. Overall, Brenntag offers a broad product range comprising more than 10,000 chemicals and ingredients as well as extensive value-added services such as just-in-time delivery, product mixing, blending, repackaging, inventory management, drum return handling as well as technical and laboratory services for specialty chemicals.

Brenntag is the global market leader in chemical and ingredients distribution. We define market leadership not just by business volume; rather, we combine our philosophy "ConnectingChemistry" with constant improvements in the safety standards at our sites. As a responsible service provider, we continually strive to achieve further improvements in the value chain as a whole and to contribute to greater sustainability.

GROUP STRUCTURE AND SEGMENTS

At the ordinary General Shareholders' Meeting on June 10, 2020, shareholders resolved to change Brenntag AG's legal form to a European company (Societas Europaea, SE). The change became effective upon its entry in the Commercial Register on February 1, 2021. As the ultimate parent company, Brenntag SE is responsible for the strategy of the Group. The central functions of Brenntag SE are:

- Corporate Controlling, Corporate Finance, Corporate Accounting and Corporate Tax
- Corporate IT
- Corporate Investor Relations, Corporate Communications, Global Marketing, Corporate Relations & Government Affairs
- Corporate QSHE (Quality, Safety, Health and Environment)
- Corporate Mergers & Acquisitions, Corporate Planning & Strategy, Corporate Sustainability, Corporate Insurance Management
- Corporate Legal, Corporate Internal Audit and Corporate Compliance
- Global Human Resources
- Shared Services, Indirect Procurement, Transformation Office, Functional Excellence, Digitization

Since January 1, 2021, the Brenntag Group has been managed through two global divisions, Brenntag Essentials and Brenntag Specialties. Brenntag Essentials is managed through the geographical segments EMEA, North America, Latin America and APAC. Brenntag Specialties comprises the EMEA, Americas and APAC segments. Brenntag Business Services were introduced to support the two divisions, harmonize internal processes and intensify global collaboration. They have been allocated to "All other Segments". In addition, "All other Segments"

combine the central functions for the entire Group and the activities with regard to the digitalization of our business. The international operations of BRENNTAG International Chemicals GmbH, which buys and sells chemicals in bulk on an international scale without regional boundaries, are also included here.

For details of the scope of consolidation, please refer to the notes to the consolidated financial statements for the period ended September 30, 2021.

Objectives and Strategy

Connecting Chemistry

Our philosophy “Connecting Chemistry” describes our company’s value creation, purpose and commitment to all our partners within the supply chain:

▪ Success

We support our partners in developing and growing their businesses, and enable them to expand their market reach. Equally, we are committed to creating value for our shareholders, developing our employees throughout all stages of their careers and making a positive contribution to the sustainable development of the countries in which we operate.

▪ Expertise

We provide our partners with in-depth product, application and industry expertise, and sophisticated market intelligence. We set ourselves apart, drawing on our extensive product and service portfolio as well as our comprehensive industry coverage on a global level and our ability to develop tailor-made solutions.

▪ Customer orientation and service excellence

We offer powerful channels to market and provide the best customer service in the industry. Only when our partners are fully satisfied do we consider our service to be delivered.

VISION, OBJECTIVES AND STRATEGY

Our vision illustrates how we aim to position ourselves in the markets and industries we serve and is summarized by the following five commitments to our current and future development:

- We aim to be the safest chemical distributor and strive for zero accidents and incidents.
- Throughout the world, we connect chemistry by providing the most effective industry channel for our customers and suppliers.
- We are the global leader and strive to attain leading positions in all our chosen markets and industries. We aim to offer the most professional sales and marketing organization in the industry and ensure consistently high standards every day, everywhere.
- We strive to provide a working environment where the best people want to work.
- We aim to generate high returns for our shareholders and sustainable value for all stakeholders.

Our goal is to further expand our position as global market leader in an agilely changing global market environment and lead our industry as the preferred partner for customers and suppliers.

We strive to extend our market leadership through sustainable organic growth and by continuously and systematically increasing profitability.

In addition, we continue to seek acquisition opportunities that support our strategy. Our strategic focus here is on expanding our presence in emerging markets in Asia Pacific in particular so as to capture the expected strong growth in demand for chemicals and ingredients in these regions. In the established markets of Western Europe and North America, our acquisition strategy focuses on steadily optimizing our product and service portfolio.

SUSTAINABILITY

Our sustainability management focuses on the aspects derived from our daily operations and service portfolio:

- Safety
- Environmental protection
- Responsibility within the supply chain
- Compliance
- Employees
- Social responsibility

We are committed to the principles of responsible care and responsible distribution as well as the principles of the UN Global Compact. We are also a member of “Together for Sustainability”, an industry initiative that aims to enhance sustainability across the chemical industry’s entire supply chain. Detailed information on our sustainability management is provided in our latest sustainability report and in the “Health, Safety and Environmental Protection, Quality Management” chapter of the 2020 Financial Report.

Transformation Programme “Project Brenntag”

We launched “Project Brenntag” with a view to laying strong foundations for future organic earnings growth. Through this broad transformation programme, we aim to adopt a more focused approach to our market activities, build stronger partnerships with our customers and suppliers, and reduce complexity. The core elements are a new operating model comprising two global divisions with a strong focus on customer and supplier requirements, and a distinct go-to-market approach, (infra-)structural modifications as well as human resources and change management measures.

Building on our strengths as the leading full-line distributor, we have since the beginning of 2021 been managing Brenntag through two global divisions: Brenntag Essentials and Brenntag Specialties. With this new operating model, we aim to sharpen our profile in relevant industry segments and serve our customers’ and suppliers’ requirements faster, better and more comprehensively, thereby ensuring Brenntag’s successful future development.

As an agile, lean and efficient distribution partner at local level, Brenntag Essentials markets a broad portfolio of process chemicals across a wide range of industries and applications. In this division, we benefit in particular from our local market knowledge and our reach. This allows us to make specific use of our economies of scale. Brenntag Specialties is geared to expanding our market position as the leading supplier of specialty chemicals in six selected focus industries worldwide: Nutrition, Pharma, Personal Care/HI&I (Home, Industrial & Institutional), Material Science (Coatings & Construction, Polymers, Rubber), Water Treatment and Lubricants. These focus industries are large and globally relevant and offer significant potential for end-to-end solutions. They are subject to strict regulatory requirements and demand technical and application-related expertise.

Both divisions will work equally towards strengthening and expanding our position as global market leader in the distribution of specialty chemicals and as a full-line distributor.

Our new operating model is complemented by a distinct go-to-market approach with globally harmonized and advanced customer segmentation and a focused sales organization geared to customer requirements. In order to enable us to operate and manage even faster and more efficiently worldwide, we have also combined all business support functions in central, global units.

We see further potential in optimizing our global site network and improving capacity utilization. While maintaining our global reach as well as a high level of service quality and reliability, we will consolidate our site network, strengthen regional hubs, establish new sites and thus provide better, simpler and more efficient customer support. This network optimization also envisages the closure of approximately 100 sites worldwide. Our optimized site network will allow us to improve our efficiency, leverage economies of scale across business areas and products, and increase proximity to our business partners. By optimizing both the distance to the customer and transport requirements, we will also lower CO₂ emissions and improve our environmental footprint.

Our people measures are centred around our employees' further development and extensive skills enhancement in alignment with the company's transformation and on targeted succession planning. Through "Project Brenntag", we are promoting global collaboration, establishing a new management culture and enabling our employees to take on new roles. We will best position the Brenntag brand in the employment market so as to recruit and retain highly qualified employees.

The comprehensive transformation programme is expected to deliver a sustainable additional contribution to operating EBITDA, reaching the full annual potential of EUR 220 million in total in 2023. Including the measures already implemented, the total net cash outflow associated with "Project Brenntag" is expected to amount to around EUR 370 million. The programme's implementation will lead to a reduction of about 1,300 jobs in total worldwide.

Overall on "Project Brenntag", we have so far closed 68 sites, structurally reduced more than 740 jobs and in the period to the end of September 2021 generated additional operating EBITDA of around EUR 70 million. "Project Brenntag"-related expenses totalled around EUR 55 million.

REPORT ON ECONOMIC POSITION

Economic Environment

The global economy continued to recover during the third quarter of 2021. However, the upward trend was much weaker due to continuing disruption to supply chains and, in some cases, renewed rises in COVID-19 infections and the associated restrictions. Overall, global industrial production rose by around 7.3% year on year in the first two months of the third quarter of 2021. The positive trend in manufacturing at the end of the third quarter of 2021 also impacted on the Global Manufacturing Purchasing Managers' Index (PMI), which stood at 54.1 in September, a reading still above the 50 neutral mark.

In Europe, industrial production grew by only around 6.6% year on year in the first two months of the third quarter of 2021. The same holds true for North and Latin America, where the economy was on a weaker positive trend. In the USA, industrial production rose by around 5.7% compared with the third quarter of the previous year. Latin American industrial production grew by around 7.8% year on year in the first two months of the third quarter of 2021. In the Asian economies (excluding China), the upward economic trend suffered due to the effects of a further wave of COVID-19 infections. This was also reflected in a decline in the growth rate. Overall, production grew by around 14.0% compared with the prior-year figure in the first two months of the third quarter of 2021. Chinese industrial production expanded by 5.9% year on year in the first two months of the third quarter of 2021.

Business Performance

MAJOR EVENTS IMPACTING ON BUSINESS IN Q3 2021

At the end of July 2021, Brenntag closed the acquisition of the first tranche (67%) of Chinese specialty distributor Zhongbai Xingye based in Beijing. The second tranche is expected to close at the end of 2024. Over a twelve-month period to June 2020, the acquiree generated sales of around EUR 146 million.

Also at the end of July 2021, Brenntag acquired all operating assets and the distribution business of Matrix Chemical, LLC. Based in San Juan, Puerto Rico, the company generated sales of EUR 164 million in financial year 2020.

In August 2021, Brenntag acquired the business operations of Storm Chaser Holding Corporation (JM Swank) headquartered in North Liberty, IA, USA. The company achieved sales of around EUR 442 million in 2020.

On September 20, 2021, Brenntag moved up to the DAX, Germany's leading index, which was expanded from 30 to 40 member companies as part of a reform.

Furthermore, at the end of September 2021, Brenntag placed a new, EUR 500 million benchmark bond on the European capital market. This is the first bond issued by Brenntag under a newly established debt issuance programme. At the beginning of October 2021, Brenntag Finance B.V. issued the bond with a maturity of eight years and a coupon of 0.50% on the Euro MTF market at the Luxembourg Stock Exchange. The issue price of the bond was 99.711%. Brenntag will use the proceeds from the bond issue to pay down existing financial liabilities and finance the Group's general business development.

STATEMENT BY THE BOARD OF MANAGEMENT ON BUSINESS PERFORMANCE

The Brenntag Group achieved operating EBITDA of EUR 342.9 million in the third quarter of 2021, an increase of 29.7% compared with the prior-year period. On a constant currency basis, this represents earnings growth of 29.7%.

Whilst, in many parts of the world, numerous restrictions on professional and private life have been removed in recent months due to successes in tackling the COVID-19 pandemic, other countries are once again affected by lockdowns as a result of recent waves of infection, primarily in Asia. The trend in European energy prices and supply bottlenecks in places such as the UK show that maintaining global trade and distribution channels remains a major challenge. In this environment, we were once again able to maintain our operating activities, supply our customers with the required products and offer our employees a safe working environment in the third quarter of 2021. This is reflected in the excellent financial results for the past quarter, which show that, especially in times of major uncertainty, Brenntag as market leader plays an important role in global distribution markets and enjoys a high level of trust. In particular, Brenntag's broad product portfolio and our close relationship with our suppliers paid off again.

As in the first quarters of 2021, our Brenntag Essentials division was able to increase earnings significantly year on year in the third quarter of 2021, with the Brenntag Essentials EMEA and Brenntag Essentials North America segments in particular making substantial absolute contributions to the division's growth. The results posted by the division are attributable to higher profit per unit in combination with roughly stable volumes.

Our Brenntag Specialties division grew very strongly again in the third quarter of 2021. All division segments posted considerable earnings growth compared with the prior-year period. Whilst we achieved only a moderate increase in volumes year on year, we managed to once again generate significantly higher profit per unit.

We made further substantial progress in implementing "Project Brenntag" in the third quarter of 2021. We are optimizing our global site network and have already closed 68 sites in total since the implementation phase began. Furthermore, we have structurally reduced more than 740 jobs so far.

Due to substantial price escalations in our procurement markets and an increase in trade receivables, the Group recorded an increase in working capital in the third quarter of 2021. Thanks to our good working capital management, we were able to increase annualized working capital turnover compared with the prior-year period and thus demonstrate the quality of our working capital management.

Capital expenditure in the third quarter of 2021 was down significantly on the prior-year figure. Some major projects, particularly in relation to IT infrastructure, are still at the preparatory stage and will therefore be implemented at a later date.

Due to the increase in working capital, the free cash flow achieved in the third quarter of 2021 is down considerably on the higher-than-average figure in the prior-year period. Nevertheless, its absolute level continues to support our financial flexibility.

Due to our lasting relationships with our suppliers and customers, our broad range of products and services and the adaptability of our organization, we are very well positioned for current and future success. We expect to see the exceptional and challenging market conditions persist well into 2022.

Again, we were able to convincingly demonstrate our capabilities in the past quarter. We are very satisfied with the results achieved. Overall, we closed the third quarter of 2021 with an excellent operating result.

Results of Operations

BUSINESS PERFORMANCE OF THE BRENNTAG GROUP

in EUR m	Q3 2021	Q3 2020	Change	
			in %	in % (fx adj.) ¹⁾
Sales	3,738.2	2,880.9	29.8	29.5
Operating gross profit	862.3	695.2	24.0	23.7
Operating expenses	-519.4	-430.8	20.6	20.0
Operating EBITDA	342.9	264.4	29.7	29.7
Depreciation of property, plant and equipment and right-of-use assets	-65.1	-61.5	5.9	5.5
Operating EBITA	277.8	202.9	36.9	37.1
Net expense from special items	-15.4	-14.6	-	-
EBITA	262.4	188.3	39.4	-
Amortization of intangible assets	-15.8	-10.7	47.7	-
Net finance costs	-17.3	-15.6	10.9	-
Profit before tax	229.3	162.0	41.5	-
Income tax expense	-68.3	-41.4	65.0	-
Profit after tax	161.0	120.6	33.5	-

in EUR m	9M 2021	9M 2020	Change	
			in %	in % (fx adj.) ¹⁾
Sales	10,340.8	8,914.4	16.0	19.4
Operating gross profit	2,465.5	2,166.5	13.8	17.3
Operating expenses	-1,467.2	-1,362.9	7.7	10.8
Operating EBITDA	998.3	803.6	24.2	28.4
Depreciation of property, plant and equipment and right-of-use assets	-191.9	-189.6	1.2	4.0
Operating EBITA	806.4	614.0	31.3	36.0
Net expense from special items	-104.1	-33.4	-	-
EBITA	702.3	580.6	21.0	-
Amortization of intangible assets	-91.7	-33.5	173.7	-
Net finance costs	-49.2	-61.9	-20.5	-
Profit before tax	561.4	485.2	15.7	-
Income tax expense	-163.0	-126.6	28.8	-
Profit after tax	398.4	358.6	11.1	-

B.01 BUSINESS PERFORMANCE OF THE BRENNTAG GROUP

¹⁾ Change in % (fx adj.) is the percentage change on a constant currency basis.

The Brenntag Group generated **sales** of EUR 3,738.2 million in the third quarter of 2021, an increase of 29.8% compared with the prior-year period. On a constant currency basis, sales were up by 29.5% on the prior-year figure. The rise is due in particular to significantly higher sales prices per unit. Sales for the first nine months of 2021 were up by 16.0% on the prior-year figure. On a constant currency basis, they rose by 19.4%.

Whereas for manufacturing companies, sales play a key role, for us as a chemical distributor, operating gross profit is a more important factor for increasing our enterprise value over the long term.

The Brenntag Group generated **operating gross profit** of EUR 862.3 million in the third quarter of 2021, an increase of 24.0% compared with the prior-year period. On a constant currency basis, this represents a significant rise of 23.7%. Both divisions contributed to this positive performance at operating gross profit level. The increase in operating gross profit is due mostly to organic growth in our business. Operating gross profit for the first nine months of 2021 was up by 13.8%, or 17.3% on a constant currency basis.

The Brenntag Group's **operating expenses** amounted to EUR 519.4 million in the third quarter of 2021, a rise of 20.6% year on year. On a constant currency basis, operating expenses were up by 20.0% on the prior-year figure. The rise in costs is due in part to higher variable personnel and transport expenses. In the first nine months of 2021, the Brenntag Group's operating expenses showed a slight rise of 7.7% year on year. On a constant currency basis, operating expenses were up by 10.8% on the prior-year figure.

The Brenntag Group achieved **operating EBITDA** of EUR 342.9 million overall in the third quarter of 2021, an increase of 29.7% on the prior-year figure. On a constant currency basis, we achieved extremely encouraging earnings growth of 29.7%. The rise in operating EBITDA was almost entirely organic. The Brenntag Group's growth is due to strong increases in earnings in both of the divisions. Both Brenntag Essentials and Brenntag Specialties benefited from the removal of numerous restrictions as a result of successes in tackling the COVID-19 pandemic in many industrialized nations. However, some countries, particularly in Asia, are once again affected by lockdowns due to recent waves of infection. Supply bottlenecks and the trend in European energy prices also pose a challenge. In a market environment that remained difficult, our close relationships with our customers and suppliers, our broad product portfolio and our global logistics expertise paid off again. In the first nine months of 2021, the Brenntag Group generated operating EBITDA of EUR 998.3 million, an increase of 24.2%. On a constant currency basis, this represents growth of 28.4% compared with the first nine months of 2020.

Depreciation of property, plant and equipment, depreciation of right-of-use assets and amortization of intangible assets amounted to EUR 80.9 million in the third quarter of 2021, with **depreciation** of property, plant and equipment and right-of-use assets accounting for EUR 65.1 million and **amortization** of intangible assets for EUR 15.8 million. Compared with the third quarter of 2020, we recorded an increase in total depreciation and amortization of EUR 8.7 million. In the first nine months of 2021, depreciation of property, plant and equipment, depreciation of right-of-use assets and amortization of intangible assets came to EUR 283.6 million (9M 2020: EUR 223.1 million).

Net expense from special items breaks down as follows:

in EUR m	Q3 2021	Q3 2020
Expenses in connection with "Project Brenntag"/programmes to increase efficiency	-3.6	-14.6
Provision for possible breaches of export control regulations	-11.8	-
Net expense from special items	-15.4	-14.6

in EUR m	9M 2021	9M 2020
Expenses in connection with "Project Brenntag"/programmes to increase efficiency	-29.2	-33.4
Addition to provision for alcohol tax	-63.1	-
Provision for possible breaches of export control regulations	-11.8	-
Net expense from special items	-104.1	-33.4

B.02 NET EXPENSE FROM SPECIAL ITEMS

The expenses for alcohol tax are the result of a routine review of the tax on alcohol and energy being conducted by the German customs authorities at Brenntag GmbH. The review for 2016 was completed in early 2021. In May 2021, Brenntag GmbH subsequently received a tax decision notice in the amount of EUR 63.1 million. Although our legal opinion differs from the opinion of the authority, provisions were recognized in the balance sheet in this amount in the first quarter and the payment was made in the second quarter.

A provision was recognized for possible breaches of export control regulations by companies recently acquired by Brenntag.

Net finance costs came to EUR 17.3 million in the third quarter of 2021 (Q3 2020: EUR 15.6 million), with the year-on-year change attributable mainly to three effects. Firstly, net interest expense of EUR 15.2 million showed a slight improvement on the prior-year period (Q3 2020: EUR 15.6 million). Net finance costs were also positively impacted by the translation of foreign currency receivables and liabilities. One-time effects in connection with acquisitions had an opposite effect. In the first nine months of 2021, net finance costs amounted to EUR 49.2 million (9M 2020: EUR 61.9 million), with the year-on-year change attributable mainly to the above-mentioned effects. Net interest expense of EUR 41.3 million showed a clear improvement on the prior-year period (9M 2020: EUR 53.1 million). This is due to the change in general interest rate levels as a result of the measures taken by central banks in connection with the COVID-19 pandemic. In addition, Group debt was down year on year, particularly in the first half of 2021.

Income tax expense rose by EUR 26.9 million year on year to EUR 68.3 million in the third quarter of 2021. Income tax expense for the first nine months of 2021 increased by EUR 36.4 million compared with the prior-year period to EUR 163.0 million.

Profit after tax stood at EUR 161.0 million in the third quarter of 2021 (Q3 2020: EUR 120.6 million) and EUR 398.4 million in the first nine months of 2021 (9M 2020: EUR 358.6 million).

BUSINESS PERFORMANCE IN THE DIVISIONS

in EUR m	Operating gross profit			Operating EBITDA		
	Q3 2021	Change versus Q3 2020		Q3 2021	Change versus Q3 2020	
		in %	in % (fx adj.)		in %	in % (fx adj.)
Brenntag Essentials	520.2	20.1	19.5	210.3	29.1	28.7
Brenntag Specialties	334.3	29.9	30.1	152.9	41.6	42.3
All other Segments	7.8	59.2	59.2	-20.3	212.3	209.1
Brenntag Group	862.3	24.0	23.7	342.9	29.7	29.7

in EUR m	Operating gross profit			Operating EBITDA		
	9M 2021	Change versus 9M 2020		9M 2021	Change versus 9M 2020	
		in %	in % (fx adj.)		in %	in % (fx adj.)
Brenntag Essentials	1,515.8	10.9	14.2	634.5	25.2	29.1
Brenntag Specialties	927.5	18.3	22.1	417.2	28.3	32.6
All other Segments	22.2	43.2	43.2	-53.4	87.4	86.7
Brenntag Group	2,465.5	13.8	17.3	998.3	24.2	28.4

B.03 BUSINESS PERFORMANCE IN THE DIVISIONS

Operating gross profit in the **Brenntag Essentials division** rose by 20.1% year on year to EUR 520.2 million in the third quarter of 2021. On a constant currency basis, operating gross profit was up by 19.5% on the prior-year figure. This performance is due to higher operating gross profit per unit in all segments of the Brenntag Essentials division. The North America, EMEA and Latin America segments achieved strong growth in operating gross profit in the third quarter of 2021. Only our smallest segment, APAC, was unable to increase operating gross profit in the past quarter. For the first nine months of 2021, we posted a 10.9% increase in operating gross profit compared with the same period of 2020. On a constant currency basis, operating gross profit rose by 14.2%.

The Brenntag Essentials division achieved operating EBITDA of EUR 210.3 million in the third quarter of 2021, a rise of 29.1% compared with the prior-year period. On a constant currency basis, this represents growth of 28.7%. Operating EBITDA therefore increased at an even faster rate than operating gross profit. In the three segments that grew, North

America, EMEA and Latin America, this positive operating EBITDA performance was due almost entirely to organic growth. APAC was the only segment to see a decrease compared with the very strong prior-year quarter. In the first nine months of 2021, operating EBITDA in the Brenntag Essentials division rose by 25.2% overall, or by 29.1% on a constant currency basis.

Operating gross profit in the **Brenntag Specialties division** was up by 29.9% on the prior-year figure to EUR 334.3 million in the third quarter of 2021. On a constant currency basis, it showed a rise of 30.1%. We benefited primarily from significantly higher operating gross profit per unit in all three segments. In addition, higher volumes were achieved in the Americas segment. The positive performance in the Americas segment was also supported by the acquisitions closed. In the first nine months of 2021, operating gross profit in the Brenntag Specialties division rose by 18.3%. On a constant currency basis, this represents a rise of 22.1%.

Overall, the Brenntag Specialties division posted operating EBITDA of EUR 152.9 million in the third quarter of 2021, an increase of 41.6% on the prior-year figure. On a constant currency basis, operating EBITDA rose by 42.3%. This very encouraging result is due to a broad-based, extremely positive performance across all segments. It was driven mostly by strong organic growth and also supported by the acquisitions recently closed. In all Specialties segments, operating EBITDA increased at a faster rate than operating gross profit. The Americas and EMEA segments are particularly worthy of note here. These were the strongest drivers of the positive results due, among other factors, to an improved COVID-19 situation. The APAC segment, on the other hand, had to

contend with new waves of COVID-19 infections. Nevertheless, significant growth rates were also achieved in APAC, albeit at a slightly lower level than in the other two segments. In the first nine months of 2021, operating EBITDA in the Brenntag Specialties division rose by 28.3% overall, or by 32.6% on a constant currency basis.

In **All other Segments** in the third quarter of 2021, we recorded a rise in costs that was exceptionally high compared with the prior-year period. This is due in part to higher provisions for performance-related remuneration components, higher advisory expenses and expenses in connection with our digitalization strategy.

Brenntag Essentials

in EUR m	Operating gross profit			Operating EBITDA ¹⁾		
	Q3 2021	Change versus Q3 2020		Q3 2021	Change versus Q3 2020	
		in %	in % (fx adj.)		in %	in % (fx adj.)
Essentials EMEA	188.3	9.2	8.1	70.9	18.0	17.2
Essentials North America	268.1	31.6	31.7	118.0	41.8	42.5
Essentials Latin America	37.5	21.4	21.3	12.1	27.4	28.0
Essentials APAC	26.3	1.5	-1.1	9.7	-6.7	-8.5
Brenntag Essentials	520.2	20.1	19.5	210.3	29.1	28.7

in EUR m	Operating gross profit			Operating EBITDA ¹⁾		
	9M 2021	Change versus 9M 2020		9M 2021	Change versus 9M 2020	
		in %	in % (fx adj.)		in %	in % (fx adj.)
Essentials EMEA	592.1	5.3	5.2	245.5	18.6	18.5
Essentials North America	731.2	15.1	21.5	316.2	29.5	36.8
Essentials Latin America	110.0	11.4	20.1	39.5	24.2	33.4
Essentials APAC	82.5	16.0	17.5	35.3	43.5	44.1
Brenntag Essentials	1,515.8	10.9	14.2	634.5	25.2	29.1

B.04 BUSINESS PERFORMANCE IN THE BRENNTAG ESSENTIALS SEGMENTS

¹⁾ The difference between the sum total of the reportable segments (EMEA, North America, Latin America and APAC) and the Brenntag Essentials division is the result of central activities which are part of the Brenntag Essentials division but not directly attributable to any one segment.

The **Brenntag Essentials EMEA segment** achieved operating gross profit of EUR 188.3 million in the third quarter of 2021, an increase of 9.2% on the prior-year figure. On a constant currency basis, operating gross profit climbed by 8.1% despite the trend in European energy prices and supply bottlenecks in places such as the UK. Maintaining global trade and distribution channels remains a major challenge for all players. Nevertheless, in the third quarter of 2021, the segment once again generated high operating gross profit per unit that was up significantly on the prior-year period. Overall in the first nine months of 2021, the segment increased operating gross profit by 5.3%, or 5.2% on a constant currency basis.

Brenntag Essentials EMEA generated operating EBITDA of EUR 70.9 million in the third quarter of 2021, thereby exceeding earnings in the prior-year period by 18.0%. This represents a rise of 17.2% on a constant currency basis and is due predominantly to the increase in operating gross profit and softer rises in costs thanks to very good cost management. The broad-based increase in operating EBITDA is almost entirely organic. In the first nine months of 2021, operating EBITDA in the Brenntag Essentials EMEA segment rose by 18.6% (18.5% on a constant currency basis).

Operating gross profit in the **Brenntag Essentials North America segment** rose by 31.6% year on year to EUR 268.1 million in the third quarter of 2021. Adjusted for exchange rate effects, operating gross profit showed significant growth of 31.7% compared with the third quarter of the previous year. The general rise in demand was reflected in higher volumes and supported by very good price management in the third quarter of 2021. Operating gross profit per unit increased significantly. In the first nine months of 2021, operating gross profit rose by 15.1%, or 21.5% on a constant currency basis.

The North America segment in the Brenntag Essentials division achieved operating EBITDA of EUR 118.0 million in the third quarter of 2021. We achieved extremely strong, broad-based growth throughout the segment, even though we faced very high increases in costs, particularly transport costs. Earnings in the prior-year period were exceeded by 41.8% overall. On a constant currency basis, this represents a significant rise in operating EBITDA of 42.5% in the third quarter of 2021. Operating EBITDA therefore increased at a faster rate than operating gross profit. The extremely strong organic growth was also supported somewhat by the acquisition closed. Overall in the first nine months of 2021, operating EBITDA rose by 29.5%. On a constant currency basis, it grew by 36.8%.

The **Brenntag Essentials Latin America segment** achieved operating gross profit of EUR 37.5 million in the third quarter of 2021, thereby exceeding the prior-year figure by 21.4%. On a constant currency basis, operating gross profit was up by 21.3%. This encouraging rise is due to significantly higher operating gross profit per unit. In the first nine months of 2021, operating gross profit in the Brenntag Essentials Latin America segment rose by 11.4%. On a constant currency basis, this represents a significant increase of 20.1%.

The Brenntag Essentials Latin America segment generated operating EBITDA of EUR 12.1 million in the third quarter of 2021, an increase of 27.4% on earnings in the prior-year period. This represents a rise of 28.0% on a constant currency basis and is due predominantly to an exceptionally positive, broad-based performance at operating gross profit level, which more than offset the cost increases incurred in the segment. The segment achieved a strong increase in operating EBITDA in Colombia in particular. The growth achieved is entirely organic. In the first nine months of 2021, operating EBITDA in the Brenntag Essentials Latin America segment rose by 24.2% overall, or by 33.4% on a constant currency basis.

The **Brenntag Essentials APAC segment** achieved operating gross profit of EUR 26.3 million in the third quarter of 2021, an increase of 1.5% on the prior-year figure. On a constant currency basis, operating gross profit was down slightly. The rise in operating gross profit per unit failed to offset the fall in volumes. In the first nine months of 2021, operating gross profit grew by 16.0% year on year, or 17.5% on a constant currency basis.

The Brenntag Essentials APAC segment generated operating EBITDA of EUR 9.7 million in the third quarter of 2021, a decrease of 6.7% on earnings in the prior-year period. On a constant currency basis, this represents a decline of 8.5%. The result is partly attributable to further lockdowns against the background of recent waves of COVID-19 infections in Asia. In addition, China faced higher-than-average transport costs, pressure on supply chains and constraints related to Chinese energy and greenhouse gas (GHG) emissions policy. Overall in the first nine months of 2021, however, the segment achieved strong growth in operating EBITDA of 43.5%, or 44.1% on a constant currency basis.

Brenntag Specialties

in EUR m	Operating gross profit			Operating EBITDA ¹⁾		
	Q3 2021	Change versus Q3 2020		Q3 2021	Change versus Q3 2020	
		in %	in % (fx adj.)		in %	in % (fx adj.)
Specialties EMEA	148.2	21.2	21.2	69.1	29.9	30.8
Specialties Americas	128.6	45.5	45.8	56.3	73.8	75.3
Specialties APAC	57.5	23.4	24.1	28.5	26.1	26.8
Brenntag Specialties	334.3	29.9	30.1	152.9	41.6	42.3

in EUR m	Operating gross profit			Operating EBITDA ¹⁾		
	9M 2021	Change versus 9M 2020		9M 2021	Change versus 9M 2020	
		in %	in % (fx adj.)		in %	in % (fx adj.)
Specialties EMEA	440.7	18.3	19.6	205.8	27.7	30.0
Specialties Americas	322.6	14.8	21.3	128.5	21.8	28.8
Specialties APAC	164.2	25.8	30.8	83.7	41.9	47.1
Brenntag Specialties	927.5	18.3	22.1	417.2	28.3	32.6

B.05 BUSINESS PERFORMANCE IN THE BRENNTAG SPECIALTIES SEGMENTS

¹⁾ The difference between the sum total of the reportable segments (EMEA, Americas and APAC) and the Brenntag Specialties division is the result of central activities which are part of Brenntag Specialties but not directly attributable to any one segment.

The **Brenntag Specialties EMEA segment** achieved operating gross profit of EUR 148.2 million in the third quarter of 2021, an increase of 21.2% on the strong prior-year figure. On a constant currency basis, operating gross profit was up by 21.2% due in particular to a considerable rise in operating gross profit per unit. Overall, we saw a continuing trend along the lines of that in the first two quarters. In the past quarter, the general situation in connection with COVID-19 was better overall than in the prior-year period. In the first nine months of 2021, operating gross profit rose by 18.3%, which on a constant currency basis represents growth of 19.6%.

The Brenntag Specialties EMEA segment generated operating EBITDA of EUR 69.1 million in the third quarter of 2021, thereby exceeding earnings in the prior-year period by 29.9%. This represents a strong rise of 30.8% on a constant currency basis and is due predominantly to the aforementioned positive performance at operating gross profit level as well as relatively small increases in costs. The financial results reflect our ability

to supply our customers reliably and at short notice in a difficult market environment, combined with supply bottlenecks and the trend in prices on the European markets. In the first nine months of 2021, operating EBITDA rose by 27.7%, while on a constant currency basis the segment achieved a 30.0% increase.

Operating gross profit in the **Brenntag Specialties Americas segment** rose by 45.5% year on year to EUR 128.6 million in the third quarter of 2021. On a constant currency basis, this represents significant growth of 45.8% compared with the prior-year period. This performance is due to a comparatively steep rise in operating gross profit per unit. The strong organic growth was also supported by the acquisitions closed. Much like in the EMEA segment, the relaxing of COVID-19 policy had a positive impact on earnings here. Operating gross profit for the first nine months of 2021 was up by 14.8% on the prior-year figure. On a constant currency basis, operating gross profit rose by 21.3%.

The Brenntag Specialties Americas segment achieved operating EBITDA of EUR 56.3 million in the third quarter of 2021, an increase of 73.8% on the prior-year figure. On a constant currency basis, this represents a substantial rise of 75.3% in the third quarter of 2021. The acquisitions closed made an additional positive contribution to the extremely strong organic growth. Here too, we benefited from our excellent supplier relationships against the background of the prevailing supply bottlenecks. Overall, operating EBITDA for the first nine months of 2021 was up by 21.8% on the prior-year figure. On a constant currency basis, it grew by 28.8%.

Brenntag Specialties APAC achieved operating gross profit of EUR 57.5 million in the third quarter of 2021, an increase of 23.4% on the prior-year figure. On a constant currency basis, operating gross profit was up by 24.1%. The growth was the result of significantly higher operating gross profit per unit. Earnings for the past quarter were influenced, among other factors, by further lockdowns in South East Asia as a result of new waves of COVID-19 infections. Nevertheless, the segment achieved strong growth rates, albeit at a slightly lower level than before. We therefore once again demonstrated the resilience of our business model. In the first nine months of 2021, the segment increased operating gross profit by 25.8%. On a constant currency basis, this translates into growth in operating gross profit of 30.8%.

The Brenntag Specialties APAC segment generated operating EBITDA of EUR 28.5 million in the third quarter of 2021, thereby exceeding earnings in the prior-year period by 26.1%. This represents significant growth of 26.8% on a constant currency basis and is due to a positive performance in most focus industries. In the first nine months of 2021, operating EBITDA in the Brenntag Specialties APAC segment rose by 41.9% overall, or by 47.1% on a constant currency basis.

All other Segments

BRENNTAG International Chemicals GmbH, the only operating company within “All other Segments”, significantly exceeded prior-year operating EBITDA in the third quarter of 2021.

The operating expenses posted by the holding companies in the same period were up on the figure for the third quarter of 2020. This is due in part to higher personnel expenses in connection with higher provisions for performance-related remuneration components and advisory expenses. The expenses for our digitalization strategy are also included here and contributed to the rise.

Overall, the operating EBITDA of “All other Segments” was down by EUR 13.8 million on the prior-year figure to EUR –20.3 million in the third quarter of 2021. Earnings for the first nine months of 2021 declined by EUR 24.9 million to EUR –53.4 million.

Financial Position

CAPITAL STRUCTURE

The primary objective of capital structure management is to maintain the Group’s financial strength. Brenntag concentrates on a capital structure which enables the Group to cover its potential financing requirements at all times. This gives Brenntag a high degree of independence, security and flexibility. Our liquidity, interest rate and currency risks are largely managed on a Group-wide basis. Derivative financial instruments are only used to hedge the above-mentioned risks from underlying transactions and not for speculative purposes. A Group-wide Finance Guideline ensures the implementation of these policies and standard processes throughout the Group.

The most important component in the financing structure of Brenntag SE is the Group-wide syndicated loan agreement. The syndicated loan totalling the equivalent of EUR 1.4 billion has a term ending in January 2024. It is based on variable interest rates with margins depending on leverage, and is divided into different tranches with different currencies. Total liabilities (excluding accrued interest and before offsetting of transaction costs) under the syndicated loan amounted to EUR 794.9 million as at September 30, 2021. In addition to fully drawn tranches, the loan agreement also contains two revolving credit facilities totalling EUR 940.0 million. These credit facilities had been drawn down by less than a third of the total volume as at September 30, 2021 and are available for further drawdowns at any time. While some of our subsidiaries are direct borrowers under the loan, others obtain their financing from intra-Group loans. The syndicated loan is guaranteed by Brenntag SE.

In September 2017, Brenntag Finance B.V. issued a EUR 600.0 million bond (Bond 2025) maturing in 2025 and bearing a coupon of 1.125% with interest paid annually. Furthermore, in November 2015, Brenntag Finance B.V. issued a bond with warrant units in the amount of USD 500.0 million maturing in December 2022. The bond (Bond (with Warrants) 2022) was issued at 92.7% of par and bears a coupon of 1.875% p.a. with interest payable semi-annually. The interest expense from the Bond (with Warrants) 2022 comprises the aforementioned interest payments and the ongoing amortization of the discount. The discount (7.3% or USD 36.5 million) is the warrant premium on the warrants issued together with the Bond (with Warrants) 2022 to purchase Brenntag SE shares. The holders of the warrants have the right to purchase new Brenntag shares at the prevailing strike price (currently EUR 72.2474 per share). As at September 30, 2021, the Brenntag share price was higher than the strike price, meaning that the warrants had a positive intrinsic value at that date. Each of the bonds issued by Brenntag Finance B.V. is guaranteed by Brenntag SE.

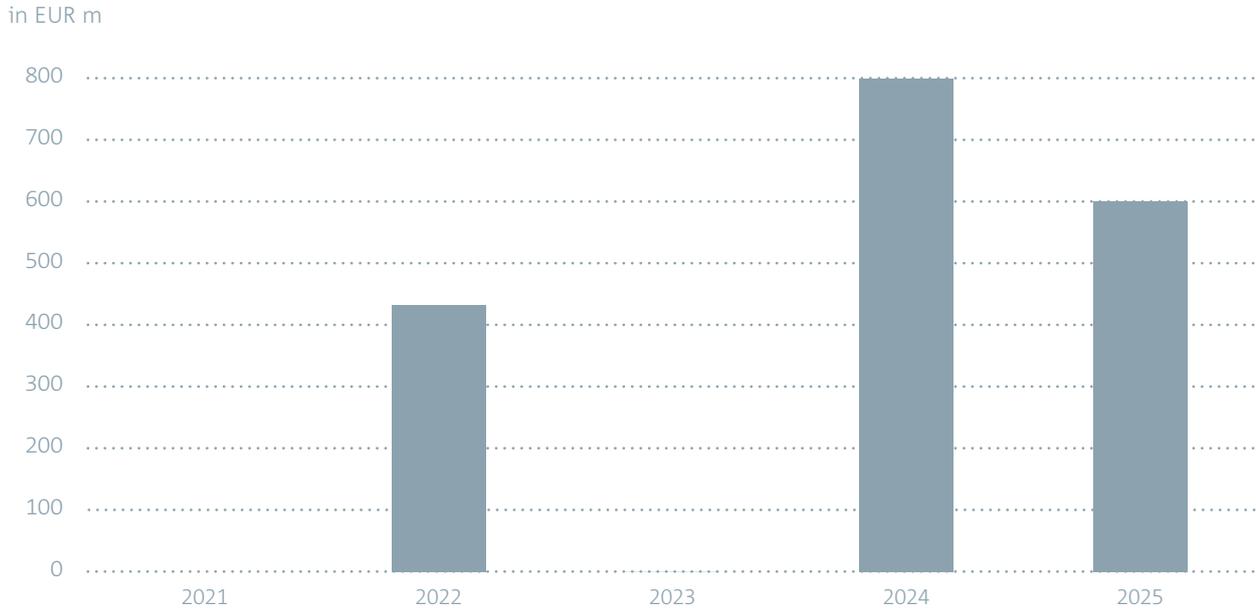
In addition to the three above-mentioned refinancing instruments, some of our companies make use of credit lines with local banks in consultation with the Group management.

Due to the two fixed-rate bonds, around 50% of the Brenntag Group's financial liabilities are currently hedged against the risk of interest rate increases.

At the beginning of October 2021, Brenntag Finance B.V. issued a further bond for EUR 500.0 million. The bond has a maturity of eight years and carries an annual coupon of 0.50% (Bond 2029). It is the first bond issue to take place under a newly established, EUR 3 billion debt issuance programme. Most of the proceeds from the Bond 2029 were swapped for US dollars by way of a long-dated derivative (cross-currency swap). It is planned to use the USD funds from the cross-currency swap to repay the Bond (with Warrants) 2022 next year.

According to our short- and mid-term financial planning, the capital requirements for operating activities, investments in property, plant and equipment, outflows in connection with "Project Brenntag", and dividends and acquisitions in the size of past practice are expected to be covered by the cash provided by operating activities and the aforementioned existing credit facilities. To cover short-term liquidity requirements and for general corporate purposes, we likewise have the aforementioned credit facilities under the syndicated loan.

Maturity profile of our credit portfolio¹⁾ as at September 30, 2021 in EUR m:



B.06 MATURITY PROFILE OF OUR CREDIT PORTFOLIO

¹⁾ Syndicated loan, Bond (with Warrants) 2022 and Bond 2025 excluding accrued interest and transaction costs. The new Bond 2029 is not included in the maturity profile as at September 30, 2021, as its term begins in October 2021.

INVESTMENTS

In the first nine months of 2021, investments in property, plant and equipment and intangible assets (excluding additions from acquisitions) led to a total cash outflow of EUR 109.9 million (9M 2020: EUR 131.0 million).

We regularly invest in the maintenance, replacement and extension of the infrastructure necessary to perform our services, comprising warehouses, offices, trucks and vehicles of our field service as well as IT hardware for various systems. As the market leader and a responsible chemical distributor, we attach importance to ensuring that our property, plant and equipment meet comprehensive health, safety and environmental requirements.

One notable example among a vast number of investments is a project in China entailing an investment volume of EUR 12.9 million in the first nine months of 2021. The project

involves the construction of a site in Zhangjiagang, in Jiangsu Province. It will support further growth in China and meet the latest safety standards and requirements. The project was initiated in financial year 2017 and will be mostly completed by the end of the year.

Investments in intangible assets amounted to EUR 15.1 million in the first nine months of 2021 (9M 2020: EUR 37.1 million) and relate mainly to digitalization and the expansion of our IT infrastructure in EMEA and Latin America.

Investments are typically funded from cash flow and/or available cash from the respective Group companies. With larger investment projects which cannot be covered by local funds, financing is provided by the Group and external borrowings are mostly not necessary.

LIQUIDITY

Cash Flow

in EUR m	9M 2021	9M 2020
Net cash provided by operating activities	283.8	889.5
Net cash used in investing activities	-519.6	-149.8
of which payments to acquire consolidated subsidiaries, other business units and other financial assets	-419.8	-27.8
of which payments to acquire intangible assets and property, plant and equipment	-109.9	-131.0
of which proceeds from divestments	10.1	9.0
Net cash provided by/used in financing activities	36.4	-349.0
of which dividends paid to Brenntag shareholders	-208.6	-193.1
of which repayments of/proceeds from borrowings	263.0	-154.9
of which other financing activities	-18.0	-1.0
Change in cash and cash equivalents	-199.4	390.7

B.07 CASH FLOW

Net cash provided by operating activities of EUR 283.8 million was influenced by the rise in working capital of EUR 443.0 million. In the first nine months of 2020, on the other hand, working capital declined by EUR 214.2 million.

Of the net cash of EUR 519.6 million used in investing activities, EUR 109.9 million comprised payments to acquire intangible assets and property, plant and equipment. In the third quarter of 2021, payments to acquire consolidated subsidiaries and other business units primarily included the purchase price for the first tranche (67%) of Chinese specialty distributor Zhongbai Xingye based in Beijing, all operating assets and the distribution business of Matrix Chemical, LLC based in San Juan, Puerto Rico and the shares in Storm Chaser Holding Corporation (JM Swank) headquartered in North Liberty, IA, USA. In the previous quarters of 2021, Brenntag had already acquired Miroven S.r.l., Comelt S.p.A. and Aquadepur S.R.L. based in northern Italy as well as ICL Packed Ltd. based in Grays, Essex, England.

Net cash provided by financing activities amounted to EUR 36.4 million. Besides the dividend payment of EUR 208.6 million to Brenntag shareholders, it mainly included bank loans taken out and repaid as well as lease liabilities repaid.

Free Cash Flow

in EUR m	9M 2021	9M 2020	Change	
			abs.	in %
Operating EBITDA	998.3	803.6	194.7	24.2
Investments in non-current assets (capex)	-105.9	-127.1	21.2	-16.7
Change in working capital	-443.0	214.2	-657.2	-306.8
Principal and interest payments on lease liabilities	-97.3	-94.8	-2.5	2.6
Free cash flow	352.1	795.9	-443.8	-55.8

The Brenntag Group's free cash flow amounted to EUR 352.1 million in the first nine months of 2021, a decrease of 55.8% on the same period of 2020.

This is due mainly to the rise in working capital. Thanks to our good working capital management, we were nevertheless able to increase annualized working capital turnover compared with the prior-year period. Operating EBITDA exceeded the prior-year figure by a significant margin, but failed to offset the decline in free cash flow from working capital. Capital expenditure to expand our infrastructure was lower year on year.

B.08 FREE CASH FLOW

Financial and Assets Position

in EUR m	Sep. 30, 2021		Dec. 31, 2020	
	abs.	in %	abs.	in %
Assets				
Current assets	4,478.8	46.9	3,545.9	43.5
Cash and cash equivalents	544.0	5.7	726.3	8.9
Trade receivables	2,189.4	22.9	1,597.5	19.6
Other receivables and assets	314.3	3.3	243.2	3.0
Inventories	1,431.1	15.0	978.9	12.0
Non-current assets	5,068.7	53.1	4,597.6	56.5
Intangible assets	3,329.7	34.9	2,937.9	36.1
Other non-current assets	1,596.8	16.7	1,550.5	19.0
Receivables and other assets	142.2	1.5	109.2	1.4
Total assets	9,547.5	100.0	8,143.5	100.0
Liabilities and equity				
Current liabilities	2,839.2	29.7	2,093.8	25.7
Provisions	93.2	1.0	64.5	0.8
Trade payables	1,660.1	17.4	1,229.8	15.1
Financial liabilities	387.8	4.1	251.7	3.1
Miscellaneous liabilities	698.1	7.2	547.8	6.7
Equity and non-current liabilities	6,708.3	70.3	6,049.7	74.3
Equity	3,870.9	40.6	3,611.6	44.4
Non-current liabilities	2,837.4	29.7	2,438.1	29.9
Provisions	336.7	3.5	318.3	3.9
Financial liabilities	2,187.7	22.9	1,814.5	22.3
Miscellaneous liabilities	313.0	3.3	305.3	3.7
Total liabilities and equity	9,547.5	100.0	8,143.5	100.0

B.09 FINANCIAL AND ASSETS POSITION

As at September 30, 2021, total assets had increased by EUR 1,404.0 million compared with the end of the previous year to EUR 9,547.5 million (Dec. 31, 2020: EUR 8,143.5 million).

Cash and cash equivalents decreased by 25.1% compared with the 2020 year-end figure to EUR 544.0 million (Dec. 31, 2020: EUR 726.3 million). This is mainly attributable to the acquisition activity over the course of the year so far (EUR 419.8 million), the dividend payment by Brenntag SE (EUR 208.6 million), the payment to the French Competition Authority (EUR 47.0 million) and the payment to the German customs authorities (EUR 63.1 million). Set against this was the net cash inflow from operating activities.

Working capital changed as follows in the reporting period:

- Trade receivables rose by 37.1% to EUR 2,189.4 million (Dec. 31, 2020: EUR 1,597.5 million).
- Inventories rose by 46.2% to EUR 1,431.1 million (Dec. 31, 2020: EUR 978.9 million).
- With the opposite effect on working capital, trade payables rose by 35.0% to EUR 1,660.1 million (Dec. 31, 2020: EUR 1,229.8 million).
- Overall, reported working capital rose to EUR 1,960.4 million (Dec. 31, 2020: EUR 1,346.6 million).

The cash portion of the change in working capital amounted to an outflow of EUR 443.0 million. At 8.4, annualized working capital turnover was higher than at the end of 2020 (7.3).

The Brenntag Group's intangible and other non-current assets rose by EUR 438.1 million compared with the end of the previous year to EUR 4,926.5 million (Dec. 31, 2020: EUR 4,488.4 million). The rise is due mainly to exchange rate effects (EUR 150.9 million), acquisitions (EUR 398.4 million), additions to non-current assets (EUR 105.6 million) and changes in right-of-use assets (EUR 49.9 million). Set against this were depreciation and amortization (EUR 228.2 million) and an impairment loss on intangible assets (EUR 51.9 million) due to changes to our IT portfolio in the course of implementing "Project Brenntag".

Current financial liabilities increased by EUR 136.1 million to EUR 387.8 million in total (Dec. 31, 2020: EUR 251.7 million). Non-current financial liabilities rose by EUR 373.2 million compared with the end of the previous year to EUR 2,187.7 million (Dec. 31, 2020: EUR 1,814.5 million).

Current and non-current provisions amounted to a total of EUR 429.9 million (Dec. 31, 2020: EUR 382.8 million) and included pension provisions in the amount of EUR 195.5 million (Dec. 31, 2020: EUR 200.8 million).

EMPLOYEES

As at September 30, 2021, Brenntag had a total of 17,321 employees worldwide. The total number of employees is determined on the basis of headcount, i.e. part-time employees are fully included. By September 30, 2021, 427 employees had joined through companies newly acquired in 2021.

Headcount	Sep. 30, 2021		Dec. 31, 2020	
	abs.	in %	abs.	in %
Brenntag Essentials	10,329	59.6	10,139	58.8
Brenntag Specialties	4,501	26.0	4,760	27.6
All other Segments	2,491	14.4	2,338	13.6
Brenntag Group	17,321	100.0	17,237	100.0

B.10 EMPLOYEES PER DIVISION

All logistics functions are part of the Brenntag Essentials division in all regions except Asia Pacific (in the Asia Pacific region, they are part of the Brenntag Specialties division). To take account of this in the segment results, the other divisions are charged at the amount of the logistics services they use. The same applies to the services provided to Essentials or Specialties by Business Services. It is also important to bear in mind that not all employees have yet been allocated to a division as part of "Project Brenntag". In such cases, employee allocation was either simplified or decided based on expectations.

REPORT ON EXPECTED DEVELOPMENTS

Whilst many parts of the world are making considerable progress in tackling the pandemic, others are affected by further waves of infection and restrictions on professional and private life. The result is an economic environment that continues to be shaped by strained supply chains and considerable uncertainty over future developments. Against this background, all forecasts for the course of the global economy remain subject to higher-than-usual uncertainty. Oxford Economics currently predicts that the global economy, measured in terms of industrial production (IP), will deliver a positive performance in 2021. Weighted by the sales generated by Brenntag in the individual countries, this results in a forecast average real IP growth rate of 7.2% in 2021. Already in the course of the pandemic, Brenntag has demonstrated the strength and robustness of its business model. This is reflected not least of all in the very good financial results for the third quarter of this year.

On September 14, 2021, the Board of Management decided to raise the forecast range again, to between EUR 1,260.0 million and EUR 1,320.0 million. For 2021, we initially forecast operating EBITDA of between EUR 1,080.0 million and EUR 1,180.0 million. On June 17, 2021, the Board of Management of Brenntag SE decided to raise this forecast range to between EUR 1,160.0 million and EUR 1,260.0 million. The further revision in September 2021 is due to the strong results for the first two quarters of 2021, the positive earnings trends in the third quarter and the growth outlook for the rest of the year. The forecast takes into account the efficiency improvement anticipated in the course of implementing the measures resulting from "Project Brenntag" as well as the contributions to earnings from acquisitions already closed. It also reflects our expectation that the currently exceptional market environment will continue in the fourth quarter of 2021 and persist well into 2022. Our forecast is based on the assumption at the date of the forecast's publication that exchange rates will remain stable. We confirm the forecast range revised on September 14, 2021.

2021 is a year of transformation for our two divisions, Brenntag Essentials and Brenntag Specialties. We expect both divisions to contribute to the growth in operating EBITDA. Generally, we expect the growth rates in the Brenntag Specialties division to be above the growth rates in the Brenntag Essentials division. The forecast increase in operating EBITDA is meaningfully higher than the expected growth in operating gross profit. We expect both of the divisions to contribute to the increase in the Group's operating gross profit, with the growth rate at Brenntag Specialties above the growth rate of the Brenntag Essentials division. The expenses for "Project Brenntag" are reported below operating EBITDA.

We improved our working capital turnover in the course of financial year 2020. Despite some dynamic price situations in our procurement markets, which may result in an absolute increase in working capital, we wish to continue this positive performance in the current year and expect a significant improvement in working capital turnover compared with the reported averages for the past financial year.

We are planning capital expenditure of around EUR 210 million in financial year 2021. Among other things on "Project Brenntag" for example, we are optimizing our global site network in order to close gaps in our network, leverage economies of scale and establish new central hubs as growth drivers. Compared with the original forecast of EUR 320 million and the reduced forecast of EUR 260 million in the first half of 2021, we expect significant amounts to be moved into 2022 due to updated implementation schedules for some major projects and the currently very long delivery times on certain capital goods. Overall, assuming that exchange rates remain stable, we anticipate that free cash flow in 2021 will be significantly lower than the very high 2020 figure, which was very much influenced by the reduction in working capital. Nevertheless, we once again expect a high free cash flow that will enable us to continue to ensure our acquisition strategy and dividend policy and, at the same time, maintain liquidity at an adequate level.

REPORT ON OPPORTUNITIES AND RISKS

Our strategy is geared to steadily improving the efficiency and underlying profitability of our business. The Brenntag Group companies are exposed to a number of risks arising from their business activities in the field of chemical distribution and related areas. At the same time, these business activities also give rise to numerous opportunities to safeguard and nurture the company's competitiveness and growth.

We monitor the risks as part of our risk management. The planning, controlling and reporting processes of the Brenntag Group are integral parts of the risk management systems of all operational and legal units as well as the central functions.

The decision issued by the French Competition Authority in 2013 in relation to the allocation of customers and coordination of prices was initially set aside by a court of appeal due to procedural errors at Brenntag's request in February 2017. Following a reassessment, however, the court decided in December 2020 to impose a fine of EUR 47 million, which was paid in April 2021. Brenntag has lodged an appeal against the decision.

An ERISA (Employment Retirement Income Security Act) class action lawsuit was filed against Brenntag North America et al. in connection with the management of the company's 401(k) Plan. A settlement was reached, bringing the proceedings to a close.

The German Group companies Brenntag GmbH and BCD Chemie GmbH are currently the subject of routine reviews of the tax on alcohol and energy being conducted by the German customs authorities for the years 2014 to 2018. Brenntag is cooperating with the customs authorities. In the case of Brenntag GmbH, the review for 2016 was completed in early 2021. In May 2021, Brenntag GmbH subsequently received a tax decision notice in the amount of EUR 63.1 million. Although our legal opinion differs from the opinion of the authority, we recognized provisions in the balance sheet in this amount in the first quarter and made the payment in the second quarter. Brenntag has sought legal redress against this decision. The findings of the review relate only to formal errors. At no time were there doubts concerning the tax-free use of alcoholic products by our customers. We believe that, in most cases, we will ultimately be successful in seeking legal redress. The authorities are continuing their reviews of BCD Chemie GmbH for 2014 to 2018 and of Brenntag GmbH for 2017 to 2018. Also considering the above-mentioned appeal, it is not possible at present to conclusively predict whether further tax assessments will be made.

In the first nine months of 2021, there were no further significant changes in the opportunities and risks for the Brenntag Group described in detail in the 2020 Annual Report. Other risks that we are currently unaware of or that we currently consider immaterial might also negatively impact our business operations. Currently, there are no indications of risks that may jeopardize the continued existence of the company.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2021

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CONSOLIDATED INCOME STATEMENT

in EUR m	Note	Jan. 1– Sep. 30, 2021	Jan. 1– Sep. 30, 2020	Jul. 1– Sep. 30, 2021	Jul. 1– Sep. 30, 2020
Sales		10,340.8	8,914.4	3,738.2	2,880.9
Cost of materials		–7,875.3	–6,747.9	–2,875.9	–2,185.7
Operating gross profit		2,465.5	2,166.5	862.3	695.2
Other operating income		22.6	31.9	7.4	11.1
Personnel expenses		–868.6	–828.6	–302.0	–273.5
Depreciation and amortization		–283.6	–223.1	–80.9	–72.2
Impairment losses on trade receivables and other receivables		–3.7	–10.4	–1.1	1.4
Other operating expenses		–721.6	–589.2	–239.1	–184.4
Operating profit		610.6	547.1	246.6	177.6
Share of profit or loss of equity-accounted investments		0.5	0.9	–0.1	0.2
Interest income		3.0	2.2	1.0	0.6
Interest expense	1.)	–44.3	–55.3	–16.2	–16.2
Change in liabilities relating to acquisition of non-controlling interests recognized in profit or loss	2.)	–7.2	–1.7	–2.2	0.1
Other net finance costs		–1.2	–8.0	0.2	–0.3
Net finance costs		–49.2	–61.9	–17.3	–15.6
Profit before tax		561.4	485.2	229.3	162.0
Income tax expense	3.)	–163.0	–126.6	–68.3	–41.4
Profit after tax		398.4	358.6	161.0	120.6
Attributable to:					
Shareholders of Brenntag SE		389.0	354.9	157.4	117.8
Non-controlling interests		9.4	3.7	3.6	2.8
Basic earnings per share in euro	4.)	2.52	2.30	1.02	0.76
Diluted earnings per share in euro	4.)	2.51	2.30	1.01	0.76

C.01 CONSOLIDATED INCOME STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR m	Note	Jan. 1– Sep. 30, 2021	Jan. 1– Sep. 30, 2020	Jul. 1– Sep. 30, 2021	Jul. 1– Sep. 30, 2020
Profit after tax		398.4	358.6	161.0	120.6
Remeasurements of defined benefit pension plans	7.)	9.4	–4.3	–	–4.0
Deferred tax relating to remeasurements of defined benefit pension plans	7.)	–2.9	1.3	–	1.2
Items that will not be reclassified to profit or loss		6.5	–3.0	–	–2.8
Change in exchange rate differences on translation of consolidated companies		121.6	–195.5	39.8	–104.6
Change in exchange rate differences on translation of equity-accounted investments		–	–0.1	–	–0.1
Change in net investment hedge reserve		–4.2	5.0	–2.8	1.8
Items that may be reclassified subsequently to profit or loss		117.4	–190.6	37.0	–102.9
Other comprehensive income, net of tax		123.9	–193.6	37.0	–105.7
Total comprehensive income		522.3	165.0	198.0	14.9
Attributable to:					
Shareholders of Brenntag SE		509.7	166.1	192.6	14.2
Non-controlling interests		12.6	–1.1	5.4	0.7

C.02 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED BALANCE SHEET

ASSETS

in EUR m	Note	Sep. 30, 2021	Dec. 31, 2020
Current assets			
Cash and cash equivalents		544.0	726.3
Trade receivables		2,189.4	1,597.5
Other receivables		200.8	175.2
Other financial assets		16.1	20.5
Current tax assets		94.5	47.5
Inventories		1,431.1	978.9
		4,475.9	3,545.9
Non-current assets held for sale	5.)	2.9	–
		4,478.8	3,545.9
Non-current assets			
Property, plant and equipment		1,150.0	1,128.6
Intangible assets		3,329.7	2,937.9
Right-of-use assets		443.1	418.7
Equity-accounted investments		3.7	3.2
Other receivables		32.0	28.9
Other financial assets		25.1	11.0
Deferred tax assets		85.1	69.3
		5,068.7	4,597.6
Total assets		9,547.5	8,143.5

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEET

LIABILITIES AND EQUITY

in EUR m	Note	Sep. 30, 2021	Dec. 31, 2020
Current liabilities			
Trade payables		1,660.1	1,229.8
Financial liabilities	6.)	278.1	151.9
Lease liabilities		109.7	99.8
Other liabilities		506.8	483.7
Other provisions	7.)	93.2	64.5
Liabilities relating to acquisition of non-controlling interests		82.6	16.5
Current tax liabilities		108.7	47.6
		2,839.2	2,093.8
Non-current liabilities			
Financial liabilities	6.)	1,846.0	1,487.5
Lease liabilities		341.7	327.0
Other liabilities		6.4	8.5
Other provisions	7.)	141.2	117.5
Provisions for pensions and other post-employment benefits	8.)	195.5	200.8
Liabilities relating to acquisition of non-controlling interests	9.)	104.0	111.7
Deferred tax liabilities		202.6	185.1
		2,837.4	2,438.1
Equity			
Subscribed capital		154.5	154.5
Additional paid-in capital		1,491.4	1,491.4
Retained earnings		2,211.4	2,080.6
Accumulated other comprehensive income		-62.6	-176.8
Equity attributable to shareholders of Brenntag SE		3,794.7	3,549.7
Equity attributable to non-controlling interests	10.)	76.2	61.9
		3,870.9	3,611.6
Total liabilities and equity		9,547.5	8,143.5

C.03 CONSOLIDATED BALANCE SHEET

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR m	Subscribed capital	Additional paid-in capital	Retained earnings
Dec. 31, 2019	154.5	1,491.4	1,809.9
Dividends	–	–	–193.1
Business combinations	–	–	–
Profit after tax	–	–	354.9
Other comprehensive income, net of tax	–	–	–3.0
Total comprehensive income for the period	–	–	351.9
Sep. 30, 2020	154.5	1,491.4	1,968.7

Dec. 31, 2020	154.5	1,491.4	2,080.6
Dividends	–	–	–208.6
Business combinations	–	–	–
Transactions with owners	–	–	–56.1
Profit after tax	–	–	389.0
Other comprehensive income, net of tax	–	–	6.5
Total comprehensive income for the period	–	–	395.5
Sep. 30, 2021	154.5	1,491.4	2,211.4

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Exchange rate differences	Net investment hedge reserve	Equity attributable to shareholders of Brenntag SE	Equity attributable to non-controlling interests	Equity
60.8	-0.8	3,515.8	63.2	3,579.0
-	-	-193.1	-	-193.1
-	-	-	-2.1	-2.1
-	-	354.9	3.7	358.6
-190.8	5.0	-188.8	-4.8	-193.6
-190.8	5.0	166.1	-1.1	165.0
-130.0	4.2	3,488.8	60.0	3,548.8

C.04 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY / SEP. 30, 2020

-182.4	5.6	3,549.7	61.9	3,611.6
-	-	-208.6	-0.4	-209.0
-	-	-	10.4	10.4
-	-	-56.1	-8.3	-64.4
-	-	389.0	9.4	398.4
118.4	-4.2	120.7	3.2	123.9
118.4	-4.2	509.7	12.6	522.3
-64.0	1.4	3,794.7	76.2	3,870.9

C.05 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY / SEP. 30, 2021

CONSOLIDATED CASH FLOW STATEMENT

in EUR m	Note	Jan. 1– Sep. 30, 2021	Jan. 1– Sep. 30, 2020	Jul. 1– Sep. 30, 2021	Jul. 1– Sep. 30, 2020
	11.)				
Profit after tax		398.4	358.6	161.0	120.6
Depreciation and amortization		283.6	223.1	80.9	72.2
Income tax expense		163.0	126.6	68.3	41.4
Income taxes paid		-154.2	-118.2	-60.9	-56.0
Net interest expense		41.3	53.1	15.2	15.6
Interest paid (netted against interest received)		-33.6	-46.3	-15.0	-16.5
Changes in provisions		48.5	5.0	28.9	3.8
Changes in current assets and liabilities					
Inventories		-299.2	95.9	-93.3	150.1
Receivables		-449.3	65.9	-5.1	-35.0
Liabilities		277.6	82.9	15.8	157.5
Non-cash change in liabilities relating to acquisition of non-controlling interests		7.2	1.7	2.2	-0.1
Other non-cash items and reclassifications		0.5	41.2	5.8	0.8
Net cash provided by operating activities		283.8	889.5	203.8	454.4
Proceeds from the disposal of consolidated subsidiaries and other business units		-	1.2	-	1.2
Proceeds from the disposal of other financial assets		2.6	-	1.2	-0.1
Proceeds from the disposal of intangible assets and property, plant and equipment		7.5	7.8	2.4	2.8
Payments to acquire consolidated subsidiaries and other business units		-419.8	-27.8	-364.2	-3.5
Payments to acquire intangible assets and property, plant and equipment		-109.9	-131.0	-35.7	-38.0
Net cash used in investing activities		-519.6	-149.8	-396.3	-37.6
Repayments of liabilities relating to acquisition of non-controlling interests		-16.5	-	-16.5	-
Dividends paid to Brenntag shareholders		-208.6	-193.1	-	-
Dividends paid to non-controlling interests		-1.5	-1.0	-1.1	-1.0
Proceeds from borrowings		435.6	45.9	279.5	-
Repayments of borrowings		-172.6	-200.8	-94.3	-81.4
Net cash provided by/used in financing activities		36.4	-349.0	167.6	-82.4
Change in cash and cash equivalents		-199.4	390.7	-24.9	334.4
Effect of exchange rate changes on cash and cash equivalents		17.1	-40.1	6.1	-22.8
Cash and cash equivalents at beginning of period		726.3	520.3	562.8	559.3
Cash and cash equivalents at end of period		544.0	870.9	544.0	870.9

C.06 CONSOLIDATED CASH FLOW STATEMENT

CONDENSED NOTES

Key Financial Figures by Segment

Since January 1, 2021, the Brenntag Group has been managed through two global divisions, Brenntag Essentials and Brenntag Specialties, which are each managed through geographically structured segments. Brenntag Essentials markets a broad portfolio of process chemicals across a wide range of industries and applications. Brenntag Specialties focuses on selling ingredients and value-added services to the selected industries, Nutrition, Pharma, Personal Care/HI&I (Home, Industrial & Institutional), Material Science (Coatings & Construction, Polymers, Rubber), Water Treatment and Lubricants. The global Brenntag Essentials division comprises the geographical

segments EMEA, North America, Latin America and APAC. The global Brenntag Specialties division comprises the geographical segments EMEA, Americas and APAC. In addition, “all other segments” combine the central functions for the entire Group and the activities with regard to the digitalization of our business (DigiB). The international operations of BRENNTAG International Chemicals GmbH, which buys and sells chemicals in bulk on an international scale without regional boundaries, are also included here.

The following tables show the reconciliation of the reportable segments to the Group:

Period from January 1 to September 30 in EUR m	Brenntag Essentials	Brenntag Specialties	All other segments	Group
External sales				
2021	5,599.2	4,319.8	421.8	10,340.8
2020	4,897.0	3,796.5	220.9	8,914.4
fx adj. change in %	17.7	17.4	90.9	19.4
Operating gross profit				
2021	1,515.8	927.5	22.2	2,465.5
2020	1,367.0	784.0	15.5	2,166.5
fx adj. change in %	14.2	22.1	43.2	17.3
Operating EBITDA (segment result)				
2021	634.5	417.2	-53.4	998.3
2020	506.8	325.3	-28.5	803.6
fx adj. change in %	29.1	32.6	86.7	28.4
Operating EBITA				
2021	471.1	393.5	-58.2	806.4
2020	343.9	302.8	-32.7	614.0
fx adj. change in %	41.6	34.3	-	36.0

C.07 RECONCILIATION OF THE REPORTABLE SEGMENTS TO THE GROUP 9M 2021/2020

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
CONDENSED NOTES

Period from July 1 to September 30 in EUR m	Brenntag Essentials	Brenntag Specialties	All other segments	Group
External sales				
2021	1,995.6	1,589.7	152.9	3,738.2
2020	1,556.4	1,250.2	74.3	2,880.9
fx adj. change in %	27.5	27.4	105.9	29.5
Operating gross profit				
2021	520.2	334.3	7.8	862.3
2020	433.0	257.3	4.9	695.2
fx adj. change in %	19.5	30.1	59.2	23.7
Operating EBITDA (segment result)				
2021	210.3	152.9	-20.3	342.9
2020	162.9	108.0	-6.5	264.4
fx adj. change in %	28.7	42.3	209.1	29.7
Operating EBITA				
2021	155.2	144.5	-21.9	277.8
2020	109.9	101.0	-8.0	202.9
fx adj. change in %	40.9	44.0	-	37.1

C.08 RECONCILIATION OF THE REPORTABLE SEGMENTS TO THE GROUP Q3 2021/2020

The following tables show the segment information for the geographical segments of the global Brenntag Essentials division:

Period from January 1 to September 30 in EUR m	EMEA ¹⁾	North America	Latin America	APAC ²⁾	Central activities ⁴⁾	Brenntag Essentials
External sales						
2021	2,305.0	2,322.9	454.2	517.1	–	5,599.2
2020	2,034.5	2,052.5	413.7	396.3	–	4,897.0
fx adj. change in %	13.3	19.3	18.2	31.5	–	17.7
Operating gross profit						
2021	592.1	731.2	110.0	82.5	–	1,515.8
2020	562.1	635.1	98.7	71.1	–	1,367.0
fx adj. change in %	5.2	21.5	20.1	17.5	–	14.2
Operating EBITDA (segment result)³⁾						
2021	245.5	316.2	39.5	35.3	–2.0	634.5
2020	207.0	244.1	31.8	24.6	–0.7	506.8
fx adj. change in %	18.5	36.8	33.4	44.1	–	29.1

C.09 SEGMENT REPORTING ON THE GLOBAL ESSENTIALS DIVISION 9M 2021/2020

¹⁾ Europe, Middle East & Africa.

²⁾ Asia Pacific including the China and Hong Kong segment, which is presented separately internally.

³⁾ Segment operating EBITDA is calculated as segment EBITDA adjusted for holding charges and special items (see section 2.3.1 Business performance of the Brenntag Group in the Group Interim Management Report).

⁴⁾ Central activities which are part of Brenntag Essentials but not directly attributable to any one segment.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
CONDENSED NOTES

Period from July 1 to September 30 in EUR m	EMEA ¹⁾	North America	Latin America	APAC ²⁾	Central activities ⁴⁾	Brenntag Essentials
External sales						
2021	772.5	882.3	166.7	174.1	–	1,995.6
2020	623.3	651.6	140.3	141.2	–	1,556.4
fx adj. change in %	22.9	35.4	19.9	19.3	–	27.5
Operating gross profit						
2021	188.3	268.1	37.5	26.3	–	520.2
2020	172.5	203.7	30.9	25.9	–	433.0
fx adj. change in %	8.1	31.7	21.3	–1.1	–	19.5
Operating EBITDA (segment result)³⁾						
2021	70.9	118.0	12.1	9.7	–0.4	210.3
2020	60.1	83.2	9.5	10.4	–0.3	162.9
fx adj. change in %	17.2	42.5	28.0	–8.5	–	28.7

C.10 SEGMENT REPORTING ON THE GLOBAL ESSENTIALS DIVISION Q3 2021/2020

¹⁾ Europe, Middle East & Africa.

²⁾ Asia Pacific including the China and Hong Kong segment, which is presented separately internally.

³⁾ Segment operating EBITDA is calculated as segment EBITDA adjusted for holding charges and special items (see section 2.3.1 Business performance of the Brenntag Group in the Group Interim Management Report).

⁴⁾ Central activities which are part of Brenntag Essentials but not directly attributable to any one segment.

The following tables show the segment information for the geographical segments of the global Brenntag Specialties division:

Period from January 1 to September 30 in EUR m	EMEA ¹⁾	Americas	APAC	Central activities ³⁾	Brenntag Specialties
External sales					
2021	2,046.5	1,513.6	759.7	–	4,319.8
2020	1,771.9	1,368.9	655.7	–	3,796.5
fx adj. change in %	17.0	16.7	20.1	–	17.4
Operating gross profit					
2021	440.7	322.6	164.2	–	927.5
2020	372.5	281.0	130.5	–	784.0
fx adj. change in %	19.6	21.3	30.8	–	22.1
Operating EBITDA (segment result)²⁾					
2021	205.8	128.5	83.7	–0.8	417.2
2020	161.2	105.5	59.0	–0.4	325.3
fx adj. change in %	30.0	28.8	47.1	–	32.6

C.11 SEGMENT REPORTING ON THE GLOBAL SPECIALTIES DIVISION 9M 2021/2020

¹⁾ Europe, Middle East & Africa.

²⁾ Segment operating EBITDA is calculated as segment EBITDA adjusted for holding charges and special items (see section 2.3.1 Business performance of the Brenntag Group in the Group Interim Management Report).

³⁾ Central activities which are part of Brenntag Specialties but not directly attributable to any one segment.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
CONDENSED NOTES

Period from July 1 to September 30 in EUR m	EMEA ¹⁾	Americas	APAC	Central activities ³⁾	Brenntag Specialties
External sales					
2021	701.0	605.0	283.7	–	1,589.7
2020	580.9	447.5	221.8	–	1,250.2
fx adj. change in %	20.7	35.5	28.5	–	27.4
Operating gross profit					
2021	148.2	128.6	57.5	–	334.3
2020	122.3	88.4	46.6	–	257.3
fx adj. change in %	21.2	45.8	24.1	–	30.1
Operating EBITDA (segment result)²⁾					
2021	69.1	56.3	28.5	–1.0	152.9
2020	53.2	32.4	22.6	–0.2	108.0
fx adj. change in %	30.8	75.3	26.8	–	42.3

C.12 SEGMENT REPORTING ON THE GLOBAL SPECIALTIES DIVISION Q3 2021/2020

¹⁾ Europe, Middle East & Africa.

²⁾ Segment operating EBITDA is calculated as segment EBITDA adjusted for holding charges and special items (see section 2.3.1 Business performance of the Brenntag Group in the Group Interim Management Report).

³⁾ Central activities which are part of Brenntag Specialties but not directly attributable to any one segment.

Group Key Financial Figures

in EUR m	Jan. 1– Sep. 30, 2021	Jan. 1– Sep. 30, 2020	Jul. 1– Sep. 30, 2021	Jul. 1– Sep. 30, 2020
Operating EBITDA	998.3	803.6	342.9	264.4
Investments in non-current assets (capex) ¹⁾	–105.9	–127.1	–38.0	–38.5
Change in working capital ²⁾³⁾	–443.0	214.2	–114.2	226.5
Principal and interest payments on lease liabilities	–97.3	–94.8	–35.7	–31.7
Free cash flow	352.1	795.9	155.0	420.7

C.13 FREE CASH FLOW

¹⁾ Investments in non-current assets are the other additions to property, plant and equipment and intangible assets.

²⁾ Definition of working capital: trade receivables plus inventories less trade payables.

³⁾ Adjusted for exchange rate effects and acquisitions.

in EUR m	Jan. 1– Sep. 30, 2021	Jan. 1– Sep. 30, 2020	Jul. 1– Sep. 30, 2021	Jul. 1– Sep. 30, 2020
Operating EBITDA (segment result)¹⁾	998.3	803.6	342.9	264.4
Depreciation of property, plant and equipment and right-of-use assets	–188.4	–189.1	–65.0	–61.0
Impairment of property, plant and equipment and right-of-use assets	–3.5	–0.5	–0.1	–0.5
Operating EBITA	806.4	614.0	277.8	202.9
Net expense from special items	–104.1	–33.4	–15.4	–14.6
(of which “Project Brenntag”/expenses in connection with the programme to improve efficiency)	(–29.2)	(–33.4)	(–3.6)	(–14.6)
(of which addition to provision for alcohol tax)	(–63.1)	(–)	(–)	(–)
(of which provision for possible breaches of export control regulations)	(–11.8)	(–)	(–11.8)	(–)
EBITA	702.3	580.6	262.4	188.3
Amortization of intangible assets ²⁾	–39.8	–33.5	–15.8	–10.7
Impairment of intangible assets ³⁾	–51.9	–	–	–
EBIT	610.6	547.1	246.6	177.6
Net finance costs	–49.2	–61.9	–17.3	–15.6
Profit before tax	561.4	485.2	229.3	162.0

C.14 RECONCILIATION OF OPERATING EBITDA TO PROFIT BEFORE TAX

¹⁾ Operating EBITDA is calculated as EBITDA adjusted for special items (see section 2.3.1 Business performance of the Brenntag Group in the Group Interim Management Report). Operating EBITDA of the reportable segments amounts to EUR 1,051.7 million (9M 2020: EUR 832.1 million) and operating EBITDA of all other segments to EUR –53.4 million (9M 2020: EUR –28.5 million).

²⁾ This figure includes amortization of customer relationships in the amount EUR 25.6 million (9M 2020: EUR 22.2 million).

³⁾ The impairment loss of EUR 51.9 million is mainly due to changes to our IT portfolio.

General Information

At the ordinary General Shareholders' Meeting on June 10, 2020, shareholders resolved to change Brenntag AG's legal form to a European company (Societas Europaea, SE). The change became effective upon its entry in the Commercial Register on February 1, 2021.

Brenntag SE has its registered office at Messeallee 11, Essen, Germany and is entered in the Commercial Register at the Essen Local Court under commercial register number HRB 31943.

Consolidation Policies and Methods

STANDARDS APPLIED

These interim consolidated financial statements for the period from January 1 to September 30, 2021 have been prepared in accordance with the requirements of IAS 34 (Interim Financial Reporting). The Notes are presented in condensed form compared with the Notes to the financial statements as at December 31, 2020.

As at January 1, 2021, the consolidated income statement of Brenntag SE was changed from the cost of sales (function of expense) method to the total cost (nature of expense) method, as this best reflects the Brenntag Group's financial management system, which was adapted as part of "Project Brenntag". In this context, income of EUR 14.8 million was reclassified to sales in the first nine months of 2020 (Q3 2020: EUR 4.6 million).

With the exception of the standards and interpretations that became effective on January 1, 2021, the same accounting policies have been applied as for the consolidated financial statements as at December 31, 2020.

The following revised and new standards issued by the International Accounting Standards Board (IASB) have been applied by the Brenntag Group for the first time:

First-time adoption in 2021

- Interest Rate Benchmark Reform (IBOR Reform) – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- Amendments to IFRS 16 regarding COVID-19-related rent concessions

The Phase 2 amendments from the IASB project on interest rate benchmark reform provide relief in accounting for changes required by IBOR reform to contractual cash flows and hedging relationships. They therefore relate to the actual transition to replacement interest rate benchmarks.

The amendments to IFRS 16 Leases provide a practical expedient that allows lessees to simplify their accounting for concessions such as deferrals of lease payments or rent reductions granted in connection with COVID-19. The lessee may elect not to present the rent concession as a lease modification.

The aforementioned revised standards do not have a material impact on the presentation of the Group's net assets, financial position and results of operations.

SCOPE OF CONSOLIDATION

The table below shows the changes in the number of consolidated companies including structured entities:

	Dec. 31, 2020	Additions	Disposals	Sep. 30, 2021
Domestic consolidated companies	29	–	–	29
Foreign consolidated companies	188	18	3	203
Total consolidated companies	217	18	3	232

C.15 CHANGES IN SCOPE OF CONSOLIDATION

The additions relate to one entity established and entities acquired in business combinations under IFRS 3. The disposals are the result of the merger of companies no longer operating.

Three (Dec. 31, 2020: three) associates are accounted for using the equity method.

At the end of July 2021, Brenntag closed the acquisition of the first tranche (67%) of Zhongbai Xingye, a specialty distributor of food ingredients. This Chinese company markets a broad portfolio of specialty food ingredients such as dairy products and proteins. The acquisition of the leading player in mainland China is an important step towards Brenntag becoming a full-line distributor of food ingredients in the Asian market.

BUSINESS COMBINATIONS IN ACCORDANCE WITH IFRS 3

In January 2021, Brenntag acquired Miroven S.r.l., Comelt S.p.A. and Aquadepur S.R.L. (Comelt) based in northern Italy. Comelt specializes in the processing, marketing and distribution of activated and reactivated carbon for various applications such as water filtration and purification of air and flue gas. The acquisition also includes distribution sites and a laboratory in northern Italy.

Also in January 2021, Brenntag acquired ICL Packed Ltd. based in Grays, Essex, England. The company specializes in the distribution of packaged chemicals for water treatment. As part of the acquisition, the transaction secures Brenntag a supply agreement with ICL, a large manufacturer of caustic soda, hydrochloric acid, iron and aluminium coagulants and sodium hypochlorite in the UK.

In February 2021, Brenntag closed the acquisition of Alpha Chemical Ltd. based in Dartmouth, Nova Scotia, Canada. Alpha Chemical Ltd. is a chemical distributor with a focus on various key industries such as oil and gas, mining, water treatment and aquaculture.

At the beginning of August 2021, Brenntag acquired all operating assets and the distribution business of Matrix Chemical, LLC. This company is a solvents distributor and the largest distributor of acetone in North America. By acquiring Matrix, Brenntag creates a highly reliable and competitive logistics network for acetone and solvents in North America.

Also at the beginning of August 2021, Brenntag closed the acquisition of US-based Storm Chaser Holding Corporation (“JM Swank”). The company is a leading distributor of food ingredients. This strategic acquisition doubles Brenntag’s size in the Nutrition business in the region and thus creates the leading food ingredients and food process chemicals distributor in North America. Nutrition is one of the defined focus industries in the Brenntag Specialties division.

The purchase price, net assets and goodwill relating to these entities break down as follows:

in EUR m	Zhongbai Xingye	JM Swank	Matrix Chemical	Other entities	Total
Purchase price	80.9	256.1	48.5	58.9	444.4
of which consideration contingent on earnings targets	16.3	–	–	–	16.3
Assets					
Cash and cash equivalents	3.5	0.6	–	1.3	5.4
Trade receivables, other financial assets and other receivables	30.0	39.4	36.8	14.2	120.4
Other current assets	50.2	33.6	36.5	4.0	124.3
Non-current assets	36.4	68.6	7.7	23.8	136.5
Liabilities					
Current liabilities	78.7	40.4	37.9	12.5	169.5
Non-current liabilities	10.0	9.9	3.5	12.4	35.8
Net assets	31.4	91.9	39.6	18.4	181.3
of which Brenntag's share	21.0	91.9	39.6	18.4	170.9
Goodwill	59.9	164.2	8.9	40.5	273.5
of which deductible for tax purposes	–	–	8.9	–	8.9

C.16 NET ASSETS ACQUIRED

Measurement of the assets acquired and liabilities assumed (among others customer relationships, environmental provisions and deferred taxes) has not yet been completed for reasons of time. The main factors determining the goodwill are the above-mentioned reasons for the acquisitions where not included in other assets. No share of the goodwill was recognized for non-controlling interests in Zhongbai Xingye (partial goodwill method). There are no material differences between the gross amount and carrying amount of the receivables.

Acquisition-related costs in the amount of EUR 1.0 million were recognized under other operating expenses.

Since their acquisition by Brenntag, the businesses acquired in 2021 have generated sales of EUR 184.8 million and profit after tax of EUR 6.2 million.

If the above-mentioned business combinations had taken place with effect from January 1, 2021, sales of about EUR 11,038 million would have been reported for the Brenntag Group in the reporting period. Profit after tax would have been about EUR 432 million.

As a result of measurement-period adjustments, goodwill from entities acquired in 2020 increased by a total of EUR 1.8 million.

CURRENCY TRANSLATION

The euro exchange rates of major currencies changed as follows:

EUR 1 = currencies	Closing rate		Average rate	
	Sep. 30, 2021	Dec. 31, 2020	Jan. 1 – Sep. 30, 2021	Jan. 1 – Sep. 30, 2020
Canadian dollar (CAD)	1.4750	1.5633	1.4968	1.5218
Swiss franc (CHF)	1.0830	1.0802	1.0904	1.0680
Chinese yuan renminbi (CNY)	7.4847	8.0225	7.7376	7.8659
Danish krone (DKK)	7.4360	7.4409	7.4368	7.4580
Pound sterling (GBP)	0.8605	0.8990	0.8636	0.8851
Polish zloty (PLN)	4.6197	4.5597	4.5473	4.4220
Swedish krona (SEK)	10.1683	10.0343	10.1528	10.5582
US dollar (USD)	1.1579	1.2271	1.1962	1.1250

C.17 EXCHANGE RATES OF MAJOR CURRENCIES

Consolidated Income Statement, Consolidated Balance Sheet and Consolidated Cash Flow Statement Disclosures

1.) INTEREST EXPENSE

in EUR m	Jan. 1– Sep. 30, 2021	Jan. 1– Sep. 30, 2020
Interest expense on liabilities to third parties	–34.8	–43.7
Net interest expense on defined benefit pension plans	–0.9	–1.3
Interest expense on other provisions	–0.3	–1.0
Interest expense on leases	–8.3	–9.3
Total	–44.3	–55.3

C.18 INTEREST EXPENSE

2.) CHANGE IN LIABILITIES RELATING TO ACQUISITION OF NON-CONTROLLING INTERESTS RECOGNIZED IN PROFIT OR LOSS

in EUR m	Jan. 1– Sep. 30, 2021	Jan. 1– Sep. 30, 2020
Change in liabilities relating to acquisition of non-controlling interests recognized in profit or loss	–6.5	–1.0
Change in liabilities recognized in profit or loss arising from limited partners' rights to repayment of contributions	–0.7	–0.7
Total	–7.2	–1.7

C.19 CHANGE IN LIABILITIES RELATING TO ACQUISITION OF NON-CONTROLLING INTERESTS RECOGNIZED IN PROFIT OR LOSS

For further information, please refer to Note 9.).

3.) INCOME TAX EXPENSE

Income tax expense comprises current tax expense of EUR 168.8 million (9M 2020: current tax expense of EUR 128.6 million) and deferred tax income of EUR 5.8 million (9M 2020: deferred tax income of EUR 2.0 million).

Tax expense for the third quarter of 2021 was calculated using the Group tax rate expected for financial year 2021. Any items of income and expense that cannot be planned with sufficient accuracy are disregarded when determining the expected Group tax rate and calculating tax expense.

in EUR m	Jan. 1–Sep. 30, 2021			Jan. 1–Sep. 30, 2020		
	Profit before tax	Tax rate in %	Income tax expense	Profit before tax	Tax rate in %	Income tax expense
excluding unplannable tax-neutral income/expenses	567.9	28.7	163.0	486.2	26.0	126.6
tax-neutral income/expenses that cannot be planned with sufficient accuracy	-6.5	–	–	-1.0	–	–
including unplannable tax-neutral income/expenses	561.4	29.0	163.0	485.2	28.5	126.6

C.20 PROFIT BEFORE TAX AFTER ELIMINATION OF UNPLANNABLE TAX-NEUTRAL INCOME/EXPENSES

4.) EARNINGS PER SHARE

Earnings per share in the amount of EUR 2.52 (9M 2020: EUR 2.30) are determined by dividing the share of profit after tax of EUR 389.0 million (9M 2020: EUR 354.9 million) attributable to the shareholders of Brenntag SE by the average weighted number of outstanding shares.

The warrants from the bond (Bond (with Warrants) 2022) issued in November 2015 had a dilutive effect in the first nine months of 2021, as the average Brenntag share price was higher than the strike price of the warrants of EUR 72.2474.

Diluted earnings per share are calculated as follows:

in EUR m	Jan. 1 – Sep. 30, 2021	Jul. 1 – Sep. 30, 2021
Share of profit after tax attributable to Brenntag SE shareholders	389.0	157.4
Number of Brenntag SE shares	154.5	154.5
Number of potential shares with a dilutive effect ¹⁾	0.3	0.9
Number of shares	154.8	155.4
Diluted earnings per share	2.51	1.01

C.21 DILUTED EARNINGS PER SHARE

¹⁾ Maximum number of shares that would be issued if the warrants were exercised less the number of shares that could be bought with the issue proceeds at the average price for the period.

5.) ASSETS HELD FOR SALE

The assets held for sale comprise property, plant and equipment (EUR 2.9 million).

6.) FINANCIAL LIABILITIES

in EUR m	Sep. 30, 2021	Dec. 31, 2020
Liabilities under syndicated loan	794.1	477.8
Other liabilities to banks	206.8	124.4
Bond 2025	596.3	597.3
Bond (with Warrants) 2022	428.1	398.3
Derivative financial instruments	3.8	11.4
Other financial liabilities	95.0	30.2
Total	2,124.1	1,639.4
Lease liabilities	451.4	426.8
Cash and cash equivalents	544.0	726.3
Net financial liabilities	2,031.5	1,339.9

C.22 DETERMINATION OF NET FINANCIAL LIABILITIES

7.) OTHER PROVISIONS

Other provisions break down as follows:

in EUR m	Sep. 30, 2021	Dec. 31, 2020
Environmental provisions	92.8	92.4
Provisions for personnel expenses	49.8	32.6
Miscellaneous provisions	91.8	57.0
Total	234.4	182.0

C.23 OTHER PROVISIONS

8.) PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

In the interim consolidated financial statements as at September 30, 2021, the present value of pension obligations was determined using a discount rate of 0.9% (Dec. 31, 2020: 0.5%) in Germany and the other countries of the euro zone, 0.3% (Dec. 31, 2020: 0.1%) in Switzerland and 3.2% (Dec. 31, 2020: 2.6%) in Canada.

Due to the remeasurement of defined benefit plans, provisions for pensions and other post-employment benefits decreased by an amount of EUR 9.4 million recognized directly in retained earnings. This is mainly the result of the increase in the discount rate in the euro zone. Net of deferred taxes, actuarial losses recognized in other comprehensive income consequently decreased by EUR 6.5 million.

9.) LIABILITIES RELATING TO ACQUISITION OF NON-CONTROLLING INTERESTS

Liabilities relating to the acquisition of non-controlling interests break down as follows:

in EUR m	Sep. 30, 2021	Dec. 31, 2020
Liabilities relating to acquisition of non-controlling interests	185.1	126.4
Liabilities arising from limited partners' rights to repayment of contributions	1.5	1.8
Total	186.6	128.2

C.24 LIABILITIES RELATING TO ACQUISITION OF NON-CONTROLLING INTERESTS

Liabilities relating to the acquisition of non-controlling interests include EUR 64.4 million due to the recognition of the liability relating to the acquisition of the remaining 33% of the shares in Zhongbai Xingye.

Liabilities relating to the acquisition of non-controlling interests have been partly included in net investment hedge accounting. Exchange rate-related changes in the liabilities included in net investment hedge accounting are recognized within equity in the net investment hedge reserve.

10.) EQUITY

As proposed by the Board of Management and the Supervisory Board, the ordinary General Shareholders' Meeting of Brenntag SE on June 10, 2021 passed a resolution to pay a dividend of EUR 208,575,000. Based on 154.5 million shares, that is a dividend of EUR 1.35 per no-par value share entitled to a dividend.

Retained earnings declined by EUR 64.4 million due to the initial recognition of the liability relating to the acquisition of the remaining 33% of the shares in Zhongbai Xingye on December 31, 2024.

Non-controlling interests comprise the shares of non-Group shareholders in the equity of consolidated entities. The non-controlling interests changed as follows:

in EUR m	Subscribed capital, retained earnings and additional paid-in capital	Exchange rate differences	Non-controlling interests
Dec. 31, 2019	62.6	0.6	63.2
Business combinations	-2.1	-	-2.1
Profit after tax	3.7	-	3.7
Other comprehensive income, net of tax	-	-4.8	-4.8
Total comprehensive income for the period	3.7	-4.8	-1.1
Sep. 30, 2020	64.2	-4.2	60.0

C.25 CHANGE IN NON-CONTROLLING INTERESTS / SEP. 30, 2020

in EUR m	Subscribed capital, retained earnings and additional paid-in capital	Exchange rate differences	Non-controlling interests
Dec. 31, 2020	67.7	-5.8	61.9
Dividends	-0.4	-	-0.4
Transactions with owners	-8.3	-	-8.3
Business combinations	10.4	-	10.4
Profit after tax	9.4	-	9.4
Other comprehensive income, net of tax	-	3.2	3.2
Total comprehensive income for the period	9.4	3.2	12.6
Sep. 30, 2021	78.8	-2.6	76.2

C.26 CHANGE IN NON-CONTROLLING INTERESTS / SEP. 30, 2021

Non-controlling interests increased by EUR 10.4 million (33%) due to the acquisition of 67% of the shares in Zhongbai Xingye. It increased by EUR 8.3 million due to the acquisition of the remaining shares (49%) in Wellstar Enterprises (Hong Kong) company limited.

11.) CONSOLIDATED CASH FLOW STATEMENT DISCLOSURES

The rise in working capital within net cash provided by operating activities resulted from changes in inventories, gross trade receivables and trade payables as well as from valuation allowances on trade receivables and inventories as follows:

in EUR m	Jan. 1– Sep. 30, 2021	Jan. 1– Sep. 30, 2020
Increase/decrease in inventories	–299.2	95.9
Increase/decrease in gross trade receivables	–433.1	79.8
Increase in trade payables	278.3	19.8
Increase in valuation allowances on trade receivables and on inventories ¹⁾	11.0	18.7
Change in working capital²⁾	–443.0	214.2

C.27 CHANGE IN WORKING CAPITAL

¹⁾ Presented within other non-cash items.

²⁾ Adjusted for exchange rate effects and acquisitions.

At 8.4 in the reporting period, annualized working capital turnover³⁾ was higher than at the end of 2020 (7.3).

12.) LEGAL PROCEEDINGS AND DISPUTES

The decision issued by the French Competition Authority in 2013 in relation to the allocation of customers and coordination of prices was initially set aside by a court of appeal due to procedural errors at Brenntag's request in February 2017. Following a reassessment, however, the court decided in December 2020 to impose a fine of EUR 47 million, which was paid in April 2021. Brenntag has lodged an appeal against the decision.

An ERISA (Employment Retirement Income Security Act) class action lawsuit was filed against Brenntag North America et al. in connection with the management of the company's 401(k) Plan. A settlement was reached, bringing the proceedings to a close.

The German Group companies Brenntag GmbH and BCD Chemie GmbH are currently the subject of routine reviews of the tax on alcohol and energy being conducted by the German customs authorities for the years 2014 to 2018. Brenntag is cooperating with the customs authorities. In the case of Brenntag GmbH, the review for 2016 was completed in early 2021. In May 2021, Brenntag GmbH subsequently received a tax decision notice in the amount of EUR 63.1 million. Although our legal opinion differs from the opinion of the authority, we recognized provisions in the balance sheet in this amount in the first quarter and made the payment in the second quarter. Brenntag has sought legal redress against this decision. The findings of the review relate only to formal errors. At no time were there doubts concerning the tax-free use of alcoholic products by our customers. We believe that, in most cases, we will ultimately be successful in seeking legal redress. The authorities are continuing their reviews of BCD Chemie GmbH for 2014 to 2018 and of Brenntag GmbH for 2017 to 2018. Also considering the above-mentioned appeal, it is not possible at present to conclusively predict whether further tax assessments will be made.

³⁾ Ratio of annual sales to average working capital; annual sales are defined as sales for the first nine months extrapolated to the full year (sales for the first nine months divided by three and multiplied by four); average working capital for the first nine months is defined as the average of working capital at the beginning of the year and at the end of the first, second and third quarters.

13.) Reporting of financial instruments

The classification and measurement of the financial assets recognized in the balance sheet are shown in the table below:

in EUR m	Sep. 30, 2021			
Classification of financial assets:	At amortized cost	FVTPL ¹⁾	Total carrying amount	Fair value
Cash and cash equivalents	544.0	–	544.0	544.0
Trade receivables	2,189.4	–	2,189.4	2,189.4
Other receivables	149.8	–	149.8	149.8
Other financial assets	33.4	7.7	41.1	41.1
Total	2,916.6	7.7	2,924.3	2,924.3

C.28 CLASSIFICATION OF FINANCIAL ASSETS BY MEASUREMENT CATEGORY / SEP. 30, 2021

¹⁾ Financial assets at fair value through profit or loss.

in EUR m	Dec. 31, 2020			
Classification of financial assets:	At amortized cost	FVTPL ¹⁾	Total carrying amount	Fair value
Cash and cash equivalents	726.3	–	726.3	726.3
Trade receivables	1,597.5	–	1,597.5	1,597.5
Other receivables	108.5	–	108.5	108.5
Other financial assets	26.0	5.5	31.5	31.5
Total	2,458.3	5.5	2,463.8	2,463.8

C.29 CLASSIFICATION OF FINANCIAL ASSETS BY MEASUREMENT CATEGORY / DEC. 31, 2020

¹⁾ Financial assets at fair value through profit or loss.

The majority of the financial assets measured at amortized cost have remaining terms of less than one year. Their carrying amounts at the reporting date approximate their fair values.

Of the other receivables recognized in the balance sheet, EUR 83.0 million (Dec. 31, 2020: EUR 95.6 million) are not financial assets as defined by IFRS 7. They are mainly receivables from value-added tax and other taxes, prepaid expenses and prepayments.

The classification and measurement of the financial liabilities recognized in the balance sheet are shown in the table below:

in EUR m		Sep. 30, 2021			
Classification of financial liabilities:	At amortized cost	FVTPL ¹⁾	Total carrying amount	Fair value	
Trade payables	1,660.1	–	1,660.1	1,660.1	
Other liabilities	219.6	–	219.6	219.6	
Liabilities relating to acquisition of non-controlling interests	186.6	–	186.6	186.9	
Financial liabilities	2,101.4	22.7	2,124.1	2,162.5	
Total	4,167.7	22.7	4,190.4	4,229.1	

C.30 CLASSIFICATION OF FINANCIAL LIABILITIES BY MEASUREMENT CATEGORY / SEP. 30, 2021

¹⁾ Financial liabilities at fair value through profit or loss.

in EUR m		Dec. 31, 2020			
Classification of financial liabilities:	At amortized cost	FVTPL ¹⁾	Total carrying amount	Fair value	
Trade payables	1,229.8	–	1,229.8	1,229.8	
Other liabilities	247.3	–	247.3	247.3	
Liabilities relating to acquisition of non-controlling interests	128.2	–	128.2	132.5	
Financial liabilities	1,626.6	12.8	1,639.4	1,723.9	
Total	3,231.9	12.8	3,244.7	3,333.5	

C.31 CLASSIFICATION OF FINANCIAL LIABILITIES BY MEASUREMENT CATEGORY / DEC. 31, 2020

¹⁾ Financial liabilities at fair value through profit or loss.

The majority of the trade payables and other liabilities measured at amortized cost have remaining terms of less than one year. Their carrying amounts at the reporting date therefore approximate their fair values. The fair values of the bonds measured at amortized cost under financial liabilities were determined using quoted or market prices in an active market (Level 1 of the fair value hierarchy). The fair values of the other financial liabilities measured at amortized cost were determined using the discounted cash flow method on the basis of inputs observable on the market (Level 2 of the fair value hierarchy). The liabilities relating to the acquisition of non-con-

trolling interests were determined on the basis of recognized company valuation models. The company valuation models are based on cash flow plans (Level 3 of the fair value hierarchy). The fair values of foreign exchange forwards and foreign exchange swaps are determined by comparing forward rates and discounted to present value (Level 2 of the fair value hierarchy). The fair values of interest rate swaps are determined by applying the discounted cash flow method on the basis of current interest curves, taking into account the non-performance risk (Level 2 of the fair value hierarchy).

Of the other liabilities recognized in the balance sheet, EUR 293.6 million (Dec. 31, 2020: EUR 244.9 million) are not financial liabilities as defined by IFRS 7. They are mainly liabilities to employees, liabilities from value-added tax and other taxes, as well as deferred income.

The allocation of the financial assets and liabilities recognized in the balance sheet at fair value to the levels of the IFRS 13 fair value hierarchy is shown in the table below:

in EUR m				
Hierarchy level	Level 1	Level 2	Level 3	Sep. 30, 2021
Financial assets at fair value through profit or loss	1.7	6.0	–	7.7
Financial liabilities at fair value through profit or loss	–	3.8	18.9	22.7

C.32 FINANCIAL INSTRUMENTS ACCORDING TO FAIR VALUE HIERARCHY / SEP. 30, 2021

in EUR m				
Hierarchy level	Level 1	Level 2	Level 3	Dec. 31, 2020
Financial assets at fair value through profit or loss	1.8	3.7	–	5.5
Financial liabilities at fair value through profit or loss	–	11.3	1.5	12.8

C.33 FINANCIAL INSTRUMENTS ACCORDING TO FAIR VALUE HIERARCHY / DEC. 31, 2020

Liabilities resulting from contingent consideration arrangements of EUR 18.9 million (Dec. 31, 2020: EUR 1.5 million) relate to liabilities for contingent purchase prices payable in acquisitions. The amount of the contingent purchase price component required to be recognized at fair value is contingent on the earnings achieved by the acquired business.

Liabilities resulting from contingent consideration arrangements changed as follows:

in EUR m	2021	2020
Jan. 1	1.5	0.5
Exchange rate differences	0.1	–
Adjustments in the measurement period (increase in goodwill)	0.7	–
Business combinations	16.6	1.0
Sep. 30	18.9	1.5

C.34 CHANGE IN LIABILITIES RESULTING FROM CONTINGENT CONSIDERATION ARRANGEMENTS

14.) Events after the reporting period

At the beginning of October 2021, Brenntag issued a EUR 500 million benchmark bond through Brenntag Finance B.V., the Netherlands. The bond has a maturity of eight years and carries an annual coupon of 0.50%. The issue price of the bond was 99.711%. It is the first bond issue to take place under a newly established, EUR 3 billion debt issuance programme.

Brenntag has swapped most of the proceeds from the bond for US dollars by way of a long-dated derivative (cross-currency swap). It is planned to use the USD funds from the cross-currency swap to repay the USD bond with warrants in 2022. At the beginning of October 2021, several revolving credit facilities under the syndicated loan were temporarily paid down in connection with the bond issue. The revolving credit facilities under the syndicated loan can be drawn down again at any time.

Essen, November 3, 2021

Brenntag SE
BOARD OF MANAGEMENT

Dr Christian Kohlpaintner

Georg Müller

Henri Nejade

Steven Terwindt

Ewout van Jarwaarde

REVIEW REPORT

To Brenntag SE, Essen

We have reviewed the condensed consolidated interim financial statements - comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and selected explanatory notes - and the interim group management report of Brenntag SE for the period from January 1 to September 30, 2021, which are part of the quarterly financial report pursuant to § (Article) 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, November 3, 2021

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Christiane Lawrenz Wirtschaftsprüferin (German Public Auditor)	ppa. Daniel Deing Wirtschaftsprüfer (German Public Auditor)
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FINANCIAL CALENDAR

MARCH

9 MARCH

2022

Annual Report 2021

JUNE

9 JUNE

2022

General Shareholders'
Meeting

The financial calendar
is updated regularly.
The latest dates can be
found on our website at
[www.brenntag.com/
financial_calendar](http://www.brenntag.com/financial_calendar)

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INFORMATION ON THE INTERIM REPORT

This translation is only a convenience translation. In the event of any differences, only the German version is binding.

INFORMATION ON ROUNDING

Due to commercial rounding, minor differences may occur when using rounded amounts or rounded percentages.

DISCLAIMER

This report may contain forward-looking statements based on current assumptions and forecasts made by Brenntag SE and other information currently available to the company. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. Brenntag SE does not intend, and does not assume any liability whatsoever, to update these forward-looking statements or to adapt them in line with future events or developments.

SUSTAINABILITY

Brenntag reports on sustainability and corporate citizenship in its Sustainability Reports. These can be found at: www.brenntag.com/sustainability_management

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