

First Supplement dated 7 May 2020
to the Base Prospectus dated 17 April 2020
relating to the EUR 5,000,000,000 Debt Issuance Programme of Evonik

This document constitutes a supplement (the "First Supplement") for the purpose of Article 8(10) and 23 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation") in connection with Article 30 of the Luxembourg law dated 16 July 2019 on prospectuses for securities, as amended (Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières et portant mise en oeuvre du règlement (EU) 2017/1129, the "Luxembourg Prospectus Law 2019"), to the base prospectus for securities relating to the EUR 5,000,000,000 Debt Issuance Programme for the issue of Notes of Evonik Industries AG ("Evonik AG") and Evonik Finance B.V. ("Evonik Finance") (each an "Issuer", and together, the "Issuers") and Evonik Industries AG in its capacity as guarantor (the "Guarantor") in respect of non-equity securities within the meaning of Article 2(c) of the Prospectus Regulation, as amended (the "Base Prospectus").



EVONIK INDUSTRIES AG

(Essen, Federal Republic of Germany)
as Issuer and, in respect of notes (the "Notes") issued by
Evonik Finance B.V., as Guarantor

Evonik Finance B.V.

(Amsterdam, The Netherlands)
as Issuer

EUR 5,000,000,000
Debt Issuance Programme
(the "Programme")

This First Supplement is supplemental to, and should only be distributed and read together with, the Base Prospectus. Terms defined in the Base Prospectus have the same meaning when used in this First Supplement. To the extent that there is any inconsistency between (a) any statement in this First Supplement and (b) any other statement prior to the date of this First Supplement, the statements in (a) will prevail.

This First Supplement has been approved by the *Commission de Surveillance du Secteur Financier* (the "CSSF") and will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of Evonik Group (www.evonik.com).

The Issuer and the Guarantor has requested the CSSF in its capacity as competent authority under the Luxembourg Prospectus Law 2019 to approve this First Supplement and to provide the competent authorities in the Republic of Austria, the Federal Republic of Germany and The Netherlands with a certificate of approval (a "Notification") attesting that this First Supplement has been drawn up in accordance with the Luxembourg Prospectus Law 2019 and the Prospectus Regulation. Any of the Issuers and/or the Guarantor may request the CSSF to provide competent authorities in additional Member States within the European Economic Area and the United Kingdom with a Notification.

By approving this First Supplement, the CSSF shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of any of the Issuer and the Guarantor in line with the provisions of Article 6 of the Luxembourg Prospectus Law 2019.

The Issuer and the Guarantor are solely responsible for the information given in this First Supplement. The Issuer and the Guarantor hereby declare, having taken all reasonable care to ensure that such is the case, that to the best

of its knowledge, the information contained in this First Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than those contained in the Base Prospectus or this First Supplement in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Dealers or any of them.

This First Supplement does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor or the Dealers to subscribe for, or purchase, any Notes.

IN ACCORDANCE WITH ARTICLE 30 OF THE LUXEMBOURG PROSPECTUS LAW 2019, WHERE THE BASE PROSPECTUS RELATES TO AN OFFER OF NOTES TO THE PUBLIC, INVESTORS WHO HAVE ALREADY AGREED TO PURCHASE OR SUBSCRIBE FOR ANY NOTES BEFORE THE FIRST SUPPLEMENT IS PUBLISHED HAVE THE RIGHT, EXERCISABLE WITHIN TWO WORKING DAYS AFTER THE PUBLICATION OF THIS FIRST SUPPLEMENT, I.E. UNTIL 11 MAY 2020, TO WITHDRAW THEIR ACCEPTANCES, PROVIDED THAT SIGNIFICANT THE NEW FACTOR, MATERIAL MISTAKE OR MATERIAL INACCURACY AROSE BEFORE THE FINAL CLOSING OF THE OFFER TO THE PUBLIC AND THE DELIVERY OF THE NOTES. INVESTORS WISHING TO EXERCISE THEIR RIGHT OF WITHDRAWAL MAY CONTACT THE RELEVANT DEALER/INTERMEDIARY.

The amendments in relation to the terms and conditions of the Notes shall only apply to final terms, the date of which falls on or after the approval of this First Supplement.

The Issuers and the Guarantor announce the following changes with regard to the Base Prospectus:

Part A – Amendments to the section Evonik Industries AG as Issuer and Guarantor

- (i) In the section *EVONIK INDUSTRIES AG AS ISSUER AND GUARANTOR*, the sub-section “*Selected Financial Information*” on page 20 of the Base Prospectus shall be modified as follows, whereby words in blue and underlined are added:

“Selected Financial Information

Evonik Group

The following table shows selected consolidated financial information for Evonik Group:

Income statement

	<u>1 January 2020 - 31 March 2020</u>	<u>1 January 2019 - 31 March 2019</u>	1 January 2019 - 31 December 2019	1 January 2018 - 31 December 2018
	million EUR			
	<u>(neither audited nor reviewed)</u>		(audited)	
Sales	<u>3,243</u>	<u>3,287</u>	13,108	13,267
Adjusted EBITDA ¹⁾ *	<u>513</u>	<u>539</u>	2,153	2,150
Income before financial result and income taxes, continuing operations	<u>247</u>	<u>296</u>	1,086	1,049

Prior-year figures restated.

Balance sheet

	<u>31 March 2020</u>	31 December 2019	31 December 2018
	million EUR		
	<u>(neither audited nor reviewed)</u>	(audited, unless otherwise noted)	
Total assets	<u>22,452</u>	22,023	20,282
Equity	<u>9,230</u>	9,060	7,825
Non-current liabilities	<u>8,695</u>	9,409	9,103
thereof: Provisions for pensions and other post- employment benefits	<u>3,787</u>	3,967	3,732
Current liabilities	<u>4,527</u>	3,554	3,354
Net financial debt (unaudited) ²⁾ **	<u>2,778</u>	2,141	2,907

Cash flow statement

	<u>1 January 2020 - 31 March 2020</u>	<u>1 January 2019 - 31 March 2019</u>	1 January 2019 – 31 December 2019	1 January 2018 – 31 December 2018
	million EUR			
	<u>(neither audited nor reviewed)</u>		(audited, unless otherwise noted)	
Cash flow from operating activities, continuing operations	<u>297</u>	<u>334</u>	1,352	1,474
Cash flow from investing activities, continuing operations	<u>-289</u>	<u>-185</u>	-245	-884
thereof: Cash outflows for investments in intangible assets, property, plant and equipment	<u>-184</u>	<u>-175</u>	-880	-948
Free cash flow (unaudited) ^{3***} (cash flow from operating activities, continuing operations less cash outflows for investments in intangible assets, property, plant and equipment)	<u>113</u>	<u>159</u>	472	526
Cash flow from financing activities, continuing operations	<u>-164</u>	<u>-71</u>	-848	-798

1 January 2018 – 31 December 2018 Prior-year figures restated.

¹⁾ Adjusted EBITDA means earnings before financial result, taxes, depreciation and amortization, after factoring out special items (adjusted). The special items that are factored out include restructuring, impairment losses / reversals of impairment losses, income and expenses in connection with the purchase / disposal of investments in companies, and other income and expense items that, due to their nature or amount, do not reflect the typical operating business. EBITDA shows operating performance irrespective of the structure of assets and the investment profile. Evonik Group uses this in particular for internal and external comparisons of the cost structure and profitability of Evonik Group's business.

* Adjusted EBITDA is a financial measure presented in this Base Prospectus which is not a recognised financial measure under IFRS ("Non-GAAP Financial Measure") and may therefore not be considered as an alternative to the financial measures defined in the accounting standards in accordance with generally accepted accounting principles ("GAAP Financial Measures"). The Issuer has provided this and other Non-GAAP Financial Measures because it provides investors with additional information to assess the economic situation of Evonik Industries AG's business activities. The definition of this Non-GAAP Financial Measure may vary from the definition of identically named Non-GAAP Financial Measures used by other companies. Adjusted EBITDA as used by the Issuer should not be considered as an alternative to net income/loss after income taxes, revenues or any other measures derived in accordance with IFRS as measures of operating performance. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of results as reported under IFRS.

²⁾ Net financial debt is defined by Evonik as non-current financial liabilities excluding derivatives, excluding the refund liability for rebate and bonus agreements, and excluding liabilities from exchange-type transactions with competitors plus current financial liabilities excluding derivatives, excluding the refund liability for rebate and bonus agreements, and excluding liabilities from exchange-type transactions with competitors less cash and cash equivalents, current securities and other financial investments. Evonik discloses this figure because it regards net financial debt as a helpful measure for evaluating Evonik Group's indebtedness.

** Net financial debt is a financial measure presented in this Base Prospectus which is not a recognised financial measure under IFRS ("Non-GAAP Financial Measure") and may therefore not be considered as an alternative to the financial measures defined in the accounting standards in accordance with generally accepted accounting principles ("GAAP Financial Measures"). The Issuer has provided this and other Non-GAAP Financial Measures because it provides investors with additional information to assess the economic situation of Evonik

Industries AG's financial condition. The definition of this Non-GAAP Financial Measure may vary from the definition of identically named Non-GAAP Financial Measures used by other companies. Net financial debt as used by the Issuer should not be considered as an alternative to current or non-current liabilities or current or non-current financial liabilities, derived in accordance with IFRS as measures of indebtedness or financial condition. Net financial debt has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of indebtedness or financial condition as reported under IFRS.

³⁾ Evonik uses free cash flow as an operational performance indicator. Free cash flow is defined as cash flow from operating activities, continuing operations, less cash outflows for capital expenditures on intangible assets, property, plant and equipment. The free cash flow is calculated before any cash flow items linked to financing activities. It therefore shows Evonik Group's internal financing capacity.

As of 31 December 2019, free cash flow is calculated after tax payments of EUR 245 million relating to the carve-out of the methacrylates business which is included in the cash flow from operations, continuing operations. Accordingly, the free cash flow before tax payments relating to the carve-out of the methacrylates business is EUR 717 million as of 31 December 2019. There have been no tax payments relating to the carve-out of the methacrylates business in fiscal year 2018 [as well as in the first quarter of fiscal year 2019](#).

*** Free cash flow is a financial measure presented in this Base Prospectus which is not a recognised financial measure under IFRS ("**Non-GAAP Financial Measure**") and may therefore not be considered as an alternative to the financial measures defined in the accounting standards in accordance with generally accepted accounting principles ("**GAAP Financial Measures**"). The Issuer has provided this and other Non-GAAP Financial Measures because it provides investors with additional information to assess the economic situation of Evonik Industries AG's business activities. The definition of this Non-GAAP Financial Measure may vary from the definition of identically named Non-GAAP Financial Measures used by other companies. Free cash flow as used by the Issuer should not be considered as an alternative to net income/loss after income taxes, revenues, cash flows from operating activities or any other measures derived in accordance with IFRS as measures of operating performance. Free cash flow has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of results as reported under IFRS."

(ii) In the section **EVONIK INDUSTRIES AG AS ISSUER AND GUARANTOR**, the sub-section "**Trend Information and Significant Changes**" on page 38 of the Base Prospectus shall be modified as follows, ~~red and strikethrough~~ are deleted and the words in [blue and underlined](#) are added:

"Trend Information and Significant Changes

There has been no material adverse change in the prospects of Evonik Group since 31 December 2019.

There has been no significant change in the financial performance of Evonik Group since ~~31 December 2019~~ [31 March 2020](#) to the date of this Base Prospectus.

There have been no significant changes in the financial position of Evonik Group since ~~31 December 2019~~ [31 March 2020](#)."

Part B – Amendments to the section TERMS AND CONDITIONS OF THE NOTES

- (i) In the section *TERMS AND CONDITIONS OF THE NOTES ENGLISH LANGUAGE VERSION*, the sub-section “*OPTION I – Terms and Conditions that apply to Notes with fixed interest rates*” § 5 Redemption on page 57 of the Base Prospectus shall be modified as follows, **red and strikethrough** are deleted and the words in **blue and underlined** are added:

“**[If the Notes are subject to Early Redemption at the Option of the Issuer at Early Redemption Amount the following applies:**

- (b) For purposes of § 5[(3)][(4)][(5)], the Early Redemption Amount of a Note shall be the higher of (i) its Final Redemption Amount together with accrued interest, if any, to (but excluding) the respective Call Redemption Date and (ii) the Present Value. The “**Present Value**” will be calculated by **an independent financial adviser appointed by the Issuer at the Issuer’s expense on the Redemption Calculation Date** ~~the Calculation Agent~~ by discounting the sum of the principal amount of a Note and the remaining interest payments to **[Maturity Date]** on an annual basis, assuming a 365-day year or a 366-day year, as the case may be, and the actual number of days elapsed in such year and using the Comparable Benchmark Yield plus **[percentage]** per cent. “**Comparable Benchmark Yield**” means the yield at the Redemption Calculation Date on the corresponding [Euro denominated benchmark debt security of the Federal Republic of Germany] [UK government Sterling denominated benchmark debt security issued by H.M. Treasury] [Swiss franc denominated benchmark federal bond of the Swiss Confederation] [USD denominated benchmark U.S. Treasury debt security], as having a maturity comparable to the remaining term of the Note to **[Maturity Date]**, that would be used at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to **[Maturity Date]**.

“**Redemption Calculation Date**” means the ~~third~~**tenth** Payment Business Day prior to the Call Redemption Date.]”

- (ii) In the section *TERMS AND CONDITIONS OF THE NOTES GERMAN LANGUAGE VERSION*, the sub-section “*OPTION I – Anleihebedingungen für Schuldverschreibungen mit fester Verzinsung*” § 5 Rückzahlung on page 122 of the Base Prospectus shall be modified as follows, **red and strikethrough** are deleted and the words in **blue and underlined** are added:

„**[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zum vorzeitigen Rückzahlungsbetrag zurückzuzahlen, ist folgendes anwendbar:**

- (b) Für die Zwecke des § 5 Absatz [(3)][(4)][(5)] entspricht der vorzeitige Rückzahlungsbetrag der Schuldverschreibungen (i) dem Rückzahlungsbetrag zuzüglich etwaiger bis zu dem Wahl-Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen oder (ii), falls höher, dem Abgezinsten Marktwert der Schuldverschreibungen. Der “**Abgezinsten Marktwert**” einer Schuldverschreibung wird von **einem von der Emittentin auf eigene Kosten bestellten unabhängigen Finanzsachverständigen am Rückzahlungs-Berechnungstag berechnet** ~~der Berechnungsstelle errechnet~~ und entspricht dem abgezinsten Wert der Summe des Nennbetrages der Schuldverschreibungen und der verbleibenden Zinszahlungen bis zum **[Fälligkeitstag]**. Der abgezinsten Wert wird ~~von der Berechnungsstelle~~ errechnet, indem der Nennbetrag der Schuldverschreibungen und die verbleibenden Zinszahlungen bis zum **[Fälligkeitstag]** auf einer

jährlichen Basis, bei Annahme eines 365-Tage Jahres bzw. eines 366-Tages Jahres und der tatsächlichen Anzahl von Tagen, die in einem solchen Jahr abgelaufen sind, unter Anwendung der Vergleichbaren Benchmark Rendite zuzüglich [**Prozentsatz**]% abgezinst werden. Die **“Vergleichbare Benchmark Rendite”** bezeichnet die am Rückzahlungs-Berechnungstag bestehende Rendite der entsprechenden [Euro-Referenz-Anleihe der Bundesrepublik Deutschland] [durch HM Treasury begebenen Sterling-Referenzanleihe des Vereinigten Königreichs] [Schweizer Franken-Referenz-Bundesanleihe der Schweizerischen Eidgenossenschaft] [Referenz-U.S. Staatsanleihe (US Treasury debt security) in USD] mit einer Laufzeit, die mit der verbleibenden Laufzeit der Schuldverschreibung bis zum [**Fälligkeitstag**] vergleichbar ist, und die im Zeitpunkt der Auswahlentscheidung und entsprechend der üblichen Finanzmarktpraxis zur Preisbestimmung bei Neuemissionen von Unternehmensanleihen mit einer bis zum [**Fälligkeitstag**] der Schuldverschreibung vergleichbaren Laufzeit verwendet werden würde.

“Rückzahlungs-Berechnungstag” ist der ~~dritte~~ zehnte Zahltag vor dem jeweiligen Wahl-Rückzahlungstag (Call).]“

Part C – Amendments to the section DOCUMENTS INCORPORATED BY REFERENCE

- (i) In the section *DOCUMENTS INCORPORATED BY REFERENCE*, the sub-section “*Documents Incorporated by Reference*” on page 223 of the Base Prospectus shall be modified as follows, ~~red and strikethrough~~ are deleted and the words in blue and underlined are added:

“Documents Incorporated by Reference

The following documents which have been published or which are published simultaneously with this Base Prospectus and filed with the CSSF shall be incorporated in, and form part of, this Base Prospectus:

- (a) the unaudited consolidated interim financial statements of Evonik (English language version) dated 31 March 2020;
- (b) the audited consolidated financial statements of Evonik (English language version) dated 31 December 2019 and 31 December 2018, in each case including the independent auditor's report thereon; and
- ~~(b)~~(c) the audited financial statements of Evonik Finance dated 31 December 2019 and 31 December 2018, in each case including the auditors' report thereon, each prepared in accordance with Dutch GAAP.”

- (ii) In the section *DOCUMENTS INCORPORATED BY REFERENCE*, the sub-section “*Cross-reference list of Documents incorporated by Reference*” on page 223 of the Base Prospectus shall be modified as follows, whereby words in blue and underlined are added:

“

Page	Section of Base Prospectus	Document incorporated by reference	Pages
		<u>Quarterly Statements as of 31 March 2020 of Evonik</u>	
		<u>Income statement</u>	<u>13</u>
		<u>Balance sheet</u>	<u>14</u>
		<u>Cash flow statement</u>	<u>15</u>
		<u>Appendix</u>	<u>18 – 21</u>
		<u>Evonik Group's Quarterly Statements as of 31 March 2020 can be found on the following website:</u>	
		<u>https://corporate.evonik.com/Downloads/Corporate/IR/2020_Q1/Evonik%20Q1%202020%20E.pdf</u>	
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Evonik Group's Financial Report 2019 can be found on the following website:

www.evonik.com/Financial_Report_2019

Financial Report 2018 of Evonik

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Evonik Group's Financial Report 2018 can be found on the following website:

www.evonik.com/Financial_Report_2018

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Financial Statements 2019 of Evonik Finance

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Evonik Finance's Financial Statements 2019 can be found on the following website:

https://corporate.evonik.com/Downloads/Corporate/IR/Evonik%20Finance%20B.V._%20Financial%20statements%202019%20and%20auditors%20report_stamped%20version.pdf

Financial Statements 2018 of Evonik Finance

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Evonik Finance's Financial Statements 2018 can be found on the following website:

https://corporate.evonik.com/Downloads/Corporate/IR/Evonik_Finance_B.V._Financial_Report_2018.pdf

For the avoidance of doubt, such parts of the documents relating to the Issuers for the years 2018 and 2019, respectively, [and the quarterly statement as of 31 March 2020](#) which are not explicitly listed in the above cross-reference list, are not incorporated by reference into this Base Prospectus. Information contained in such parts is either of no relevance for an investor or covered in other parts of this Base Prospectus.”

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